

in our country. This is a significant contribution to diversifying our energy sources, and it is so important for our country.

My point is this: This Republican Congress has been a steady hand at the wheel. We have supported America's commitment in the war on terror. We have made it a policy that we will not leave when our commitment is not fulfilled. And when it is, and when the generals on the ground say Iraq can secure itself and Afghanistan can do it by themselves, we will then leave. We want to do that. We do not want to stay indefinitely in Iraq or Afghanistan, but we want to keep the terrorists where they are. We will keep our commitment to lower taxes and clean energy. We will keep our commitment to the small business people who are working in America and contributing to the economy. They are the heart of our country. That is what a Republican Congress would do. That is what we are going to continue to fight for.

I hope, rather than saying a Democratic Congress would do it differently, when they have blocked so many of the things we have done, they would cross the aisle and say: Let's do these things together. We can do something bipartisan. People in this country do not care about Republicans or Democrats. They want results. We can do it if we work together across the aisle instead of making so many issues political that do not need to be.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

WAR ON TERROR

Mr. BOND. Mr. President, I thank my distinguished colleague from Texas for outlining so many of the very important issues facing this country and the Senate today.

I will talk about something that is extremely important to families, to people through the United States. That is the war on terror. How are we going to take the steps to prevent another September 11 attack in the United States?

I don't think anyone who has followed the progress of the Islamofascist terrorists who have threatened us believe we are going to be safe if we try a fortress mentality, to step back and say no one is going to hit us, they don't care about the United States. They do.

We work in a very secure place. People who visit us have to go through all kinds of security. Yes, we have built up some good barriers, good protections. High target areas such as the Congress and the White House are protected.

For the vast majority of places in America, there is no way you can build a security system such as we have here because of the high priority this rates in terms of terrorist interests. After September 11, we started some very serious consideration of what we needed to do to fight against terrorism.

I will read a very good editorial that appeared September 24, 2001.

The Bush administration is preparing new laws to help track terrorists through money-laundering activity and is readying an executive order freezing the assets of known terrorists. Much more is needed, including stricter regulations, the recruitment of specialized investigators and greater cooperation with foreign banking authorities.

Washington should revive international efforts begun during the Clinton administration to pressure countries with dangerously loose banking regulations to adopt and enforce stricter rules. These need to be accompanied by stronger sanctions against doing business with financial institutions based in these nations.

That is exactly what the Bush administration did. They set up the Terrorist Financing Tracking Program, a very effective program. This program went on clandestinely without any public notice or disclosure.

As the chairman of the subcommittee that funds the Treasury Department and as a Member of the Senate Intelligence Committee, I was briefed on it. I was briefed on the effectiveness of it and how valuable a tool it is to be able to follow the money because the terrorists did not know we could follow when they transferred money from al-Qaida or Hamas or Hezbollah to someone in the United States; or transferred money from a so-called charity in the United States back to a terrorist organization. They did not know how we were doing it. It was effective.

A number of the major terrorist captures we have made, the terrorist operations designed for the United States that we have interrupted, were enabled by the terrorist tracking program.

When the 9/11 Commission made its final report of its recommendations on December 5, 2005, they gave varying degrees of ratings, from the very best being A, to F being a very bad job, to all of the different activities we had undertaken to make our country safe, to make our homeland safe. Regrettably, many of them only got Bs. The Director of National Intelligence, the National Counterterrorism Center, they got Bs. Some of them got even lower grades, working with other countries.

But the one that led the rating was terrorist financing. We were doing the best job fighting terrorist threats to the United States by terrorist-financing tracking. We were, until last week. Because that editorial I read from about the need for that, about the need for international cooperation, was a New York Times editorial of September 24, 2001.

Well, the New York Times has blown the cover—blown the cover—on this very important terrorist-financing activity. Now the terrorists know there is a Belgian-based cooperative called SWIFT, the Society for Worldwide Interbank Financial Telecommunication. The SWIFT operation has a facility in the United States to which the Treasury Department issued narrowly targeted administrative subpoenas to get information on specific terrorist organizations and where their money transfers went. But now the terrorists know.

