

Frederick M. Zimmerman, PhD

5300 Woodhill Road Unit 342

Minnetonka, Minnesota 55345

612-867-8368

<https://zimmermanfamilypapers.online/>

Sunday, December 21, 2025

Senator Amy Klobuchar
425 Dirksen Senate Building
Washington, DC 20510

Representative Kelly Morrison
1205 Longworth House Office Building
Washington, DC 20515

Representative Don Bacon
2104 Rayburn HOB
Washington, DC 20515

Hon. Jerome Powell
Chairman of the Federal Reserve Board of Governors
20th Street and Constitution Avenue
Washington DC 20551

Senator Bill Cassidy
455 Dirksen Senate Office Building,
Washington, DC 20002

Dear Senators, Representatives and Chairman Powell:

As a US citizen, university professor, and corporate board member, I have followed the US economy for decades. I was quite alarmed this morning when I heard Kevin Hassett, currently the Director of the National Economic Council, say the following this morning on *Face the Nation* in response to a question about special checks being sent to US Citizens because the US economy is doing so well:

"We've had a couple of quarters of almost 4% growth, we've got a big government surplus actually running for a few months in a row, the deficit relative to last year is down by \$600 billion," Hassett said. "And so, in the summer, I wasn't so sure that there was space for a check like that. But now I'm pretty sure that there is."

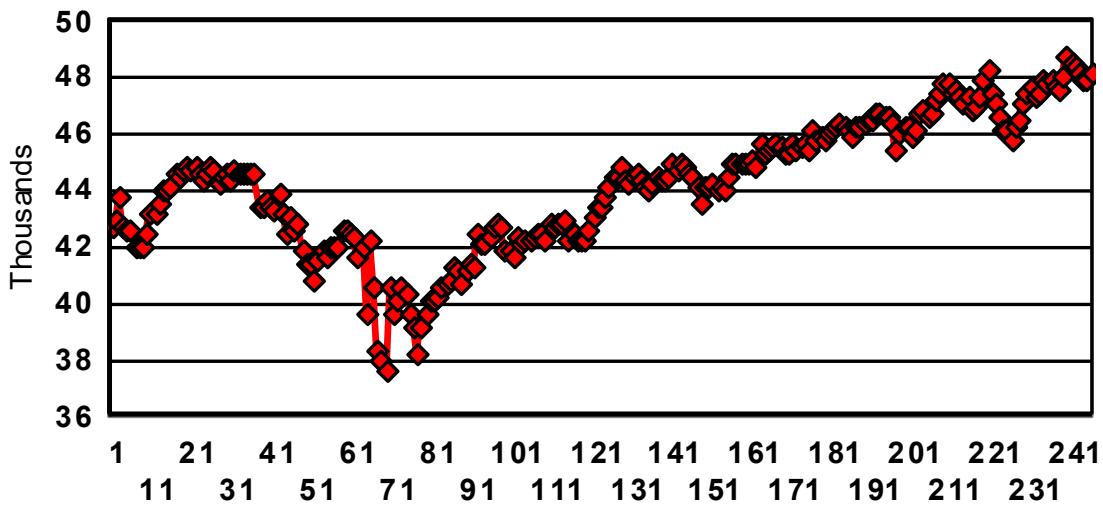
I am sure Mr. Hassett is a noteworthy economist, but his description of how well the US economy is doing contrasts quite meaningfully from what many of my business friends and I see unfolding within our country today. Here is some of what we see:

