

# Center for American Progress



## MEMO TO THE COMMUNITY

**To:** Interested Parties  
**From:** John Podesta  
**Date:** August 25, 2005

### RE: Memo to President Bush on Iraq

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President Bush and his followers have now launched a full-scale defense of his policy in Iraq and a full-on assault on his detractors. And yet their weapon of choice is spin, not strategy. Listening to the president speak about Iraq this week, one had the feeling that he must be living in a parallel universe. Is he unwilling to level with the American people about the cold reality that is Iraq today? Or is he unaware of the minefield he has walked the country into?

The truth hurts. Sixty-one U.S. troops have died in Iraq since President Bush went on vacation. Iraq's interim government has twice missed the deadline for presenting a constitution. The current draft of the constitution not only threatens to create an illiberal Shia theocracy that doesn't respect the rights of women and religious minorities, but also risks intensifying the current undeclared sectarian civil war. And the president's approval rating has dropped to an all-time low of 36 percent – lower than Richard Nixon's approval rating at the height of Watergate. Cindy Sheehan is not the only American who thinks that things aren't going so well in Iraq.

The White House's solution to its problems? Sending the president to the friendly environs of Utah and Idaho and putting its spinmeister Dan Bartlett on television to simply insist that "we have the right strategy to prevail."

As a former White House chief of staff, I can say that the most important duty of a senior advisor is not to say "yes, sir," but to honestly present the facts and the options available to the country. If the president's advisors can't confront the truth or don't have the courage to tell the president the truth, they shouldn't have taken the job in the first place.

Instead of spending time plotting motorcade routes to avoid Cindy Sheehan protests, the president's advisors should be spending their time laying out the situation on the ground and the impact the war is having on terrorist networks, regional stability, sectarian conflict within Iraq, our overstretched ground forces, and U.S. security.

The Center for American Progress has drafted a memo that outlines the facts and challenges in Iraq. This is the memo that the White House Iraq Group should – but probably won't – send the president.

## MEMORANDUM TO THE PRESIDENT

**From:** White House Iraq Group (WHIG)  
**Date:** August 25, 2005

### RE: Challenges Ahead in Iraq

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To supplement the daily Iraq briefings you are receiving in Crawford, we wanted to offer a broader overview on where we stand and the challenges ahead in Iraq.

While our public message presents the most positive perspective on our gains in Iraq, there are multiple challenges that we must acknowledge and manage. These include:

- Growing human and economic costs of the Iraq war;
- Weakened and overstretched ground forces;
- Increasing national security threats from global terrorist networks;
- A deteriorating security situation in Iraq;
- Stalled reconstruction and economic development in Iraq;
- Rising probability of sectarian strife in Iraq; and
- Escalating instability in the Persian Gulf region.

#### 1. Costs: Human and Financial

- **Casualties in Iraq.** As of August 24, 1,867 U.S. soldiers have been killed and 14,120 have been wounded. The number of casualties during the past year exceeded the number of casualties during the first year of the Iraq war, and, at present, we see no evidence of a slowdown. Our pollsters warn us that American public support for the war in Iraq has dropped to an all-time low. As demonstrated by Cindy Sheehan, even one U.S. casualty can move public opinion.
- **Costs exceed \$200 billion.** The total costs of the Iraq war and reconstruction exceed \$200 billion to date, and the costs per month this year for military operations and reconstruction have approached \$8 billion. If operations continue, we will have to submit another supplemental to Congress this fall, and costs by year's end could approach \$300 billion.

## 2. Our Weakened Ground Forces

Military leaders both privately and publicly say that our ground forces are overstretched and will break unless we implement a substantial drawdown of our personnel in Iraq. The situation is most acute in the Army, but it is also beginning to affect the Marines.

