



Written by [Alex Newman](#) on February 14, 2012

Greece Burns as Police Threaten to Arrest EU & IMF Leaders

The latest austerity package, passed by Parliament over the weekend amid massive protests, cuts about one in five government jobs in a desperate effort to keep the international bailout funds flowing. Minimum wage was slashed by more than 20 percent and pensions were cut as well. More budget cuts and tax increases are expected in the not-too-distant future.

Without the new measures, the EU and IMF threatened to withhold almost \$200 billion in foreign taxpayers' money from the Greek government. And with its next bond payments due in March, absent the rescue package, the debt-laden nation would likely be forced to default on its ballooning obligations generated by years of Socialist Party rule and central bank manipulations.



The Greek government is still paying its bills with an international bailout of around \$150 billion issued in 2010. And to receive the next round of aid, it must convince creditors — mostly EU governments and the IMF as much of the toxic debt was unloaded on taxpayers in recent years — that it is implementing the promised reforms.

"The question is not whether some salaries and pensions will be curtailed, but whether we will be able to pay even these reduced wages and pensions," Greek Finance Minister Evangelos Venizelos [told](#) Parliament before the austerity vote. "When you have to choose between bad and worse, you will pick what is bad to avoid what is worse."

Still, despite the government's precarious situation, opposition to the austerity package was fierce. In what analysts said was the worst unrest in years, masked hooligans hurled rocks and improvised explosives at riot police while thieves looted dozens of local businesses. At least 50 buildings were also set on fire by the rioters as police used tear gas and flash grenades to rein in the unruly mobs.

"The message to the Greek government is they should leave the country, right now," 49-year-old unemployed protester Dimitris Fokos, one of an estimated 15,000 demonstrators just in Athens, was [quoted as saying](#) by Bloomberg news. "They don't represent the people anymore."

By Monday morning, about 70 police required medical care and about the same amount of protesters were hospitalized for injuries. And it is not over yet — the violence has now started to spread nationwide, hitting other major Greek cities and even tourist islands in the Mediterranean Sea.

"We are seeing Athens go up in flames again," [said](#) Mayor George Kaminis in a TV interview. "This must stop. What they are trying to do to Athens is what they are trying to do to the entire country."



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But despite feeling the brunt of Greeks' fury and working hard to contain the turmoil, police are outraged, too. In a letter from the Federation of Greek Police [cited by Reuters](#), the nation's law-enforcement union even threatened to issue arrest warrants for top IMF and EU officials in Greece — it accused the international entities of multiple crimes including blackmail and covertly seeking to abolish democracy.

"Since you are continuing this destructive policy, we warn you that you cannot make us fight against our brothers," noted the letter from the police union. "We refuse to stand against our parents, our brothers, our children or any citizen who protests and demands a change of policy."

While some officials downplayed the rhetoric as "symbolic" — judges are still required to issue formal arrest warrants — analysts said the potential for the situation to spiral out of control was growing. One union official did promise, however, that police would continue their efforts to restrain violent mobs.

"We warn you that as legal representatives of Greek policemen, we will issue arrest warrants for a series of legal violations," the police letter warned, citing "blackmail, covertly abolishing or eroding democracy and national sovereignty" by the international entities.

Indeed, [the EU overthrew Greece's elected leader](#), then-Prime Minister George Papandreou, late last year after he suggested allowing citizens to vote on EU and IMF demands. After what critics called a "coup," the regional entity installed Trilateral Commission member and former European Central Bank vice president Lucas Papademos.

The new Prime Minister, widely seen as a puppet of the EU and the big banks, promptly pledged his allegiance to Brussels and vowed to support the euro and increase taxes. He was supposed to face election in February but will now have until at least April to impose international demands on the Greek population.

"Vandalism, violence and destruction have no place in a democratic country and won't be tolerated," Papademos [warned](#) in Parliament over the weekend as lawmakers prepared to vote on pension cuts demanded by the EU and IMF. "It would be a huge historical injustice if the country from which European culture sprang ... reached bankruptcy and was led, due to one more mistake, to national isolation and national despair."

Without the austerity package and the "rescue" from EU taxpayers and American taxpayers via the IMF, Greece will almost certainly default on some \$20 billion in bond payments due in the coming weeks. That would likely force it to leave the euro-zone — which many economists say helped create the crisis in the first place through interest-rate manipulation — and could cause a chain reaction.

Several European governments have recently been downgraded by ratings agencies, and more downgrades are expected in the coming months. And depending on how a potential Greek collapse unfolds, it could send shock waves through global markets according to analysts — putting Europe and maybe even the global economy in peril.

EU and European officials in member governments are now talking much more openly about the prospect of Greece being forced to leave the euro, with more than a few saying it would be best for everyone involved. But with the rabidly pro-euro Papademos at the helm in Greece, some analysts expect the nation to continue using the currency no matter what the cost — at least for now.

Incredibly, despite the problems caused by the single currency and an overbearing state, Greek politicians — often at the behest of self-styled international authorities — continue to pursue disastrous



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economic policies. According to the respected Index of Economic Freedom, the Greek economy [lost more liberty than any other nation last year](#) and earned a designation of “mostly unfree.”

Some analysts still expect the Greek government to default — eventually at least — as the bailout packages merely serve to prolong the inevitable. But with the nation being increasingly ruled by bankers and bureaucrats from Brussels, what happens next remains to be seen. No matter how the Greek tragedy unfolds, however, it will not be pleasant.

Photo of riot police in Athens: AP Images

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