

2-1 to 2-21-2018
TRIP TO EUROPE
FOR MONETARY REFORM

Week 3: Iceland
Wed 2-14 to Wed 2-21

AMI:

Sue Peters, Jamie Walton

TO ICELAND

... FROM AMSTERDAM, NETHERLANDS

Wednesday
2-14-2018

Iceland

Jamie and I flew WOW Airlines. The plane was late taking off but so were we.

So everything worked out!



Iceland

The first land I sighted turned out to be the Faroe Islands.

According to some articles, the Faroe Islands offered to loan money to Iceland during its financial crisis.



Iceland

Here is the first view of Iceland we got from our plane.

There had been a blizzard the day before.



Iceland

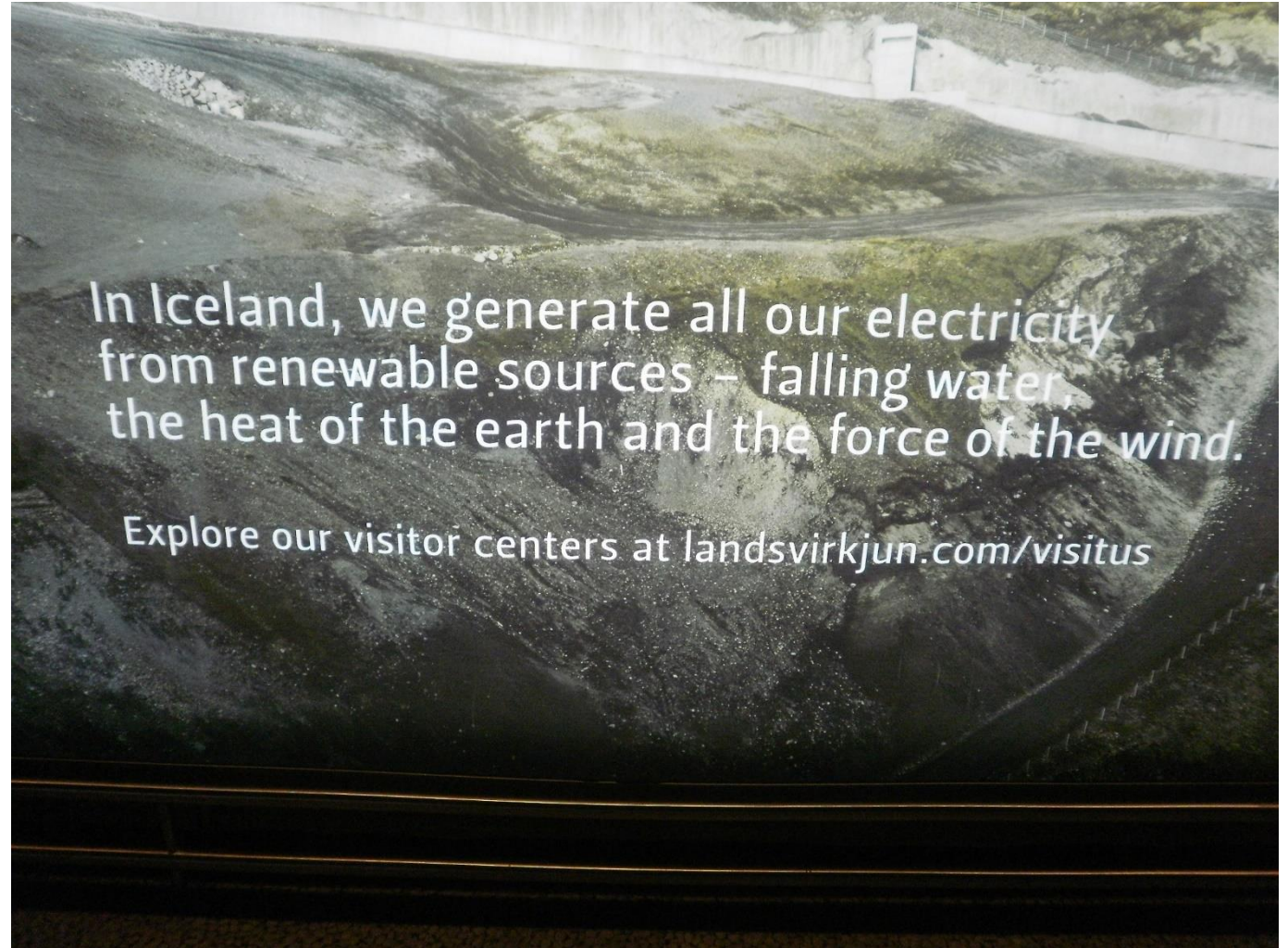
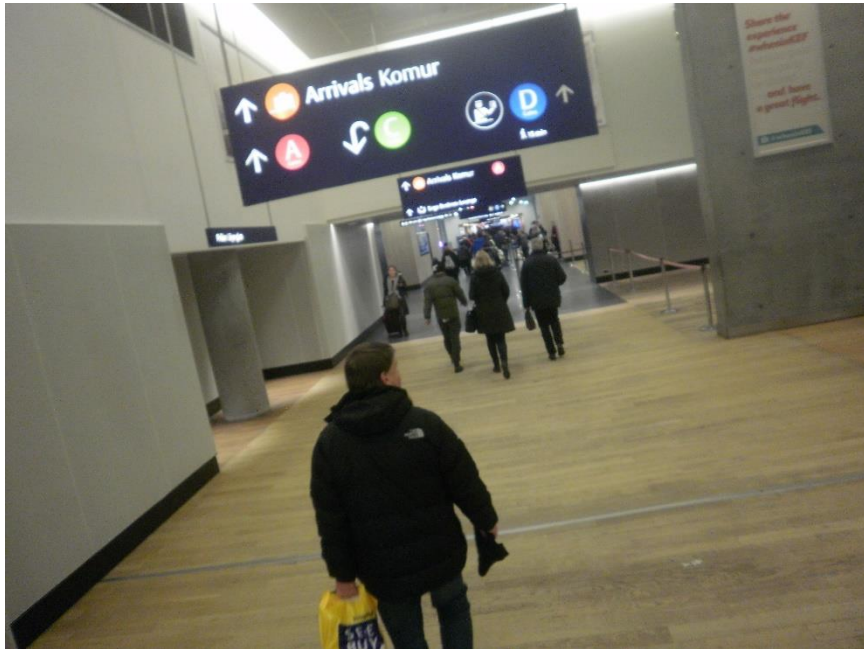
Here we are having landed
in the airport on Iceland.



