‘We Are All Greeks’

by Dean Andromidas and Paul Gallagher

June 22—Stepping above the furious confrontation with banking powers over “Greek debt,” Greek Prime Minister Alexis Tsipras observed on June 15: “I’m certain future historians will recognise that little Greece, with its little power, is today fighting a battle beyond its capacity, not just on its own behalf but on behalf of the people of Europe.”

Touching the same idea two centuries ago, the great English poet Percy Shelley wrote lines quoted many times since, though never by the current German Chancellor, French President, or the IMF Managing Director.

“The apathy of the rulers of the civilized world,” Shelley wrote in 1821, when Greece was a captive nation in revolt against the Ottoman Empire, “to the astonishing circumstances of the descendants of that nation to which they owe their civilization, is something perfectly inexplicable to a mere spectator of the shows of this mortal scene. *We are all Greeks.* Our laws, our literature, our religion, our arts have their root in Greece.

“The human form and the human mind attained a perfection in Greece,” Shelley continued, “which has impressed its image on those faultless productions, whose very fragments are the despair of modern art, and has propagated impulses which cannot cease, through a thousand channels of manifest or imperceptible operation, to enoble and delight mankind. . . .”

In the drama, *Hellas*, to which these lines were prologue, Shelley had a Greek chorus look on this scene:

Let there be light! said Liberty,
And like a sunrise from the sea
Athens arose!—Around her born,
Shone like the mountains in the morn
Glorious states;—and are they now
Ashes, wrecks, oblivion?

Today, for the sake of imposed debts, Greek cities and islands, in a mere five years’ of dictated and savage “austerity,” have been forced back toward the condition Shelley referred to, and Greeks back toward their living standards of a century ago.

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Civilization owes its very existence to the accomplishments of ancient Greece, wrote poet Percy Bysshe Shelley in 1821. Here, the Parthenon, which graces Athens’ Acropolis.

But in the Greek government's attempt to break out of the "austerity trap," it is the wrecked economy of Europe as a whole which is at stake—standing before either a new financial collapse, or a revival in collaboration with the growth and the development institutions of the BRICS-allied nations.

Deadly Debt

The core of the fight over Greece and "its debt," is that the new Greek government, with a popular mandate, has been asking the European Union to shut down a tremendous Wall Street-London bank swindle and make economic growth possible again in Europe.

If that doesn't happen, the worsening bankruptcy of the whole trans-Atlantic banking system will continue to generate desperate confrontations with major powers Russia and China, with the threat of world war.

The rest of Europe, so far, has refused to shut down that Wall Street swindle, and on Feb. 18, Obama's Treasury Secretary Jack Lew backed up that refusal, including by a threatening phone call to the Greek finance minister.

The refusal to write down unpayable debt, by Europe's bankrupt giant banks and governments, is the fundamental reason the economies of the whole European Union have been dead in the water for seven years. Since the 2008 financial crash, these banks have sat with €2 trillion of toxic real estate debt on their books, tangled in tens of trillions in derivatives contracts—unable and unwilling to lend into the European economies, through year after year of economic recession and depression. Anything suggesting bank reorganization to deal with these dead debt securities under Glass-Steagall principles, has been refused, and Europe's bankrupt megabanks lie, like undead monsters, blocking the road to productive credit, investment, and recovery.

Now, the battle over whether Greece can adopt an economic recovery strategy has exposed the fact that large amounts of *government debt*, accumulated by various European governments bailing out their big banks, is also unpayable and must be written down—starting with that of Greece.

A Bankers' Coup Attempt

Speaking at the Paris Schiller Institute conference on June 14, Stélios Kouloglou, a European MP from the Greek Syriza party, exposed the plot by the IMF, European Central Bank (ECB) and European Commission—the so-called "European institutions" or Troika—to use the debt issue to overthrow the current Greek government.

Comparing the situation to the overthrow of Chile's President Salvador Allende in 1973, Kouloglou said, "Before Pinochet came in with the tanks in 1972, President Nixon told the CIA: Make the economy scream. And the banks cut off all credit to Chile."

Today, the coup is not by "tanks, but by the banks." As soon as Syriza came to power, explained Kouloglu, Mario Draghi of the ECB cut off, without the slightest justification, the main source of financing of Greek banks. He replaced it with the so-called Emergency Liquidity Assistance (ELA), a facility which must be renewed every week. This, he used as a sword of Damocles hanging over the head of the Greek government.

Kouloglou used the occasion to address bitter remarks to France: "Abandoned by those forces whose support it was counting on—the French government—Greece cannot solve the major problem of the country: an intolerable debt, which was used essentially to bail out French and German banks' assets in Greece."

