

Coup fears in Greece over referendum plan

By Peter Schwarz
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Prime Minister George Papandreou sacked the Greek military high command Tuesday. The move came amid furor on the part of world governments and international financial markets over his proposal to submit a European Union bailout plan that spells years of punishing austerity for Greek workers to a popular referendum.

The Greek defense ministry issued a terse emailed statement that Papandreou had dismissed his chief of national defense, the Greek Army general staff chief, the heads of the Air Force and the Navy, along with 12 other senior officers.

The announcement fueled rumors in Greece of an impending military coup. These fears are founded on an understanding that the drastic cuts in employment, living standards and essential social services that have been demanded by Europe's ruling elites as the price for a partial relief of the country's debt burden cannot be imposed by democratic means.

If a coup is threatened, it is undoubtedly not merely a matter of domestic tensions. Rather it would stem from decisions taken in Berlin, Paris, Washington and NATO that the interests of finance capital require a Pinochet-style solution to the problems in imposing the decisions of the EU on a resisting Greek working class.

Fresh from its bloody success in Libya, NATO may well be preparing another exercise in "regime change," this time in one of its own member states.

World governments have reacted to Papandreou's referendum announcement with unconcealed anger and dismay. French President Nicolas Sarkozy and German Chancellor Angela Merkel have summoned Papandreou to Cannes for emergency talks in advance of the G20 summit there.

The *Financial Times* of London Tuesday quoted a former PASOK cabinet minister as warning in relation to the Cannes talks, "That could be a dangerous absence on the part of the prime minister."

Papandreou's grandfather, Georgios Papandreou, who was also prime minister, was forced out of office and then died under house arrest following a 1967 military coup. That coup brought to power a repressive junta that ruled the country until 1974, implementing wholesale repression, outlawing political parties and unions and carrying out mass arrests and systematic torture.

The Greek crisis deepened Monday night after Papandreou announced his proposal for a referendum on the so-called financial rescue plan adopted by the European heads of state and government in Brussels on October 26. His announcement came as a surprise to the Greek public as well as to the governments of the other European Union countries.

The referendum calls into question the decisions taken by the

Brussels summit after weeks of fierce disputes. These decisions include a 50-percent "haircut", or write-down, on Greek debt held by European banks, sustained harsh austerity measures and strict control of the Greek budget by the EU.

Should the Greek electorate decide against the summit decisions, this would most likely lead to the exit of Greece from the common currency and probably to the collapse of the euro.

The mere prospect that the Greek people could have a say on the summit decisions and the brutal austerity that these measures will entail for them led to a sharp fall on world financial markets Tuesday. Stock prices declined all over Europe. The German DAX fell by 5 percent, and some major European banks lost more than ten percent of their share value. The euro declined as well. In the US, the Dow Jones industrial average fell by nearly 300 points.

Justifying his decision Tuesday, Papandreou said: "Citizens are the source of our strength. Citizens will be called upon to say a big 'yes' or a big 'no' to the new loan arrangement. This is a supreme act of democracy and of patriotism for the people to make their own decision. We've faith in the people. We believe in democratic participation. We're not afraid of it."

Given that Papandreou has imposed one austerity package after another against fierce popular resistance over the last two years, his sudden commitment to democratic participation rings hollow to say the least. Papandreou has obviously reached the conclusion that he can only continue his disastrous austerity policy by taking a major risk.

The austerity measures of the last two years have decimated the living standards of broad sections of the Greek population. Resistance has grown accordingly. Last month, hundreds of thousands participated in a two-day general strike called by the unions, which feared that they would lose control. As head of government, Papandreou has hardly any support. In parliament his majority has shrunk to two votes.

The anger over the austerity measures is so deep that many PASOK MPs no longer dare to appear in public. "We can't even leave our homes to go to a taverna any more," the *Guardian* quotes an anonymous MP of the governing party as saying. "You're called a pig or a traitor for passing measures none of us wanted to pass. It's not a life."

Up to now, the conservative New Democracy (ND) party has refused to support Papandreou's policies, even though it has come under considerable pressure from other conservative parties in Europe to do so. Instead, the ND is attempting to exploit the crisis in order to replace the PASOK government.

