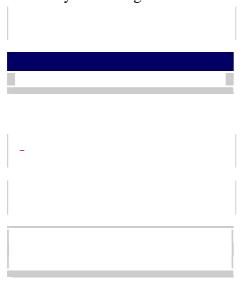
## **Spending Request Envisions Long War**

By Dana Milbank Washington Post Staff Writer Tuesday, March 25, 2003; Page A01

The White House last night outlined a war spending plan that envisions a protracted conflict and military occupation in Iraq, as the American public showed signs that it, too, was bracing for an extended and bloody fight.

The Bush administration said it plans to ask Congress to spend \$74.7 billion over the next six months on Iraq and related foreign aid and anti-terrorism matters. The proposal includes \$63 billion to prosecute the war -- enough to keep the full force of U.S. troops in Iraq for nearly five months -- \$8 billion for international aid and relief, and \$4 billion for homeland security. A senior administration official, briefing reporters, said the request is based on a conclusion in recent days that the government of Iraqi President Saddam Hussein will not fold quickly.



After Sunday's setbacks in Iraq and President Bush's warnings that progress could be more difficult than anticipated, Americans have begun to revise their expectations. A new Washington Post-ABC News poll found that 54 percent of the country believes the United States and its allies will sustain "significant" casualties in the war, up from 37 percent on Thursday. Nearly half -- 45 percent -- expect the war to last months rather than days or weeks, up from 37 percent on Thursday. [See story, Page A23]

Reports of U.S. casualties and prisoners of war also jolted Wall Street. The Dow Jones industrial average fell 3.6 percent in its worst day of the year, and returned the average to a loss for the year after last week's rally. Amid economic anxiety, Federal Reserve Chairman Alan Greenspan has been at the White House three times in recent days.

While Americans are rallying around the troops -- support for the war is strong and unchanged at better than 70 percent in the Post poll -- the administration found itself in a tense diplomatic exchange with Russia. Bush called Russian President Vladimir Putin to raise the American contention that Russian companies had sold antitank missiles, night-vision goggles and other military equipment to Iraq.

Bush's spokesman, Ari Fleischer, said there is "credible evidence" that prohibited hardware had been sold.

Before the two presidents spoke, Russian Foreign Minister Igor Ivanov said experts had checked the U.S. allegations "meticulously," and "no facts proving U.S. concerns have been

found." A Kremlin spokesman said Putin urged Bush to be mindful of "humanitarian consequences of military action" and to avoid "a humanitarian catastrophe in the region." In another sign of concern, a senior State Department official told reporters of information that Ali Hassan al-Majid, Hussein's cousin and the Iraqi commander in the south, had authority to use chemical weapons against the local Shiite Muslim population. "We are concerned about it," Secretary of State Colin L. Powell told Fox News.

Al-Majid, known in the West as "Chemical Ali," has been blamed for the chemical attack on the Kurdish town of Halabja in March 1988, which killed about 5,000 people.

Bush did not appear in public yesterday. He spoke by telephone with British Prime Minister Tony Blair, his chief ally in the Iraq war, and Spanish Prime Minister Jose Maria Aznar, who is providing noncombat support.

Bush also met with Defense Secretary Donald H. Rumsfeld and the Joint Chiefs of Staff before briefing congressional leaders late yesterday on his war spending plan. Bush will announce the proposal today in an appearance at the Pentagon.

The \$74.7 billion request closely tracks details administration officials began to discuss over the weekend. The \$63 billion to prosecute the war includes \$53 billion to deploy and sustain the troops, \$5 billion to replenish weapons, \$1.5 billion in payments to Pakistan and others, and unspecified classified expenses, most likely for the CIA.

The \$8 billion for international relief and reconstruction includes \$3.5 billion for Iraq (\$2.5 billion in a relief fund and much of the rest for oil field repair) and \$5 billion in assistance to nations that have been helpful in the Iraq war or in fighting terrorism, including Jordan, Israel, Pakistan, Egypt, Afghanistan, the Philippines, Colombia and some Eastern European countries.

Turkey will get \$1 billion of the funds; the country had been offered a \$6 billion aid package if it allowed use of its bases but its parliament rejected the offer. The plan envisions \$500 million for oil field repair.

The \$4 billion for homeland security includes \$2 billion in grants to states for state and local anti-terrorism efforts and \$2 billion for federal efforts, particularly the Coast Guard and the Justice Department, which will get \$500 million, mostly for the FBI. Airlines, which had requested a bailout because of reduced traffic, would not get any funds in the legislation. The senior administration official who briefed reporters last night said it costs \$30 billion to deploy troops to the region and \$5 billion per month to sustain them. Therefore, the \$53 billion for the troops would allow a full force to remain for nearly five months. The official said the administration pictures "at least the beginnings of withdrawal" within six months. The administration steadfastly refused to release estimates of the war cost while Congress was considering a budget plan that included a \$726 billion tax cut Bush proposed. Both houses of Congress passed a 2004 budget outline last week without the figures, although the Senate took out \$100 billion of the tax cut to pay for the war.

The senior official, who briefed reporters on condition that his name not be used, said the delay in the war-cost estimate was dictated by military considerations.

"We found out finally that Saddam was not going to simply go peacefully and do what the world community has been asking him to do for 12 years," the official said. "That would have led to a very different package. Secondly, we found that there would not be an immediate surrender of the Iraq regime, that there would be some resistance."

The new proposal, because it deals only with funds in the fiscal year that ends Sept. 30, is likely not the last funding related to the Iraq conflict and its aftermath. Most of the \$74.7 billion will be added to a deficit for the current fiscal year that is already forecast at \$316 billion.

In a long meeting with congressional leaders last night -- at which the lawmakers were "unexpectedly inquisitive," according to the official -- Bush asked for the plan to be passed by

April 11 with as few as possible items added. But Democrats said they would push for additional homeland security funds, a longstanding subject of friction with Bush. An aide to Senate Minority Leader Thomas A. Daschle (D-S.D.) said Democrats "fully support" Bush's proposal to fund military operations in Iraq, but believe his request for homeland security is "inadequate." Democrats will attempt to increase the amount when the legislation comes before the Senate, the aide said.

"Somewhere between \$8 [billion] and \$10 billion would be more appropriate for the myriad costs that states and cities across America are facing," the Daschle aide said. Daschle made a similar promise to increase funds in a conference call yesterday with mayors.

Rep. David R. Obey (Wis.), the ranking Democrat on the House Appropriations Committee, said the administration is not giving a full accounting of the war's costs in its emergency request.

"I know people think this will pay for the war," he said. "It most definitely will not. This is, in my view, the first installment."

Taxpayers for Common Sense, a budget watchdog organization, contended yesterday that the costs of war with Iraq would exceed \$110 billion in 2003, assuming the war ends before May, and \$550 billion over 10 years. The group calculated that the military has already spent \$1 billion on cruise missiles, \$380 million on chemical protective suits and more than \$100 million on air combat missions.

The senior administration official said the war would cost less than the 1991 Gulf War, which cost more than \$80 billion in today's dollars. However, all but \$9 billion of that came from allies, and it appears so far that the United States will pay almost all of the cost of the current conflict.

Aides said Bush is returning to a regular schedule of public appearances after staying largely out of sight in the first days of the war. After his Pentagon visit today, he will travel to MacDill Air Force Base in Tampa to make remarks to military families and eat lunch with troops. Bush will meet with British Prime Minister Tony Blair at Camp David on Thursday, an administration official said.

Staff writers Mike Allen, Helen Dewar, Juliet Eilperin and Christopher Lee contributed to this report.