The proposal for an international debt conference like that of 1953, which freed Germany from the greater part of debt reparations, opening the road to the economic miracle, has been drowned in a sea of threats and ultimatums, he charged. In that loaded climate, Russia's positive answer to Greece's request to participate in the new BRICS bank, came as a sigh of relief and optimism for Greek public opinion.

"We will resist,' Kouloglou concluded, underscoring that time is of the essence, best wishes for the Greek government are no longer enough, and the solidarity it deserves must be expressed by action.

Greece Under Siege

After returning from a high-pressure week of meeting in Athens, co-author Dean Andromidas can testify to the brutal evidence of the charges by Kouloglou of a bankers' plot to overthrow the fighting Greek government. The siege of Greece is everywhere to be seen, from beggars on the streets, to shuttered storefronts in Athens' main business district, and more. The blackmail of cutting off liquidity, something that would not be possible if Greece had its own currency, is destroying the Greek economy as much as the austerity itself. Banks are unable to extend credit lines to viable companies; even hotel operators are unable to get simple medium-term credit lines to refurbish their hotels. Large

Greek multinational companies have moved their headquarters to places like Luxembourg, because Greek-registered companies are unable to access credit inside or outside of the country. Such moves mean not only loss of jobs but tax revenue as well.

One Greek financial expert told *EIR*, "There is absolutely no liquidity. The economy is collapsing every day because of this." He added that small and medium businesses, one of the major sources of employment for Greece, are being hit the hardest; companies are closing down every day. Over three hundred thousand have closed. He added that no foreign investors can even consider investing in Greece because of the uncertainty being created by the siege being laid against the country.

The liquidity siege does not allow Greece to borrow short-term, up to three months, to cover temporary revenue shortfalls, making it impossible for the government to implement emergency measures to deal with the humanitarian catastrophe created by five years of the brutal regime under the jackboot of the Troika "enforcers."

Nowhere is the situation more dramatic than in the health sector, where the previous Quisling government reduced the budget by no less than 50 percent. The new Minister of Health, Panagiotis Kouroumplis, who is blind, and one of the most respected political figures in the country, has taken on the "mission impossible" of finding the resources to rebuild the system. Not only have the country's hospitals been stripped of doctors and essential medical personnel, but 40 percent of the population does not have health insurance, which means they are denied health care. The minister is attempting to create a community health care system to answer this need, which is a matter of life or death for thousands of Greeks who are now unable to access health care. The cutting-off of liquidity makes his mission virtually impossible: a recipe for more death and suffering.

Every aspect of the Troika's policy, which the government is trying to reverse, has been, and continues to be, genocidal in its intent. Greece's creditors demand cuts in pensions, which have already been cut by 25 to 40 percent. Hundreds of thousands of Greeks live on the reduced 400 Euro pension of their grandparents. In many cases we are talking about as many as eight or ten people relying on one pension. The creditors demand an end to early retirement. In reality, early retirement means government employees retiring in order to reduce the number of public workers. Ending early retirement means laying off workers and simply throwing them onto the street with no income.

The "creditors" are demanding even more taxes. In Greece the poor, the unemployed, children, and the unborn all pay taxes. The tax regime created by the Troika demands that the first euro earned is taxed, thus eliminating a minimum income not subject to tax, which has been the norm in every civilized society. All pensions are taxed, even the 400 euro pension that is supporting ten people. If you have children, you pay extra tax for each child, which is also unheard of in civilized countries. The divorce rate has dramatically increased since married couples pay more tax, thus in effect taxing the unborn.

Thousands of self-employed professionals, such as engineers, lawyers, and doctors, pay taxes whether they have worked or not. One IT engineer told this author that tens of thousands of engineers have fallen into tax debt, despite the fact that they have been unemployed and have no earned income; this leaves them open to the seizure of their homes and property because of tax debt. In 2014, 65 to 70 percent of the engineers did not earn any income, yet owe thousands in taxes.

The result is that thousands of Greece's professionals are forced to leave the country. Greece's main source of wealth is not its beautiful islands, but its well educated population. This is another case of genocide, since Greece has a relatively high number of engineers and medical doctors who could play a central role if the economy were expanding.

Resistance and the BRICS

The very fact that Syriza, which prior to the crisis would receive only three to four percent of the vote, and the Independent Greeks, a new party organized to oppose the memorandum, are now in power, is testament to the spirit of resistance that has taken hold among a large percentage of the population. Those of all ages have mobilized themselves. The young take to the streets and join the ruling parties, or are ready to re-elect the ruling parties if elections have to be held. One finds pensioned former government workers, including diplomats and economists, back in government doing the jobs of younger men because they are "fighting the fight of the lives," as one party leader told *EIR*.

