



Comment on the Commentary of the Day

by

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30 June 2012
 Editor, The New York Times
 620 Eighth Avenue
 New York, NY 10018

Dear Editor:

You write that taxpayer-subsidized student loans "ensure that students struggling with the economy will not incur extra debt" ("The Deal on Student Loans," June 27).

Not so.

With Uncle Sam borrowing nearly one of every four dollars that he spends, subsidizing these loans raises the debt liability of future taxpayers. Such

subsidies simply manage to repackage a great deal of debt that people would otherwise now incur as today's students as debt that these same people now incur as tomorrow's taxpayers.

26 June 2012

Editor, Washington Examiner

Dear Editor:

You credulously accept the National Association of Manufacturers's assumption that defense spending, apart from whatever benefit it might provide on the national-defense front, is a boon to the economy ("Obama,

Congress budget rift to cost another 1 million jobs," June 22).

First, the NAM assumes that resources employed in the defense industry have no alternative uses. This assumption is mistaken: we can produce more guns only by diverting resources away from the production of butter. That the benefit we get from guns might make sacrificing the butter worthwhile does not mean (contrary to the NAM's implication) that sacrificing the butter is a benefit in and of itself.

Second, the NAM ignores political and bureaucratic realities. As the economic historian Robert Higgs concluded after studying

the economics of military spending, "by diverting workers and resources to a bloated, privileged, anticompetitive procurement complex, war buildups have actually REDUCED the American capacity to invent, innovate, and enhance productivity along nonmilitary lines." [Robert Higgs, "How Military Mobilization Hurts the Economy," in D.N. McCloskey, ed., *Second Thoughts: Myths and Morals of U.S. Economic History* (New York: Oxford University Press, 1993), p. 34]