Trump Looks to Shore Up Support for GOP Megabill

Republican concerns about the bill and trade tensions with China are expected to dominate White House agenda this week

By Alex Leary, Richard Rubin and Michael R. Gordon Wall Street Journal

WASHINGTON—President Trump plans to push lawmakers on his tax-and-spending megabill this week in an effort to overcome Republican concerns about deficit spending.

As the White House also seeks to get <u>trade talks with China</u> back on track, Trump plans to have a call with Chinese leader Xi Jinping this week in hopes of easing tensions that have risen in recent days, administration officials said.

The economic focus sets up a big week for Trump and his overall agenda, which has been mired in a growing number of <u>court and other battles</u>. Last week, the <u>Trump</u> <u>administration appealed</u> a significant ruling striking down global tariffs. Separately, Trump accused Beijing of violating the terms of an agreement reached earlier in May.

Trump is expected to amplify calls for Republican unity around what the party has branded the "big, beautiful bill" and speak with Senate Majority Leader John Thune (R., S.D.) about the next steps as lawmakers return from recess, a senior official said Sunday. But Thune, like his counterpart in the House, has a narrow majority and a number of GOP senators have expressed concerns that could derail a July 4 target of getting the bill to Trump's desk.

Over the weekend Trump took aim at one of the concerned lawmakers, Sen. Rand Paul (R., Ky.), who says the bill will "explode" the debt. If Paul "votes against our Great, Big, Beautiful Bill, he is voting for, along with the Radical Left Democrats," Trump said on social media Saturday. "Rand will be playing right into the hands of the Democrats, and the GREAT people of Kentucky will never forgive him!"

Paul didn't back down, saying Sunday on CBS's "Face the Nation" that "the math doesn't really add up" and that there is too much spending. Paul said he thinks there are four Senate Republicans who would oppose the bill as currently written, enough to kill the legislation, as it isn't expected to gain Democratic support. The bill passed the House on May 22 after an all-night session, following an occasionally rocky process that foreshadowed difficulties in the Senate.

Some senators are considering further spending cuts, while others are looking for bigger, more permanent tax relief or gentler phaseouts of clean-energy incentives. Hardfought House sweeteners such as the higher cap on state-and-local tax deductions could face scrutiny in the Senate, where high-tax states such as New York, New Jersey and California don't have any Republican members. So could House changes that reduce projected Medicaid spending and are forecast to lower the number of people with health insurance. Any changes by GOP senators would then have to be approved by the House before heading to Trump's desk, and House lawmakers have counseled them to keep alterations to a minimum. Trump has said he expects changes.

The <u>House-passed measure</u> is expected to increase projected budget deficits by some \$2.7 trillion over a decade, compared with doing nothing and letting tax cuts expire. The publicly held federal debt is approaching 100% of gross domestic product and is already poised to exceed its post-World War II high.

House Speaker Mike Johnson (R., La.) defended the legislation Sunday and discounted expert analysis of the bill's effects, saying those don't take into account the growth that tax cuts and other parts of the Trump agenda would spur.

"I am telling you this is going to reduce the deficit," Johnson said on NBC's "Meet the Press," adding he was confident the bill could still reach Trump's desk by July 4.

For Paul, the largest obstacle is a provision in the bill to raise the debt ceiling. The House version raises that by \$4 trillion while the Senate would push it to \$5 trillion. If that provision is removed, Paul said on CBS, "in all likelihood I can vote for what the agreement is on the rest of the bill, and it doesn't have to be perfect to my liking."

If the debt ceiling is stripped from the broader bill, Congress would need to move quickly to pass a separate measure raising the limit, and that would likely require Democratic votes.

Paul isn't alone in his objections. Sen. Ron Johnson (R., Wis.) reiterated Sunday that the Senate needed to cut deeper than the House bill to win his support, and Sens. Mike Lee (R., Utah) and Rick Scott (R., Fla.) have also pushed for more reductions.

Treasury Secretary Scott Bessent has said that the government could reach the end of its borrowing authority by August if the debt limit isn't raised. He said Sunday on CBS that the U.S. "is never going to default," adding, "We are on the warning track and we will never hit the wall."

JPMorgan Chase Chief Executive <u>Jamie Dimon warned Friday</u> that the bond markets could buckle if the U.S. doesn't contain the national debt. Asked about that, Bessent said, "I've known Jamie a long time and for his entire career he's made predictions like this. Fortunately, none of them have come true."

He added of the debt, "We didn't get here in one year, and this has been a long process. So the goal is to bring it down over the next four years."

Bessent predicted Trump could soon talk with Xi, as trade talks have turned sour in recent days. Trump has accused China of not honoring terms of a detente that was reached last month in Geneva. In particular the dispute concerns what the U.S. says <u>is</u>

<u>slow-walking rare-earth exports</u>. The White House has fielded complaints from many companies, in particular automakers, about export license delays.

"I am confident that when President Trump and party Chairman Xi have a call, that this will be ironed out," Bessent said Sunday. "I believe we'll see something very soon."