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## The European Left and the Greek Tragedy

By Dimitris Konstantakopoulos  
May 23, 2017

The day Greek workers and employees went on general strike, protesting against a new barrage of so-called “reforms” imposed by the “creditors” in the context of a program that is destroying Greeks and their country, a statement on Greece was issued by the Presidents of the Social Democratic, Green and the “Radical Leftist” Groups in the European Parliament Gianni Pitella, Ska Keller and Gabi Zimmer.

We still hope the Eurodeputies of those three groups will repudiate this unbelievable and shameful statement. For the time being they have not done so. (1) Those three “Leftist” leaders have not found, in their statement, one word of solidarity for the families of tens of thousands of Greeks who have been driven to end lives they could not tolerate any more, as a result of the “reforms” imposed on Greece by the German and other European governments, the EU and the IMF.

They did not find a word of solidarity for the 1.5 million Greeks living in conditions of extreme poverty as a result of the policy endorsed and applied by Frau Merkel, M. Juncker and Mme. Lagarde.

They did not find a word of solidarity for pensioners who now see their pensions being cut by another 30% in the 17<sup>th</sup> successive pension reduction in seven years, imposed by the creditors and voted by the Greek Parliament in a context of threat and blackmail. On the contrary, they supported the legislation cutting these pensions.

They did not find a word of sympathy for poor Greek cancer patients who will die because they don't have the money to pay for treatment in a private hospital, at a time when the Greek health system is crumbling under the cuts imposed as a consequence of the reforms imposed by Germany, the EU and the IMF.

But these allegedly Leftist Eurodeputies did find words to urge the Greek government to proceed with continuation of the so- called reforms, imposed through an alliance of German and other European elites with international finance, reforms which have already caused – and keep causing – one of the greatest economic and social catastrophes in the whole history of international capitalism.

One wonders if anybody in Europe needs such a Left and if yes what for.

### **EU-IMF Reforms in Greece – how to destroy an economy!**

It is enough to remember that Greece, as a result of a program supposedly designed to help it, has seen a fall of 27% in its economic output, its GDP. This is more, in relative terms, than the material losses of France or Germany during the First World War. It is more than what we witnessed during the depression of 1929-33 in the USA or the crisis of the Weimar Republic in Germany. Greece is approaching ten years of continuous recession, which is probably an absolute record in history.

The German Finance Minister, Herr Schaeuble, a figure who seems to have escaped from the pages of Marquis de Sade and, unlike M. Juncker or Mme. Lagarde, is unable to hide it, explained these facts at the Davos conference last year by calling the Greek PM, and indirectly all Greeks, “stupid”. He said that his reforms were a great idea, but what was stupid was the way Greeks were implementing them.

I don't know and I don't care whether Herr Schaeuble is intelligent or stupid. What I know is that Mr. Shaeuble is a liar.

One day it crossed my mind that, as I am a Greek, most probably I am also stupid. So I decided to ask a German, the head of the “European Task Force” for Greece, Mr. Reichenbach, why there is such a difference in the outcome of the Troika programs for Greece and, for example, Portugal. Mr. Reichenbach responded by saying “We obtained these results in Greece because we subtracted three times more demand from the Greek economy than from the Portuguese economy”.

Indeed. As simple as that. This deep, unprecedented, depression was and is the ineluctable result of the economic measures imposed by the Troika.

### **A Crime and an Act of War, not a Mistake**

The Greek disaster has nothing to do with intelligence or stupidity. Neither was it or is it a mistake because

- 1) If it was a mistake it would have been corrected long ago.
- 2) It is difficult to believe that some of the finest economists in the world, very well paid by the IMF, the EU or the German and French governments can make such “mistakes”, that is to say, to destroy a whole European country by accident, as it were, without understanding what they are doing. (2)
- 3) As we know now from published revelations and internal reviews of the IMF itself, this program was adopted by virtue of a coup d'état within the IMF itself in 2010, leading to its circumventing of its own rules and statutes. Such a coup d'état was necessary precisely because the economists were able to predict the outcome, not because they were not able to, and such an outcome was clearly unacceptable even in terms of neoliberal orthodoxy.

For such a coup to happen inside the IMF would be simply impossible without the consent of the German, French and US governments, of the EU Commission and of the Captains of international high finance.

