

Agency to Enslave Greeks Is Established

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Late on Thursday, July 16th, German Economic News headlined [“Greece: Debt Restructuring Through the Back Door,”](#) and reported that, “The majority of Greece’s national debt is to be moved in the next three years gradually to the euro bailout fund ESM [European Stability Mechanism], so that the IMF will continue to remain as a lender. The euro zone countries will thereby provide Athens a longer grace period [a temporary postponement of payments, while the 18% annual interest-rate soars Greece’s debt even higher], and longer repayment periods.”

The super-secretive European Stability Mechanism was set up in 2012, in order to handle Greece’s anticipated virtual receivership, which it now will do.

As [I reported on July 16th](#), the [treaty](#) that in 2012 established the ESM, as being the ultimate lending-fund, for what the EU now officially considers to be a permanent economic crisis in Europe — of Greece and other member-nations that are experiencing “severe financing problems” — establishes the ESM as being so secretive, that a precondition of employment there is “Professional secrecy,” which will apply “even after their duties have ceased” (i.e., they’ve retired). In other words: the goal is that the public will never be able to know anything that goes on there, except what the top management issue in their speeches and press releases (if any). Furthermore, the ESM is above and beyond any democratic process, and is immune to any nation’s laws. Everyone in its employ “shall be immune from legal proceedings with respect to acts performed by them in their official capacity and shall enjoy inviolability in respect of their official papers and documents.” (That’s necessary in order to ensure that no information can ever be released by the employees — only the ESM’s public statements will be.) There will be no democratic accountability, whatsoever. Moreover, “the ESM, its assets, income, property and its operations and transactions authorised by this Treaty shall be exempt from all direct taxes.” (This is because to tax a collection-agency that’s collecting for the aristocracy would be to impose a tax *upon* the aristocracy — it would reduce their take.)

German Economic News goes on to report that:

By the gradual restructuring of the Greek ECB and IMF liabilities to the ESM, Athens is to be largely isolated for years from principal and interest payments. Meanwhile, Merkel can continue to say that a classic haircut did not take place [meaning that all of the principal and interest will continue to be due — they’re merely being postponed while the debt is still growing], but at the same time the oppressive principal and interest payments by Greece will be moved into the distant future [and then collected by ESM]. In fact, it is the principal and interest payments to the ECB and the IMF, which recently brought Athens especially into trouble [for example, [by growing Greek debt from 110B euros in 2010, to 323B euros in 2015](#)], while there will be applied to the direct and indirect (via the euro rescue package) loans of euro-zone countries to Greece,

elongated repayment and repayment periods. This temporary neutralizing of the Greek debt mountain gets Greek Prime Minister Alexis Tsipras through the back door that he so vehemently demanded: he will have air to breathe.” In other words: until he is re-elected, Greeks won’t yet have experienced the full ferocity of what had hit them with. And: the longer they don’t experience it, the worse it will become when it does hit.

Here is what has hit the Greeks, that is known about currently:

As my July 16th report also had noted, a confidential document, dated 11 June 2013, [“Real Estate Based Asset Financing for the Hellenic Republic,”](#) describes one portion (the real estate sales) of the planned privatization of the Greek government, Greece’s transfer away from any semblance of democracy, to ownership by international investors. ([This can be compared, in some ways, to Obama’s proposed TPP, TTIP, and TISA, international ‘trade’ deals.](#) It, too, is a huge assault against, even a killer of, democracy.) The document says, “The sale of state-owned assets is a one-off opportunity to raise capital for the Hellenic Republic.” These sales will be occurring while principal and interest on the debt will be postponed and growing. The idea here is that the trap of the Greek public, by the aristocracy, must not snap until there is no way for the victim (the Greek public) to escape from it. Their taxes will soar, while their formerly free government services, including roads, health care, education, pensions, etc, will henceforth be provided by profit-making corporations, at profit-producing prices. The taxes they pay will be going instead to the bondholders.

One thing that I did not, on July 16th, quote from the document, and which is particularly pertinent here, is the following:

Since it will be impossible for the Holding Company to assume any powers now vested in the Hellenic Republic’s legislative, executive and administrative bodies, the Troika [IMF, European Central Bank, and European Commission] will need to continue to play its role with the evolving list of actions required for the appropriate administrative and legislative actions to continue to be taken.” In other words: some way must be found so that the Greek government will continue to do the Troika’s will. “However, the monitoring of these actions and the determination of any new ones could be transferred to the Supervisory Board who could perform such monitoring and determination better in the context of the Holding Company’s business plan and the MoU’s long term goals.” The MoU, or [Memorandum of Understanding](#), was reached between “the Hellenic Republic” or Greece, and the European Commission, in February 2012, shortly before the European Stability Mechanism was instituted later that year, as the planned agency to carry out the enslavement of Greece’s public. This was an agreement saying that the welfare of the people of Greece played second fiddle to the interests of the people who had lent money to Greece by purchasing Greek government bonds. Here is how [Steven Alfonso Panageotou in 2012 described the start of the crisis:](#)

