

McCarthy, Biden, Have 'Good' First Meeting on Debt Crisis

February 2, 2023 **by Dan McCue**



House Speaker Kevin McCarthy, R-Calif., speaks to reporters outside the West Wing of the White House on Feb. 1, 2023. (Photo by Dan McCue)

WASHINGTON — House Speaker Kevin McCarthy, R-Calif., emerged with a smile from an hour of highly anticipated budget talks with President Joe Biden on Wednesday, but gave no indication how quickly next steps will progress to avoid a default on the national debt.

“The president and I had a good meeting,” McCarthy said as he stepped up to “the sticks” — a stand of waiting microphones — and a throng of waiting reporters and photographers outside the West Wing of the White House.

“I shared my perspective, he shared his, and we agreed to continue the conversation. We want to make sure we do it in a

responsible, reasonable way.”

As previously **reported** by The Well News, Treasury Secretary Janet Yellen informed Congress last month that the nation is approaching its current debt limit and that she would begin employing “extraordinary measures” to continue to pay the nation’s bills.

The notice from Yellen, spelled out in a letter to McCarthy, effectively started the nation’s fiscal stopwatch.

Though there is currently no hard deadline the two sides have to meet, it is believed without action the nation will default on its debts for the first time in history sometime early this summer.

The debt limit, which is set by Congress, restricts the total amount of money that the federal government can legally borrow.

When the debt limit is reached, the Treasury Department can no longer borrow money to cover government operations.

The limit has been raised 78 times since 1960 — 49 times under Republican presidents (including three times under President Donald Trump) and 29 times under Democratic presidents.

As far as the Biden administration is concerned, Congress has a constitutional obligation to raise the debt limit — without conditions — and avoid economic chaos.

Republicans are talking about steep budget cuts, including to Medicare and Social Security.

Pressed by the reporters outside the West Wing, McCarthy said, “We both have different perspectives. ... But I think at the end of the day we can find common ground. I really do. ... And I think

there's an opportunity here to come to an agreement. I think that's what the American people want.

"They want us to be responsible and sensible about this. And that's exactly the way we're handling it," McCarthy continued.

Asked about the future of Medicare, Social Security and other entitlement programs, McCarthy said, "I know you all have a job to do ... but I am not going to negotiate this in the press."

But McCarthy did say he told the president he would not raise the debt ceiling without some concessions from Democrats.

"I was very clear," he said. "We're not spending more next year than we spent this year."

McCarthy likened the government's fiscal situation to a parent giving their child a credit card, only to see the child max it out.

"If they do that, you're responsible for paying for that credit ... but at the same time, you're going to have a conversation about how not to max out the card again," he said. "The reality is the United States is taking in more revenue than it ever has in its history, and at the same time it has the highest debt in its history.

"I'm confident there's a lot of savings we can find," he said.

McCarthy said over the course of the hour, the president insisted on a "clean debt ceiling" vote without the budget cuts Republicans are demanding.

"We both have different perspectives on this, but like I said, I thought this was a good meeting," McCarthy said.

As the two men spoke, White House Press Secretary Karine Jean-Pierre held the daily briefing with reporters in the James Brady

press room.

Asked about the debt ceiling discussions, Jean-Pierre said the president was looking forward to working with congressional Republicans in “a good-faith, bipartisan way.”

“He wants to hear from the speaker, what’s his plan. What is his plan on the budget? And what is his plan to really deal with the issues that are top of mind for the American people? How are we going to lower costs for them? How are we going to deal with the national deficit?

“[The president] is always willing to have those conversations in good faith,” she said.

“And also, he wants to see what their budget is. What is their plan? We’ve heard them over and over again talk about cutting Medicare, cutting Social Security,” Jean-Pierre continued. “This is what we’ve heard from Republicans leading up to the midterms and then after the midterms. So, okay, what — what is — what else are they going to be doing? What does that look like for them?”

After the meeting, the White House issued a synopsis of the session in which it said the president made clear that it is his and McCarthy’s “shared duty” to not allow a “catastrophic default.”

For his part, McCarthy said, “I told the president I would like to see if we can come to an agreement long before the deadline. Then we can start working on other things.”

Dan can be reached at dan@thewellnews.com and [@DanMcCue](https://www.instagram.com/DanMcCue)

