euro note. Police raided their apartment and found counterfeit 20-, 50-, 100-, 200- and 500-euro notes totaling 1,155,190 euros. There were also forged $50 and $100 banknotes adding up to a total face value of $40,000. Police further discovered 11 printers and a number of materials used to make the forged notes.

■ **New park.** A new multipurpose park opened in the central Athens neighborhood of Ambelokipi on Saturday. The park, on Timoleontos Filimonos Street behind the old Panathinaikos soccer stadium, is the first public space to be created by the cooperation of the City of Athens and the nonprofit organization To Parko Mas (Our Park) with the help of private sponsorship, in this case a mobile phone company. Authorities have plans to create similar spaces in other parts of the city.

■ **Tourist injured.** A 25-year-old British tourist was seriously injured when he was hit by a car in the resort of Malia on Crete on Saturday. A 27-year-old woman was driving the vehicle, which struck the man, who was not named, as he was crossing the road. The 25-year-old has been hospitalized.

WEATHER

Athens			23°/35°
Thessaloniki			23°/33°

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Damanaki reels in Greek trawlers

Greece's European commissioner, Maria Damanaki, who is in charge of the fisheries department, revealed she has launched action against Athens for allowing trawlers to fish too close to the coastline.

Speaking to Skai TV yesterday, the European commissioner for maritime affairs and fisheries revealed she took action after the previous fisheries minister, Yiannis Diamantidis, issued a decision allowing trawlers to fish one mile (1.6 kilometers) from the coast rather than 1.5 miles, as EU rules stipulate.

"This is illegal and that is why I launched the procedure against Greece," said Damanaki, who held talks with Alternate Development, Competitiveness and Merchant Marine Minister Haris Paboukis and informed him about possible penalties.

The implementation of fisheries policy has been hampered by the cabinet reshuffles since PASOK came into power in November 2009. Since then, the Agricultural Development Ministry, the Merchant Marine Ministry and now the Development Ministry have been in charge of fisheries matters.

Damanaki published proposals earlier this month for an overhaul of European fishing regulations. She warned that of the 136 stocks fished in EU waters, only eight would be at sustainable levels in 10 years' time. The Commission says that 82 percent of fish stocks caught in the Mediterranean are overfished.

Cabbies ignore threat of arrest

A move by Supreme Court prosecutor Yiannis Tentes on Friday to order the on-the-spot arrest of taxi drivers who obstruct roads, ports or airports had little effect over the weekend as cabbies continued their protests against the government's liberalization plans.

Taxi drivers took over tollbooths at various points on the national highway network on Saturday – allowing motorists to pass for free – and yesterday forced guards at the Acropolis to shut down the ticket office so visitors could enter the grounds of the ancient monuments without paying.

The cabbies have asked for a meeting with Prime Minister George Papandreou, but Administrative Reform Minister Dimitris Reppas, with whom the cabbies had reached an agreement over liberalization when he was at the Transport Ministry, said he disagreed with their action and rejected claims he had been critical of his successor Yiannis Ragousis.

EVI FYLAKTOU/EUROKINISSI

Euripides' 'Medea,' directed by Antonis Antipas, went on stage at ancient Epidaurus this weekend. US actor Kevin Spacey will appear in 'Richard III' at Epidaurus from July 29 to 31.

EDITORIAL

After debt deal, ball is in our court

The deal reached by eurozone leaders last week was a milestone for Greece and for Europe. Our European peers demonstrated that they are doing all they can to help Greece avoid bankruptcy and solve problems that have been left untackled for decades.

The Europeans did not just decide to lighten Greece's debt and extend its loan repayment period; they also took steps to spur growth.

The Brussels summit signaled that Athens is not on its own. Now it's Greece's turn to make good on its commitments: Get on with privatizations, cut state spending and introduce structural reforms.

When your partners and creditors are willing to excuse your errors and delays, you must show similar maturity.

We wanted a direct and responsible solution for our problems. Now we must show equal responsibility and determination, turning a deaf ear to the miserable populist navel-gazing.

