

ESP/IA of October 22, 1968

Irreproachable Orthodoxy

In answer to what we reported three days ago, about the unacceptable and most ~~questionable~~ questionable manner, according to which some Technical Companies endeavor to undertake construction of large investment projects, under the excuse that they are going to borrow foreign capital for this purpose, and for which, however, they ask the Greek Government's guarantee, we received a very long explanatory letter from the Under-Secretary of Coordination, Mr. Evlambios. At first the Under-Secretary thanks Estia for its "fruitful" interest about dealing with public affairs and "absolutely agrees that the way of financing, as commented by Estia, is not the most ideal, not even objective (the ministerial document mentioned originally the word "faultless") way of dealing by the State. For this reason we already work intensively for the preparation of specifications and tenders, and in the very near future tenders will be calling for financing for all public works for which there are ready feasibility studies". However, in continuation, the Under-Secretary mentions the disadvantages of inter-governmental agreements for financing, in particular the obligation of obtaining supplies from certain countries and that these cover only 20-30% of the project to be financed, while at the same time a clause is provided which precludes the covering of the balance of the cost from other lending sources; under such circumstances, the balance of cost should be covered by the budget in drachmas. (But why not? Let the balance of the cost be financed through the Budget and correspondingly reduced the purposeless socialist concessions).

Under such terms, however, the ministerial document begins to justify the medium term financing through the circulating free capital all over the world, which Estia mentioned:

"And it is true - he says - these are usually overcharged with additional charges. But on the other hand, such loans are advantageous, as they usually are not connected with the procurement of machinery and supplies from one country only, they may be used for financing of the total

cost (or, at least 70%) of each project and, finally, the procedure to secure such loans is very expeditious. Of course, statistically, there is no doubt that you are right and that the method on which you are commenting is not advantageous - I repeat, that we are getting organized for returning to the irreproachable bidding method. But on dynamic consideration the picture is changed and what is considered disadvantageous is changed to advantageous for the totality when there exist some people who can assume total political responsibility of acts, which are decided upon only after meticulous examination of the final result.

Going around the very crowded restaurants of Athens and the bustling stores of Hermes street, if you bring back to memory how empty and deserted everything was only a year ago, you will surely admit, that the measures taken even though - or rather because they were - unorthodox, turned out to be a success of the economic policy. The country has been led far from the marsh of a terrible stagnation; and very soon we will bring it back to an irreproachable orthodoxy, which we adopt as eagerly as yourself."

Yet all these are far from convincing us! Because first, if this year the Athens restaurants and the stores of Hermes street had greater activity, this is because last year the war of Arabs and Israeli cut short tourist traffic in the Mediterranean, while this year tourism has been restored. As for the others, it is impossible for us to understand what kind of political responsibility the Under-Secretary undertakes holding back from the "irreproachable orthodoxy" since neither Parliament exists - thanks be to God - yet, nor Article 14 of the Constitution is in effect. Therefore, more than ever before the irreproachable orthodoxy is necessary so much more when in no way it prevents the awarding of contracts for projects by bidding with definite time limits and the government's statement that the lowest bidder will have the government's guarantee for the foreign capital with which he is to finance - in full or in part - the project undertaken.

We do not see what is harmful in such a procedure. On the contrary, the political morality of the country is shaken when one can, depending on his judgement, disregard the "irreproachable orthodoxy" and adopts the reproachable conditions. We are sure that the Prime Minister too will agree on this with us and not with the heretics.

