If the previews are any indication, the summer of 2008 is shaping up to be a blockbuster show in Sacramento, a classic struggle for the hearts and minds of Californians, a contest between those who want bigger government and advocates of a slimmer state.

The Democrats who control the state Senate declared last week that they won't vote for a budget this year that does not raise taxes. Their goal: something on the order of $5 billion. But almost every Republican in the Legislature has signed a pledge asserting that they will not vote for a tax increase.

This is the political equivalent of an irresistible force meeting an immovable object. Both can't prevail. Something has to give.

If you are a casual observer of state government, you might think this is nothing new. It seems as if California Democrats and Republicans have been fighting this battle for the better part of a decade.

But that's not actually the case. Since Arnold Schwarzenegger became governor, the Democrats in the Legislature have not pressed to raise taxes. Some of them have brought the issue to the table now and then. But there has never been an organized, all-out attempt to raise more revenue.

Instead, the Democrats have finessed the issue. They have effectively resisted most of Schwarzenegger's attempts to cut spending without trying to force him to find more revenue. They have worked out deals with him to paper over deficits with borrowing, deferrals and gimmicks. The Democrats and the governor, once he got used to this game, hoped that a strong economy would bail them out. They were wrong.

The Republicans, meanwhile, have talked about cutting spending, but they have never really held out for their position, either. Although it takes a two-thirds majority in each house of the Legislature to pass a budget, which gives the minority Republicans a huge amount of leverage, they haven't used it to keep spending in check. A weeks-long holdout last summer ended with a deal that barely dented spending growth.

This kind of gamesmanship has left the state with a problem almost as bad as the one Schwarzenegger inherited in 2003. This year began with what Schwarzenegger
estimated to be a $14.5 billion gap between the taxes the state would collect and the spending required by current law. With some more borrowing and deferrals, and a few spending trims, he and the Legislature have whittled that shortfall down to $8 billion. That's still a gap that is bigger than the amount the state spends on the University of California and California State University combined.

So even though the voters might hate it at first, an old-fashioned confrontation would be good for the state. California needs to end the fiction that it can have all the public services it wants without having to pay for them. Either raise taxes or cut spending, or both. But deal with it, and get this problem behind us. If it takes all summer and into the fall to resolve it, fine.

As the debate begins, the Democrats will try to frame it as a choice between cutting education and raising taxes. Schwarzenegger's proposal calls for a $1 billion reduction in education spending, or more than $4 billion below what the schools would be due according to the minimum guarantee in the state constitution.

This strategy makes sense because the schools are the most popular program in the budget. If they were truly the top priority, Democrats could fund them first and then try to raise taxes to pay for other needs. But that would not be as effective as a political strategy.

Senate President Pro Tem Don Perata last week held a press conference outside a Sacramento high school to make that point.

"We're not going to make cuts in our classrooms," Perata said. "Savaging 10 percent of the school budget is no choice at all. We're not going to make that choice."

Republicans will point out that government has grown about 30 percent since Schwarzenegger took office and now stands close to record highs in terms of per capita spending and spending as a share of the economy. They've been warning for years that Schwarzenegger and the Democrats were on a course toward fiscal disaster.

Now they're saying they told us so.

"Higher taxes will hurt the economy, threaten jobs and make our budget problems worse," Assemblyman Mike Villines of Fresno, the Assembly Republican leader, wrote in a commentary published on the conservative Web site FlashReport.org.

The stage is set. Both sides are digging in. The ideal solution would probably be a modest tax increase coupled with serious, long-term spending cuts, plus reforms designed to end the state's roller-coaster budgeting that sees programs expand when the economy grows and then crash in a recession.

Schwarzenegger has said he is open to that approach. But it is a solution that neither the Democrats nor the Republicans in the Legislature want to consider right now. Maybe by October, if this thing drags on that long, a compromise along those lines will start to look attractive to some of them.