

We condemn the disinformation campaign on the Greek debt and the rescue plan by private creditors

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On Thursday night (8 March 2012) more than 85% of private creditors (banks, insurance companies, pension funds, etc.) agreed to take part in the restructuring of the Greek debt by cancelling EUR 107 billion. On paper it looks as though they are forfeiting 53.5% of their claims. Yet actually this is a sweet deal for Greek and European (mainly German and French) banks, though not for the Greek people, who will have to face further deterioration in their living conditions.

Creditors and the Greek government have in fact set up a complex package: private creditors swap their Greek bonds for new bonds at lower face value. So for a bond that was initially worth 100 euros, creditors receive a security at a face value of 46.5 euros. Far from losing, however, private creditors exchange securities that were sold at 15 to 30 euros on the secondary market against much safer securities.

In addition, the Troika is granting a new loan of 130 billion on condition that the amount be used to repay the debt and support the banks. While all the major media repeat the official anthem that the Greek debt has been reduced by 107 billion, they forget to take into account the new loan of 130 billion granted by the Troika. At the end of the day private creditors are the lucky ones and are being replaced by international official creditors (ECB, eurozone States, IMF) that will force the Greek government to take even harsher antisocial measures.

While in case of dispute 85% of the old bonds fell under Greek jurisdiction, all the new bonds will be subject to English law. The creditors' aim is to curtail Greece's ability to default or cancel the debt.

For the CADTM, this new plan is a hoax: while claiming to rescue Greece it actually saves the day for private creditors though they are largely responsible for the Greek debt. Banks used part of the public bail-out money they received in 2008-2009 to speculate on the Greek debt and made huge profits before pushing Greece into the predicament it is now in.

The CADTM denounces all loans from the Troika to Greece since May 2010 as odious and therefore void, since they amount to a permanent violation of economic, social, civic and political rights of Greek citizens.

The CADTM commends the courage and determination of the Greek people fighting the inhuman austerity policies imposed by the Troika. The creditors' AAA (Austerity Austerity Austerity) must make way for the peoples' AAA : Audit Alternative Abrogation.

For the CADTM the solution will only come from a radically different approach. In Greece as in other countries subjected to the Troika, it is time to stop repaying the debt and to abandon anti-social measures. To fight the disinformation campaign on the Greek crisis we must continue to push for a citizens' audit of the public debt with a view to abrogating its odious or illegitimate part. The

CADTM fully supports the Campaign for auditing the Greek debt and the audit committees established in several other European countries. The CADTM calls for more actions of solidarity with the Greek people and for a wide European social front against austerity policies.

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P.S.

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