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INTERNATIONAL MONETARY POLICY AND TRADE

DOMESTIC MONETARY POLICY AND TECHNOLOGY Congress of the United States House of Representatives

Washington, DC 20515-2202

April 19, 2011

Mr. Dean Baker Center for Economic and Policy Research 1611 Connecticut Avenue NW Suite 400 Washington, D.C. 20009

Dear Mr. Baker:

Thank you for your letter regarding my April 9 NPR interview. I am happy to clarify my remarks.

I believe that federal spending is on an unsustainable course. On NPR, I was very clear about this reality. Specifically, I said, "We have to change the system, alright. It is not going to be able to survive, whether it's Medicare, Medicaid, and even Social Security." I believe the American people deserve the truth. We must have a fact based conversation that focuses on the next generation, not on the next election cycle.

I stand by my statement that the Social Security program "is not going to be able to survive" as it is structured today. While it is true that the program's total expenses are not projected to exceed its total revenue until 2037(when it will fall to 78%), this fact can be highly misleading. Politicians have for decades treated money raised through Social Security payroll taxes just like they treat any other revenue; it went to the general fund, and it was spent, quickly. In its 2010 Annual Report, the Social Security Administration wrote, "Social Security expenditures are expected to exceed tax receipts this year for the first time since 1983... After 2014 deficits are expected to grow rapidly as the baby boom generation's retirement causes the beneficiaries to grow substantially more rapidly than the number of covered workers."

I believe we cannot continue to pile this mountain of debt on our children and grandchildren. We need to control spending so America can be stable and secure. Without that discipline we look at a future full of debt, doubt and despair.

I appreciate the opportunity to hear from you. Please do not hesitate to call or write my office if you have any questions or concerns.

Sincerely,

Bill Huizenga

Member of Congress

cc: Mr. Allen Barber

BH/ na

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