

Greece demands \$382B from Germany in Nazi war reparations

The money could help Greece pay off its \$431-billion debt. Germany has refused.

By: Tanya Talaga Staff Reporter, Published on Tue Apr 07 2015

Financially struggling Greece says Germany owes it \$382 billion in money and archeological objects stolen by the Nazis in the Second World War.

After decades of demanding the country's cash and treasures back, Greek parliamentarians last Monday put a final price tag on how much they believe Germany owes them in repatriation payments — €278.7 billion (\$382 billion), said Deputy Finance Minister Dimitris Mardas.

The money could go a long way in helping rid Greece of its \$431-billion debt and could save the Mediterranean nation from looming financial ruin as it struggles to make payments to its creditors.

On a recent visit to Berlin, Greek Prime Minister Alexis Tsipras said there are moral and ethical reasons why the Germans should reimburse Greece for the almost incalculable pain and suffering bestowed on the nation during the war.

Not only were ancient Greek treasures pilfered by the Nazis and money taken out of the Greek banking system, tens of thousands of Greeks starved to death so the Nazis could feed its war machine.

Tsipras's left-leaning Syriza Party blames Germany for the recent hardships most Greeks have suffered due to austerity cutbacks in exchange for billions in loans to keep the country afloat. Germany, the economic engine of Europe, is one of Greece's biggest creditors.

No surprise Germany is rejecting Tsipras's arguments.

German Vice Chancellor Sigmar Gabriel even called the Greek proposal "dumb," reported the Telegraph, adding it confuses the current problem of Greek debt with the past.

Germany said it paid Greece repatriation funds in 1960.

It all doesn't add up for Miranda Xafa, a senior fellow at Waterloo's Centre for International Governance Innovation.

"Greece had the opportunity to ask for additional reparation payments when Germany was reunified in 1990, but didn't. Now that Greece is in dire straits financially, it pops up a request for reparations out of the blue," Xafa said from Athens. Xafa also served as a member of the executive board of the International Monetary Fund in Washington from 2004 to 2009.

"I thought this issue had died out when Prime Minister Tsipras told Chancellor Angela Merkel during his recent visit to Berlin that Greece is asking for moral, not financial compensation," she added.

Tsipras is reaching far and wide in his search for funds to prop up Greece. On Wednesday, much to the dismay of most European leaders, Tsipras is travelling to Moscow to meet with Russian President Vladimir Putin for what is being billed as talks on a wide range of subjects including finance and gas prices.

On Thursday, Greece must make a €448 million (\$613 million) debt repayment to the IMF. Greek Finance Minister Yanis Varoufakis has promised Greece will not default.

And at the end of the month, Greece owes another €80 million euro (\$108 million) in interest payments to the European Central Bank.

Some believe Greece could eventually default on its payments due to the Syriza government's slow pace of economic restructuring and its wish to restore social spending to help the impoverished Greek people.

Greece is trying to reach agreement with official creditors, but progress is painfully slow, said Xafa.

“To make things worse, the Greek government's legislative initiatives so far go in the wrong direction, insofar as they tend to raise government spending. The slow pace of progress has increased the risk of default, as Greece is running out of cash fast ahead of large debt service payments due in May and June, mainly to the IMF,” she said.

“Unless bailout funds are received in early May a disorderly default looms.”