



NEWS

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President Bush to Congress: Hold the Line on Spending, and I'll Do the Same

President's new budget holds spending growth to 4.2%, while beefing up national defense and homeland security.

WASHINGTON – There are two numbers to watch in domestic budget politics – the amount of money the government taxes, and the amount the government spends. Like a true conservative, President Bush has cut the former and is holding the line on the latter.

The President's FY 2004 budget, released today, holds the overall increase in federal spending to 4.2% while accelerating the tax relief passed in June of 2001. The plan also calls for the complete elimination of the double taxation of dividends, which will help nearly 10 million seniors who receive dividend income and will boost investor confidence.

“When it comes to the economy, the government's job is to promote an atmosphere of competition. From there, getting out of the way and letting the people work is the path to economic growth,” said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington. **“The President's budget both provides tax relief and holds the line on domestic spending, and there is no better way to promote economic growth than that,”** he continued.

The fastest growing major categories of discretionary spending are homeland security at 5.5% and defense at 4.2%. The total for all other domestic discretionary spending grows at 3.8%, with emphasis on education, including a voucher program for the District of Columbia, health care through health care tax credits and tax-free savings accounts, energy and the environment.

Taxpayers also cheered Team Bush for including an extra book measuring the efficiency of federal programs and agencies. Such analysis is de rigeur in the private sector, and the President, with an MBA from Harvard Business School, has wisely introduced these standards to the public sector.

“Restrained government frees markets and minds,” continued Norquist, **“and this budget, in the face of the challenges facing America, defines fiscal restraint. President Bush's critics are clamoring for both more spending and less deficits. His critics are a gaggle of walking paradoxes, it seems.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who support tax simplification and oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.