LaRouche's Ideas Brought to Greece's Struggle vs. the Financial Oligarchy

by Andrea and Dean Andromidas

Nov. 1—Greece is in the eye of the storm that threatens to drive the world into a new dark age. The threat of nuclear war, occupation by a fascist financial dictatorship, and the need for resistance are felt throughout the country. At this moment of crisis, we spent a full week, Oct. 21-28, in Greece as representatives of the LaRouche movement, holding meetings with leading politicians, economists, political functionaries, government officials, journalists, and retired military officers. There was tremendous interest in what Lyndon LaRouche has to day about the danger of war, and the need to replace Obama as President of the United States; our interlocutors also paid close attention to LaRouche's economic proposals: implementing an emergency financial reform to include the separation banks into commercial and investment banking under the principles of the Glass-Steagall Act; and the economic development of the Mediterranean region.

The policy of the European Union (EU) in its desperate attempt to save the bankrupt banking system and the euro has created a humanitarian catastrophe, in which an entire country, Greece, has been put under a virtual financial blockade, while its population is being forced into abject poverty. The deterioration of the situation since September 2011, when we last visited there, was manifest: There are more beggars on the street, including children; people rummaging through garbage cans; and a general economic degradation of the population. No fewer than 750,000 families, meaning anywhere from 2-3 million of Greece's nearly 11 million people, are now living below the EU poverty line. While official unemployment is over 25%, and is expected to rise to 30% by the end of the year, real unemployment is closer to 50%. Youth unemployment is officially over 55%, the highest in Europe.

Unlike the "shock therapy" inflicted on the former socialist states of Eastern Europe, whose currencies were rendered worthless overnight when the Soviet Union collapsed, because Greece has the euro, international creditors are able to fleece the population through forcing the government to increase taxes, cut pensions, and simply not fund services, especially health care.

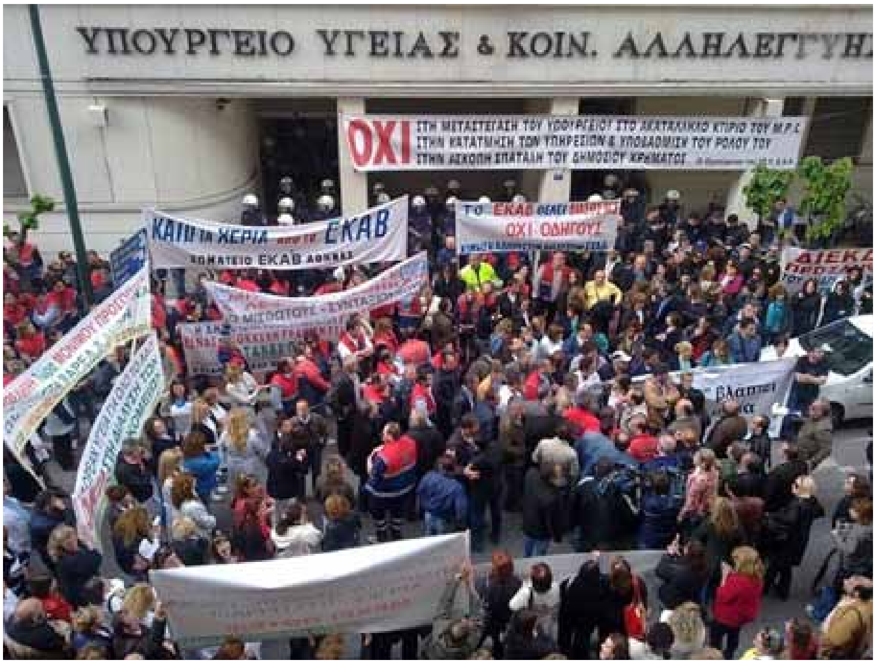
Under Hostile Occupation

Greeks see themselves under hostile occupation and their government as collaborators working under orders of the infamous Troika of the European Commission (EC), the European Central Bank (ECB), and the International Monetary Fund (IMF). Thanks to the German government of Chancellor Angela Merkel, and the Germany media's "lazy Greeks" propaganda, Germany is seen as the big enforcer of this policy, and in some cases, even more so than the EU itself. This extends to German companies that are seen as partners to the rampant corruption among domestic politicians. Companies like Siemens and others have a huge stake in various projects, and are seen as profiting at Greece's expense.

