Gilder Reaction

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In this book, George Gilder defends a case for capitalism against state-sponsored socialism. However, I feel like this was more of an issue during the Reagan administration than it is now. Defenders of capitalism have slashed tax rates and government involvement in many issues since Reagan. Right before Reagan the top tax bracket was over 70%. It is currently 35%, and many pay far less through various deduction, credits, and the 15% capital gains tax. Their strategy worked. Welfare was reformed under Clinton. Today calling a policy socialism is a death blow. Only 36% of Americans have a positive view of socialism.[[1]](#footnote-1) Democratic presidents try to distance themselves from the concept and attempt to implement only the lightest forms of it.

Have we gone too far? We can certainly see it with supply-side economics. The Laffer curve might have worked at 70%, but there is no evidence it works today. Yet, many politicians have signed pledges never to raise taxes ever, for any reason. This prevents us from making the investments we need to continue to succeed as a country. It prevents us from balancing our budget in a responsible way, creating cuts which are very lopsided and likely to harm the economy much more than a balanced package would. It might even end up harming the wealthy even more than the extra tax would, as the bad economy saps profits. In some ways perhaps Gilder worked too well.

1. http://www.gallup.com/poll/125645/socialism-viewed-positively-americans.aspx [↑](#footnote-ref-1)