



HELLENIC LINK–MIDWEST Newsletter

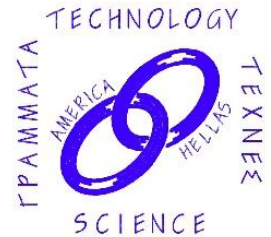
A CULTURAL AND SCIENTIFIC LINK WITH GREECE

No. 77, October–November 2011

EDITORS: Constantine Tzanos, S. Sakellarides

<http://www.helleniclinkmidwest.org>

22W415 McCarron Road - Glen Ellyn, IL 60137



Upcoming Events

Greece, Turkey and NATO

On Sunday, October 23, 2011, Hellenic Link–Midwest presents journalist *David Binder*, in a lecture titled “*Greece, Turkey and NATO*”. The event will take place at 3 pm at the Four Points Sheraton Hotel, 10249 West Irving Park Road at Schiller Park (southeast corner of Irving Park Road and Mannheim Road). Admission is free for HLM members and \$5 for non-members.

Greece and Turkey fought in four major wars—in 1897 the Greek-Turkish war; in 1912–1913 the Balkan wars; in 1914–1918 World War I; in 1919–1922 the Greek-Turkish war.

Since Turkey and Greece (though neither “north” nor “Atlantic”) joined NATO in 1952, they have brushed close to armed hostilities numerous times over Cyprus, over air space and over territorial waters.

NATO membership probably helped prevent Greece and Turkey from going to war again.

Moreover the two Mediterranean neighbors have followed parallel policies in recent and current conflicts involving NATO: Avoiding entanglement in the alliance's bombing attacks against Serbian forces in Bosnia, and again in Kosovo in the 1990s, and keeping a distance from the military actions by NATO members in Iraq, Afghanistan and most recently in Libya.

Since Turkey's Prime Minister Erdogan visited Greece's Prime Minister Papandreou in 2010, relations between the two countries have improved somewhat, especially with regard to parallel reductions in defense spending.

Regardless of the current miseries of the Greek economy and Turkey's inability to gain membership to the European Union, there are other areas where more cooperation would benefit both Athens and Ankara. The continuing decline of the NATO alliance does not appear to have much of a bearing on the Greek-Turkish relations.

David Binder was born in London in 1931 of American parents. He graduated from Harvard College, was a Fulbright scholar in Germany in 1953–1954; reporter in Louisville in 1954–1956; fellow of the Institute of Current World Affairs in West and East Germany in 1957–1959; newspaperman in Minneapolis in 1960, and from 1961 to 2004 for The New York Times where

he specialized in reporting on the Balkans and Central Europe.

In Brief

Germany and War Reparations

In an article published on June 21, 2011, in *The Guardian*, the economic historian *Dr. Albrecht Ritschl* said: *Germany's ducking of the war reparations issue makes its attitude to the current Greek debt crisis somewhat hypocritical.*

The Germans are not amused these days. Look everywhere from tabloids to the blogosphere, and it seems that the public mood has reached boiling point. Loath to shoulder another national debt increase and finance another bailout, the Germans have started questioning everything from the wisdom of supporting Greece to the common euro currency, or indeed the merits of the European integration project altogether. This might be strange for a country that is nudging ever closer to full employment, and which is about to recapture its position as the world's leading exporter of manufactured goods from the Chinese. But the Germans say they've had enough: no more underwriting of European integration, no more paying for this and that, and certainly no more bailing out the Greeks. What is truly strange, however, is the brevity of Germany's collective memory. For during much of the 20th century, the situation was radically different: after the First World War and again after the Second World War, Germany was the world's largest debtor, and in both cases owed its economic recovery to large-scale debt relief. Germany's interwar debt crisis started almost exactly 80 years ago, in the last days of June 1931. It was triggered by Germany's aggressive borrowing in the late 1920s to pay reparations out of credit. A credit bubble resulted, and when it burst in 1931, it brought down reparations, the gold standard and, not least, Weimar democracy. Having footed the resulting massive bill, after the Second World War the Americans imposed the London debt agreement of 1953 on their allies, an exercise in debt forgiveness to Germany on the most generous terms. West Germany's economic miracle, the stability of the Deutschmark and the favourable state of its public finances were all owed to this massive haircut. But it put Germany's creditors at a disadvantage, leaving it to them to cope with the financial aftermath of the German occupation. Indeed,

