

Greece reignites Europe debt woes

2010-10-27 12:26:21 by webmaster

27 OCT 2010

Europe's debt woes have returned to the fore after Greek premier George Papandreou threw open the door to fresh elections and vowed to liberate the nation from "slavery and surveillance".

By Ambrose Evans-Pritchard | Telegraph

Yields on 10-year Greek bonds jumped 31 basis points to 9.57pc and the euro tumbled 2 cents to \$1.385 against the dollar as investors awoke to the risk of political upheaval in Greece, not helped by warnings from bond giant PIMCO that Athens will default within three years.

"We have not yet escaped the danger. I am sounding the alarm," said Mr Papandreou.

While he promised to stick to the EU-IMF austerity plan, he threatened to go to the country if upcoming local elections fail to give his socialist PASOK party a clear mandate. "There can no deadlock in democracy, the people have the power to decide," he said.

The main opposition group New Democracy has yet to give a watertight pledge that it would abide by the terms of the EU's €110bn (£97bn) rescue, or the "Memorandum" as it is known.

[Read entire article](#)