

Meanwhile, it is likely that there could be an increase in local unemployment as affected industries adjust to any drop in business.

I don't believe that a short term drop in travel will have a long term effect on sustained growth in Utah and Nevada.

#### SUPPLY

Currently, supply does not seem to be an issue. There is a downward trend in the price of distillates, likely due to the glut of jet fuel. Gasoline is moving upward but certainly not abnormally. If there is a move from air travel to travel by car, that would seem to encourage an increase in gasoline.

If however, there is bombing in the Middle East, pricing and supply will be immediately affected. We've been there before.

#### WHAT ABOUT US?

This will undoubtedly have an impact on our business.

Supply volatility is something we know how to deal with if necessary.

A downturn in the general economy will have effects on the demand for the products that we sell, and if necessary we will adjust our infrastructure accordingly.

Credit administration, which is a very big part of our business, should be approached very conservatively even in view of any decrease in demand.

The interest rate cut will help.

Economic conditions are cyclical, and do not last forever.

We can help our own cause within our Company and our communities if we maintain a cautious optimism and do our jobs well.

Again, I believe in the resiliency of a free economy and I have a lot of faith in this Country.

This too shall pass.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Madam President, I understand it is the purpose of the leader to go to the Treasury-Postal bill, but I ask unanimous consent that I be allowed to speak as in morning business for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### HOW TO ADDRESS THE THREAT THAT CONFRONTS US TODAY

Mr. GREGG. Madam President, I want to talk a little bit about the issue of how we as a government and how we as a people are going to address what is clearly a threat that confronts us today in the area of terrorism.

Last week, the Commerce-State-Justice bill was on the floor, and a number of initiatives in the area of terrorism were included in that bill. I certainly thank the assistant leader for his strong support for that bill, for the elements which were in that bill, and his speaking on behalf of it at that time.

Let me review, so we can put in perspective where we stand as a government, what we have been doing and what we need to do in a number of areas, certainly not a comprehensive review but at least a preliminary review of what has to be done.

The Subcommittee on Commerce, Justice, State, and the Judiciary, on

which I am the ranking member and Senator HOLLINGS is chairman, has held innumerable hearings on this issue over the last 5 years in an effort to try to get our arms around what is obviously an issue that is extremely difficult to get our arms around. It seems a bit hollow now in light of what happened on September 11, but there was an attempt at least to try to put some order into our effort at the Federal level.

Clearly, a dramatic amount still needs to be done, and the American people need to understand this is not going to be a simple exercise, an overnight exercise, or an exercise that can be completed in a week or a month or a year. Potentially it may take years before we as a nation are able to bring to the threat of terrorism some resolution which makes us more comfortable with our ability to manage it and deal with it, especially when there are individuals willing to kill themselves and take innocent lives in order to accomplish their goals.

Let us begin with the basic threat and how we should address it. The issue of terrorism needs to be addressed on three basic levels. First is the intelligence level, both domestic and international. Second is the apprehension, the catching, of people before they commit the crime, before they undertake the act. People need to understand this is different from what is the traditional law enforcement exercise.

In most law enforcement undertakings, we wait until the event occurs, until someone has committed an act which violates our laws, before we undertake to capture them or attempt to bring them to justice. In this instance, under the terrorism instance, the whole mindset must shift in the area of apprehension to one of taking action before the event occurs because, as we have seen, when the event occurs it is so horrific or can be so horrific that it simply cannot be accepted as a consequence of not having taken action.

The third element is managing the crisis, managing the event. So it is intelligence, domestic/international; apprehension; and then, should an event occur, the managing of the event, both the immediate crisis and the aftermath, the consequences.

In the area of intelligence, it is very clear we have some significant needs. We can divide these needs fairly easily into the needs that involve using people in the gathering of intelligence and the needs that involve technology.

In the use-of-people area, we as a government in the 1990s, for a variety of reasons, basically decided we would no longer hire unsavory characters in order to get information. That was a mistake. It was known by a lot of people who were in the intelligence-gathering community to be a mistake when it was done. The decision to rely primarily on electronic surveillance and our capacity to use electronic surveillance as the main way of gathering in-

formation was a belief in a system that simply did not work, as has been proven to us. The penetration of small cells, which are for the most part clan-nish-oriented, usually family groups, is extremely difficult. It is extremely difficult under any scenario, but it is virtually impossible if we do not use people who are not necessarily persons of high character by our definition.

Therefore, we as a government made a decision, which was wrong, and we are trying to reverse it today. This Senate has actually spoken on this point in the bill and said the policy of the Government, which up until Tuesday, September 11, was not to hire such individuals for the purposes of on-the-ground intelligence, should no longer be pursued. The CIA and other agencies which have intelligence needs have the authority to proceed with using human intelligence and people they need to hire to accomplish that. That is exactly what we should be doing today.

Unfortunately, and I think we have to understand this, it takes months, years, an inordinate amount of time to put these people in place. These individuals with whom we are working in order to gather the human intelligence have to gather their credibility within the organizations they are trying to penetrate, and it literally can take years before those people will become effective. We can not suddenly turn a switch and say we have switched directions and we will be successful in this area. We need to at least begin by turning the switch and saying we are going to switch directions and start using human intelligence-gathering activities again, as we did through most of the cold war.

Second, in the electronics area it is very obvious that our intelligence-gathering communities, both domestic and foreign-oriented, whether they are CIA or FBI, have severe problems because of the limitations of law that have been placed on them in the area of intelligence-gathering capability and because of the way the commercial community works today. The bill that passed as a result of the amendment offered by Senator HATCH, Senator KYL, and Senator FEINSTEIN made some progress in this area in the area of wiretaps and the ability to, rather than focusing on the piece of equipment, focus on getting a court order that allows monitoring of the individual.

But there is a great deal more that needs to be done, and I expect within the next day or so we will see a package of proposals sent up here by the Attorney General. I hope we will act quickly. That package has been represented to me to be a package which has what is needed and what can be done without undermining our constitutional protections of search and seizure and other rights we have. The simple fact is, we do need to act in this area.

In addition, the area of encryption, time after time, for 4 years, we heard