



BUZ LIVINGSTON: Spending cuts equal job losses

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Newton's Third Law of Motion states for every action an equal and opposite reaction occurs. The civilian job cuts at Eglin and Hurlburt Field are results of increasing pressure to reduce the growth of government spending. Unlike physics, politics and finance can have unequal responses but reducing government spending impacts contractor and civil service employment. Rather than being insignificant reductions, expect more as we deal with budget cuts.

Our nation has multiple choices for a sustainable budget. A smaller government with no tax increases mandates deep cuts to defense and other domestic programs. In "Choosing the Nation's Fiscal Future," by the Committee on the Fiscal Future of the United States, expect reductions with "no precedent in modern history." For background, the committee consists of a bipartisan group of academics, policy wonks and businesspeople brought together by the National Academy of Public Administration and The National Research Council (free pdf available at www.nap.edu).

The committee, with conservative input from The Cato Institute and The American Enterprise Institute, found a no tax increase option would mandate "a redefinition of defense needs." Defense spending would gradually fall from 4.3 percent of GDP (2008) to 2.6 percent of GDP (2019) or the lowest percentage of GDP since World War 2. For perspective, a 2.6 percent GDP would be higher than the combined defense budget spent by our NATO allies.

In their model, personal compensation for those who serve our nation (and their families) would remain the same, slightly half of defense costs. The committee warns we would "lose the ability to modernize and replace weapons systems" and we should expect "only minimal investments in research and development." Okaloosa EDC chief David Goetsch shrewdly expects a stiff battle with Edwards Air Force Base for government contracts. For years Edwards and Eglin have split Air Force dollars but the pie is getting much smaller.

The committee points out redefining our military with these parameters would prohibit engagements in missions the size, scope and duration of the current Afghanistan campaign. In addition, we would be unable to support multiple emergency responses.

Question any demagogue who claims spending cuts can come from elsewhere. Show me the money. This option incorporates lower spending on Medicare, Medicaid, Social Security and all other non-defense domestic spending. In some sense, Northwest Florida can't blame anyone else. We steadfastly approve of smaller government and lower taxes; be careful what you wish for, it may come true.

To win an election along the Emerald Coast, just holler lower taxes and smaller government louder than your competition. In Walton County, we give bonus points for approving questionable land deals.

Circling back to the great bank fee debate, thanks to the cyberspace buzz, banks have abandoned their debit charge proposal. Be careful. Many banks will raise minimum account balances to avoid monthly charges and consumers should expect higher fees for safe deposit boxes and other conveniences.

There's no free lunch. Evaluate your bank and react accordingly.

Newton's laws of motion are bedrocks of modern physics and thermodynamics. Despite being a genius, Newton lost a considerable fortune foolishly speculating when he followed the crowd in the South Seas Bubble.

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