

trained at four U.S. schools in the early 1990s.

CRAWFORD BRIEFING

President Bush and his top advisers were informed by the CIA in early August 2001 that terrorists associated with Usama bin Laden had discussed the possibility of hijacking airplanes. The top-secret briefing memo presented to President Bush on August 6 carried the headline, "Bin Laden Determined to Strike in US," and was primarily focused on recounting al Qaeda's past efforts to attack and infiltrate the United States.

MOUSSAOUI & MINNEAPOLIS FBI

Minneapolis FBI agents investigating terror suspect Zacarias Moussaoui last August were severely hampered by officials at FBI headquarters, who resisted seeking FISA surveillance and physical search warrants, applied erroneous probable cause standards, and admonished agents for seeking help from the CIA.

KUALA LUMPUR

The CIA tracked two of the Flight 77 (Pentagon) terrorists to a Qaeda summit in Malaysia in January 2000, then did not share the information as the terrorists reentered America and began preparations for September 11. The CIA tracked one of the terrorists, Nawaf Alhazami, as he flew from the meeting to Los Angeles, and discovered that another of the men, Khalid Almihdhar, had already obtained a multiple-entry visa that allowed him to enter and leave the United States as he pleased. The CIA did nothing with this information. Instead, during the year and nine months after the CIA identified them as terrorists, Alhazami and Almihdhar lived openly in the United States, using their real name, obtaining drivers licenses, opening bank accounts and enrolling in flight schools—until the morning of September 11, when they boarded American Airlines Flight 77 and crashed into the Pentagon.

BIN LADEN

On February 26, 1993, a bomb was detonated in the parking garage of the World Trade Center in New York City. On June 24, 1993, the FBI arrested eight individuals for plotting to bomb a number of New York City landmarks, including the United Nations building and the Lincoln and Holland tunnels. The central figures in these plots were Ramzi Yousef and Shaykh Omar Abd al-Rahman—both of whom have been linked to Usama Bin Laden and are now serving prison sentences.

Following the August 1998, bombings of two U.S. Embassies in East Africa, Intelligence Community leadership recognized how dangerous Bin Laden's network was and that he intended to strike in the United States. In December 1998 DCI George Tenet provided written guidance to his deputies at the CIA, declaring, in effect, "war" with Bin Laden.

Concern about Bin Laden continued to grow over time and reached peak levels in the spring and summer of 2001, as the Intelligence Community faced increasing numbers of reports of imminent al Qaeda attacks against U.S. interests. In July and August 2001, that rise in intelligence reporting began to decrease, just as three additional developments occurred in the United States: the Phoenix memo; the detention of Zacarias Moussaoui; and the Intelligence Community's realization that two individuals with ties to Usama Bin Laden's network—Nawaf Alhazami and Khalid Almihdhar—were possibly in the United States.

In June 1998, the Intelligence Community learned that Usama Bin Laden was considering attacks in the U.S., including Wash-

ington, DC, and New York. This information was provided to senior U.S. Government officials in July 1998.

In August 1998, the Intelligence Community obtained information that a group of unidentified Arabs planned to fly an explosive-laden plane from a foreign country into the World Trade Center. The FBI's New York office took no action on the information. The Intelligence Community has acquired additional information since then indicating links between this Arab group and al Qaeda.

In September 1998, the Intelligence Community obtained information that Usama Bin Laden's next operation could involve flying an aircraft loaded with explosives into a U.S. airport and detonating it; this information was provided to senior U.S. Government officials in late 1998.

In October 1998, the Intelligence Community obtained information that al Qaeda was trying to establish an operative cell within the United States. This information indicated there might be an effort underway to recruit U.S. citizen Islamists and U.S.-based expatriates from the Middle East and North Africa;

In the fall of 1998, the Intelligence Community received additional information concerning a Bin-Laden plot involving aircraft in the New York and Washington, DC, areas;

In November 1998, the Intelligence Community learned that a Bin Laden was attempting to recruit a group of five to seven young men from the United States to strike U.S. domestic targets.

