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What \$1.2 Trillion Can Buy

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The human mind isn't very well equipped to make sense of a figure like \$1.2 trillion. We don't deal with a trillion of anything in our daily lives, and so when we come across such a big number, it is hard to distinguish it from any other big number. Millions, billions, a trillion — they all start to sound the same.

The way to come to grips with \$1.2 trillion is to forget about the number itself and think instead about what you could buy with the money. When you do that, a trillion stops sounding anything like millions or billions.

For starters, \$1.2 trillion would pay for an unprecedented public health campaign — a doubling of cancer research funding, treatment for every American whose diabetes or heart disease is now going unmanaged and a global immunization campaign to save millions of children's lives.

Combined, the cost of running those programs for a decade wouldn't use up even half our money pot. So we could then turn to poverty and education, starting with universal preschool for every 3- and 4-year-old child across the country. The city of New Orleans could also receive a huge increase in reconstruction funds.

The final big chunk of the money could go to national security. The recommendations of the [9/11 Commission](#) that have not been put in place — better baggage and cargo screening, stronger measures against nuclear proliferation — could be enacted. Financing for the war in Afghanistan could be increased to beat back the [Taliban](#)'s recent gains, and a peacekeeping force could put a stop to the genocide in Darfur.

All that would be one way to spend \$1.2 trillion. Here would be another:

The war in [Iraq](#).

In the days before the war almost five years ago, the Pentagon estimated that it would cost about \$50 billion. Democratic staff members in Congress largely agreed. Lawrence Lindsey, a White House economic adviser, was a bit more realistic, predicting that the cost could go as high as \$200 billion, but President Bush fired him in part for saying so.

These estimates probably would have turned out to be too optimistic even if the war had gone well. Throughout history, people have typically underestimated the cost of war, as William Nordhaus, a [Yale](#) economist, [has pointed out](#).

But the deteriorating situation in Iraq has caused the initial predictions to be off the mark by a scale that is difficult to fathom. The operation itself — the helicopters, the tanks, the fuel needed to run them, the combat pay for enlisted troops, the salaries of reservists and contractors, the rebuilding of Iraq — is costing more than \$300 million a day, estimates [Scott Wallsten](#), an economist in Washington.

That translates into a couple of billion dollars a week and, over the full course of the war, an eventual total of \$700 billion in direct spending.

The two best-known analyses of the war's costs agree on this figure, but they diverge from there. [Linda Bilmes](#), at the Kennedy School of Government at [Harvard](#), and [Joseph Stiglitz](#), a [Nobel laureate](#) and former Clinton administration adviser, put a total price tag of [more than \\$2 trillion](#) on the war. They include a number of indirect costs, like the economic stimulus that the war funds would have provided if they had been spent in this country.

Mr. Wallsten, who worked with Katrina Kosec, another economist, argues for a figure closer to \$1 trillion in today's dollars. My own estimate falls on the conservative side, largely because it focuses on the actual money that Americans would have been able to spend in the absence of a war. I didn't even attempt to put a monetary value on the more than 3,000 American deaths in the war.

Besides the direct military spending, I'm including the gas tax that the war has effectively imposed on American families (to the benefit of oil-producing countries like Iran, Russia and Saudi Arabia). At the start of 2003, a barrel of oil was selling for \$30. Since then, the average price has been about \$50. Attributing even \$5 of this difference to the conflict adds another \$150 billion to the war's price tag, Ms. Bilmes and Mr. Stiglitz say.

The war has also guaranteed some big future expenses. Replacing the hardware used in Iraq and otherwise getting the United States military back into its prewar fighting shape could cost \$100 billion. And if this war's veterans receive disability payments and medical care at the same rate as veterans of the first gulf war, their health costs will add up to [\\$250 billion](#). If the disability rate matches Vietnam's, the number climbs higher. Either way, Ms. Bilmes says, "It's like a miniature Medicare."

In economic terms, you can think of these medical costs as the difference between how productive the soldiers would have been as, say, computer programmers or firefighters and how productive they will be as wounded veterans. In human terms, you can think of soldiers like Jason Poole, a young corporal [profiled in The New York Times last year](#). Before the war, he had planned to be a teacher. After being hit by a roadside bomb in 2004, he spent hundreds of hours learning to walk and talk again, and he now splits his time between a community college and a hospital in Northern California.

Whatever number you use for the war's total cost, it will tower over costs that normally seem

prohibitive. Right now, including everything, the war is costing about \$200 billion a year.

Treating heart disease and diabetes, by contrast, would probably cost about \$50 billion a year. The remaining 9/11 Commission recommendations — held up in Congress partly because of their cost — might cost somewhat less. Universal preschool would be \$35 billion. In Afghanistan, \$10 billion could make a real difference. At the [National Cancer Institute](#), [annual budget is about \\$6 billion](#).

“This war has skewed our thinking about resources,” said Mr. Wallsten, a senior fellow at the Progress and Freedom Foundation, a conservative-leaning research group. “In the context of the war, \$20 billion is nothing.”

As it happens, \$20 billion is not a bad ballpark estimate for the added cost of Mr. Bush’s planned surge in troops. By itself, of course, that price tag doesn’t mean the surge is a bad idea. If it offers the best chance to stabilize Iraq, then it may well be the right option.

But the standard shouldn’t simply be whether a surge is better than the most popular alternative — a far-less-expensive political strategy that includes getting tough with the Iraqi government. The standard should be whether the surge would be better than the political strategy plus whatever else might be accomplished with the \$20 billion.

This time, it would be nice to have that discussion before the troops reach Iraq.

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