without putting back anything useful or productive—no savings, no investments, no tools, no production; in brief, just waste or consumption of scarce resources. As in the Germany of 1923 when 100 million marks would not buy a single loaf of bread, this road leads eventually to collapse.[1] There are no exceptions recorded; history is filled with examples of confirmation. Who wishes to pursue this course!

The alternative to disaster, then, is to abandon excessive governmental spending. But there's more to the problem than mere retrenchment of spending—much more. The millions of people presently employed in war and space hardware, urban renewal projects, the thousands of other boondoggle or nonmarket ventures, as well as those in the enormous supporting bureaucracy, become unemployed the moment governmental expenditures are withdrawn. Without other job opportunities, unemployment would soar to revolutionary proportions. And this also spells collapse. There remains just one possibility if we would avoid total collapse, and that is to do away with our synthetic curtain!

PRECISELY what is this synthetic curtain? It hangs as a barrier between the desire to produce, to exchange, to work, and the opportunities to do so. This curtain is not of natural origin; it is synthetic—"artificial, not real or genuine." It is man-made of a thousand and one politico-economic concoctions and aberrations found on the statute books: wage, price, rent, interest, and production controls, that is, everything that inhibits, prohibits, restrains the peaceful exchange of goods and services.

This synthetic curtain is a tighter barrier than we realize. Why is it, for instance, that capable people, unemployed by a cut in expenditures for nonmarket ventures, cannot readily find other things to do? Simple enough: they bump directly into the synthetic curtain, and instead of breaking through to jobs, bounce right back to their unemployed status. The very curtain that once sheltered or protected them in their artificial jobs now screens them from return access to the market.[2] And there is no help for them or any of us until this barrier is exposed and withdrawn. The employed no less than the unemployed, the wealthy as much as the poor, have everything at stake on the outcome.

AMONG the countless threads of the synthetic curtain are the minimum wage laws. Any person who thinks through this political device must conclude that it does not increase a workman's worth; rather, it increases unemployment. All of us know persons we would not want to employ at as much as $1.60 per hour;[3] for the most part we do not hire workers for more than we believe they are worth to us, so such persons remain unemployed. Even some who once earned a high wage or salary may have lost their competence and are no longer wanted at the minimum wage—$1.00 perhaps, but not $1.60. These, then, are added to the unemployed. The only persons who are willingly paid the minimum wage are those who are worth that much to employers. Were this not the case, then we should raise the minimum wage to five or ten dollars! Obviously, however, at such high wage rates, job opportunities would conspicuously decrease, unemployment increase.

A minimum wage of five or ten dollars per hour is ludicrous. I am unaware of any socialist in his wildest moments who has made such a proposal *in these terms*. Yet, note this: the minimum wage of the head man on a 747 jet varies from $40 to $60 per hour. Would you offer your services for less than this? You cannot get the job, regardless of your competency.

Or, let's assume that you are an electrical engineer in a company making electronic gadgetry for the government and that a retrenchment program closes the business. Further, assume that you are a good carpenter or plumber. Any haven in a storm! What are your chances? Practically nil! The minimum wage for carpenters in Westchester County approximates $10.00 per hour; plumbers get more. This minimum wage is so far above the market price that many carpenters have been unemployed by the "private sector"; they are then absorbed into the government's "full-employment" program based upon Federal urban renewal and the like. But what if the government in its retrenchment efforts were to eliminate all of these boondoggles—a necessary cutback if inflation is to be halted! The unemployment of carpenters would be enormous.

All arbitrary wage rates set by labor unions properly classify as minimum wage laws. Consider the enormity of their impact on employment possibilities. Here we have a very important component of the synthetic curtain.

A QUESTION may be expected at this point: If all of these minimum wage laws destroy job opportunities, as claimed, how do you account for the many millions of people who are presently employed at exorbitant rates?

Above-market wages are obtainable only in stranglehold or no-choice situations. Suppose, for some reason, you are unable personally to water your valuable garden. Rather than let it die, you will pay someone $1.60 per hour to handle the hose. Or, your airline has bought a dozen 747's at $23 million each. You will pay the captains $57,000 annually rather than leave the planes grounded. Or, you have a big investment in a manufacturing plant or in perishable raw materials. You will pay far above market wages in preference to losing the investment or being shut down indefinitely.

When such a situation dominates the economy, as it does today, employment practices change drastically. Potential employers, ranging from households to large corporations, tend not to employ persons to whom they would be obliged to pay above-market wages. Employment of carpenters at $10.00 per hour, for instance, is an act of last resort—put it off or do it yourself! Further, above-market wage rates are an incentive to automate, that is, to invent machines to replace human beings. This is forced automation, brought on by coercive practices which are unnatural and which unbalance the market economy.

The current "beneficiaries" of above-market wages seldom understand that they are as much disadvantaged as are those currently unemployed. The latter cannot get jobs; the former must sooner or later lose theirs; unless the synthetic curtain is withdrawn our whole economy will tumble into a shambles. In an economy where all are specialists and, thus, interdependent, no one can injure others without thereby injuring himself. Our situation demands strict observation of the Golden Rule.

I have used governmental and labor union minimum wage laws only to sample the fabric of the synthetic curtain; it is composed of too many diverse threads to enumerate. The limited work week is another. But politicians and labor union officials are not the only ones at fault. The businessman who seeks protection against competition is saying, "I have a right to that transaction," and this differs in no respect from the union member who insists, "I have a right to that job." All thwarting of competition and free entry is a part of the fabric as are all subsidies, exclusive franchises, special privileges, and so on.

WHAT is the third way, our only sensible option? It is, first, to stop inflation by governmental retrenchment. Trim government to the bone, that is, reduce government to its prin-

[1] I equate collapse with a loss of freedom, that is, with all-out statism.

[2] This curtain not only deters the individual by force; in most cases he cannot even see through it—doesn't realize that it is just a curtain and that beyond it lie dormant resources and unimaginable opportunities.

[3] This basic rate does not include fringe benefits which in most cases would boost the employer's cost an additional 50 cents an hour or more.