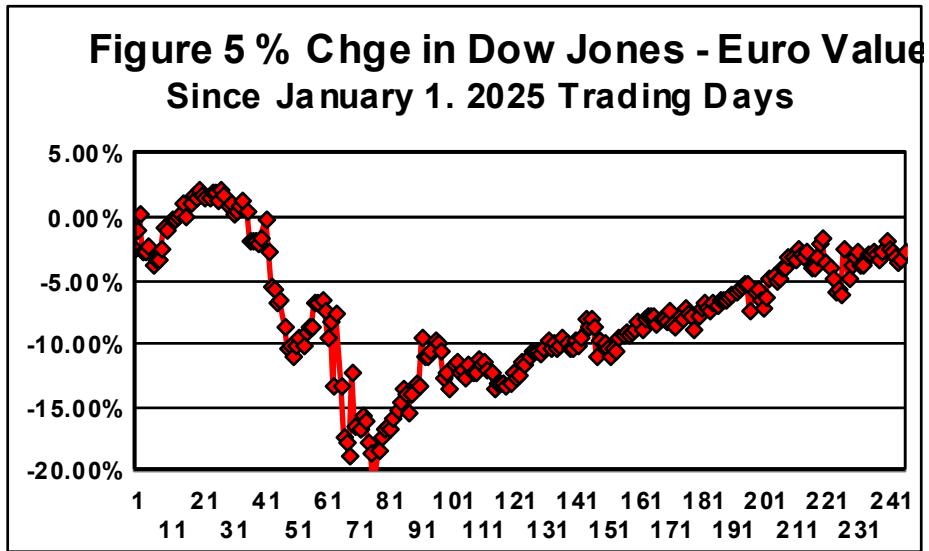
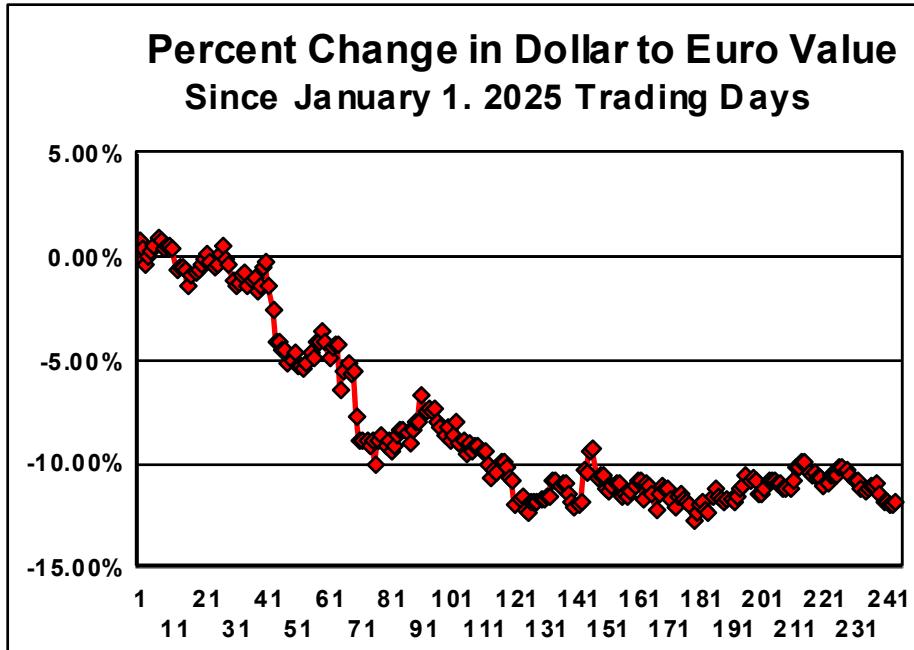
1. In general, our country continues to spend far more than any business would be able to afford. **US Treasury outlays are currently running about 48% more than the receipts taken in.**
2. Treasury receipts are cyclical in nature. Over the past forty years, 13.2% of receipts have arrived in April, a little more than ten percent in June, September, and December, and from 5.8 to 9.8 percent in each of the remaining months. So, seasonal adjustment factors will need to be employed to more clearly assess whether things are getting better, or worse in any month. **It is clear from the most recent Treasury data that our country is not making sufficient progress in reducing the horrendous US National Debt which continues to grow by about \$3 Trillion per year.**
3. Although the recently initiated tariffs do bring some money into the US Treasury, the **amounts are not large, and most certainly not large enough to cover additional payouts to farmers, citizens, or anyone else.** US Treasury Receipts from custom duties have been averaging about \$30 Billion in recent months or about **5% of average monthly outlays.** Yet, we seem to feel they are lucrative enough to compensate farmers, businesses, and citizens for the disruption the tariffs are causing. Although these compensatory efforts may be well-intentioned, Congress should hold hearings to understand the pluses and minuses of both the tariffs and following remedial actions.
4. **Clearly, much of the tenacity of our national debt is because we continue to make some sources of treasury receipts less taxable.** Capital gains, tips, Social Security, corporate taxes, and other revenue

sources have consistently become less taxable. Whether such trends are good policy is for others to consider. But it is hard to see how any of these measures will help our country approach fiscal responsibility, which is a key ingredient to a lasting strong economy.

5. Some will argue that tax cuts will stimulate investment and strengthen the economy. Perhaps, but for long if our dollar declines in value relative to other currencies. Dollar deterioration does threaten its role as the default world currency, which has provided our country with both a business advantage as well as the power to levy sanctions against actions we deem too not be in our best interest. **So far in 2025, the dollar has lost about 12% of its value versus the European Euro.**
6. The US stock market (for instance the Dow Jones Industrial Index does look pretty good, but we must remember there is high market volatility and that our stock indices are denominated in Dollar terms. Since the Dollar has declined 12% this year, **we may not be quite as prosperous as our stock indices indicate.**

**Figure 1: Dow Jones Index Closings
Year to Date 2025 Trading Days**





7. **Another factor which will quite likely affect our economic future is our supply of labor.** Many people may welcome the aggressive efforts to deport immigrants involved in criminal activities, but the deportations coupled with the associated reluctance of many qualified immigrants to enter the United States is likely to affect labor supply to the degree that may **trigger inflation in housing, agricultural products, home maintenance, and healthcare.**

I do believe that we have thoughtful members of both major political parties in Congress. I also believe that there is an urgent need for US legislators, courts, and citizens to pull together and fervently address the mushrooming economic problems we have before us. Our debt situation is precarious. With a US National Debt of \$36.22 Trillion, the US national debt is more than twice that of China, roughly three times that of Japan, and almost twice the combined total of India, France, Brazil, Germany, Italy, the UK, and Canada combined. And, it is increasing precariously. **Ultimately, the credit worthiness of the United States is likely to become a limiting factor to our continued prosperity and our influence in world affairs.** We cannot put our heads in the sand and pretend it is not there. We are a creative country. Let's pull together to make improvements.

Thank you for your time.

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kaia.hubbard@paramount.com
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