

# Analysis says war could cost \$1 trillion

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## Budget office sees effect on taxpayers for decade

By Bryan Bender, Globe Staff | August 1, 2007

WASHINGTON -- The war in Iraq could ultimately cost well over a trillion dollars -- at least double what has already been spent -- including the long-term costs of replacing damaged equipment, caring for wounded troops, and aiding the Iraqi government, according to a new government analysis.

The United States has already allocated more than \$500 billion on the day-to-day combat operations of what are now 190,000 troops and a variety of reconstruction efforts.

In a report to lawmakers yesterday, the nonpartisan Congressional Budget Office estimated that even under the rosiest scenario -- an immediate and substantial reduction of troops -- American taxpayers will feel the financial consequences of the war for at least a decade.

The calculations include the estimated cost to leave some US forces behind for at least several years to support the Iraqi government, but they also predict other long-term costs, such as extended medical care and disability compensation for wounded soldiers and survivor's benefits for the families of the thousands of combat-zone fatalities.

The cost of the war in Iraq and other military operations has soared to the point where "we are now spending on these activities more than 10 percent of all the government's annually appropriated funds," said Robert A. Sunshine, the budget office's assistant director for budget analysis.

Those costs -- both to sustain the current mission in Iraq and to pay longer-term "hidden" expenses like troop healthcare and replacement equipment -- are far more than US officials advertised when Congress gave President Bush the authority to launch the invasion in March 2003.

At the time, the White House and then-defense secretary Donald Rumsfeld predicted a quick, decisive victory and counted on Iraqi oil revenues to pay for the war. And when Lawrence Lindsey, one of Bush's top budget advisers, estimated in 2003 that the entire undertaking could cost as much as \$200 billion, he was fired.

Even that estimate -- which the Bush administration described at the time as far too high -- was still well off the mark. The Congressional Budget Office estimates that as of June, up to \$500 billion has been spent on combat operations in Iraq.

In the coming years, the price tag will be substantially higher. Testifying before the House Budget Committee yesterday, Sunshine told lawmakers that he used two scenarios -- an optimistic one in which most US troops are withdrawn, and another in which a sizable contingent remains for several years -- to calculate anticipated costs.

If the United States gradually reduced its troop level in Iraq to 30,000 by 2010, the US Treasury would still have to provide up to \$500 billion more to sustain those troops, as well as pay other expenses, he said in the report.

In the alternative scenario -- in which 75,000 US troops remain stationed in Iraq over the next five years -- the nation would have to pay an additional \$900 billion, according to the analysis.

Members of Congress welcomed the report, noting that the Pentagon has requested only annual expenditures and has refused to provide long-term estimates.

When the committee yesterday asked Gordon England, deputy secretary of defense, whether he agreed with the estimates, he maintained that "we don't have that degree of certainty" about the future costs of the war.

Representative John Spratt a South Carolina Democrat and the Budget Committee chairman, responded that the budget office numbers are "an extrapolation from existing costs. And we've got five years of experience, so they're . . . not building an assumption out of the air. They're extrapolating from known costs to what future costs are likely to be at certain force levels."

Some of the future costs will be incurred long after major combat operations end, according to the report.

The 16-page analysis estimated that the medical costs would be more than \$9 billion if the United States stations 30,000 troops in Iraq, and would cost almost \$13 billion if 75,000 troops remain there for the next several years.

The report estimates that training police and ground forces in Iraq and a relatively smaller number in Afghanistan over the next decade will require at least an additional \$50 billion. Meanwhile, the government will have to spend at least \$20 billion more for US diplomatic operations, to assist local governments, and to promote economic development in Iraq through 2017 -- regardless of how many US troops remain in the country.

Lawmakers expressed concern that the White House is not adequately preparing the country for the financial burden.

Representative James P. McGovern, a Worcester Democrat and a member of the budget panel, said that England couldn't give a firm answer when asked how much the Pentagon needed to pay for Bush's decision to dispatch 30,000 more troops to secure Iraq earlier this year. England said the costs the Pentagon anticipated a few months ago for military operations in fiscal year 2008 -- about \$142 billion -- will no longer be enough.

The military will need more money because of the "surge" and the purchase of hundreds of armored vehicles capable of withstanding the roadside bombs responsible for most of the US combat deaths. England said the Pentagon will provide a revised 2008 cost estimate in September.

But McGovern said he is worried about the long-term financial impact of the war, adding that his primary concern is that the United States is borrowing money to pay for it. Some leading economists have predicted that, depending on how long troops remain in Iraq, the endeavor could reach several trillion dollars as a result of more "hidden" costs -- including recruiting expenses to replenish the ranks and the lifelong benefits the government pays to veterans.

"It is being paid for on the national credit card," McGovern said. "It is being put on their backs of our kids and grandkids. That is indefensible."

McGovern said he is considering proposing that a "war tax" be levied on all Americans to cover the ballooning expenses.

"We should find a way to pay for it so that when this war is over we are not bankrupt," he said.

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