



Iceland Declares Independence from International Banks

By Bill Wilson

June 21, 2011 "Netright" -- – Iceland is free. And it will remain so, so long as her people wish to remain autonomous of the foreign domination of her would-be masters — in this case, international bankers.

On April 9, the fiercely independent people of island-nation defeated a referendum that would have bailed out the UK and the Netherlands who had covered the deposits of British and Dutch investors who had lost funds in Icesave bank in 2008.

At the time of the bank's failure, Iceland refused to cover the losses. But the UK and Netherlands nonetheless have demanded that Iceland repay them for the "loan" as a condition for admission into the European Union.

In response, the Icelandic people have told Europe to go pound sand. The final vote was 103,207 to 69,462, or 58.9 percent to 39.7 percent. "Taxpayers should not be responsible for paying the debts of a private institution," said Sigríur Andersen, a spokeswoman for the Advice group that opposed the bailout.

A similar referendum in 2009 on the issue, although with harsher terms, found 93.2 percent of the Icelandic electorate rejecting a proposal to guarantee the deposits of foreign investors who had funds in the Icelandic bank. The referendum was invoked when President Olafur Ragnar Grímsson vetoed legislation the Althingi, Iceland's parliament, had passed to pay back the British and Dutch.

Under the terms of the agreement, Iceland would have had to pay £2.35 billion to the UK, and €1.32 billion to the Netherlands by 2046 at a 3 percent interest rate. Its rejection for the second time by Iceland is a testament to its people, who feel they should bear no responsibility for the losses of foreigners endured in the financial crisis.

That opposition to bailouts led to Iceland's decision to allow the bank to fail in 2008. Not that the taxpayers there could have afforded to. As noted by Bloomberg News, at the time the crisis hit in 2008, "the banks had debts equal to 10 times Iceland's \$12 billion GDP."

"These were private banks and we didn't pump money into them in order to keep them going; the state did not shoulder the responsibility of the failed private banks," Iceland President Olafur Grímsson told Bloomberg Television.

The voters' rejection came despite threats to isolate Iceland from funding in international financial institutions. Iceland's national debt has already been downgraded by credit rating agencies, and now those same agencies have promised to do so once again as punishment for defying the will of international bankers.

This is just the latest in the long drama since 2008 of global institutions refusing to take losses in the financial crisis. Threats of a global economic depression and claims of being "too big to fail" have equated to a loaded gun to the heads of representative governments in the U.S. and Europe. Iceland is of particular interest because it did not bail out its banks like Ireland did, or foreign ones like the U.S. did.

If that fervor catches on amongst taxpayers worldwide, as it has in Iceland and with the tea party movement in America, the banks would have something to fear; that is, the inability to draw from limitless amounts of funding from gullible government officials and central banks. It appears that the root cause is government guarantees, whether explicit or implicit, on risk-taking by the banks.

Ultimately, such guarantees are not necessary to maintain full employment or even prop up an economy with growth, they are simply designed to allow these international institutions to overleverage and increase their profit margins in good times — and to avoid catastrophic losses in bad times.

The lesson here is instructive across the pond, but it is a chilling one. If the U.S. — or any sovereign for that matter — attempts to restructure their debts, or to force private investors to take a haircut on their own foolish gambles, these international institutions have promised the equivalent of economic war in response. However, the alternative is for representative governments to sacrifice their independence to a cadre of faceless bankers who share no allegiance to any nation.

It is the conflict that has already defined the beginning of the 21st Century. The question is whether free peoples will choose to remain free, as Iceland has, or to submit.

Bill Wilson is the President of Americans for Limited Government. You can follow Bill on Twitter at [@BillWilsonALG](#).



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Will · 1 week ago

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Typical of gutless capitalists, capitalism when there's money to be made, suddenly socialist when their projects fail. They loved all that foreign money when it meant investment in Icelandic property & industry, now they bitch when the inevitable happens.



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Bill Duke · 1 week ago

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Are you serious.....you really think the banks are afraid of the Tea Party movement? Trash! It's outrageous to compare the courage of the Icelanders with the BS of the TP....



