

“Greece must convince the world that it has the right to immediately cancel its debt”

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The economist underlines to the “Monde” that the explosion of the global debt because of the pandemic, re-enforces the claim of the annulation of the Greek debt.

Question of Tribune: The great existentialist challenges that Greece has to face today are the external threats on its security, the disastrous situation of its economy and the migration crisis. Even though we do not know yet which of these three serious problems will drive the country to a disaster, we continue to examine them in a static manner.

Let us concentrate on the economy which is on the verge of a collapse. It is urgent to take measures that go beyond doing nothing and being unreasonable optimistic. The public debt of Greece has reached 210% of its GDP while it did not represent 120% at the beginning of the crisis when it was considered to be unsustainable and the EU asked for the assistance of the IMF to solve the problem.

How will Greece’s partners evaluate the situation with a debt of 210%?

Answer: *Evidently as a sign of an impending bankruptcy that would justify a fourth memorandum (Greece had three rescue programs with strict conditions) that would be valid, let us say, until the year 3000! The debt of 2020 does not even include the economic results of 2021 and the disastrous results of the pandemic that will certainly drive the debt to even higher and uncontrollable levels.*

European Economic Colony

In this way Greece becomes an economic European colony for an indefinite period of time. The government announcements of social assistance to the weak, support measures to the small and medium size enterprises optimistically will amount to 32 billion euros and in practical terms will be eliminated by the unsupportable burden of an uncontrollable debt. Thus, Greece will have to satisfy itself with crumbs from the recovery funds, which will be distributed mainly in the form of imports of electric vehicles and other products of new technologies coming from northern Europe. It is true that in the past, Greece did not have the courage to prevent the destruction of its agricultural sector by the Common Agricultural Policy and its developing industry by an uncontrollable globalization. It signed for ten consecutive years memoranda that were presented as being necessary to save the country in spite of the fact that the GNP was reduced by 25%.

Question: The supporters of the cancellation of the debt have they calculated that they are handling an explosive issue?

Answer: *In his memoirs, former US President Barack Obama observes that “they (his European counterparts) rarely mentioned that the German and French banks were among the most important creditors of Greece and that the largest part of the Greek debt had been created by the export of German and French products to Greece, a fact that they could have explained to their electorates as the reason why they wanted to save the Greeks. Perhaps they were*

afraid that this would cause their electorates to go against them since they were responsible to control the banks.” (A Promised Land, Crown editions, 2020.)

This simple observation and the pandemic that increased the global debt to 365% of the global GNP, have created new developments that could prevent Greece from facing an inglorious end, under the condition of course that Greece wants to be saved. The country must mobilize and convince the world that it has the right to immediately annul its debt and also to request the payment of the loan of the German occupation and of reparations (1941-1944, that were cancelled in 1953). Greece should ask for all the above, the solidarity of world public opinion.

There is no danger of inflation

Since it is considered impossible for the global debt to be paid and since the world is threatened with a gigantic crash, a silent agreement has been developed for its deletion. Thus, we had the inconceivable statement of the Director of the IMF who said” that debt and deficit are no problem”. Then 150 famous economists signed a declaration in favor of debt deletion. Many articles published recently in international economic journals are raising the issue of the excessive debt from the pandemic and are advising for its cancellation. The fact that there is, for the moment, no inflationary danger in spite of having spent over 3 billion for combatting the virus and that inflation remains at less than 2%, is an argument in favor of deleting the debt. It should be noted of course that Ms. Christine Lagarde, Chairwoman of the European Central Bank, recently declared that she is against reducing the debt since it goes against the basic principles of the EU and that the Greek case is special. In favor of deleting the Greek debt is the official statement of Barak Obama that Greece was sacrificed in order to save the European banks. If this accusation is accompanied with data proving the destruction of Greek economy, it will be difficult for the EU to face this justified international outcry.

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