the London debt agreement deferred settlement of the reparations question – including the repayment of war debts and contributions imposed by Germany during the war – to a conference to be held after unification. This conference never took place: since 1990, the Germans have steadfastly refused to reopen this can of worms. Any compensation paid, mostly to forced workers, was channeled through NGOs to avoid creating precedents. Only one country has challenged this openly and tried to obtain compensation in court: Greece. It may or may not have been wise to put the issue of reparations and other unsettled claims on Germany to be settled after 1990. Back then, the Germans argued that any plausible bill would exceed the country's resources. Instead, continued financial co-operation in Europe would be infinitely more preferable. They may have had a point. But now is the time for Germany to deliver on the promise, act wisely and keep the bull away from the china shop.

Germany Owes at Least 575 Billion Euros to Greece

In an article published on July 2, 2011, in the French financial newspaper *Les Echos*, the French economist and consultant to the French government *Jacques Delpla* said: According to my calculations, the Germans owe to the Greeks at least 575 billion Euros from Second World War obligations. *The Germans owe much more to Greece than the Greeks to Germany.* The Germans forget their own debt policy and we must remind it to them. The political and financial liability of Germany for the war amounts to 16 times the German GDP, you can call it the implicit debt of Germany. We do not demand its return, but we ask the Germans to play the European game, politically and financially. Today, this means saving Greece.

German Newspaper Die Welt: Value of Forced Loan at Least \$95 Billion

On September 18, 2011 the German newspaper *Die Welt* reported: In the current debate about the possible bankruptcy of the Greek state, one largely dormant argument has recently resurfaced with increasing frequency: the widespread damage inflicted by the Nazi regime during World War II means that Germany still owes Greece major outstanding wartime reparations. What is at stake? Without having been provoked, the Wehrmacht—the Third Reich's armed forces—took over both Greece and Yugoslavia on April 6, 1941. In both countries, German soldiers set up a brutal occupation regime. As was usually the case in European nations invaded by the Germans, the high cost of the occupation was borne by the occupied country—and the Greek economy was plundered through forced exports. This resulted in galloping inflation and a radically lower

standard of living for Greeks. The suffering caused to Greece by the Nazis is undeniable. Yet at the same time, human suffering cannot really be measured. Independent historians unanimously agree that the total economically measurable damages suffered by Greece as a result of the German occupation, in both absolute numbers as well as proportionate to the population, put Greece in fourth place after Poland, the Soviet Union and Yugoslavia.

Additionally, the Third Reich forced the Greek National Bank to lend Hitler's Germany 476 million Reichsmarks interest-free. Without interest, the amount in today's money would amount to \$14 billion. With interest at 3% over 66 years, that would come to at least \$95 billion. The problem is this: even just partial recognition of such a debt would create a precedent that could bring untold further claims in its wake.

From Our History

The History of the Greek Loans

Translation of an article by George Romaios, published in Greek in the newspaper "TA NEA" on June 14. George Romaios is a journalist and historian (recently issued and circulated the first two volumes of "The Adventures of Parliamentarism in Greece between 1844–1940").

For the last 187 years, Greece has been living with foreign loans and going through bankruptcies. Eighty years ago, Professor Andreas Andreadis wrote: "The history of the state economy of modern Greece is largely the history of debt." The history of borrowing began before the establishment of the Modern Greek state—specifically, in 1824, when the liberation struggle was in a critical phase. There was an immediate need for armaments, and particularly to strengthen the Fleet. The Chairman of the Executive at that time, the anglophile George Koundouriotis, appealed to the British "protectors", who willingly granted two loans, with profit in mind of course. They did not grant them to support the struggle against the Turks, because at that time the UK supported the doctrine of the integrity of the Ottoman Empire. Its aim instead was to displace France and Russia from acting as "protector powers" and finally succeeded!

Predatory of course were the terms of the loan. Everybody made money except Greece! This first loan that Greece obtained from the British had a nominal value of 800,000 pounds, but only 308,000 pounds and equipment valued at 11,900 pounds were given to Greece. From a second loan in 1825, of a nominal value of £ 2,000,000, only 1,100,000 were received. From the remaining, 529,000 pounds were withheld as payment towards previous loans and the rest for interest, brokerage and fees!

