



## **As Britain tries to learn from Iraq mistakes, so should the U.S. – by privatizing the VA**

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The British government issued Wednesday the long-awaited Chilcot report, harshly criticizing the U.K.'s decision to join the United States' 2003 invasion of Iraq. The ensuing Iraq war "cost the lives of 179 British troops and, at the time of the British withdrawal in 2009, at least 150,000 Iraqis," according to the Washington Post. "To date, more than 4,500 Americans have died in Iraq and more than 32,000 have been wounded."

Many Democrats remain angry with their presumptive presidential nominee Hillary Clinton for voting as a U.S. senator from New York to authorize the invasion in 2002. Clinton later wrote, "I had acted in good faith and made the best decision I could with the information I had ... But I still got it wrong."

There is a reform that could have given Clinton and other policymakers better information about the costs of invading Iraq -- information that could conceivably have prevented the invasion altogether or at least shortened the U.S. occupation.

That reform? Privatizing the Department of Veterans Affairs.

The VA provides life, disability and health benefits to certain veterans. But Congress does not fund those benefits until they come due, and the cost of those benefits typically peaks decades after Congress incurs them by sending troops to war. This lag enables members of Congress to ignore one of the largest financial costs of war. The VA lets Congress wage war on the cheap.

When Clinton and other members of Congress authorized the Iraq invasion and occupation, they *knew* they were incurring huge obligations to provide benefits to future veterans of that conflict. Economists Linda Bilmes and Joseph Stiglitz estimated the costs of Iraq and Afghanistan veterans' benefits alone would total about \$1 trillion.

But Clinton and Co. did not have to *fund* those obligations. They did not have to set aside money in a special fund to cover those future benefits. They did not have to face political pushback against raising taxes or increasing federal borrowing by around \$1 trillion. Thus, they did not give that mammoth cost the weight it deserved when making their cost-benefit calculations about whether to go to war.

Clinton said it herself: She did the best she could with the information she had at the time. That is a cry for help.

Privatizing the VA may be the only sure-fire way Congress can provide itself better information on the costs of war. As my Cato Institute colleague Chris Preble and I explained in the New York Times, Congress should pre-fund veterans benefits by immediately giving military personnel enough additional pay to enable them to purchase private life, disability, and health insurance similar to what the VA provides. Congress should simultaneously privatize the Veterans Health Administration by transferring ownership of the system's physical capital to veterans, and give current VA enrollees subsidies they can use at the newly privatized VA or other private providers. Simply privatizing the VA would dramatically increase innovation and competition in health care markets around the country.

More importantly, requiring Congress to pre-fund veterans' benefits would force Congress to face this enormous cost of war *at the moment it decides to go to war*. As Preble and I wrote:

The alternative system we propose combines the universal goal of improving veterans' benefits with conservative Republicans' preference for market incentives and antiwar Democrats' desire to make it harder to wage war. Pre-funding veterans' benefits could prevent unnecessary wars, or at least end them sooner. We can think of no greater tribute to the men and women serving in our armed forces.

Privatizing the VA is the only way to impose political accountability on Congress for these costs of war. Alternatives like socking money away in a lock-box would merely create opportunities for Congress to raid that fund -- as it has raided Social Security surpluses -- and thereby avoid political accountability.

The British government is trying to avoid repeating costly mistakes. The U.S. government should do the same.

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