



A PROPOSAL FOR THE TRANSITION TO THE NATIONAL CURRENCY



The European and international centers of the establishment, especially the domestic political and economic establishment, are engaged to brainwashing and terrorizing the Greek people, by presenting the abandonment of the Euro and Greece's transition to the national currency as destruction.

With this brochure the Popular Unity (L.A.E), in a brief and as far as possible intelligible way, attempts to highlight and open for discussion the steps and measures of the transition of Greece to the national currency on the basis of a radical program. Moreover, it attempts to highlight that the transition from the Euro to the new national currency, via a radical program, is a realistic and viable option and that this is the only option to pull the country out of the crisis, without any more "bailout" programs and austerity, and bring it back in track towards growth and productive transformation with social justice.

Our country, in order to move forward and establish a national currency, needs to take and immediately implement the following steps.

STEPS FOR THE TRANSITION TO THE NATIONAL CURRENCY

FIRST:

The Bank of Greece becomes public property, comes under national and social control. It is exclusively entitled for the printing of the national currency and its policy fully complies with the framework laid down by the Government and its policy.

SECOND

The country restores its monetary sovereignty, which is in fact the foundation of national sovereignty, and it takes thus a big step towards this direction. The government exercises its sovereignty and has under social control the country's new national monetary policy in all its aspects, taking into account the opinion of the Bank of Greece.

THIRD

An institutional regulation of increased power establishes that the country's monetary policy is drafted according to specific criteria focusing on growth, social justice and expansion of full employment jobs.

FOURTH

The Government, after consulting the Bank of Greece, establishes the Euro conversion rate with regard to the new national currency. This parity as such, in whichever rate it may be specified, does not affect the functioning of the economy. For practical reasons only, and exclusively for the purposes of this paper, we define that one Euro is equal to one unit of the new national currency.

FIFTH

Euro is withdrawn by law and the new currency is put into mandatory circulation. All domestic financial operations and transactions are exclusively carried out by means of this new national currency.

THE ECONOMY WITH THE NATIONAL CURRENCY

As part of these arrangements and on the basis of the official rate of the new national currency to the Euro:

- Banks undertake the task of exchanging the Euros in citizens' and legal persons' hands into the national currency.
- All bank deposits are converted into the new national currency while the Euros held with banks (coins and notes) are stocked with the Central Bank so that the foreign exchange reserves of the country are strengthened. The state, by means of special legislation of increased power, fully and absolutely guarantees all deposits in banks and ensures their safety and best returns.
- All salaries and pensions, as of the time the national currency is established, are payable to the new national currency at the regulated rate (e.g. an employee receiving 800 Euros net salary, shall be receiving 800 units of the new national currency, a pensioner receiving 800 euro pension shall be getting 800 new national currency units accordingly).
- All borrowing liabilities of any kind, in particular to banks, as well as the liabilities of individuals and legal entities to the State, namely narrow and wider public sector, are translated into the new national currency, according to the terms which have already being agreed, without extra charges. A 1,000€ individual bank

loan for instance shall become equal to 1,000 units of the new national currency, according to the terms which have already being agreed. Our policy is to implement, as we explain below, a wide write-off of the debt (“seisachtheia”) and a brave regulation of private debts.

- Market prices are converted into national currency and are displayed both for a sufficient time period and there is strict control, with heavy penalties in the event of illegal trading and profiteering phenomena.

Within this framework, the economy, with the new national currency, enters smoothly into a new operation that will allow the accomplishment of a new radical policy for the reconstruction and the transformation of the economy.

WHY IS THE NATIONAL CURRENCY NECESSARY?

The introduction of the national currency is extremely timely and necessary because:

Inside the euro zone prison and under «the EU single market», it is impossible for Greece to recover, financially and socially, while it continuously loses grounds against stronger and more «competitive» economies, Germany being by far on top of all.

The neoliberal Euro zone monetarist structure and philosophy does not favor the convergences between different economies with different levels of productivity and efficiency. On the contrary, it rather enhances inequalities and disparities, and makes competition among economies even fiercer.