Our creditors also demanded guarantees. They did not

seek divestiture of public property, because nobody would be willing to purchase land in a Turkish-occupied country under revolution. The "game" of the Englishmen was devilishly clever! They requested, and were granted, a guarantee "on land and perishable estate of the nation." If the Greek revolution would not succeed, they would be able to make a deal with the Ottomans. If Greece would gain its freedom, they would appear as the "great benefactors" and the only "protectors."

Unfortunately, with these first loans started a legacy of incompetency to manage loans in an honest and beneficial manner. Out of these loans, only 156,000 pounds were sent to America for the construction of two steam frigates.

According to the "New York Times", bankers and builders conspired with Muhammad Ali of Egypt to delay the building of the frigates. Eventually, after an appeal by Greece to the Congress, a corvette was delivered, the "Hellas", which Miaoulis set in flames when the coup against Kapodistrias started!

Of the six ships that were supposed to be built in England, "Karteria" ("Patience") arrived in Greece in a bad condition 13 months later, in September 1826. The "Akamachitos" ("Invincible") burned down in the river Thames, and the "Epicheiresis" ("Enterprise") was almost sunk as soon as it sailed out in the open sea, because the boilers exploded. Of the three smaller ships, the only one to arrive was "Hermes" with the engine broken. Did it happen accidentally?

Whatever remained of the two loans was allocated to the "internal struggle" for control of power. Andreas Zaimis had become suspicious of Koundouriotis' intentions and wrote to Lontos: "The loan will be in the hands of the administration any time now so we should not delay matters...the times are critical, the president (Koundouriotis), whose designs are known, the Islanders scheming for their own benefits, namely to get rid of the influential Peloponnesians ... Because their only concern is us, they want us to be the first victims. "

Historian K. Paparrigopoulos writes "... the announcement of the sequential arrival of that loan's installments increased the lust for power and that lust resulted in the second civil war!"

When Kapodistrias (the first governor of Greece) arrived in Nafplio in January 1828, the first bankruptcy had already taken place (1827) due to inability to make the amortization payments. The Governor was aware of the situation. He tried to obtain a new loan, but all doors were closed for political reasons. The English and the French considered him a "man of the Czar." Thus the "treasury" started with 50,000 French francs, mostly from a personal contribution by the Governor and from financial assistance by expatriates and philhellenes ... With the arrival of the young Bavarian King Otto in 1833, the "protectors" decided to support their "chosen one" and offered a loan of

60 million French francs. Out of them, 33 million were withheld for repayment of "the Independence loans," and 12.5 million were given to Turkey for the "buyout" (!) of the provinces of Attica, Euboea, and part of Phthiotis. In 1843 her Creditors led Greece for a second time into bankruptcy.

The history of loans will continue with major creditors *Hambro of London*, *the Banque de Paris*, *the Brleishrober of Berlin* and the *Bank of Istanbul* owned by Andreas Syngros—the famous Athens boulevard *Syngrou* was named after his name. He was a benefactor, but also made lots of money in the games of our creditors. He was elected to the parliament during the era of Trikoupi to whom, after the bankruptcy, he said the inimitable "bankruptcy too requires art." In the hands of Greek capitalists were 15% to 30% of the securities. Between 1879 until 1893 nine loans (eight during the Trikoupi's governments) were made of a total value of 643,000,000 golden francs. Only 463 million were received, and 455 million were paid for interest and repayments. But the fact is that during Trikoupi's administration the loans were utilized and were not squandered away. Railways (907 kilometers) and roads (1,446 kilometers) were built, investment increased, the economy expanded, exports increased, cities were established and Athens was transformed into a modern city. The Navy was strengthened with the modern vessels "Hydra", "Spetses" and "Psara". He did not realize his vision of linking Rio to Antirio. It would be realized 110 years later, and the bridge bears his name.

From "Unfortunately we are bankrupt" to Goulimi's ascent to power: In 1885 Trikoupi (1882-1885) was succeeded by Theodore Deliyannis, who failed to meet the obligations arising from the loans of Trikoupi, because the doors to new loans were closed. In the elections of 1892 Trikoupi returned to power and searched for a new loan. At the same time he imposed new taxes on many goods and on oil. The opposition and its friendly press would exploit the new taxation and would "adorn" Trikoupi with the nicknames of "Mr. Tax Gouger", "Mr. Petroleum" and analogous cartoonish monikers ... However, he secured from England a loan for 3,500,000 pounds, enough to support the Greek bonds and to avoid bankruptcy. The agreement dictated that it should be ratified by a royal decree in eight days. The opposition requested ratification by the parliament. The British refused, and King George refused to sign the relevant decree. There was a "vendetta" going on since the King was obligated to adopt the "principle of a declared majority" in appointing a government. Trikoupi avoided a collision with the King. He even turned a blind eye to the profligate lives of the royal family and the King's frequent backstage visits to the famous actress Sarah Bernhardt. King George had also invested in Greek bonds and played along with the other speculators.

