

## Iceland shows how to treat criminal banksters

From Zerohedge, 25 October 2015

*As TheAntiMedia's Claire Bernish exclaims*, you could ice skate in Hell sooner than see the United States follow in Iceland's footsteps with this move: the 26th banker was just sentenced to prison for a combined 74 years between them — each of them jailed for their roles in the 2008 economic collapse.

Five top bankers from Iceland's two largest banks — [Landsbankinn](#) and [Kaupþing](#) — were found guilty of embezzlement, market manipulation, and breach of fiduciary duties. Though the country's maximum penalty for financial crimes currently stands at six years, the Supreme Court is currently [hearing arguments](#) to extend the limit. Most of those convicted have so far been sentenced to between two and five years.

Do those sentences sound light to you? Perhaps. Until you consider the curious method of punishment the U.S. employed for its thieving bankers.

While Iceland allowed its government to take total financial control when the 2008 crisis took hold, American bankers — in likely the only [bail](#) handout given to criminals of mass destruction — received \$700 billion in Troubled Asset Relief Program ([TARP](#)) funds.

**Thank you, [Congress](#) American taxpayer**

Iceland certainly didn't make it through the crisis unscathed. It repaid the IMF (the final [\\$332 million owed was paid in full, ahead of schedule](#), earlier this month) and other lenders for funds needed to prevent a complete financial meltdown nearly eight years ago. Icelandic bankers are still being held to task for their illegal market legerdemain that nearly brought down the financial planet.

In contrast, not one banker in America has ever (nor will ever?) be held responsible for their criminal acts. Instead, essentially **in addition to the \$700 billion windfall** — Big Banks are now raking in **over \$160 billion in profit every year**.

Iceland's president, Olafur Ragnar Grímsson, [described](#) how his country not only weathered the storm, but has been labeled the first European country to [fully recover](#) from the crisis:

*"We were wise enough not to follow the traditional prevailing orthodoxies of the Western financial world in the last 30 years. We introduced currency controls, we let the banks fail, we provided support for the poor, and we didn't introduce austerity measures like you're seeing in Europe."*

If only the U.S. government were capable of employing logic.

Interestingly, Artemis Capital recently asked "Is there another way?" highlighting Iceland...

**Their economic cancer of debt-deflation is in remission**

*Iceland, a small Nordic island country, better known for glaciers than economic policy, has followed a very different path and their economic cancer of debt-deflation is in remission.*

*Today the Icelandic economy is rapidly expanding with low unemployment, high growth, and declining debt even when Europe is printing money to avoid falling back into deflation. It is hard to believe that just 7 years ago Iceland faced arguably the direst conditions in the region. The banking system held assets at 10x the size of GDP after a decade of de-regulation in the lead up to the crash.*

***In the aftermath of the bubble, GDP collapsed -7.6%, unemployment exploded above 8%, and inflation surged to above 12%. Banking liabilities, mainly denominated in foreign currencies, ballooned to 20x the budget of the State. Iceland accepted over \$5bn in bailouts from the IMF and neighboring countries following a run on the banking system. What happened next goes against all contemporary economic thinking.***

### **Against all contemporary economic thinking**

*Iceland did not re-leverage their financial system, bail out their banks, print money, or use public assets to support the stock market.*

*Iceland refused to promote private risk with public money...*

*They did the exact opposite and let the private banks crash and prosecuted officials for negligence.*

### **Treated the disease and not the symptoms**

*Iceland then treated the disease and not the symptoms by undergoing a rigorous period of economic chemotherapy.*

*Iceland devalued the Krona, introduced capital controls to stabilize local outflows and foreign inflow of assets, wrote down household debt, raised interest rates to 18%, and introduced more austerity than any European country other than Greece. The stock market fell 95% and interest payments on loans soared to over 300%.*

*Like medical chemotherapy, economic chemotherapy was horrible, but the cancer of debt-deflation was eradicated and the system made whole.*

### **Iceland one of the top performers in Europe**

*Today Iceland's economy has become one of the top performers in Europe with GDP growing +5.6% in the second quarter and unemployment falling to 4% versus 11% in the Eurozone. Tourism has grown +100% since 2006 and exports are up. Iceland began repaying IMF loans earlier than expected in 2012, and by the end of 2015, they will be eliminated. Icelandic debt-to-GDP is falling even as the rest of the developed world has seen debt levels balloon out of control. There are still challenges. Iceland is set to remove capital controls and businesses and residents lament that it is difficult to get loans at reasonable interest rates. The road forward*

will not be easy but Iceland has hope where there is little of it left in deflation ravaged Greece and Spain, where over one fifth of the citizens and over half of those under 25 years old are unemployed. Iceland's cancer is in full remission and Europe's is getting worse.

Risk cannot be destroyed, it can only be shifted through time and redistributed in form. Iceland has taken its risk head on, while the rest of the world has shifted its pain forward for our children to deal with. Every economy is different. Iceland is a small country with a largely homogenous population of only 300k. It may be difficult to fully adopt their methods in large countries that are less politically or culturally unified. While the Iceland model may not be the solution for every economy, the fact it is not part of the policy debate represents a clear failure of our leadership.

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*As The Free Thought Projects' Jay Symopoulos concludes,*

### **Financial “Masters of the Universe” in control**

The prosecution of the Icelandic banksters represents an accountability that does not exist in the United States of America.

It seems clear that the financial “Masters of the Universe” are the ones that truly control the political apparatus in the U.S., making it obvious there is no one who is going to hold them accountable for manipulating and crashing the financial markets.