Iceland

In the airport, we passed this sign:

“In Iceland, we generate all our electricity from renewable sources – falling water, the heat of the earth and the force of the wind.”

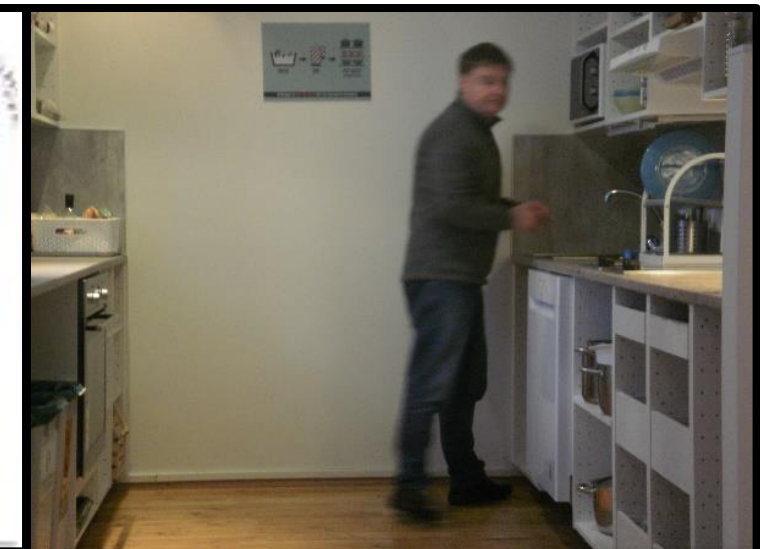
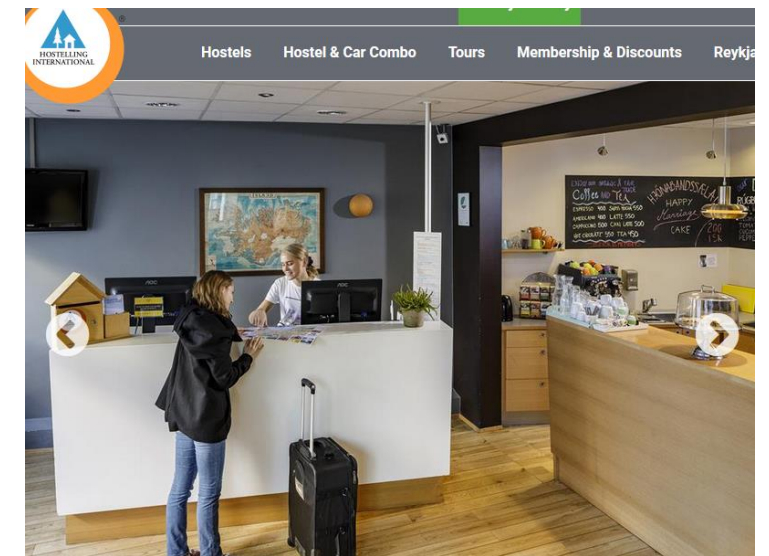
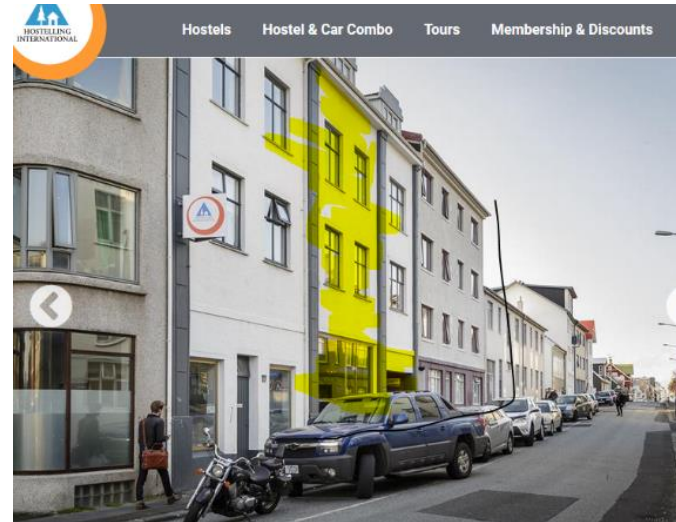


Iceland

WOW offers flights from Europe or the USA to Iceland for very little money. However, once the tourists get to Iceland, they find out it is VERY EXPENSIVE!

I was told by a traveler in my Zurich hostel that we should bring food and drink with us on our flight. So, Jamie and I bought along cheese, wine, and spirits.

We found an inexpensive and friendly local grocery store around our inexpensive Iceland hostel. There was a common kitchen where we could prepare our meals.



THURSDAY
2-15-2018

THURSDAY 2-15-2018

This is the capital Reykjavik. Two-thirds of the Icelandic people live in this sprawling city. There are only 330,000 Icelandic citizens.



THURSDAY 2-15-2018

The next day, Thursday, it was snowing, off and on.
Iceland's weather changes every hour literally.



THURSDAY 2-15-2018

While I was walking near the huge pond in downtown Reykjavik, I was attracted to a large house along the pond, with 3 photographers with equipment waiting on the sidewalk in the cold, and about 12 black cars parked in front.

I knocked on the window of one of the cars. I asked, “what are all the cars and the photographers?” The answer from the driver with an earphone in his ear, “They are waiting for the Icelandic government to come.”

Oh!