To be continued

From the Riches of Our Cultural Heritage

Poetry by Angelos Sikelianos

Το Πρωτοβρόχι

Σκυμμένοι από το παραθύρι...
Και του προσώπου μας οι γύροι
η ίδια μας ήτανε ψυχή.
Η συννεφιά, γλωμή σα θειάφι,
θάμπωνε αμπέλι και χωράφι·
ο αγέρας μέσ' από τα δέντρα
με κρύφια βούιζε ταραχή·
η χελιδόνα, με τα στήθη,
γοργή, στη χλόη μπρος-πίσω εχύθη·
κι άξαφνα βρόντησε, και λύθη
κρουνός, χορεύοντα η βροχή!
Η σκόνη πήρ' ανάερο δρόμο...
Κ' εμείς, στων ρουθουνιών τον τρόμο,
στη χωματίλα τη βαριά
τα χείλα ανοίξαμε, σα βρύση
τα σπλάχνα νά μπει να ποτίσει
(όλη είχαν η βροχή ραντίσει
τη διψασμένη μας θωριά,
σαν την ελιά και σαν το φλόμο).
κι ο ένας στ' αλλουνού τον ώμο
ρωτάαμε: "Τ' είναι πόχει σκίσει
τον αέρα μύρο, όμοιο μελίτσι;
Απ' τον πευκιά το κουκουνάρι,
ο βάρσαμος ή το θυμάρι,
η αφάνα ή η αλυγαριά;"
Κι άχνισα - τόσα ήταν τα μύρα -
άχνισα κ' έγινα όμοια λύρα,
που χάιδε' η άσωτη πνοή...
Μου γιόμισ' ο ουρανίσκος γλύκα·
κι ως τη ματιά σου ξαναβρήκα,
όλο μου το αίμα ήταν βοή!...
Κ' έσκυψ' απάνω από τ' αμπέλι
που εσειόνταν σύφυλλο, το μέλι
και τ' άνθι ακέριο να του πιω·
- βαριά τσαμπιά και οι λογισμοί μου,
βάτοι βαθιοί οι ανασασμοί μου -
κι όπως ανάσαινα, απ' τα μύρα
δε μπόρεια να διαλέξω ποιο!
Μα όλα τα μάζεψα, τα πήρα,
και τά 'πια, ωσάν από τη μοίρα
λύπη απροσδόκητη ή χαρά.
Τά 'πια· κι ως σ' άγγιξα τη ζώνη,
το αίμα μου γίνηκεν αηδόνη,
κι ως τα πολύτρεχα νερά!...

The First Rain

We leaned out of the window.
Everything around us
was one with our soul.
Sulphur-pale, the clouds
darkened the fields, the vines;
wind moaned in the trees
with a secret turbulence,
and the quick swallow went
breasting across the grass.
Suddenly the thunder broke,
the wellhead broke,
and dancing came the rain.
Dust leaped into the air.
We, our nostrils quivering,
opened our lips to drink
the earth's heavy smell,
to let it like a spring
water us deep inside
(the rain had already wet
our thirsting faces,
like the olive and the mullein).
And shoulder touching shoulder,
we asked: "What smell is this
that cuts through the air like a swarm of bees?
From balsam, pine, acanthus,
from osier or thyme?"
So many the scents that, breathing out,
I became a lyre caressed
by the breath's profusion.
Sweetness filled my palate;
and as I met your gaze again
all my blood sang out.
I bent down to the vine,
its leaves shaking, to drink in
its honey and its flower;
and - my thoughts like heavy grapes,
bramble-thick my breath -
I could not, as I breathed,
choose among the scents,
but culled them all, and drank them
as one drinks joy or sorrow
suddenly sent by fate;
I drank them all,
and when I touched your waist,
my blood became a nightingale,
became like the running waters.