

Greece - A new Beginning? - New Hope? New President. The Legality of the Austerity Bailout Package

By [Peter Koenig](#)

Global Research, August 29, 2015

Region: [Europe](#)

Theme: [Global Economy](#)

Appointed on 27 August by Greece's President, Prokopis Pavlópulos, Ms. Vassiliki Thanou-Christophilou, President of the Supreme Court and mother of three, was sworn in on Thursday 28, August, 2015 as interim Prime Minister. She also served as President of the Electoral Court which oversees and examines the validity of parliamentary elections and referenda – including the legitimacy and strength of the 5 July referendum against more imposed austerity.

Ms. Vassiliki Thanou will be in charge of forming a caretaker Government which she announced on Friday, 28 August. She is also responsible for preparing and overseeing the new elections, now scheduled for 20 September 2015.

As a fierce opponent of the troika imposed austerity, Ms. Thanou may be the new spark of hope for Greece's future. She has openly opposed dictated wage cuts and an illegal property tax, introduced with the first bail-out package in 2012. The tax has already put many small entrepreneurs out of business and threatens more to follow, especially in Greece's current economic downturn.

According to Reuters, Ms. Thanou wrote to the European Commission in July 2015,

"The wrong economic policy which was implemented in the past five years, in line with the bailouts that were imposed by the (lenders) and failed, have led to a deeper recession, unemployment and the impoverishment of most of the Greek people,"

In February this year she called on Jean-Claude Juncker, President of the EC, to help the "Greek people regain their dignity". To no avail, as we know. Ms. Thanou clearly portrays a personality that is not scared of facing the monster in Brussels. And this is precisely what Greece needs in these coming months and years – projected time for recovery of national sovereignty, social justice and economic prosperity.

The field is open for the next three weeks until elections. Options for new opportunities and coalitions abound. According to the latest polls, Mr. Tsipras, as head of the Syriza party, with 23% remains the frontrunner for the next PM. This may mean two things:

- (1) The Greek people are still not aware of what the new and enhanced austerity plus the new debt will mean for their future, for the future of their children and children's children;

- > increasing total debt to over 430 billion euros (including the € 86 billion to be contracted under the new bailout package), growing rapidly with compounded interests, a debt ratio to GDP of more than 180% (GDP € 238billion / 2014);
- > debt of which not one euro will flow into Greece to revamp her economy and reestablish the looted social system;
- > austerity conditions that will be further devastating what's left of the Greek social system, increasing unemployment (currently above 26%, and about 60% for young people);
- > more privatization of public assets, like selling off Greece's most profitable airports to a German company that is prepared to pay fire-sale prices;
- > selling off up to hundreds of Greece's pristine islands; or

(2) The people of Greece prefer to remain hostage to Mr. Tsipras smile, pep-talk and charisma – and to Madame Merkel. – But be sure – Mr. Tsipras personality and attitude towards more debt and more austerity will not change, nor will that of Angela Merkel.

Why would Ms. Thanou not run for Prime Minister herself on 20 September, for example in affiliation with the new Unity Party, seeking a wider coalition with other leftwing parties? – And become the first ever elected female Prime Minister of Greece – a new face on the Greek horizon; a person reflecting integrity and who seems to understand the plight of the majority of the Greek people, a person not afraid of confronting Greece's creditors.

Having been on top of the Greek judiciary, Ms. Thanou knows that Mr. Tsipras' actions against a 62 % majority of NO votes was anti-constitutional and can be undone by the Supreme Court. Ms. Thanou also is conscious that contracts – in this case contracts for debt – concluded under duress, coercion and corruption are illegal and won't hold up in any international court of law. All but about € 50 billion of Greeks current external debt were 'acquired' under such fraudulent conditions, plus blackmail – the pressure *'you accept our conditions, or we will force you out of the Eurozone, and possible even out of the EU'*. – This is illegal. Hence, virtually the entire Greek debt could be legally erased and declared null.

Although, information on the subject is contradictory, it appears that still a majority of Greek people would like to remain in the Eurozone. From recent travels through Greece, I understand it is mostly a matter of 'prestige' and 'belonging to the West'. – What prestige? – What West? – The connection between fiat money, debt and becoming colonized by an internationally failing currency and it's the predatory masters of the West in Brussels, Germany and Washington is not made.

