AN IMMEDIATE REQUIREMENT

Cease the Annual Installment Payments On the So-Called Public Debt of Greece

by Leonidas Chrysanthopoulos, Ambassador *ad honorem*

April 1—The Greek government announced measures this week to alleviate the plight of those Greeks who had been hit financially by the closure of their businesses within the framework of the measures adopted to protect the population from the coronavirus. These measures amount to €6.8 billion and cover a period of one to two months. They were correct and were welcomed by the population. The problem arises of what will happen after this amount is used up and the pandemic continues, as is expected.

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The government has started to deny that it is thinking of reducing salaries and pensions in the public sector. But we all know from past experience that these denials mean that it is already being contemplated. However, if the government dares to make these reductions, the consequences will be the following: Those who are on pensions, have already had their income reduced by 60%, because of the of the memoranda imposed upon Greece by the EU lenders and the IMF. Consequently, those people will no longer be able to pay taxes or the installments of their loans to banks. Whatever remains after that expected reduction they will have to use to maintain themselves and their families. The same applies to those receiving salaries.

The banks will threaten those who cannot repay their loans with confiscation of their properties, but it will be a useless threat since the banks will not be able to sell the confiscated properties, now that the global economic system is collapsing. That reduction of salaries and pensions might also lead to the collapse of the state. Spontaneous popular uprisings might take place that would lead to more fatalities than the coronavirus itself.

So what could the government do instead? It could declare a cessation of payments or a moratorium to the EU lenders for the so-called public debt of Greece. But let us first look at some of the obligations that have been imposed upon Greece. In 2020, Greece must pay €5.9 billion; in 2021, €4.9 billion; in 2022, €9.4 billion; in 2023, €11.7 billion; and so on: 2024, €9.4 billion; 2025, €9.24 billion; 2026, €8 billion; 2027, €5.9 billion; and 2028, €11.5 billion.

Due to the exceptional measures taken for the protection of the population from the pandemic, the government truly must declare a cessation of payments for the so-called public debt, at least for the years 2020 and 2021. This money will be needed to ensure the survival of the population of Greece.

The government will not ask for permission of the lenders to cease payments, but will inform them simply out of courtesy. The existing global economic chaos and the anticipated dissolution of the EU makes it difficult if not impossible for the lenders to react to the cessation of payments that Greece would be declaring. And we must not wait for EU decisions concerning the proposed "coronabonds" since such a decision will be too little and too late. Klaus Regling, head of the European Stability Mechanism, has already recently declared that he will need at least one year for a new Eurobond of any kind to be issued.

Cessation of payments is the only solution that will be able to guarantee the survival of the Greek population and of the country in this difficult moment that humanity is facing. The so-called easy solution of reducing salaries and pensions will only lead to social unrest of such a magnitude that its victims will be much more than the victims of the coronavirus, something that we hope will not happen.