



# CENTER FOR FREEDOM & PROSPERITY FOUNDATION

September 8, 2011

The Honorable Max Baucus  
The Honorable John Kerry  
The Honorable Patty Murray  
The Honorable Jon Kyl  
The Honorable Rob Portman  
The Honorable Pat Toomey

The Honorable David Camp  
The Honorable Jeb Hensarling  
The Honorable Fred Upton  
The Honorable Xavier Becerra  
The Honorable James E. Clyburn  
The Honorable Chris Van Hollen

Dear Committee Member:

Over the past decade, politicians have racked up considerable red-ink while growing the size of government. As a member of the Joint Select Committee on Deficit Reduction, you will soon be faced with constructing a proposal to temporarily push back the nation's date with insolvency. This is a moment to begin righting the fiscal ship which should not be missed. I urge you to take advantage of this opportunity by focusing on reducing government spending while supporting only pro-growth tax reforms.

Some politicians and the special interests which benefit from Washington largess don't want to admit that a spending problem can only be solved by less spending. Tax revenues are currently down because of the recession, but are predicted to soon return to their historic average of approximately 18 percent of GDP. When President Clinton left office, spending was also at the same level at 18.2 percent, but over the last decade it has risen now to an astonishing 25 percent of GDP. It is a false hope that new "revenues," a euphemistic description for higher taxes, will be able to close this gap and save politicians from making any hard decisions. The economy can ill-afford for such fantastical thinking to win the day. Under the circumstances, it is the exact opposite that is needed. Destructive double taxation on capital gains, dividends and death should be eliminated, and spending should be cut back to the historic average for revenue.

Reducing the disincentives on savings and investment created by the current tax code will lead to greater economic growth. Since the only viable solution for our long-term fiscal solvency is to slow the growth of government to less than the growth of the economy, combining such tax reforms with significant spending reductions is the surest way to secure a sustainable path for the nation's fiscal future. CF&P is available to assist anyone who wishes with details for how this can be achieved.

Sincerely,

Andrew F. Quinlan  
President, Center for Freedom and Prosperity Foundation  
Coordinator, Double Taxation Working Group of the  
Coalition for Tax Competition