This is why the Greek Reform Program was no mistake but was and remains the **premeditated assassination, by economic and political means, of a Europeannation** and its state, for reasons of much wider significance than the significance of the country itself.

If they went so far in Greece and not in the other southern European countries, this was also done on purpose, because if they tried to apply such a program in all southern countries they would run the risk of consolidating an alliance and triggering a revolt of half of Europe. This is why they had to choose just one country as a site for their experiment, using it as a scapegoat for all European ills and a threat or warning, by implication, for all the others. (In this they were successful, if we are to judge from the behavior of Mr. Pitella, who seems not to remember what happened to Italy in the past, as a consequence of its alliance with Germany). All this has been very well explained in past texts of the European Radical Left (3).

They said in 2010 that they want to help Greece solve its problems. They keep repeating that Greece has received an enormous amount of financial help from its European partners and the IMF. That is true. But what they don't say is that more than 95% of that money went back to Deutsche Bank, PNB Paribas and other European and US banks.

The Greek bail-out program was truly a bail-out program, but not for Greece. It was a bail-out program for European and US banks, who were able to write off their losses by writing them into the Greek state budget, making the Greek sovereign debt more “unsustainable” and destroying Greece's productive and social infrastructure.

At the same time Germany and other northern countries made a huge direct, net financial gain out of the destruction of Greece, in terms of the rates paid for their state bonds, not to speak of the profit out of the looting of Greek public and private property and not to speak also of the profit from the postponement, through the destruction of Greece, of the always looming crisis of the European banking sector.

In 2010 they said that Greece had to adopt the bail-out program because it was over-indebted. As a result of those policies the Greek sovereign debt climbed from 115% of the GDP to 185% of GDP and, at the same time, an equally important private debt bubble has been created. Putting aside the theory that the people running the European economy are stupid and don't know what they are doing, the quite obvious conclusion is again that what the designers of this reform program had in mind is exactly what they achieved. Their objective was to increase Greek sovereign and private debt and then use it, as they have done, to appropriate Greek public and private property and Greek state sovereignty.

This is why the German government persistently refuses serious debate on debt and any serious and definite solution to the problem. It is not so much that Schaeuble does not want Germans "to pay for Greeks", as Germany and its banks have already made a lot of money, both directly and indirectly, from the destruction of Greece. It is that Berlin wants to keep this weapon in its permanent possession and use it to loot and subjugate Greece.

The IMF also wants to keep it, but it also wants more stability in the whole program and also its gradual transposition from Greece to the whole of Europe. This is why it wants to see some kind of alleviation, but of course not alleviation that will make Greece a sovereign country again. And this is why the "medium-term debt- alleviation measures" currently under negotiation between the IMF and Berlin not only will be insufficient but will also involve neocolonial regulations that will remain in force for many decades.

This situation surrounding Greek debt and the position of the country inside the Eurozone is provoking enormous instability in itself. Only vulture hedge funds want to "invest" in a country when nobody knows what and where it will be tomorrow.

The term "reforms" is the invention of contemporary Orwells and Goebbels to denote what is clearly a crime and an act of looting and of war, albeit not conventional but political and economic: a "debt war" against the Greek people, Greek democracy and sovereignty.

Now Mr. Schaeuble has imposed on Greece the requirement of obtaining surpluses of 3.5% to 4% per year for many years, something clearly impossible. And he keeps pretending that Greece will be able to pay 100 billion euros, to reimburse its debt, at the beginning of the next decade.

Again it is not a question of intelligence or stupidity. It is a question of lies told not only to Europeans in general, but also to the German citizens themselves, who, sooner or later, will pay the bill for the actions of their leaders, as it has happened twice in the 20<sup>th</sup> century.

The European policy of the German Right is not to the social advantage of the German popular classes, because the money Germany is making out of Greece, is not fairly distributed to them. But it is also against the national interest of Germany, as it spends all the political capital it has accumulated after 1945 to destroy and subjugate a small European country. Germans can already see the results in the Brexit and in the rise of the French Far Right. But this is only a prelude to the coming crisis.

Now the question arises again. What is the policy of German and the European “Left”? Do they have one? Did they learn something from the collapse of PASOK in Greece, of the Dutch Labour Party or of the French Socialists. Or they are so dependent from Finance, they are ready to commit suicide?

Maybe, instead of accusing European citizens for turning to the Far Right, it would be more useful for leaders of the European Left to look to a mirror?