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silentVictim · 1 week ago

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"... The state did not shoulder the responsibility of the failed private banks" Iceland President Olafur Grimsson told Bloomberg. All power to him. This shoulda been the response in Yanklandia as well. Instead, a corrupt and venal Kongress handed over billions of taxpayer "full-faith-and-credit" money to phuckin' private banks. Most of which ended up getting off-shored. And don't expect nuthin' different from Yanklandia's Bilderberg-appointed president-to-be, Demokrat turn-coat, James Richard "Rick" Perry. This Kunt is guaranteed to sell Yanklandia down the river just like any self-respectin', god-blessin', feather-nestin', president should.

"Too big to fail? Too big to remain in private hands." This should be the mantra on every politician's lips. In a sane world, it would be axiomatic that any private institution which is vital to national sovereignty needs to get nationalized real quick. Starting, naturalmente, with the privately owned and run Federal Reserve. You know, the private institution which 'coins' the Merkin currency and sets interest rates for the entire country.

Bill Wilson has the right of it ... "The question is whether free peoples will choose to remain free, as Iceland has, or to submit." The problem, however, is not as Bill defines it ... one of Big Government. But of utterly Korrupt Government in the groping hands, like TSA victims, of Big Money. Fraudulent money. Debt money. Thin-air money. Money of the kind which grows on trees rather than from the sweet of men and women's brows.

God bless the people of Iceland for rejecting a usurious agreement which woulda forced them to pay phuckin' £2.35 billion to the UK

and €1.32 billion to the Netherlands on behalf of greedy, venal, private interests.

Chicken shit by global financialist standards. But it's the principle of the thing. The Grand Viziers and Poobahs behind the New World Ordure cannot allow Iceland to get away with welching on their 'debt'.

But no doubt that will be left to another occasion ... after Greece has been dealt with. Not to mention the rest of the PIIGS. And then, of course, the UK, Germany, and Yanklandia itself. Under the upcoming Captaincy of Governor "Rickus Dickus" Perry, born March 4, 1950, 47th and current Governor of Texas ... http://en.wikipedia.org/wiki/Rick_Perry

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Ivan.New Zealand · 1 week ago

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There is no danger of the cowardly torturing,drone driving ameriscum becoming as brave as the Vikings.

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I forget · 1 week ago

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WAY TO GO ICELAND! CAN YOU HAVE A TALK WITH IRELAND NOW? Because this is exactly what Ireland should do. Greece I'd have to put in a different category as there's ample evidence to suggest they deliberately fudged their books, overstating their assets and understating their liabilities to get into the EU in the first place. Will, the first poster suggests they loved it when investment was pouring in. Who wouldn't? They got some capitol improvements out of the deal and not a bunch of worthless paper. The banks behaved criminally and fraudulently, investors in their funds all over the world lost out bigtime. Iceland didn't play their game. They are playing by the rules. This isn't socializing losses, it's just simple, sound business: don't reward criminal behavior.

Well it does sound like we in the USA are on the hook for Greece anyways. The banks that stand to loose if Greece defaults (and EU doesn't bail them out) are French but these banks are underwritten by....you guessed it. American banks. You know, the guys who invented this worthless paper, made huge money on commissions selling it and then turned right around and shorted it. See, this TRULY fits the definition of privatized profits and socialized losses.

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Cemal Guven Asti · 1 week ago

-39

Taxpayers should take the burden of Private bank's failure.

Just like any business if a bank goes under , it must be allowed to do so. No point injecting steroids into a dead horse.

In between what happened to 4 billion sterling invested by British+Dutch investors ? For a small country like Iceland this is a lot money

When that money flowed into Iceland it boosted their economy. Joorg and Johanna shopped around and helped themselves with consumer goodies..

Now they are asked in referendum whether to pay or not?

Ask any person who has borrowed money ig he wants to pay back or not?

It is just laughable that people of iceland decides on a referendum that it is outcome is obvious.

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Taxpayers should NOT take the burden.....

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Mr Muto pian · 1 week ago

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Kilgore Trout · 1 week ago

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hats off to Iceland...well done!

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bjo · 1 week ago

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"Gullible government officials"? PUH-leeese. Christ. On another note... The writer suggests that maybe taxpayers in other countries will follow Iceland's lead and introduce fear into the heart of the banking cartel. Nope - the difference is that the government of Iceland is fiercely independent and appears to actually represent the interests of the people it was elected to represent... this is unlike many other European countries and most definitely unlike the United States where the federal government is collusion with the banking cartel and with major corporations and is actively working against the interests of the people it pretends to represent. .

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