

Defense's Cold War Budget Draws Heated Response

By **MERRILL GOOZNER**, The Fiscal Times August 19, 2011

Faced with the prospect of sharp defense cuts should Congress fail to reach a \$1.2 trillion deficit reduction deal in December, the Pentagon at the president's request is conducting a comprehensive review of its nearly \$700 billion **annual budget** to look for new savings opportunities.

High on the list of options, some defense analysts say, should be the level of U.S. forces stationed abroad. Beyond the savings that can be achieved through the gradual drawn down of the more than 100,000 troops in Afghanistan and Iraq, the U.S. also maintains sizable garrisons in Germany, Japan and South Korea even though it has been more than 20 years since the end of the Cold War and over a half century since the conclusion of hostilities that led to their semi-permanent deployment in those countries. About 25 percent of the U.S.'s 1.4 million soldiers are stationed abroad.



The Bowles-Simpson **deficit commission** suggested non-war zone overseas troop levels could be reduced by 50,000, which would save an estimated \$80 billion over the next decade. Liberals in Congress have repeatedly introduced amendments to achieve that goal without success.

The latest effort, a **Defense Appropriations bill** amendment offered by Rep. Jared Polis, D-Colo., would have halved the force level in Germany to 35,000 troops. It failed by a 113-307 margin in early July, with only 25 Republicans joining 88 Democrats in support of the measure. Opponents included most Tea Party-backed legislators like Rep. Michele Bachmann, R-Minn., who's running for president.

At his inaugural **press conference** earlier this month, Defense Secretary Leon Panetta appeared to rule out sizable cuts in U.S. commitments abroad. "We face a broad and growing range of security threats and challenges that our military must be prepared to confront, from terrorist networks to rogue nations that are making efforts to obtain a nuclear capability, to dealing with rising powers that always look at us to determine whether or not we will, in fact, maintain a strong defense here and throughout the world," he said.

But some analysts question the strategic importance of maintaining the current level of troops in advanced industrial countries like Germany, Japan and South Korea, where the bulk of our overseas forces outside of Afghanistan and Iraq are stationed. "We've got to get out of the business of saying we're going to defend Europe and Japan," said Benjamin Friedman, a defense analyst at the Cato Institute, which joined with a coalition of mostly liberal defense watchdog groups last year to call for sharp

reductions in the U.S. overseas presence.

"There's nothing left to defend in Europe," he said. "And the Japanese at some point ought to handle the bulk of their own defense – if not all of it."

The estimated 30,000 U.S. forces in South Korea operate under the United Nations flag, a legacy of a conflict that raged from 1950 to 1953. They are largely deployed between Seoul and the demilitarized zone 30 miles to its north, defending the prosperous south from an invasion by the hermit-like North Korea, whose economy is in shambles. "South Korea has more than enough resources to maintain their own defense," Friedman said. "They have 20 times the GDP (gross domestic product) of the north."

However, most mainstream analysts are less sanguine about East Asia's ability to remain stable in the wake of a U.S. drawdown. Sheila Smith, a senior fellow and Asia expert at the Council on Foreign Relations, believes the last place the U.S. should be cutting its defense posture is in that part of the world.

She cited the rising power of China, its increased investment in military hardware, ongoing tensions between China and Taiwan, and the sporadic belligerence of an isolated North Korea, which last year launched an unprovoked attack on a South Korean naval vessel killing 46 sailors. To deal with its budget problems, the U.S. needs "to start thinking about more creative ways to sustain a significant force posture in Asia," she said. "We can achieve it without making all of the expenditures we do now. We could explore alternatives like co-basing with host militaries. We should be expanding those opportunities to work with our allies."

That may prove difficult for Japan, which is facing budgetary constraints of its own in the wake of the March 11 earthquake and tsunami that hit its northeast coast. Rebuilding will require an estimated \$300 billion, while Japan's tiny 250,000-man Self Defense Force (SDF) has been stretched thin by earthquake relief efforts. It sent 100,000 troops to help with the clean-up.

In an interview with *The Fiscal Times*, a high-ranking Japanese defense official said the U.S. in recent bilateral talks has repeatedly said that it has no intention of reducing its forces in the region. "We've been given assurance by (former Secretary of Defense Robert) Gates and Panetta that the U.S. firmly committed to maintaining peace and security in the region," the official, who wished to remain anonymous, said. "Japan is also facing a very difficult fiscal situation. We don't anticipate any increase in the SDF."

The same situation applies in Europe, which has been reducing its commitments to the North Atlantic Treaty Organization (NATO) for years, leaving the U.S. as the main financial supporter of the alliance. "They did not see the need for the large number of troops in Iraq and Afghanistan," said Guy Ben-Ari, a fellow at the Center for Strategic and International Studies. "It was a coalition of the willing and they weren't willing."

The troop cuts by NATO allies did have a bright side, he said. "The budget they do have is being spent on a smaller force, which means they are better equipped than if the money was being spent on more soldiers," he said.

The European experience highlights the major stumbling block for the U.S. achieving savings by cutting troops abroad. There will be no savings unless the total number of U.S. military personnel is reduced. With personnel and benefits costs now the largest expense for an all-volunteer military, simply bringing the troops home without an overall force reduction will only have a minuscule impact on the Pentagon's budget.

"It's really hard to lay off military personnel, and it is even harder to cut their benefits," said Ben-Ari. "That is an enterprise-level issue that needs a lot more thought put into it by the Department of Defense."