



Written by [Thomas Sowell](#) on September 24, 2013

Minimum Wage Madness: Part II

A survey of American economists found that 90 percent of them regarded minimum wage laws as increasing the rate of unemployment among low-skilled workers. Inexperience is often the problem. Only about 2 percent of Americans over the age of 24 earned the minimum wage.

Advocates of minimum wage laws usually base their support of such laws on their estimate of how much a worker “needs” in order to have “a living wage” — or on some other criterion that pays little or no attention to the worker’s skill level, experience or general productivity. So it is hardly surprising that minimum wage laws set wages that price many a young worker out of a job.

What is surprising is that, despite an accumulation of evidence over the years of the devastating effects of minimum wage laws on black teenage unemployment rates, members of the Congressional Black Caucus continue to vote for such laws.

Once, years ago, during a confidential discussion with a member of the Congressional Black Caucus, I asked how they could possibly vote for minimum wage laws.

The answer I got was that members of the Black Caucus were part of a political coalition and, as such, they were expected to vote for things that other members of that coalition wanted, such as minimum wage laws, in order that other members of the coalition would vote for things that the Black Caucus wanted.

When I asked what could the black members of Congress possibly get in return for supporting minimum wage laws that would be worth sacrificing whole generations of young blacks to huge rates of unemployment, the discussion quickly ended. I may have been vehement when I asked that question.

The same question could be asked of black public officials in general, including Barack Obama, who have taken the side of the teachers’ unions, who oppose vouchers or charter schools that allow black parents (among others) to take their children out of failing public schools.

Minimum wage laws can even affect the level of racial discrimination. In an earlier era, when racial discrimination was both legally and socially accepted, minimum wage laws were often used openly to price minorities out of the job market.

In 1925, a minimum wage law was passed in the Canadian province of British Columbia, with the intent and effect of pricing Japanese immigrants out of jobs in the lumbering industry.

A well regarded Harvard professor of that era referred approvingly to Australia’s minimum wage law as a means to “protect the white Australian’s standard of living from the invidious competition of the colored races, particularly of the Chinese” who were willing to work for less.





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In South Africa during the era of apartheid, white labor unions urged that a minimum wage law be applied to all races, to keep black workers from taking jobs away from white unionized workers by working for less than the union pay scale.

Some supporters of the first federal minimum wage law in the United States — the Davis-Bacon Act of 1931 — used exactly the same rationale, citing the fact that Southern construction companies, using non-union black workers, were able to come north and under-bid construction companies using unionized white labor.

These supporters of minimum wage laws understood long ago something that today's supporters of such laws seem not to have bothered to think through. People whose wages are raised by law do not necessarily benefit, because they are often less likely to be hired at the imposed minimum wage rate.

Labor unions have been supporters of minimum wage laws in countries around the world, since these laws price non-union workers out of jobs, leaving more jobs for union members.

People who are content to advocate policies that sound good, whether for political reasons or just to feel good about themselves, often do not bother to think through the consequences beforehand or to check the results afterwards.

If they thought things through, how could they have imagined that having large numbers of idle teenage boys hanging out on the streets together would be good for any community — especially in places where most of these youngsters were raised by single mothers, another unintended consequence, in this case, of well-meaning welfare policies?

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