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An Adequate Defense Budget That Must Be Sustained into the Future

Baker Spring

The Bush Administration is requesting $647.1 billion in budget authority for national defense in fiscal year 2008.[1] This includes $141.7 billion for funding ongoing operations in the global war on terrorism. This means that national defense programs, in terms of budget authority, will absorb over 4.4 percent of GDP in fiscal year 2008. If Congress votes to support the Bush Administration's request, it means that the resources required to meet the defense needs of the U.S. in fiscal year 2008 will be available. In general terms, the U.S. government will need to devote no less than 4 percent of GDP to defense on a sustained basis to meet the nation's defense requirements.

The Bush Administration's budget presentation, however, raises the question of whether adequate resources will be available for defense following fiscal year 2008. The budget reveals that defense requests will drop significantly in fiscal years 2009 and 2010 and then level off in fiscal years 2011 and 2012. This means that absent future supplemental appropriations, the budget authority for defense will fall to 3.2 percent of GDP by the end of the budget period in 2012. This translates into roughly a $400 billion defense budget gap covering fiscal years 2009 through 2012.

The Bush Administration acknowledges, however, that defense supplemental appropriations bills will not come to an end in fiscal year 2008. Quite reasonably, it states that it cannot forecast requirements for supplemental appropriations that far into the future. Thus, it is also reasonable for Congress to expect defense supplemental appropriations requests after fiscal year 2008.

Congress, however, needs to question whether supplemental appropriation requests will average some $100 billion per year during the period covering fiscal year 2009 through 2012 in order to fill the gap. Even if it is reasonable to expect supplemental appropriations that large during this four-year period, Congress needs to question whether this approach properly balances the budget relationship between supplemental appropriations and the core defense program. The requirement of 4 percent of GDP for defense will remain even after supplemental appropriations wind down. This means the overall gap in the defense budget will eventually have to be filled by increasing funding for the core defense program.

The nation needs to sustain its overall commitment to resources for national defense. This means balancing near-term requirements with long-term investments, and ongoing operations with military modernization, in the context of devoting at least 4 percent of GDP to defense.

At some point, the pace of operations in Iraq will slow. Some in Congress will be tempted to begin searching for yet another "peace dividend." This

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search will be fueled by a general recognition that current government funding obligations for Social Security, Medicare, and Medicaid are exploding. The fact is that a search for a peace dividend both is unwarranted and would pose a risk to U.S. security. It is unwarranted because the global war on terrorism will certainly extend beyond Iraq and because the level of spending for national defense is still below historical levels, despite the fact that the nation remains at war.

The idea of a peace dividend poses a risk to national security because the federal government has been ignoring the need to develop and build the next generation of weapons and equipment since the early 1990s. During the 1990s, the vast majority of that era's peace dividend came from modernization programs. In the current decade, modernization funding has been crowded out by immediate demands to fund military operations, including in those Afghanistan and Iraq.

Congress needs to resist the temptation to assume another peace dividend is in sight. It can do so by making a firm a commitment now to sustain national defense budgets at 4 percent of GDP into the future.

—Baker Spring is F. M. Kirby Research Fellow in National Security Policy in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.

1. Office of Management and Budget, *Historical Tables, Budget of the U.S. Government, Fiscal Year 2008* (Washington, D.C.: GPO, 2007), p. 89.