SWIFT is regulated by central bankers. The oversight committee knew about it. The oversight committee had in it the Federal Reserve, the European Central Bank, the Bank of England, the Bank of Japan, the Bank of Belgium. Their committee members over-seeing SWIFT knew how this program was operating, and they knew it was operating lawfully.

But the New York Times, continuing its recent tradition, has decided that its right to publish is more important than the American public's right to be safe from terrorist activities. This is another chapter in a very sad series of revelations of our most sensitive intelligence-tracking activities.

Newspapers knew in World War II we could crack the codes of the Axis, that we were able to monitor the defense and military moves of Germany. But they did not expose it. Why? Because they knew our national interest required us to be able to keep confidential, to keep out of the hands of our enemies, the techniques by which we gathered the intelligence, which helped us win World War II—and which had, until recent disclosures, helped us be able to win the war against terrorist attacks in the United States.

Well, the New York Times has decided that its right to publish takes precedence over America's right to have intelligence collection methods that are not disclosed to the people of the United States and, thus, to the terrorists we attempt to track.

Sadly, as I have traveled around the world, meeting with our intelligence agencies, our military people—all across the globe—I found out, since the disclosures—beginning with the disclosure of the renditions of terrorists to other countries, the activities of the President's terrorist surveillance program—our intelligence capabilities have been compromised. Intelligence operatives tell us collections are way down. We don't know how we can replace these tools that have been disclosed by the New York Times and others.

In February, at the open hearing in the Intelligence Committee, I asked CIA Director Porter Goss: What has the damage been? What has the damage been to our intelligence system from this disclosure? He said: It's been very severe. Let me repeat, very severe.

Then again, when Michael Hayden was in a public hearing on his confirmation to be Director of the CIA, I asked him again—and this was before the disclosure of the Terrorist Finance Tracking Program—I said: What has been the impact of these disclosures on our intelligence system? He said: These disclosures have now applied the Darwinian theory to terrorists because the only terrorists we are capturing are the dumb terrorists. The smart terrorists know what we are doing, and they know how to avoid it. Therefore, they can plan their attacks, and we are severely crippled.

Well, disclosure of this Terrorist Finance Tracking Program is a very severe blow. This one particular program has had, in my view, as many successes as any of the other programs, and it has been a vital part of building the intelligence network that we need, gathering the information we need to identify and take out those people who are planning to launch deadly terrorist attacks in the United States.

I regret to tell my colleagues, my constituents in Missouri, and the people in America that we are much less safe.

This program, the SWIFT Program, did not need to be exposed. The Secretary of the Treasury has written to the New York Times a rebuttal to the disclosure they made. They said: Oh, there is a great need for the people to know this. Well, unfortunately, when the people of America know it, the terrorists know it.

Secretary John Snow, with whom I have worked on this program, laid it out very well. He said in a statement on June 22 of this year: After President Bush made it clear that ensuring the safety of our people from terrorist attacks was our No. 1 priority, one of the most important things the Treasury could do is to follow the flow of terrorist money. They don't lie. Skillfully followed, they lead us to terrorists themselves and, thereby, protect our citizens.

He said:

Given our intimate knowledge of the global financial system and financial flows, along with our close working relationships with financial institutions around the world, Treasury is uniquely positioned to track these terrorist money flows both internationally and domestically.

He said:

I am particularly proud of our Terrorist Finance Tracking Program which, based on intelligence leads, carefully targets financial transactions of suspected foreign terrorists. . . . It is an essential tool in the war on terror. . . . It is not "data mining". . . . It is not a "fishing expedition". . . . today's disclosure [is] so regrettable, because the public dissemination of our sources and methods of fighting terrorists not only harms national security but also degrades the government's efforts to prevent terrorist activity in the future.

If there are people sending money to help al Qaeda, then we need to know about it. We also need to take advantage of that knowledge to follow the money trail and thwart them.

