

Liebe Genossinnen, liebe Genossen

Dear comrades of Die Linke

I bring you the warm and fraternal solidarity of the Portuguese Left Bloc.

I would like to start by thanking you for the invitation. It is the first time that I personally attend any of your Congresses and I am really impressed by your discussions, as well as by your warm welcome.

As some of you know, I am relatively new in the European Parliament. I came in last May, following the death of Miguel Portas, MEP since 2004 and one of the founders of the Left Bloc (in 1999).

And it has been an honour for me to be part of a group of which Gabi Zimmer is the President.

The Left Bloc held its National Congress last weekend, which was attended by your comrade Dominique Hellig. Later I will talk a bit about the main conclusions of our Congress. Let me just say, for the moment, that we elected two national coordinators, João Semedo and Catarina Martins. The media said that it was a two-headed leadership. But for us, it is a choice that reflects our commitment to parity and gender equality.

The Congress was preceded on Friday evening by an International meeting on which Gabi Zimmer took part, along with other speakers. Alexis Tsipiras, president of Syriza, was also invited, could not come due to the discussion of the 2013 Budget in the Greek Parliament, but has recorded a special video to address that meeting.

For us it is of paramount importance that the European Left meets, discusses, exchange views and also attempts to have coordinated actions whenever possible: at social level, at political level and also at institutional level like in European Parliament.

A few days ago, November the 14<sup>th</sup>, we had the first coordinated European strike of the 21<sup>st</sup> century. There was a general strike in Portugal, Spain, Italy, Greece, Cyprus, Malta etc. and partial strikes and solidarity actions in 20 out of the 27 Member States of the European Union.

Indeed even if the concrete austerity measures reach different levels in different European countries, the austerity policies in Europe have a common background and the same recipe: to increase taxes on workers and consumers (while not taxing the financial system), to lower salaries, to destroy or dismantle public services. Altogether, this results in a huge transfer of money from the workers to the capital.

Some 10 days ago, Angela Merkel visited the European Parliament and our political group, the GUE/NGL, welcome her with banners and posters, which said “Austerity kills”. We believe she already knows it, but it is always useful to remind her. Not just her but the Europeans leaders like Barroso, president of the European Commission and former prime minister of Portugal.

When we say that **austerity kills**, we are not speaking only in a metaphoric sense. In fact, both in Greece and Portugal, austerity imposed by the troika has led to an increased rate of suicides, to levels of unemployment never seen before, to levels of poverty that we have expected never to be seen again in Europe.

The mainstream narrative is that the southern Europeans (especially the Portuguese and the Greeks) are lazy whereas the northern Europeans are hard workers. And if we are suffering a crisis it is due to the fact that production has gone down in our countries due to our laziness... The same narrative states that the countries from northern Europe are net payers to the EU whereas the ones from the south (or the periphery: Ireland or Eastern Europe) are the beneficiaries of the taxes paid by the north.

Or even worse: at a time where the troika (EU, IMF and ECB) have imposed their rule first in Greece and then in Portugal, European people are led to believe that they are

paying from their taxes to cover the debt of Greece and Portugal. In fact, interest rates paid by the Portuguese and the Greek people are not going to German workers or pensioners but to the banks, be it German, Swiss or from the UK.

We all know that this is not true. Both Greece and Portugal have been the laboratories of the policies of the IMF and the European leaderships. And when the recipe fails, instead of correcting their policies, they insist in the same recipe for disaster. In Greece, after 2,5 yrs. of troika, unemployment is unbearable (50% among young people), poverty is widespread, suicide rates have gone up. Unemployed people no longer have the right to public medical care (let alone to private).

Mrs Merkel says that Portuguese are good pupils of the troika, whereas the Greeks are not!!

The troika has been in Portugal for just 1,5 year, although it seems that they have been around for ages! I would like to remind you that they were called in just a month before the elections by the Socialist party (SPD), which was in Government in 2011, but the memorandum was signed and also agreed and signed by the Conservatives and the Christian Democrats who finally won the elections in June of last year.