With his proposed referendum, Papandreou is calling the bluff of New Democracy, the trade unions and the numerous pseudo-left

organizations surrounding them. He is well aware that they support his EU policies in principle, and that they fear a revolutionary movement against the austerity measures as much as he does. By demanding a big 'yes' or a big 'no' to the EU plan, he is attempting to force them into taking a clear position.

This explains the angry reaction of ND leader Antonis Samara. "This is absolutely insane," he said of Papandreou's plans for a referendum. "The man is trying to stay in power at any cost, posing the dilemma that Greeks either vote for him to stay in power or they forget Europe." For Greece to be in Europe was a long-standing strategic policy of the Greek ruling elite, now put in jeopardy by Papandreou. "We will do whatever it takes to stop such a development," Samara insisted.

Papandreou plans to bring his own party into line on Friday night with yet another vote of confidence. He has announced that he will combine the parliamentary vote on the referendum with a motion of confidence. He is betting that fear of losing their seats in a new election will discipline the PASOK MPs.

During the referendum that could be held in January, Papandreou will blackmail the electorate with the threat of state bankruptcy. They will have to choose between "brutal restructuring inside the Euro-zone and state bankruptcy with the reintroduction of the drachma", as *SpiegelOnline* put it. If they vote against the austerity measures of the EU, they are threatened with economic collapse, massive inflation, the loss of savings and—given the political chaos that is to be expected—dictatorship.

Finance minister Evangelos Venizelos, the strongman behind Papandreou, voiced this threat bluntly. "Do Greeks want to remain in Europe, in the Eurozone with the euro in a country that belongs to the developed world, or do they want to return to the 1960s?" he asked in parliament. The threat could not be misinterpreted. In the 1960s, the Greek colonels took power in a coup and established a brutal dictatorship for seven years.

Should Papandreou succeed in gaining a majority by intimidating the electorate with the threat of chaos and dictatorship, he will use his victory to criminalize any opposition against the austerity measures. It is for this reason that the *Financial Times Deutschland* described Papandreou's decision as "very risky, but correct". Because it was almost impossible for the government to implement successful policies in the present hostile climate, a victory in a referendum was "the only chance to take away the opponents legitimacy", the financial paper wrote.

Papandreou can only dare to follow such a risky course because no political movement articulates an alternative. The trade unions, the Stalinists and the various pseudo-left organizations active in Greece either support the PASOK government as a lesser evil or promote brazen nationalism. Generally they do both at the same time.

A good example is Syriza, which is close to the German Left Party. In accordance with various right-wing and left-wing newspapers it has promoted the idea that Greece is an oppressed nation after the Brussels summit: "Greece will be ruled by its creditors" (Syriza-MP Dimitris Papadimoulis), it will be "officially transformed into a European protectorate" (*Eleftheros Typos*), its "national dignity will be amputated" (*Vradyni*), it will be "permanently occupied by the EU and the IMF" (*Avriani*) and

overrun by *Etchismantopia* tanks" (

This type of nationalist propaganda divides the international working class, suppresses solidarity with workers facing similar attacks in other European countries and promotes an atmosphere of national unity that can easily be exploited by the most right-wing elements.

Notwithstanding the reactionary purpose of Papandreou's referendum, it is another expression of the enormous crisis and instability of European and international capitalism. Less than a week after the Brussels summit that was supposed to resolve the European debt crisis, its decisions are obsolete. It is doubtful if the Greek "haircut" scheduled for January will take place at all.

With every delay, the danger increases that other countries—including Portugal, Ireland, Spain and Italy—will go bankrupt as well. The mere announcement of the referendum by the Greek prime minister has thrown the markets into turmoil. The only answer of the European governments to these problems is more and harsher austerity together with the threat of repression.

The resistance against this is growing everywhere—and it is here that the answer to the crisis lies. European workers must unite and fight jointly against the attacks on their social and democratic rights. They must break with the political parties and trade unions that are dividing them, pitting one against the other and subordinating them to the respective national interest.

They must fight for a socialist program. The banks and major companies must be nationalized without compensation and subordinated to democratic control. In order to reorganize economic life in the interest of the big majority, workers' governments must be brought to power and the United Socialist States of Europe must be built.

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