I waited but no 'government' came.

Then I met an Icelandic woman Sikka.
She told me that the Parliament is only a few
blocks away and the politicians use this
building for meetings.

I looked over at the government building and
saw the scene you see here to the right.

"Sikka, who is that?"

"Oh, that is our Finance Minister.
And he's not dressed for the weather!"



THURSDAY 2-15-2018

That night, Jamie and I were going to meet with a group of monetary reformers from Iceland. We spent a couple of hours in the afternoon reviewing the Dennis Kucinich's NEED Act.



Jamie studying

Iceland

Jamie and Sue met with 5 monetary reformers Thursday evening at the Radisson Hotel:

Frosti Sigurjonsson, author of Iceland's sovereign monetary reform report

Vinni Sigurjonsson, KPMG consultant, responsible for KPMG's report supporting Frosti's monetary reform report

Albrecht Ehmann, a taxman

Thorarinn Einarsson, an activist

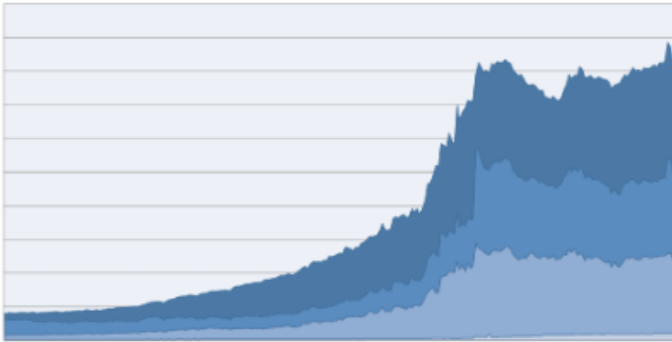
Loftur, retired from the municipal-owned renewable power company



We all spoke for several hours. I learned so much about Iceland's politics and economy.

MONETARY REFORM

A BETTER MONETARY SYSTEM FOR ICELAND



A REPORT BY FROSTI SIGURJONSSON

COMMISSIONED BY THE PRIME MINISTER OF ICELAND



Frosti Sigurjonsson
Member of Parliament
2013 – 2016

One of the reformers would be **Frosti Sigurjonsson**, the gentleman who had written the groundbreaking report 'A Better Monetary System for Iceland'. The report recommends sovereign money, like the NEED Act of the AMI.

A REPORT BY FROSTI SIGURJONSSON, 2015
Commissioned by the Prime Minister of Iceland

Another reformer there would be **Sigurvin (Vinni) Sigurjonsson** (no relative), who had been responsible for a report from the Big Four Accounting firm of PKMG, that supported Frosti's monetary reform.



Sigurvin Sigurjonsson • 2nd

Senior Manager at KPMG

KPMG Advisory • Cass Business School



Money Issuance

A REPORT BY KPMG, 2016

Commissioned by the Prime Minister of Iceland

THURSDAY 2-15-2018

Reform of the Icelandic monetary system

In spring 2015 Frosti was commissioned by the former Icelandic Prime Minister, Sigmundur Davio Gunnlaugsson, to find out why the financial crisis of 2008-2011 hit Iceland particularly hard.

In his study, Frosti concludes that the main problem lies in the creation of money by banks. Frosti advocates monetary creation solely by the state. This is similar to the Swiss VOLLGELD initiative and Dennis Kucinich's NEED ACT.



Sigmundur Davio Gunnlaugsson
P.M., Iceland, 2013-2016



Frosti



U.S.
NEED ACT

THURSDAY 2-15-2018

We all spoke for several hours. I learned so much about Iceland's politics and economy.



The aluminum industry in Iceland uses 75% of the electricity generated in the country.

