

Greek Elections Can Spark Shift to European ‘New Deal’

by Dean Andromidas

Jan. 26—Greece yesterday elected the first government in Europe opposed to the European oligarchy’s nightmare policy of bailing out the bankrupt banks no matter how many people must die. The election of a new government led by the parties Syriza and the Independent Greeks, is a powerful repudiation of the murderous austerity policies imposed on Greece by the Troika, better known as the three horseman of the Apocalypse—the European Commission, the European Central Bank, and the International Monetary Fund. The question now is whether Spain and Portugal, or even Italy and Ireland, will be far behind.

Now the battle lines are drawn; Either Europe goes for a Glass-Steagall-style separation of the commercial from the speculative banking system, and a credit system for development of industry and infrastructure, or it sinks with the hopelessly bankrupt trans-Atlantic financial system.

Lyndon LaRouche called the outcome a “profound victory that can secure a shift in the entire European and trans-Atlantic situation.” He noted that the outpouring of the Greek people to reject the Troika’s regime was one of several recent developments that can rapidly bring down the failed euro system altogether. He cited the recent decision by the Swiss National Bank to decouple the Swiss franc from the euro, which triggered huge derivatives losses by Wall Street and City of London banks.

The Greek results will have a “big impact on Ger-

many,” LaRouche went on. Chancellor Angela Merkel and company “are in a tough situation, pretending to control things in Europe, but in reality, they have no control, and the Greek vote proves it. They will be shaken hard, and will not be able to pretend that the austerity policies are working.”

“The enemy of humanity is being damaged,” LaRouche concluded, “and everyone should be happy.”

Victory for Justice and Economic Development

After more than five years of suffering under the brutal austerity that has collapsed almost a third of Greece’s economy and thrown half the population into poverty, the elections gave Syriza, the left-wing, anti-austerity party, over 36% of the vote, thus allotting the party 149 of the Parliament’s 300 seats (the winner of the election receives 50 extra seats in the Greek system). The center-right Independent Greeks, an equally vigorous anti-bailout party, won 4.75%, which will give them 13 seats. The two parties have agreed to form a coalition government with a total of at least 162 seats, which will be presented for a vote of confidence before Parliament on Feb. 5.

While the other former ruling parties will reenter Parliament, including New Democracy, and Pasok, the latter lost big, getting the lowest percentage of any party qualified to enter Parliament, behind the Independent Greeks. The fascist Golden Dawn came in third with 17 seats, followed by To Potami with 17 seats.



Alexis Tsipras, Greece's newly elected prime minister, tells supporters on Jan. 26 that he will end "the vicious cycle of austerity" imposed by the Troika.

These two parties were created only to take votes away from the real opposition. The communist KKE received 15 seats and will most likely cooperate with the government from outside the coalition. No other parties, including former prime minister George Papandreou's Movement of Social Democrats, were able to pass the 3% threshold required for entry to Parliament.

In his victory speech, Syriza head Alexis Tsipras declared, "Hope has won. . . . Greece is leaving the austerity of catastrophe and fear. . . . There are no losers and winners. . . . We are regaining our dignity, our sovereignty." He added that his party's victory will herald a change in Europe.

Panos Kammenos, leader of the Independent Greeks, declared that the Greek people had decided to restore Greece's "sovereignty, democracy, and the restoration of the Constitution. There is no longer a Greece that will be managed by e-mail."

Both Syriza and Independent Greeks have detailed emergency economic programs that will commit their government to deal with the humanitarian catastrophe left by five years of the hated Troika policy. The damage has been unprecedented short of wartime, and has led to unemployment officially at 28%, but considered by experts to be actually as high as 45%; pensions and salaries have been slashed by 25-45%. The destruction of the health-care system has increased the child mortality rate, the suicide rate, and the death rate.

The most important call by the new government is

to convene a European debt conference, modeled on the conference that led to the London agreement of 1953 on the German foreign debt. Both parties propose that such a conference not only deal with the impossible Greek foreign debt, which now stands at 175% of Gross Domestic Product, but the excessive debt of all the European Union countries, which primarily went to save the bankrupt Eurozone banks. They are calling for such a conference to launch a "New Deal" for Europe, through

EU investments into infrastructure and other projects to put people back to work.

EIR has proposed that such a conference should go beyond this mandate and move to implement a Glass-Steagall-style reform of the European banking system, dividing commercial banking from the casino investment banking. Such a conference could take a Hamiltonian approach and establish a European Infrastructure Investment Bank, to cooperate with the newly created Asian Infrastructure Investment Bank, and to finance the projects needed to fully integrate Europe into the New Silk Road and the World Land-Bridge (See "A Greek Proposal: Convene a European Debt Conference for 2015," *EIR*, Jan, 23, 2015.)

Independent Greeks leader Kammenos is one of the signatories of the Schiller Institute's resolution demanding that the United States and Europe work with the BRICS countries, and he spoke before the Schiller Institute's conference on "The New Silk Road and China's Lunar Program" held in Frankfurt, Germany, last October. In a [speech](#) entitled "Greece and the Silk Road Economic Belt," he counterposed the current "Europe of the bankers" to a Europe of sovereign nation-states. He also declared, "The future of Greece could be better if a strategic orientation were taken to establish links with some of the most dynamic economies of the world, and to find new sources of economic support. One of these countries besides Russia is China."

