



Written by [Bob Adelman](#) on July 14, 2015

The Great Greek Yard Sale

The great capitulation by Greece's Prime Minister Alexis Tsipras last weekend will shortly be followed by the great Greek yard sale. Calling it [an agreement rather than an ultimatum](#), the Eurozone statement from its ministers spelled out in painful detail the degree to which Greece will have lost its sovereign powers if the country's parliament agrees to it.



First, Greece must accomplish the following no later than midnight Wednesday, July 15:

- Reform Greece's notoriously complex value-added-tax (VAT) by broadening its base and eliminating discounts currently allowed certain jurisdictions;
- Reform its overgenerous pension system to improve its "long-term sustainability";
- Provide new rules that keep Greece's statistical agency ELSTAT from fudging the numbers;
- Create an outside fiscal group with authority to inflict automatic budget cuts if certain targets are not met on time.

And that's just the beginning. Market reforms (read: regulations) affecting Sunday shopping, the length of "sales periods," rules on the sale of milk and baked goods, and the dispensing of pharmaceutical drug prescriptions must be immediately undertaken. Rules on collective bargaining, including dismissing of workers, must be completely revised according to standards imposed by the EU.

The EU parliament must be allowed to tell the Greek government how to run itself, including ridding the Greek parliament of the troublemakers that, in the EU's view, precipitated the crisis in the first place. This is how the agreement reads: "The Greek authorities shall ... modernize and ... put in place a program, under the auspices of the European Commission ... for de-politicizing the Greek administration."

The EU will have veto power over all legislation even before it is presented to Greece's parliament or to the citizens: "The government needs to consult and agree with the Institutions on all draft legislation ... with adequate time before submitting it for public consultation or to Parliament."

Rubbing salt in the wound, those "Institutions" are populated by the very people that Tsipras kicked out of his country a month ago: the European Commission, the European Central Bank, and the International Monetary Fund.

The agreement makes it clear that Greece is not allowed to demand a reduction in the amount it owes, while affirming that it will pay back every cent:

The Euro Summit stresses that nominal haircuts on the debt cannot be undertaken. The Greek authorities reiterate their unequivocal commitment to honor their financial obligations to all their creditors fully and in a timely manner.

Most telling, and chilling, is the declaration that national Greek assets no longer belong to the nation



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but must be sold off to pay down some of the debt:

Valuable Greek assets will be transferred to an independent fund that will monetize the assets through privatization and other means.

The monetization of the assets will be one source to make scheduled repayment of the [proposed] new loan ... a targeted total of 50 billion euros.

As Jeroen Dijsselbloem, the president of the Eurogroup and the author of this part of the so-called "agreement," told Bloomberg, the fund "is going to be an independent fund ... [made up of Greece's] airplanes, airports, infrastructure and most certainly banks." He added that this is good for everybody: "That is good for Greece but also good for us. We are, in the end, the ones from whom the money was borrowed."

Anthony Fatola, writing in the *Washington Post*, called this a "fire sale" of Greek assets, much like the liquidation at auction of a farm that could no longer meet its financial obligations. It would include "even plots of land on its famed islands."

Sources close to the Greek government say that Tsipras has successfully cobbled together a gaggle of members of parliament from both Left and Right sufficient to pass the "agreement," an agreement that only "starts the negotiations with the Greek authorities." Assuming that is true, by midnight Wednesday Greece will have passed into history as a sovereign nation and will begin its new status as a vassal or slave state, a mere inconvenient and formerly noisy province of the supranational European Union.

A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics.



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