

# Patriots Will Take Troika to Court Over Cyprus Austerity, Bail-In

The U.K.-based Anglo-Hellenic and Cypriot Law Association, whose president is London-based solicitor Dr. Katherine Alexander-Theodotou, is organizing a class-action suit to take the Troika of the European Commission, the European Central Bank, and the International Monetary Fund, to court over its bail-in policy, by which the deposits of Cypriots were grabbed to prop up the bankrupt international banking system.

In a statement released Aug. 21, the plaintiffs charged that the Troika's "unprecedented" decision in March to impose a so-called haircut on deposits in Laiki Bank and Bank of Cyprus "caused unbearable problems" for citizens who lost their life savings. They also said that no explanation was provided about what it was implementing "for the first time in Cyprus on unsuspecting and innocent depositors."

The organizations plan to take the case to the European Court of Justice (ECJ), and have assigned the case to Sir Francis Jacobs, professor of European Law at King's College, and former rapporteur at the ECJ, and London-based barrister Takis Tridimas, an expert in European law who has served as a consultant for the EU and ECB. Both are also representing clients from Greece who are challenging the Troika's austerity policies.

On Sept. 6, Schiller Institute founder Helga Zepp-LaRouche interviewed Dr. Alexander-Theodotou and her associate Neil Skinner, a British barrister who is working with her on the issue of the Troika.

—Dean Andromidas



Katherine Alexander-Theodotou

coming up in the European Court of Justice. Can you tell us why you are doing this?

**Katherine Alexander-Theodotou:** Yes, I am from Cyprus myself. I have a residence in Cyprus, and I have been involved with Cyprus, in all aspects of life, for a long time.

The present situation was foreseen about two years ago: that there was something wrong with the economy, and that started since Cyprus entered the European Union. The introduction of the euro led to the increase in prices,

the shortage of jobs; unemployment began to rise; we had cut-rate exports of various agricultural goods, etc.; and it was obvious to me from that time that the euro was really not as beneficial as people thought.

So I kept a close eye on the situation, and I also helped quite a large number of families who found themselves impoverished because of the introduction of the euro. These were lower-working-class families, and also a large number of pensioners.

Gradually, the economy worsened. We have reached the situation that the Marfin Laiki Bank was seriously into debt, and the European Commission encouraged the government to fund it, to survive, with EU3 billion. But the Laiki Bank did not recover, so the European Commission encouraged the Laiki Bank and the Bank of Cyprus to buy Greek bonds—which in any case belong to the German government—and they spent billions of euros buying Greek bonds which had no value, and that brought the collapse of the bank, and the collapse of the economy.

I have a lot of clients who have their deposits in the Laiki Bank, and all my clients, especially the ones who are in England, lost enormous sums of money. Laiki Bank in London closed, without really giving information to the clients as to the whereabouts of their money. I have another group of nearly 48 English clients who have deposits and loans in the Laiki Bank:

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## Interview: Dr. Katherine Alexander-Theodotou and Neil Skinner

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**Helga Zepp-LaRouche:** Dr. Alexander-Theodotou, you are representing the Republic of Cyprus in a suit

They were not told, until one week ago, that their money had been transferred to the Bank of Cyprus. They do not know whether their loans or their money have any value now.

The situation is complete chaos. Under the circumstances, a lot of the people who knew me, as a professional person and a lawyer, asked me whether it would be possible to take the action to the European Court of Justice. Meanwhile another lawyer in Cyprus, with a large number of clients, 3,000, made an application to the Supreme Court of Nicosia for taking some action against the rules of Troika, relating to the economic drop. The Supreme Court rejected their application and sent them to the district court, instead. That isn't good, because the district court is an inferior court, and it's going to cause a great deal of delay and will get nowhere. On the other hand, if you start an investigation of the Supreme Court, the Supreme Court was wrong in rejecting their applications.

Following that fiasco, people wanted to hear about the European Court of Justice. I held a meeting in London with Prof. Takis Tridimas, and another barrister, from the office of Sir Francis Jacobs. Professor Tridimas and Sir Francis Jacobs were both working at the European Court for Greek cases coming from Athens against the Troika, so they knew the situation quite well. And the advice of these highly specialized lawyers was that we must apply to the European Court of Justice, because the time limits for the imposition of the Troika's rules in Cyprus were very important.

We publicized that in various leaflets and newspapers, and there are a great number of people seeking help to go to the European Court of Justice. And it is a sign of resistance, I could say, of the majority of the people, against these really inhumane rules that the Troika is bringing to Cyprus.

