



Judd Gregg, Chairman
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SENATE BUDGET COMMITTEE REVIEWS DEFENSE BUDGET

WASHINGTON—Members of the Senate Budget Committee today heard testimony from the Department of Defense regarding their FY06 budget request.

The President's FY06 budget includes \$419.3 billion in defense discretionary spending, a 4.8-percent increase over FY05.

Paul Wolfowitz, Deputy Secretary of Defense said, "This budget addresses our country's need to fight the war on terror, to support our men and women in uniform, and to meet the threats of the 21st Century. It reflects difficult choices to ensure sufficient funding for our most pressing requirements. Those difficult choices and our proposed transformation of the business of defense underscore our resolve to be wise in the spending of taxpayer dollars."

Senate Budget Chairman Judd Gregg today said he intends to include a reserve fund for the ongoing wars in Afghanistan and Iraq in the budget resolution.

Gregg said, "These are not expenditures that will go on forever, in fact, we hope these expenditures will be shortened in their time horizon, and hopefully no more than two or three more years. Therefore I do not believe these dollars we are spending in Iraq or Afghanistan should be built into the defense base, and it would be a major budget error if we were to do that."

Wolfowitz said, "When you have unpredictable emergency expenditures, it is wise to do it through a supplemental. Making some kind of provision in overall budgeting for the fact that there is going to be a requirement for U.S. fiscal resources over and above what we requested for this year makes sense."

Last year, the Senate passed a budget that included a \$30 billion war reserve fund. That amount was raised to \$50 billion during conference negotiations with the House.

“Defense accounts represent the most significant item in discretionary spending within the budget - one that it is clearly critical with respect to where we are going as a nation and how we maintain our strength as a nation,” Chairman Gregg said.

“Recent action in Syria and Palestine also tell us that the awakening voices of democracy in those regions are occurring, and that those in that region are able to pursue it without being stifled by terrorists that are despotic. How we are going to sustain our commitment to the defense initiative as we restructure the core structure of how we meet the threat of terrorism and the long-term costs of this reallocation of resources as we move forward are all critical funding issues and ones that must be addressed,” Gregg said.

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