- **Overextension of ground forces.** As you know, Army guidelines call for troops to have two years at home for every year deployed in combat. Most active-duty combat units are now spending at least one out of every two years on foreign battlefields. At least 20 percent of active Army soldiers have been deployed more than once to Iraq or Afghanistan.
  - The frequent use of stop-loss for the Army and repeated deployments have put excessive burdens on military personnel and their families.
  - The divorce rate for military families has soared in the past three years, most notably for officers, as longer and more frequent war zone deployments place extra strains on couples.
  - The over-reliance on Guard and Reserve forces, which now comprise approximately 40 percent of U.S. forces in Iraq, has put serious stress on small communities, straining local economies and disrupting families and businesses. Moreover, many governors have expressed grave concerns about the lack of National Guard resources and personnel available to help fight forest fires and conduct other essential missions.
- **Low morale.** The Army's mental health advisory team found that 72 percent of soldiers initially deployed to Iraq and 54 percent of their replacements reported "low" or "very low" unit morale.
- **Recruitment shortfalls.** Both active and reserve components of the Army continue to miss their recruiting targets despite increasing bonuses, shortening enlistment periods, lowering standards for new recruits, raising the eligibility age of troops, and emptying the delayed entry pool (recruits who have enlisted but have not gone to basic training).
  - Through July, ten months into Fiscal Year 2005, the active-duty Army had enlisted only 55,207 recruits of its overall goal of 80,000. The Army's Chief of Staff acknowledged to Congress in July that the service will probably miss its recruiting goals this year and that next year will be worse.
  - These shortfalls are occurring despite our offering enlistments as short as 15 months and increasing enlistment bonuses to \$20,000 from \$6,000. The Army National Guard and Reserves increased the eligibility age from 35 to 39, and the Pentagon formally asked Congress to increase the maximum age across all of the services for first-time enlistees to 42.

- **Overextended Marines.** Maintaining current levels of U.S. Marines in Iraq threatens to undermine the readiness of this force. Marine commanders have acknowledged that they are facing the most challenging recruiting environment they have seen in more than a decade. With at least 25 percent of its fighting forces permanently deployed overseas, the Marine Corps is struggling to maintain readiness. Combat operations are also starting to create excessive wear and tear on the equipment.
- **Mental health problems.** Thirty percent of returning and unwounded U.S. troops have developed stress-related mental health problems three to four months after coming home. Four in ten soldiers who are deployed twice have experienced mental health problems requiring professional assistance.
- **Wear and tear on key military equipment.** The harsh environment and high operational tempo in Iraq is wearing out equipment at a very high rate. The Congressional Budget Office estimates that for 2005 it will cost approximately \$8 billion to fix wear and tear on equipment; cleaning up the entire backlog in repairs is estimated to cost as much as \$18 billion. Army trucks are running at roughly 10 times their peacetime use.
- **Harming military transformation.** The huge operation and maintenance costs are squeezing procurement at a time when the U.S. military needs to buy more equipment for its operations around the world and its training at home.

### **3. Iraq's Impact on Global Terrorism**

- **Little progress on the war against global terrorist networks.** Terrorist attacks classified as "significant" worldwide more than tripled to 650 last year from 175 in 2003.
- **Creating new terrorists.** The war in Iraq has created a central front on terrorism where none existed before. International terrorist networks such as al Qaeda now see Iraq as a major staging ground for attacking us and our allies. The war is providing a powerful recruiting tool for terrorist networks worldwide. We are seeing the formation of new transnational networks modeled on al Qaeda's decentralized terrorist organization. These terrorist networks have rapidly adapted their tactics to reshape the battlefield, using the Internet to recruit, conduct training, and organize attacks.
- **New training ground for terrorists.** Foreign fighters are increasingly entering Iraq to wage war against U.S. and Iraqi forces. It is estimated that between 750 and 1,000 foreign fighters were in Iraq in July 2005, as opposed to a number in the "low hundreds" in June 2004. In addition to killing U.S. troops and Iraqis, they are gaining on-the-ground experience in terrorist and insurgent tactics, such as bomb-building, urban warfare, and combat against U.S. forces. Even brief or small victories embolden them, and their skills are transferable to other locations.

- **Creating new extremist alliances.** The war and extended U.S. presence in Iraq have fostered a new alliance between secular Arab nationalists and Islamic extremists who, though traditionally opposed to one another, are finding common cause in their opposition to us. We have played matchmaker among our enemies, and there are serious political ramifications not only in Iraq but, increasingly, across the Middle East.
- **Danger of regional conflicts.** As the conflict in Iraq increasingly takes on the appearance of a sectarian civil war, there is growing danger that the conflict will bleed into the region along sectarian, ethnic, and national lines. Tensions between Shia and Sunni Iraqis have been mirrored in other important countries nearby, including Saudi Arabia and Pakistan. In addition, Kurds in Iran, Syria, and Turkey have taken actions that could potentially undermine stability in those countries and spread throughout the region.

