from Phyllis Schlafly

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The Real Costs of Federal Mandates

If unemployment and the recession are our principal domestic problems (as television tells us every evening via the network news), then this is no time to place more restraints on business which will reduce jobs. But that's what the Senate tried to do last week when it passed the Federally Mandated Family Leave bill which President Bush has promised to veto.

This bill (if passed over his veto) would force employers to hold a job open for 12 weeks while any employee takes time off to care for a child or an ill family member. Businesses with fewer than 50 employees are exempt from this requirement.

So what would you do if you ran a business with 50+ employees? You would probably lay off a few to drop below the threshold and thereby escape the legal, financial and personnel hassles caused by this law.

The liberals seem to think that empowering Department of Labor bureaucrats to set up a new division to investigate, regulate and threaten still another aspect of small business is the medicine our nation needs today. Maybe they are hoping the bill will aggravate the recession and thereby improve their slim chances of defeating George Bush next year.

This federal mandate for Family Leave poses the threat of lawsuits with potential double damages. That is a monster that really scares off the hiring of new workers. The mandate requires that any health insurance be continued both for the employee taking the leave and for her replacement. of course, the bill doesn't require businesses to carry any health insurance on their employees, so some companies would probably terminate their plan.

What if the employee taking the leave fails to return to her job, in other words, takes the “leave” while retaining the benefit of the health insurance, and then just decides not to go back to work? The so-called “compromise” sponsored by Senator Kit Bond (R-MO), which would allow employers to sue the non-returning employee to try to recover the insurance premiums paid, would probably be a more expensive option than eating the loss.

Here are some other costs of federally mandated family leave: finding, interviewing, employing and training a new worker (assuming one can be found at all) as well as the loss of productivity during this period, the salary of the temporary worker which is usually higher than that of the regular employer, overtime pay for other workers if a replacement cannot be found, decline of morale for other workers pressed into involuntary service, unemployment compensation for the temporary worker after the fulltime worker returns (which is required in most states), and lost productivity because of having to deal with a new set of government regulations and regulators.

The 50-employee threshold which triggers the inclusion of a company under the law is illusory. The “count” includes part-time employees and companies that maintain several stores within a 10-mile radius.

The bill allows the company to exempt the top L0 percent of its payroll. That's not much help. The most costly employee to have absent, such as the bookkeeper, may not be in the top-salaried 10 percent.

AI1 advocates of this bill openly admit that it is the foot in the door for a policy that will soon include all employees and mandate paid instead of unpaid Leave. Senator Ted Kennedy boasted last year, “This legislation represents a significant and fundamental principle which, I believe once established, will be expanded over the years ahead.”

Family leave is not a workplace safety issue. It is not a national issue of justice. It is a fringe benefit that. would be enjoyed by only a limited few employees at the expense of the others whose work would be increased and benefits reduced.

The liberal Democrats are beside themselves with frustration at their inability to pass new spending programs because the public won't tolerate new taxes. A powerful anti-tax sentiment is on the march, socialism is in disarray all over the world, and cradle-to-grave policies have even been repudiated in Sweden.

So, the liberals have seized on the government mandate as the way to achieve their goals. ff the government can no longer provide new services and pander to more constituencies though spending the taxpayers' money, then the liberals hope to pass a law that makes business spend the money and lets the politicians take the credit.

It's a simple formula. the cost is the same, but the cost is concealed. Instead of being funded by higher taxes which cause voter backlash, the new benefit is financed by higher consumer prices, higher unemployment, and lower productivity, innovation and expansion, so the voter doesn't know who to blame.

We're counting on President Bush to tell the voters the truth about federal mandates.