

Cyprus: “Financial Contagion” and Economic “Shock Treatment”

Cyprus Day 1: Fear and Loathing in Nicosia

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NICOSIA – In approximately three weeks time, the island of Cyprus will begin receiving its annual cash injection – from holiday tourism. That’s what’s know as a ‘good injection’.

After only a day here, it’s become very clear that the people of Cyprus are concerned, some even scared – about a financial contagion and shock treatment which threatens their future prosperity.

Soon, they will get another ‘bad’ injection, which we are told will be deadly. So we are treating this like a crime scene. The next injection will be administered by ‘Dr Troika’. Just utter his name in public here and you will see wrinkles in people’s faces.

Dr Troika’s injection is the equivalent, in economic terms, to an experimental vaccine – designed to treat a financial contagion which originated in Greece, and Wall Street before that. It is certain to provoke an auto-immune reaction.

The people of Cyprus did not ask for this, yet, they are being forced to take it by the mad economic doctors in Brussels, Berlin and the IMF. It’s the sort of bad medicine that the banking syndicates and corrupt officials have been administering for a while now, in order to take down governments and economies all over the globe with devastating effect.

I arrived in Cyprus on Wed night, and was joined by UK-based writer and talk show host Jason Liosatos from *Global Peace Radio* at 5am Thursday morning, as we headed in to the capital city of Nicosia to document what many were expecting to be a run on the island’s banks at 12pm after 15 days of closed doors to hundreds of thousands of residents whose savings has been locked inside the banks during the extended “bank holiday”. This particular ‘holiday’ will go down in history as one of the worse on record.



The lines began forming around 11am, but to everyone's surprise – except the Cypriots' of course, the lines were not as long as many expected, and not as long as the corporate mainstream media expected either, most of whom were hoping for a fight in front of both the old town's Bank of Cyprus (good bank) and Laiki Banks (bad bank) branches.

The majority of those queuing were older people, but these included many of the top depositors whose life saving have been clipped by the Troika.

We asked around and quickly learned why the Cypriots did not all rush the bank on Thurs at high noon. Many residents told us that there was a community feeling that islanders did not want to stress the Bank of Cyprus by storming its branches. Strict capital controls have been put into place to slow the cash hemorrhaging this week, with most residents restricted to 300 euros per day, for four days, followed by an official assessment of the situation.

There's a lot of talk of Cyprus's potential riches from untapped gas and oil, and many residents believe the bankers have taken down the economy here in order to exchange the island's future riches for a series of expensive (if not utterly debilitating) ECB and IMF loans. But that's still a ways off, and more pressing matters are salary cuts, pension cuts, a flight of wealth off of the island, and of course – that fact that people's money is being literally stolen from their accounts.

When elites go to war, and fight their financial battles, it seems that the only victims are the average mom and pop. After meeting 5 or six local residents and business owners, it came abundantly clear that even the street sweepers knew that a criminal banking syndicate had held a gun to their heads and then stolen their money in broad daylight.



PHOTO: We sit down with the neighborhood guys who really know what's going on with Cyprus bank collapse, and do foreign exchange over coffee.

A retired resident, Mr Andreas, explained also, "We Cypriots have dignity. I have only 3 euros in my pocket for the last week – enough only to buy a cup of coffee, but I will not line up today and beg the Troika for my daily withdraw of 300 euros."

He adds, "Our friends in Europe have treated us like gangsters and criminals. Our government leaders have made mistakes, yes. But why are we being forced to pay? It's

blackmail. This is stealing from the people, that's all."

Not surprisingly, there were no Russian Oligarchs waiting to get inside any of the island's branches on Thursday, many of them apparently withdrew their money from still open Russian branches of Laiki and Cyprus banks - *at the same time that the banks in Cyprus were shut.*

Mr Kiriakos, a local bar owner lamented over a beer with us before closing shop, explaining the reality of this latest banker-led heist in Cyprus. "I've been working all my life - 30 years, so I can send my daughters to university and give them a better life than I had, and they can just come and take that money? They are running a big casino, when they *win* they put the money in their pockets, but if they *lose* they take the money out of our pockets."

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