### **A coup against European Democracy**

Those Greek “reforms”, supported in the above statement by the supposed “Socialists”, “Ecologists” and “Leftists” in the Europarliament, are not a simple, neoliberal experiment, even a very harsh one. Greece has become a terrain for experimentation in “regime change” and even what we might call “country change” in the West. What they are attempting to do is to transform the regime of Western democracy into a mechanism for direct rule by Finance. The external forms of parliamentary democracy are kept intact, but emptied of content.

Every day the Troika is laying down the law in Athens. Its representatives call government officials every day and shout at them for every word or action, even the smallest, which they deem to be running counter to the “reform program”. As for the representatives of the “Greek government”, they cannot even protest, because to do this would be to run the risk of revealing the degree of servitude they have already accepted.

Thousands of pages of legal text (and nobody knows who prepared it, and on whose orders) are introduced to Greece, translated by automatic translation computer programs from English into often incorrect Greek and then voted by a simulacrum of Parliament, under the pressure ultimatums of a maniac German Minister of Finance and IMF economic assassins. All this in opposition to the will of the Greek people, as directly expressed in the referendum of July 5<sup>th</sup>, 2015 and to the most fundamental provisions of the Greek Constitution and of the Treaties of the EU.

The creditors have usurped even the day-to-day running of the most important business of government by creating a galaxy of “independent authorities”, which are “independent” of the Greek government and the Greek people, but also very much dependent on them.

This is the way things are now run in a member-country of the EU which the Financial Times calls a “Western protectorate”, but others have introduced the perhaps more accurate term of “debt colony” to describe it.

It is not even a straightforward colony. It is a colony subjected to permanent destruction and looting, in the process of being transformed into a variety of slaveeconomy and slave society. More than half of young Greeks do not have a job or the prospect of finding one, in spite of the demolition, in both law and practice, of salaries and of any rights formerly possessed by working persons. Greek parents, and especially mothers, who are probably the most overprotective in all of Europe and until recently loved to keep their

children as close as possible to themselves, now have one great dream: to see their offspring emigrate, even if they have to live in Australia, Africa or the Emirates.

Those who emigrate are the best educated and most active, precisely those whom this country needs if it is to survive. Thousands of very well educated (at the expense of the Greek state) doctors and nurses are, for example, now staffing German hospitals, as the Greek health system crumbles under the weight of the so-called “reforms”.

Once again, there is no mistake. Mr. Strauss-Kahn, at that time head of the IMF, explained to Greek parliamentarians in 2011 that the solution to the problem of unemployment would be for young Greeks to emigrate “temporarily”.

By supporting this kind of “reform”, the statement of the three “Leftists” is endorsing the return of Greece to Medieval social conditions and abolition of democracy in the country where it was invented and named, for the first time in human history.

Is such an outcome in any way useful for German, Italian and other European working people and ordinary citizens?

If Finance succeeds, with the help of European political elites, including so-called Leftists, in imposing such a regime on Greece, it will not try to expand it, sooner or later, first to Southern, then also to Northern Europe?

### **The Looting of Greece**

The statement unfortunately not only supports the economic and social destruction of Greece and the abolition of democracy. It also supports the looting of this country. Its words on free competition coincide with the pressure being placed upon the Greek government to abandon its last resistance to the selling off of all Greek public property, including the selling off of the country’s main electricity producing company, the Public Power Corporation. They speak of competition, but in fact what they want to ensure is that German and not Chinese economic interests should be the owners of the Greek energy company!

Who is really writing such communiques like the one signed by the three Presidents? They themselves do it, their assistants do it or representatives of private interests are doing that?

Now the European Central Bank is excluding Greece from quantitative easing. As a result perfectly healthy and successful Greek enterprises are in the situation of not being able to obtain financing and are in a very disadvantageous position by comparison with their foreign competitors who, with the help of this unfair competition, are conquering the Greek market, or what remains of it.

They have acquired, or they are acquiring, the communications, the airports, albeit only the profitable ones, the tourist industry, the real estate. They are taking over everything, including

the private property of Greeks, through exorbitant taxation, imposed by the necessity of serving a unsustainable debt.

You don't need to be a leftist or a socialist to revolt against the return of relations between European nations to the situation prevailing during the opium wars of British imperialism against China.

To revolt it is enough to have elementary human dignity.

