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U.S. Senator Robert C. Byrd

Remarks by Senator Byrd

January 22, 2004

"The Forgotten Man"

Senator Byrd delivered the following remarks as the Senate debated legislation that would replace, for a period of two years, the mechanism by which pension plans calculate the rate of return on their assets -- currently the 30-year Treasury bond rate -- with a rate based on an index of long-term corporate bonds.

Byrd used the start of debate to highlight for the Senate the difficult plight facing the American worker -- the forgotten man of the Bush Administration's economic policies.

It is not hyperbole to suggest that the sky is falling for too many American workers. You could also say that the ship is sinking, the mine wall is collapsing, the dam is giving way or use any number of metaphors for looming disaster to describe the current state of America's private pension system.

The entire system is wobbling under assaults from every direction. On the one side, the stock market plunge has left the pensions for over 44 million workers underfunded by an estimated \$350 billion. Last year, the Pension Benefit Guarantee Corporation (PBGC) had to assume the pension obligations for scores of bankrupt companies, ranging from airlines to steelmakers, pushing the PBGC's balance sheet into the red by an alarming \$11.2 billion. On the other side, the assault is coming from historically low interest rates that have triggered painful new funding requirements for employers. Even companies that want to provide for their employees find themselves unable to compete in a global market place against competitors unencumbered by the legacy costs of pension and health care benefits.

U.S. employers are warning that they'll be forced to freeze their pension plans or terminate them unless the Congress provides them with relief from their pension obligations. And, yet, with \$350 billion in underfunded pensions and a growing deficit, the federal pension insurer is warning that, unless those

pension obligations are funded, a massive taxpayer bailout, akin to the 1980's savings and loan crisis, is on the horizon.

At a time when working families are looking for assurances that their pensions will be protected and that their retirement will be secured, the Congress is offering neither assurances nor security. This legislation provides funding relief to employers, but does little to ensure that the pension benefits promised to workers will be there when they retire.

While this short-term patch may be necessary to keep the ship afloat for a while longer, it does not change the fact that the ship is sinking, and the Congress has not yet readied the life boats.

The Congress is telling workers that once the needs of business have been addressed, then it can act to ensure their pensions are fully funded. The Congress is wagering that the pension system will stay afloat that long.

It's a theme I have noticed repeatedly during the tenure of this Administration. While the top of the economic pyramid receives immediate relief, the hard working middle class is given only vague promises -- uncertain promises of uncertain relief and delayed benefits.

I have seen it over and over again. The corporate elite receive immediate tax cuts, while America's working class families are told to wait for the economy to improve. The pharmaceutical industry receives billions of dollars in taxpayer subsidies, while middle-class families wait endlessly for lower drug prices. Corporate profits continue to increase, while middle-class families wait for those profits to trickle down to them.

In asking middle-class Americans to wait for the economy to improve, to wait for health care costs to go down, to wait for their wages to rise, it confirms that this Administration of corporate CEOs and Texas oil men do not have the slightest comprehension of the plight of American workers.

It's a grim, bleak time for working Americans.

Two and one-half million jobs have disappeared under this Administration's economic stewardship -- most of them in our once powerful manufacturing sector, which has lost jobs for 41 consecutive months.

One million jobs have been lost overseas. Eight million workers are unemployed. Half-a-million discouraged workers have dropped out of the labor pool.

Three and one-half million workers are collecting unemployment benefits, with an average 350,000 workers signing up for benefits each week. At the same time, 80,000 jobless workers are exhausting their unemployment benefits each week, forcing them to cut back on health care and food purchases.

Workers are losing their health insurance. Two and one-half million more people joined the ranks of the uninsured last year, the largest single increase in a decade. With health care costs spiraling out of control, forty-four million people must do without health insurance. Retired workers are forced to do without life-saving drugs.

For those workers with health insurance, out-of-pocket costs are soaring, more than doubling for employees of large companies since 1998. Costs are up sharply, too, for workers who pay monthly premiums but rarely see a doctor.

Worker pensions are in danger, with the federal pension insurer taking over 152 plans last year, slashing the pension benefit promised to over 200,000 workers.

Two million additional Americans fell into poverty in 2002. Not coincidentally, almost two million workers earn wages at the statutory minimum -- \$5.15 per hour. Their wages are eroded every year by inflation, with the real value of the minimum wage dropping. While the wealthiest taxpayers receive tens of thousands of dollars in tax cuts, the Administration denies a meager \$1.50 per hour raise to our most impoverished workers.

To quote President Franklin Roosevelt, "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

After three colossal tax cuts, this Administration has denied much to those who have little in order to provide more to those who have much.

The American worker, once again, has become the forgotten man. While the Administration is offering only vague promises of hope, the American workforce is forced to endure the most hostile assault in decades.

The Bush Administration has tried to repeal the 40-hour work week and strip workers of their right to overtime pay. It has attacked the civil service system. It has repealed safety rules necessary for the protection of America's workers. It has neglected their health and safety in the workplace.

Now the Administration is blocking an increase in the federal minimum wage. It is blocking efforts to provide unemployment benefits to jobless workers. It is trying to push through a rule to strip 8 million workers of their hard-earned overtime pay – and, it does so, always with the promise, that these benefits for businesses and the corporate elite will one day trickle down to the middle-class.

This is not the record of an Administration that understands the needs of working families. American workers are sinking on the Titanic and this Administration can only promise workers to send back the life boats once the first-class passengers have been taken to safety.

Americans would have to look back to the Hoover Administration, during the nadir of the Great Depression, to find an Administration that has treated workers more shabbily.

In 1932, Presidential candidate Franklin Roosevelt blasted the Hoover Administration and the Republican-controlled Congress for ignoring the plight of American workers, who he claimed had become the "forgotten man" under the Hoover Administration's top-down economic policies. The "present condition of our nation's affairs is too serious to be viewed through partisan eyes for partisan purposes," the future President charged. "These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power, for plans...that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid."

I urge Senators to heed those words and to offer workers more than just ideologically based promises that would have us view the plight of America's workers from the top down, rather than the bottom up.

This year, the Congress must extend unemployment benefits. It must protect workers' pensions. It must increase the minimum wage. It must protect the overtime pay of our nation's workforce.

The Administration has invested its energies, its resources, and its political fortunes in those at the top of the economic pyramid, and it has abandoned the workers at the bottom. The representatives of the people must not do the same.