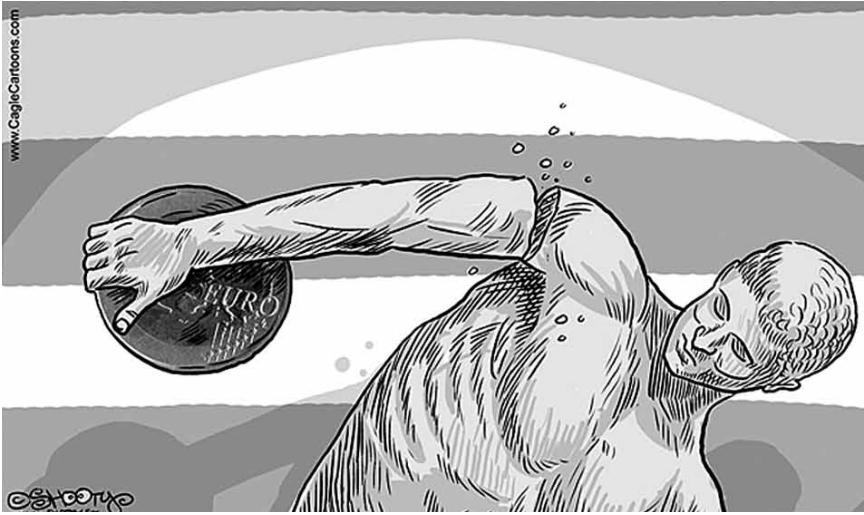
Under those euro zone circumstances the national currency is absolutely necessary and irreplaceable tool for our country, even more so as the working class in Greece is choked by an illegal, hateful, shameful, odious and illegitimate and especially unsustainable debt. In the name of which funds are still being received from EU states and the IMF, which are available exclusively to serve this debt and are accompanied by failed memoranda of austerity and plundering that brutally afflict the people and destroy the country.

The introduction of the national currency will free the Greek economy from the uneven and grueling competition that exists within the euro area, where there is not any possibility that our country can deal with this situation inside the Euro zone, other than by slashing social spending and squandering the wages of the working class, of workers and pensioners.

Most importantly, however, and more relevant: the introduction of the national currency is indispensable precondition for the country to stand on its own feet without the funds (tranches) of the EU and the IMF and without the ECB liquidity to domestic banks. Those are the creditors’ deadly enforcement and coercion tools, as we have witnessed first in Cyprus and in July 2015 in our country, when the ECB closed the tap to the banking system.

Therefore, the national currency gives the country the realistic prospect to disengage from the EU, ECB and IMF, and it allows us to achieve the survival of the country, which cannot be fulfilled inside the euro zone, namely, to free itself from the “bailout” programs and to write off the debt, armed with the irreversible cessation of repayment, without the banks and the economy being





at risk of collapse due to the blackmailing manipulation of the creditors.

The options of cancellation and abandonment of the “bailout” programs’ economic policies, of the debt deletion and the introduction of national currency instead, shall support both the economy and the banks to recover for the benefit of the country and the people.

The national currency, a necessary condition for debt relief, will allow the State to

proceed to the recapitalization of the banks so that they may undertake their new role without ECB’s liquidity. Thus the state shall put forward a policy, which shall radically address, in favor of borrowers, the scourge of the unsustainable private debt that strangles our economy.

Moreover, the banks, thanks to the conversion of the money used for their recapitalization into shares, by means of an increase of their share capital, shall no longer be trapped by the private capital and the capital funds. They will become public assets, nationalized under social control, and they shall be implementing a completely different financial policy, focusing exclusively on development, production and investments according to social criteria.

Taking into account the above, the new national monetary policy shall allow the banks to put in place a broad «seisachtheia» (write off) of the debt, according to specific criteria and controls, in favor of the most vulnerable households and small businesses whereas other business loans shall be settled accordingly following exhaustive management control of both individuals and companies. Simultaneously deletion or impairment of debt of large companies, as long as this is required to safeguard jobs will go forward with the proportional participation of the nationalized banks in their equity, versus the debt to be written off.

Without national currency, any attempt in terms of debt impairment and release of the country from the programs, austerity and servitude are hopeless and such a promise is a deceit and demagoguery.

WHAT WE WANT TO ACHIEVE WITH THE NATIONAL CURRENCY

For LA.E the national currency is neither an end in itself, a fetish, nor a different, new national, currency to continue the same neoliberal policies in a different form, serving the same oligarchic capital interests, the same sinful intertwined relations, the same clientele reasoning, the same parasitic circuits and the same practices of bribing and corruption.

On the contrary, the national currency for us is a **tool**, a **starting point**, a **challenge** and an opportunity to terminate, in conjunction with the application of our overall interdependent transition program, all these situations: to terminate the program’s enslavement, the euro zone guardianship and the unsustainable debt; to abolish austerity, to fight poverty and unemployment, to ensure public and universal social needs in health / education / culture, to stop the sellout of the country, to nationalize strategic companies and to put forward a productive transformation of the Greek economy, which cannot be achieved in the euro zone and in the context of the neoliberal EU.

