

WASHINGTON – Congressman John Larson (CT-01) reiterated his call for Congress to pass a clean debt limit bill today as top economists testified during a Ways and Means Committee hearing that “it is essential [the United States] act now.”

Only hours after the testimony Moody’s Investor Service announced that they will put the United States on review for a possible downgrade, causing it to potentially lose its top “AAA” rating.

“Playing with the credit rating of the United States is not a game that Congress should be engaged in,” Congressman Larson said. “As we heard today there will be serious consequences if the United States defaults on its debts. It’s time for Congress to pass a no-strings-attached, debt ceiling increase like it did 17 times for President Ronald Reagan and seven times for George W. Bush. We must send a message to the world that the United States is a country that pays its debts.”

During the hearing Congressman Larson participated in the following exchange :

Rep. Larson: “Given what’s happening around the globe...what is your advice to the Congress in terms of acting given the deadlines that Treasury Secretary Geithner has outlined?”

Simon Johnson, Professor of Entrepreneurship at MIT Sloan School of Management (and former chief economist at the IMF): “You cannot play games with something this serious. World financial markets are much more fragile than you’d like to believe...It’s absolutely essential that the United States remain a beacon of safety and clarity to international investors, otherwise there will be consequences for all of us around the world.”

Mihir Desai, Professor of Law and Finance at Harvard University: “People may stop receiving their payments which is extremely problematic, but it can also become a broader manifestation of a system that appears broken to the rest of the world and that is where we run

into significant problems. I think it's very important that this particular deadline is not ignored...It is essential that we act now."

Watch a video of the exchange: <http://youtu.be/lqcgtLIOIN4>

The United States will hit the debt-ceiling deadline on August 2nd.

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