



AMERICANS FOR LIMITED GOVERNMENT

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Members of the 112th U.S. Congress
WASHINGTON, D.C. 20510

To the Members of the 112th U.S. Congress:

Members of the European Union (EU) are now voting to allow the European Financial Stability Fund (EFSF) to leverage itself with funds that may wind up being provided by the International Monetary Fund (IMF). Key EU leaders like Germany are unwilling to heap the bad debts of Portugal, Italy, Ireland, Greece, and Spain (PIIGS) on the backs of their own taxpayers via the European Central Bank (ECB), and so wish to pass the buck along to the IMF, of which the U.S. funds a significant portion.

It is said that the fund may be leveraged upwards by at least another €1 trillion.¹ If the bailout financing comes from the IMF, U.S. taxpayers could be on the hook for more than 17 percent of the bailout: at least €70 billion, or \$235 billion. Congress should immediately adopt legislation that prohibits the use of any U.S. taxpayer dollars for a bailout of European banks that bet poorly on the national debts of socialist governments that could not possibly be repaid, whether by the IMF, the Federal Reserve or any other institution.

The matter is made ever more urgent, since the Obama Administration has already indicated its willingness to bail out Europe on June 7 when the President said: “we have pledged to cooperate fully in working through these issues both on a bilateral basis but also through international and financial institutions like the IMF.”²

This is a bad plan that will have the dual effect of lumping Europe’s bad debts on our own, and sacrificing the sovereignty of European allies to supranational institutions like the IMF. The sad truth is American taxpayers, by financing the IMF, are underwriting the destruction of representative government in Europe that their fathers and grandfathers fought and sacrificed their lives to defend.

Americans for Limited Government stands ready to work with any member of Congress to pass legislation blocking this bailout. We’re the world’s largest debtor. We cannot afford to bail out Europe.

Sincerely,

William Wilson
President
Americans for Limited Government

¹ <http://www.telegraph.co.uk/finance/financialcrisis/8849328/EU-rescue-plans-hostage-to-raw-politics.html>

² <http://www.whitehouse.gov/the-press-office/2011/06/07/remarks-president-obama-and-chancellor-merkel-joint-press-conference>