

The Three Trillion Dollar War - The True Costs of the Iraq Conflict.

Review of Joseph Stiglitz and Linda Bilmes's most recent book

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Following on their previous pronouncement that war costs could amount to as much as 1 trillion to 2 trillion dollars, ten times more than even then previously thought [1], Stiglitz and Bilmes have furthered their research into the cost of the war with their new title *The Three Trillion Dollar War*. But it isn't – three trillion dollars that is. More than likely it will be much higher, as this “realistic-moderate” appraisal is continually described as conservative, with comments about always using the conservative numbers and even discounting certain costs as they could not be properly quantified. The “full tally” indicates “the numbers that we believe (conservatively) best captures the costs of the Iraq venture, even without counting interest – the total for Iraq alone is more than \$4 trillion; including Afghanistan, it increases to \$5 trillion.”

The book itself is generally a dry, well-written explanation of the kinds of costs incurred (death benefits, supplies and materials depletion, medical care into the future, future lost wages, interest on the debt, diseases, oil, rebuilding the economies...) and the methodologies used to establish the realistic value of the costs. There does not appear to be much room for anyone but a trained economist to argue with the figures, numbers so large that they are probably meaningless for most ordinary people to really comprehend.

Because the costs are being financed not through taxes on the citizens but through debt (money borrowed, mainly from overseas creditors) and because there is no readily visible military draft, the financial pain of this war is concealed from the American public, as are the physical and emotional pains of the returning personnel.

After the full tally is reached, the authors then continue on with “Global Consequences” where the economy reaches into a more politicized arena. The attempt to bring free market capitalism to Iraq via “shock and awe” therapy, combined with a complete disregard for international law have created a scenario where the U.S. is more feared, more disliked, than ever before on a global scale. Oil becomes one of the main areas of interest as the cost of oil (today hitting \$112 per barrel) has ramifications throughout the world for the obvious area of transportation and its resulting cost increases, and also in areas like agriculture with the rapid rise in fertilizer prices. Associated with that, though not developed in this work, is the parallel technological search for alternate bio-fuels, both from a price and environmental perspective. The rush for “green” fuels that are cheaper and more environmentally friendly is fatally flawed as their costs, monetarily and environmentally, are more than the value gained from the product.

There is not much to argue with the bulk of this project, but as the authors reach into ideas for “Exiting Iraq” and “Learning From Our Mistakes” there is room for improvement. Specifically, Stiglitz still considers that the U.S. and its organizations of the Washington Consensus are the means by which the world can rejuvenate itself from the disasters of the very same institutions, disasters that Stiglitz himself acknowledges.[2]

Stiglitz and Bilmes indicate that “American leadership is important for addressing a host of global problems confronting the modern world,” a highly arguable statement. Cooperation and participation, yes, but there is a noticeable lack of leadership in any of America’s relationships with the world today. Most previous leadership also centred around American power, its self-centred privileges, and its jingoistic exceptionalism of universal values and moral right combined with its advocacy of free market capitalism that has damaged so much of the world economically. The world does not need any more of that.

The first step, that is addressed well, is to get the U.S. out of Iraq. Unfortunately, that comes up against the reality of a huge political-military-industrial complex that is profiting greatly from the instability in the Middle East, not to mention the reality of the powerful Israeli lobby that is content to have America embroiled in a war that minimizes Israeli intentions within Palestine. As 2008 progresses, there is also significant evidence that none of the major candidates for the presidency will be able to affect change swiftly or at all, nor are they interested in decreasing their militant rhetoric against their next possible victim, Iran.

The suggestions for learning from their mistakes carry reasonable arguments as far as they go. There are the obvious points of having national (Congress) and international “checks and balances...on the power of the U.S. president.” Great idea, but unrealistic in a unilateral pre-emptive governance mode. Most of the reforms beyond that are directed at accounting procedures, natural from an economist’s point of view. While not supporting a military draft, they do bring a free market message into military recruiting – if it is so difficult to recruit volunteers, “our political leaders should listen to their message” – another great idea, but one that history indicates that the leaders of any country really do not care about the views of either volunteers or conscripts while fulfilling their own needs. Probably the most significant argument that would bring the war to the forefront of public discourse is their suggestion that “a war tax should be levied to fund such an expenditure” and not disguise the costs for future generations to pay.

In their final statement, they do get it right: “...war is about men and women brutally killing and maiming other men and women. The costs live on long after the last shot has been fired.”

What is not learned is that perhaps the world is overburdened with American leadership, with American rhetoric and jingoism about its supposed universal values that are applied very much in the homeland’s self-interest. The reforms America needs to undertake would be immense – deconstructing the military-political-business alliance that will continue to plunder the world for the benefit of the elite few at the top. With the largest war budget in the world (bigger than all others combined) and with many hundreds of military installations spread around the world and with the subordination of the NATO countries as military mercenaries, the U.S. may surrender a touch of direct confrontation and soften its rhetoric, but it will still remain confrontational in its economic and military spheres, backed by the premise of a global war on terror of which it is one of the main contributors.

[1] Wilson, Jamie. “Iraq war could cost US over \$2 trillion, says Nobel prize-winning

economist." The Guardian. Saturday, January 07, 2006. <http://www.guardian.co.uk/world/2006/jan/07/usa.iraq>

[2] see Stiglitz and Charlton Fair Trade for All and Stiglitz Making Globalization Work, both flawed works. See reviews at http://www.palestinechronicle.com/view_article_details.php?id=13127 and http://www.palestinechronicle.com/view_article_details.php?id=13092.

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