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UK bailing out France, not Greece [1]

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So, the eurozone and the IMF are putting together a £1.7 trillion fund to save Greece (and for that matter Portugal and Ireland) and stave off a default. Right?

> Wrong. The whole purpose of the £1.7 trillion is not to give aid and comfort to Greece. It is designed to give aid and comfort to the European banks who are stupid enough to be still holding Greek debt when Greece is obviously bust. It is intended to allow ? and indeed it will hasten ? the inevitable default of a country that is overspent, over borrowed, that cannot pay its way and shows no sign of putting its house in order ? not one single member of its bloated and lazy bureaucracy has been let go, not one single item in the Greek government's bizarre portfolio of nationalised firms has been privatised. The idea is that when Athens next holds up its hands and says it cannot repay its debts ? or more accurately, when the German taxpayers start clenching their fists and say they are not going to bail out this basket case anymore ? those banks can just pop along to the new fund and take the money from them.
> But the money will come, not from the eurozone politicians who encouraged their banks to help out Greece as a way of shoring up the ridiculous euro project, but from taxpayers all over the developed world. The US and UK, being members of the IMF, will find themselves having to chip in.
> It is bad enough when UK taxpayers are told they have to underwrite a failing eurozone country. It is even more galling when we are told we have to underwrite French banks (for it is they who are most exposed to a Greek default).
> Still, you have to hand it to them. When our banks collapsed we had to sort the problem ourselves. When the French banking sector collapses on the back of a Greek default, we will suddenly realise that we are 'all in this together'. Clever.

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