The ostensible start of the current financial crisis in Greece can be traced back to November 5, 2009. On this day, the newly elected socialist Prime Minister George Papandreu announced that the previous government, the conservative party of New Democracy under the leadership of Kostas Karamanlis, had lied and concealed the actual size of Greece’s deficit Papandreu revealed that the true size of the Greek deficit for 2009 would be 12.7 percent of GDP, not the 6 percent of GDP that the Karamanlis government had forecasted months earlier. ... On December 7, 2009, the credit ratings agency Standard and Poor’s announced it would place Greece’s ‘A-minus’ long-term sovereign credit rating

on 'Credit Watch' with negative implications. ... This act can be seen as the defining moment that set in motion the ... crisis.

On 8 February 2010, Germany's *Spiegel* bannered, "[How Goldman Sachs Helped Greece to Mask its True Debt.](#)" and reported that, "Goldman Sachs helped the Greek government to mask the true extent of its deficit with the help of a derivatives deal that legally circumvented the EU Maastricht deficit rules. At some point the so-called cross currency swaps will mature, and swell the country's already bloated deficit. ... The US bankers devised a special kind of swap with fictional exchange rates. ... 'The Maastricht rules can be circumvented quite legally through swaps,' says a German derivatives dealer. In previous years, Italy used a similar trick to mask its true debt with the help of a different US bank."

Who were the beneficiaries of this fraud upon international investors, by the Greek aristocracy?

The September 2010 *International Socialist Review* bannered "[Crisis, Austerity, and Class Struggle in Greece.](#)" and Antonis Davanellos wrote:

The banks [bailed out by EU and U.S. taxpayers] that were the champions of neoliberalism [U.S. 'libertarianism'] in the Balkans are now in debt, and their future is very uncertain. Also, big Greek construction companies were taking jobs inside Greece, the Balkans and Turkey, and in other places like Dubai—and you know what happened with construction in Dubai (the Gulf state that needed a bailout from neighboring Abu Dhabi). Then there were the Greek commercial capitalists, who were dominant in the Balkans.

These three strong elements have been destroyed by the economic crisis. That is the basis of the economic problems of Greece.

The second factor in the economic crisis is the cost of the Greek state's huge intervention to save the banks—a bailout, as you say here. In one night, Karamanlis gave the banks 28 billion euros. That's not so much, in international terms. But in an economy like Greece's, it is huge. Compare that to the 25 billion euros that the finance minister [in the successor, socialist, government] wants to collect with his bitter program of austerity. It's less than what they have given to the banks in one night. And Papandreou is continuing this bailout.

A third factor in the crisis is the cost of twenty years of neoliberalism [the ideology that in the United States is called 'libertarianism']. At the beginning of the 1990s, the profits of capitalists were taxed at 45 percent. Now they have 20 percent for industry and 12 percent for the banks. This is a huge decline, but the problem is not just that.

The last few years—during all the years of Karamanlis's government—rich people, the capitalists, the big enterprises, and the banks weren't paying taxes at all. They were keeping the money—and not only from their taxes, but also the taxes they were collecting from workers in their enterprises. So you can see that the public finances of Greece depend only on taxes on salaries [i.e., workers], which [especially if a large proportion of that take isn't even going to the government] isn't enough [to avoid huge government deficits].

A fourth element in the economic crisis is international speculation. I will give you two examples: Goldman Sachs was the adviser to all the Greek governments about how to deal with government debt—and all the governments did what Goldman Sachs said.[That's

deceptive: the principal there was actually the Greek President; Goldman Sachs had been hired, as his agent.] *At the same time, Goldman Sachs was advising huge hedge funds to gamble on the idea that the Greek state, in the end, would not be able to deal with the debt.* [GS was advising there different principals, not the Greek President.]

So: Greek workers were having taxes deducted from their paychecks, but their employers weren't transferring all of those withholdings to the government. It was a conservative government, which believed in trickle-down, and which therefore was determined to please its financial backers, who owned the corporations, which were rampantly evading taxes (like many U.S. corporations also do). Any conservative government serves the power-elite, not the public, and Greece had a conservative government. Conservatism exists to exploit the public, not to serve it. That's why conservative governments believe in trickle-down, not in percolate-up, economics.

Throughout, Greece's aristocrats were the beneficiaries of the loans that kept the Karamanlis government going. The Greek public received little to none of it, but get the blame as if they'd received most or all of it.

The Greek public are now being condemned as 'leaches' and such, and are being demanded to pay back — and with junk-bond interest-rates on top — the billions that Greece's aristocracy had skimmed off the system, while Wall Street banks had assisted the conservative Greek government to hide from other countries' aristocrats the skimming that was going on with the money they had lent in the form of Greek bonds.

