



AMERICANS
for TAX REFORM

 Center for
Fiscal
Accountability

May 3, 2011

The Honorable Tom McClintock
428 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman McClintock

We write to urge your colleagues to co-sponsor and otherwise support H.R. 421, the Full Faith and Credit Act. In hopes of avoiding true spending reform, the Obama administration has been reluctant to admit the threat of a government default is far from serious. In truth, a default on the country's debt will only occur if Treasury refuses to pay its investors, an irresponsible defiance of duty your bill would prevent.

The Full Faith and Credit Act requires the U.S. Treasury to service its debt before paying any other obligations. Currently, the government takes in about ten times the amount needed to fulfill its debt liabilities, proving a default is an unlikely and wholly avoidable situation. Treasury projects the government will exceed its borrowing authority in May – H.R. 421 ensures it could do so without defaulting on its debts.

The bill would reassure U.S. creditors that the country will be able to fulfill its obligations, providing certainty as debate on the looming debt ceiling escalates. It also provides evidence to U.S. investors that the country is serious about improving its fiscal health in not just the short-term, but for generations to come.

Prioritizing debt service allows lawmakers to correctly focus on the cause of the debt: out-of-control government spending. CBO reports spending is projected to vastly outpace revenues over the next decade, even though tax receipts are projected to level out one percentage point higher than their traditional average. Thus, the country will be in a perpetual race against the debt clock if significant reform is not implemented.

The Full Faith and Credit Act will show the American people that Congress is serious about implementing long-term fiscal reform. We urge you to co-sponsor and support this important piece of legislation and look forward to continuing to work with you to restore fiscal accountability in the 112th Congress.

Sincerely,



Grover Norquist
President
Americans for Tax Reform



Mattie Corrao
Executive Director
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Cc: All Members of the United States House of Representatives

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