

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 9, 2009

TO THE CONGRESS OF THE UNITED STATES:

Today I am pleased to submit to the Congress the enclosed legislative proposal, the "Statutory Pay-As-You-Go Act of 2009," or "PAYGO," together with a sectional analysis.

The deficits that my Administration inherited reflect not only a severe economic downturn but also years of failing to pay for new policies -- including large tax cuts that disproportionately benefited the affluent. This failure of fiscal discipline contributed to transforming surpluses projected at the beginning of this decade into trillions of dollars in deficits. I am committed to returning our Government to a path of fiscal discipline, and PAYGO represents a key step back to the path of shared responsibility.

PAYGO would hold us to a simple but important principle: we should pay for new tax or entitlement legislation. Creating a new non-emergency tax cut or entitlement expansion would require offsetting revenue increases or spending reductions.

In the 1990s, statutory PAYGO encouraged the tough choices that helped to move the Government from large deficits to surpluses, and I believe it can do the same today. Both houses of Congress have already taken an important step toward righting our fiscal course by adopting congressional rules incorporating the PAYGO principle. But we can strengthen enforcement and redouble our commitment by enacting PAYGO into law.

Both the Budget I have proposed and the Budget Resolution approved by the Congress would cut the deficit in half by the end of my first term, while laying a new foundation for sustained and widely shared economic growth through key investments in health, education, and clean energy. Enacting statutory PAYGO would complement these efforts and represent an important step toward strengthening our budget process, cutting deficits, and reducing national debt. Ultimately, however, we will have to do even more to restore fiscal sustainability.

I urge the prompt and favorable consideration of this proposal.

BARACK OBAMA

THE WHITE HOUSE,
June 9, 2009.

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