Unfortunately things can get even worse. If these policies continue they will achieve in the long run what Mikis Theodorakis once called "Greece without Greeks". Many people avoid having children. Young people are emigrating, Greece is in continuous demographic contraction, with its population becoming weaker and weaker in every possible way.

If this process continues Greece will become a country ruled by foreigners, owned by foreigners, inhabited by fewer and fewer old and sick natives. The empire of Finance will have triumphed exactly where the Acropolis still stands as a reminder of the defeated saga of the Athenian democracy, the first, and to the present day not surpassed, effort of human beings to rule themselves.

## **The IMF and Debt**

The three representatives of the "European Left" are also supporting, indirectly but clearly, continuation of the presence of the IMF in Europe in the role of supreme economic governor. I wonder since when exactly such an organization, which, by its activities in the Third and the ex-"Socialist" world, has earned a far worse reputation than, for example, the CIA, and which constitutes nothing other than the collective expression of the will of international finance capital and the United States of America, is the right tool to govern the economy of any European state.

Our three "Leftists" are also supporting some vague "medium- term Greek alleviation scheme" now being discussed between Germany and the IMF. Do they know what it is all about? Because the previous restructuring, known as PSI, turned out to be the first debt restructuring in living memory to go so clearly against the interests of the debtor.

In the context of this PSI they first obliged Greek hospitals, pension funds, universities to write off their state bonds, thus losing the greater part of their property. They then embarked on radical transformation of the legal terms of the Greek sovereign debt, to the disadvantage of Greece, by changing it from debt to private entities to debt to states, introducing British colonial law and the jurisdiction of foreign courts over questions related to debt disputes.

Before the 2011 PSI debt restructuring the Greek debt was denominated in the Greek national currency, so it goes without saying that it would be converted automatically into a Greek currency if Greece had decided to leave the Euro. After 2011 it was denominated in euros.



Previously the Greek Parliament and Greek courts were responsible for it. Now, British colonial law is applicable and foreign courts have the jurisdiction to judge the relevant conflicts.

Again, this debt restructuring did not lead to diminution but to increase in the Greek debt as a percentage of GDP.

The creditors introduced, and had the Greek Parliament adopt, measures as suicidal as this by taking advantage of the fact that the two main Greek parties of this time, PASOK and New Democracy were, as has now been amply proved, on the payroll of the German company Siemens and many other firms. Even if they wanted to, Greek politicians could not do anything to resist foreign pressure, because they would immediately run the risk of their bribery being disclosed and prosecuted.

Why did these “Leftist” Europarliamentarians not ask for an international commission to be established to investigate the Greek question as a whole, the origin of the Greek debt, the Goldman Sachs swaps, to ask Mr. Draghi, a veteran of this bank to explain what he knows about all that, the role of the German government and of the Brussels Commission, the connections between business leaders in France and in Germany and the corrupted Greek political class, and many other things that could help European citizens understand what is happening.

Now the empire of Finance has been able to transform its own crisis into an intra-European debt war. European citizens would most probably unite in opposition if they became conscious of what Finance has done and how it is using intra-European antagonisms.

Do these “Leftist” parties have a position on the crux of the matter, the Greek Debt and the neocolonial agreements imposed by Berlin, the EU, the ECB and the IMF on Greece? Or do they not?

### **The solution to the Greek question**

To summarize our own position:

There are three and only three things that all decent economists in the world would agree on:

- the Greek “reform” program was and continues to be a disaster
- the Greek debt is unsustainable
- the Earth is flat and it is rotating around the Sun

You don’t need to be a leftist, a socialist or a communist to understand this. It is enough to read the newspaper of German industrialists, *Handelsblatt* or the studies of German economic institutes. Careful reading of both would be very useful to anybody wishing to make a government career in Berlin.



The nature of the policies applied in Greece is objective, it does not change because the Greek PM calls himself a “radical Leftist”.

Tsipras will, after all, be judged for the way he prepared, or rather did not prepare, the Greek people to resist the forces attacking them. But whatever Greek governments say or do, it does not alter the responsibilities of the attacking forces: Berlin, Brussels and the IMF.

