

ECB Squeezes Greece on Collateral; Humorous Lies of the Day; Capital Controls Likely Soon

By Mike Shedlock
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Note from Pastor Kevin Lea: Confiscation of retirement funds could happen here too when the financial collapse occurs.



Funding as Long as Banks Stay Solvent

The amusing headline of the day comes from European Central Bank (ECB) Executive Board Member Benoit Coeure who told Greek newspaper Kathimerini on Wednesday in an interview [ECB to Fund Greek Banks as Long as They Stay Solvent](#).

The European Central Bank will continue to provide liquidity to Greece's banks as long as they remain solvent and have sufficient collateral, ECB Executive Board Member Benoit Coeure told Greek newspaper Kathimerini on Wednesday in an interview.

He said imposing capital controls was "not a working assumption" for the ECB, while speculation about Greece leaving the euro was "out of the question." Coeure failed to say that Greek banks are "solvent" (using the word loosely) only as long as they get funding.

Humorous Lies of the Day

1. Capital controls [telling people who have money deposited in a bank that they can no longer remove the funds or to restrict their access to those funds] not a working assumption
2. Greece leaving the euro "out of the question"

Does Coeure really believe he is fooling anyone with such nonsense?

Greek Leaders Under fire for Ordering Councils to Hand Over Cash

Greek mayors are upset (and no one can possibly blame them) for the government ordering cities to turn all their cash over to the central government. [Much of this "cash" is in the form of municipal worker retirement funds]

The Financial Times reports Greek Leaders Under fire for Ordering Councils to Hand Over Cash. Greece's anti-austerity government faced the first serious rebellion over its handling of a deepening fiscal crisis after it caved in to international pressure and ordered local authorities to hand over their spare cash.

A group of prominent mayors reacted furiously to the move on Tuesday, which followed repeated demands from Greece's official creditors, saying it amounted to an illegal seizure of municipal funds by the Syriza-led central government. The mayors said the order by decree violated the constitution and they threatened legal action in Greece's highest court.

George Kaminis, the non-partisan mayor of Athens, said the order was a blow to the independence of local government and could "asphyxiate" the normal running of the capital. "Apart from the fact that this move is clearly unconstitutional, it ...

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