In the spring of 1999, the Intelligence Community learned about a planned Bin Laden attack on a U.S. Government facility in Washington, DC. Additionally, in 1999, the threat of an explosive-laden aircraft being used in a suicide attack against the Pentagon, CIA headquarters, or the White House, was noted in a Library of Congress report to the National Intelligence Council.

In late 1999, the Intelligence Community learned of Bin Laden's possible plans to attack targets in Washington, DC, and New York City during the New Year's Millennium celebrations.

On December 14, 1999, an individual named Ahmed Ressam was arrested as he attempted to enter the United States from Canada with detonator materials in his car. Ressam's intended target was Los Angeles International Airport. Ressam, who has links to Usama Bin Laden's terrorist network, has not been formally sentenced yet.

In March 2000, the Intelligence Community obtained information regarding the types of targets that operatives in Bin Laden's network might strike. The Statue of Liberty was specifically mentioned, as were skyscrapers, ports, and airports, and nuclear power plants;

Between late March and September 2001, the Intelligence Community detected numerous indicators of an impending terrorist attack, some of which pointed specifically to the United States as a possible target. Among these are:

Between May and July, the National Security Agency reported at least 33 communications indicating a possible, imminent terrorist attack—none of which were specific as to where, when, or how an attack might occur, nor was it clear that any of the individuals involved in these intercepted communications had any first-hand knowledge of where, when, or how an attack might occur. These reports were widely disseminated within the Intelligence Community.

In May 2001, the Intelligence Community obtained information that supporters of Usama Bin Laden were reportedly planning to infiltrate the United States via Canada in order to carry out a terrorist operation. This report mentioned an attack within the

United States, though it did not say where in the U.S., or when, or how an attack might occur. In July 2001, this information was shared with the FBI, the Immigration and Naturalization Service (INS), U.S. Customs Service, and the State Department and was included in a closely held intelligence report for senior government officials in August 2001.

In May 2001, the Intelligence Community received information that seven individuals associated with Usama Bin Laden departed various locations for the United States;

In June 2001, the DCI's Counter Terrorism Center (CTC) had information that key operatives in Usama Bin Laden's organization were disappearing while others were preparing for martyrdom;

In July 2001, the DCI's CTC was aware of an individual who had recently been in Afghanistan who had reported, "Everyone is talking about an impending attack." The Intelligence Community was also aware that Bin Laden had stepped up his propaganda efforts in the preceding months;

In the late summer 2001, the Intelligence Community obtained information that an individual associated with al Qaeda was considering mounting terrorist operations in the United States. There was no information available as to the timing of possible attacks or on the alleged targets in the United States.

THE PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to Senator SPECTER, I am sure you had some more to say and I apologize, but it seems like the harder I try to get time here the worse it works out for me.

Mr. SPECTER. It is the Senator's turn, and I am anxious to hear what the Senator has to say.

Mr. DOMENICI. I thank the Senator.

THE BUDGET

Mr. DOMENICI. Mr. President, I made a few remarks 3 or 4 days ago talking about where we are and what we are doing, and I would like to finish those remarks today, perhaps start on a discussion of the American economy.

First, in less than 5 days the new fiscal year begins. That means if you are a businessman, no matter how small or how large, you would be closing down your books, you would be adding everything up, you would be doing a couple of additions and subtractions, and you would find out how well or how poorly you did—a very important event in the life of an ongoing business.

The United States is similar except it is much bigger. Frankly, it does not keep its books nearly as well as the small businesspeople of America, who must keep them much better than we do because of the Internal Revenue Service if nothing else. We are not audited by anybody. We do ours in some strange ways.

The truth is that the year ends October 1. I think both the occupant of the Chair and the Senator from New Mexico can remember when it was July. We found out that was too soon in the year. If you started a year in January, you started work, it was too quick to have everything done in July. So we had a completed year, since I have been

a Senator, when we went to October. We had to fix that up. And now October was thought to be ample time to get our work done.

Not a single appropriations bill has been sent to the President. The last time this situation occurred, excluding last year after the attacks, was in 1995 during the infamous Government shutdown. You remember that, the shutdown period.

