

The Grinch that stole Labor Day

By Greg Palast
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In celebration of the working person's holiday, Secretary of Labor Elaine Chao has announced the Bush Administration's plan to end the 60-year-old law which requires employers to pay time-and-a-half for overtime.

I'm sure you already knew that – if you happened to have run across page 15,576 of last year's Federal Register.

According to the Register, where the Bush Administration likes to place its little gifts to major campaign donors, 2.7 million workers will lose their overtime pay for a “benefit” of \$1.53 billion. I put “benefit” in quotes because, in the official cost-benefit analysis issued by Bush's Labor Department, the amount employers will now be able to slice out of workers' pockets is tallied on the plus side of the rules change.

President Bush announced in his convention acceptance speech in New York this week that he was changing overtime rules to give workers “comp time” off, instead of pay. He forgot to mention that a couple of days before, on August 23, his Labor Department had already put in half the plan – eliminating overtime pay for millions – while failing to put into the regs one word about comp time. In the pre-September 11 days, we used to call what the President said, “lying.”

Nevertheless, workers getting their pay snipped shouldn't complain, because they will all be receiving promotions. These employees will be re-classified as managers exempt from the law. The change is promoted by the National Council of Chain Restaurants. You've met these ‘managers’ – they're the ones in the beanies and aprons whose management decisions are, “Hold the lettuce on that.”

NO OVERTIME IN BAGHDAD

My favorite of Chao's little amendments would re-classify as “exempt professionals” anyone who learned their skill in the military. In other words, thousands of veterans will now lose overtime pay. I just can't understand why Bush didn't announce that one when he landed on the aircraft carrier.

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Now I should say that, according to Chao's press office, the changes will actually extend overtime benefits to 1.3 million burger flippin' managers. How does that square with the billion dollar "benefit" to business owners? Simple: The Chao hounds at the Labor Department suggest that employers CUT WAGES so that, added to the new "overtime" pay, the employees won't actually take home a dime more.

I can hear the moaners and bleeding hearts saying this sounds like the Labor Department is telling Big Business how to evade the law. Yep, that's what the Department is doing. Right there on page 15,576 of the Federal Register it says,

"Affected employers would have four choices concerning potential payroll costs: ... (#4) converting salaried employees' basis of pay to an hourly rate that result in virtually no changes to the total compensation paid those workers."

And in case some employer is dense as a president and doesn't get the hint, Comrade Chao repeats, "The fourth choice above results in virtually no (or only a minimal) increase in labor costs."

For decades the courts have thrown the book at cheapskate bosses who chisel workers out of legal overtime by cutting base pay this way – but now they'll have a new defense: Bush made me do it.

But then, there likely will not be any cases against employers anyway since Chao herself is supposedly the labor cop whose job it is to stop paycheck theft. She's well qualified for that job. Her resume reads, "Married to Republican Senator Mitch McConnell of Kentucky." I called her press office to ask if she qualifies for overtime, but they'd left the office early.

And there is good news for our sporting President. Word from the White House is he'll be golfing on the Labor Day weekend. Under Chao's rules he need not worry if he wants to replay that hole. "Exempt professionals" who cannot earn overtime – once defined as doctors, lawyers and those with specialized college degrees – will now include anyone who provides skilled advice ... like caddies ("You might try the other end of the club, Mr. President").

This month, Greg Palast, will release, "Bush Family Fortunes," the 70-minute film on DVD taken from his investigative reports for BBC television. View a 2-minute preview, or order it, at <http://www.gregpalast.com/bff-dvd.htm>