

Note from AFA President – Economy part two, Feldstein and Citizen-Warriors

Friday, January 16, 2009

AFA Members, Congressional staffers, civic leaders, and DOCA members, I received numerous inputs from last week's note ([http://www.afa.org/PresidentsCorner/Notes/Notes\\_1-9-09.pdf](http://www.afa.org/PresidentsCorner/Notes/Notes_1-9-09.pdf)). Some of you were upset with the logic that one trillion dollars is a lot of money. Most reacted favorably to the piece. Further news this week confirmed the budget deficit this year – without a stimulus package – would be \$1.2 trillion. A couple of responders were teachers and used the note as the basis for math problems for their students. These were the examples they sent me:

1. If you could spend \$1,000 every second, how long would it take you to spend \$1 trillion dollars
2. If you were to stack \$1 trillion worth of \$100 bills on top of each other, how high would it reach (assume each bill is .5mm thick)

Answers at the end of the note.

Just before Christmas, the Chairman of the Council on Economic Advisors under President Reagan – Martin Feldstein – wrote a piece for the Wall Street Journal, which urged the Obama Administration to use part of the stimulus package to increase defense spending. He noted: "A 10% increase in defense outlays for procurement and for research would contribute about \$20 billion a year to the overall stimulus budget. A 5% rise in spending on operations and maintenance would add an additional \$10 billion. That spending could create about 300,000 additional jobs. And raising the military's annual recruitment goal by 15% would provide jobs for an additional 30,000 young men and women in the first year." What he did not say ... and what most people know is that investment in the aerospace industry – which accounts for a trade surplus of \$14 billion per year – is a very wise investment. You can find the entire piece here: <http://online.wsj.com/article/SB123008280526532053.html> [He testified before Congress on 7 Jan 09 ... here is a link to his statement: <http://www.nber.org/feldstein/EconomicStimulusandEconomicGrowthStatement.html> ]

Finally, a small piece in the New York Daily News caught my attention. It highlights the irreplaceable contributions of our Guard and Reserve forces ... and even though it is focused on the contributions of the 69<sup>th</sup> Infantry Regiment, it brings home the sacrifices of all who serve our country as citizen-warriors. We all should be proud of every one of them. You can find the article on our website at: [http://www.afa.org/edop/2009/edop\\_1-13-09.asp](http://www.afa.org/edop/2009/edop_1-13-09.asp)

For your consideration.

Mike

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Answers:

1. 31.7 years
2. 3150 miles high