

FOR IMMEDIATE RELEASE:
November 13, 2007

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**Statement of Carolyn B. Maloney,
Vice Chair of the Joint Economic Committee,
on the Hidden Costs of Iraq War**

“I want to thank Majority Leaders Reid and Hoyer and Chairman Schumer for their leadership on this issue.

“The American people and Democrats in Congress want a new direction in Iraq. By every measure, this war has cost Americans far too much – whether it’s lives lost, dollars spent, or our reputation tarnished around the world.

“Understanding the true economic costs of this war is critical to our nation. Right now, our economy faces threats from the housing downturn and related credit crunch, the falling dollar, and our \$9 trillion debt, which is being fueled in no small part by the growing cost of the Iraq war.

“So, I asked our staff on the Joint Economic Committee (JEC) to undertake this study in order to examine the broader impact of the war on the American economy.

“As my colleagues have noted, so far the full economic costs of the Iraq war are about double the immense federal budget costs that have been reported to the American people.

“The Congressional Budget Office has estimated that federal spending on the war could reach \$2.4 trillion dollars by 2017.

“Our JEC report finds that when you add in the “hidden costs” of the war, the total economic costs will rise by over \$1 trillion to \$3.5 trillion. The report reveals how we are all paying for this war one way or another – whether it’s higher prices at the pump, lost business investment, rising interest payments on the debt, or fixing the all the broken bodies and our stretched military.

“It’s hard to get your mind around these colossal figures, so let me try to make these numbers real for American families.

“A family of four’s share of the war price tag is already about \$20,000 and over the next decade it is expected to grow to more than \$46,000 – or a few thousand dollars shy of the annual income of the typical American household.

“The Iraq war funds that the President has requested through 2008 would have been enough to provide health insurance coverage to all uninsured Americans since the war began. It also could also provide free gasoline for American drivers for almost 18 months, according to the Boston Globe.

“This year alone, the President would have us spend as much on the Iraq war as the nation spends annually on our entire surface transportation system –highways, mass transit, and railroads – or about \$180 billion, including interest. At a time when our levees and bridges are crumbling, we can’t afford not to make greater investments in our infrastructure.

“War interest costs in 2008 alone would fund SCHIP for over 3 years at the current funding level. And about 3 months worth of Iraq war spending would fund the entire 5-year SCHIP funding increase that the President just vetoed.

“And states will share in the burden of this war too. If we do not change course, the economic costs of this war to my home state of New York will be over \$115 billion over the next decade.

“Taxpayers in my Congressional District, New York’s 14th, will alone pay about \$1.8 billion for the cost of the Iraq War through 2007. The National Priorities Project estimates that for the same amount of money, in my district we could have provided over 600,000 children with health care or employed an additional 21,000 elementary school teachers or awarded nearly 300,000 university scholarships or created 10,000 affordable housing units or hired more than 26,000 port container inspectors.

“President Bush has asked Congress for an additional \$200 billion for Iraq, bringing the President’s total request to \$607 billion in direct expenditures since the start of the war.

“This is well over ten times more than the \$50 to \$60 billion cost estimated by the Administration prior to the start of the war, with no end in sight from this President.

“House Democrats plan to send the President a smaller supplemental with a bigger message: start bringing our troops home, now.

“The \$50 billion package we plan to send the President includes a redeployment timeline, and other critical directives aimed at transitioning our role in Iraq and bringing our troops stateside.

“We know that a rapid redeployment will save countless American lives. The Joint Economic Committee estimates that a sharp drawdown in U.S. forces, much like the plan the House is advancing, could also save the American economy up to \$2 trillion dollars over the next ten years.

“The cost of this war has simply been too great, and the human toll too high. Democrats in Congress are committed to bringing our troops home soon, charting a new, more responsible direction in Iraq, repairing the readiness of our military and refocusing our efforts to fight terrorism around the world.

“Thank you.”

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