



NEWS

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Taxpayers Applaud Proposed Budget Cuts, Wary of New Spending in FY 2005 Budget Bill

President Bush's budget is largest in nation's history – even as it holds some spending far below previous levels.

WASHINGTON – Today, President Bush revealed his budget for the federal government for Fiscal Year 2005, which starts in October 2004. The \$2.4 trillion budget marks a 3.5% increase over current spending levels.

Americans for Tax Reform (ATR), the nation's leading taxpayer advocacy organization, praised the proposal, but cautioned against excessive spending in defense and homeland security, especially pork-barrel spending hidden under the guise of national security.

“The president’s budget is a good starting point,” said Grover Norquist, who heads ATR in Washington, **“but spending on non-defense discretionary items is still increasing far above levels during the 1990s. Congress needs to take a look at this proposal – which spends more than is produced by all the economies of South America, less Brazil – and break out the trimming shears, especially on agriculture, federal education, and in other departments where bureaucrats sleep on the job.”**

The President’s proposal would boost military spending by 7% in 2005 and homeland security by 10%, including an 11% increase in FBI funding to support increased counterterrorism activities. The budget also holds the increase for all of the government's discretionary programs - those other than entitlements such as Social Security and Medicare - to 3.9 percent in 2005. Programs outside those two areas will be restrained to an overall increase of just 0.5 percent, below the rise in inflation, and some agencies will see actual cuts. The budget calls for outright spending cuts in seven of 16 Cabinet-level agencies, most greatly in The Agriculture Department (8.1 percent reduction) and the EPA (7.2 percent). The departments of Commerce, Health and Human Services, Justice, Transportation and Treasury would also see their funding for discretionary programs decrease in 2005 under the President's plan.

Most remarkably, the President on Saturday called for all new spending hikes to be matched dollar for dollar with budget cuts. He stated: “To assure that Congress observes spending discipline, now and in the future, I propose making spending limits the law. This simple step would mean that every additional dollar the Congress wants to spend in excess of spending limits must be matched by a dollar in spending cuts elsewhere.”

“President Bush took it to the congressional appropriators with his speech on Saturday,” continued Norquist. **“He basically said, ‘You wanna spend more? Fine – just find new cuts to make up the new costs.’ Now it’s time to see how the big spenders like making spending limits the law. And it is the duty of every taxpayer group in the country to put pressure on Congress and the President to keep spending down.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases.
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