IMF chief: It's "payback time" for Greek workers

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In an interview with the British *Guardian* newspaper published Friday, the head of the International Monetary Fund (IMF), Christine Lagarde, vented her class hatred for the workers of Greece, denouncing them as tax scofflaws and ruling out any respite from the austerity measures that have devastated the country.

In the interview, Lagarde was questioned about the social catastrophe resulting from five years of economic crisis and austerity measures dictated by the IMF and the European Union. She was asked, in particular, to respond to the plight of pregnant women who "won't have access to a midwife when they give birth," patients who "won't get life-saving drugs," and the elderly who "will die alone for lack of care."

Contemptuously dismissing the suffering and death caused by the policies she is helping to impose, Lagarde replied: "I think more of the little kids from a school in a little village in Niger who get teaching two hours a day… I have them in my mind all the time, because I think they need even more help than the people in Athens."

The crocodile tears of Lagarde, formerly the finance minister under French President Nicolas Sarkozy, for the impoverished children of Africa carry little weight given the quasi-genocidal record of French imperialism in Africa and the neo-colonial interventions in the Ivory Coast, Libya and other parts of the continent carried out by the Sarkozy regime.

The IMF head continued: "As far as Athens is concerned, I also think about … all these people in Greece who are trying to escape tax."

Asked whether she thought more about non-payment of taxes than "all those now struggling to survive without jobs or public services," Lagarde replied, "I think of them equally. And I think they should also help themselves collectively … by all paying their tax."

The *Guardian* article continued: "It sounds as if she's essentially saying to the Greeks and others in Europe, you've had a nice time and now it's payback time. 'That's right.' She nods calmly."

Lagarde, who makes more than half a million dollars after taxes as IMF chief, reflects the outlook of the financial aristocracy that dictates policy in Europe and around the world. In condemning the people of Greece to unspeakable suffering and misery, she speaks for the entire European bourgeoisie and all of its national governments and European Union institutions.

Her "Let them eat cake" attitude sums up the loathing and fear of her class for the working class throughout Europe and internationally. Her remarks underscore the fact that Greece has been selected to serve as a benchmark for a deliberate policy of exploiting the capitalist crisis to effect a fundamental and permanent restructuring of class relations. The bourgeoisie is determined to eradicate all of the past social gains of the working class and carry through a social counterrevolution, imposing conditions of poverty and exploitation not seen since the end of the 19th century.

Following the defeat of Sarkozy and election of Socialist Party candidate Francois Hollande in the May 6 French presidential election, a host of media commentaries predicted the "tide was turning against austerity in Europe" in favor of a "growth" strategy. Illusions in the new French government were encouraged, in particular, by politicians such as Alexis Tsipras, the leader of the Coalition of the Radical Left (SYRIZA) in Greece, who maintained that Hollande would serve as a counterweight to Germany, leading to a softening of the austerity policies prescribed by Berlin and approved by Brussels.

Recent events have demonstrated the worthlessness of such claims. Just days after the French presidential election, the new French economics minister, Pierre Moscovici, gave an interview to the *Financial Times* to reassure the financial markets that Hollande was a "supply side" politician and by no means a "Keynesian," i.e., that he could be relied on to support the austerity policy demanded by the banks.

One day before the EU summit held May 23 to discuss the European crisis, Hollande met with PASOK leader Evangelos Venizelos, who, as finance minister in the PASOK government of George Papandreou, played the central role in implementing IMF and EU austerity policies. The meeting was said to have been warm and friendly.

On the day of the EU summit, the *Financial Times Deutschland* made clear that the talk of "growth" by the Hollande camp was primarily for the sake of electoral politics. The newspaper wrote: "Parliamentary elections are scheduled for mid-June in France, meaning it is still too early for the president (Hollande) to go back on his campaign positions."

Revealing the priorities behind the "growth" agenda promised by Hollande, French Prime Minister Jean-Marc Ayrault called last weekend for changes to permit the European Central Bank to lend money directly to countries in crisis. The proposal is fiercely opposed by Germany but supported by the financial markets and the Spanish prime minister, who has urgently requested fresh injections of capital for his country's ailing banks. On Friday, the directors of Spain's Bankia asked the government for an additional €19 billion ($23.8 billion) in financial support.

While the French government is positioning itself to rapidly back down on its election promises, the German government and banks are preparing a fresh offensive against Greece.

A week ago, Germany's biggest bank, Deutsche Bank, announced it was discussing plans for a so-called "geuro"—a special currency for Greece. According to Deutsche Bank chief economist Thomas Mayer, the geuro would allow Greece to devalue its own new currency, thereby allowing it to immediately cut real wages and buy time for further government "reforms." In a separate speech, the newly appointed CEO of the bank, Jürgen Fitschen, described Greece as "a failed state … a corrupt state."

The German Bundesbank also entered into the fray over the future of Greece and issued a report last week declaring that an exit by Greece from the euro would be "manageable." It has now been confirmed that both the Bundesbank and the European Central Bank are drawing up contingency plans for a Greek euro exit—a move that would precipitate a run on the banks and drastic inflation, with immediate and devastating consequences for the Greek population.

The German government has floated proposals for the "restructuring" of the economy of Greece and other ailing European economies. According to a report in *Der Spiegel*, the plan calls for a variation of the "shock therapy" introduced by the West German government following the collapse of Stalinist East Germany (German Democratic Republic—GDR).

The German six-point plan includes more far-reaching privatizations, the wholesale elimination of business regulations, labor market "reforms" to make it easier to fire workers, and lower corporate tax rates. The plan also calls for the setting up of economic zones and creation of privatization agencies similar to those that devastated the industries of the former GDR and condemned broad regions of eastern Germany to high unemployment and poverty.

A principal aim of the plan is to establish across Europe the type of huge low-wage sector that now exists in Germany. The main opposition party in Germany, the Social Democratic Party, has signaled its support for the plan.

While there are significant differences between the major capitalist powers across the Atlantic and within Europe on how best to rescue the banks, there is unanimity within the bourgeois elite that the full cost of the crisis must be paid by the working class.