German Chancellor Says No Debt Write-off for Greece

Berlin, July 20 (RHC)-- German Chancellor Angela Merkel has once again ruled out proposals to write off some of Greece's debt, but assures that Berlin is supporting a flexible repayment plan for the debt-laden country.

“There can't be a classic haircut - forgiving 30 or 40 percent of debt - in a monetary union,” said Merkel in an interview with the German ARD Television on Sunday, adding that Greece had received other kinds of debt relief in the past years such as “voluntary write-down for private creditors, extended maturities and lower interest rates.”

Germany could discuss relief possibilities along those lines again, she further said, noting that this would occur only after details of a new 86-billion-euro ($93-billion) bailout package were hammered out.

The Greek government, in a decree issued on Saturday, kept the daily cash withdrawal limit at 60 euros ($65) but added a weekly limit, meaning that a depositor who does not withdraw cash on a certain day can take out 120 euros ($130) the next day, and so on, up to 420 euros (455 dollars) a week

“That's not a normal life, so we have to negotiate quickly” in upcoming talks on a third European bailout, said Merkel, referring to the limited cash withdrawal Greek banks can offer from Monday. Greece decided to close banks on June 29 in a bid to prevent a bank run or cash transfers abroad.

Merkel also said any talk of a possible “Grexit” - Greece exiting the eurozone - was then off the table. On Friday she told German lawmakers who supports Grexit that this scenario would lead to “predictable chaos.”

The latest opinion survey on the planned deal between Greece and its European creditors shows that 56 percent of Germans oppose it, out of which 23 percent took a hard stance towards Greece and considered the deal as “very bad.”

Conducted by YouGov Market Research Company, the poll also shows that only 29 percent of people gave the deal an overall positive mark, while 27 percent regarded it as “rather positive,” and only two percent saw it as “very positive.” The remaining fifteen percent of the respondents selected “Don’t know” option.

Greece’s acceptance of the tough austerity measures imposed by the international creditors to help Athens stay in the European Union’s single currency zone has been widely cheered by the EU leaders.

The debt-stricken country received two bailouts worth a total of 240 billion euros ($272 billion) in 2010 and 2012 from the so-called troika of international lenders - the European Commission, the International Monetary Fund (IMF) and the European Central Bank - following the 2009 economic crisis.
