

Syriza government campaigns for Greek parliament to pass EU austerity package

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Returning to Athens on Monday, Greek Prime Minister Alexis Tsipras launched a two-day campaign for the Greek parliament to rubber-stamp the savage European Union austerity package, dictated by Berlin, which Tsipras signed over the weekend in Brussels. European officials made passage of the austerity package within six days a precondition for Greece to obtain further EU loans.

A draft bill was introduced in the Greek parliament yesterday ratifying Tsipras' capitulation at the euro zone summit. The austerity measures include raising the retirement age from 62 to 67 and imposing severe financial penalties for early retirement, increasing the VAT sales tax, doubling the income tax rate for farmers from 13 to 26 percent, and abolishing fuel subsidies for farmers.

Tsipras is also pressing for the parliament to approve automatic spending cuts in the event that Greece misses its budget targets and the placement of public assets worth €50 billion in a trust fund controlled by the EU, to be used to help pay off Greece's creditors.

In a television interview Tuesday night, Tsipras sought to distance himself from the draconian austerity plan he had approved over the weekend in defiance of the Greek people's overwhelming "no" vote in the July 5 referendum on EU austerity. He called Sunday night's talks with German Chancellor Angela Merkel, French President François Hollande and EU Council President Donald Tusk, during which Tsipras agreed to the deal, a "bad night" for Greece and Europe.

"We don't believe in the measures that were imposed on us," he said. "It is a difficult and bad agreement. I believe that this plan is not correct. We reached a point where we could go no further."

In the next breath, he urged the parliament to vote for the deal on Wednesday. Saying Syriza had made

mistakes since coming to power in January, Tsipras described his government's six-month tenure as a war, warned of a possible Greek exit from the euro zone, and painted a bleak picture of Greece's future. "Now I have the feeling we've reached the demarcation line. From here on, there is a minefield," he said.

Tsipras' criticisms of the bailout terms he himself negotiated and is seeking to push through parliament, in direct opposition to the results of the referendum he himself called, constitute a cynical evasion. Tsipras is functioning as a political tool of the EU and the Greek bourgeoisie to impose devastating attacks on a hostile population.

Tsipras also discussed the implications of his support for EU austerity for the survival of his government. His bailout deal has split the ruling coalition, with the far-right Independent Greeks (Anel) and the Left Platform faction of Tsipras' own Syriza party criticizing the EU package.

Anel leader and Defense Minister Panos Kammenos called the Brussels agreement a "coup" against the Greek government, while Productive Reconstruction Minister Panagiotis Lafazanis, the head of the Left Platform, asked Tsipras to withdraw the agreement. He called the EU "brutal blackmailers and financial assassins."

Neither Kammenos nor Lafazanis plan to resign, however, and the Greek parliament is expected to ratify Tsipras' austerity deal handily. With 30 to 40 of the government's 162 deputies in Greece's 300-seat parliament possibly opposing the deal, Tsipras is relying on reactionary pro-EU parties outside his government.

Syriza officials told the Greek daily *Kathimerini* Tuesday night that if 40 or more Syriza deputies oppose the austerity package, Tsipras will likely seek to forge a

national unity government, bringing in officials from pro-EU parties such as To Potami (the River), New Democracy and the social democratic Pasok party. If 30 or fewer Syriza deputies defect, Syriza intends to continue ruling as a minority government, counting on the opposition parties not to challenge its austerity agenda.

Syriza's party newspaper *Avgi* called for the formation of a new government majority and raised the possibility of new elections to prevent Tsipras from becoming a "hostage" to opponents of the austerity deal. "That raises the issue clearly of reshaping the government... which leads to elections very soon," *Avgi* wrote in its Sunday editorial.

What is emerging in Greece is a parliamentary dictatorship that imposes decisions on the Greek people made in Berlin and Brussels. Significantly, the subjugation of Athens to the EU's dictates has not required—in its initial stages, at least—a military coup or the removal of the prime minister. Having negotiated the EU austerity package, Tsipras and Syriza are now seeking to refashion the Greek government as a totally reliable tool of German and European imperialism and the banks.

It is not clear, however, whether the austerity package will go into effect. According to a memo obtained by the *Financial Times*, officials at the International Monetary Fund, one of Greece's main creditors, are considering repudiating the EU bailout plan as financially unviable. The deal will bring total Greek indebtedness from €300 billion to nearly €400 billion, while the austerity measures will shrink Greece's economy, raising the country's debt-to-gross domestic product ratio to 200 percent.

Ashoka Mody, visiting professor of international finance at Princeton University, told the Associated Press that the deal would only compound the policies underlying previous EU bailouts that have already failed. "The economics of this program have been set up for failure," he said. "In three years, if this program is implemented, the Greek economy will be 10 percent smaller than it was and the debt burden will be higher."

IMF officials, citing rules that do not allow them to participate in fiscally unsustainable bailouts, are reportedly threatening to walk away from the EU plan unless other creditors agree to a major cut in Greek debt levels. EU officials, spearheaded by the German

government, have opposed such demands.

"Greek debt can now only be made sustainable through debt relief measures that go far beyond what Europe has been willing to consider so far," IMF officials wrote in their memo, citing a "dramatic deterioration in debt sustainability" in Greece.

The fact that the Greek bailout is provoking objections from the IMF, a stronghold of free market austerity policies, testifies to unprecedented harshness of the deal being imposed on Greece. Many bourgeois commentators have acknowledged that the agreement signed by Tsipras effectively makes Greece an economic colony of Germany.

This was further underscored by reports of threats directed at Tsipras at the Sunday talks with Merkel, Hollande and Tusk, who at one point barred Tsipras from leaving the meeting room. According to reports in the American press, EU officials took the extraordinary step of threatening Greece with invasion from neighboring Turkey, also a NATO member state, if Athens did not agree to the deal.

The *Washington Post* reported: "During a pivotal meeting with Merkel, French President François Hollande and European Council President Donald Tusk, Tsipras at one point received a thinly veiled threat that if he walked away and left the euro, Greece risked going it alone geopolitically, too. According to two officials in Brussels with knowledge of the exchange, the specter was raised of aggression from Turkey—a neighboring nation viewed in Greece as a historic antagonist."



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