



Trump's Labor Secretary: Fast-food Magnate Is Anti-Minimum Wage

When President-elect Donald Trump nominated Andy Puzder (shown on right), the head of CKE Restaurants (Hardee's and Carl's Jr.), on Thursday, he called him the "ideal candidate," stating, "Andy Puzder has created and boosted the careers of thousands of Americans, and his extensive record fighting for workers makes him the ideal candidate to lead the Department of Labor. Andy will fight to make American workers safer and more prosperous by enforcing fair occupational safety standards and ensuring [that] workers receive the benefits they deserve. [In addition] he will save small businesses from the crushing burdens of unnecessary regulations that are stunting job growth and suppressing wages."



Puzder is ideal in more ways than one. A lawyer by training and experience, he had not one but two "near death" financial experiences in resurrecting the Carl's Jr. restaurant chain from bankruptcy in 1991, and Hardee's from the same fate in 2000. He learned firsthand just how thin the margins are in the fast-food industry and how great the negative impact of government bureaucrats trying to impose their ideologies through wage policy and regulation can be. He is strongly against the minimum wage.

After the second rescue, Puzder accepted the position of president and CEO of CKE Restaurants, a position he has retained ever since. CKE now owns or operates more than 3,700 restaurants in the United States and 40 foreign countries, employing an estimated 75,000 people and generating \$1.4 billion a year in revenues.

Speaking at an event sponsored by the pro-business Heritage Foundation in 2011, Puzder expanded on not only the stifling effect of excessive and often silly business regulations pouring out of Washington, but the "uncertainty factor" that more would shortly be coming: "Business is presently being held back by what's called the uncertainty factor. There are always uncertainties in a business plan. You never know exactly how things are going to work out. But in the current climate you have absolutely no idea what could happen [from Washington] in the next five years. It's extremely capricious."

In a March interview with *Business Insider* Puzder expressed his frustration with government intervention that was forcing more and more fast-food chains to replace workers altogether with robots: "With government driving up the cost of labor [through increases in the minimum wage], it's driving down the number of jobs. You're going to see automation not just in airports and grocery stores but in restaurants."

Not only are robots increasingly less expensive in light of wage increases sought by the Labor



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Department under President Obama, they are, said Puzder, "always polite, they always upsell, they never take a vacation, they never show up late, there's never a 'slip-and-fall' [phony insurance claim], or an age, sex or race discrimination case." In the introduction to his book *Job Creation: How It Really Works and Why Government Doesn't Understand It*, published in 2011, Puzder condensed his view of the dangers of centralized government planning into two sentences. "Government's misguided attempts to orchestrate labor markets and the economy through higher taxes, increased regulatory requirements, and wealth redistribution are antithetical to both job creation and American free enterprise. Centralized government planning and federal intrusion into the private sector have long track records of consistent failure, as runaway deficit-spending, endless borrowing, and higher taxes do nothing except create more economic uncertainty that discourages venture investment, profit incentives, and job creation."

It was this strongly held view that drew Puzder to Trump's campaign. Not only did he contribute \$332,000 to helping him get elected, he also raised money for his campaign, serving as a Trump presidential trustee, victory finance chair for California. He became a spokesman for the campaign as well as an advisor to it. He was a delegate to the Republican National Convention, serving as chairman of the Platform Committee's "Restoring the American Dream" sub-committee on the economy, job creation, and the national debt.

His views are drawing strong criticism from the Left. AFL-CIO President Richard Trumka said that he would oppose Puzder's Senate confirmation because his "business record is defined by fighting against working people." Likely Senator Minority Leader Chuck Schumer added that Puzder's nomination is "the surest sign yet that the next Cabinet will be looking out for the billionaires and special interests, instead of America's working class."

The *Wall Street Journal* offered some suggestions for Puzder, starting from his very first day: "President Obama has issued nine labor-related executive orders, including mandating paid sick leave for employees of federal contractors and the use of project-labor agreements that squeeze out non-union workers for federal construction projects. Mr. Puzder should ask his new boss to rescind these orders on Day One."

In addition, the *Journal* said Puzder should withdraw the previous labor secretary's "guidance" that redefines what a "joint employer" is, which "upends the franchise business model and puts corporations on the hook [financially] for minimum wage infractions of their franchisees and subcontractors."

If one of Trump's primary goals is job creation, then Puzder, who has been doing that for years, is the man.

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