WE SUPPORT THE ECONOMY, PRODUCTION and SOCIETY

FIRST: The national currency shall allow us to strengthen the national production and efficiency (competitiveness) of the Greek economy, by providing a big **flow of liquidity** to the economy and the society according to extremely favorable terms.

The Bank of Greece, thanks to the national currency, shall be able to make available the necessary liquidity to the economy and the society under favorable conditions and at very low interest rates, which is impos-

sible in the Euro area.

Our ambition is to feed the economy and the society in order to attract productive investments, to combat poverty, to support the needs of the community as well as those of critical social sectors.

In particular, the advantage of the printing of a national currency together with a national monetary policy shall be the tools of the Bank of Greece, via the nationalized banks, in order for them to finance a major investment program in the country both in the part of public investment and in the financial support to SMEs.

We intend to put forward a new financial plan, very wide in size and variety, quality oriented and under substantial democratic and social control, with very low interest rates, which will be regulated under a government development plan. A financial program that inter alia shall be aiming at redesigned production public investment program, double in size at least. It shall be focusing on a vast farmers' support program and the upgrading of primary production together with a large financial program for SME investments, the ultimate goal being the productive and technological upgrading of the country, job growth, support and expansion of labour rights. In this context, special efforts will be dedicated for the reconstruction of businesses under public control and the support of cooperative and collaborative business as well as businesses the innovative, modern, technological, and organizational performances of which may enhance the democratic development and the productive transformation of the economy.

The advantage of printing banknotes and having national control of the monetary policy shall serve as well the purposes of supporting and strengthening the **social profile of Greece** and its **social budget**. The national currency and the new expansionist monetary policy shall be used for the recapitalization of the pension funds, shall support and boost salaries and pensions. Starting with the minimum wage and the minimum pension, they shall be used to offer social assistance to weak, vulnerable and disabled people in order for us to combat poverty and improve social spending.

The state budget of Greece supported by a national currency shall free the country from the shackles of fiscal austerity, the strangulation of excessive primary surpluses and the restrictive requirements of the Stability Pact and shall make possible the monetarily refinancing of the deficits on highly concessional and preferential terms, which together with a major administrative reform of the state may provide, based on our concise proposal, an enormous leverage for the productive transformation and the efficient remodeling of the economy.

NATIONAL CURRENCY: FOR A NEW SUSTAINABLE AND EQUITABLE ECONOMIC MODEL OF DEVELOPMENT

SECOND: the national currency shall be our basis in order to implement a flexible **exchange rate policy**, taking into account on the one hand the domestic economic data, in particular the developments in the balance of payments and on the other hand the European and international circumstances.

This national exchange rate policy should in no way be governed by any dogmatism or prefabricated schemes, it should be shaped and developed through expanded and meaningful social dialogue. Its ultimate aim shall be to promote the development of the country and to expand full time jobs, creating thus a new equitable and sustainable economic model.

Circles of vested interests use an alarming discourse with regard to a possible devaluation of the national currency and speak about catastrophic consequences, anticipating, indeed, that this devaluation shall be beyond control. They claim that as a result the country shall allegedly suffer from shortages of raw materials, of the essential food and medical supplies that are taken for granted in the national currency plan.

This scaremongering is totally unjustified, has no reasonable basis and it is absolutely inaccurate.

At some point in time, if it is deemed necessary in order to boost the economy and bearing in mind the





interests of Greek people, we may decide and design a narrow devaluation of the currency.

Such devaluation shall be the tool, which could not be deployed inside the euro zone, to stimulate under control the domestic production and the economy, particularly in targeted sectors, so as to obtain measurable objectives and establish a large financial and development planning.

An eventual devaluation (if deemed necessary at some point) in an economy of our size, the functions of which were greatly affected by the Memoranda for many years and has been in recession and stagnation with high unemployment rates and slow and untapped but potentially ef-

fective productive potential, shall have a positive impact on the socioeconomic balance.

A limited and reasonable depreciation, for as long as it is required and is deemed necessary, will be a positive rather than a defensive option, which shall enhance and strengthen the development plan that we intend to be implemented in the country.

Such devaluation could substantially impact the prices of the domestic products so that they become relatively cheaper and the imported products become more expensive. This shall stimulate the national production, the domestic products shall prevail over imports, exports and tourism shall gain a great momentum and as a result there shall be more jobs to support our effort for the country to move forward on a new development path according to a new development model.

