



[Pence Warns Main Street: You're Bailing out Europe](#)

by Connie Hair

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If there's one thing we've learned this year from the global financial crises: socialism doesn't work. Big government borrowing, taxing and spending has failed on a massive scale.

Now we're witnessing riots in the streets in Greece where people are being murdered by the unruly mobs because their big, fat government-paid pensions are threatened by the collapse of a bankrupt socialist system.

Governments throughout the European Union (EU) have borrowed and spent their way into bankruptcy on huge social welfare programs like government-run health care, for example.

As the great Margaret Thatcher once observed, "The problem with socialism is that eventually you run out of other people's money."

Europe hasn't learned its lesson but why bother? Now they've got the American taxpayers on the hook.

The EU has launched a \$1 trillion effort to protect the Euro with the assistance of the International Monetary Fund (IMF).

Rep. Mike Pence (R-Ind.), Chairman of the House Republican Caucus is warning Main Street America that we are the largest contributor to the IMF at a whopping 17% and we will be held financially responsible should Greece default on these unsecured loans.

"On Sunday, May 9, the IMF formally approved \$40 billion in loans to supplement the EU's effort to keep Greece from defaulting on its debt," Pence said. "As the IMF's largest contributor, American taxpayers now bear the risk if Greece defaults on IMF loans. That is totally unacceptable."

America's portion of this first round of unsecured IMF loan guarantees is \$6.5 billion based on the 17% model of participation.

"The American people opposed the Wall Street bailout and they will oppose the Euro bailout when they understand that this and future generations are on the hook for the bill," Pence said.

Pence pointed out there is a much larger Euro bailout being bandied about that would also involve the American taxpayer through the IMF.

“The total bailout according to our latest information is \$952.3 billion,” Pence said. “The IMF portion of the Euro bailout is \$317 billion. The U.S. portion based on our 17% support of the IMF could be \$53.9 billion in loan guarantees.”

“Where did the administration get the idea we have the money to be bailing out fiscal recklessness in the European Union?” Pence added.

Pence said Republicans would be introducing legislation aimed at preventing the Euro bailouts.

“I’ve been to this rodeo before,” Pence said. “At the end of the day, Wall Street won, government won and the taxpayers lost.”

The legislation basically would take a “two-pronged approach” to “block funding that has not been borrowed by the IMF from being used by the IMF to provide loans to any nation that uses the Euro as its primary currency” and would require that the Secretary of the Treasury “use the voice and vote of the United States as the IMF’s largest contributor to oppose the IMF from providing loans to a country that uses the Euro as its primary currency,” Pence said.

“America is not looking to the European Union to bail out New Jersey or California,” he said. “The European Union should not be looking to the taxpayers of the United States of America to provide the loan guarantees to bail out Greece or Portugal or Spain or any other country.”

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