

To Rescue Greece, the U.S. Must Return to Glass-Steagall

by Andrea and Dean Andromidas

The authors, members of the LaRouche movement, were in Greece Sept. 19-29, to bring the international campaign for revival of Glass-Steagall, and the LaRouche movement's economic development perspective to Greek political leaders, activists, scientists, engineers, and economists. Here is Part 2 of their report; Part 1 appeared in EIR, Oct. 11, 2013.

There was a direct relationship between the openness of the people we met in Greece, and the ongoing, dramatic collapse of the country. The last two years' disintegration of the Greek economy and social fabric were starkly evident: On a visit in September 2011, less than one year into the dreaded Memorandum of Understanding, the brutal austerity program demanded by Greece's foreign creditors, we did not encounter Greeks begging in the streets of Athens, nor a proliferation of people selling flowers, "art work," or performing music on the street, asking for few coins from passing tourists.

In October 2012, we encountered panhandlers perhaps every 100 or 200 meters, but now, in September 2013, every 20 meters, we were confronted by these scenes; these included pensioners, unemployed youth, and adults who can no longer feed and house their families.

There is a further deterioration of the city in general. Most striking is the commercial district, which only a few years ago was a thriving area, with four-star hotels, office buildings, government ministries, and museums, and which has now become a no-go area at night, with quality tourist hotels going out of business. Empty storefronts abound in all parts of the city, including in the most upscale neighborhoods in the very shadow of the Parliament.

Our discussion partners told us new horror stories of the collapse of the health-care system, dramatic in-

creases in taxes, cuts in salaries—that is, if you are lucky enough to be employed—and pensioners thrown into impoverishment.

Walking around Athens, in addition to the reports we received from our interlocutors, confirmed the reality of the harsh statistics: 27.9% unemployment, with the Greek trade union-linked Labor Institute forecasting an increase to 34% over the next year. One Greek informant put the real figure at 40%, or even 50%, when the bankruptcy of "mini-businesses"—shopkeepers and the informal economy, who do not show up in statistics—is taken into account. Most shocking is the 64% youth unemployment, which has caused a mass exodus of young, well-educated Greeks in search of a livelihood.

According to the latest figures from the European Union's statistical agency Eurostat, 31% of Greeks were "at risk of poverty or social exclusion"¹ in 2011, a figure that has, without doubt, increased over the last two years. Membership in the Eurozone has put Greece into the same category of poverty as Bulgaria and Romania, which have the highest poverty rates in the EU—49.1% and 40.3%, respectively.

Troika Genocide: Health Care

The infamous Troika, the overseers from the International Monetary Fund, European Commission, and European Central Bank, are repeatedly demanding more murderous cuts—a policy that can only be described as genocide.

The so-called "reform" of the health-care system has become a leading cause of death in Greece. This system, though managed by the state's own health-

1. This statistical category, known as AROPE, refers to people either at risk of poverty, severely materially deprived, or living in a household with a very low work intensity.



YouTube

With 64% youth unemployment in Greece, young people are forced onto the streets to beg for coins from tourists, or flee the country in search of work.

insurance schemes, was never free, but as insurance premiums have increased, the level of services provided has dramatically decreased.

A survey conducted by Kapa Research for the National School of Public Health, showed that nearly six Greeks in ten are reducing the dosages of their medications to save money, as the “reforms” have increased costs. This is if they are able to even find the drugs they need, since some international pharmaceutical companies have blacklisted Greece, because the government owes pharmacies hundreds of millions of euros. This has led to a notorious shortage of expensive drugs for cancer and other diseases. For those who have been thrown below the poverty line, it has become a question of a choice between eating, or buying medicine they need to survive.

The Kapa Research survey revealed that more than 60% of respondents reported that the crisis has had a serious impact on their health, while 56.9% complained of mental health issues.

The Troika reforms have led to mass closings of hospitals, including five in the Athens metropolitan region, where patients are left in beds placed in hospital hallways, as the number of intensive-care beds has declined; Greece now has half the number of intensive-care beds as the European Union average. Even if the beds remained available, the shortage of personnel, including doctors and qualified nurses, has made it impossible to deliver the necessary care. This has particularly affected the many Greek islands where emergency health services have been dramatically reduced.

