IMF Pushes Plan to Plunder Global Wealth

A controversial report released this month by the International Monetary Fund outlines schemes to have big-spending governments with out-of-control debts plunder humanity's wealth using a mix of much higher taxes and outright confiscation. The goal: Prop up Big Government. Because people and their assets are generally mobile, the radical IMF document, dubbed "Taxing Times," also proposes measures to prevent them from escaping before they can be fleeced. Of course, the real problems — debt-based fiat currency, lawless bank bailouts, and a cartel-run monetary system — are virtually ignored.

Pointing to absurd and rising levels of government debt, as well as increasing income inequality, the IMF document suggests there are few remaining options for desperate policymakers to explore. Two that are mentioned include "repudiating public debt" — in other words, defaulting on government bonds — or "inflating it away" by having privately owned central banks conjure even more gargantuan amounts of fiat currency into existence at interest. Both of those plots, of course, would still represent a massive transfer of wealth.

However, even though it hides behind the passive voice, the IMF preference for dealing with the debt problems appears to be simply confiscating the wealth more directly. "The sharp deterioration of the public finances in many countries has revived interest in a capital levy, a one-off tax on private wealth, as an exceptional measure to restore debt sustainability," the report claims. "The appeal is that such a tax, if it is implemented before avoidance is possible, and there is a belief that it will never be repeated, does not distort behavior (and may be seen by some as fair)."

Reducing government debt ratios to "pre-crisis levels" seen at the end of 2007 — before the multi-trillion-dollar banker bailouts and ramping up of the lawless currency printing at central banks — will require "sizeable" tax rates, the IMF continues. Citing a sample of 15 euro-area nations, the report claims that all households with positive net wealth — anyone with more assets than debt, in essence — would have to surrender about 10 percent of it. Because many people who lived responsibly and saved would try to avoid the looting of their wealth, drastic measures must be considered to stop them.

"There is a surprisingly large amount of experience to draw on, as such levies were widely adopted in Europe after World War I and in Germany and Japan after World War II," the IMF report notes. "This experience suggests that more notable than any loss of credibility was a simple failure to achieve debt reduction, largely because the delay in introduction gave space for extensive avoidance and capital flight, in turn spurring inflation [sic]."

By proposing the outright confiscation of middle-class wealth, analysts say the IMF is essentially acknowledging that simply looting "the rich" will not be enough to even restore government debt to "sustainable" levels. Still, the non-establishment "rich" would face by far the most ferocious assaults on their assets under the schemes outlined in the radical IMF report, which was promptly celebrated by Big Government-supporting politicians.

Noting that financial wealth and people are mobile, the document suggests that there "may be a case" for confiscating varying amounts of wealth using various means — all depending on how easy it would be for people to protect the assets in question from legalized looting. "Substantial progress likely requires enhanced international cooperation to make it harder for the very well-off to evade taxation by placing funds elsewhere," the report says matter-of-factly.

Taxes on the "rich" of around 60 percent to 70 percent, according to the IMF, would likely be the rate at which the most plunder could be extracted for desperate governments. "A revenue-maximizing approach to taxing the rich effectively puts a weight of zero on their well-being," the report explains, calling that notion "contentious." "If one attaches less weight to those with the highest incomes, the vote would be to increase the top marginal rate."

Private companies that try to reduce their already-crushing tax burdens using "tax planning schemes," as the report calls them, are also in the IMF crosshairs for increased wealth confiscation. In a section headlined "Tricks of the Trade," for example, the document blasts business efforts to provide services directly from "low-tax jurisdictions" as "abusive."

In essence, the IMF and other taxpayer-funded international institutions hope to see a stronger global regulatory regime to ensure maximum wealth extraction via corporate taxation, too. "The chance to review international tax architecture seems to come about once a century; the fundamental issues should not be ducked," the report argues.

The devastating consequences of squandering ever-greater amounts of productive capital on government programs, of course, are largely overlooked. Meanwhile, the unspoken assumption underpinning the radical ideas is essentially that companies exist to produce wealth for governments to spend — rather than value for shareholders and consumers as has traditionally been the case.

Looking past the bureaucratic language, the IMF caveats, its effort to hide behind the passive voice, and the thinly disguised attempt to make the heist sound palatable to the public because not everyone would be fleeced just yet, the message becomes clear. What the IMF is really saying is that the proposed massive confiscation of wealth must be adopted quickly and quietly — before people have a chance escape it.

