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Greece explores extended austerity program

Greece wants to delay its austerity, but its lenders won't give it more money. However, the government seems to have a cunning plan that would allow it to spread the budget cuts over four years, rather than two, and allow euro zone governments to skip parliamentary approval. It would also leave the International Monetary Fund to pick up the bill.

The Greek government hasn't asked for anything yet, but it is testing the waters for a two-year extension plan of its austerity program. The cost has been estimated to be as high as €50 billion, or $63 million, but Greece seems to think it would only amount to €20 billion. The ultimate number depends on how much spreading austerity would bolster growth, and whether it would allow the government to sell assets faster.

The idea rests on Greece issuing short-term treasury bills, instead of redeeming them as planned. It would also imply that the I.M.F. bring forward some funds originally promised for 2015, and delay the repayments that were to start in 2016. These ideas aren't as free as the Greek government seems to think. Both could mean increasing the amount of debt that can't be haircut in a restructuring (treasury bills and the I.M.F. loans), potentially implying steeper losses for other creditors. The European Central Bank would also have to be happy to finance the government indirectly by funding Greek bank T-bill purchases.

For Prime Minister Antonis Samaras, securing the extra two years would be a domestic coup, but it's not clear that Greece's partners will play ball. At least it would reduce the chances of a near-term blow-up in Greece and severe losses for euro zone lenders. However, the I.M.F. probably prefers that Greece's euro zone partners write down their debt more fully, rather than extend more debt itself.

A proper restructuring of Greece's debt would be more sensible, though European leaders and their electorates may not have the stomach for it yet. If Greece's growing debt burden, or the I.M.F., forces the euro zone to take losses, they might start by cutting bonds held by the E.C.B., or forgo some interest payments on their Greek loans. In any case, Mr. Samaras's plan will not be cost-free for everyone for long. NEIL UNMACK