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Title: Bush Condemns Report on Sifting Of Bank Records
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Abstract: Pres Bush says it is 'disgraceful' that The New York Times and other newspapers disclosed secret anti-terrorist program that relies on vast international database that includes Americans' banking transactions; Vice Pres Dick Cheney and Treasury Sec John W Snow also criticize article, as administration intensifies its attacks on The Times, The Wall Street Journal and The Los Angeles Times for their handling of matter; Bush claims secret program was fully authorized under law and that Congress was briefed; says newspapers' leaking of program 'does great harm' to United States; Cheney, speaking in Nebraska, reminds his audience that The Times also disclosed National Security Agency's secret program of monitoring international communications of suspected terrorists without court warrants; says it is 'doubly disturbing' that The Times was awarded Pulitzer Prize for that article; Bill Keller, executive editor of The Times, posts letter on The Times Web site saying administration's argument that publication would lead terrorists to change tactics was made 'in a halfhearted way'; says decision to publish was 'a hard call'; Rep Edward J Markey is one of few Democrats on Capitol Hill to speak out against financial-tracking program (M)

President Bush on Monday condemned as "disgraceful" the disclosure last week by The New York Times and other newspapers of a secret program to investigate and track terrorists that relies on a vast international database that includes Americans' banking transactions.

The remarks were the first in public by Mr. Bush on the issue, and they came as the administration intensified its attacks on newspapers' handling of it. In a speech in Nebraska on Monday, Vice President Dick Cheney repeatedly criticized The Times by name, while Treasury Secretary John W. Snow dismissed as "incorrect and offensive" the rationale offered by the newspaper's executive editor for the decision to publish.

"Congress was briefed," Mr. Bush said. "And what we did was fully authorized under the law. And the disclosure of this program is disgraceful. We're at war with a bunch of people who want to hurt the United States of America, and for people to leak that program, and for a newspaper to publish it, does great harm to the United States of America."

The New York Times, followed by The Wall Street Journal and The Los Angeles Times, began publishing accounts of the program on Thursday evening.

In his remarks during a brief photo session in the Roosevelt Room of the White House, Mr. Bush appeared irritated, at times leaning forward for emphasis, though he did not mention any newspaper by name.

Mr. Cheney, who had earlier said he was offended by news accounts of the financial tracking program, on Monday went a step further, singling out The Times for criticism in a separate appearance at a fundraising luncheon for a Republican candidate for Congress, Adrian Smith, in Grand Island, Neb.

"Some in the press, in particular The New York Times, have made the job of defending against further terrorist attacks more difficult by insisting on publishing detailed information about vital national security programs," the vice president said, adding that the program provides "valuable intelligence" and has been "successful in helping break up terrorist plots."

The executive editor of The Times, Bill Keller, said in an e-mail statement on Monday evening that the decision to publish had been "a hard call." But Mr. Keller noted that since the Sept. 11, 2001, terrorist attacks, the Bush administration has "embarked on a number of broad, secret programs aimed at combating terrorism, often without seeking new legal authority or submitting to the usual oversight."

He added, "I think it would be arrogant for us to pre-empt the work of Congress and the courts by deciding these programs are perfectly legal and abuse-proof, based entirely on the word of the government."

Representative Peter King, Republican of New York and the chairman of the House Homeland Security Committee, released a letter on Monday in which he called on the attorney general to investigate whether The Times's decision to publish the article violated the Espionage Act.

In a television interview on Sunday, Mr. King described the disclosure as "absolutely disgraceful" and said he believed that the newspaper's action had violated the statute.

In Nebraska on Monday, Mr. Cheney reminded his audience that The Times had also disclosed the National Security Agency's secret program of monitoring international communications of suspected terrorists without court warrants. Mr. Cheney said it was "doubly disturbing" that The Times printed the article and was awarded the Pulitzer Prize, journalism's highest honor, for it.

"I think that is a disgrace," he said.

Administration officials had argued strongly that in reporting on the financial tracking operation, The Times would endanger national security by prompting the Belgian banking consortium that maintains the financial data to withdraw from the program. On Sunday, Mr. Keller, the paper's executive editor, posted a letter on The New York Times Web site saying that the newspaper "found this argument

puzzling," partly because the banking consortium is compelled by subpoena to comply.

Treasury officials did not seek individual court-approved warrants or subpoenas to examine specific transactions, instead relying on broad administrative subpoenas for millions of records from the cooperative, known as Swift.

Mr. Keller said in the letter that the administration had made a "secondary argument" that publication of the article would lead terrorists to change tactics, but he said that argument had been made "in a halfhearted way."

Mr. Snow, the Treasury secretary, challenged that view in strong terms in a letter to Mr. Keller, saying, "Nothing could be further from the truth." Mr. Snow said that he and other high-level officials, including Democrats, had made "repeated pleas" in an effort to dissuade The Times from publication. The letter was made public by the Treasury in a news release on Monday evening.

In explaining the newspaper's rationale for publication, Mr. Keller also wrote that it was not the newspaper's job "to pass judgment on whether this program is legal or effective" -- an explanation that drew pointed criticism from Tony Snow, the White House press secretary, during a televised briefing on Monday.

Mr. Snow, who is not related to the Treasury secretary, said journalists made such judgments all the time, and accused The Times of endangering lives and departing from what he said was a longstanding tradition by news organizations of keeping government secrets during wartime.

"Traditionally in this country in a time of war, members of the press have acknowledged that the commander in chief, in the exercise of his powers, sometimes has to do things secretly in order to protect the public," Mr. Snow said. "This is a highly unusual departure."

Mr. Snow said there was no coordinated effort by the White House to ratchet up pressure on journalists, or The Times in particular. But he said the president seemed eager to have a chance to express his views about the issue, and decided at the last minute to take reporters' questions at Monday's photo session, after a meeting with supporters of the wars in Afghanistan and Iraq.

"If you want to figure out what the terrorists are doing, you try to follow their money," the president said. "And that's exactly what we're doing. And the fact that a newspaper disclosed it makes it harder to win this war on terror."

On Capitol Hill, the financial-tracking program itself has not generated much criticism, even from Democrats, since its existence was disclosed. A spokesman for Senator Harry Reid of Nevada, the Democratic leader, said Mr. Reid was briefed on the program several weeks ago and had concluded that "it does not appear to be based on the same shaky and discredited legal analysis the vice president and his allies invoked to underpin the N.S.A. domestic spying program."

An exception has been Representative Edward J. Markey, Democrat of Massachusetts, who has made privacy a signature issue and who said in an interview Monday that the Bush administration was adopting a strategy of "shoot the messenger" in trying to avoid Congressional oversight of the financial tracking program.

"There are very serious constitutional and legal questions that have been raised," Mr. Markey said, "and they're being obscured by this almost ad hominem attack on The New York Times."

Administration officials have held classified briefings about the banking program for some members of Congress and the Sept. 11 commission, intelligence and law enforcement officials said, and more lawmakers were briefed after the administration learned that The Times was making inquiries for an article about the program.

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