He reports that the 9/11 Commission gave its highest level of recognition to this work.

Well, Mr. President, when we disclose how our allies are working with us, we not only give the terrorists information on how to avoid disclosure, how to keep their activities secret, what we do, and what is very serious, is we tell our allies that we cannot keep a secret. Our allies are getting more and more reluctant to deal with us on any international cooperative missions when everything we do is blown and all of a sudden they read in their papers in the

United States how they have cooperated with the United States.

Now, that is not a very popular thing for some of these governments to do, and it makes it far more difficult for us to say: Hey, let's work together on a clandestine intelligence-gathering program that will keep your country safe and our country safe. Bam, they read about it in the newspapers. Well, this makes not only terrorists more able to get around our existing intelligence-collection assets, but it makes our allies far more reluctant to cooperate with us.

Mr. President, I regret to tell you and my colleagues how serious this has been.

I ask unanimous consent to have printed in the RECORD a copy of the letter to the editors of the New York Times by the Secretary of the Treasury, John Snow; a copy of the September 24, 2001, editorial from the New York Times; and a copy of the Final Report on 9/11 Commission Recommendations, in which they said this terrorist financing program was the best.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. TREASURY DEPARTMENT,
OFFICE OF PUBLIC AFFAIRS,
Washington, DC, June 26, 2006.

Mr. BILL KELLER,
Managing Editor, *The New York Times*,
West 43rd Street, New York, NY.

DEAR MR. KELLER: The New York Times' decision to disclose the Terrorist Finance Tracking Program, a robust and classified effort to map terrorist networks through the use of financial data, was irresponsible and harmful to the security of Americans and freedom-loving people worldwide. In choosing to expose this program, despite repeated pleas from high-level officials on both sides of the aisle, including myself, the Times undermined a highly successful counter-terrorism program and alerted terrorists to the methods and sources used to track their money trails.

Your charge that our efforts to convince The New York Times not to publish were "halfhearted" is incorrect and offensive. Nothing could be further from the truth. Over the past two months, Treasury has engaged in a vigorous dialogue with the Times—from the reporters writing the story to the D.C. Bureau Chief and all the way up to you. It should also be noted that the co-chairmen of the bipartisan 9-11 Commission, Governor Tom Kean and Congressman Lee Hamilton, met in person or placed calls to the very highest levels of the Times urging the paper not to publish the story. Members of Congress, senior U.S. Government officials and well-respected legal authorities from both sides of the aisle also asked the paper not to publish or supported the legality and validity of the program.

Indeed, I invited you to my office for the explicit purpose of talking you out of publishing this story. And there was nothing "half-hearted" about that effort. I told you about the true value of the program in defeating terrorism and sought to impress upon you the harm that would occur from its disclosure. I stressed that the program is grounded on solid legal footing, had many built-in safeguards, and has been extremely valuable in the war against terror. Additionally, Treasury Under Secretary Stuart Levey

met with the reporters and your senior editors to answer countless questions, laying out the legal framework and diligently outlining the multiple safeguards and protections that are in place.

You have defended your decision to compromise this program by asserting that "terror financiers know" our methods for tracking their funds and have already moved to other methods to send money. The fact that your editors believe themselves to be qualified to assess how terrorists are moving money betrays a breathtaking arrogance and a deep misunderstanding of this program and how it works. While terrorists are relying more heavily than before on cumbersome methods to move money, such as cash couriers, we have continued to see them using the formal financial system, which has made this particular program incredibly valuable.

Lastly, justifying this disclosure by citing the "public interest" in knowing information about this program means the paper has given itself free license to expose any covert activity that it happens to learn of—even those that are legally grounded, responsibly administered, independently overseen, and highly effective. Indeed, you have done so here.

What you've seemed to overlook is that it is also a matter of public interest that we use all means available—lawfully and responsibly—to help protect the American people from the deadly threats of terrorists. I am deeply disappointed in the New York Times.

Sincerely,

JOHN W. SNOW,

Secretary, U.S. Department of the Treasury.