### Life in Cyprus Today

**Zepp-LaRouche:** It would be very good for people outside of Cyprus, in all of Europe, to know the effect of the measures imposed by the Troika in Cyprus. What are the living conditions right now?

**Alexander-Theodotou:** The living conditions are very bad. We have the following situation. The people who were very wealthy, and that is a minority, can survive on the savings they have. But the majority, at least



Helga Zepp-LaRouche

75% of the population, live from day to day. Unemployment has tremendously increased; any job opportunity open has got over a thousand candidates, and young people are forced to leave the country to come here [to London], to go to the Arabic countries, to go everywhere to seek employment. It has disorganized the families completely.

The pensions have been eliminated, and that's a *very* bad thing, because over 35% of our population consists of people of pension age. The national health system

in Cyprus is suffering because they get money from [care for those people], and we received today information that the cooperative banks, where a lot of people in the country were putting their money, are now coming under the cuts by the Troika. There was a vote yesterday in the House of Representatives, and they just passed the legislation by a few votes.

That shows that the government is not doing enough to resist the Troika. The previous government signed the agreement [with the Troika]; the present government is following what the previous government did. They have never had an obligation to the people, like, for example, a referendum to see whether the people would like their money to be taken away—it's a theft in fact—by a bunch of people from Europe, and to destroy themselves, their countries, etc.

**Zepp-LaRouche:** The propaganda in Germany and elsewhere, was, these are just Russian speculators who got expropriated. So you're saying that it's not that, it's really the population.

**Alexander-Theodotou:** No, it's the poor people who pay the price! It's the poor people! Because what the Germans were trying to say is that these are depositors, investors that came from abroad, particularly Russians, and they put their billions there. But it's the ordinary people! Because all these very wealthy people have got their money in offshore companies; they knew that the economy in the country was not going well. Somebody who's got a very big company, for example a Russian who's a billionaire or multimillionaire, knows exactly what is going on, and would not keep his money in the Laiki Bank or the Bank of Cyprus, or the cooperative bank.

So it's an outright *lie*, to say that it is the tycoons and those people with the opportunities who are losing. It's

the ordinary Cypriots who are losing their money! It's the ordinary Cypriots whose families are being destroyed!

**Neil Skinner:** It's probably important to add, that for ordinary people, although up to EU100,000 is protected [from bail-in], the credit controls mean that you're limited to withdrawing up to about EU300 a day. And most businesses are now only accepting cash, rather than bank cards or checks. And while this is supposed to be a temporary measure, the same measures were introduced in Iceland during their crash, and they're still in place five years on.

### Europe Should Resist!

**Zepp-LaRouche:** Mr. Dijsselbloem, the new head of the Eurogroup, after the imposition of these measures on Cyprus, said that this would be the "template" for every other country; in the meantime, the same is being applied to Detroit. So therefore, given the fact that EU Commission is trying to put the final touches on getting the bail-in law implemented in all of Europe, and it already exists in the form of Dodd-Frank in the United States, what is your advice to other people? Because there is no public discussion about this at all.

**Alexander-Theodotou:** Very true, there is none. And the government—in fact, I can speak from Cyprus, and also Greece in a way, that there hasn't been public discussion encouraged. People in Europe *should resist these measures*, should resist a small team of people becoming the dictators to ruin European people's lives, to ruin their culture, to ruin their families, because that's what we're talking about. They should resist! The governments, if they're democratic, should ask the people to *vote* for these measures. If Cyprus, for example, if the people were allowed to vote, these Troika measures would be *thrown out*. And the same in Greece.

And we want to leave EU. We want to go back to our economy as it was before. Because they got us into Europe in order to use us! That is the whole issue. They got us into Europe in order to take advantage of smaller nations like Cyprus, Greece, etc.

I was speaking to some Spanish people yesterday, the situation in Spain is getting worse day by day! For example, unemployment is reaching 56%, and yet the Troika there is still continuing the cuts, and the majority of people haven't got any money! No money whatsoever!

And they've agreed also, to the division of the country, because now the various areas want to separate

themselves, to have independent governments; there is a great deal of discussion in their local assemblies. It would wreak the disintegration of the Spanish nation! This is what is happening.

### A European Dictatorship

**Zepp-LaRouche:** So, basically you're saying that the line that the euro would unify Europe, guarantee peace forever—in reality it doesn't look like that? Because I have not seen so much tension among the different nations since 1945.

