



Senator John S. McCain (R-AZ)
Chairman, U.S. Senate Committee
on Armed Services

CONGRESSIONAL LEADERS: RISING DEBT AND THE LEGISLATIVE AGENDA

Senator John S. McCain, Senator Mark Warner, and House Democratic Leader Nancy Pelosi

INTERVIEWER: *Dana Bash*

IN THE DAY'S OPENING CONVERSATIONS, CNN chief political correspondent Dana Bash conducted one-on-one interviews with three leading voices in Congress: Senator John S. McCain (R-AZ), Senator Mark Warner (D-VA), and House Democratic Leader Nancy Pelosi (D-CA). Their discussions explored the connection between America's rising national debt and a crowded legislative agenda where major areas of reform—including healthcare reform, tax reform, infrastructure, trade, and more—have significant fiscal implications. These timely conversations centered on ways to craft policy solutions that are both fiscally responsible and supportive of economic growth.

Senator John S. McCain (R-AZ)

SENATOR JOHN S. MCCAIN discussed President Donald Trump's newly released budget plan. McCain said that solving our fiscal challenges will require difficult choices—choices that must be made sooner rather than later.



Senator Mark Warner (D-VA)
Vice Chairman, U.S. Senate Select Committee on Intelligence; U.S. Senate Committee on Finance; U.S. Senate Committee on Banking, Housing, and Urban Affairs; U.S. Senate Committee on the Budget



House Democratic Leader Nancy Pelosi (D-CA)

Dana Bash
Chief Political Correspondent, CNN

Indiscriminate cuts to discretionary spending are a poor strategy, he argued. Instead, Congress should focus on reforming the significant long-term drivers of our fiscal imbalance, he explained, noting, “If you want to address the deficit you’re going to have to address entitlements.” But these tough decisions can’t be made by one party acting unilaterally, remarked McCain; a collaborative approach is needed to bridge the partisan divide.

McCain reflected on President Ronald Reagan and Democratic House Speaker Tip O’Neill joining together to reform Social Security in 1986. “We raised taxes, we raised the retirement age, we did some really tough things, but we couldn’t do it with Republicans alone or Democrats alone,” he said. “We’ve got to have people sit down together. If you’re going to fix entitlements it’s going to mean sacrifice and it has to be bipartisan.”

Senator Mark Warner (D-VA)

AMERICA’S NATIONAL DEBT is “singularly the most important issue” facing our country, said Senator Mark Warner in his conversation with Bash.

Warner cautioned that the road to fixing our national debt won’t be easy and will require significant reforms to both our spending and revenue programs. “The truth is, we’ve got the world’s most complicated tax code. We’ve got the highest nominal rate at 35 percent on the business side. We have to lower that rate, and we have to repatriate dollars.”

Difficult decisions and changes can no longer be put off, said Warner. “We’re starting to see interest rates go back up, and for every 100 basis points that interest rates go up, we add a minimum of \$140 billion of additional debt-service payments. That’s more than we spend on the Department of Homeland Security and the Federal Department of Education combined.”

If we continue to kick the can down the road on tackling our long-term national debt, the problem will only become larger and more difficult to solve, said Warner. “It’s not going to be the annual deficit that cripples us. It’s the debt that has been accumulated by Democrats and Republicans alike for the last 75 years.”

If we don’t decrease our long-term deficit, we’ll be doing a “great disservice to our kids,” he said.

House Democratic Leader Nancy Pelosi (D-CA)

HOUSE DEMOCRATIC LEADER NANCY PELOSI offered her analysis of President Trump’s budget, arguing that the proposal includes too many cuts affecting lower-income Americans. “The budget is a statement of our values,” she said. “What’s important to our country as a nation should be reflected in how we allocate our resources. I don’t think this budget does that.”

Pelosi emphasized the importance of looking at annual budgets through the lens of our long-term national debt. “We

should subject every dollar we spend, every tax break we give to its justification,” ensuring that policies are fiscally sustainable and supportive of economic growth.

Pelosi highlighted tax reform as an essential part of improving our long-run fiscal outlook. Eliminating tax expenditures that do not support of economic growth holds particular promise as a “place you can look as we examine every opportunity to reduce the deficit,” she said.

Pelosi believes Democrats and Republicans can join together to create a budget and tax plan that reduces the deficit and boosts the economy. “There’s plenty of common ground we can find to create growth,” she said.