Under the demands of the Troika, the state-managed health insurance company EOPYY no longer funds visits to medical specialists. On Oct. 8, the physicians’ union issued a statement denouncing the decision as “inconceivable,” and part of a plan to exclude specialist doctors from primary health care.

The union charged that “this will lead to the tragic deterioration of the quality of health-care services, the cost increase of health-care services, since every citizen will be forced to pay to see a specialist doctor, the creation of conditions for corruption, and the closure of thousands of clinics

and labs, resulting in an explosion of unemployment in the health-care services sector.”

Public Sector, Education Gutted

The Greek economy has shrunk by almost a third in the last three years, and now there is a widespread lack of credit, to the point that still profitable companies have been forced to relocate their headquarters to other countries to access liquidity. Greece’s biggest metals-processing group, Viohalco, has transferred its headquarters to Brussels. This follows similar moves by Coca-Cola, HBC, S&B Minerals, and the food company Fage, all of which are among the country’s biggest and most profitable companies. While they have not closed down production, the moves are expected to have a significant impact on tax revenues.

As bad as the situation is, it is programmed to get even worse. The Troika is forcing the government to lay off tens of thousands of public-sector workers; already thousands of positions in the schools and universities, including teachers, administrative, and security personnel, as well as municipal workers, are being eliminated.

A vice-director of one of the country’s most important technical universities explained to *EIR* how the policy will destroy Greece’s most effective university system. Combined with the 64% youth unemployment, this policy is destroying the country’s very ability to survive.

The privatization of state assets demanded by the Troika has been a failure because of the depressed

global economy. The solution, according to the financial controllers, is for state enterprises, such as Larco, one of the world's major nickel producers, to be liquidated, with its entire workforce dismissed, its debt, all owed to Greek banks, to be liquidated, and then reorganized and sold, without requiring the new owners to hire any of the previous workforce.

The government has already done this with the Greek national broadcaster ERT, when earlier this year, it simply closed the company, firing over 2,500 employees.

All of the funds raised through liquidation will go directly to the country's foreign creditors.

Glass-Steagall and the Fusion Economy

While both the main opposition parties, Syriza and the Independent Greeks, are committed to overturning the Memorandum and suspending payments on the debt, they have not been able to change government policy. The current government of Prime Minister Antonis Samaras (New Democracy) has a majority in the Parliament, and is backed by, and takes its orders from, the other governments of the Eurozone, which are in the thrall of the European financial oligarchy. The only effective way to force a change in policy is for the U.S. Congress to pass Glass-Steagall, opening the way for the creation of sovereign national credit systems, and the implementation of the Schiller Institute's emergency program for development of the Mediterranean region. (See "There Is Life After the Euro! [Program for an Economic Miracle in Southern Europe, the Mediterranean Region, and Africa.](#)") Once Congress passes Glass-Steagall, it will become possible to overthrow the so-called universal banking system in Europe, and the Eurozone.

In our discussions with representatives of all the parliamentary opposition parties, and the three anti-euro parties that are not represented in parliament, there was a clear appreciation of this assessment. The main opposition party, Syriza, has Glass-Steagall in its program, along with its intention to repudiate the Memorandum and the debt.

The Drachma 5 party also calls for the repudiation of the Memorandum, a debt moratorium, and Glass-Steagall-style bank separation. Its leader, Prof. Theodore [Katsanevas](#), who addressed the Schiller Institute conference in Germany last April, invited the La-Rouche representatives to brief his party's central

committee on the fight for Glass-Steagall in the United States. This generated a great deal of interest and discussion.

Representatives of the other parties, including the Independent Greeks, Plan B, and the United People's Front (EPAM), all saw the importance for Greece and Europe of the U.S. Congress passing Glass-Steagall.