In the days prior to the elections, Kammenos made



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Panos Kammenos, the head of the Independent Greeks party, addresses a Schiller Institute conference in Frankfurt, Germany, Oct. 19, 2014. He will be the defense minister in Greece's new coalition government.

an official visit to Russia, meeting with political leaders including Aleksey Pushkov, chairman of the Russian Duma's Foreign Policy Committee, and other leaders of Russian President Vladimir Putin's United Russia party.

President Putin issued a congratulatory message to Tsipras, expressing "confidence that Russia and Greece will continue to develop their traditionally constructive cooperation in all areas and will work together effectively in resolving current European and world problems."

New Hope for Europe

The coming to power of an anti-bailout government in Greece will impact the shifting sands of the European political landscape. Significant political forces are against the brutal austerity policies aimed at saving the banks at the expense of the population. There is a growing backlash against the anti-Russian policy of the EU, especially the sanctions, in both Germany and France, the two countries that have to play the decisive role if there is to be change in Europe.

Greece's elections were only the first of a number of local and general elections throughout Europe which will present a power challenge to the current ruling parties that have been implementing the insane policies of the European Union. Greece's victory has electrified the anti-bailout parties throughout Europe.

In Spain, Pablo Iglesias, the leader of the anti-austerity party Podemos, which is expected to win local elections in May and general elections in November, declared: "Hope is coming, fear is fleeing. Syriza, Podemos, we will win!" Podemos is the sister party of Syriza in the European elections, and Iglesias has close personal ties to Tsipras.

In Ireland, another country suffering under a huge bailout debt, Sinn Fein spokesman Pearse Doherty declared the Tsipras victory "an opportunity for progressive change in Europe." and voiced support for Syriza's call for a "European Debt Conference, which would be in Ireland's interests also." Blasting Irish Prime Minister Enda Kenny for not supporting a debt conference, he said, "They should remove themselves from office and allow the people to elect a new government that

will." Sinn Fein, which is the sister party of Syriza in the European Parliament, won the European parliamentary elections in Ireland, and could very well be the winner if early elections were to be held in Ireland.

António Costa, the new Secretary General of the Socialist Party of Portugal, which is expected to win the general elections next October, called the triumph of Syriza "a sign of change" that gives strength to Portugal and other European countries to change policy. Like Greece, Portugal has been suffering under the weight of its EU bailout and austerity program. There is pressure building up within the Socialist Party to renegotiate Portugal's bailout agreement.

In Cyprus, President Nicos Anastasiades said to Syriza leader Tsipras, "I would like to congratulate you for the proud and historic victory, and wish you every success." Anastasiades said he looked forward to close cooperation on the political and economic issues faced by the two countries. Tsipras has said his first trip abroad will be to Cyprus.

Cyprus is also suffering under a bailout program. Anastasiades rules over a center-right minority government that stays afloat only by the good graces of the opposition, which has been blocking legislation on a new foreclosure law demanded by the Troika. Akel, the former ruling party and leader of the opposition, is a sister party of Syriza in the European Parliament.

Will Germany and France Act?

The key question is whether France and Germany, the power brokers in the EU, will break with the prevailing twin policies of trying to save the bankrupt banking system and the confrontation against Russia, including sanctions. The latter issue is important since both Syriza and the Independent Greeks have been outspoken against EU support of the Nazi coup in the Ukraine and the sanctions against Russia, which, because of Russia's retaliatory ban on food imports from EU countries, have affected Greece's agricultural sector.

In France, the terror attacks earlier this month have had a tremendous political impact, which has intersected popular discontent over the harsh economic conditions now prevailing in the country. This has led to growing debate on austerity, and the government has also been under pressure to end the sanctions against Russia.

In this context, French President François Hollande issued what has been called a carefully worded congratulatory statement, declaring his "willingness to pursue strong cooperation between our two countries, in the service of growth and stability in the Eurozone, in the spirit of progress, solidarity, and responsibility

which is at the core of the European values we share."

The statement contrasts sharply with the "do or die" threats coming from the government of German Chancellor Angela Merkel. As of this writing Merkel has not congratulated Tsipras, leaving her spokesman Steffen Seibert to say: "From our point of view, it's important that the new Greek government take measures so the economic recovery of Greece continues, and that includes Greece sticking to the commitments it has made."

Statements from Merkel's coalition partners, the Social Democrats, have been decidedly softer. It is interesting that European Parliament President Martin Schulz, a German Social Democrat, said, in a phone call to Tsipras, "I will do everything in my power to help you to find a mutually acceptable, sustainable solution." Schulz indicated that he would come to Athens as soon as the new government is inaugurated, and before he meets with Merkel.

Whether these subtle statements grow into a commitment to reverse the disastrous policies of the last years and use the Greek election victory to move on financial reform and launch a broad cooperation with the BRICS (Brazil, Russia, India, China, and South Africa) remains to be seen. This could be Europe's last chance.

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