You probably will guess what happened. In just one year, unemployment raised from 800.000 to 1,343 million (the true unemployment rate just be around 23%).

Unemployment among young people is 35%. A lot of young people with higher education left the country to try to find a job somewhere else, some of them in Germany. All allowances have been reduced: pensions were drastically reduced by one third, salaries from public sector have been cut (we were paid 14 months a year, now only 12 months), unemployment benefit was reduced both in time and in value; all prices have gone up, either directly or via the huge increase in VAT (now 23% even in restaurants, cafés, etc.).

Every day, the banks sell around 25 apartments whose former owners can no longer pay for their mortgages. Around 25% of the population is under poverty level. Some restaurants have created the “crisis menus”.

Attacks on public services have also been severe, with cuts in social security, education and mainly in health that is becoming a real paradise for business. And now, with the increase of revenue tax, minimum salary has gone from 485 to 397 euros.

Earlier this year a Chinese company bought part of Electricity of Portugal: the right-wing government has given away the right to last year’s profits in favour of the new owners – an “insignificant” 140 million euros. Moreover, while the electricity prices go up, the Portuguese manager of the company wins a millionaires’ salary.

The population in general has becoming poorer and poorer. At the same time, all our proposals to tax big fortunes, to end offshores, to limit salaries of big banks directors and of managers in public sectors, have been rejected in Parliament by the pro-troika parties. But our 8 MPs (out of 230) convinced the Parliament to approve a very important proposal: the right for every child to have breakfast at school. Many children were fainting in school because their families could not afford to give them breakfast

September the 15th Portugal had the biggest demonstrations ever since the 1<sup>st</sup> of May 1974 (one week after the fall of dictatorship): 1 million in the streets (a country with 10 million).

No, comrades, it was not our “laziness” that has led to this situation.

The crisis is the responsibility both of our national governments and of the European institutions that are ready to save the banks but not ready to invest in employment and public services. The fault is to the international finance which makes loans at rates which make it impossible to pay back: while Germany is financed at 0% interest rates, we have 4, 5 6 or 7%. Therefore we will never be able to payback the debt. When the troika came in, our sovereign debt was 80% of GDP; 18 months later it is 120%. Each

loan is used to pay the interest rates of the previous one, not to create jobs or to develop public services.

That's why the Left Bloc says that this situation is NOT the result of any inevitability e  
In politics there isn't such a thing as inevitabilities. In politics we make choices.

Our Congress has further developed some proposals:

Our first priority is to break with the troika and the memorandum, meaning that we want to cancel the illegitimate part of the debt and to renegotiate amounts, interest rates and deadlines. But for us it does not mean to withdraw from the EU or from the euro. We firmly believe that the answer to the crisis in Europe has to come from combining national political proposals with European proposals.

We reject federalism because federalism now is only the dictate of the financial markets and of the most powerful countries. We reject the idea that the Portuguese Parliament (or any National Parliament) could give away its right to decide on its budget and its tax system.

But at the same time, while opposing the creation of a European super-state, we want European solutions. The ECB should be under democratic scrutiny. Treaties should be changed in order to allow the ECB to lend money directly to the Member States at no interest, instead of lending it to the private banks at low interests, and these lend to the MS at much higher interest. We even propose that the ECB should be able to launch public debt bonds.

We also struggle for an increase in the EU budget, the level of the existing budget being 40 times less than the one from some Member States. As comrade Jörg Kubitzki said, you also need cohesion and regional funds in Thuringia.

Without a robust European budget, policies for growth and jobs are just propaganda.

These days, both euro-scepticism and nationalism can develop as a consequence of the crisis. Or else, the temptation to build a European Super state.

In our view, the answer of the European Left has to be internationalist solidarity, combining national and European answers, building convergence networks both at the social and the political level.

That is why, like you, we have been struggling for an alternative Europe of employment, social services, peace. Like you, we think that the solution is building an alternative Europe tainted by the colours of solidarity.

Long live to Die Linke!

Long live to the Left Bloc!

Wurzbach, Sunday 18<sup>th</sup> November

Alda Sousa