Much like the US dollar, the Euro is being produced electronically as debt. In the US if the FED (Federal Reserve or Central Bank, never mind its full private ownership) needs fresh money, to finance, say, a new Washington invasion, a new war or conflict towards 'regime change, it produces a federal debt, called QE (Quantitative Easing). This is unviable debt held as reserve currency by treasuries around the world, losing with every new dollar being produced some of its value. According to Alan Greenspan's (former FED Chairman) own admission, *"The United States can pay any debt it has, because we can always print money to do that. So there is zero probability of default;"* – But there is a gradual devaluation of the dollar and the foreign countries dollar reserves.

This is not quite the case in Europe, where the European Central Bank is not really a central bank, but a watchdog loosely controlling Eurozone countries' management of debt, but

mostly working for TBTF (too-big-to-fail) banksters, Wall Street and their associates in Europe. In the US as in Europe, new cash is generated since the 1990's Clinton era by fully deregulated private banks dishing out debt, including, for example, to countries like Greece, Spain, Italy, Portugal — you name it. In fact to any country which still has a social system that can be plundered. So – France may be one of the next candidates.

Western banks are all 'globalized'. There is not much Germany left in 'Deutsche Bank'. But they all benefit from borrowing practically unlimited sums from their respective central banks at zero or almost zero interest and onlend the funds to, say, Greece at between 5% and 7% – with the pretext that Greece is a high-risk case, well aware that risks are covered by risk insurers and eventually by 'bail-ins' or 'haircuts'. The interest difference is sheer profit.

Effective since August this year the unelected EC has issued an edict that spares tax-payers from saving banks which over-stretched and over-specified themselves into bankruptcy. Instead, the new system allows such banks to refinance themselves by virtually stealing the money from their depositors and shareholders, the so-called 'bail-ins'. The masters of finance make sure this new rule – illegal by any traditional international standard – is hardly known to the public, lest a run on the banks might become imminent.

The Euro itself is since its inception a highly vulnerable currency. It is almost a miracle that it lasted for 15 years. The imposition of a common currency on a set of nations, most of which have hardly anything in common, other than the Washington imposed NATO, is an economic absurdity. Such a shared currency based on a relatively loose association of independent countries – the EU – with no common constitution, let alone a joint political agenda and which are consequently devoid of solidarity that would emanate naturally from an entity of federal states – was a misconception from the start. Here lies the huge difference between the US dollar and the Euro. Even though the over-indebted dollar is hardly worth the paper it's printed on, it is still the common currency of the federal United States of America which has a common Constitution. The EU has no Constitution. There is only the neoliberal Maastricht Treaty which has no legal binding on any of the EU states. The euro is not sustainable, an analysis expressed by many international financial experts.

A future Greek Government may think twice whether it is a good idea to adhere to a failing and faltering currency, thereby remaining hostage to the predatory EU, led by Germany – instead of reclaiming her political sovereignty and economic autonomy. The new PM would also be well-advised, whatever decision she or he may take, to make sure it is backed by a Plan B.

There is much to be gained from a new start, with a newly restructured Greek central bank and a public banking system that works actually for the Greek people, the Greek economy, rather than for faraway shareholders and insane boni of anonymous CEOs of nontransparent Wall Street and European financial conglomerates. Ms. Vassiliki Thanou, with her legal and institutional know-how, her female approach to Brussels infamous male arrogance, might just be one of the best-suited candidates to lead Greece out of her quagmire.

Peter Koenig is an economist and geopolitical analyst. He is also a former World Bank staff and worked extensively around the world in the fields of environment and water resources. He writes regularly for Global Research, ICH, RT, Sputnik News, TeleSur, The Vineyard of The Saker Blog, and other internet sites. He is the author of [Implosion – An Economic Thriller about War, Environmental Destruction and Corporate Greed](#) – fiction based on facts and on

30 years of World Bank experience around the globe. He is also a co-author of [*The World Order and Revolution! – Essays from the Resistance*](#)

The original source of this article is Global Research
Copyright © [Peter Koenig](#), Global Research, 2015

[**Comment on Global Research Articles on our Facebook page**](#)

[**Become a Member of Global Research**](#)

Articles by: [Peter Koenig](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca