The Murder of Greece: A Mystery We'd Better Solve

by Paul Gallagher

July 17—The new and brutal cruelties imposed on the Greek nation and people by European "leaders," in the "agreement" reached July 13 created an audible death rattle for Europe. The plan was forced down Greek Prime Minister Alexis Tsipras' throat by blackmail executed over a six-month period, by major international banks and the European Central Bank (ECB), which finally destroyed the Greek banking and payments system and threw the country into chaos. It forced a looting agreement on Greece that will directly seize its infrastructure and banks, impose even sharper tax increases, and wage and pension cuts, and dramatically worsen an economic depression which is already killing and sickening large numbers of Greeks. This, in a country whose public health and hospital system has already almost completely disappeared, after five years of austerity cuts.

July 13 was a day of shame for Europe, said Helga Zepp-LaRouche, who, as Schiller Institute founder, and German stateswoman, has led the campaign to bring Europe into the BRICS-allied nations. The EU now exists only as a monstrous construct, Zepp-LaRouche said in a conference call that day; she cited *Financial Times* senior columnist Wolfgang Münchau, who wrote that "Greece's creditors have destroyed the Eurozone."

The murder of Greece is the death knell for the European Union and for the euro currency zone. Like Greece, other "peripheral members" like Portugal and even Italy have GDPs lower—in absolute terms—than when they joined the euro 15-20 years ago! And their political institutions now know, that if they seek a way to grow while staying within the Eurozone, by restructuring and lowering their debt burdens, they will be murdered as Greece has been. First, international banks will cut off credit lines with their banks; the ECB will then do the same, including to their central bank; and then the slow death by "measured austerity" will be replaced by the brutal slaying of their economies by the "European institutions."

The question remains: What is the motive?

courtesy of Mehran Khalili

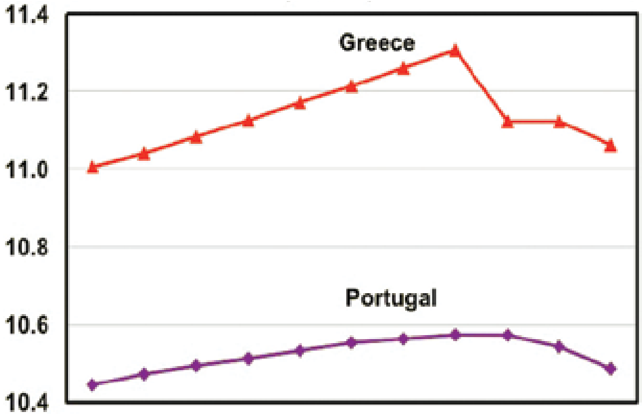
On the streets of Athens under the EU dictatorship.

European governments and Brussels "institutions" which carried out this crime, came away empty-handed: The victim had "nothing but the clothes on his back." The ostensible motive was to maintain the sanctity of debt; specifically, the sovereign debts, and sovereign-guaranteed debts, which arose from the swindles which bailed out the big London and Wall Street banks. But the International Monetary Fund (IMF) has produced two reports stating, conclusively, that Greece's 300 billion euros debt won't ever be repaid; and that the new, 86 billion euro bailout loan now planned will never be repaid, either. The creditor perpetrators knew all about these reports, before they were leaked to the public through the media.

The plan, which foresees immediately raising Greece's debt/GDP ratio to at least 225%, perhaps up to 300%, cannot possibly work—except to unemploy, sicken, and kill more Greeks.

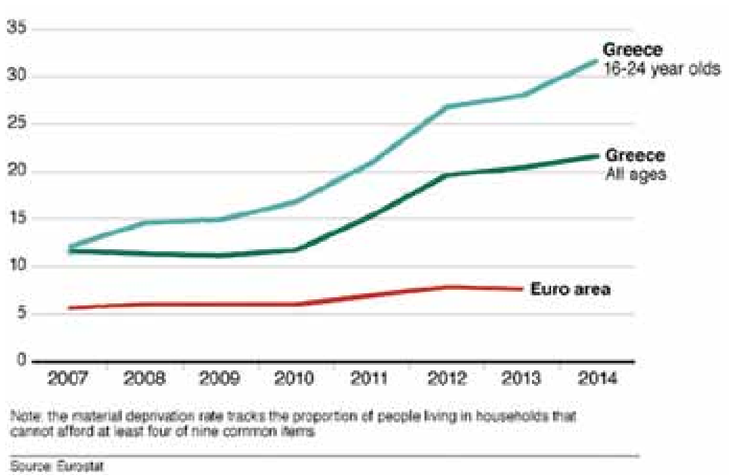
The motive of "saving the euro" by keeping Greece in it, is merely the pious posturing of the Obama Ad-

FIGURE 1
Total Population
(millions)



EIRNS/Dennis Small

FIGURE 2
People Experiencing Severe Deprivation
(% of population)



Eurostat/zerohedge.com

The category of "severe deprivation" is defined by households living on 12,000 euros or less. The category is roughly equivalent to "extreme poverty" in the United States.

ministration and German Chancellor Angela Merkel. The new bailout loan is likely not to materialize, with the IMF in opposition to it. Greece will default and exit the Eurozone; and in fact, the ultra-right-wing political forces represented by German Finance Minister Schäuble are still demanding "Grexit."

The motive of "teaching a hard lesson" is the only one with legs in the creditor countries, whose media have fanned a rage to punish "lazy, profligate Greeks." But the actual lesson taught to the other "peripheral" countries of southern and eastern Europe—however mum their present governments may be about it right now—is to escape from the euro concentration camp as soon as they dare. The Greek government made such a "Plan B" secretly, according to its former finance minister, but made no attempt to organize Greek deputies or citizens to back it.

The British Empire Factor

What remains, as the motive for the crime, is the *economic austerity, in and for itself, and the resulting depopulation of parts of Europe*. How else to explain the complete support for each brutal austerity measure against Greece, by IMF Managing Director Christine Lagarde, and by the Obama Administration, even as both were warning the European creditor "institutions" that the "plan" could not possibly collect on Greek debt? And the Cameron government in the U.K., which refused to guarantee a single euro-cent of the supposed new bailout loan, but urged on the new austerity measures, anyway?

The European Union will disintegrate; and for what reason?

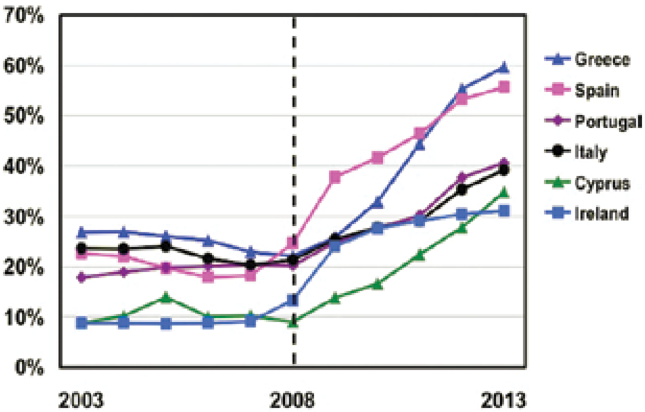
The accompanying article by Jeffrey Steinberg unravels the thread of the rare and unexplained visit by the Queen of England to Germany and Angela Merkel, June 23-26, just before the "negotiations" with Greece turned into the "catalog of cruelties" described by the London *Guardian*. The British Crown has a long history of wanting populations gone; the Irish in the Nineteenth Century; the Indians under the East India Company and the Empire, for two examples.[1] Here, as Steinberg explains, the geopolitical consequences of London demanding the destruction of Greece—and Schäuble demanding "Grexit"—are extremely serious.

But there are also the London banks, the world center for financial derivatives, featuring that London bank with a German name, Deutsche Bank-Morgan Grenfell. It is the London financial empire which has insisted, since the Ireland bailout in 2009, on "No writedown which touches us, of debt no matter how unpayable, illegitimate, or odious."

The London-centered network of the biggest European banks, along with Wall Street, is exposed to $75

1. See "How the British Crown Reduced Ireland's 'Carrying Capacity' to 6 Million Souls," and "British Colonials Starved to Death 60 Millions-plus Indians, But, Why?" in *EIR*, July 3, 2015.

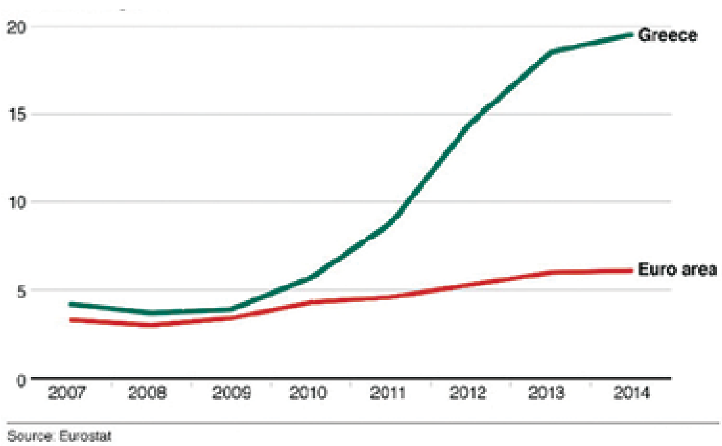
FIGURE 3
Youth Unemployment in Europe



EIRNS/Dennis Small

Available figures in 2014 are not comparable, due to a change in the metrics used by official agencies.

FIGURE 4
Long-Term Unemployment
(Annual average %)



Eurostat/zerohedge.com

trillion in derivatives bets and "swaps" on foreign exchange rates of the euro, dollar, yen, and pound, a $750 billion transactions/day, completely unregulated market. They have exposure to an additional $20 trillion in credit default swaps bets split between London and Wall Street. This is all according to the conservative figures of the Bank for International Settlements end-2014 report.

Any default or significant writedown of debt such as the "Greek" debt, will crush the euro and blow up the banks' foreign exchange derivatives exposure. The credit default swap exposure is another matter, and could make the blowout worse. The bailout debt in the "European TARP" program known as the ESM (European Stability Mechanism) is over 500 billion euros, created by swindles to bail out the big London-centered banks, and now owed by Greece, Ireland, and a half-dozen other "peripheral" countries. The new loan supposed to be planned for Greece now, would make that nearly 600 billion euros. That debt is largely held by private financial institutions, but guaranteed by so-called "core" EU countries led by Germany. When default actually occurs, these countries are likely to disavow their guarantees, as Austria has recently done.

These same banks, to make their trigger fingers more itchy, have approximately two trillion euros of impaired, mostly real estate-based debts on their books as "assets," including 300 billion euros for the big banks in Italy alone, and 450 billion euros for the French giants.

Even though all these financial powers will "extend" repayment schedules on unpayable debt out to future centuries and other galaxies before they will call out the word "default," the events of July 13 showed that the Union is non-functional, dead. Rather than recovering when "things were settled," the euro started falling, by four cents in the next few days. To quote one consulting firm's "expert analysis" of the Greek crisis: "These movements [of the euro—ed.] are not (yet) as large as those seen in 2007/8. But they are easily large enough to move rates outside the relatively narrow rate ranges seen in most FX derivatives and to trigger increasingly substantial margin calls" on the banks and their financial counterparties.

The motive of the London-centered banks, not to speak of that of the Queen in visiting Germany on that crucial day, is that Greece had to be made a horrible example, that debt is not to be written down—or the banks' derivatives bubble will explode as in 2007-08, but worse.

And in making Greece that example, they lit the fuse to set off that explosion.