**Alexander-Theodotou:** That is right. There's a great deal of tension among the various countries. And I'll tell you another thing: In about half an hour, I'm expecting a group of Croatians to come to my office, who want to leave the European Union. Croatia only entered the EU on June 26 of this year, and already they know what is happening, and they are taking their measures—they want to come out.

Poland and other countries, that are being forced to enter Europe [the EU], are resisting very strongly and very fanatically. They don't want to get into Europe, because they're going to be destroyed and used like us. [The Troika] wants to use Cyprus as an example to the European Union! A small island which has a political problem, a small island which was very prosperous, where the population was living well, before these people were involved. They have deprived us of our money, they're depriving us of our freedom. Because if you can't speak, and elected government cannot speak, then you have no freedom!

They are buying us out. They used EU10 billion to buy off the Cypriot people, in the same way that during Turkish rule—as you know, the Turks sold the Cypriots to the British for £75! Now, we are sold for EU10 billion, to go over to the Troika! This is not freedom! If people want to have their freedom, they should all get up and speak, and resist.

We're speaking today about an interior dictatorship of the European Union. We're not speaking about freedom of the peoples.

There are no rules there that join the people together; they have also destroyed the cultures of the people, because they want everybody to be the same.

**Zepp-LaRouche:** There is even an acknowledgment about a so-called "democracy deficiency" in the European Union. But I would say that, at least in Germany, there is absolutely no knowledge about the



<http://allkipr.ru/news/block-667/>

*The elderly in Cyprus have been hardest hit by the Troika's fascist austerity policies, as their pensions and savings have been wiped out.*

coming bail-in law: People just don't know, there is no discussion in the media. I would like you comment on this.

**Alexander-Theodotou:** Nothing, nothing at all! Yes, there is no discussion in the media. It's like the awful example of Cyprus. They threatened the government: If you bring it to the foreground, if there is any discussion whatsoever, you won't get the EU10 billion. And they found some people who would believe them. Because, as far as I'm concerned, the present President and the ex-President, they're both wrong. Discussion in the media is a must in a democracy.

The first time that it was mentioned that people should resist and get up and do something, it was the articles that we put in the Greek newspapers ourselves, nothing else! And we get a lot of telephone calls from people saying, "Please do something about it."

That's why we're having this rally in Nicosia on the 17th of October, because someone should speak out! Everybody's been suppressed there! And I believe the decision of the Supreme Court—because they do have the powers—must have been some kind of higher operation, to keep their mouths shut.

**Zepp-LaRouche:** In a certain sense this is really like, when, in the Depression of the 1930s, Chancellor Brüning imposed brutal austerity. And then came Hjalmar Schacht, and obviously Hitler—

**Alexander-Theodotou:** Yes, that's right!

**Zepp-LaRouche:** One would think that people would have learned something: that if you have a depression and a world financial crisis, if you impose that kind of brutal austerity, that *is* fascism!

**Alexander-Theodotou:** You're very right. Because what do you have? It's a different kind of Hitler here. A lot of people, especially the older people, die because of lack of heating, and because of not being able to get the right medicines—I know it's a fact they're not given the right medicines. Some of the people haven't got accommodations, because the old people's homes are closing down. I do not

know where they're going to go, probably to live out in tents in the field. The young families have no money now to buy any of the properties, because the banks are not giving them any money, and they're going to be homeless!

In Nicosia, many are fed through the charity of the Church. The priests go around and collect money, buy food, and the people go around to receive their daily meal. And what are they eating? A bowl of soup, some potatoes, and if they are lucky, once a week, some meat.

**Skinner:** It's not just the Church. There was a concert, where people could go along to listen to the music, and give foodstuffs instead of paying to go in, and then that was distributed to the ordinary people. So, it's getting quite desperate.

### **No Freedom = No Country**

**Alexander-Theodotou:** If this happens, it means the country has been demolished by the Troika. The only other time that I saw this happening, was during the Turkish invasion [1974], when everything was completely destroyed. People were living out in tents, and everybody living abroad had to go there and bring clothes and everything. We are doing exactly the same now. So what is the benefit of us being in Europe? Where is the protection of Europe? Instead, they're sending a bunch of dictators, down to Cyprus to kill the

country. There is no freedom, and if there is no freedom, then you have no country!

So, the Cypriot people should get up and resist. They should make their application to the European Court, to the Court of Human Rights, and demand that the government break with the Troika.