I come to the Senate because there has been a lot of talk about who is to blame for what. Frankly, I would like to suggest that the majority party and the majority leader bear the burden of running the Senate. They can run it with all the laments they can put forth and all the blame they can shed upon the situation, but the truth is, as difficult as it is, it is their job and the first and most important thing is that they are supposed to prepare and have a vote on a budget resolution. While it is not everything, to many things that transpire after it, it is a very big issue, a very big instrument.

So we find ourselves, as I indicated, where we are 5 days from the end of the year. All of those appropriations bills that are coming along that have not been finished pick up October 1 as the starting date because the other ones that we put in run out. So if we do not do something by October 1, most parts of Government will shut down.

We found that out in 1995 when there was a cleavage between the Congress and the President. The President would not sign some bills because he did not like certain items, and clearly he pinned the blame on Congress for sending those bills up to him in a manner that he would not sign and closed down the Government, one piece after another. So it was a job that we had to get done.

I believe my friend—the new chairman of the Budget Committee who took over in the middle of a 2-year cycle because the Democrats got one additional Member to vote with them, so everything went to them—went their way. I believe the answer was it was just too hard to get a budget.

The occupant of the chair knows how difficult it was. He sat there for days on end. But that wasn't anything new. Senators before him and Senators after him, if we still keep a budget, will sit there for hours on end trying to get it done. It should have been done. A budget resolution is an important issue upon which we should focus.

It is important we in the Senate understand we did not get a budget resolution because some thought it was not necessary. They were wrong. Some thought we would get along without it, but they were wrong. The American people are the ones suffering because we can't get our work done.

I don't believe there is any room to lay blame for that on this side of the aisle. It is that side of the aisle—the majority party of the Senate now, this particular month—that has to bear the blame.

Back in May, the majority leader blamed the lack of a budget on an evenly divided membership in the Senate. Early this month, the chairman of the Democratic National Committee—who has a propensity, because he speaks well, to put his nose in legislative business as if he were one of us—said on the Sunday show, "Face the Nation":

We couldn't do it because we need 60 votes and we couldn't get 60 votes.

Wrong, wrong, wrong. A budget resolution needs 50 votes—not 60.

The occupant of the chair, as a valued member of the Budget Committee, knows that. Every Senator knows that. There are many votes that are 60 votes because you did not get a budget resolution—because the law says you are punished in some instances. Some things can't get passed with a majority, even though we require a majority. That the budget laws say without the budget, you have to have 60 votes, but not to pass it.

The budget should have been passed. We should have gone back to it on a number of occasions, and it should have been done.

Finally, just last week the chairman of the Senate Budget Committee, referring to an amendment that was voted on by the Senate on June 20, clearly implying it was the Senate budget, literally said here on the floor, and I quote:

We got 59 votes for that proposal on a bipartisan basis. We needed a supermajority of 60.

That is wrong. You needed 60 votes. Because you didn't have a budget which did not permit you to do what he was suggesting, we didn't get 60 votes.

So that ought to be corrected. Everybody should know the fact we did not have a budget caused it; not that we were voting on a budget that needed 60 votes.

I want to be very clear. We have not voted on a budget resolution in the Senate this year. This will be the first time the Budget Act in its life—which, incidentally, is not a very long life. It is only 27 years old. That means Senator DOMENICI could have been here for its entire life. I have been. I could have been on the committee for its entire life. I was. I could have been the chairman for $\frac{1}{2}$ of its time in existence. I was—maybe 2 years less than $\frac{1}{2}$.

In any event, we split it when we were controlling the Senate. That is who deemed that.

There has not been a budget resolution brought before the Senate to be debated on the floor this year. The chairman of the Budget Committee knows this, and he knows the majority leader knows this, and to even hint we would have considered a budget but didn't pass it is not so.

We have now learned—and I hope they have learned—that if the Democrats are still in control next year, which I doubt—but if they are, we should have learned you had better bring it up, even if you are one or two

votes short. And you had better spend 2 weeks debating and see what happens. At least you will have tried, and you might be surprised. Somebody around who would rather there not be a budget would say I will vote to report it out.