#### 4. Security in Iraq

The security situation in Iraq is not improving in any measurable way and actually may be deteriorating. The Iraqi army is not yet sufficiently trained to conduct counterinsurgency operations effectively, and the police are incapable of enforcing law and order.

- **Iraqi deaths.** An estimated 25,000 civilians have been killed since the invasion, and they continue to be targeted daily by the insurgency. Iraqi security forces have suffered heavy casualties. Since June 2003, roughly 2,900 members of the Iraqi police and army have been killed.
- **Shortcomings in Iraqi security forces.** We are far from achieving our stated goal of 272,566 trained security forces. The ability of Iraqi forces to carry out security operations is inconsistent at best.
  - Iraqi military and police forces have been infiltrated by insurgent elements due to inadequate screening procedures. Furthermore, Iraqi security forces are believed to be feeding intelligence to the insurgents.
  - According to our commanders in the field, by late June only three paramilitary battalions (less than 3,000 troops) had achieved a readiness standard of Level 1 (units able to plan, execute and sustain independent counterinsurgency operations). Two-thirds of the army battalions and half of the police battalions are only "partially capable" of conducting counterinsurgency operations in conjunction with coalition units. The remaining battalions have just been formed and are not capable of performing adequately, even with help.

- It is unclear whether Iraqi security forces will be loyal to the central government of Iraq or if they will be loyal to their ethnic group. If civil war occurs, it is feared that these forces, including Kurdish *peshmerga*, Shia and Sunni Arab recruits, and former Baathists from Saddam's military, will divide to defend the specific interests of their religious or ethnic groups.
- **Ongoing insurgency.** Counterinsurgency efforts are not preventing the insurgents from replenishing their ranks and mounting devastating attacks. Estimates continue to put the number of insurgents at 15,000 – 20,000, a level that has been sustained for more than a year. It appears that the insurgents are replenishing their ranks with startling speed. Attacks averaged 70 a day in May, June and July 2005, the third highest monthly average since the war began. In addition, the insurgents are using increasingly sophisticated weaponry. Their bombing attacks are becoming deadlier and they are rapidly improving their tactics – in part because their improved methods are spread via the Internet.
- **Rampant crime.** A chief concern among Iraqi civilians is the lack of order and widespread street crime. The Iraqi Interior Ministry estimates that roughly 5,000 Iraqis have been kidnapped between December 2003 and April 2005.

## **5. Iraq's Economic Development and Reconstruction**

- **Insecurity.** The dangerous security situation remains the major impediment to the reconstruction and rehabilitation of Iraq.
  - Security costs consume between 16 and 36 percent of reconstruction funds.
  - As of June 30, 330 contractors had been killed in Iraq. The Special Inspector General for Iraq Reconstruction has warned of rising insurance costs for companies engaged in reconstruction projects.
- **Unspent reconstruction funds.** Only \$9 billion of the \$24 billion set aside by the Congress from FY 2003 through FY 2005 for security and reconstruction activities has actually been spent.
- **Inadequate oil production.** As of August 2005, Iraq's crude oil production was lower than before the 2003 invasion, despite more than \$5 billion in U.S. and Iraqi funds being directed toward this sector. Iraq's oil exports were expected to fund over 90 percent of Iraq's budget for 2005.
  - Sabotage is costing Iraq hundreds of millions of dollars per month in lost oil export revenues and even more in repair costs. This week, insurgent attacks caused a complete halt to all Iraq oil exports for most of Monday.

- One of the largest sources of corruption in Iraq, if not the largest source, is the theft and diversion of gasoline and diesel fuel by Iraqi government officials. Although the scale of this activity is impossible to measure accurately, one contractor reportedly stated that one-third of imports of gasoline and diesel fuel “disappear.” This is the equivalent to approximately \$2 billion in 2005, or roughly a tenth of Iraqi GDP.
- **Corruption in reconstruction.** Insufficient oversight has meant that billions of dollars have gone unaccounted for in Iraq. As one example, the Defense Contract Audit Agency found that Halliburton subsidiary KBR overcharged occupation authorities by more than \$100 million for a task order to deliver fuel. The lack of financial controls is also creating strong incentives for corrupt practices in Iraqi ministries.
- **High unemployment.** Unemployment poses a serious security threat to stability in Iraq, as the insurgency draws some of its membership from the ranks of the unemployed. Current estimates put unemployment between 27 and 40 percent.
- **Absence of basic services.**
  - Electricity production was lower in May 2005 than before the March 2003 invasion. As temperatures approach 120 degrees, many Iraqis still only have about eight hours of electricity a day.
  - Nearly one half of all Iraqis do not have regular access to clean water. We are seeing outbreaks of cholera that, given the limited clean water available, could give rise to an epidemic. USAID reports that more than half of the country's sewage treatment facilities are not working.