The secret of the "Greek crisis" throughout, has been that the London-centered megabanks are bankrupt, despite the massive bailouts which created the debt crises of Ireland, Greece, Portugal, Spain, Austria, etc. These megabanks are drowned in exposure to derivatives losses. They cannot stand for the slightest writedown of debts everyone knows are unpayable—until and unless those banks are put through Glass-Steagall reorganization.

In 1953, when Glass-Steagall bank regulation was in force in the United States and much of Europe, U.S. and European banks were able to stand the writeoff of nearly 60% of Germany's total debt at that time; this launched Germany's *Wirtschaftswunder*, or "economic miracle."

It's Glass-Steagall now, or murder.

DOCUMENTATION

Greek Parliament Head: 'No to Blackmail!'

July 17—The President of the Greek Parliament, Zoe Konstantopoulou, gave a strong speech during the July 11 plenary debate over whether to approve prior actions for negotiations for a third bailout. Konstantopoulou was one of six parliamentarians to vote "present," a form of abstention, because, as she put it, "the government is being blackmailed to consent to conditions that do not represent it, that do not come from it, that it is struggling to reverse and prevent."

Here are major excerpts:

The Greek people entrusted this government with the great cause of releasing them from the shackles of the Memorandum, from the vise of surveillance and supervision imposed on society under the pretext of debt.

This debt furthermore is illegal, unfair, odious, and unsustainable, as demonstrated in the preliminary findings of the Truth Commission on Public Debt, and as the creditors already knew in 2010. This debt was not incurred as a cyclical phenomenon. It was created by the previous governments through corruption in procurement, bribes, misleading terms, corporate stipulations, and astronomical interest rates, all to the benefit of foreign banks and companies. . . .

After the Second World War, Germany enjoyed the greatest remission of debt so as to allow it to get back on track. This was done with the generous partnership of Greece."

[Today] . . . Germany is promoting and enforcing a policy that constitutes a crime, not only against the Greek people, but a crime against humanity. . . .

Ladies and gentlemen,

The artificial and deliberate creation of conditions of humanitarian disaster so as to keep the people and the government in conditions of suffocation and under the threat of a chaotic bankruptcy constitutes a direct violation of all international human rights protection treaties, including the Charter of the United Nations, the European treaties, and even the statutes of the International Criminal Court.

Blackmail is not legal. And those who create conditions that eliminate freedom of the will may not speak of "options." The lenders are blackmailing the government. They are acting fraudulently, since they have known since 2010 that this debt is unsustainable. They are acting consciously, since their statements anticipate the need for humanitarian aid in Greece. Humanitarian assistance for what? For an unexpected and inadvertent natural disaster? Is it an unpredictable earthquake, flooding, a fire?

No.

Humanitarian aid [would be required] because of their conscious and calculated choice to deprive the people of the means of survival, closing the tap of liquidity in retaliation for the democratic choice of the government and the parliament to call a referendum and to turn to the people to decide their own future. The Greek people honored the government that entrusted them, and the parliament that allowed them the right to take their lives and fates in their own hands. With bravery and pride they announced

NO to blackmail.

NO to ultimatums.

NO to the Memoranda of servitude.

NO to the repayment of a debt they did not create and that is not attributable to them.

NO to new measures of impoverishment and exhaustion. . . .

The Greek people are the second to suffer this form of warfare in the Eurozone, preceded by Cyprus in March 2013. This attempt to impose measures rejected by the people in a referendum, using the blackmail of closed banks and the threat of bankruptcy, constitutes a violent overthrow of the Greek constitution and deprives the parliament of the authority granted to it by the constitution.

Everyone has the right and obligation to resist. No resistance in history was easy. But we undertook the popular vote, and we trust the people on the difficult matters. It is to the difficult matters that we must respond. And we must not fear.

This statement was translated by Nicholas Evangelos Levis for AnalyzeGreece! from the Greek text on Left.gr. The full translation is available here.