There is no doubt that it is EU policy to deny health care to the Greek population, especially through denial of medicines, as an instrument of terror and blackmail. Expensive life-saving drugs, such as those for cancer, diabetes, and other serious medical conditions, as well as life-saving surgeries are being denied the Greeks by the government's failure to disburse funds from the public health system—which Greek citizens continue to pay into—so as to pay the foreign debt.

We learned from a Greek journalist who is often in Italy, that when he goes to a pharmacy in Italy, it is just like Greece, with customers lining up for their medicines, and being told by the pharmacist that the government has not been reimbursing him. This is also the case in Portugal; all of which demonstrates, that this is in fact an EU policy and will be applied to all countries.

The cuts in salaries, increases in taxation, etc., are never-ending. Those who work, whether in the private or public sector, have had deep cuts in their salaries,



The EU-dictated denial of health care, especially medicines, including life-saving drugs such as those for cancer, is killing untold numbers of people in Greece. Here, a protest against health-care cuts, earlier this year.

from 25 to 50%, with many not having received salaries for up to 20 months. And even when they are not paid, people must pay taxes, and contribute to their pension and health funds, or be denied benefits.

One journalist offered a dramatic description of the depression, fear, helplessness, and rage the population is experiencing. He said that impoverishment is driving even honest people to commit illegal acts. For instance, subway, bus, and train fares are to increase by 25% by the end of the year; people will just not pay. This is already happening, and in solidarity, many passengers pass their tickets to others, as they leave the subway.

Greek salaries, always among the lowest in the EU, have decreased even further, averaging EU750-1,500 (about $965-1925) a month. A middle-level government employee, whose qualifications would entitle him to over EU2,000 a month in Germany, makes less than EU1,000 in Greece. Rents and mortgage payments are not much less than in Germany, and food is more expensive in Greece than in Germany. Prices for dairy products, bread, meat, and beverages such as beer and wine, are higher, in many cases, by as much as 30%. Now the government has announced an increase of 40% in fuel and electricity prices. This is a life-threatening increase. Heating fuel will go up to EU1.60 per liter, almost twice as high as in Germany, and equivalent to the price of super-diesel, used in luxury turbo-charged diesel-engine cars.

The Bailout Policy Has Failed

The so-called 50% haircut given to bondholders earlier this year had virtually no effect on Greece's foreign creditors, but did bankrupt the Greek banks, which held the largest portion of that debt. This led the French bank Crédit Agricole to sell off its Greek subsidiary, Emporiki bank. The freezing up of credit inside Greece has led major companies to transfer their headquarters and stock market listings, and hence potential tax revenue, to locations outside Greece.

Coca-Cola Hellenic Bottling Company SA, the second-largest Coca-Cola affiliate in the world, and the largest company in Greece, which also serviced 28 other countries, transferred its headquarters to Switzerland, and its stock market listing to London, thus cutting the total value of equity listed in Athens to about $31 billion from $39.2 billion, according to Bloomberg.com.

One of Greece's largest dairy companies, FAGE, moved its headquarters to Luxembourg, because it was unable to access credit lines in Greece.

These are only the largest of the companies to have fled; over the past three years, dozens of companies have moved their production facilities, for example, to Bulgaria, to escape the dramatic increase in taxation.

Clearly, the bailout policy has proven to be a total failure, even in the insane terms defined by the Troika. While Greece had a debt to gross domestic product ratio of 115% when it signed for the bailout in March, it is now expected to reach 189% next year. With the collapse of government revenues because of the collapse of the economy, the budget deficit will be 5.2%, and the economy, which has already shrunk by more than 20% since the bailout started, will collapse another 4.5% next year. According to the Troika's original plan, Greece was, by now, supposed to be in in a growth cycle.

Greece has not even been receiving the bailout credits it was promised. It was scheduled to receive EU31 billion after the elections last June. Yet, although

Greece's creditors got the government they wanted, they have still not released the money. It really doesn't matter to the Greek people, since the funds will be going directly to the banks.

Some 2-3 million Greeks are now living below the EU poverty line. Official unemployment is over 25%; youth unemployment is officially over 55%, the highest in Europe. Shown: Digging through the trash for food, Thessaloniki, January 2012.

