



JOINT ECONOMIC COMMITTEE
SENATOR CHARLES E. SCHUMER, CHAIRMAN
REPRESENTATIVE CAROLYN B. MALONEY, VICE CHAIR



Statement of Carolyn Maloney, Vice Chair
Joint Economic Committee Hearing
February 28, 2008

Good morning. I would like to thank Chairman Schumer for holding this hearing to examine the economic costs of the Iraq war. I want to welcome our distinguished panel and thank them for testifying here today.

Over the past five years, the President has requested some \$665 billion from Congress to fund the war in Iraq. The more than \$180 billion that the President wants the government to spend on Iraq just this year, including interest on the war debt, totals almost half a billion dollars a day.

But the untold story – one every American needs to hear – is that the costs of this war go well beyond these budget numbers. At my request, last year the Joint Economic Committee prepared a report showing that if the President's 2008 funding request is approved, the full economic cost of the war will total \$1.3 trillion just by the end of the year. This figure includes the “hidden costs” of deficit financing, the future care of our wounded veterans, and disruption in oil markets. And if the war continues, the costs will only mount higher. In his new book, Dr. Stiglitz estimates that the total economic price tag for the war could reach \$3 trillion to \$5 trillion over the next decade if we remain in Iraq.

The numbers may feel abstract, but the costs are real. The burden of war debt handed down to our children is real – it's been called the Iraq 100-year mortgage. The lost opportunities to invest here at home in jobs, green technologies, roads and bridges, health care and education are real. And, the nearly 4,000 lives lost are real. We are all paying for the colossal costs of this war one way or another.

Last year alone, the President asked Congress to spend more on the Iraq war than the \$130 billion our nation spends annually on the entire American road and highway system. At a time when our levees and bridges are crumbling, we cannot afford to stop investing in our infrastructure. And the President has been squabbling with Congress about money for children's health care, when about three months' worth of Iraq war spending would have covered the entire five-year Children's Health Insurance Program funding increase he vetoed last year.

The administration is reportedly negotiating for an indefinite U.S. troop presence in Iraq. We know we cannot afford the continued loss of life. The economic costs have also become unbearable. The JEC has estimated that the difference between “staying the course” with our current troop commitment in Iraq versus a more rapid draw down favored by many Congressional Democrats is about \$1.8 trillion in additional economic costs over the next decade.

That's above and beyond what we've already spent on the war, and it's money that will continue to be diverted from important national priorities.

A productive debate over the long-term economic impact of the war and its cost to future generations is long overdue. It's no surprise, however, that this is a debate the Bush administration would rather hide from.

OMB Director Nussle took issue with our JEC report last year. Chairman Schumer and I wrote to invite him to appear before this Committee to present the Administration's estimates of what the full economic costs of the Iraq war have been so far, and will be going forward. Not surprisingly, Director Nussle has not responded to our open invitation. I want to call on the Administration to produce their own estimates, as we and many of our witnesses have done, and appear before this committee to have a productive dialogue about this critical issue facing our nation.

Mr. Chairman, thank you for holding this important hearing.

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