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April 15, 2011

The Honorable Timothy Geithner  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

VIA UNITED STATES MAIL/FACSIMILE/ELECTRONIC MAIL

Dear Secretary Geithner:

On behalf of the Center for Individual Freedom (CFIF) and over 300,000 supporters and activists across America, I write in order to urge utmost caution on the issue of Argentina's debt obligations and the request via the World Bank for even more American taxpayer dollars.

As you know, the 2011 spring meeting of the World Bank takes place this week right here in Washington, D.C. It is highly symbolic that its conference occurs precisely while America engages in a critical debate over government spending, deficits and unsustainable debt. On the one hand, the House of Representatives voted to reduce U.S. subsidization of the World Bank, while on the other hand you have voted to support an increase, Secretary Geithner.

That raises the pivotal question: Should precious American taxpayer dollars be directed by the World Bank to Argentina? Please recall that this is the same World Bank that, along with the Inter-American Development Bank, has committed to lend Argentina another \$3.5 billion in loans despite the fact that it has ignored dozens of legal judgments against it by ICSID, the arbitral arm of the World Bank itself.

Even more outrageously, Argentina flagrantly disregards debts owed to multiple American companies such as the Bank of America. In 2001, Argentina defaulted on a massive \$81 billion in sovereign bonds, history's largest. Then, in 2005, it brazenly offered a take-it-or-leave-it restructuring plan to repay only 25 cents per dollar owed, and simply repudiated those claims when lenders refused. Today, Argentina's economy enjoys a 9% growth rate, its unemployment remains low and its domestic tax receipts exceeded annual goals by some \$13 billion. Argentina's Central Bank also possesses over \$50 billion in estimated reserves to repay its debts.

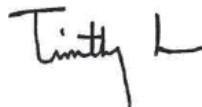
Additionally, the World Bank itself has failed to reform its faulty oversight practices by continuing to enable fiscally reckless nations like Argentina. Given these facts and our financial

uncertainty, continued subsidization of Argentina's irresponsible government is not an effective or justified use of increasingly scarce taxpayer dollars.

Rather, Argentina must be brought to negotiate directly with private U.S. creditors, who lent to Argentina in good faith during its time of need and have sought a fair reconciliation throughout the Argentine government's default and restructurings. To allow otherwise would reward Argentina's improper behavior and dangerously encourage similar behavior by others. At the very least, the U.S. must immediately reexamine the manner in which its funds are being spent before sending even more to the World Bank.

Thank you very much for your attention to this important matter, and please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Timothy L". The signature is written in a cursive, slightly slanted style.

Timothy Lee  
Vice President of Legal and Public Affairs

Cc:     The Honorable Lael Brainard, Under Secretary of the Treasury for International Affairs  
          The Honorable Marisa Lago, Assistant Secretary for International Markets and  
          Development  
          The Honorable Nancy Lee, Deputy Assistant Secretary for the Western Hemisphere  
          Senator Mitch McConnell, Senate Minority Leader  
          Senator Jon Kyl, Assistant Senate Minority Leader  
          Senator Kent Conrad, Chair, Committee on Budget  
          Senator Jeff Sessions, Ranking Member, Committee on Budget  
          Representative John Boehner, Speaker of the House  
          Representative Eric Cantor, House Majority Leader  
          Representative Ileana Ros-Lehtinen, Chair, Committee on Foreign Affairs  
          Representative Connie Mack, Chair, Subcommittee on Western Hemisphere Affairs  
          Representative Paul Ryan, Chair, Committee on Budget  
          Representative Chris Van Hollen, Ranking Member, Committee on Budget