

lowest level as a share of our national income since we began keeping records in 1962.

But we must go further, and one important step we can and must take is restoring the so-called pay-as-you-go rule, or PAYGO. This is a rule I championed in the Senate and called for time and again on the campaign trail. Today, with the support of these legislators, including the Speaker of the House, my administration is submitting to Congress a proposal to codify this rule into law, and I hope that the House and Senate will act quickly to pass it.

The pay-as-you-go rule is very simple: Congress can only spend a dollar if it saves a dollar elsewhere. And this principle guides responsible families managing a budget. And it is no coincidence that this rule was in place when we moved from record deficits to record surpluses in the 1990s, and that when this rule was abandoned, we returned to record deficits that doubled the national debt. Entitlement increases and tax cuts need to be paid for. They're not free, and borrowing to finance them is not a sustainable long-term policy.

Paying for what you spend is basic common sense. Perhaps that's why here in Washington it's been so elusive. Of course, there have been those in Washington leading the charge to restore PAYGO, and many of them are here today. I want to recognize Congressman George Miller, who introduced the first PAYGO bill in the House. I want to thank the House Blue Dogs and their leader, especially Baron Hill, who has been a driving force in favor of PAYGO. I want to acknowledge Senator Claire McCaskill, who's shown real leadership on this issue in the Senate. And as I said, I want to acknowledge the Speaker of the House, as well as leader Steny Hoyer, who are here because they understand the importance of this principle and are fully supportive of our efforts.

In fact, 2 years ago, a new Democratic Congress put in place congressional rules to restore this principle, but could not pass legislation without the support of the administration. I want you all to know you now have that support.

The fact is there are few who aren't distressed by deficits. It's a concern that crosses party lines, geographic boundaries, and ideological divides. But often, in the give-and-take of the political process, the vested interests of the few overtake the broader interests of the many. The debate of the day drowns out those who speak of what we may face tomorrow. And that's why pay-as-you-go is essential. It requires Congress to navigate the ebb and flow of politics while remaining fixed on that fiscal horizon.

The reckless fiscal policies of the past have left us in a very deep hole, and digging our way out of it will take time, patience, and some tough choices. I know that in the face of this historic challenge there are many across this country who are skeptical of our collective ability to meet it. They're not wrong to feel that way. They're not wrong to draw this lesson after years in which we've put off difficult decisions, in which we've allowed our politics to grow smaller as our challenges grew ever more daunting.

But I think everybody understands this is an extraordinary moment, one in which we are called upon not just to restore fiscal responsibility, but to once again live up to the broader responsibilities we have to one another. And I know that we can summon that sense of shared obligation, that we have the capacity to change and to grow and to solve even our toughest of problems.

And that's at the heart of why we're here today. I appreciate the work of the people in this room who've shown a willingness to make hard choices and do the hard work that's essential to overcoming the challenges of the present, while leaving our Nation better off in the future. So this is going to be a lift. We know it's going to be tough. I think we can get it done, especially with the extraordinary leadership that is on display here today.

Thank you very much, everybody. Take care.

NOTE: The President spoke at 1:07 p.m. in the East Room at the White House.

## Message to the Congress on Proposed Pay-As-You-Go Legislation

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.

## Statement on the Day of Portugal, Camoes, and the Portuguese Communities

June 10, 2009

The United States and Portugal have a strong and long-standing friendship. Today, on the “Day of Portugal, Camoes, and the Portuguese Communities,” people of Portuguese descent around the world mark the date of the passing of Portugal’s greatest poet, Luis Vaz de Camoes. It is fitting that Camoes, who lived from 1524 to 1580, is best known for his epic

poem, *Os Lusíadas*, a tribute to the golden age of Portuguese exploration and discovery.

This Nation has greatly benefited from the contributions of countless Portuguese Americans. On this Day of Portugal, I proudly send my best wishes to all who celebrate Portuguese culture and heritage on this occasion.

## Statement on the Shooting at the United States Holocaust Memorial Museum

June 10, 2009

I am shocked and saddened by today’s shooting at the U.S. Holocaust Memorial Museum. This outrageous act reminds us that

we must remain vigilant against anti-Semitism and prejudice in all its forms. No American institution is more important to this effort than