Washington, DC living wage bill fails after mayor’s veto

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On September 18, the main legislative body of the District of Columbia, the DC Council, failed to override Democratic Mayor Vincent Gray’s veto of the Large Retailer Accountability Act. The act sought to require operating DC stores of at least 75,000 square feet to pay employees a wage of at least $12.50 an hour, instead of the current minimum wage of $8.25.

The bill had been approved originally by the council last July by a vote of eight to five. Mayor Gray’s veto came after intense pressure from large retail stores operating within the district. Soon after the bill’s passage in the legislature, Walmart representatives threatened to cancel plans to build three stores in the DC area.

Top executives from Home Depot, Target, AutoZone, Lowes, Walgreens, and Macy’s sent a letter to the mayor threatening that should he allow the legislation to pass, “any future plans for retail expansion in the city must be revisited.”

As expected, Mayor Gray went ahead with the veto earlier this month.

In a letter to DC Council Chairman Phil Mendelson, Gray cynically justified his veto by saying, “Instead of these arbitrary and partial attempts at insisting on living wages for only certain workers and certain sectors, I propose that we raise the minimum wage for all District residents.” Yet, the real reason behind the veto came later in the letter when Gray indicated that “retailers have indicated they either will not come to or will not expand in the District if this bill becomes law.

In the wake of the veto, several former legislative supporters of the bill also turned against the measure. “I don’t vote based on national debates,” said Mary Cheh, a Democrat. She added, “I vote based on what is best for the District of Columbia.” Likewise, former Republican-turned-Independent David Catania lamented sentimentally that “I wish I could do this in my heart, but I know in my head this is not the right way to solve income inequality in this county.”

The Washington Post editorial board lauded Mayor Gray’s support for big business, claiming that the bill “would have tarnished the District’s reputation as a place to do business.”

Following the veto, the bill reappeared on the DC Council floor, where it finally died in last week’s override vote.

The entire dispute over the LRAA was a cynical maneuver on all sides, with supporters on the council seeking to posture as supporters of the working class.

According to a report from the Economic Policy Institute (EPI), two parents residing in Washington DC would need a combined yearly income of $88,000 in order to raise two children. The LRAA would have raised incomes for full-time employees to $26,000 before taxes. In a city where one out of five people live in poverty, this would have amounted to almost nothing.

Emerging from the bill’s failure, three council members have already put forth their own minimum wage bills. All of them aim to increase the current rate by a few dollars over a period of two to four years, and tie future increases to the consumer price index.

The focus on the minimum wage is not limited to the nation’s capitol. The California legislature has recently voted on a wage hike that Democratic Governor Jerry Brown is expected to sign, and Maryland Governor Martin O’Malley has stated his desire to propose a rate increase to the agenda of the upcoming General Assembly session.

As with the DC bill, these proposals are being advanced in order to provide a pretense of concern and attempt to preempt rising anger among broad sections of the population. Brown in particular has implemented massive attacks on social programs throughout the state.

At the same time, the inability of officials to pass even a minor increase in workers' wages within the District of Columbia—a city which registered an over $420 million surplus in its current fiscal budget—speaks to their complete subordination to the dictates of the corporate and financial elite.

In fact, the entire direction of government policy, led by the Obama administration and supported by both the Democrats and Republicans, is to utilize mass unemployment and part-time work to drive down wages and boost corporate profits. According to the federal jobs report for July, the growth of part-time jobs outnumbered full-time jobs by a margin of four to one.