

THE WHITE HOUSE

Office of the Press Secretary
Embargoed for Release
At 9:01 PM EST
January 20, 2004

The State of the Union January 20, 2004

In his State of the Union address, President Bush discussed the serious challenges facing our Nation and the steps we must take to make America a more secure, more prosperous, and more hopeful country. The President recognized that, over the last three years, America has come together to overcome great challenges, and he underscored his faith and confidence in the American people and our Nation's future. Now the choice is clear ? to move forward on the path to freedom and prosperity, or to turn back.

President Bush laid out ambitious goals for the future, behind which all Americans can unite, and urged the Nation to move forward with the work that still needs to be done this year:

1. Making America Safer with Decisive Action to Win the War on Terror
2. Keeping America on Track for a More Prosperous Future
3. Strengthening Health Care for Millions of Americans
4. Building a Better and More Compassionate America for All

Making America Safer with Decisive Action to Win the War on Terror

America is safer today because of the decisive action and leadership of President Bush. Although there has not been a successful attack on our homeland in 28 months, the President will not allow the nation to return to a sense of false security and complacency. He called for continued action at home and abroad to defeat the terrorists and pursuit of a forward strategy of freedom to promote democracy throughout the Middle East.

- America continues to wage a relentless campaign against terrorists who threaten our country. In this war, America is taking the offensive -- denying terrorists refuge; identifying, blocking, and seizing their finances; and holding terrorists and their sponsors to account. We have captured almost two-thirds of the known Al-Qaida leaders, including the mastermind of the September 11 attacks.
 - Afghanistan, once ruled by the brutal Taliban regime that sheltered Al-Qaida, has adopted a new constitution and is following the path of democracy, including providing fundamental rights to women.
 - Libya has now pledged to disclose and dismantle all of its weapons of mass destruction programs.
 - In Iraq, Saddam Hussein has been overthrown and captured, and the enemies of freedom are being systematically routed from their hiding places and rounded up. Iraqis are assuming greater responsibility for their own security and future government, and America and more than 30 nations are helping the Iraqi people make the transition to full sovereignty by the end of June. Although it is hard work, we will stand by them as they complete the transition to democracy.
- The President called on Congress to renew the USA PATRIOT Act, which provides law enforcement officials with essential tools needed to track down terrorists. The USA PATRIOT Act allows investigators and prosecutors to use laws originally designed to prosecute embezzlers and drug traffickers to bring international terrorists to justice -- enabling Federal law enforcement to better share information, track terrorists, disrupt their cells, and seize their assets.

- The President recognizes that different threats require different strategies. He is working with other nations to ensure that North Korea and Iran abandon their nuclear ambitions and join the world community in preventing the spread of dangerous weapons.
- America's actions will result in the spread of democracy in the Middle East -- an important step that will provide an alternative to terror and violence. To further encourage the progress of democracy, President Bush is calling for a doubling of support for the National Endowment for Democracy, and focusing its new work on the development of free elections, free markets, free press, and free labor unions in the Middle East.

Keeping America on Track for a More Prosperous Future

The last three years have revealed the fundamental strengths of America's economy. Despite the unprecedented economic shocks of recession, the September 11 attacks, corporate scandals, and war, America's economy is on track for recovery and sustained job creation.

- The tax relief proposed and signed into law by President Bush was the right action at the right time for our economy. This tax relief doubled the child tax credit; reduced the marriage penalty; phased out the death tax; lowered taxes on capital gains, stock dividends, and small businesses to create incentives for job creation; and lowered taxes for every American who pays income taxes.
- The results of this decisive action are clear. Economic growth in the 3rd quarter of 2003 and new home construction were the highest in almost 20 years; homeownership levels are at historic highs; manufacturing activity is increasing; inflation and interest rates are low; and a quarter million jobs were created in the last half of 2003.
- President Bush called on Congress to secure these positive economic trends for the future by making the tax relief permanent -- so families and businesses can plan and invest with confidence.

Helping Americans Access High-Demand Jobs: America's economy is growing, but it is also changing due to higher productivity and new technology. It is more important than ever that Americans have the education and training needed to succeed. The No Child Left Behind Act is bringing important reforms to America's schools by insisting on standards and accountability for results. There are substantial resources available to implement these reforms, and President Bush will fight any effort to undo them.

- Many older students and current workers will also need to strengthen their skills to compete for the jobs of tomorrow. President Bush proposed more than \$500 million for a series of measures called Jobs for the 21st Century -- designed to provide extra help to middle and high school students who fall behind in reading and math, expand Advanced Placement programs in low-income schools, and invite math and science professionals from the private sector to teach part-time in high schools.
- The President's Jobs for the 21st Century initiative also increases support for America's community colleges to train workers for the industries that are creating the most new jobs. The initiative will also provide larger Pell Grants for low-income students who prepare for college with demanding courses in high school.