Commentary / *By Nikos Konstandaras*

408 59

Europe held

Now let's see what we do. After months of insults from the markets and the international media, divided, scared of the reactions of their citizens, Europe's leaders surpassed themselves. They took a step that could be a leap in the march toward a stronger union – perhaps a federated Europe. The fear of a Greek bankruptcy and contagion of the crisis created the need for a solution that would safeguard the credibility of the eurozone and would assure European citizens and the markets that the European Union is determined to succeed. And so, on the one hand, Europe's leaders recognized the complexity of the Greek problem and took measures to deal with our debt but also to spur development; on the other, they made very clear that Greece has to stand on its own feet.

"The Greek situation is different from that of other countries; that's why it requires an exceptional response," said European Council President Herman Van Rompuy. European Commission President Jose Manuel Barroso made clear that the lower interest rates and extension of debt payments require "full implementation of the Greek macroeconomic adjustment program. It is of course a two-way street. Prime Minister Papandreou gave in very clear terms his assurances in this respect." With regard to private sector involvement in Greece's second bailout, Barroso stressed: "Importantly, we are crystal-clear that PSI is for Greece, and Greece alone. It is an exceptional solution which we exclude for others. It is a unique solution." The expression on European Central Bank Governor Jean-Claude Trichet late Thursday night showed just how difficult it was for him to overturn ECB policy on private sector involvement.

The message was clear: The EU is prepared to go into unchartered territory, to overturn basic principles, in order to protect its weakest member for the good of the whole. That member, though, is an "exception," and if it does not pull its weight it will have to carry the burden of failure on its own. Greece's impasse created a great dilemma for all the Europeans: Do we fortify all that we have achieved or do we accept the defeat of the dream of union and each country goes its own way? Fortunately for Greece, the European experiment is too important to be lost because of its weakest member. The fact that the euro's architects did not foresee the inconceivable lack of maturity of Greece's politicians should not be a deadly blow to the greatest political, economic and social experiment in history – a union of 500 million people united only by their wish to share common democratic and humanistic principles. It is no coincidence that the EU's development has coincided with the longest period of peace and prosperity that our continent has ever known.

However much they may be pressured by electoral concerns, political leaders cannot ignore such a responsibility. After many months of negotiations, disagreements and uncertainty, they came to Thursday's agreement. Time will tell whether the measures will be enough to save Greece and the euro, but the certain thing is that the leaders of the eurozone showed their intentions and took steps toward a closer union. They decided that the European Financial Stability Facility will evolve into a kind of "European IMF" that will lend money to countries in need and will be able to buy their debt. In supporting Greece they showed their determination to remain united and they adopted an ambitious plan to develop our country. "We will mobilize EU funds and institutions such as the European Investment Bank towards this goal and relaunch the Greek economy," they said in a joint communique.

Our relief that our debt may become viable and the hopes raised by a "new Marshall Plan" for Greece will soon give way to our usual skepticism as to the motives of our partners and the fear of more fruitless sacrifices. As long as efforts to revive our country crash into the systemic rigidity, the selfish inertia and the tragicomic egotism of our public life's protagonists, there will be no hope. We have been granted a second chance. We saw how the first was wasted. But Europe held. And it is supporting us. It's time for us to stand on our feet.

***The deal reached** at the emergency summit of eurozone governments in Brussels last week is not enough to sweep away the clouds hanging over debt-choked Greece.*

One giant leap for Europe, one small step for Greece

Commentary

By Nick Malkoutzis

A general rule emerged from the financial crisis that originated in the USA a few years ago: If a financial instrument is too complicated to understand, then you'd better start worrying about how safe it is. So, when one of the world's leading economists, Paul Krugman, writes of the deal for Greece agreed by eurozone leaders on Thursday, "If you aren't confused, you aren't paying attention," then perhaps we need to put the champagne on ice.

Thursday was undoubtedly a landmark moment for the European Union and the single currency. It was never an inevitability that eurozone leaders would arrive at a deal. When you have 17 leaders with 17 different electorates and myriad domestic concerns to juggle along with worries about the future of the euro, there can never be a guaranteed outcome. Nevertheless, the eurozone chose on Thursday the road to a possible solution rather than the path to an almost certain dissolution. The danger has not been dispelled but more time has been bought.

Laying Eurocentrism aside for a moment and looking at the deal from a Greek point of view, the most pressing question, if not the only one, that comes to mind is: Will this be enough to save Greece? The simple answer is: No.