U.S. and Greek aristocrats had robbed other aristocrats; and, starting in 2012, all aristocrats have set up a system, the European Stability Mechanism, to extract from the general Greek public, in the future, the wealth that will compensate some aristocrats for money that had been defrauded from those aristocrats by other aristocrats, defrauded until the fraud (never yet punished — nor even sought to be punished) was made public in late 2009. Moreover, the general Greek public are being blamed for all of this. That blame-shift downward is necessary to do, in order to 'justify' the Greek public's future enslavement, in a modern form of debt-bondage, of a national kind, for debts in which the public had, actually, played no significant (if any) part, and the proceeds from which had instead gone mainly to Greece's billionaires and centi-millionaires (and largely stashed by them in Switzerland and other tax-havens, thus now inaccessible, so that the Greek public are the targets instead, by the other aristocrats, the ones who had been victimized by their fellow-aristocrats).

Instead of security being provided to the public, and risk being taken on by aristocrats (because they can afford it), security is provided to aristocrats, and their risky losing bets are being guaranteed to them by the public, which takes on those aristocrats' losses, while never having stood to gain anything from those aristocrats' bets (which are euphemistically called 'investments,' and which were priced fraudulently).

The Greek public will thus, in an all-too-real sense, be collectively imprisoned to pay for the crimes by some aristocrats, against other aristocrats. This is a reality that Adam Smith's economic theory, which was designed to please aristocrats, essentially ignored, as being even a possibility (even though the phenomenon of aristocrats cheating aristocrats has always commonly occurred, throughout history).

There's an hour-long documentary searching for individual suspects behind the now-endless European financial crisis, but none of the investigators in it can dig so deep as to identify

even one of the ultimate beneficiaries of the bailouts, beyond the standard generic abstractions, “banks” and politicians”: <https://www.youtube.com/watch?t=3169&v=xu5sTyAXyAo>. The chief interviewer persists in saying (57:20) “we are sitting in one boat.” But that’s not true, at all. Some people belong in prison, or worse. Obviously, not everyone does. At the end of his many interviews with agents for the international aristocracy, not even a single suspect has been named. However, also obviously, the biggest crooks aren’t found in prisons. (If one of them were, the interviewers would easily have been able to contact one of the recipients.) They’re in one or another of their multitudinous mansions, or in some private jet going from one to another of them, or to meetings with others of them. After all, the [“World’s Richest 0.7% Own 13.67 Times as Much as World’s Poorest 68.7%.”](#) Furthermore, [in the United States](#), “the losses from the Wall Street economic crash went overwhelmingly to the poorer half of the U.S. population (their wealth going down from 2.5% to only 1.1% of America’s total), because of the bailouts to Wall Street,” but the “wealthiest 0.0025% (Forbes 400) own 2.75% (of all trackable privately-held wealth, not including ‘non-profits’ that are controlled by them),” which 2.75% is more than twice the 1.1% that the bottom 50% of Americans own. The Forbes 400 richest billionaires were probably on the receiving end of America’s bailouts. Or at least they benefited as if they had been.

If this holding-the-public-hostage-for-aristocrats’-crimes is not a revolutionary situation, at least as bad as in 1776 America, 1789 France, 1848 Europe, and 1917 Russia, then what is? And who should be blamed for it, if the victims, the Greek public, won’t be (such as aristocrats around the world wish the Greek public to be blamed for it)?

Perhaps the people to blame for it are same the people that are benefiting from it (and from their misdirection of blame downward, to some of their own victims). Perhaps the criminals who are doing this should be punished, instead of served. Many of these criminals own ‘news’ media that hide, or obscure, the real culprits, in order to receive yet more advertising income from their fellow-aristocratic colleagues. After all, if an advertiser in your magazine had fraudulently sold you an investment, would you rather that the public bail you out from the loss (while they won’t know they did), or that he bail you out from it — and that he then stop his ads and you lose a crucial customer? Suing a major customer can turn out to have been a very bad business decision, and billionaires tend to pride themselves on making good business decisions.

How deep and wide does this pervasive, systematic, corruption at the top go? How can it be stopped? What must be done? Or will things just continue on, as they now are, toward and into [international fascism](#) — might makes right?

It’s already almost as if the Axis powers had won WW II. Are the fascists worming their way back, towards [an ultimate victory](#), with no more need for weapons of war — deceit can now do this job just fine? Maybe democracy is [already dead](#). Perhaps even revolutions are only past history, curiosities of an earlier age, when people at least hoped for democracy, which they no longer can see any way to achieve.

Or, if there is still some intelligent and informed hope remaining, then what is it?

Investigative historian Eric Zuesse is the author, most recently, of [They’re Not Even Close: The Democratic vs. Republican Economic Records, 1910-2010](#), and of [CHRIST’S VENTRILOQUISTS: The Event that Created Christianity](#).

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