Sustaining Economic Growth: To help sustain America's economic recovery, President Bush called on Congress to protect employers from junk lawsuits, ensure an affordable and reliable supply of energy, and give younger workers an opportunity to set aside a portion of their Social Security taxes in personal retirement accounts. He also called for a reduction in burdensome and needless Federal regulations on employers. He also underscored his commitment to fiscal responsibility by announcing that his FY 2005 budget will hold discretionary spending growth to less than 4%, keeping America on track to cut the deficit

in half in five years. And, he asked Congress to reform our immigration laws to reflect America's values while benefiting our economy.

Strengthening Health Care for Millions of Americans

President Bush urged Congress to extend the benefits of modern medicine throughout our country and take action to help control the rising costs of medical care and give more Americans access to health insurance.

Strengthening Medicare: Just last month, President Bush signed legislation to strengthen Medicare and add a prescription drug benefit, keeping a commitment to seniors to help them afford the medicines they need.

- Starting this year, seniors can choose to receive a drug discount card that will save 10-25% off the retail price of most prescription drugs -- and millions of low-income seniors can get an additional \$600 to buy medicine.
- Beginning next year, seniors will have new coverage for preventive screenings against diabetes and heart disease, and seniors just entering Medicare can receive wellness exams.
- In January of 2006, seniors can get prescription coverage under Medicare. For a modest monthly premium, most seniors who do not have prescription drug coverage could see their drug bills cut roughly in half. Seniors will be able to keep Medicare just as it is today, or choose the Medicare plan that fits them best -- similar to the health care choices offered to Members of Congress. President Bush will veto any effort to take this prescription drug coverage away from seniors or limit their choices.

Increasing Health Care Affordability and Coverage: President Bush is concerned about the rising cost of health care and helping Americans to afford health care coverage that best meets their needs. The President rejects the notion of a government-run health care system as some have proposed. He outlined a series of steps for making health insurance more affordable and accessible, including:

- Enabling small businesses to band together and negotiate for lower insurance rates, covering more workers with health insurance, through Association Health Plans.
- Giving lower-income Americans a refundable tax credit so millions can buy their own basic health insurance coverage.
- Computerizing health records to reduce costs, improve care, and lower the risk of medical mistakes.
- Eliminating frivolous medical lawsuits that damage the doctor-patient relationship and keep good doctors from doing their good work.
- Allowing individuals who buy catastrophic health care coverage as part of their new Health Savings Accounts to deduct 100% of the premium from their taxes.

Building a Better and More Compassionate America for All

- During this time of great change in our nation, the President spoke to the importance of preserving the timeless values and vital institutions that continue to make America strong -- like families, schools, and religious congregations.
- The President proposed several new steps to help young Americans make responsible choices.

- Drug use in high school has declined by 11 percent over the past two years, and 400,000 fewer young people are using illegal drugs than in 2001. The President's FY 05 budget will include new funding to continue our aggressive, community-based strategy to reduce demand for illegal drugs ? as well as an increase of \$23 million for schools that want to use drug testing as a tool to save children's lives.
 - To ensure that role models do not send the wrong message about substance abuse to millions of American children, the President called on America's professional sports leagues and their unions to take decisive action to address the problem of performance-enhancing drugs.
 - At a time when 3 million American teenagers contract sexually transmitted diseases each year, the President proposes a new grassroots health campaign to inform teens and parents of the risks -- and a doubling of Federal funding for abstinence education programs.
- Defending the Sanctity of Marriage: The President emphasized his belief that marriage is between a man and a woman, and he called for a defense of the sanctity of marriage against activist judges who are attempting to redefine marriage by court order without listening to the voices of the people or their elected representatives. He will stand behind the Defense of Marriage Act and called for a civil dialogue on this important issue.
 - Faith- and Community-Based Groups: The President is fully committed to empowering more of America's faith- and community-based charities to address some of our toughest social problems and help those most in need. He proposes to codify the executive order he signed that ends Federal discrimination against these groups. And he announced a new plan to bring local and faith-based groups together with Federal agencies to help recently released prisoners make a successful transition back to society -- reducing the chance that they will be arrested again. This 4-year, \$300 million initiative will provide transitional housing, basic job training, and mentoring.

President Bush described the state of our Union as confident and strong and urged all Americans to move forward and complete the important work ahead.