
NEBRASKA TAXPAYERS FOR FREEDOM

P.O. BOX 6462 OMAHA, NE 68106 PHONE & FAX: (402) 551-0921 EMAIL: ncf@phonet.com

December 4, 2007

The Honorable Chuck Hagel (R-NE)
United States Senate
248 Russell Senate Office Building
Washington, D.C. 20515

Dear Senator Hagel:

I write to express my concern over US taxpayers footing the bill on unpaid international loans. Nebraska's taxpayers are financially obliged due to US initiatives on the international stage. A blatant example is US taxpayer financial support of Argentina through multilateral lending organizations including the World Bank, Inter-American Development (IDB), and International Monetary Fund (IMF). Argentina repeatedly violated agreements on loans from these banks and they must be held to account.

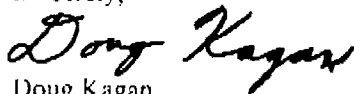
According to a Congressional Research Service report, the US government, through taxpayer funding, has contributed nearly \$100 billion to the leading multilateral lending institutions since 1945 at the onset of their founding. Unfortunately, the terms of the institutions' loans are not always honored by their beneficiary countries; Argentina is arguably the biggest violator of their terms.

Argentina has nearly 300 loans owed to the IDB that amass almost \$25 billion. Why does the US continue to allow the IDB to approve new loans to Argentina? With a record \$45 billion in international reserves, Argentina has the funds to pay back both its multilateral institutions and private creditors. In addition, when Argentina defaulted on sovereign debt obligations in 2001, there were indirect costs of more than \$10 billion on American taxpayers. Argentina enjoys the reliance on the generosity of US taxpayer funded institutions that have not enforced the terms their loans to this wealthy country. It is up to you and your colleagues, the US Treasury Department, and multilateral institutions to hold Argentina accountable.

Argentina's President-elect Cristina Kirchner can restore her country's standing as a responsible member in the international stage. Argentina must set an example by financing its own public programs and fulfill its public and private debt obligations to American taxpayers.

We ask that you defend Nebraska's taxpayers by starting a dialogue with US Treasury Secretary Henry Paulson on this issue. Multilateral institutions must enforce their terms to Argentina so that American taxpayers do not continue to get cheated on account of wasteful and irresponsible lending practices. We look forward to your response.

Sincerely,



Doug Kagan
State Chairman
Nebraska Taxpayers for Freedom

CC: The Honorable Ben Nelson (D-NE); The Honorable Henry Paulson, US Treasury Secretary