A lesson in economics for socialist AOC

Wealth creation beats government dependency every time

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At left: Rep. Alexandria Ocasio-Cortez, D-N.Y., speaks at event, March 20, 2025, in Tempe, Ariz

I am not an economist, but I do have some personal experience with the principles of economics and the rules that allow people, especially Americans, to prosper while becoming more self-reliant and less dependent on government.

Rep. Alexandria Ocasio-Cortez, New York Democrat (aka AOC), the youngest woman ever elected to Congress, graduated from Boston University cum laude and then returned to the Bronx and worked as a bartender and waitress to help her mother fight foreclosure of their home.

Nothing wrong with that, but AOC's life experience has apparently taught her little. In recent comments, she has claimed that the very wealthy became wealthy not through salaried work but through investments.

A version of this economic envy has been told and retold ever since the days of President Franklin D. Roosevelt.

Under this "reasoning," there is only a fixed amount of money to go around, and if someone earns more than you, then it is unfair. Yet, the opposite is true.

The money supply is unlimited. People are limited in the amount they can earn only by their talents, persistence and a willingness to take reasonable risks.

AOC and her socialist fellow travelers believe something is wrong with earnings from investments and other non-salaried income, but investments in the stock market produce capital for corporations that hire people and pay them salaries. They can then make investments that help sustain themselves and their families.

History has shown that lower taxes not only bring more money into the U.S. Treasury but also leave more money in our pockets to spend, save and invest, thus building wealth.

Just one example: The Revenue Act of 1926, promoted by President Coolidge, benefited all classes, not just the wealthy. Before Coolidge entered office, the federal income tax rate was 73%. The Revenue Act lowered it to 25%.

In his first message to Congress in 1923, Coolidge said: “High taxes reach everywhere and burden everybody. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessity of life.”

Instead of reducing federal revenue, the Revenue Act increased federal revenue. The government ran surpluses every year during Coolidge’s presidency.

These lessons are not difficult to learn. Unfortunately, AOC, Sen. Bernard Sanders, Vermont independent, and New York City Mayor Zohran Mamdani, a democratic socialist, have allowed their radical ideology to obscure the economic and political lessons from even the recent past.

High state and city taxes are major drivers of economic migration to lower-tax states, though no one can escape the long arm of Washington.

AOC and company claim that not everyone can afford to invest in the stock market and other financial vehicles. Yes, they can. They can put away a dollar or two (or more) a week and buy conservative stocks that outperform a savings account at the local bank.

Socialists do not want people to become financially independent because that would mean they would no longer be addicted to government and the politicians who poorly manage it, to the tune of a $39 trillion debt.

David Horowitz said: “Socialism is a plan of morally sanctioned theft. It is about dividing up what others have created. Consequently, socialist economies don’t work; they create poverty instead of wealth. “

Here is another quote, from economist and social philosopher Ludwig von Mises: “The champions of socialism call themselves progressives, but they recommend a system which is characterized by rigid observance of routine and by a resistance to every kind of improvement. They call themselves liberals, but they are intent upon abolishing liberty. They call themselves democrats, but they yearn for dictatorship. They call themselves revolutionaries, but they want to make the government omnipotent.”

That should be the end of the debate, but it will not be because too many of us are ignorant of economic history.