

Opinion – On Defense, Don't Let the Rhetoric Exceed the Funding

Written by Wayne A. Schroeder

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WAYNE A. SCHROEDER, MAY 11 2025

With the US Congress about to pass the budget reconciliation package and the Trump Administration having released its so-called “skinny” FY26 budget to Congress in early May, it is a good time to assess how to best shape the U.S. defense program in an era of great power competition. A national commitment is needed to provide stability and predictability in our defense program and address longstanding deficiencies in our defense industrial base. With China and Russia claiming a “no limits” strategic partnership, now is the right time to put our defense program on an upward trajectory. China’s defense expansion in the Indo-Pacific portends its long-term rise as a revisionist power that can threaten a free and open Indo-Pacific. Moscow has incurred hundreds of thousands of casualties and received tens of billions of dollars in economic sanctions yet continues to press the war with Ukraine and offer unacceptable peace terms. Russia’s military aggression is not merely an existential threat to Ukraine, but the first great security challenge of this era – one that Ukraine, the US, and Europe simply cannot afford to lose. As NATO Secretary Mark Rutte said recently in Davos, losing this war will cost the West not billions, but trillions of extra dollars.

Both challenges require a long-term commitment to intelligently strengthen our defenses to facilitate necessary adjustments to U.S. plans and force posture. Key emphases for Congress and the new Administration should be Navy shipbuilding (both manned and unmanned) with a priority on attack submarines, distributed maritime operations, munitions, long-range strike, strategic nuclear force modernization, and expanded ballistic missile and hypersonic defenses. Rebuilding the Navy is especially critical given China’s long-term rise – and it will take years to rebuild a Navy cut nearly in half since the end of the Cold War.

Defense research and development must continue to be a high defense priority. Autonomy, drones, unmanned systems, artificial intelligence, robotics, big data, space and cyber are no longer simply R&D investment areas – they are being integrated into militaries around the world. We need to get futuristic capabilities out of the laboratory, off the test range and into the field. The U.S. must retain superiority in deployed military technology throughout the era of great power competition. This should be the predicate for long-range defense planning. The Trump Administration should seek reasonable savings from defense enterprise-wide economization and reinvest them into the defense capabilities identified above – but not throw out the baby with the bathwater by making ill-considered defense management choices. In this regard, the Office of Net Assessment should be reinstated.

What is happening now on Capitol Hill and at the Office of Management and Budget (OMB) needs to be seriously evaluated in terms of determining its efficacy on sustaining a viable US defense posture. The House and Senate Armed Services committees have proposed a \$150 billion increase for defense, but it is in essence a contingent liability – contingent upon the passage of the budget reconciliation package. OMB did present its initial FY26 federal budget topline numbers to Congress last week, with more than \$1 trillion for national defense. But the budget proposal includes \$113 billion identified as “mandatory funding” coming from the reconciliation package – a one-time action.

What is missing from both ends of Pennsylvania Avenue is the identification of a long-term commitment to sustain a more robust U.S. defense program. The FY26 President’s Budget and FY27 planning processes provide vehicles to

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address these long-term requirements and offer the new Administration the opportunity to conduct a longer-range defense reset. A quick fix, such as a one-time, one-year \$100 billion increase will be counterproductive if it is not followed by a longer commitment to sustain what gets started. The country should only start a major defense build-up if it is fully committed to finishing it.

If proven to be justifiable and executable, this large defense spending increase should be supplemented with a long-term, outyear plan to grow the new defense program beyond the rate of inflation – at roughly two-to-three percent annually or \$20-30 billion per year. By further growing the defense budget, the US could then achieve its planning goals and permit the transition of new defense R&D programs into production and then be successfully integrated into the organization and operational concepts of the military services. Without such a commitment, there will simply be insufficient funding to support the transition, and the new program will be stillborn within just a few years. What is needed is an achievable defense program, even if it requires necessary and logical funding adjustments.

A defense reset will have much support in the Congress and need not await the issuance of the national security, defense and military strategies. The Administration should work aggressively to achieve reasonable defense goals and integrate them into a broader national security strategy. FDR led this way in 1940, as did Ronald Reagan in 1981 when he sent a defense supplemental to Congress and increased FY 1982 defense spending by \$35 billion. These defense histories underscore that there is no substitute for strong executive branch leadership when it comes to defense. Trump Administration admonitions to European capitals to increase their defense spending to 3, 4 or 5 percent of GDP will fall on deaf ears if Brussels, Paris and Berlin see the U.S. defense program start to fall again after a big FY26 increase. We must never get to the point where the “rhetoric exceeds the funding.”

The domestic challenges to a defense reset are significant. The economy has experienced high inflation, close to \$2 trillion deficits, and annual interest on the public debt now surpasses defense. The US must get its fiscal house in order and refocus on the emerging security environment. Delay invites more difficult decisions down the road for future Presidents and Congresses as the security competition with China and Russia intensifies. Defense should be increased to meet the challenges of the great power competition – and can be done so with determined national leadership.

The views expressed are the author's own and should not be construed to be those of the institutions with which he is affiliated.

About the author:

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