[From the New York Times, Sept. 24, 2001]

FINANCES OF TERROR

Organizing the hijacking of the planes that crashed into the World Trade Center and the Pentagon took significant sums of money. The cost of these plots suggests that putting Osama bin Laden and other international terrorists out of business will require more than diplomatic coalitions and military action. Washington and its allies must also disable the financial networks used by terrorists.

The Bush administration is preparing new laws to help track terrorists through their money-laundering activity and is readying an executive order freezing the assets of known terrorists. Much more is needed, including stricter regulations, the recruitment of specialized investigators and greater cooperation with foreign banking authorities. There also must be closer coordination among America's law enforcement, national security and financial regulatory agencies.

Osama bin Laden originally rose to prominence because his inherited fortune allowed him to bankroll Arab volunteers fighting Soviet forces in Afghanistan. Since then, he has acquired funds from a panoply of Islamic charities and illegal and legal businesses, including export-import and commodity trading firms, and is estimated to have as much as \$300 million at his disposal.

Some of these businesses move funds through major commercial banks that lack the procedures to monitor such transactions properly. Locally, terrorists can utilize tiny unregulated storefront financial centers, including what are known as hawala banks, which people in South Asian immigrant communities in the United States and other Western countries use to transfer money abroad. Though some smaller financial transactions are likely to slip through undetected even after new rules are in place, much of the financing needed for major attacks could dry up.

Washington should revive international efforts begun during the Clinton administration to pressure countries with dangerously

loose banking regulations to adopt and enforce stricter rules. These need to be accompanied by strong sanctions against doing business with financial institutions based in these nations. The Bush administration initially opposed such measures. But after the events of Sept. 11, it appears ready to embrace them.

The Treasury Department also needs new domestic legal weapons to crack down on money laundering by terrorists. The new laws should mandate the identification of all account owners, prohibit transactions with "shell banks" that have no physical premises and require closer monitoring of accounts coming from countries with lax banking laws. Prosecutors, meanwhile, should be able to freeze more easily the assets of suspected terrorists. The Senate Banking Committee plans to hold hearings this week on a bill providing for such measures. It should be approved and signed into law by President Bush.

New regulations requiring money service businesses like the hawala banks to register and imposing criminal penalties on those that do not are scheduled to come into force late next year. The effective date should be moved up to this fall, and rules should be strictly enforced the moment they take effect. If America is going to wage a new kind of war against terrorism, it must act on all fronts, including the financial one.

FINAL REPORT ON 9/11 COMMISSION RECOMMENDATIONS

(December 5, 2005)

Homeland Security and Emergency Response	
Radio spectrum for first responders	F/C*
Incident Command System	C
Risk-based homeland security funds	F/A*
Critical infrastructure assessment	D
Private sector preparedness	C
National Strategy for Transportation Security	C—
Airline passenger pre-screening	F
Airline passenger explosive screening	C
Checked bag and cargo screening	D
Terrorist travel strategy	I
Comprehensive screening system	C
Biometric entry-exit screening system	B
International collaboration on borders and document security	D
Standardize secure identifications	B—
Intelligence and Congressional Reform	
Director of National Intelligence	B
National Counterterrorism Center	B
FBI national security workforce	C
New missions for CIA Director	I
Incentives for information sharing	D
Government-wide information sharing	D
Northern Command planning for homeland defense	B—
Full debate on PATRIOT Act	B
Privacy and Civil Liberties Oversight Board	D
Guidelines for government sharing of personal information	D
Intelligence oversight reform	B
Homeland Security Committees	B
Unclassified top-line intelligence budget	F
Security clearance reform	B
Foreign Policy and Nonproliferation	
Maximum effort to prevent terrorists from acquiring WMD	D
Afghanistan	B
Pakistan	C+
Saudi Arabia	D
Terrorist sanctuaries	B
Coalition strategy against Islamist terrorism	C
Coalition detention standards	F
Economic policies	B+
Terrorist financing	A—
Clear U.S. message abroad	C
International broadcasting	B

FINAL REPORT ON 9/11 COMMISSION RECOMMENDATIONS—Continued

(December 5, 2005)

Scholarship, exchange, and library programs	D
Secular education in Muslim countries	D

*If pending legislation passes.