I have been, as I indicated, on the Budget Committee since its beginning in the 94th Congress. I have been honored to serve on it. I am very embarrassed by what is happening to it because it is getting very close to becoming something we use as an instrument to require 60 votes for certain things we do and don't do. But as far as it being the policy determiner we expected, it is beginning to fall apart as we speak and as we vote. I know what a budget is. I think I know what we should have done.

Just last week the Chairman of the Senate Budget Committee, referring to an amendment that was voted on in the Senate on June 20, clearly implying that it was a Senate budget, literally said here on the floor and I quote: "... we got 59 votes for that proposal on a bipartisan basis. We needed a supermajority, which is 60."

Mr. President, let me be as clear as I can possibly be—we have not voted on a budget resolution in the Senate this year. This will be the first time in the Budget Act's nearly 27 year history that the Senate has not adopted a budget blueprint.

No budget resolution has ever been brought to the Senate floor to be debated and voted on this year. The Chairman of the Budget Committee knows this, the Majority Leader knows this, and to even hint that we have considered a budget, is an absolute insult to those of us that have worked to make the budget process a functioning part of the fiscal decisionmaking mechanism here in the Senate.

I think I know what a budget is, and let me assure those who may care, it does not take 60 votes to adopt a budget in the Senate. Despite what the Majority Leader, the current Chairman, or the Democratic National Committee Chairman says.

In fact, of those nearly 32 budget conference resolutions the Senate has adopted over the years, almost half, fourteen, were adopted with less than 60 votes.

And last year, as Chairman of the Budget Committee, in an evenly divided Senate, I had considered and we adopted a budget resolution for FY 2002. It was tough but we worked hard and in that evenly divided Senate, the Senate passed its budget blueprint by a vote of 65-35.

So let us be clear, it does not take 60 votes to adopt a budget.

So what other excuse is given for not adopting a congressional budget this year?

Unbelievable, the Chairman of the Budget Committee comes to the floor and says because the House of Representatives adopted a budget that used OMB assumptions or did not make 10 year estimates, that it was impossible for the Senate to adopt a budget.

Mr. President, to blame somehow the House of Representatives for adopting their own budget resolution as the reason why the Senate did not consider its own, simply defies logic.

That is why the Budget Act created a concurrent resolution, that is why the Budget Act established a conference on a House-passed and Senate-passed budget resolution. I have been in many conferences on budget resolutions, and they were tough, but the fact that I knew they were going to be tough, never stopped me from doing my job as Chairman of the Budget Committee, and again the Senate has always adopted a budget resolution.

So what other excuse is made for the Senate not acting on a budget? The President's budget submitted way back in February is the other excuse for us not acting here in the Senate.

This has to be the weakest of all excuses. This is not the President's budget we are expected to adopt. This is not the President's budget resolution. This is the "congressional budget."

We are an equal branch of government in this balancing act between the Executive and the Legislative over fiscal policy.

I have never been shy about expressing differences with Presidents of either party over the years when I thought their budget proposals needed modifications. The same holds true for President Bush's executive budget plan transmitted to Congress last February.

But I have always guarded the congressional prerogative to produce a "congressional budget." This is our responsibility under the Budget Act and I would also go so far as to say, under the Constitution. Because the President has a budget plan that might differ from one that Congress might produce, is certainly no reason for the Congress not to act. In fact, I would argue it is a reason for the Congress to act.

I do not think it should be any surprise that we begin a new fiscal year with no appropriation bills at the President's desk to sign. The failure of this Senate to consider and act on a budget blueprint, to sit down and tough it out back in the spring, has made the appropriation process stumble and fall this year.

Last year in the aftermath of the September 11 attacks, Congress also did not have any regular appropriation bills enacted before the beginning of this fiscal year. This was understandable under the circumstances.

But I contend the major reason the appropriation process has failed this year, is because we were not willing to adopt a budget resolution. You have to go back to 1996 to find the last time no appropriations were enacted before the beginning of the fiscal year. A time under President Clinton and the infamous 26 days of government shut-down and 14 continuing resolutions.

