

THE BUDGET MESSAGE OF THE PRESIDENT

The budget for 2004 meets the challenges posed by three national priorities: winning the war against terrorism, securing the homeland, and generating long-term economic growth. It restrains the growth in federal spending and addresses the long-term fiscal challenge presented by Medicare and Social Security's unfunded promises. This year's budget also helps America meet its goals both at home and overseas.

We remain at war with an enemy that seeks to use murder, stealth, and fear against all free nations. Yet our response has been resolute. The people of Afghanistan have been freed from the oppressive regime that sponsors the terrorists who planned and carried out the attacks of September 11, 2001. We are hunting down the terrorist leaders and their collaborators, one by one. And we continue to disrupt their plots, shut down their financing, and deny them safe haven.

We have moved to secure the nation's safety. Just 10 days ago, the new Department of Homeland Security began operations in the biggest reorganization of the Federal Government in a half-century. The cabinet-level department unifies the work of 22 programs and agencies and will move quickly to better protect Americans from threats here at home. We also have moved to defend America's interests abroad, and to confront danger wherever it emerges. Working with our allies and partners, we will face down regimes that govern by fear and deception, and we will devote the necessary resources to protect ourselves and our friends against the use of weapons of mass destruction.

We are strengthening our economy by allowing American families to keep more of their own money and encouraging businesses to save, spend, and grow. While the economy is growing, it is not growing fast enough. Too many Americans who want to work can't find a job, and too many American families are falling behind.

The growth and jobs plan I outlined earlier this year will provide critical momentum to our economic recovery. For every American paying income taxes, I propose speeding up the tax cuts already approved by the Congress, because Americans need that relief today. And for America's 84 million investors, and those who will become investors, I propose eliminating the double taxation of stock dividends. Double taxation is unfair and bad for our economy.

Government cannot manage or control the economy. But government can remove the barriers blocking stronger economic growth. My plan will give Americans more tools to achieve that growth.

A recession and a war we did not choose have led to the return of deficits. My Administration firmly believes in controlling the deficit and reducing it as the economy strengthens and our national security interests are met. Compared to the overall federal budget and the \$10.5 trillion national economy, our budget gap is small by historical standards. By protecting our vital national security interests and promoting economic growth, we will meet the challenges and concerns of the American people. We will not let them down.

I will also insist on spending discipline in Washington D.C., so we can meet our priorities. We must prepare for the future costs of Social Security and Medicare. My budget takes the first steps toward modernizing Medicare and includes prescription drug coverage.

We will continue to focus on getting results from federal spending. A federal program's measure of success is not its size, but the value it delivers. And my budget will focus on this goal in a new and important way. If federal programs cannot show results, they should be overhauled, or retired.

And while human compassion cannot be summarized in dollars and cents, this budget addresses the many challenges our society faces: bridging the gap for low-income families, so they can buy affordable homes; helping communities of faith pull the addicted from the grip of drugs; lifting children out of poverty and hopelessness by creating good schools and offering them caring adult mentors; and easing the pain and hardship of the global epidemic of AIDS.

Some of the challenges we face will endure for many years and require great resources. As we look down that path, we will not always get to choose which battles we fight. It is, however, our duty to fight them. History may not remember every single way we contributed to this nation's betterment, but it will remember if we failed to try. The courage to take on challenges, and the enterprise with which we have succeeded in meeting them, have always distinguished America. This same courage and enterprise will help America meet these challenges, and prevail once again.

GEORGE W. BUSH
February 3, 2003