

War costs could total \$1.6 trillion by 2009, panel estimates

STORY HIGHLIGHTS

- . NEW: White House says Democrats manipulating data for political purposes
- Economic impact nearly double amount the president has asked Congress to fund
- Report: A family of four's share of the financial burden for both wars is \$20,900
- Report: Total tab could equal \$3.5 trillion by the end of 2017

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WASHINGTON (CNN) - The total economic impact of the wars in Iraq and Afghanistan is estimated at \$1.6 trillion by 2009, a congressional committee said in a report released Tuesday.



That is nearly double the \$804 billion in direct war costs the White House requested so far from Congress, the Joint Economic Committee said.

The committee estimated \$1.3 trillion in war costs by the end of 2008 for Iraq, and the remainder for Afghanistan.

The total war costs could grow to \$3.5 trillion by 2017, the committee estimated.

The higher total economic impact comes from, among other things, the cost of borrowing money to pay for the war, lost productivity, higher oil prices and the cost of health care for veterans, the committee said.

The committee calculated the average cost of both wars for a family of four would be \$20,900 from 2002 to 2008. The cost for a family of four would go up to \$46,400 from 2002 to 2017, the committee

said.

"For every dollar we spend directly in Iraq, we're going to pay another dollar for the indirect, but immediate, costs of the-war," Sen. Charles Schumer, D-New York, said. "We of the baby boom generation and our children and grandchildren will be paying for this war for a very long time to come."

"We cannot afford this war -- \$12 billion dollars a month?" Senate Majority Leader Harry Reid, D-Nevada, said. "We just can't. We can't continue." • Watch Sen. Reid say 'we can't buy victory' »

Schumer said finances will become a significant factor in the ongoing debate regarding the course of the conflicts.

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"The cost of the war is becoming the \$800 billion gorilla in the room when it comes to opposition in the war," he said. "It is becoming the first thing that people mention after the loss of life when they're opposed to this war."

"And the people who mention it, many of them, are not people who were against the war in the past," Schumer added.

Office of Budget and Management Director Jim Nussle dismissed the report, saying "the Congressional leadership is attempting to manipulate

economic data for public relations purposes."

"There are several ... distortions within the report, such as attempting to tie war costs to overall business investment and the price of oil."

Republicans, who said they were not included in the preparation of the report, also said the country has little choice but continue to bear the costs of the war.

"We have been protected from attack here at home," Senate Minority Leader Mitch McConnell, R-Kentucky said. "There's progress that is obviously being made in Iraq."

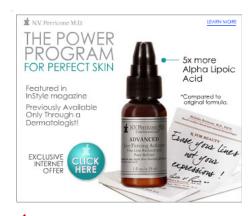
"We need to finish the job, and finish the job is to leave Iraq in a condition that it can defend itself and be an ally in the war on terror," he said.

"What's their alternative?" Don Stewart, a McConnell spokesman, asked of the Democrats. "Should we not fund veterans? Should we not send MRAPs [armored personal carriers] to Iraq? Not fund the GI Bill?

"And how much will oil cost if the progress in Iraq is reversed and al Qaeda shuts down the oil deliveries? What will that do to the markets?" Stewart asked.

Stewart called the report "a Democrat report, prepared by the head of the Democrat campaign committee" -- a reference to Schumer, the head of the party's effort to add Senate seats in 2008.

White House spokeswoman Dana Perino accused the Democrats of







releasing the report for partisan reasons and to "muddy the waters" after a series of positive reports from Iraq — including a reduction in violence, increased economic capacity of the country, and signs of continued political reconciliation "from the bottom up."

"It's positive and we hope it is a trend that will take hold," Perino said. E-mail to a friend

CNN's Ted Barrett, Becky Brittain, and K.D. Fabian contributed to this report.

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