## 6. Sectarian Strife in Iraq

Although Iraq has seen some progress towards setting up a representative national government since 2004, several difficult challenges remain.

- **Sectarian militias controlling key parts of the country.** The Iraqi transitional government has not yet resolved some key tensions between the roles and authorities of national, regional and local government structures in Iraq. In the absence of functioning and accountable governmental institutions at the local and national levels, sectarian militias have taken control of key parts of the country, carrying out assassinations and abductions and intimidating their rivals.
- **A fractured political landscape.** In addition to Sunni, Shia, and Kurdish divisions, the political landscape in Iraq is deeply fractured, with dozens of new political parties, many lacking broad-based political support. The enduring force of tribalism undermines the authority of the central government, with tribal leaders wielding significant influence and power in key parts of the country.

- **Unresolved status of Kirkuk.** Iraqis remain sharply divided on how to resolve the status of Kirkuk more than two years after repeated negotiations on the city's status. The city's oil wealth and property disputes resulting from Saddam Hussein's policy of "Arabization" make the city a flashpoint. Furthermore, Turkey has a stake in what ultimately happens in Kirkuk, which has a sizable Turkmen population.

## 7. Regional Stability

Our war in Iraq has undermined stability in the Persian Gulf region, and we need to dedicate more effort to bring greater security to this volatile region of the world.

- **Insecure Iraq borders.** Border security for Iraq has been a problem since our invasion two and a half years ago, and it remains a problem today. Our experiences in Afghanistan and the Balkans suggest that stability will be difficult to achieve in Iraq without the active support of Iraq's neighbors, specifically Iran, Jordan, Saudi Arabia, Syria, and Turkey.
- **Expansion of Iranian influence.** Iran has been involved in Iraq since our invasion, with quiet support for the Badr Brigades, a key Shia militia group. Recent reports indicate that Iranian elements are providing weapons and explosive devices to groups in Iraq. Iran and the Iraqi transitional government recently formalized ties, with Iran pledging at least \$1 billion in development assistance to Iraq. Iran's record of support for terrorist movements such as Hizbollah in Lebanon and its recent moves to restart uranium enrichment activities and provide weapons to Iraqi insurgents make clear Iran's potential for further destabilizing the region.
- **Clashes between Turkey and the Kurds.** Despite Turkey's status as a NATO ally, it has the potential to create additional obstacles to a stabilized Iraq. Turkey's ongoing battles with the Kurdish Workers Party in the east have flared up recently. Last month the Turkish prime minister, citing the precedent of our war in Afghanistan after September 11, warned that his military forces might take action against Kurdish guerillas if U.S. forces did not stop border infiltrations from northern Iraq.
- **Continued threat of instability in Saudi Arabia.** Though terrorist attacks against the government have declined in the last year, the threat of a "boomerang" effect resulting from Saudi extremists returning home from Iraq is real, particularly as Saudi Arabia undergoes a political transition following the death of King Fahd last month. The price of oil has skyrocketed well above \$60 a barrel in part because of concerns about Saudi stability.
- **Weakened Israel's security.** The expansion of Iranian influence into Iraq endangers Israel's security. Iran provides active support for terrorist groups, like Hizbollah, that are bent on Israel's destruction. In addition, Iraq has become the new central training ground for global terrorist networks, all with the potential for undermining regional stability.

## **Memo to President Bush on Iraq**

We, despite many setbacks and challenges, have managed to maintain public support for our engagement in Iraq. We are now in danger of losing that support. The armed forces are cracking, and no “peace dividend” has emerged for Iraqis. Terrorist networks are strengthening, and instability has increased in the region. We will continue to explore options for stabilizing the country and for withdrawing U.S. troops.