

# Magical Thinking

by [Walter E. Block](#) (July 2023)



*Zaubergarten (Magic Garden)*, Paul Klee, 1926

*Magical thinking is all around us. It is difficult to escape from it, wherever we turn.*

## “Developing” Countries

There is the fact that nations such as Cuba, Venezuela, several in Africa and south Asia, are commonly characterized as “developing.” In some cases, this is an accurate description as to what is really going on. Others of them are stuck in a rut, neither improving nor worsening. Life goes on there as it always has. But in all too many examples, this appellation is the very opposite of the truth: they are actually retrogressing.

Why, then, call them “developing?” The hope, presumably, is that this nomenclature will affect reality. One might as well call a rainy day “sunny” in the expectation that the weather will change. If there is a dry spell, one might as well do a rain dance in order to impact the climate in that direction.

Ms.

Nor can we ignore “Ms.” in this context. At one time in our past women were referred to as Miss or Mrs. What was this distinction based upon? Marital status, of course. The former were married, the latter, not. But this distinction was seen as invidious by the forces of political correctness. Women should not be defined by marital status. Marriage, presumably, exploited women, and this was one way of reducing the sway of that evil institution.

In any case, no such distinction was made for men. Well, there was Mister for married men, Master for the unmarried ones but very few people even knew about this. The latter had to go,



for obvious reasons (as are, now, grandmaster in chess, master bedroom, etc., now under attack).

## White and Black

But note one thing. There is also afoot an effort to spell black (when it refers to people) with a capital letter while leaving in place the convention that white should continue to be headed by a lower-case letter. This had the effect, and, presumably the intention, of increasing the divergence between the two races. The Ms. Innovation was in the very opposite direction: to treat the two genders in the exact same manner, by erasing a distinction. What is going on here? Can't the lefties make up their minds as to whether they prefer amalgamation or divisiveness?

## Progressive

Then there is "progressive." Our friends on the left have so besmirched their previous description, "liberal," that they felt the need to take on an entirely different one. But these folks are not progressive at all. From their support for socialism (government ownership of pretty much everything that is not tied down), to their championing of economic fascism (government regulation of practically everything: if it moves regulate it; if it doesn't move, regulate that too), they have been regressive, not progressive.

What is particularly irksome about all this is not that the lefties would seek to change language, nor that they would falsify reality in an attempt to do it. Rather, it is what our entire society, including their supposed intellectual and moral opponents, the conservatives, would buy into these initiatives of theirs. Who is selling rope to whom, nowadays?

To summarize, so far. Yes, to their shame, members of the right nowadays commonly utilize the Ms. word, accept the “developing” description where it is far from warranted and acquiesce in the notion that those on the left are “progressive.” The first helps undermine the glorious institution of marriage, the second interferes with economic development while the latter is a blatant lie.

### The Minimum Wage Law

Bernie Sanders and his ilk want to raise the minimum wage level. In many jurisdictions he has already had his wish, well, the one several moons ago: no one should be paid less than \$15 per hour. Some “progressives” now want to raise this to \$25 per hour.

This is all based upon wishful thinking. In their view, wages are determined, pretty much by employer generosity, and no one ever went broke overestimated this quality. No, no, no, the reason LeBron James earns in the tens of millions, and the guy who sweeps out the Los Angeles Lakers stadium pulls down minimum wage, has nothing whatsoever to do with employer generosity. Rather, it is due to the fact that the athlete’s ability to add to the bottom line, his productivity, is in the stratosphere, while the sweeper’s is far more modest. They both share the same employer for goodness sakes! If this theory were correct, they would both be earning the same amount. No, it is productivity, productivity, productivity that determines wage rates. Boosting legal pay mandates creates unemployment, not higher wages.

Suppose that the sweeper’s productivity is \$20 hourly, and the minimum wage level is raised to \$30 per hour. Then, if he is hired, the employer will lose \$10 per hour. That’s no way to run a railroad, to mix my metaphors. The owner will simply hire a more productive employee, and supply him with a better

“broom,” an electronic one. Or engage in some other sort of automation.

Wokesters who favor the minimum wage can typically be relied upon to also champion foreign aid. But this is a downright self-contradiction. For if they were correct in the first of these positions, there would simply be no justification for the latter. People in poor countries, “developing” ones too, could simply be told that the foreign aid spigot was being turned off, and that they should all implement a minimum wage law, and keep raising its level until poverty was eradicated. But they never do anything of the kind. This indicates that even they do not believe in this magical thinking. If they really did, instead of advocating a niggardly minimum wage of \$15, or even \$25 they would step up the plate in a logically consistent manly manner and call for a minimum wage of \$1 million per hour. Then we would all be rich beyond the dreams of avarice.

## [Table of Contents](#)

Walter E. Block is Harold E. Wirth Endowed Chair and Professor of Economics, College of Business, Loyola University New Orleans, and senior fellow at the Mises Institute. He earned his PhD in economics at Columbia University in 1972. He has taught at Rutgers, SUNY Stony Brook, Baruch CUNY, Holy Cross and the University of Central Arkansas. He is the author of more than 600 refereed articles in professional journals, three dozen books, and thousands of op eds (including the New York Times, the Wall Street Journal and numerous others). He lectures widely on college campuses, delivers seminars around the world and appears regularly on television and radio shows. He is the Schlarbaum Laureate, Mises Institute, 2011; and has won the Loyola University Research Award (2005, 2008) and the

Mises Institute's Rothbard Medal of Freedom, 2005; and the Dux Academicus award, Loyola University, 2007. Prof. Block counts among his friends Ron Paul and Murray Rothbard. He was converted to libertarianism by Ayn Rand. Block is old enough to have played chess with Friedrich Hayek and once met Ludwig von Mises, and shook his hand. Block has never washed that hand since. So, if you shake his hand (it's pretty dirty, but what the heck) you channel Mises.

Follow NER on Twitter [@NERIconoclast](https://twitter.com/NERIconoclast)