Aware of the Danger of War

For many Greeks, the danger of a new Middle East war is seen as very much a part of the oppressive European policy being forced on them. They are well aware of their geostrategic location in the eastern Mediterranean, especially given the fact that the U.S. uses Greek bases as part its NATO deployment, while Great Britain has its most important overseas military bases on Cyprus. Already, many of the illegal refugees who flee to Greece over Turkish border are coming from the Afghan and Iraqi war zones; there are fears that a flood of Syrian and Iranian refugees will soon follow. This fear is played upon by the EU to keep Greece from bringing down the whole house of cards, by declaring a debt moratorium and exiting the euro.

Turkey is seen now as following an aggressive Ottoman-style imperial policy under Foreign Minister Ahmed Davutoglu, and many fear that the weakening of Greece's ties with NATO and the EU could open Greece to threats from Turkey. Moreover many realize that behind the war danger is an aggressive policy by the Obama Administration and the European Union against Russia and China.

Russia, which traditionally shares Greece's Orthodox Christian faith, has expressed keen interest in investing in Greece, and is its primary source for oil and gas, while Russian tourists are among the top visitors to Greece. Leasing one of the two container terminals in Greece's main port of Piraeus, China has made Greece its major entry point for its exports to Europe. Yet Greece has been under pressure from both the EU and the U.S. not to enhance these ties. Greece is even being told it they cannot borrow money from Russia or China, on penalty of violating the terms of the EU bailout agreement.

The threat of thermonuclear war is less well understood. We met with Gen. Kostas Konstandinidis (ret.), a founding member of NATO Generals Against Nuclear War, who understood the danger of war, but was skeptical that it would be a thermonuclear war prior to the meeting; he was soon convinced. Although well into his 80s, he committed himself mobilizing his networks against the war danger.

Implement Glass-Steagall; Bury the Euro

If Greece is to survive, the United States will have to implement a Glass-Steagall reform, and Europe will have to follow. Then a new credit system would have to be created. This can only be accomplished if the nations of Europe take back their sovereignty, bury the euro, and return to national currencies backed by appropriate credit institutions to fund the LaRouche movement's "Program for an Economic Miracle in Southern Europe, the Mediterranean Region, and Africa," including the "Marshal Plan for Greece."[1] This was the message LaRouche representatives brought to our Greek partners.

There was tremendous interest in our program of reconstruction and development, but it provoked the question, "How will this be financed?" And this was the point at which real discussions and debates began. While there was widespread support for separation of banks along Glass-Steagall lines, there continues to be a great deal of blindness to the need to dump the euro, even among those opposing the hated Troika. It is clear that there is an active attempt to drag the opposition behind various dubious "European" schemes, such as enhancing federalism, joint budgets, having the ECB finance governments, and various schemes to "recycle"

1. See *EIR*, June 8, 2012.

so-called "surpluses" of the North into the South. Thus, the issue of what LaRouche has defined as a real "credit system" is, was at the center of every discussion. Nonetheless, outside of parliament, there is a growing anti-euro movement, led by people who enjoy considerable credibility.

We had the opportunity to meet the leader of the "Gang of the Drachma," economist and former parliamentarian Theodore Katsanevas, who is one of the most outspoken advocates for Greece to win back its sovereignty by dumping the euro and returning to the drachma.

"This is the worst period in Greece; it's like the German occupation all over again," he said (referring to the years 1941-45). He added that to be against the euro is to open oneself to massive attacks by the media and political class. One is either called a lunatic, based on the claim that if Greece were to return to the drachma, the country would fall into the abyss; or part of a mafia of rich Greeks who have huge Swiss bank accounts and will buy up everything, once Greece returns to the drachma. Katsanevas's new book on exiting the euro, released the week of our meeting, had already sold 5,000 copies. Katsanevas's plan, in addition to returning to the drachma, calls for bilateral negotiations to reduce the value of the debt to 30% with a two-year moratorium on debt payments, government controls over speculation, etc.—steps which any sovereign state would implement within the rights of its national constitution, but which are expressly forbidden by Europe's imperial euro system.

The widespread belief is that after the U.S elections, a major financial crisis will explode, starting with Greece, and that the current government, led by the conservative New Democracy, and including the Pasok and Democratic Left parties, will collapse by the end of the year. This will bring to power some combination of parties, including the anti-bailout parties, the left-wing Syriza, and the nationalist Independent Greeks.

On the other hand, many Greeks see the need to go outside the party system, hoping for a leader who can unite the right and the left into a national salvation government. While Greek composer and resistance leader Mikis Theodorakis has demonstrated that he can inspire millions of Greeks to resist, and has an idea of a national policy of salvation, his advanced age and poor health prevent him from playing that role. Other leaders will have to come forward.