

Iraq war could cost more than World War Two, says top economist

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The war in Iraq could end up costing more than World War Two concludes a major new study by a top international economist.

In a book to be published tomorrow Nobel prize winning Professor Joseph Stiglitz has found that the Iraq war has now cost a staggering one and a half trillion pounds.

The long-term hidden costs which include such items as medical care and pensions for wounded soldiers mean that it will eventually surpass the two and a half trillion pound cost of the Second World War.

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The cost of war: The Iraq war has cost a staggering one and a half trillion pounds so far

And that forecast is valid, the study argues, even if the US ends the war next year and tries to pull out of Iraq as quickly as possible.

Professor Stiglitz, former chief economist of the World Bank, has also concluded that the war in Iraq is at least partly responsible for the US economic slowdown and is impeding a recovery.

When the war started five years ago experts said it would virtually pay for itself through increased Iraqi oil exports.

"It used to be thought that wars were good for the economy – but no economist really believes that anymore," said Professor Stiglitz.

The new study entitled "The Three Trillion Dollar War" contrasts the incredible price of the war with other items of government spending.

For example, the war costs as much every four hours as the annual research budget for autism.

The annual cost could pay for 15 million school teachers or could send 43 million students to university.

Dr Linda Bilmes, an economist who has co-authored the study, estimates that the US is now directly spending 8-billion pounds a month on Iraq and Afghanistan but that there are other enormous hidden costs such as long-term medical care for wounded soldiers and increased oil prices.

Professor Stiglitz of Columbia University, New York, is also chairman of the UK's World Poverty Institute at the University of Manchester.