

TO THE CONGRESS OF THE UNITED STATES:

I have the honor to transmit to you the *Budget of the United States Government for Fiscal Year 2010*.

In my February 26th budget overview, *A New Era of Responsibility: Renewing America's Promise*, I provided a broad outline of how our Nation came to this moment of economic, financial, and fiscal crisis; and how my Administration plans to move this economy from recession to recovery and lay a new foundation for long-term economic growth and prosperity. This Budget fills out this picture by providing full programmatic details and proposing appropriations language and other required information for the Congress to put these plans fully into effect.

Specifically, this Budget details the pillars of the stable and broad economic growth we seek: making long overdue investments and reforms in education so that every child can compete in the global economy, undertaking health care reform so that we can control costs while boosting coverage and quality, and investing in renewable sources of energy so that we can reduce our dependence on foreign oil and become the world leader in the new clean energy economy.

Fiscal discipline is another critical pillar in this economic foundation. My Administration came into office facing a budget deficit of \$1.3 trillion for this year alone, and the cost of confronting the recession and financial crisis has been high. While these are extraordinary times that have demanded extraordinary responses, it is impossible to put our Nation on a course for long-term growth without beginning to rein in unsustainable deficits and debt. We no longer can afford to tolerate investments in programs that are outdated, duplicative, ineffective, or wasteful.

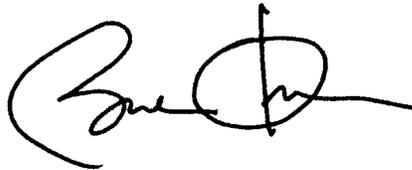
That is why the Budget I am sending to you includes a separate volume of terminations, reductions, and savings that my Administration has identified since we sent the budget overview to you 10 weeks ago. In it, we identify programs that do not accomplish the goals set for them, do not do so efficiently, or do a job already done by another initiative. Overall, we have targeted more than 100 programs that should be ended or substantially changed, moves that will save nearly \$17 billion next year alone.

These efforts are just the next phase of a larger and longer effort needed to change how Washington does business and put our fiscal house in order. To that end, the Budget includes billions of dollars in savings from steps ranging from ending subsidies for big oil and gas companies, to eliminating entitlements to banks and lenders making student loans. It provides an historic down payment on health care reform, the key to our long-term fiscal future, and was constructed without commonly used budget gimmicks that, for instance, hide the true costs of war and natural disasters. Even with these costs on the books, the Budget will cut the deficit in half by the end of my first term, and we will bring non-defense discretionary spending to its lowest level as a share of GDP since 1962.

Finally, in order to keep America strong and secure, the Budget includes critical investments in rebuilding our military, securing our homeland, and expanding our diplomatic efforts because we need to use all elements of our power to provide for our national security. We are not only proposing significant funding for our national security, but also being careful with those investments by, for instance, reforming defense contracting so that we are using our defense dollars to their maximum effect.

I have little doubt that there will be various interests -- vocal and powerful -- who will oppose different aspects of this Budget. Change is never easy. However, I believe that after an era of profound irresponsibility, Americans are ready to embrace the shared responsibilities we have to each other and to generations to come. They want to put old arguments and the divisions of the past behind us, put problem-solving ahead of point-scoring, and reconstruct an economy that is built on a solid new foundation. If we do that, America once again will teem with new industry and commerce, hum with the energy of new discoveries and inventions, and be a place where anyone with a good idea and the will to work can live their dreams.

I am gratified and encouraged by the support I have received from the Congress thus far, and I look forward to working with you in the weeks ahead as we put these plans into practice and make this vision of America a reality.

A handwritten signature in black ink, appearing to be "Barack Obama", written in a cursive style.

THE WHITE HOUSE,

May 7, 2009.