Despite the conditions that now exist, many Greeks are looking beyond today's catastrophic conditions, and working as best they can to bring Greece forward, both technologically and scientifically. There was real interest in the Schiller Institute's call to bring the world economy onto a new technological and scientific platform through the development of thermonuclear fusion energy. In discussions with representatives of Greece's relatively small, but dynamic space industries sector, we learned that proposals have been made to set up a zone in Athens for high-technology enterprise, especially space technology.

Greece's most valuable resource is its highly educated youth, who are being destroyed by a policy that has created the soaring youth unemployment. The engineers and scientists among the younger generation, many of whom have gone to the best universities in Greece, in other European countries, or in the United States, are fully capable of being integrated into programs to build the most advanced space technologies, especially satellites. Greece's space industries have been promoting a proposal to build a space launch center on Crete, Greece's southernmost island, for low- and medium-height satellite launchings. Neighboring countries have expressed interest in the project, and the proposal has been brought before the relevant European institutions.

While Greece was among the first nations to sign President Eisenhower's Atoms for Peace agreement, and had entered the planning stages twice for nuclear power stations, it not only does not have any nuclear power stations, but talk of nuclear energy for Greece is as taboo as it is in Germany. Yet Greek nuclear engineers and scientists are playing leading roles in the industry in other countries, especially the United States. And there is a current in the country that supports nuclear power; others, while not calling for the nuclear option to be adopted now, nonetheless realize that it should remain open for some time in the future.

The Athens-based Institute of Energy for South East



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The Acropolis, crowned by the Parthenon, is a reminder of why the world needs the Classical culture of Greece, and why the nation must be freed from the mass-murderous program of the Troika.

Europe, which deals with all energy issues affecting Greece and the Balkans, while not promoting nuclear power for Greece at this moment, has held regional conferences on nuclear energy in Sofia, Bulgaria, in cooperation with Bulgaria's and Romania's nuclear power industries. A group of Greek marine engineers has drafted studies for developing nuclear propulsion for large cargo ships, especially supertankers and bulk carriers; there is also interest among scientists, industrialists, and others in the development of small, modular nuclear reactors to provide power for Greece's far-flung islands.

The Cultural Weapons Needed To Save the Nation

While Classical Greece is an ever-present source of inspiration for the population, especially for Athenians who live in the shadow of the Acropolis, there are modern literary and musical figures of the 20th Century who have had an inspiring influence, and who have played key roles empowering the population with the moral strength to fight through the many trials Greece experienced in the last century, including the Nazi occupation, the bitter and bloody postwar Civil War, and the 1967-74 military dictatorship.

Among the most important names are the poet An-

gelos Sikelianos and the literary giant Nikos Kazantzakis, who were active up through the 1950s. They were followed by the next generation, among whom Mikis Theodorakis, Greece's greatest modern composer, is the most well known. Though elderly and frail, Theodorakis founded a movement to fight against the Memorandum (see "Mikos Theodorakis: The Truth about Greece," *EIR*, Feb. 24, 2012). From as early as the 1960s, Theodorakis had taken the works of Sikelianos and Kazantzakis, among others, to create musical compositions which served to mobilize the moral strength of the population to resist the military dictatorship, and to aspire for a progressive future for Greece and the world.

While the works of these artists still strike a chord among the citizens of Greece, *EIR* learned that the political establishment and official institutions, including the National Theater and Opera Company, rarely, if ever, perform the major works of Theodorakis or the tragic dramas of Kazantzakis, whose moral message is as important, perhaps more so, now, as when they were first composed. This is especially true for the youth, who, under current conditions, are offered no future.

The importance of these ideas came into sharp focus during a private meeting with businessmen, attorneys, scientists, and intellectuals, organized for the authors to present the case for Glass-Steagall and the initiatives of the Schiller Institute. Over a span of three hours, the discussion covered the entire range of the crisis in its full ramifications—economic, cultural, and scientific—and the required solutions if Greece and this world are to survive. The meeting was held in the rooftop dining room of the Hellenic American Union, whose panoramic view of the Acropolis, one of the world's most important creative works, served to underscore the absolute necessity to free Greece and the rest of Europe from the monstrous policy that has been imposed by the British financial oligarchy.