Crucial to the success of this resistance is its ability to gain allies, and here the government has clearly chosen the BRICS option. In his speech before the St.

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A mass demonstration in Athens against the imposition of murderous austerity by the international financiers. This one took place June 11, 2015.

Petersburg Economic Forum June 19, Prime Minister Tsipras made clear he was in Russia, and not in Brussels negotiating, because Greece wants to pursue a "multi-dimensional policy and engage with countries that are currently playing a key role in global economic developments." He explicitly mentioned the BRICs and the Eurasian Economic Union. He declared that "Greece seeks to be a bridge of cooperation" linking three continents. (See below)

Greece has already strengthened ties to China through its port of Piraeus, whose container terminal, under lease to China, has become the latter's main port of entry for its ship-bound exports to Central and Eastern Europe. Greece is linked to Russia not only through energy imports, but through sharing the same Orthodox Christian religion and a history of centuries of cultural and political interaction.

The June 18-20 St. Petersburg Economic Forum saw this cooperation between Greece and the BRICS go to a new level. On the sidelines of that event, Tsipras and Greek Productive Reconstruction, Environment and Energy Minister Panagiotis Lafazanis met with the directors of the new BRICS development bank; the latter stressed their strong interest in the cooperation between Greece and the New Development Bank.

Tsipras and Lafazanis also met with Gazprom's head Alexey Miller to discuss the extension into Greece of the Turkish Stream Gas pipeline. This was followed by a meeting between Lafazanis and the head of Russia's "Bank for Development and Foreign Economic Affairs (Vnesheconombank)," Vladimir Dimitriev, where it was decided to form a new company called "Energy Investments Public Enterprise SA." It will be owned by the Greek state, and with financing from Vnesheconombank, will build the Greek pipeline, to be named the "South European Pipeline."

Fraudulent, Unpayable Debt

On June 17, the Debt Truth Commission of the Greek Parliament issued a preliminary, but extremely important report on the more than 240 billion-euro debts which the "European institutions"—the European Financial Stability Fund, European Central Bank, and IMF—claim against Greece.

After extensive hearings and examination of evidence, the Commission found *all* of this claimed debt to be illegitimate, and that it should not be paid.

The findings strengthen the Greek government's position against these same institutions' demands for new, and suicidal, economic austerity measures against the

Greek population. Furthermore they confirm the analysis published by *EIR* on behalf of Editor-in-chief Lyndon LaRouche in late February of this year, which found that the so-called "bailout debt" of Greece was a huge swindle, transferring European taxpayers' funds, via Greek government accounts, to bankrupt megabanks in London and Europe.

The Debt Truth Commission's report says:

> All the evidence we present in this report shows that Greece not only does not have the ability to pay this debt, but also should not pay this debt, first and foremost because the debt emerging from the Troika's arrangements is a direct infringement on the fundamental human rights of the residents of Greece. Hence, we came to the conclusion that Greece should not pay this debt because it is illegal, illegitimate, and odious.
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> It has also come to the understanding of the Committee that the unsustainability of the Greek public debt was evident from the outset to the international creditors, the Greek authorities, and the corporate media. Yet, the Greek authorities, together with some other governments in the EU, conspired against the restructuring of public debt in 2010 in order to protect financial institutions. The corporate media hid the truth from the public by depicting a situation in which the bailout was argued to benefit Greece, whilst spinning a narrative intended to portray the population as deserving punishment for their own wrongdoings.

Political forces in other superindebted countries in the Eurozone will also be affected by these findings.

LaRouche's February analysis had likewise found:

> In the case of Greece, much of that debt was fraudulently piled on the country in the course of huge bank bailouts, in 2010 and 2012, totalling about EU245 billion. These rocketed the country's debt, as a ratio of its GDP, from 126% at the end of 2009 to 175% at the end of 2014. The impact on other national debts was equally dramatic: Ireland's, for example, rose from 25% of GDP before it bailed out London's banks headquartered in its territory in 2009, to 125% afterwards.
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> The debt piled on Greece in the past 12 years (since it joined the euro currency) is significantly illegitimate in regard to its causes and relationship to the real economy of the country. It cannot be paid in the next half-century, and it cannot be paid by continued cuts in employment, pensions, wages, health-care services, or by selling off national income and infrastructure.