In the context of an economy that is depressed for years, a limited and reasonable depreciation shall have very few and insignificant effects on inflation, and, in any case, we shall ensure that it has no negative effect on wages and pensions. Moreover, the new anti-austerity policies supported by the national currency shall further strengthen salaries and pensions.

The devaluation with such features will not lead, as they claim, to massive and catastrophic financial speculations. Together with the introduction of the national currency **effective controls shall be put in place on the movement of capital**, from the country abroad or vice versa, to avoid malicious deliberate attacks against the currency and the national economy.

This control shall not be related to the current restrictions on banking transactions (Capital Control). It shall be quite the opposite instead, since the introduction of the national currency shall free all bank transactions and there shall be no restrictions in terms of the opening of accounts and the withdrawal of cash.

The Euro-insisting propaganda is absolutely inaccurate as it argues that the introduction of the national currency will lead to uncontrolled devaluation or even worse, since they claim that there shall be significant shortages of raw materials, pharmaceuticals, oil, food, etc. Furthermore, the often-heard claim that Greece cannot make the transition into a national currency because it produces nothing is utterly unrealistic.

To begin with, the widespread belief that Greece has become a productive desert, despite the large production decline it suffered, particularly during the Euro years, is not correct. Greece still has, despite the heavy blows it has suffered due to the implemented neoliberal policies and the euro zone pressure, a considerable production base and major infrastructure. The national currency, based on a radical program, is not only obligatory. It is absolutely necessary in order to block the decline of the production and encourage the recovery of the country in favor of the large social majority, which can only be achieved in the context of the new economic and social model proposed.

At this point, we need to consider the fact that, after many years, the foreign trade balance of the country is balanced or in surplus, mainly due to the pressure of the "bailout" programs. This means that the nation-

al currency of Greece, with the exchange revenue that will derive from its exports, the tourist exchange and a number of other foreign exchange revenue, shall be able to repay all imports made at current levels. This positive assessment may prove even more favorable when the national currency and the introduction of the new policy are in place, as they shall boost the production and the country's exports while exports shall be decreasing and eventually replaced by domestically produced goods and services. Finally, the combination of balanced external payments and the implementation of effective controls on inflows and outflows, especially for short-term speculative investments, shall significantly reduce the risks of speculative attacks that could put our national currency on an undesired track; at the same time the occasional fluctuations in terms of demand and supply of the national currency shall remain manageable by means of the existing reserves. It is quite understandable and obvious that the gold reserves of the country shall be brought back and kept in our country.

FOR A NEW SOVEREIGN, INDEPENDENT, DEEPLY DEMOCRATIC, SAFE AND EQUITABLE GREECE

The scope of this brochure is to provide a concise outline of the path leading to the national currency with the support of a radical program. With this brochure, we do not conclude, but we do try to give a new momentum to the process and the debate regarding the process from the euro into the national currency. Essentially, such discussion has never been on air on the media. The study that we put forward is not an end. It is rather the starting point for strong social dialogue, which must be continued.

The national currency roadmap, based on the radical program proposed by L.A.E., responds to the interests and perspectives of the large social majority, namely the working class and all employed people. It serves the needs of the unemployed to find work and have full rights; the interests of the youth for a better future in our country; the interests of small farmers and of all people employed in all sectors, irrespective of what they do for a living. The national currency pathway and the L.A.E. radical program shall hurt only the capital oligarchy, which is connected with the European and international imperialistic economic and political centers.

The transition to the national currency and the transitional progressive transformation program with a socialist horizon, like the one we propose, are the sustainable paths that may ensure the exit from the crisis and reduce decisively the existing inequalities and the unemployment, while they shape a new productive and efficient economic model.

The transition to the national currency to implement a radical program is a course of participation and extended struggles of trade unionists and the people. It is a path of major economic and democratic transformations. It is a course of collision and rupture with the neoliberal EU rules, of conflict and rupture opening up the procedures, the will and the people's struggles to release and take the country outside the European Union. It is, finally, a way to implement a new strategy of multidimensional foreign and international economic policy guidelines, which fortifies and strengthens the new country roads.

The prize of this victorious course will be a new Greece, a sovereign, secure, independent, deeply democratic, socially equitable and prosperous country.

In this new country, Greek people shall be sovereign in their homeland for the first time and we shall built all together a better, bright future for the younger generations, worthy of their expectation.



**POPULAR
UNITY**
ΜΕΙΛΗ
ΕΝΟΤΗΤΑ