

The Banker Elite, Hypocrisy and Brazen Double Standards

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[IMF chief] Christine Lagarde, scourge of tax evaders, pays no tax!

Christine Lagarde, the IMF boss who caused international outrage after she suggested in an interview with the Guardian on Friday that beleaguered Greeks might do well to pay their taxes, pays no taxes, it has emerged.



Christine Lagarde, hypocrite

As an official of an international institution, her salary of \$467,940 (£298,675) a year plus \$83,760 additional allowance a year is not subject to any taxes.

The former French finance minister took over as managing director of the IMF last year when she succeeded her disgraced compatriot Dominique Strauss-Kahn, who was forced to resign after he faced charges - later dropped - of sexually attacking a New York hotel maid.

Lagarde, 56, receives a pay and benefits package worth more than American president Barack Obama earns from the United States government, and he pays taxes on it.

The same applies to nearly all United Nations employees - article 34 of the Vienna convention on diplomatic relations of 1961, which has been signed by 187 states, declares: "A diplomatic agent shall be exempt from all dues and taxes, personal or real, national, regional or municipal."

According to Lagarde's contract she is also entitled to a pay rise on 1 July every year during her five-year contract.

Base salaries range from \$46,000 to \$80,521. Senior salaries range between \$95,394 and \$123,033 but these are topped up with adjustments for the cost of living in different countries. A UN worker based in Geneva, for example, will see their base salary increased by 106%, in Bonn by 50.6%, Paris 62% and Peshawar 38.6%. Even in Juba, the capital of South Sudan, one of the poorest areas of the world, a UN employee's salary will be increased by 53.2%.

Other benefits include rent subsidies, dependency allowances for spouses and children, education grants for school-age children and travel and shipping expenses, as well as subsidised medical insurance.

For many years critics have complained that IMF, World Bank, and United Nations employees are able to live large at international taxpayers' expense.

During the 1944 economic conference at Bretton Woods, where the IMF was created, American and British politicians disagreed over salaries for the bureaucrats. British delegates, including the economist John Maynard Keynes, considered the American proposals for salaries to be "monstrous", but lost the argument.

Officials from the various organisations have long maintained that the high salaries are a way of attracting talent from the private sector. In fact, most senior employees are recruited from government posts.

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