



Fiscal Cliff Talks Continue

President Obama and House Speaker John Boehner sat down on Sunday, December 9, for the first time in 23 days to discuss the fiscal cliff, but it seems a deal still has not been reached. However, both men seemed to come to agreement on one item, and that is what to say [publicly](#) regarding their talk.

Sunday's meeting came as a surprise as it was not listed on the president's official calendar, and both Boehner and President Obama had been accusing one another of refusing to compromise.



Following the talks, both White House spokesman Josh Earnest and Boehner spokesman Brendan Buck issued the exact same statements: "This afternoon, the president and Speaker Boehner met at the White House to discuss efforts to resolve the fiscal cliff. We're not reading out details of the conversation, but the lines of communication remain open."

Sunday's statements are in sharp contrast to remarks from both sides in recent weeks accusing the other of unwillingness to compromise. Last Friday, for example, Boehner told reporters that "no progress" had been made and accused the White House of having "wasted another week."

"There are a lot of things that are possible to put the revenue that the president seeks on the table, but none of it's going to be possible if the president insists on his position, insists on 'my way or the highway,'" said Boehner.

Sunday's statements did little to shed light on any progress being made on the fiscal cliff.

The fiscal cliff refers to the terms of the Budget Control Act of 2011 that are set to go into effect at the start of 2013, as a result of the deficit super-committee's inability to produce a deficit-cutting agreement last year. In the end, Congress produced an agreement that included nearly \$1 trillion in cuts to agency budgets over the course of the decade, and required automatic cuts to take place, dubbed a "sequester," of an additional \$1 trillion.

International Monetary Fund chief Christine Lagarde said on Sunday that allowing the United States to go over the fiscal cliff will result in a significant drop of confidence and no economic growth.

There have been indications that members of the Republican Party are ready to concede on tax increases for the rich if Democrats are prepared to make concessions on spending.

Senator Charles Grassley of Iowa, for example, has said that he would support an increase in revenue from the wealthy if there is truly "a willingness on the part of Democrats to accept spending cuts that are three-to-one or four-to-one."

Republicans have proposed a budget that would reportedly cut federal deficits by approximately \$2 trillion over 10 years. CNN reports:

The GOP proposal includes \$800 billion from tax reform, \$600 billion from Medicare reforms and other health savings and \$600 billion in other spending cuts, House Republican leadership aides



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said. It also pledges \$200 billion in savings by revising the consumer price index, a measure of inflation.

On Sunday, [Sen. Bob Corker](#) of Tennessee said on Fox News Sunday that he'd support raising taxes on the top two percent of households, asserting it may put Republicans in a better bargaining position to discuss larger cuts to Social Security and Medicare. "There is a growing group of folks who are looking at this and realizing we don't have a lot of cards as it relates to the tax issue before year's end," said Corker.

"A lot of people are putting forth a theory, and I actually think it has merit, where you go ahead and give the president ... the rate increase on the top 2%, and all of a sudden the shift goes back to entitlements," Corker said on *Fox News Sunday*.

Senators Tom Coburn, Susan Collins, and Olympia Snowe have made similar statements.

"I know we have to raise revenue," Republican Senator Tom Coburn told MSNBC. "I don't really care which way we do it. Actually, I would rather see rates go up than do it the other way, because it gives us a greater chance to reform the tax code and broaden the base in the future."

Rep. Tom Cole of Oklahoma said on CNN's *State of the Union* that compromise was necessary to avoid the fiscal cliff. "You have to do something, and doing something requires the cooperation of the Senate, which the Democrats run, and the signature of the president," [Cole](#) said.

Referring to his constituents, Cole continued, "They expect me to continue to fight for everybody's taxes not going up. But if I can get a deal that protects 98 percent of them and leaves me free to continue fighting for them, they would say, 'Take that deal, that's progress, that's maybe working together across the aisle a little bit, and get it done.'"

Cole ultimately believes that the Republicans should aim for a realistic goal rather than continue to fight against raising any taxes. He concludes, "It's not waving a white flag to recognize political reality."

Senator Coburn articulated similar sentiments on Sunday's *This Week* on ABC News. "What we ought to be working on is the other 93 percent, because even if you do what [Obama] wants to do on tax rates, you only affect 7 percent of the deficit," Coburn said. "What we have done is spend ourselves into a hole, and we're not going to raise taxes and borrow money and get out of it."

"And so will I accept a tax increase as a part of a deal to actually solve our problems? Yes," he said.

Some Republicans continue to hold their ground on the subject of tax increases, however. Rep. Marsha Blackburn said that the Republicans should not concede on the tax increases. According to Blackburn, support for the GOP on Election Day confirms that voters "don't want our taxes to go up."

"The president thinks he has momentum, I think he is running on adrenaline from the campaign," Blackburn told CNN.

Representative Jeb Hensarling asserts that a tax increase will cause more harm than good. "No Republican wants to vote for a rate tax increase," Hensarling said. "I mean, what that is going to do, according to the National Federation of Independent Business that commissioned a study by Ernst & Young, is cost 700,000 Americans to go from having paychecks to unemployment checks."

And Hensarling adds that Obama's proposal to create \$1.2 trillion in revenue by tax rate increases is in contrast to an assertion Obama made in 2011 that suggested that \$1.2 trillion could be raised simply by closing loopholes and pursuing tax reform without the need to raise taxes. "The president, again ... if he



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would do what he said before the election, as opposed to the bait-and-switch, what Republicans feel like is a little bit like Charlie Brown running to kick the football and Lucy pulls it away," Hensarling said.



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