

The Chart Page

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Defense Shortfalls in the Out-years

Fig. 1, The Drop in Outlays, Fiscal 1994–2004

The steady decline in post-Cold War defense budgets is projected to continue through 2004. Fig. 1 shows that the outlays for defense programs will register a decline of 9 percent in Fiscal 1994–2004.

By contrast, the other two broad federal budget categories, mandatory programs (Social Security, Medicare, Medicaid, and other entitlement programs) and discretionary programs, continue to increase throughout this same period, by 32 percent and 7 percent, respectively. Fig. 2 shows the continuing

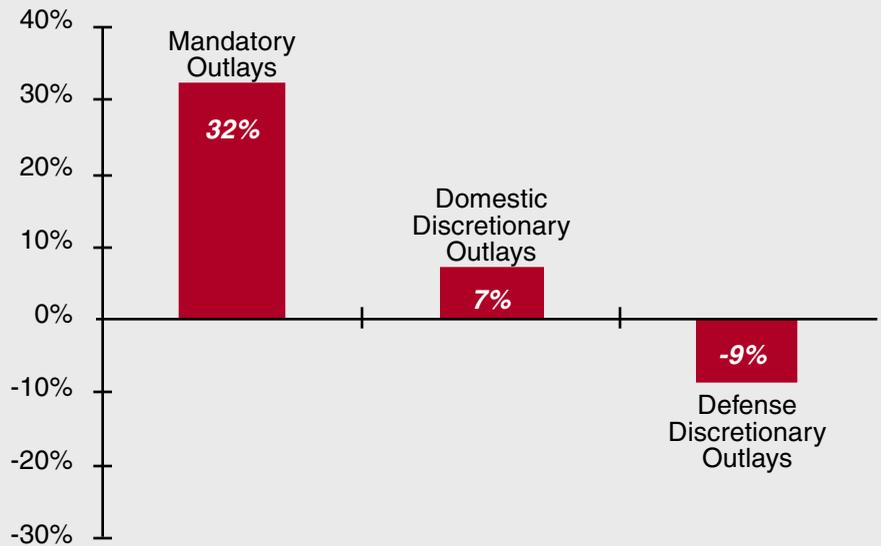
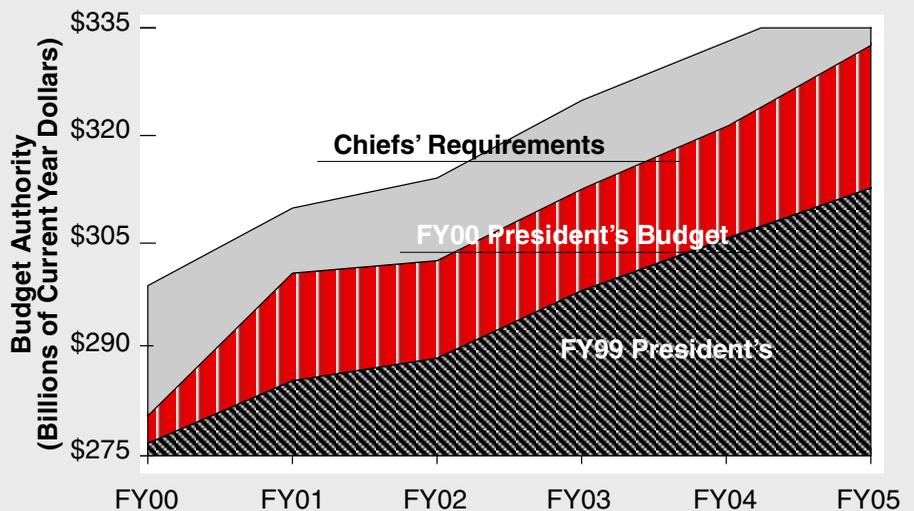


Fig. 2, The Requirements Gap Continues

chasm between what the service chiefs say they need to meet their requirements and what the President's budget provides. For Fiscal 2000, the gap in requirements funding reaches a high of nearly \$18 billion in budget authority. None of the subsequent budgets overcome the shortfall. In Fiscal 2005, the gap is slightly more than \$8 billion. The cumulative amount of shortfalls from Fiscal 2000 through Fiscal 2005 is nearly \$70 billion.



Source: Rep. Floyd D. Spence (R-S.C.), chairman, HASC, "Defense Accomplishments of the 104th, 105th, and 106th Congresses," November 1999.