

PRESIDENT'S MESSAGE

Throughout America's history, there have been some years that appeared to roll into the next without much notice or fanfare. Budgets are proposed that offer some new programs or eliminate an initiative, but by and large continuity reigns.

Then there are the years that come along once in a generation, when we look at where the country has been and recognize that we need a break from a troubled past, that the problems we face demand that we begin charting a new path. This is one of those years.

We start 2009 in the midst of a crisis unlike any we have seen in our lifetimes. Our economy is in a deep recession that threatens to be deeper and longer than any since the Great Depression. More than three and a half million jobs were lost over the past 13 months, more jobs than at any time since World War II. In addition, another 8.8 million Americans who want and need full-time work have had to settle for part-time jobs. Manufacturing employment has hit a 60-year low. Our capital markets are virtually frozen, making it difficult for businesses to grow and for families to borrow money to afford a home, car, or college education for their kids. Many families cannot pay their bills or their mortgage payments. Trillions of dollars of wealth have been wiped out, leaving many workers with little or nothing as they approach retirement. And millions of Americans are unsure about the future—if their job will be there tomorrow, if their children will be able to go to college, and if their grandchildren will be able to realize the full promise of America.

This crisis is neither the result of a normal turn of the business cycle nor an accident of history. We arrived at this point as a result of an era of profound irresponsibility that engulfed both

private and public institutions from some of our largest companies' executive suites to the seats of power in Washington, D.C. For decades, too many on Wall Street threw caution to the wind, chased profits with blind optimism and little regard for serious risks—and with even less regard for the public good. Lenders made loans without concern for whether borrowers could repay them. Inadequately informed of the risks and overwhelmed by fine print, many borrowers took on debt they could not really afford. And those in authority turned a blind eye to this risk-taking; they forgot that markets work best when there is transparency and accountability and when the rules of the road are both fair and vigorously enforced. For years, a lack of transparency created a situation in which serious economic dangers were visible to all too few.

This irresponsibility precipitated the interlocking housing and financial crises that triggered this recession. But the roots of the problems we face run deeper. Government has failed to fully confront the deep, systemic problems that year after year have only become a larger and larger drag on our economy. From the rising costs of health care to the state of our schools, from the need to revolutionize how we power our economy to our crumbling infrastructure, policymakers in Washington have chosen temporary fixes over lasting solutions.

The time has come to usher in a new era—a new era of responsibility in which we act not only to save and create new jobs, but also to lay a new foundation of growth upon which we can renew the promise of America.

This Budget is a first step in that journey. It lays out for the American people the extent of

the crisis we inherited, the steps we will take to jumpstart our economy to create new jobs, and our plans to transform our economy for the 21st Century to give our children and grandchildren the fruits of many years of economic growth.

It is true that we cannot depend on government alone to create jobs or to generate long-term growth. Ours is a market economy, and the Nation depends on the energy and initiative of private institutions and individuals. But at this particular moment, government must lead the way in providing the short-term boost necessary to lift us from a recession this severe and lay the foundation for future prosperity. That's why immediately upon taking office, my Administration worked with the Congress to pass the American Recovery and Reinvestment Act. This plan's provisions will put money in the pockets of the American people, save or create at least three and a half million jobs, and help to revive our economy.

This moment is one of great paradox and promise: while there are millions of Americans trying to find work, there is also so much work to be done. That's why the Recovery Act and our Budget will make long overdue investments in priorities—like clean energy, education, health care, and a new infrastructure—that are necessary to keep us strong and competitive in the 21st Century.

To finally spark the creation of a clean energy economy, we will make the investments in the next three years to double our Nation's renewable energy capacity. We will modernize Federal buildings and improve the energy efficiency of millions of American homes, saving consumers and taxpayers billions on our energy bills. In the process, we will put Americans to work in new jobs that pay well—jobs installing solar panels and wind turbines; constructing energy efficient buildings; manufacturing fuel efficient vehicles; and developing the new energy technologies that will lead to even more jobs and more savings, putting us on the path toward energy independence for our Nation and a cleaner, safer planet in the process.

