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No Happy Ending for Unfolding Greek Tragedy

It's shaping up to be a long, hot summer in Greece.

Once again, the Greek economy is weeks away from utter collapse, as Greece has run out of money to continue servicing its debt payments to international creditors such as the IMF, and once again, Eurocrats anxious to avoid a Greek default and exit from the Eurozone are trying to cobble together yet another deal.

This time may be the final straw; the fanatical political will to preserve the integrity of the Eurozone at any cost may finally be overwhelmed by economic realities. Reportedly, an agreement was reached today, with Greek Prime Minister Alexis Tsipris conceding to the demands of European Central Bank President Mario Draghi at a meeting in Brussels. The details are still a bit sketchy, and the expected violent reactions from Tsipris' coalition partners may still upend whatever has been agreed upon.

The long-term impossibility of the Eurozone was laid bare soon after the economic collapse of 2008, when it became apparent that the governments of a large number of countries in the Eurozone — Spain, Italy, Ireland, Portugal, Cyprus, and especially Greece — had been spending far beyond their means, and racking up enormous amounts of debt to cover their profligacy. From 2009 onwards, the Eurozone has been in a state of almost continuous crisis, with European elites scrambling to staunch the financial hemorrhaging in one country after another by persuading creditors to loan still more money.

This, of course, has had no effect other than to postpone the evil day, especially for Greece. Greece has already been permitted a partial default by having the terms of repayment of much of its debt reduced, with creditors agreeing to a "haircut." Since 2010, Greece has been the beneficiary of around €230 billion in emergency bailout loans. But those measures have not been sufficient; Greece's total debt persists at around 170 percent of the GDP, while recession after recession has destroyed any prospect of Greece's economy growing out of the crisis.

The Greek political landscape has also changed dramatically over the past five years. Greece is now governed by the radical left Syriza Party, which swept to power on the strength of popular anger against Establishment politicians. While the previous Greek leadership was willing to impose harsh austerity measures to service Greek debt, Syriza and Greece's new president, Alexis Tsipras, have until now flatly refused to loot the pension funds and savings of Greeks. Tsipris will have a tough go selling his cave-in to the various Syriza factions, who are prepared to default and be expelled from the Eurozone by month's end as a consequence.

Certain European governments — Germany, in particular — have come under very heavy political pressure to stop spending their own taxpayers' money to prolong the Greek tragedy. By all appearances, Greece's five-year dance with Eurocrats and creditors seemed to be finally nearing its unavoidable outcome: full default, followed by Greece's exit from the Eurozone. That still may prove to be the case, but, for the moment, it appears that the EU-IMF-ECB Troika have staved off the "Grexit."

The Greek crisis, after all, is at root not an economic but a political crisis. The zeal of the internationalist Establishment for preserving the Eurozone at any cost cannot be understated. The real purpose of the EU and the Eurozone is not merely to encourage free trade and open borders while discouraging international conflict; it is the dissolution of old Europe's sovereign nations and their replacement with a single, continent-wide government.

The European project is of vital importance to the overall internationalist program: the eventual creation of a single world government along socialist lines. A successful, permanent European political and economic merger will serve as both a blueprint and a precedent for the formation of similar regional governments elsewhere in the world, including North America. Once those regional superstates have been created, it will be a comparatively simple task to merge them into a single global polity.

On the other hand, should the Greek crisis lead to Greece's departure from the Eurozone, and perhaps the EU, and a return to the old Greek national currency, the drachma, a powerful precedent will be set for the departure of other states, like Portugal, Spain, and Italy, whose governments have spent them into receivership. In many parts of Europe, long-simmering popular resentment against the EU and the Eurozone may well explode, leading to abandonment of the decades-old project of continental political and economic union.

Such an outcome would be a huge setback for the globalist project. It is entirely possible that international creditors are seeking to keep Greece within the Eurozone by any means possible. That would certainly mean approaching the American government and the Federal Reserve, which have the means to paper over the Greek problem if it became an absolute necessity. After all, we still have no idea how much American taxpayer funds were used by the Federal Reserve to help shore up European banks during the Great Recession — but we know that it was done, without the leave of Congress and in secret from the American people.

Little of this is understood by angry Greek demonstrators, who are again threatening to torch Athens if the Syriza government caves to the demands of creditors. Most of them simply want their government's promises to their own citizens to be honored, and their life savings and pensions to be kept intact.

The reluctance of Greece's citizenry to become permanent bondservants to international creditors is understandable. But the experience of Argentina, whose default more than a decade ago turned out only to postpone the evil day, serves as a salutary example. Most modern international creditors refuse, in the long run, to be placated. Faced with refusal to repay, they often sell bad debt to more ruthless, better-connected creditors who then use all of the considerable legal and financial means available in the modern international system to exact repayment. Argentina's default, in other words, will never be recognized. There are no international bankruptcy courts that allow deadbeat governments to wipe away debt and start afresh. There are only mechanisms to ensure that the payments keep coming, generation after generation. More than military conquest, enslavement through debt is the surest route to national vassalage yet devised by globalist elites, and they have no inclination to relinquish such a powerful tool.

There is no escape for Greece as long as the current international system remains in place. Even as a European pariah, Greece will still have neither recourse nor respite. In the end the Greek people, weary of poverty, will install a new government more willing to accommodate international creditors.

The Greek crisis should be a wakeup call for Americans, who will someday find themselves in a situation similar to Greece's, with their savings, pensions, Social Security, and other government goodies all on the auction block to satisfy international creditors. May we come to our senses before it is too late.

Photo: AP Images