

*The President.* Is this a followup to Scott's question?

Q. Yes.

*The President.* Let me repeat, I just—let me repeat what I just said.

Q. Okay.

*The President.* I want to know the facts. And I want to know exactly—I want to compare what the ISG finds with what we thought going in.

Keil [Richard Keil, Bloomberg News].

*Medicare Prescription Drug, Improvement, and Modernization Act of 2003*

Q. Mr. President, are you concerned at all that the new ballooning cost of Medicare bill will get you in trouble, political trouble, with members of your own party who voted for it only on the assurance that it wouldn't go above \$400 billion?

*The President.* Well, I, 2 weeks ago, received an estimate about Medicare. I asked two questions to the estimators. One, does the Medicare reform do what we want it to do still, which is to provide modern medicine for our seniors and to introduce competition, which will eventually hold

down costs of Medicare. And secondly, the new estimate of Medicare costs fulfilled my promise to reduce the deficit in half over a 5-year period of time.

And the budget we'll submit on Monday does fulfill that promise, that we'll reduce the deficit in half. Now, it's going to require Congress to be wise with the taxpayers' money. The Medicare reform we did is a good reform, fulfills a long-standing promise to our seniors. Congress is now going to have to work with us to make sure that we set priorities and are fiscally wise with the taxpayers' money. I'm confident they can do that if they're willing to make tough choices. And so the budget we submit will show that we can cut the deficit in half over a 5-year period.

NOTE: The exchange began at 11:34 a.m. in the Roosevelt Room at the White House. In his remarks, the President referred to David Kay, former CIA Special Advisor for Strategy Regarding Iraqi Weapons of Mass Destruction Programs, and former President Saddam Hussein of Iraq. A tape was not available for verification of the content of this exchange.

## Remarks Following Discussions With Secretary General Jakob Gijsbert "Jaap" de Hoop Scheffer of the North Atlantic Treaty Organization *January 30, 2004*

*President Bush.* Mr. Secretary General, welcome. We are proud that you're here. The Secretary General and I have had a good discussion about NATO, my administration's commitment to a strong and vibrant NATO, our mutual desire to make the world more peaceful through freedom. I appreciate your willingness to discuss important theaters like Afghanistan and Iraq, the need for us to make sure our militaries are transformed and modern. I know that we will have a good working relationship, and I know you'll do a great job on behalf

of all of us who treasure the NATO—the NATO Alliance.

So welcome, sir.

*Secretary General de Hoop Scheffer.* Thank you very much. Thank you very much, Mr. President. Also, from my side, may I say that I entirely share your opinion, as we discussed in our conversation. But NATO is about values. NATO is defending values which might be normal for us, but our—in other parts of the world, less normal.

And that's why we are in Afghanistan fighting terrorism. And NATO is going to

take a larger role in Afghanistan. That's what we discussed. We have, of course, touched upon Iraq, the political developments in Iraq, the upcoming 1st of May for the transfer of sovereignty in Iraq, and a possible greater NATO role after that. We discussed the Balkans. We have discussed NATO-Russian relationship.

In other words, the full range of subjects NATO is dealing with, defending these values as an organization which is undergoing a fundamental transformation process, taking in, in a short time, new member states, seven new member states—it's a matter of weeks—transforming into an organization which can defend those values wherever there is a necessity in the world—be it in the Balkans, where NATO has been very

successful be it in Afghanistan; be it in Iraq, where NATO is now supporting the Polish-led multinational division and where NATO might take on a greater role when the sovereign Iraqi Government would ask NATO to do that.

So I very much enjoyed, Mr. President, my conversation with you. And I'm sure that with your support, with the support of the United States, and all the other NATO Alliance, we are going to make this a success.

Thank you so much.

NOTE: The President spoke at 2 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

## The President's Radio Address *January 31, 2004*

Good morning. This coming week, my administration will release our proposed budget for fiscal year 2005. In that detailed blueprint for Government spending, Americans will see my priorities clearly at work. We will devote the resources necessary to win the war on terror and protect our homeland. We'll provide compassionate help to seniors, to schoolchildren, and to Americans in need of job training. And we will be responsible with the people's money by cutting the deficit in half over 5 years.

With troops currently on the ground fighting our enemies, my budget increases defense spending by 7 percent, money that will go the pay for equipment, ammunition, and troop housing. We'll keep our military strong and ready for every challenge that may come. Since I took office, we have increased pay for our men and women in uniform by 21 percent. Next year, I propose raising their pay by another 3.5 percent. Our troops put their lives on the line

to defend America, and we owe them our best in return.

Given the continued terrorist threat against the American people, my budget nearly triples homeland security spending over 2001 levels, including an increase of nearly 10 percent next year, to \$30.5 billion. This money will help tighten security at our borders, airports, and seaports, and improve our defenses against biological attack. I'm proposing to raise the budget for the FBI by 11 percent, including a \$357 million increase in spending on counterterrorism activities. America will not let its guard down in our war on terror.

My budget also focuses on our priorities at home. This year, we'll begin moving towards prescription drug coverage under Medicare by providing drug discount cards to seniors. We'll also help lower-income seniors this year and next with up to \$600 in direct assistance for drug costs.

We're devoting additional resources to our schools to help them meet the higher