

By Aaron Keck

In Washington, Republicans and Democrats are struggling to reach a bipartisan budget deal by the end of the year—necessary in order to keep the country from falling off the so-called "fiscal cliff."

While the mood in DC is pessimistic, Democratic Congressman David Price told Chapel Hillians this week that it can be done—indeed the two parties were able to strike a major bipartisan deal as recently as 1990.

But he was also quick to concede that 1990 was a very different time.

"Right now you have to say that our economic difficulties are more challenging than they were in the 90s, but our political equation is less promising," he said Monday at the Chapel Hill-Carrboro Chamber of Commerce's annual federal legislative briefing. "It wasn't easy then...but it seems almost impossible now."

Nevertheless, impossible as it may seem, Price insisted that it's absolutely necessary to reach a bipartisan agreement—and not only because the House and Senate are controlled by different parties.

"Budget agreements are by definition going to be extremely unpopular," he said. "If they're good agreements, they're going to be comprehensive--they're going to involve tax increases (and) spending cuts in virtually every category--they're going to give, in other words, something for everybody to dislike."

What looms is a potential economic disaster. Previous budget deals set a variety of provisions to expire or take effect on January 1, 2013—so if Congress can't reach a new deal in time, the Bush tax cuts will expire, other taxes will increase, and massive across-the-board spending cuts will automatically go into effect, impacting national defense, Medicare, and everything in

between.

That spending cut would total a trillion dollars, taken out of every federal program regardless of necessity. It's called "sequestration," and Price says the whole point of that provision was to force Congress to act—but Congress apparently overestimated themselves.

"The additional trillion dollars in spending cuts was put in place as a fallback," he says. "It was supposed to be so unacceptable, so unattractive, that it would force action by the supercommittee a year ago on this broader array of budget issues. Well, as you know, that didn't happen."

Price says Republicans and Democrats alike are agreed on the need for some spending cuts—but not this way.

"Surely this is the wrong way to do it," he says. "This is an indiscriminate meat axe, which would do great damage...on both the domestic and the military side."

With the deadline just a little more than a month away, Price says it's unlikely Congress will reach full agreement in time—but it's also unlikely they'll allow the country to fall over the "fiscal cliff." Instead, he says he expects Congress to reach some kind of temporary stopgap solution—and defer the "cliff" for another few months. By then, the new Congress will have taken office.

But of course that would only be another in a long string of delays; it's only because of previous deferments, after all, that the current situation is what it is. At issue is how to address the nation's growing deficit: Republicans want to avoid tax cuts and reduce the deficit through spending cuts alone; Democrats like Price want a "balanced approach" that combines some spending cuts with some tax increases.

"It's not just about cutting, it's not just about the deficits, but it's about the economy as a whole," he says. "And the economy as a whole requires more than just austerity."

Republicans and Democrats in North Carolina's General Assembly had a similar fight at the state level—but Republicans held enough of a majority in the GA to implement their approach with little bipartisan support. Neither party has that option at the federal level, and Price says that would be a bad idea anyway: that's essentially what Democrats did in 1993, and the result was an electoral drubbing in 1994. (Even Price lost his seat that year, for one term.)

Ultimately, Price says, the final agreement—assuming there is one—is likely to end up looking something like the proposal drawn up in 2010 by the National Commission on Fiscal Responsibility and Reform, co-chaired by a Democrat and a Republican, Erskine Bowles and Alan Simpson. The Bowles-Simpson plan includes \$4 trillion in tax increases, spending cuts, entitlement reductions, and an increased retirement age—none of it pleasing, but Price says that may be the best available solution, if Republicans are willing to give up some ground on taxes.

"I think something like Bowles-Simpson (will be the final outcome)," he says. "Now, that doesn't mean Bowles-Simpson precisely: in fact a lot of the Bowles-Simpson cuts have already been made, a trillion and a half (dollars') worth. The only thing that hasn't been touched is the tax code."

Even that amount of agreement, though, seems like a long way off—especially on a day like Black Friday, when Americans fight tooth and nail to secure every item on their wish list, and especially for politicians whose constituents increasingly demand nothing short of one hundred percent satisfaction. Satisfaction is virtually incompatible with anger—and in the words of Bill Watterson, "A good compromise leaves everybody mad."