Cyprus has a very long history. We've been through a lot of disasters. We are a small nation; we've been occupied many times, but we came out alive. This time, the danger is far greater than the invasion from Turkey, or the invasion from the Assyrian Empire, or anything like that. It's far greater, because they brainwash people as well, and they force the government to say the opposite of what the truth is. So the government is issuing bulletins saying that we should accept these measures, this austerity as we mentioned; that we're going benefit, and the economy will go back to square one.

**Skinner:** The other day, President Anastasiades was called before a Commission of Inquiry, where he said that the gun was held to his head over these policies. There's the "democratic deficiency" of the people not being consulted, but also you have next level of the people's representatives being given no choice, effectively held hostage, over the economic situation.

**Zepp-LaRouche:** The Socialist former Presidential candidate from Portugal, Manuel Alegre, recently said that Europe has become a concentration camp, so that people who have not yet been affected should not be complacent, because it's just a question of time before it reaches them.

What would you advise the Germans and the Americans?

### **Protect the People, Vote Up Glass-Steagall**

**Alexander-Theodotou:** My advice is, to respect the freedoms of the people. Because over history, the most valuable item in the life of the individual is the freedom of democracy. And not to allow a small group of people from the International Monetary Fund, from the European Central Bank, to rule our lives. This is what is happening.

And my advice is, if the Germans and Americans are really trying to help the people of Europe, they should vote up new and healthy laws, such as what you are trying to introduce now in America, the Glass-Steagall law, to protect the interests of the people. If they don't do that, and if they don't have healthy laws, then forget it, we're going to disaster. So we're trying to

resist, as much as we can, by educating people that they should get up and fight against this dictatorship. And that's what we're trying to do in Nicosia. And likely we'll have the Croatians following us as well.

**Skinner:** You mentioned what it is to other countries, and whether they should be prepared for the same thing to happen to them. You mentioned specifically Dodd-Frank and Detroit. Well, Switzerland is a major banking country, and even they looked at introducing [bail-in], and they're not part of the European Union. As a country, they feel under pressure to do so, even though they're not directly under the Troika's influence.

**Alexander-Theodotou:** True. Because if the rest of Europe gets like Detroit, they will be treated that way as well.

**Zepp-LaRouche:** As a matter of fact, today there is a hearing being conducted by Congressman John Conyers in Detroit, which will be very interesting to see, because there is a lot of resistance in Detroit. But there, the pensioners were expropriated of 95% of their pensions!

**Alexander-Theodotou:** That is what is going to happen in Cyprus. I was speaking to a representative of the Cypriot pensioners club here in London, and he was telling me that the pensioners are almost deprived of 99% of their money. So they would have to go back to live on the money—if there is any money—to be given by their immediate relatives, or their children. If there is any money for the children. And especially, those who live in the countryside, these are the people who are going to suffer the most.

### **Deliberately Fascist or Just Incompetent?**

**Zepp-LaRouche:** I think these Troika measures have a life-shortening effect. The only question is, is it conscious or just incompetence?

**Alexander-Theodotou:** I think they don't care; they are very callous people. Because if they really cared about humanity, they would not introduce these measures to impose their will over the countries. They should allow the people to consider their situation. They are not just incompetent, they are callous. They don't care.

I see the way they come to Cyprus and the way they went to Greece: They present themselves as being some kind of Olympian gods; they're not affected by the suffering or the feeling of the people, as such. They're not



interested in the interests of humanity. They're only interested in the bureaucracy, to establish a domineering empire over the peoples of Europe and to rule over it. That's what they're interested in. And the freedom of the people themselves is thrown away, after so many years of struggle.

I'm afraid I don't have the time for them. I am against all of that. And a lot of people are for us or against the Troika. And the more we speak, and the more we join hands with all the people in Europe, the better it will be to resist it altogether.

I believe that in 14 European countries, there is a great deal of disenchantment with [the EU]. And we're going to discuss it this evening with various representatives, because we have to establish a slogan, and we have to campaign jointly, supporting each other. Because it's now Cyprus's turn and it will be some other country's turn tomorrow. Then one after the other, we'll be slaves.

What is the difference between a Roman slave nation and a slave nation under the empire of Europe? I can't see much difference, because money was everything. If you didn't have any money in ancient Rome, you were a slave. So today, the nation, let's say, that hasn't got

money, is a slave to Europe. They don't allow us even to vote in our own Parliament; they don't allow the people to decide! They want to decide for us—that is slavery. We are slaves, and we want to liberate ourselves.