It won't be enough because, first of all, Greece has to do what it can to save itself and what we've seen over the last 18 months or so has not been a convincing attempt at self-help. Beyond that, it's clear that while sitting on a megaton of debt that could go off at any minute, Greece will not be able to reach safety without some considerable assistance.

What Athens needed from the eurozone deal was an agreement that lightened its debt load, gave it longer to meet its financial commitments, provided it with access to loans for as long as it cannot return to the markets and a source of investment that could help drive growth and job creation in the depressed Greek economy. Thursday's deal ticks all of these boxes but it appears the level of assistance is far from as comprehensive as officials suggested in the hours after agreement was reached.

The eurozone certainly came through in terms of the funding that Greece needs for the next few years. Athens still had 45 billion euros from its first (110-billion-euro) bailout outstanding, which it will receive. Another 109 billion euros is being added to this. So, Greece will receive 154 billion euros by 2014. The eurozone has also agreed to lower its interest rate for the new loans from 4.5 to 3.5 percent and to give Greece a minimum of 15 years to pay back the money.

There's no doubt that the new loan package is a huge amount of money, but when you start to break down the figures and see how it will be allocated, it's clear that it does not give Athens very much financial wiggle room at all.

According to an analysis by the Wall Street Journal's Charles Forelle, the largest chunk (38.3 billion) will go toward covering the deficits that Greece is expected to accumulate over the next three years, another 20 billion will be allocated for recapitalizing Greek banks, 20 billion more will be used by Greece to buy back its own debt, 35 billion will be spent on collateral for use in the bond exchange, while another 32 billion will be used to cover the Greek government bonds that mature by 2014. Another 38 billion euros is being set aside for "other" needs, which include paying debts accumulated by the public sector. It seems that every last cent has been accounted for before the loaning has even started.

The 20 billion euros set aside for bond buybacks will be made to work in Greece's favor as the eurozone is intending this tranche to be used to buy 32.6 billion euros of Greek debt at a market value of 61 cents on the euro. This will lead to a reduction in Greece's public debt, currently at some 350 billion euros, of 12.6 billion euros.

Through their trade group, the Institute of International Finance (IIF), banks have agreed to take part in a bond exchange, which should help reduce Greece's debt further. Bondholders will have a choice of four options to swap paper that matures between now and 2020. According to the IIF's calculations, this will shave another 13.5 billion euros off the Greek debt. The European Central Bank, which owns 48 billion euros in Greek bonds, will not take part in the scheme.

"The plan doesn't reduce [Greece's] giant debt stock very much," writes Forelle. "It is projected this year to be around 160 percent of GDP, and the 13.5 billion reduction from bond swaps and the 12.6 billion from the buyback total 26.1 billion, or around 12 percent of GDP. A chunk off a very large mountain."

The one unknown variable in the Greek rescue plan is the commitment to creating a new European "Marshall Plan." The reference to this scheme in the final text of the leaders' agreement was fairly vague but it seems that it will be a scheme aimed at providing Greece with the money and know-how to execute infrastructure and development projects in a bid to stoke growth and knock the economy off the recession axis it is currently spinning on. The scheme, however, will have to be substantial in size to have a discernible impact on Greece's fortunes.

The Guardian's economics editor Larry Elliott suggested that private sector involvement through bond swaps is "not nearly enough to solve Greece's solvency problem, unless of course the European 'Marshall Plan' proves as generous as that announced by Harry Truman in 1948, which was worth 5 percent of US national output."

There is another aspect to the agreement that doesn't affect Greece directly but which does have implications for the debt-ridden country. The eurozone leaders reaffirmed their commitment to bring down public deficits in all eurozone countries that are not receiving bailouts to below 3 percent of GDP by 2013 at the latest. Greece will have to agree in September to a new set of austerity measures and structural reforms as part of its deal but the commitment to low deficits in other countries has raised concerns that since a growing number of EU countries are facing debt problems and growth is scarce, there will be not be enough fuel for a recovery throughout the eurozone.

"So demand will be depressed in both the crisis and non-crisis economies; this will lead to a vigorous recovery through... what?" writes Krugman in the New York Times. "The Serious People are determined to destroy all the advanced economies in the name of prudence."

In a less dramatic mood, Elliot writes, "This looks less like a game-changer and more like Austerity Lite, a rather more sophisticated version of muddling through." On the receiving end of such a complex assistance package, muddling through may be about as good as it gets for Greece.