Anyone who wants to propose a solution to the Greek problem must, first of all, answer these questions. And that includes Grexit supporters, because these problems are the problems which are literally killing Greeks and Greece and they will not disappear if tomorrow Greece leaves the Euro and/or the EU.(4)

For various reasons a great deal of confusion prevails in the discussions about Greece, along with great oversimplification, as the Greek problem is presented mainly or solely as a problem of belonging or not belonging to the eurozone. While very important per se, this discussion obscures the fact that any progressive, democratic solution to the Greek crisis, any solution with the potential to save Greece and curb the offensive of the new European Financial Totalitarianism, has to include three elements irrespective of the currency question:

- the need to revoke the agreements between Greece and the creditors
- the need for very serious alleviation of the Greek sovereign debt or, at minimum, a moratorium on payments until the country makes a firm return to the road of development
- a Marshall Plan to repair the damage done and open new prospects for this country.

These are not socialist or communist policies. They are the policies the United States of America introduced after World War II as a means of dealing with the German question.

They are policies that should be integrated into a serious political program for the whole of the continent (something which the European Left now lacks) and linked to the effort to build a European political subject to complement the national political subjects and struggle for that program. Like it or not, objectively Europeans are living more and more in a single state. But our political and public life is, subjectively, confined to national contexts that are becoming more and more irrelevant. There is an urgent need for this gap to be overcome. A federation of European national-popular leftist movements, able really to act as a European political subject, is more necessary now than at the time of the Zimmerwald conference.

## Notes

(1) It is probable that this communique was issued because of anxiety about the outcome of the Eurogroup meeting of May 22<sup>nd</sup>. We would like also for such a crisis not to happen now for one reason: the Greek people and the European democratic and progressive forces are completely unprepared to handle it. But, if it happens, it will happen because of the very structure of the program and because of the stubborn attitude of the German Finance Minister, who wants to humiliate the Greek government and oblige it to leave the Eurozone against its own will and who

refuses to discuss anything related to the Greek debt. One can criticize Schaeuble for what he is doing without endorsing a program which is tantamount to a disaster for Greeks and Greece.

(2) In fact, the German government and German or French private firms like Siemens or banks or their friends of Goldman Sachs always knew much better than the Greek government and the Greek people what is happening in Greece, for a quite simple reason. For years they were regularly paying the majority of Greek politicians, parties and high state officials, as has been revealed and publicized in both Greece and Germany. It is simply ridiculous to state that Greece falsified the statistical data to enter the eurozone, with the help of Goldman Sachs swaps, without the German government or the European Commission knowing anything. Yunker himself, in a lapse into sincerity, went on the record in 2011, to say, “we all knew what was happening in Greece. But we were not speaking because of French and German exports.”

(3) Mrs. Zimmer can find a lot of information about what it is going on in Greece in texts of her own party Linke or of the Rosa Luxembourg Foundation or in declaration signed by nearly all leaders of European Left and known as the “Mikis-Glezos” appeal.

(4) We cannot in the context of this article discuss the very important question of Grexit. An exit of Greece from the Eurozone may be necessary, even if it does not seem to be the best solution, under today’s concrete circumstances, but by itself is not going to address either the debt question or the consequences of the agreements signed in the past with the creditors. Those two questions, which directly threaten the survival of the Greek people and their state, will remain in place, inside or outside the Eurozone and the EU. This is why, to discuss the Greek problem as mainly or exclusively a euro problem, is, at best, a dangerous oversimplification.

This is also the case because it does not take into account that what we face in Europe is not simply a problem of a “badly” designed currency zone. What we face is an ongoing war of Finance against European democracy and the social welfare state, an offensive which will be felt whether you are inside or outside the eurozone and/or the EU, with or without the EU.

If tomorrow there appears in Greece a political subject and a mass movement which, in the context of a struggle for social survival and consequent elaboration of a coherent and comprehensive project for the salvation of the country, develops such a capacity, then it must prepare itself for introducing a national means of payment. But such a political subject and mass movement simply do not exist now, especially after the disaster of SYRIZA and ANEL.

There can be many “Grexit” and they may have very different economic and geopolitical consequences, from very progressive to very reactionary. It is one thing for a Grexit to be prepared by a serious and strong popular movement and another for it to be prepared in accordance with the preferences of Herr Schaeuble and the most extremist wing of the international establishment after Donald Trump and Marine Le Pen. The second type of Grexit could lead not to a recovery of a degree of Greek national sovereignty but to the destruction of even the last remnants of the Greek state, in the context of wider, very radical geopolitical designs. If you live in Berlin or in Brussels, geopolitics often do not exist. But it is very different if you are located in the Eastern Mediterranean.