No, there is no other way to say it and it is tough. This Majority Leader and this Chairman of the Budget Com-

mittee and this Senate failed in their one basic responsibility under the Budget Act—produce a budget resolution. And now everybody else is to blame but ourselves. I think those who take the time to understand what is going on here can see the hypocrisy of the Majority Leader and Chairman's statements.

THE ECONOMY

Mr. DOMENICI. Mr. President, I have a statement I want to start and then put the remainder in the RECORD, and if we get time in the next 2 weeks, I will come back a couple of times.

The economy is much in the air now. It is not as much as perhaps the Iraq situation. But the Democratic Party and their leaders want to make it the important issue and put the war in the backseat.

I don't think that is going to happen because the people of this country know the war is an imminent problem. And, if we have a war, the amount of money we plan to spend in the budget will probably get changed in a mammoth way to accommodate the needs of the war.

When we had the war in the gulf the last time, our allies paid most of the bill. I recall looking at the formula that was drawn by the OMB. Actually, our allies just took the formula and said we are bound by the formula, and wrote the checks. Some of those paid as much as \$13 billion for that war. That was our friend we were all arguing about which has a little oil. Here is our share. Japan didn't enter that war. They wrote a big check. We didn't pay much for that war. We don't have such an agreement now. Maybe somebody will start thinking about it.

Let me talk about the economy.

Federal Reserve Board Chairman Alan Greenspan said recently the U.S. economy has confronted very significant challenges over the past year: Major declines in the equity markets, which none of us thought would ever happen. Many Americans thought it would go on forever. The equity market had ballooned out of all proportion, and people such as Alan Greenspan were giving us warnings. It did begin its downward trend and it still is continuing on that path.

To date, Dr. Greenspan said the economy appears to have withstood this set of blows very well—the blows being the investment spending, the retrenchment, the tragic terrorist attacks of last September. The Federal budget has been able to withstand that, and the economy has been able to withstand that.

The economy is not in great shape right now. But not in great shape either at this time are many individual problems in this country. Consumption is strong. Unemployment gains are creeping back up.

But to blame President Bush is pure unadulterated, partisan politics. For those who talk about it being his prob-

lem, the issue would be what would they do to fix it? Some would raise taxes by an enormous amount; or by repealing the cuts that were made. Nobody with their right mind about the economy would suggest that.

But when you say it is not in very good shape today, what would you do about it? We will blame the President. What would you do positive about it? A large group would say raise taxes.

I find it hard to believe if we had to do that and came to that point, very many people would vote for it when they finally understood the negative consequences of that.

I want to mention every now and then I look to a Democratic economist who is of renown, and is of the other party, and everybody knows who he is; that is, Democratic economist Joe Stiglitz. He was Vice Chairman of the Federal Reserve under President Clinton. He has written many articles and books on the economy.

He has indicated, and I quote:

This economy was slipping, and it was slipping into a recession even before Bush took office as President and before the corporate scandals—

That we haven't yet determined the breadth and number of them, but even before they started—

were rocking America.

That was earlier yet than when the President took office.

He says we were moving into a recession. What we did were the right things to get out of the recession. We cut taxes, and we increased spending of things that would spend quickly.

We also at the same time, working with the Federal Reserve Chairman, got interest rates to come down. You remember how many times he cut them. And so you had the triad that would help a recession.

I wonder how bad it would be if we had not done that. I wonder how bad the economy would be if we had not cut taxes at the right time and if, in fact, we did not have the Federal Reserve working in harmony reducing the interest rates, and if we had not spent some additional money, some which came because of the war costs.

So the economic growth has started slowing down. It started in mid-2000, well before the President took office. In 1997, more than 3 years before he was elected, you could begin to see, as you analyze corporate profits, they were coming down. This is 3 years before he went out on the steps and took the oath and became President of the United States.

Rather than call this a Bush recession, we ought to call it a Clinton hangover. If you want to use another word for each one so there is nothing negative about it, that would be all right.

In the late 1990s, we had a stock market boom and an investment boom.

Much of the rise in the stock market and investment was sustainable, but some of it was not.

We are now making up for the excesses of that period. We are finally