Congressional report puts cost of US wars at $1.6 trillion

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The price tag for the wars being waged by the US military in Iraq and Afghanistan will hit nearly $1.6 trillion during the coming year, according to a report released Tuesday by the Democratic staff of Congress's Joint Economic Committee.

Titled "War at any Price? The Total Economic Costs of the War Beyond the Federal Budget," the report's estimate amounts to nearly double the $804 billion that the Bush administration has either received or requested to finance the two wars through the 2008 fiscal year.

In addition to the hundreds of billions of dollars appropriated by Congress for the wars and occupations in Iraq and Afghanistan, the new report factors in such expenses as medical care for wounded military personnel, the war's impact on the tripling of oil prices since the March 2003 invasion of Iraq and interest on the money that has been borrowed to finance the wars.

"The full economic costs of the war to the American taxpayer and the overall US economy go well beyond even the immense federal budget costs already reported," the 29-page report states. "These 'hidden costs' of the Iraq war include the ongoing drain on US economic growth created by Iraq-related borrowing, the disruptive effects of the conflict on world oil markets, the future care of our injured veterans, repair costs for the military, and other undisclosed costs."

Also factored in are lost productivity from the tens of thousands of troops injured in Iraq and Afghanistan, increased recruitment and retention costs for the military, economic disruptions caused by the deployment of the Reserves, and the diversion of capital borrowed for the wars from productive investment.

The report further estimates that the total cost of the two wars between 2003 and 2017 will amount to $3.5 trillion—a figure that is $1 trillion higher than the estimate offered last month by the Congressional Budget Office for the same time frame. That estimate covered only direct budgetary outlays and interest on war-related debt.

The Joint Economic Committee, which includes members from both the House and the Senate, says that this staggering amount would be reached even given a "considerable drawdown in troop levels."

The report states that the cost of the two wars has already risen to $20,000 for every average family of four in the US. It projects per-family costs through 2027 to hit $46,400. The lion's share—$36,900—is blamed on the war in Iraq.

Interest costs on Iraq-related debt are projected to rise to over $23 billion in the current fiscal year, and to increase to some $80 billion annually by 2017, for a total outlay of $550 billion in war-funding interest payments between 2003 and 2017.

On the question of the wars' wounded, the report states that both the administration and the CBO have significantly underestimated the long-term costs to society. It points to the fact that advances in medical technology have kept alive large numbers of troops that would have been killed in previous wars, including some 800 whose wounds have been so severe as to require amputations. It also cites estimates that up to 20 percent of those returning from Iraq have suffered traumatic brain injuries and a similar percentage is estimated for Post Traumatic Stress Disorder, both of which can result in the need for long-term care. For these reasons, the congressional panel's staff estimates that total economic costs for the wounded will be at least $25 billion more than the figure given by the CBO.

In an appendix to the document, the committee's

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staff provides three alternate "scenarios" for the costs of the two wars. The first—and presumably seen as the most likely—is the one that the report used to make its estimate, involving a partial withdrawal of US troops from Iraq followed by a protracted occupation, with the total deployment falling to 55,000 by 2013, and costing $3.5 trillion by 2027.

The second is based upon troop levels in Iraq being maintained at the "pre-surge" level of 155,000 indefinitely, with costs for the two wars mounting to $4.5 trillion—only slightly less than the total cost of World War II.

The third is based upon withdrawal timetables attached to legislation proposed by House Democrats, with the number of US troops in Iraq being reduced to 10,000 in 2010, followed by a complete withdrawal. In this case, the costs are estimated at $2.6 trillion by 2017.

That the Democratic staff of the Joint Economic Committee advances these three alternate scenarios has unmistakable significance. It is one more indication of the emerging bipartisan consensus that Washington's colonial-style wars are to continue for many years to come.

The most likely scenario, as the report states "assumes that some active conflict with insurgents continues" through 2013; that is, after the American people have voted in two more presidential elections.

As for the supposed "best case" scenario based on the non-binding language of the House Democrats, tens of thousands of soldiers and marines would remain in Iraq for another three years.

Significantly, none of these scenarios projects a significant reduction in the tens of thousands of troops deployed in Afghanistan over the next decade.

The report was released on the same day that President Bush vetoed a $150.7 billion domestic spending bill that funded health care, education and job training programs. The White House claimed that it was $10 billion over the administration's fiscal target, while House sources indicated that it was really only $6 billion—an amount equal to roughly 3 percent of the money that is projected to be spent on the wars in Iraq and Afghanistan this year.

At the same time, Bush signed into law a separate military spending bill that provides $471 billion to fund the Pentagon's regular operations, not including the funding for the wars in Iraq and Afghanistan. The total appropriations for the military represented a 9 percent increase over last year.

Meanwhile, the House Democrats are expected to vote this week on a proposal that would provide the first $50 billion installment on the administration's request for nearly $200 billion to fund the two wars. The legislation, which would pay for operations until February, also includes language requiring Bush to draft a plan to withdraw US "combat troops" by the end of next year.

The use of this term is meant to obscure the fact that the Democrats support the continued deployment of tens of thousands of troops for the purposes of continued "counterterrorism operations," the training of Iraqi puppet forces and the protection of US facilities and assets in Iraq.

Bush has indicated he will veto any measure suggesting a withdrawal timetable.

Whatever the fate of this measure, the Democratic leadership blocked the inclusion of any language in the overall Pentagon spending bill that would have barred the transfer of funds from other programs into the operations in Iraq and Afghanistan, thereby assuring that the wars will go on and continue to be funded.

Speaking in Indiana Tuesday, Bush demanded that Congress approve a war spending bill without any conditions before the Christmas recess. "We don't need members of Congress telling our military commanders what to do," he said. "We need our military commanders telling us what to do so we can win the war against these extremists and radicals."

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