proposal, however, would have to be voted on as a package without amendments.

A combination of these plans might work best. A 20-member group would be manageable and should include four outsiders to provide different perspectives and, possibly, to build public support. Perhaps the head of AARP should be included. And it would be a mistake to present the next president with a take-it-or-leave-it package. The Cooper-Wolf plan would allow a new administration to make changes—and get credit—without being able to start from scratch.

This commission approach has potential pitfalls: It might create a face-saving package that does little. But everything else has failed. The main political beneficiary would be the next president. It would be revealing if some of the hopefuls—Democrats and Republicans—would show that they grasp this by providing their endorsements. Otherwise, the odds that Congress will even create the commission are slim.

U.S. GOVERNMENT ACCOUNTABILITY OFFICE,
Washington, DC, January 22, 2008.

Hon. FRANK R. WOLF,
House of Representatives.

DEAR MR. WOLF: As we discussed by phone this morning, while it is understandable that many in Congress are rightfully concerned about our current economic slowdown and recent market declines, it is important that the Congress not forget about our much larger structural challenge. Specifically, we must not forget our large and growing fiscal gap which now totals approximately $53 trillion ($53,000,000,000,000) and it is growing by $2 to $3 trillion a year absent any meaningful reforms.

Approximately three years ago Standard and Poor's issued a publication stating that, absent policy changes, the U.S. Government's debt to GDP ratio was on track to mirror ratios associated with speculative-grade sovereigns. Within the last month, Moody's Investors Service issued its annual report on the United States. In that report they noted their concern that, absent Medicare and Social Security reforms, the long-term fiscal health of the United States and our current Aaa bond rating were at risk. These not too veiled comments serve to note the significant longer-term interest rate risk that we face absent meaningful action of our longer range challenge as well. Higher longer-term interest costs would only serve to complicate our fiscal, economic and other challenges in future years.

I believe that it is critically important that this Congress not just address our short-term economic challenge but also our longer-range fiscal gap. The consequences of failing to do so will over time be much more dire than the current economic and market disruptions we are experiencing.

As you may know, while our annual deficits have declined for three straight years, our total fiscal imbalance has continued to grow. Absent meaningful budget, entitlement, spending and tax reforms, this imbalance, which is driven primarily by rising health care costs and known demographic trends, will result in a tsunami of spending and debt levels that could swamp our ship of state.

[From the Financial Times, Jan. 11, 2008]

UNITED STATES' TRIPLE-A CREDIT RATING 'UNDER THREAT'

(By Francesco Guerrera, Aline van Duyn and Daniel Pimlott)

The U.S. is at risk of losing its top-notch triple-A credit rating within a decade unless it takes radical action to curb soaring healthcare and social security spending, Moody's, the credit rating agency, said yesterday.

The warning over the future of the triple-A rating—granted to U.S. government debt since it was first assessed in 1917—reflects growing concerns over the country's ability to retain its financial and economic supremacy.

It could also put further pressure on candidates from both the Republican and Democratic parties to sharpen their focus on healthcare and pensions in the run-up to November's presidential election.

Most analysts expect future administrations to deal with the costs of healthcare and social security and there is no reflection of any long-term concern about the U.S.'s financial health in the value of its debt.

But Moody's warning comes at a time when U.S. confidence in its economic prowess has been challenged by the rising threat of a recession, a weak dollar and the credit crunch.

In its annual report on the U.S., Moody's signalled increased concern that rapid rises in Medicare and Medicaid—the government-funded healthcare programmes for the old and the poor—would ''cause major fiscal pressures'' in years to come.

Unlike Moody's previous assessment of U.S. government debt in 2005, yesterday's report specifically links rises in healthcare and social security spending to the credit rating.

''The combination of the medical programmes and social security is the most important threat to the triple-A rating over the long term,'' it said.

Steven Hess, Moody's lead analyst for the U.S., told the Financial Times that in order to protect the country's top rating, future administrations would have to rein in healthcare and social security costs.

''If no policy changes are made, in 10 years from now we would have to look very seriously at whether the U.S. is still a triple-A credit,'' he said.

Mr. Hess said any downgrade in the U.S. rating would have serious consequences for the global economy. ''The U.S. rating is the anchor of the world's financial system. If you have a downgrade, you have a problem,'' he said.

Moody's did once threaten to cut the rating of some of the U.S. Treasury's debt when Congress refused to pass the president's budget in the mid-1990s. Other large economies, notably Japan in the 1990s, have had to suffer the symbolic blow of losing their top-notch credit rating.

Last year, David Walker, comptroller general of the U.S., caused controversy when he compared America's current situation with the dying days of the Roman empire and warned the country was on ''a burning platform'' of unsustainable policies.

Medicare and Medicaid spending, which has risen sharply over the past few decades and now accounts for about 45 percent of total Federal spending, up from about 25 percent in 1975, has long been a source of concern.

Mr. BOUSTANY. Mr. Chairman, I rise today to argue against this proposed Democratic budget that would raise taxes on Louisiana taxpayers by an average of $2,642 and contains egregious wasteful spending.

Extra money for tax hikes might be in the family budget for people in San Francisco, but families in southwest Louisiana do not have extra room in their budgets. Wasteful spending and tax hikes are irresponsible. The Democratic House leadership must understand that American families are facing higher costs at the pump, higher costs for healthcare and education, and more money to pay Federal taxes simply isn't there.

The Democratic budget proposal includes a massive $683 billion tax increase spread over five years in order to finance wasteful Washington spending according to the Congressional Budget Office. Taxpayers in Louisiana face average tax increases of $2,642. While failing to address growing entitlement programs, House Democrats are proposing tens of billions more in new Federal spending facilitated by the tax increase.

In addition, the Democratic budget contains the following: Cuts to the child tax credit, from $1,000 to $500 per child; Decreases to the adoption tax credit; Decreases in tax-free 401(k) and IRA contributions; Tax increases for small businesses averaging more than $4,000 per business.

Mr. Chairman, I cannot in good conscience support a budget that is as irresponsible as this one. It is a hamper to American entrepreneurs, small businesses and economic growth. Additionally, it hurts American families who struggle to pay higher energy prices, healthcare costs, housing costs and education costs.

Our budget is a statement of priorities. Lowering taxes, growing our economy and providing for families are my priorities. This Democratic budget falls well short.

Mrs. MALONEY of New York. Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PETERSON of Minnesota) having assumed the chair, Mr. WILSON of Ohio, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 312) revising the congressional budget for the United States Government for fiscal year 2008, establishing the congressional budget for the United States Government for fiscal year 2009, and setting forth appropriate budgetary levels for fiscal years 2010 through 2013, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WILSON of Ohio). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

SHORT-TERM FARM BILL EXTENSION

Mr. PETERSON of Minnesota. Mr. Speaker, I move to suspend the rules