Trump Administration Tips Its Hand, Oks Third Greek Bailout

It took EURACTIV, the online source that focuses on European policymaking, to report that the Trump administration has signaled that, previous protestations to the contrary, it won't object to a third Greek bailout. The anonymous Trump administration tipster told its reporters: "We're looking for the Europeans to help Greece to resolve its economic problems by the Fund [the International Monetary Fund], despite the criticism of many Republicans regarding the two previous bailout programs in 2010 and 2012."

This anonymous tip kicks to the curb protestations voiced by Trump's Secretary of the Treasury Steven Mnuchin in February that the IMF should take a hard line with Greece, and stop bailing out the hapless country (and its willing lenders) whenever it gets into trouble. Mnuchin told the *Wall Street Journal* on February 22 that the Greek problem "is primarily a European issue."

But of course it really isn't. The United States is the largest shareholder in the IMF, which translates into its being the largest contributor to it of monies, U.S. taxpayer funds. At last count the IMF has some $650 billion in its reserves, used, it says, only to "stabilize" the economies of its 189 members if one of them gets in trouble. At last count 79 of those members are in some type of trouble and now owe billions to the IMF.

Founded in 1944 with the help of communist Harry Dexter White and socialist John Maynard Keynes, the IMF perfectly reflects its purpose and final goal: to be the world's central bank, with every country coming under its control through loans made that they cannot repay without giving up substantial segments of their sovereignty. Greece is only the most obvious, persistent, and noisy example.

James Roberts, a research fellow at the Heritage Foundation, is partly right that the continuous flow of bailout funds to countries such as Greece only invite further bailouts down the road. He doesn't speak of the larger picture: It isn't Greece that's getting perpetually bailed out, it's the banks that have loaned Greece money it can't repay, knowing full well that the IMF will make them whole when Greece defaults. And Roberts fails to examine the big picture: It's part of the 73-year-old plan (the IMF was founded in 1944) to bring all countries together into one global conglomerate, turning national sovereignty into a historical relic.

But Roberts does get part of it right. Writing in Heritage's 2017 Global Agenda for Economic Freedom, he says:

> It's a fact that highly subsidized interest rates on IMF bailouts and structural adjustment loans provide massive subsidies to borrowing countries [such as Greece]. IMF policies lead developing countries to economic stagnation and recession, and foster dependence on [additional] foreign aid.

Roberts expresses surprise that the IMF, instead of being a "lender of last resort," is only too anxious to become the lender of "first resort" in order to preserve "the power of the ruling elites":

> The IMF is not functioning as a lender of last resort. Instead, it has been acting as a lender of first resort. In the process, the IMF has in some [many? most?] cases actually increased political instability by bailing out and thus preserving the power of ruling elites.

It's not the purpose of this brief article to articulate completely the case that the IMF is a tool being used by those ruling elites to gain global economic, financial, and, ultimately, political control over every country on the planet. Roberts will have to come to that conclusion on his own. But James Kirchick, a Yale graduate and fellow with the establishment's Foreign Policy Initiative, helps. He explains that Greece is the perfect place for the elites to perfect their strategy:

> First is the Greek people's attachment, much of it sentimental, to Eurozone membership, regardless of its economic sense. This derives from [its citizens'] feeling that Greece is the uber-European nation, the "mother of all democracies."

This is the first step: an overwhelming desire to be part of history, to "belong," to join with others headed toward the future, even if they can't afford it or aren't willing to play by the EU's rules. Writes Kirchick:

> The second proposition is reality — namely, the fiscal standards required for being in a currency union with countries like Germany and the Netherlands. This is something that Greeks have been loath to accept.

It's a perfect setup: Loan Greece money it won't be able to pay back, and then bail out its lenders by imposing international, sovereignty-destroying rules, regulations, mandates, and expectations on the country in exchange.

Kirchick explains:

> Later this month, the Greek government will resume negotiations with eurozone officials over its next bailout package. Midway through its third bailout programme (worth €86 billion), and after months of wrangling, it appears that Greece will reach an agreement with creditors to receive another tranche of cash — necessary to make debt repayments due in late July and stave off the possibility of default.
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> As part of this, Athens has already agreed to cut pensions by 1 per cent of GDP in 2019, and to increase tax revenues (via broadening of the tax base) by 1 per cent of GDP the year following.
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> Keep in mind that these reforms are being implemented by the far-Left Syriza government, which campaigned on the promise that Greeks could stay in the eurozone and forgo austerity — in other words, have their baklava and eat it too.
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> When it came to power in January 2015, Syriza portrayed Greece's two mainstream political parties, the social democratic PASOK and the centre-right New Democracy, as sell-outs for having agreed to the creditors' bailout terms. In the process, they ended more than three decades of political duopoly.
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> *Yet once in power, the party has ended up following the very same path of fiscal austerity its leaders had so passionately derided*. [Emphasis added.]
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> Months after assuming control of government, as the country approached bankruptcy, Syriza

> waged a successful referendum campaign rejecting the third (and current) bailout agreement. An overwhelming 61 per cent of Greeks heeded Prime Minister Alexis Tsiprias's nostalgic cry of "Oxi!" (No).
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> Yet just a week later, facing a possible default and forcible departure from the eurozone, that same government ended up accepting a bailout package even more stringent than the one rejected by its own voters. [Emphasis added.]

More amazingly, Kirchick calls the process exactly what it is: kabuki theater:

> The Greek desire to stay within the eurozone, combined with the fact that Athens's creditors ultimately have more leverage [than does the citizen-elected government] has lent an element of kabuki theatre to the entire sovereign debt saga.
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> Because both sides know that Greece, even under a radical Left-wing government, will ultimately accept bailout terms, there is always a great deal of drama and hand-wringing and last-minute tension. But a deal is always agreed — thereby saving the country from immediate disaster, *but prolonging its economic agony*. [Emphasis added.]

The current crisis in Greece revolves around its inability to pay 7 billion euros to its lenders on July 1. There will be, as Kirchick notes, much hand-wringing and gnashing of teeth before the third bailout arrives. With the backdoor approval from the Trump administration, that bailout will be followed by others, along with more and more stringent externally imposed demands, mandates, and requirements on the nation, until it becomes, for all intents and purposes, a fixed part of the Eurozone with its citizens no longer having any active role in the nation's direction but only that of observers.

Photo of austerity protest in Athens: Kotsolis at English Wikipedia

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American *magazine and blogs frequently at LightFromTheRight.com, primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.*