

Senator Lindsey Graham
*(R-SC) U.S. Senate Committee
on Appropriations and Committee
on the Budget*



Insider's Lunch: Senator Lindsey Graham

INTERVIEWERS: *Mark Halperin, John Heilemann*

OVER LUNCH, *Bloomberg Politics*' Mark Halperin and John Heilemann led an entertaining and illuminating conversation with Senator Lindsey Graham (R-SC), who assessed the fiscal and economic landscape awaiting America's next president.

Graham expressed his strong disappointment that the nation's fiscal outlook is not a more prominent issue on the campaign trail, saying that "of all the things we've talked about in the election cycle, the debt's been the least talked about ... [but it's the] most important."

He emphasized that the next president will have an opportunity and responsibility to "navigate" the nation through complex fiscal challenges. He repeatedly pointed to the example of the National Commission on Fiscal Responsibility and Reform (also known as Simpson-Bowles), as a road map for a "grand bargain" bipartisan compromise. He added, "I don't know how to save this country from a fiscal calamity without a bipartisan approach to what drives the debt, which is 80 million baby boomers retiring en masse over the next 25 years with not enough workers paying into the systems to keep them afloat."

A successful solution, he said, must necessarily be comprehensive and involve ideas and sacrifice from both parties. Republicans, he said, "have to agree to flatten out the tax code" and "generate revenue" by eliminating tax expenditures and applying the funds both to lower rates and debt reduction. Democrats, on the other hand, need to accept reforms and adjustments to stem growth in the large healthcare and entitlement programs. Such growth is a result of long-foreseen demographic



FROM LEFT:

John Heilemann
*Co-Managing Editor,
Bloomberg Politics;
Co-Host, MSNBC and
Bloomberg's With All
Due Respect*

Mark Halperin
*Co-Managing Editor,
Bloomberg Politics;
Co-Host, MSNBC and
Bloomberg's With All
Due Respect*

trends as the Baby Boomer Generation retires.

Despite the seriousness of these challenges, and the perception that the partisan chasm is too wide for a deal, Graham expressed optimism for a path forward. Referring again to the National Commission on Fiscal Responsibility and Reform, he said, "I think there's 60 votes in the United States Senate for something like Simpson-Bowles. I really believe that."

Looking ahead to the next presidential administration, he pledged to work across the aisle to gather consensus and support for a grand bargain plan. He said, "I will try to be the Republican, one of many, I hope, that will put on the table things that are necessary for my party [to] help my country as a whole. I think there's going to be a lot of people in the Senate willing to embrace revenue if the other side will do entitlement reform."

Speaking directly to the audience, he closed the session by saying, "There is no easy way out of this mess. The only way you're going to get out of it is to get out of it together. And I think what Ronald Reagan and Tip O'Neill did in the Eighties needs to be duplicated at a deeper level. I'm optimistic. I'm optimistic [that] with the right presidential leadership, we're going to get there."