

# Open Letter to Greek Citizens

## The Biggest Lie of the Century is Costing Lives in Greece

As a best friend of Greece, let me start by saying that politicians worldwide are telling the biggest lie of the century when they claim Greece has an explosive debt mountain. In fact, Greece debt is among the lowest in the Eurozone. The biggest lie is costing lives and causing inhumane suffering in Greece, which has been well documented.

The biggest lie of the century is made by politicians who use the future face value of debt to measure today's value of debt. Measuring debt at future face value allows politicians to hide the economic reality of the debt from the public. In avoidance of any doubt, measuring debt at future face value violates and is not permitted under any internationally agreed upon accounting standard (IFRS and IPSAS) or internationally agreed upon statistics guidelines (2008 SNA and ESA 2010), which seek to provide a true and fair picture of economic reality.

Politicians using future face value can pretend that debt due 1,000 years from now and paying negative interest, which is worth zero, is the same as debt due 10 years from now and paying 20% interest, which would be worth multiples of future face value. Future face value is such a lie that politicians are putting above market interest rates on new borrowing to raise more than future face value while only reporting the future face value as debt.

For centuries, populist politicians, greedy elites, and woeful members of the media have refused to teach their citizens how to understand today's value of debt, which is professionally known as the time value of money, in order to advance their own political, economic, or professional gain.

At year end 2016, a good estimate of Greece debt is €132 billion or 75% of GDP calculated in accordance with the same internationally agreed upon standards used by the world's leading governments, non-governmental organization, and companies. Greece net debt after subtracting financial investments owned by the government (cash, stocks, and bonds) is €84 billion or 48% of GDP.

Greece net debt as a percentage of GDP is only 52% of peer countries Spain and Italy, a significant competitive advantage. When calculated correctly, Greece has the same competitive advantage for cash interest, debt service, gross financing needs, and average maturities of debt.

More recently, the political elite have created two new political numbers that have no integrity or comparability and that can be manipulated to be whatever they want, i.e., gross financing needs (GFN) and 2060 projections.

As much as there are those who dislike Greece, those who seek to use Greece for their own political agenda, and those who seek to gain profit from hiding Greece's competitive advantage, how can they be so callous as to the lives that are being lost and the inhumane suffering they are causing by perpetuating the biggest lie of the century? History will show the purveyors of prevarication who do not promptly stop their lying as having committed crimes against humanity.

Sincerely,  
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