**Zepp-LaRouche:** I want to end with an optimistic note, that Friedrich Schiller, the German Poet of Freedom, in writing about the war of the Netherlands against the Hapsburgs, said that if people unite for a good cause and have a good plan, then they can even bring down the arm of the most brutal despot. So in that spirit, let's make sure that this bail-in law gets defeated.

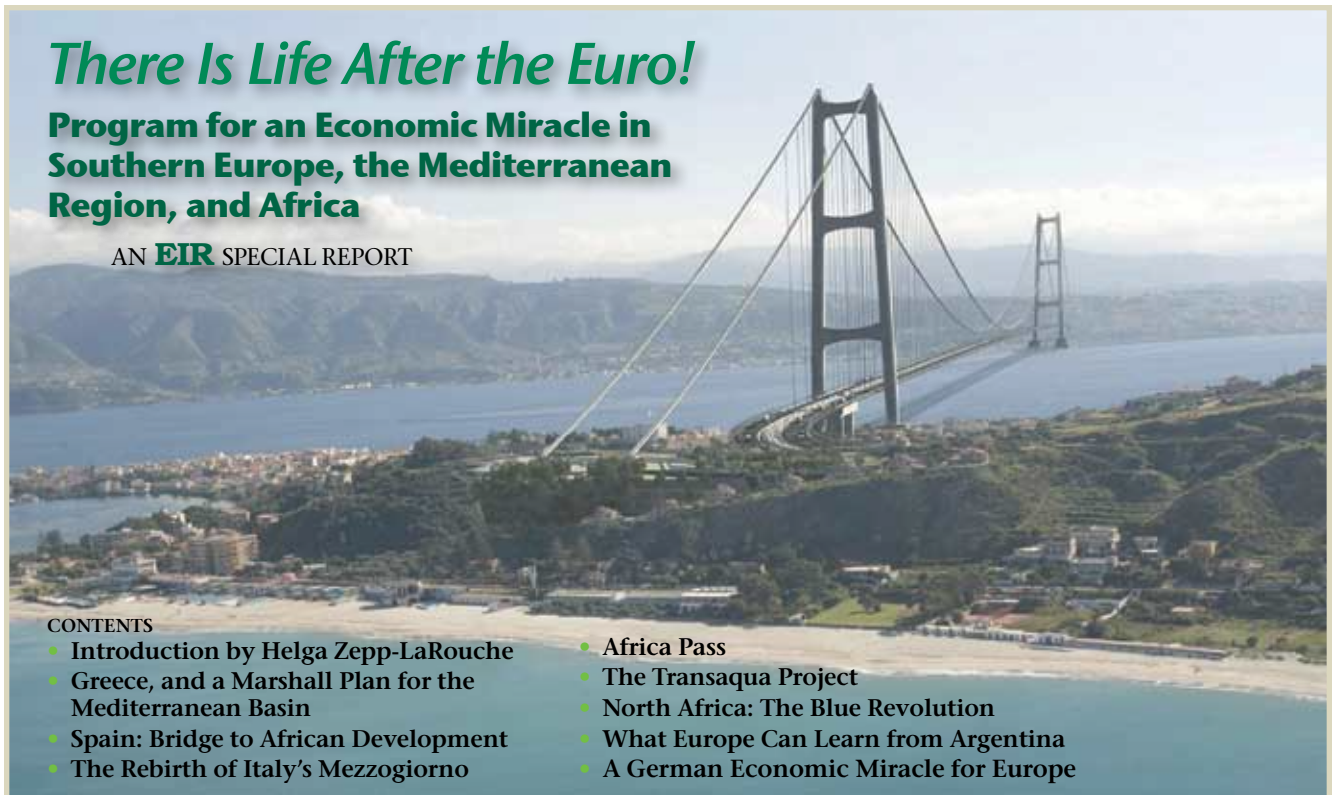
Do you want to make a final comment to our readers and our listeners?

**Alexander-Theodotou:** All empires come and go. And this empire will collapse. As Schiller says, because of the unity and the resistance of the people, it's going to be ended. You agree with me?

**Skinner:** I agree completely. In fact, the British politician Edmund Burke said that the only thing necessary for evil to triumph, is for good men to do nothing.

**Alexander-Theodotou:** Yes!

**Zepp-LaRouche:** Okay, thank you very much.



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