

I suggest very close similarities between British intelligence and U.S. intelligence and the reliance of the executive branch and the reliance of Congress in our vote to use force and in the action of the British, that the self-criticism ought not to be levied in the context of the findings by the British report that clears Prime Minister Blair of accusations that he or his Government distorted the evidence to build the war and the finding by Lord Hutton that no single individual is to blame but, rather, it was a collective operation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

JOB CREATION

Mr. DAYTON. Mr. President, I have the greatest respect for the majority leader, and I agree with him on many subjects, but earlier tonight he had some pretty harsh words for some of the economic statements that I and others of my colleagues have been making in recent weeks. He called them "canards" which is a nice sounding word but means they are false statements.

I feel compelled to rise and present what I think is a better version of the facts which, as we can see, are very different. The majority leader, as I understood his argument, was saying the new jobs that are now being created in the economy are better paying on average than the average of other jobs that were in existence in the year 2003. But that misses the essential point, which is that most of those newly created jobs pay less and offer lower benefits than the over 2.5 million jobs lost during the first 2½ years of the Bush administration. Most of those jobs were good-paying manufacturing jobs, and most of them have not come back. Many of them have been transferred to other countries with lower wages and no standards. They are not coming back at all.

Those are the jobs that the unemployed workers of America are now finding and that are paying on average thousands of dollars less than the jobs those workers held before the recession began in March of 2001. They are among the millions of Americans whose incomes have fallen, who used to have jobs with health insurance but now don't.

I quote from an editorial in today's New York Times in part which states:

From three different vantage points . . . the same basic picture emerges: While there has been an increase in job creation over the past four months—an unusually belated and anemic spurt by historical standards—the bulk of the activity has been at the low end of the quality spectrum. The Great American Job Machine is not even close to generating the surge of the high-powered jobs that is typically the driving force behind greater incomes and consumer demand.

This puts households under enormous pressure. Desperate to maintain lifestyles, they have turned to far riskier sources of support.

Reliance on tax cuts has led to record budget deficits, and borrowing against homes has led to record household debt. These trends are dangerous and unsustainable, and they pose a serious risk to economic recovery.

We hear repeatedly that the employment disconnect is all about productivity—that America needs to hire fewer workers because the ones already working are more efficient. This may well be true, but there is a more compelling explanation: global labor arbitrage. Under unrelenting pressure to cut costs, American companies are now replacing high-wage workers here with like-quality, low-wage workers abroad.

It was only a matter of time before the globalization of work affected the United States labor market. The character and quality of American job creation is changing before our very eyes. Which poses the most important question of all: what are we going to do about it?

That is a subject which both of our major party candidates for President this year need to address—what are we going to do about it?

The response of President Bush and his economic apologists thus far is to deny even the reality. Fortunately, we have their own earlier predictions by which to measure today's economic facts.

In May of 2003, the President's own Council of Economic Advisers stated that his what was then called jobs and growth plan of more deficit-driving tax cuts for the rich and the super-rich would result in the creation, they said, of 5.5 million new jobs by the end of this year. Congress passed the President's plan, and it took effect in July of 2003. The actual number of jobs created in the past 12 months is over 2.2 million fewer jobs than the President's Council of Economic Advisers forecast. In fact, the job creation in this country has failed to meet the President's forecasts in 10 of the last 12 months.

Once again, the administration trots out their favorite apologist, Chairman Greenspan, whose salary now should be paid by the President's reelect committee rather than the American taxpayers, who preached fiscal responsibility for 8 years to President Clinton's administration and to the Congress at that time and was instrumental in creating a balanced Federal budget in the year 2000, after taking out the Social Security trust fund—the first time in 40 years that the budget of the Federal Government, the operating accounts were balanced. He then turned around and has acquiesced with every tax cut that has been passed and which has led to the deficits that now exceed over \$500 billion a year and which the non-partisan Concord Coalition, chaired by former Republican Senator Rudman, has called the most reckless fiscal policy in this Nation's history.

Mr. Greenspan, who acquiesced in those, now comes forward and says the tax cuts prevented a deeper recession. In part, he is probably correct that the child tax credit, which certainly passed here with overwhelming bipartisan support, and the 10-percent bracket had those benefits, but certainly nobody could say eliminating the estate tax in

2010 was a force in either dampening the recession or speeding our recovery, nor did making the top tax brackets for the rich and the super-rich even lower, according to most economists, result in that kind of economic stimulus. In fact, the Federal Reserve's own econometric forecast states that public spending is a better multiplier for jobs and economic growth than the tax cuts.

He has gone farther in the last day to say the reason we have lower paying jobs in America is now because American workers are not well enough educated. It is pretty hard to understand how the educational quality of the American workforce could change from what it was prior to the recession when employment had expanded at a robust pace for almost 8 years to where it is less than 3 years later. In fact, the reality is that many American workers are overeducated for the jobs that are available, as the New York Times editorial and other economic analyses have attested. We are not providing the jobs in this economy that people need with the talents they have. We are not providing the jobs people need to maintain the standards of living they enjoyed before. And we are not providing enough jobs for the unemployed and underemployed people of this country. That is the reality, not a canard.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

COAST GUARD AND MARITIME TRANSPORTATION ACT OF 2004—CONFERENCE REPORT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report to accompany H.R. 2443, the Coast Guard reauthorization bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2443), to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes, having met, after full and free conference, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, signed by all conferees on the part of both Houses.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings in the CONGRESSIONAL RECORD of Tuesday, July 20, 2004 (Volume 150, Number 101).

Mr. MCCAIN. Mr. President, I rise today as the chairman of the Senate Committee on Commerce, Science, and Transportation, and I am pleased to announce today the successful completion of the conference report for H.R.