

**Congress of the United States**  
**Washington, DC 20515**

June 11, 2009

**Please Oppose the Supplemental**

Dear Colleague:

Proponents of war funding argue that \$108 billion in funding for the International Monetary Fund (IMF) is necessary to stimulate the economies of low and mid-income countries. However, the bailout loans made by the IMF since the onset of the economic crisis in September 2008 all include policies that contract, rather than stimulate, the economies of the recipient countries. In fact, while the G-20 states that this funding is intended for global stimulus, the IMF has imposed budget deficit targets, tax hikes, pension and wage freezes, and high interest rates on loan recipients. The IMF has a long history of placing economic conditions on countries receiving loans that have actually damaged, rather than stimulated, those economies, and its policies have not changed enough to warrant support.

In addition, the hundreds of billions of dollars the IMF already has available are more than enough to service this type of lending. The new request is of a scale that appears to go beyond the stated intent. It is more consistent with the resources needed for bailouts of wealthy country finance sectors, such as those given from TARP to private banks.

In fact, the most plausible explanation for the large request - and the lack of proper debate and Congressional process surrounding the request - is that the funding would be used to bail out private European banks with U.S. taxpayer money. Former IMF Chief Economist Simon Johnson, when writing about the economic crisis that has overtaken Latvia and other Eastern European countries, said that, "First and foremost, we are looking at a creditor bailout-type situation. Latvia is receiving large amounts of foreign financial assistance - from the IMF and the European Union - with the express purpose of making all payments due on its debts (mostly owed to West European banks; thank you, Sweden). This is strikingly reminiscent of Latin America after 1982: above all else, protect the foreign banks. . . we're transferring Latvia's debts from European banks onto the IMF, which is underwritten by our future tax dollars; then there will be default and devaluation for which no one is prepared." Recently, Iceland entered into an agreement with the IMF in which the IMF required the government of Iceland to guarantee private sector debt. Why? Because the U.K. would not support the IMF loan without the provision because of British interests in Iceland's private sector debt.

Our country and this body cannot afford to spend American tax payer dollars to bail out private European banks. Please oppose the war supplemental and the funding for the IMF. The administration can make the request in the fall without any adverse impact on the IMF's current lending. Then Congress can have a reasonable debate and vote on the merits of the funding.

We urge you to vote against the Supplemental conference report.

Sincerely,



Dennis J. Kucinich  
Member of Congress



Bob Filner  
Member of Congress