

FACT SHEET

THE COST OF IRAQ WAR AND THE SAVINGS TO BE EFFECTED BY WITHDRAWAL

Overall cost to the American economy: estimated by Nobel Prize Economist Joseph Stiglitz and former assistant secretary of commerce Linda Bilmes on standard accounting methods, if the American occupation lasts until 2010, more than \$1 trillion; if it lasts until 2015, probably more than \$2 trillion. Frightening as these figures are, they are based on costs (e.g. price of imported oil and rehabilitation of returning servicemen and women) that are underestimated by perhaps as much as \$200 billion.

Allocated expenditures: are currently running at \$7.1 billion a month or \$237 million a day. These costs are growing at roughly 20% a year. Direct costs were \$77.3 billion in 2004, \$87.3 billion in 2005 and \$101.8 billion in 2006. Even if withdrawal begins now, costs are expected to rise significantly in 2007. Adding 30,000 additional troops will cost \$1 billion more a week.

Savings effected by the McGovern-Polk Plan: If withdrawal is stretched out over a two-year period, the estimated cost according to the Congressional Research Service would be on the order of \$371 billion. Over half of this would be in the second year. So we estimate that our withdrawal timetable of six months would save on the order of \$250-\$300 billion.

Costs involved in implementing the McGovern-Polk Plan:

- 1) Two-year multinational stabilization force to replace American troops: \$6 billion or roughly 2% of the cost of the American occupation.
- 2) Partial support for creation, training and equipping of an effective national police force: \$1 billion.
- 3) Conversion of the program to create a new Iraqi army into a corps of engineers. \$2.2 billion is already allocated for the army; probably the conversion could be effected by about a quarter of this cost. Some of the current outlay may be recoverable; if none can be recovered, the new costs would be on the order of \$500 million.
- 4) Ceasing work on and closing the fourteen "enduring bases," some of which are the size of small cities. No additional costs anticipated.
- 5) Finding, digging up and destroying land mines and unexploded ordnance. The first step is a survey for which we believe the United States should contribute \$250 million. Only then can an estimate of costs for the overall clean-up be made.
- 6) American assistance in rebuilding: we advocate the grant of \$1 billion to survey the damage and plan ways that reconstruction can be carried out and financed. This is primarily an Iraqi task and undertaking it will help to overcome the socially destructive high rates (upwards of 50%) unemployment.
- 7) Dismantling blast walls, wire barriers, etc. Most will be done by Iraqi but we advocate a grant of \$500 million to jump-start the effort.
- 8) Restoring what can be saved of World Heritage sites destroyed by American action. We advocate a contribution to this effort of \$250 million.
- 9) "Condolence payments"/compensation for unjustified deaths/wounds, at \$10,000/person, for an estimated 70,000 people: \$700 million.
- 10) Creation of a training program for social workers, judges, and journalists at western institutions: \$500 million.
- 11) Assistance to Iraqi émigrés to return to assist in rebuilding Iraqi society: 10,000 people at \$50,000 for heads of families: \$500 million.
- 12) Rebuilding Iraqi public health service: training, equipment, etc. \$1.7 billion.

ESTIMATED OVERALL COSTS: \$12-\$14 BILLION

A SAVING OF AT LEAST \$350 BILLION OF THE COST OF STAYING TWO YEARS