'The Debt Should Be Cancelled'

The casino lending of the biggest London, Frankfurt, and Paris banks, the deliberate rule-breaking by the IMF and ECB regarding Greece, and the irrational intransigence of German and French officials have made Greece's debt both illegitimate and odious—a giant swindle.

The country went on a borrowing binge after joining the Eurozone in 2002, making its imports cheaper, and pricing its exports off the market. There are no irrational borrowers without irrational lenders, and the banks threw money wildly at Greece to finance German, French, and U.S. exports, especially military. When Greece reached clear insolvency by 2010, the banks refused to allow any debt writeoff. Instead, the "European institutions" started giving bailout loans with taxpayers' funds—committing the unbelievable "mistake" of lending new funds to a bankrupt which had no protection from its creditors (the London-centered banks).

The IMF and ECB compounded the mess by jumping in to buy up Greek debt from private financial institutions at 100% face value, violating their own charters and piling new, *shorter-term* debt on Greece. In 2012 the bank bailout process was repeated on an even larger scale, and 240 billion euros of new debt piled on, again with taxpayers' funds. Ninety percent of all 350 billion euros of the bailout loans passed through Greek federal accounts at the speed of light, and landed at the very same German, French, and British megabanks, allowing them not to write off their casino-wild Greek "debt assets."

On June 19, days after the June 13-14 Schiller Institute event in Paris and LaRouche's new statements, the influential senior former Social Democratic Chancellor of Germany, Helmut Schmidt, spoke to the Greek semi-official press agency, ANA-MPA.

While saying an "unorganized" Greek exit from the euro could lead to disaster, Schmidt said that Greece should never have joined the Eurozone, and that its problems could more easily be solved if it still had its national currency, the drachma.

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Greek Prime Minister Alexis Tsipras speaks at the St. Petersburg International Economic Forum on June 19, 2015.

When asked about a cancellation of Greek debt, as modeled on the London Debt Agreement of 1953 on German debt, Schmidt was clear: "I want to tell you that I think that it is completely excluded that Greece will be able to repay its debt. The majority of it should be cancelled."

Schmidt made his own proposal for a solution to the crisis, calling for a European investment program for the benefit of Greece, which can be financed not only from Germany, but also via an agreement to write off a large part of the accumulated debt of Greece. He also made clear that it is nonsense to say that the German people have been bled by Greece, which is what Germans read every day in their media.

A Way to the Future

LaRouche had called in February for full international backing for the Greek government's position, stating: "Looting does not constitute legitimate debt. The debt is illegal, it is unpayable, and it is the fruit of a London-led criminal enterprise that must be shut down altogether, if the world is to survive the coming months without an eruption of general war in the center of Europe. This [issue] has to be put loud and clear on every doorstep in the United States. If you want to avoid World War III, that's what you'll do."

He called for creating a "buffer of credit" for the real economy—a credit institution on Alexander Hamilton's principles. Such a new development bank in Greece will be linked to the European Investment Bank—and to China and the BRICS-allied nations.

One week ago on June 18, LaRouche said, "You cannot sustain the euro system, it is intrinsically bankrupt. If you base a 'debt deal' on that system—any 'debt deal,'—that deal will fail. The fraud of what Wall Street and London banks are calling 'their debt assets', has to be eliminated, because populations—not only the Greeks—are being beaten down by worthless claims. *Cancel* those claims. Relieve the nations of the claims of this speculation, these 'investments' in gambling bets, and an opening is created for internal economic development of European nations and the United States.

"The solution," he said, "is an international policy of Glass-Steagall banking; agreements among these nations to implement Glass-Steagall principles. Most important by far:" LaRouche said, "Restore the Glass-Steagall Act to force in the United States. That is the driver for this whole effort. That opens up the issuance of national credit for productivity and development."

LaRouche also addressed the campaign by forces behind German Finance Minister Wolfgang Schäuble, to force Greece out of the euro system. "If Greece goes out, goes back to the drachma, the negotiated value of the drachma can be increased significantly, and problems solved," he said. "It is not correct to say that the drachma must collapse in value against the euro. The pressure on Greece is coming from the London-Wall Street banking system, and the claims of that system are worthless. Its speculation on unpayable debt has to be cancelled.

"The euro will be falling because of its bankruptcy; the value of the drachma against the euro can be maintained, and may go up. Again, the critical action is Glass-Steagall in the United States, and force it in European countries. With that, the United States and Europe can generate national credit institutions, linked to the BRICS' new international development banks, and issue a surge of credit for productive employment.

"The Greek Parliament has thus done a service to the future, if we take the right actions now," LaRouche concluded.