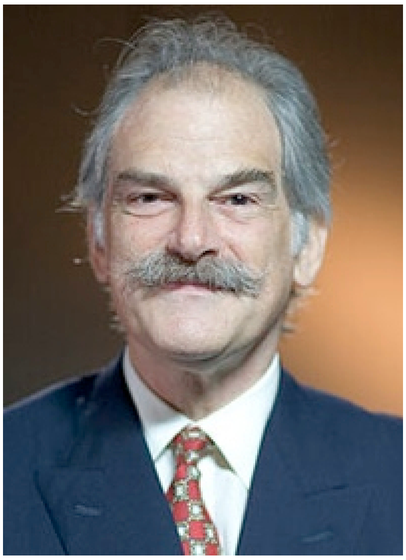
IMF Wants US Debt Ceiling Raised Immediately



The June 20th report of the International Monetary Fund (IMF) to the United States strongly recommended that the debt ceiling be raised because “if the debt ceiling is not raised soon…[it] would have significant global repercussions, given the central role of U. S. Treasury bonds in world markets. ” In announcing the report, John Lipsky (picture, left), acting managing director for the IMF, said:

> We’re confident that the participants are well aware of the potential risks of a debt default in the U. S. and will avoid those dangers. It should be self-evident [that] a debt default by the U. S. government debt market would have very serious, far-reaching, dramatic repercussions and that’s why we’re confident that it will be avoided.

The IMF reort was full of other suggestions to assist the U.S. in regaining its financial footing, including

1. Don’t cut spending too much — it might impede the economic recovery
2. Keep interest rates low for a long time
3. Keep an eye on inflation
4. Keep stimulating the housing market, it’ll eventually come back
5. Enforce “cramdowns” by banks holding mortgages in order to clear the market more quickly
6. Fully implement the Dodd-Frank financial reforms, with full funding to complete the bill’s potential to regulate further the financial markets
7. Allocate more money for federal job training.
8. Consolidate the government’s present 50 different job programs into a single program
9. Institute a national sales tax, or value-added-tax (VAT)

The IMF describes itself as “an organization of 187 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty. ” Remarkably, none of these statements is true.

Founded in 1944 along with the World Bank, the IMF essentially represents one half of a tag team to offer loans (through the bank) to corrupt governments who then spend the money recklessly or steal it, putting repayment of the loans into jeopardy. The IMF then comes to the rescue, offering incentives (called “considerations”) as a condition to receive bailouts, which usually involve austerity measures to attack and pauperize the middle class, increase the governments’ control over its citizens, and sell off private assets (“privatization”) that are often then sold at discount prices to banks and other interests affiliated with the Anglo-American establishment.

As noted by The Daily Bell:

> The IMF and the World Bank work hand in hand. The World Bank loans money to corrupt governments that loot or squander the funds and then the IMF comes in and insists on an "austerity program" of higher taxes and lower government spending to insure the loans are paid back.
>
> The IMF has gotten a bad reputation with developing countries because its solutions often eviscerate the middle class while the privatizations end up involving fire-sales bid out to Anglo-American corporations.

With friends like the IMF looking over the shoulder of the American government, no one needs enemies. The suggestions made by the IMF in its latest interference into American sovereignty promotes more, larger, more intrusive, and more expensive government. It's long past time to ignore them altogether.