IMF: Greek Debt Untenable

By Stephen Lendman
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Overwhelming Greek debt is a time bomb sure to explode. It's unsustainable. It's just a question of when the Hellenic Republic implodes – crushed under the weight of a deepening financial burden no nation can bear indefinitely – especially ones with no control over their monetary and fiscal policies.

Brussels and Frankfurt run things – a policy designed for predation. Strong nations like Germany and France wage financial war on weak ones like Italy, Spain, Portugal, Greece and others – stealing their wealth, assets and enterprises, harming ordinary people most, colonizing the countries for profit.

Even the Bretton Woods established/US controlled loan shark of last resort IMF astonishingly called for Greek debt relief. It doesn't care about force-fed austerity harming ordinary people. It's concerned about contagion. If Greece implodes, expect continental fallout.

Its leaked memo to the European Commission estimates its debt reaching 200% of GDP in the next two years without relief. In 1980, it was 22.6%. In 2008 – 127%. In 2014 – 177.1%.

Since crisis conditions erupted, Greece's economy plunged over 25%. It's mired in deepening Depression with European Commission and ECB demands sure to make things much worse – a sinkhole of economic decline and horrific human deprivation to pay bankers at the expense of sovereign independence and providing vital social services.

The IMF memo was blunt, saying

> "Greece's debt can now only be made sustainable through debt relief measures that go far beyond what Europe has been willing to consider so far."
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> "We have made it very clear that before we go the the (IMF) board (for authorization to release 16.4 billion euros in funding Eurozone officials are counting on as part of their debt relief package), we need a concrete and complete solution to the debt problem."

IMF rules (breached at its discretion – currently for Ukraine, earlier for Greece) prohibit loaning funds to countries with debt burdens deemed unsustainable – unable to be repaid.

The organization urged a 30% haircut – something European officials (mainly Germany, Greece's largest creditor) categorically reject so far.

"Greece cannot return to markets anytime soon at interest rates that it can afford from a medium-term perspective," the IMF memo said.

> "The events of the past two weeks – the closure of banks and imposition of capital controls – are extracting a heavy toll on the banking system and the economy, leading to a further significant deterioration in debt sustainability relative to what was projected in our recently published DSA."

Each week capital controls stay imposed increases Greece's bailout requirement by another 10 billion euros. Worse still, IMF

> "projections remain subject to considerable downside risk, suggesting that there could be a need for additional further exceptional financing from Member States with an attendant deterioration in the debt dynamics."
>
> "The dramatic deterioration in debt sustainability points to the need for debt relief on a scale that would need to go well beyond what has been under consideration to date – and what has been proposed by the ESM (European Stability Mechanism)."

The IMF memo exposes the fallacy of European Commission and ECB mandates leading to Greece's economic recovery. They assure destroying its economy altogether without substantial debt relief.

Grexit, regaining monetary and fiscal control, as well as renouncing its odious debt entirely is its only sensible option – freedom from Eurozone rapaciousness, raping and pillaging Greece for profit.

If modest sustainable growth resumed, (impossible any time soon under European imposed demands), it would take many decades to pay down its debt burden to a much lower manageable level – maybe the rest of the 21st century to pay it all off.

The risk of contagion is huge. Greece's tiny percentage of Europe's economy is no protection against it. In September 2008, pushing Lehman Brothers over the edge triggered financial crisis conditions still festering.

Things have gotten so out of hand since then with stock, bond and other financial market bubbles, the next crisis virtually sure to come may be much worse than before with less ammunition to contain it.

Interest rates can't go lower at near zero levels already. Money printing madness only delays eventual day of reckoning time. The longer it continues, the less effective it becomes.

The late Bob Chapman (International Forecaster editor and publisher, former Wall Street insider) called it virtually certain. Only its timing is unknown. It can happen any time. Tipping points often aren't recognized until the wisdom of hindsight.

Trapped in the euro straightjacket, Greece is a European Commission/ECB controlled colony – strip-mined for profit at the expense of its sovereignty and essential popular needs gone begging. SYRIZA bears full responsibility for duplicity and betrayal.

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