To improve the quality of our health care while lowering its cost, we will make the immediate investments needed to computerize all of America's medical records within five years while protecting the privacy of patients. This is a necessary step to reducing waste, eliminating red tape, and avoiding the need to repeat expensive medical tests. We also will fundamentally reform our health care system, delivering quality care to more Americans while reducing costs for us all. This will make our businesses more competitive and ease a significant and growing burden middle-class families are bearing.

To give our children a fair shot to thrive in a global, information-age economy, we will equip thousands of schools, community colleges, and universities with 21st Century classrooms, labs, and libraries. We'll provide new technology and new training for teachers so that students in Chicago and Boston can compete with kids in Beijing for the high-tech, high-wage jobs of the future. We will invest in innovation, and open the doors of college to millions of students. We will pursue new reforms—lifting standards in our schools and recruiting, training, and rewarding a new generation of teachers. And in an era of skyrocketing college tuitions, we will make sure that the doors of college remain open to children from all walks of life.

To create a platform for our entrepreneurs and workers to build an economy that can lead this future, we will begin to rebuild America for the demands of the 21st Century. We will repair crumbling roads, bridges, and schools as well as expand broadband lines across America, so that a small business in a rural town can connect and compete with its counterparts anywhere in the world. And we will invest in the science, research, and technology that will lead to new medical breakthroughs, new discoveries, and entire new industries.

Regaining our economic strength also is critical to our national security. It is a major source of our global leadership, and we must not let it waver. That's why this Budget makes critical investments in rebuilding our military, securing our

homeland, and expanding our diplomatic efforts because to provide for the security of the United States we need to use all elements of our power. Moreover, to honor the service of those who have worn our military's uniform, we will make the investments necessary to take care of our veterans.

For these initiatives to lay a foundation for long-term economic growth, it's important that we not only change what Washington invests in, but how Washington does business. We must usher in a new era of responsibility in which we empower citizens with the information they need to hold their elected representatives accountable for the decisions they make. We need to put tired ideologies aside, and ask not whether our Government is too big or too small, or whether it is the problem or the solution, but whether it is working for the American people. Where it does not, we will stop spending taxpayer dollars; where it has proven to be effective, we will invest. This is the approach, for example, we have begun in allocating funds to education, health care, and national security. And as we continue the budgetary process, we will identify more cuts and reallocations for the full Budget presented this spring, and undertake efforts to reform how the programs you fund are managed so that overruns are avoided, waste is cut, and you get the most effective and efficient Government possible.

In the little more than a month my Administration has had in office, we have not had the time to fully execute all the budget reforms that are needed, and to which I am fully committed. Those will come in the months ahead, and next year's budget process will look much different.

But this Budget does begin the hard work of bringing new levels of honesty and fairness to your Government. It looks ahead a full 10 years, making good-faith estimates about what costs we would incur; and it accounts for items that under the old rules could have been left out, making it appear that we had billions more to spend than we really do. The Budget also begins to restore a basic sense of fairness to the tax code, eliminating incentives for companies that ship jobs overseas and giving a generous

package of tax cuts to 95 percent of working families.

Finally, while we have inherited record budget deficits and needed to pass a massive recovery and reinvestment plan to try to jump-start our economy out of recession, we cannot lose sight of the long-run challenges that our country faces and that threaten our economic health—specifically, the trillions of dollars of debt that we inherited, the rising costs of health care, and the growing obligations of Social Security. Therefore, while our Budget will run deficits, we must begin the process of making the tough choices necessary to restore fiscal discipline, cut the deficit in half by the end of my first term in office, and put our Nation on sound fiscal footing.

Some may look at what faces our Nation and believe that America's greatest days are behind it. They are wrong.

Our problems are rooted in past mistakes, not our capacity for future greatness. We should never forget that our workers are more innovative and industrious than any on earth. Our universities are still the envy of the world. We are still home to the most brilliant minds, the most creative entrepreneurs, and the most advanced technology and innovation that history has ever known. And we are still the Nation that has overcome great fears and improbable odds. It will take time, but we can bring change to America. We can rebuild that lost trust and confidence. We can restore opportunity and prosperity. And we can bring about a new sense of responsibility among Americans from every walk of life and from every corner of the country.

BARACK OBAMA

THE WHITE HOUSE,
FEBRUARY 26, 2009.