



The History and Politics of the IMF with Ernst Wolff II

Note: This transcript may not be 100% accurate.

Question 1: The IMF's own assessment determines that Greece requires a significant amount of debt relief. In addition Wikileaks released an internal IMF discussion that revealed an impending disaster in Greece which could cause the IMF to exit the Troika.

Do you think these developments indicate that the IMF is breaking from its traditional policies that we have talked about in the previous segment?

Ernst Wolff: Well, the IMF talking about the unsustainability of Greece is like the Pope talking about virginity. The IMF has implemented all these austerity measures and it's been behind these austerity measures. And what we're seeing now is that the IMF is kind of criticizing austerity in order to put the blame on the EU because the IMF wants the EU to take over the whole debt load of Greece. The IMF is a bankers organization that would never ever go without collecting its money. It is within the contracts of the IMF that a country always has to pay back the IMF before it pays back any other debt. So the IMF will collect its money. At the moment the IMF is kind of in a strange position because it is trying to put the blame on the EU, it is trying to get the whole load of debt onto the EU and for that reason it is kind of gone out and done this double-speak thing about *Yes, we're sorry, austerity might not be the right solution for all these problems*. And the IMF will demand austerity wherever it turns up in the future. Definitely.

Question 2: From your research are there any examples to be found in history in which popular resistance and activism has resulted to policy changes by the IMF?

Ernst Wolff: This explosion of social inequality is going to go on. As long as this financial system persists, social inequality will get even bigger. There is no way out of it and there's no way out of it by reforms. This system has reached its final stage and this system will either crash or it will be dealt away by the people. It will create revolutions, it will create big upheavals in all countries all over the world in the future. I'm very sure of that because the range within which politicians act has become very, very small and the anger of the people has gotten very, very strong.

Question 3: Given this bleak picture, is there any course of action that individuals could

take that could counter the policies of the IMF?

Ernst Wolff: The problem is the nation states. No national state can resist the IMF's policies successfully. It's absolutely impossible. You can see that in Greece: As soon as Syriza was elected and everybody thought that they might oppose the IMF, the IMF stopped help through the Troika, together with the EU and the ECB, they stopped all emergency loans from the ECB to Greece. So they brought the government of Greece to its knees. And that's what they always do: As soon as any government in the world opposes the IMF, it is going to be brought down. You can see that in Greece even before the Syriza took over, because when Papandreou, the ex-Prime Minister, asked for a vote on austerity he had to quit his job three days later. And that was at the behest of the IMF and the EU and the ECB. These people actually control governments. They are more powerful than governments in this world. The world is actually ruled by the financial industry. And the most important instruments of the financial industry are the Federal Reserve, the Bank for International Settlements, the IMF and the World Bank. Those are the most important organizations in international finance at the moment.

Question 4: What is the role of the mainstream media in all of this?

Ernst Wolff: The media make you believe that if the stock exchange goes up it's good for the people. But it's not good for the people, it's good for the one percent. The stock exchange is completely manipulated by central banks and by hedge funds these days and they collect a lot of money by driving the stocks up and down. They can even make a lot of money by stocks going down these days, if you short shares for example, you can make a lot of money if a share goes downhill. All these things are controlled by the financial industry and the media make the people believe that it's good for them if the stock exchange is at new record levels. But it's not good for them because the dark side of it is that a lot of people lose their jobs in order to make production cheaper, that job flexibility is implemented everywhere so that jobs are not what they used to be like working 8 hours a day, but working at night, working during your holidays, and having to work during all hours of the day. So, life for people has become more difficult. But we are actually at a point where this system is no longer sustainable in the long run. And time is running out because war is threatening, so what we have to do and what we have to put all our strength into is inform people and get as many people to understand the financial system. Because without understanding the financial system you cannot understand the world.