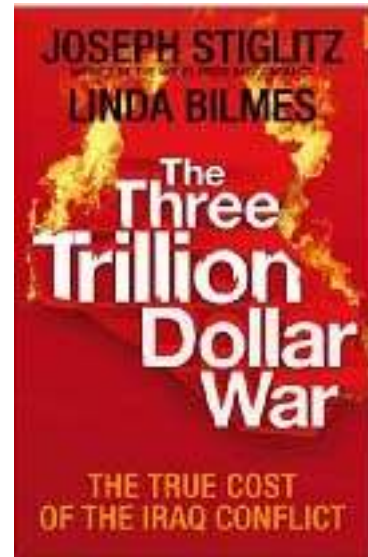


WHO IS TO TAKE RESPONSIBILITY FOR THE IRAQ WAR?

The three trillion Dollar War: the true Cost of the Iraq Conflict, by Joseph Stiglitz and Linda Bilmes, (Melbourne: Allen Lane [Penguin], 2008, pp. 311).

This astonishing book reveals the real costs of war today. Stiglitz is one of the leading US economists and winner of the Nobel Prize in Economics; he has to be taken seriously. He and Bilmes estimate that the total cost of the war to the USA at \$US3 trillion, plus as much again for the rest of the world (p. x). They insist that this is an ‘*excessively* conservative’ estimate, since many costs cannot be accurately measured yet (p. xix). In contrast, recall how former Secretary of Defense, Donald Rumsfeld, originally estimated the cost of the war at \$50-60 billion.



It is not just a matter of the costs of the actual war-fighting, along with the replacement of equipment which is being used up at an accelerated rate because of the climate and continued fighting. The USA was spending more than \$12 billion a month on the actual operations in Afghanistan and Iraq (p. 34).

The authors take into account the cost of death benefits and life insurance for the more than 4000 US troops killed in Iraq, as well as the loss of future earnings. They note that the future costs to government will be enormous for veterans’ health care and disability payments. At the time of writing, the USA had deployed 1.6 million troops for the war, but our authors note that nearly 40 percent of veterans from the first Gulf War had received disability compensation (p. 28), even though the war was short with only 147 dead and 235 wounded of the 700,000 US troops then involved (p. 38).



By December 2007, 37 percent of returning soldiers had already sought medical treatment at Veteran health facilities. Stiglitz and Bilmes estimate that 48 percent of veterans will eventually seek medical treatment, with 40 percent of these remaining in the system for their lifetimes (p. 39-40). Of the 370,00 discharged by December 2007, more than 263,000 had been treated at Veteran’s medical facilities, with more than 120,000 treated for mental health conditions, and 52,000 diagnosed with post-traumatic stress disorder. Another 185,000 have sought counselling (p. 65). The authors suggest the total cost for disability benefits at \$372 billion as a ‘moderate’ estimate (p. 77).

Other considerations are the social costs to communities and families in looking after veterans, and the indirect costs of the war, like servicing the foreign debt. Indeed

attempts by the Federal Reserve to keep interest rates low to pay for the war debt helped fuel the borrowing binge in the United States and the consequent melt-down on Wall Street. 'This was all predictable – and predicted' (p. 126). Unfortunately the war has not been financed by taxes, but from borrowings.

Another indirect cost of the war was to increase the oil price greatly over a number of years. Not only did this have major impacts on developed economies, but it seriously eroded the finances of poorer countries. The high oil prices in 13 African countries, for instance, 'had the effect of lowering their incomes by 3 percent – more than offsetting all of the increase in foreign aid that they had received in recent years' (p. 159).

The costs of the war for Iraq have also been staggering. 'By September 2007, a stunning 4.6 million people – one of every seven Iraqis – had been uprooted from their homes' (p. 133). Much of the nation's infrastructure was destroyed, and will take years to repair. Up to 8,000 Iraqi troops had died fighting alongside US troops. The Brookings Institution put the number of Iraqi civilian casualties by December 2007 at nearly 100,000 (p. 136), though the total death rate since the US invasion, including from increased disease and because of degraded health and other facilities, was estimated by a Johns Hopkins study at almost 655,000 by July 2006 (p. 138).

Our authors insist that the defence contractors and oil companies have been 'the only real winners in this war' (p. 15), though private security contractors can earn very high salaries, even in some cases up to \$445,000 a year (p. 12). In 2006 the United States was employing more than 100,000 private contractors.

Even though President Obama will withdraw US forces from Iraq as soon as possible, the costs of the war will be ongoing for many years. No one can yet tell the final outcome of the Iraqi war, but one must ask who is to be held responsible for all these tragic consequences, with hundreds of thousands of lives lost, millions displaced, immense physical destruction and lasting economic consequences for the entire world.

Or will the western politicians involved and their cheer-leaders in business and the media simply walk away? How is justice to be done? Should the decision to invade Iraq be regarded as a war crime? And what are the implications for leaders in the Howard government in Australia that committed this country to join the invasion of Iraq alongside Britain and the USA?

Reviewed by Bruce Duncan