Among other schemes discussed in the report is "harmonizing" taxes across jurisdictions, a longtime globalist goal pushed by more than a few establishment-run international institutions. To ensure that governments can extract as much wealth as possible from the productive sector of the economy, more cooperation between them is supposedly needed to eliminate tax competition among jurisdictions. After all, if one government sets lower tax rates to attract businesses and capital, other regimes are being deprived of what the IMF appears to believe is rightfully theirs to seize.

While the report has largely escaped the attention of the establishment media, analysts who dug into it were shocked. "It may all sound far-fetched to you now, and most people will still cling on to the idea that 'they wouldn't do such a thing'," noted Raul Meijer in an analysis posted on Market Oracle, suggesting that the Cyprus heist would likely serve as a "blueprint" for future looting — as EU officials promised. "But that the IMF proposes it at all, and so openly, suggests that they might, if only they can figure out how."

Writing in *Forbes*, meanwhile, Competitive Enterprise Institute Fellow Bill Frezza highlighted three major takeaways from the report. The first point is that IMF economists understand that even if 100 percent of assets belonging to the “1 percent” were expropriated, there would not be enough to fund today’s governments. “That means that all households with positive net wealth — everyone with retirement savings or home equity — would have their assets plundered under the IMF’s formulation,” Frezza explained.

The second major takeaway, he continued, is that such a “repudiation of private property” would still not be enough to pay off the debts of Western governments or to fund their budgets going forward. Instead, it would merely “restore debt sustainability,” as the IMF put it, allowing governments to keep borrowing until the next crisis strikes — “for which stronger measures will be required, of course.”

Lastly, Frezza explained, if the political class fails to “muster the courage to engage in this kind of wholesale robbery,” the only alternatives offered by the IMF were debt repudiation or hyperinflation. “Structural reform proposals for the Ponzi-scheme entitlement programs that are bankrupting us are nowhere to be seen,” he added.

Concluding, Frezza painted a dire picture of what the future may hold if the would-be looters are not restrained. “Yes, this is where the bankruptcy of the modern entitlement state is taking us — capital controls and exit restrictions so the proverbial four wolves and a lamb can vote on what’s for dinner,” he wrote. “That’s the only way to keep citizens worried about ending up on the menu from voting with their feet.”

In another devastating analysis of the latest IMF report, which was released in mid-October, Ryan Bourne, head of economic research at the Centre for Policy Studies, blasted it for being filled with “left wing” ideas. “The IMF is playing with fire by giving intellectual backing to punitive taxation,” he said. “Underlying these policies is an ideological assumption that wealth is a collective resource, with governments the benevolent seekers of the common good, whose ability to provide services is undermined by an eroding tax base…. These policies should be anathema to anyone valuing individual freedom, growth and long-term fiscal responsibility.”

For IMF boss Christine Lagarde, however, what the would-be global wealth confiscators are demanding is simply part of formulating a “just” fiscal policy. “It’s clearly something finance ministers are interested in, it’s something that is necessary for the right balance of public finances,” the former French finance boss was quoted as saying during a panel discussion this month. “There are lot[s] of wasted opportunities.”

Of course, the IMF report glosses over the fact that the overwhelming majority of policy changes among advanced economies in recent years went in the direction of tax increases. It also ignored the screaming gorilla in the room: the flawed monetary system and the ludicrous government spending spree at the root of the financial crisis and the ongoing economic problems plaguing the world.

There may be good explanations for that. Despite receiving generous taxpayer-funded salaries and perks, for example, IMF bureaucrats do not pay the exorbitant income taxes they are demanding for everyone else. Meanwhile, the controversial global institution has already been playing a key role in recent heists — with the confiscation of people’s savings in Cyprus among the most stunning examples.

Even more important, perhaps, is the fact that the IMF is being openly groomed to serve as a global central bank in charge of a planetary currency. It already issues the proto-global currency known as Special Drawing Rights, but the establishment has much bigger plans in mind, as *The New American* magazine has documented extensively. If liberty, prosperity, and national sovereignty are to be preserved, the radical looting schemes advanced by the IMF and other planetary institutions must be resisted in favor of real reforms.

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