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Greek Leader Offers to Quit Post for Sake of Unity

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ATHENS—Prime Minister George Papandreou offered to step down from his post if that would facilitate the formation of a national unity government with Greece's opposition political parties, according to two Greek official familiar with the matter.

The officials, one a senior member of the governing Socialist Party and the other a government official close to the prime minister, also said the prime minister is willing to remove Finance Minister George Papaconstantinou from his post if such a government is formed.

Mr. Papaconstantinou, who has had to carry out deep spending cuts, has been a lightning rod for public anger over government cutbacks and lost jobs.

According to a Greek government official close to Mr. Papandreou, the prime minister agreed to step down only if opposition leaders pledged to continue with the current government's program.

"Papandreou said that if all the political parties agreed to a specific framework for the country to exit from the crisis, he would step down," the official said. "But in order for that to happen, there must be a commitment that the government's policies continue. For example, that means committing to the government's reform program and its privatization program. Otherwise, the prime minister is ready to continue serving as prime minister and will go on doing his job."

So far the government hasn't received any official response from Greece's opposition parties, but doesn't necessarily expect an immediate response, the official said.



Tens of thousands took the streets to protest the Greek government's latest austerity measures. Charles Forelle reports from Syntagma square in Athens. AP Photo.

The prerequisite, the official said, is that Parliament approve a new set of austerity measures at the end of June, which is seen as a precondition for Greece to receive the next disbursement of its €110 billion (\$159 billion) bailout.

Greece also is seeking at least €60 billion in fresh aid from the European Union and International Monetary Fund. Further austerity measures also are seen as a requirement for any new aid.

The negotiations came Wednesday as Greek police fought street battles with dozens of self-styled anarchist youths in the center of Athens, as a mass protest over new government austerity measures descended into violence.

In separate incidents near the city's main Syntagma square, the hooded anarchists hurled rocks, chairs, bottles and firebombs at police, who responded by firing dozens of rounds of tear gas and stun grenades. The anarchists also lit small fires near the square, amid reports of several injuries that included at least four demonstrators, two

police officers and a local journalist, who was taken by ambulance to a nearby hospital. Two demonstrators were arrested and 18 were detained, according to police.

"We have had clashes at Syntagma Square and demonstrators have thrown Molotov cocktails at the police," said police spokesman Panagiotis Papapetropoulos. "There have also been some reports of injuries."

The clashes marred an otherwise peaceful protest by tens of thousands of Greeks angry over the government's latest €28 billion austerity package, which Parliament is preparing to debate, and comes as Greece's two major unions staged a nationwide general strike that crippled public services around the country.

Following the outbreak of violence, most of the demonstrators—who had numbered in the tens of thousands—dispersed, seeking refuge from the tear gas and smoke that filled the air.

Photos: Greeks Hit the Streets



Thanassis Stavrakis/Associated Press

Timeline: Greece's Debt Crisis



The Parliament is set to begin debate June 28, and vote June 30, on a five-year austerity program that the government has promised its international creditors, even as Greece seeks a fresh bailout

from its European partners and the IMF.

Combined with an ambitious €50 billion privatization plan, the new measures foresee a raft of new taxes and spending cuts that have stoked popular opposition and led to at least two defections from the ruling Socialist party, narrowing the government's majority in Parliament.

As crowds built throughout the morning in front of Greece's Parliament building, it was clear that the prospect of a second bailout—and a second round of government austerity measures—has triggered a new level of public distrust in the government.



Associated Press

Riot police block the entrance of the Greek Parliament in central Athens, prior to a rally against plans for new austerity measures. The banner reads "direct democracy now."

Many protesters said they had gone along with previous budget cuts and wage reductions on the belief that those sacrifices would be enough to right Greece's financial fortunes.

"They have asked us to reduce our wages, to live another standard of life," said Angeliki Kachrimani, a 42-year-old worker for Greece's postal service. She accepted a 15% wage cut, while her husband, a history teacher, is unemployed.

"They told us this would be for the greater good. We see now that either [the government] is incompetent or it is deliberately pulling us into this situation where you crush the working classes," she said.

Fay Soula, a 32-year-old chemistry teacher, was protesting

alongside her students.

"Last year they told us there would be no more tax increases, no more reductions," she said. "They said it would have a good effect. That was a lie."

The prospective privatization of government assets—from power and water companies to telecommunications—also fuelled discontent in the crowd.

"They tell us we have to sell our property," said Alexander Moshleas, a small business owner from the suburbs of Athens. "It is not our property. It is our children's property."

"We are middle class," he said of his family. "If we are middle class and having problems, then what about our fellow citizens who are poor?"

Faced with growing public discontent and wavering internal support within the Socialist government, Mr. Papandreou met with Greece's president at a hastily called meeting Wednesday. The meeting stoked speculation that Mr. Papandreou may announce a radical cabinet reshuffle.

Mr. Papandreou is to make a televised statement later in the day.

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