Mr. BOND. I would say also, it is fully compliant with the regulations, with the Constitution, and with statutes. If anybody wants to know, I will be happy to talk with them. There was no genuine public right to know that was satisfied by blowing this program. It was legal, and it was effective. No longer will it be effective, and no longer can we be as safe as we were before these disclosures started.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from New Hampshire.

RESPONSIBLE BUDGETING

Mr. GREGG. Mr. President, I rise to speak about a package of initiatives which were reported out of the Budget Committee, the purpose of which is to put some order into our financial house and to try to make the Government of the United States an affordable event for its citizens, especially for younger people who will be working to support the next generation as it retires.

This package has been grossly misrepresented by the other side of the aisle, especially by the leader on the other side of the aisle and by the assistant leader and by other Members who have come to the floor. They have taken out the bloody shirt of Social Security and waved it at this package in a totally irresponsible manner. Therefore, I think it is appropriate to come to the floor and point out what the facts are versus what they believe the politics should be.

The facts are rather startling, regretably, as we head into the retirement of the baby boom generation, which is the largest generation in our history. The cost of supporting that generation, which will have to be paid by our children and our children's children, is astronomical.

There is now pending on the books of the Government \$65 trillion—that is with a "T"—of unfunded liability. What does that mean? That means we have programmatic obligations on the books of the Government—obligations to retired people, primarily—which will cost \$65 trillion more than what we know will come into the Government under the present projections. In other words, we do not have the money to pay for it. We do not know where the money is going to come from. But we do know we have these obligations on the books.

To try to put a trillion dollars in perspective, or this number into perspective, since the beginning of the Nation, since the beginning of our country, we have only collected \$40 trillion in taxes—only. We have collected \$40 tril-

lion in taxes: a lot of money. The total net worth of America and Americans—if you take all our cars, all our houses, all our stock, all our businesses—is \$51 trillion. So we have on the books an obligation which exceeds our net worth as a nation.

We have to figure out how we are going to afford to pay for that, especially how our children are going to afford to pay for it because they are the ones who are going to bear the burden.

To try to put this in even more precise perspective, three programs—three retirement program, specifically; Social Security, Medicare, and Medicaid—will cost the American taxpayer more, as we head into the year 2025, than what the total Government cost the American taxpayer today as a percent of gross national product. Traditionally, the Government of the United States has spent about 20 percent of the gross national product of America. These three programs alone, as a result of the retirement of the baby boom generation—which is the largest generation in the history of our country, by a factor of two—will cost the American taxpayer everything that we presently pay into the Government by the year 2025.

So that means, at that point, to pay for those three programs, you would be unable—if you were going to maintain the historical spending of the Government—you would be unable to pay for national defense, for education, for environmental cleanup, for all the other things the Government does.

And that is only the start. Because as that baby boom generation gets into fuller retirement, the cost of those programs continues to go up. What does that mean in practical terms? It means our children and our children's children, in order to support the retired generation, would have to pay a dramatic increase in taxes under the present scheme.

Basically, it would mean our children would be unable to afford a better lifestyle. They probably could not send their kids to college, buy a house or purchase a car the way our generation has been able to do because they would be sending so much of their money to the Federal Government to support these basic programs which are mandatory. It is not a tolerable proposal for our country. We cannot say, as one generation, that we are going to put on the books obligations that make the next generation pay so much in taxes that they essentially would not be able to live the quality of life we have. We would undermine their quality of life, and it is not fair to them.

What we did in the Budget Committee was try to address this, not by policy changes but by putting in place processes which will force us to face up to fiscal discipline, which will force us as public policymakers, the Senate and the House and the executive branch, to look at these numbers, these facts which exist. And they will not change unless we do something because the