

ALL-ENCOMPASSING DEFENSE CUTS COULD COST MORE THAN ONE MILLION JOBS



The Obama administration officials and lawmakers have cautioned that more than 1 million defense-related jobs, including 91,000 in Texas alone, could be at stake, unless Congress acts on budget deals to prevent all-embracing cuts. Defense Secretary Leon Panetta has warned that national security will be endangered if Congress fails to reach agreement on spending cuts to avoid sequestration. As the time to make the painful cuts come nearer both the Democratic and Republican leaders, it seems, would prefer to leave the decision till after the November election. Senator John Cornyn, R-Texas said, "It's like watching a train wreck." Last August Congress had agreed to a deficit-reduction deal that saw cuts to the Pentagon over the next decade, by around \$492 billion. Both the Democrats and Republicans had approved to allow a "super committee" to find additional savings. However, the bipartisan panel failed to achieve results and with no further congressional action forthcoming, sequestration will automatically be activated on January 2. This would mean that apart from the Pentagon reductions would almost double from the agreed to \$492 billion. Stephen Fuller at George Mason University in Virginia, conducted a study and said, that the automatic cuts would mean the removal of more than 1 million full-time defense-related jobs. The study went on to say that the automatic cuts would impact federal spending on proposed programs. The study found that while the automatic cuts would affect defense spending in all 50 states, 10 states would account for 58.5 percent of job and income losses. California would lose the most jobs with 126,000 jobs and \$7.4 billion in lost income, followed by Virginia, with 123,000 jobs lost and \$7.3 billion lost and Texas, third on the list with job losses, 91,000, and for lost income, \$5.4 billion. The study predicts that Florida, New York, Maryland, Georgia, Illinois, Pennsylvania and North Carolina would be among the top ten list. "Many employers, including those in Texas, will have to look at laying off their employees," Cornyn said. Federal labor laws, dictate that defense contractors must notifying employees this summer if they envisage the possibility of layoffs in January. Cornyn and other Texas officials said despite job loss projections, Cornyn and other Texas officials said that at this juncture it would not be possible to say where the job eliminations would occur and whether the automatic cuts would mean a reduction in civilian jobs and military installations. The Census Bureau pegs the number of active duty military personnel at 131, 548. That is the largest number in the country. Moreover the state has the third-largest number of Defense Department civilian employees, who number 48,057. The industry is naturally getting panicky and is pushing the congress hard to block the cuts. NAM representatives went to Capitol Hill on Thursday. Part of the delegation that went was President of the Virginian Chamber of Commerce, Barry DuVal, who said that one in five jobs in Virginia, is connected to defense. Chief executive of Williams -Pyro Inc, a firm that makes wide ranging products for the military said, who was also part of the delegation said, even though she is not laying off her employees, they were getting extremely worried and apprehensive working in an industry they perceive as a "sinking ship." She said that she understood the Government's helplessness, but said that "sequestration is surgery with a chain saw."