Picture (left): Alcoa opened a smelter in Reydarfjordur, Iceland, even as it closed factories in the United States. The reason? Iceland's cheap electricity. Credit: Mark Lennihan/Associated Press



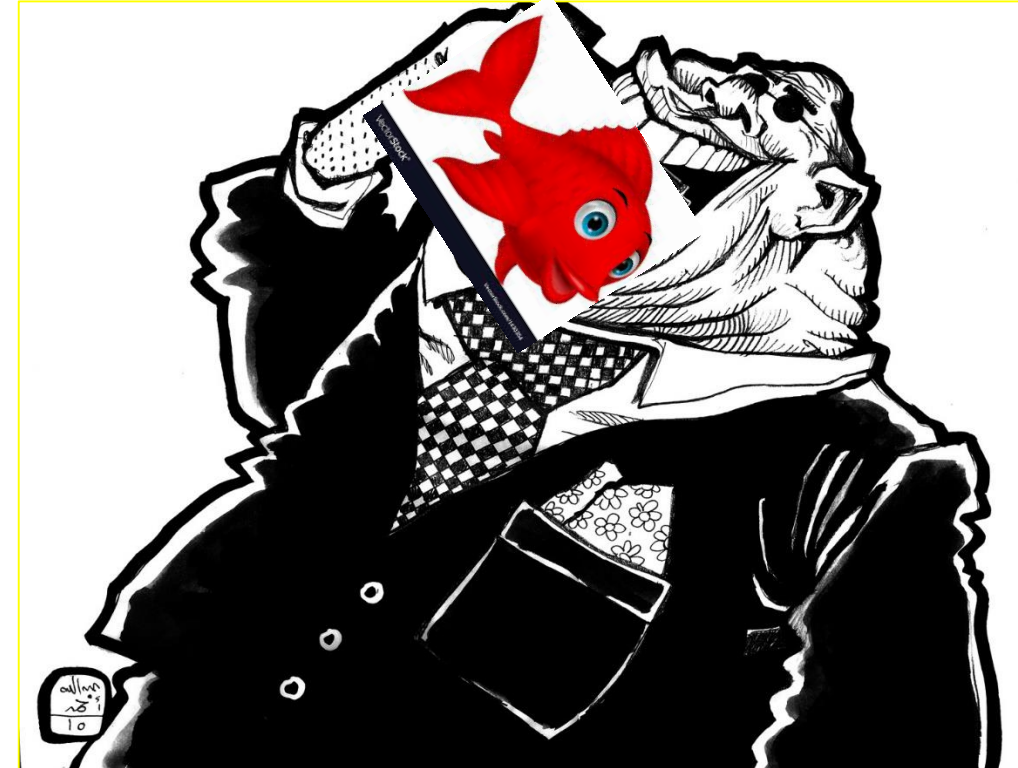
Iceland used to be a country of small businesses. For the last 10 years, large companies – like Gray Line Tours – have come into the country.

Today, there is a controversy going on in Iceland that dates back to the 1990's.

In the 1990's, the traditional right to fish in the Icelandic waters was made into an asset or 'quota' and given to the owners of the fishing boats. Many of the fish boat owners sold these rights and became millionaires.

Today, large corporations own most of these fishing rights.

The rights of the commons were privatized and then corporatized.



THURSDAY 2-15-2018

“After a bill on the mackerel quota was introduced to parliament in April...

It came to light that the wife of Progressive Party MP Jóhann Pálsson owns a fishing company that stands to receive a mackerel quota worth 50 million ISK if the bill is passed. Jóhann sits on the Industrial Affairs Committee, which is partially responsible for crafting the legislation.

At the same time, Davíð Freyr Jónsson, who is also a member of the Progressive Party and sits on that party’s Fishing Committee, is the owner of a boat that stands to triple its quota if the same bill is passed. That quota is valued at about 200 million ISK.

Grapevine Newspaper, June 22, 2015, Paul Fontaine



THURSDAY 2-15-2018

And yes, Iceland is seeing a homeless population....

The City of Reykjavík released a report on homelessness at the end of 2017. According to data from the report, there are over 360 homeless in Reykjavík, Iceland's capital and largest city.

Recently, Icelandic media has reported on a group of locals living permanently at the Reykjavík campsite and has raised awareness of the issue of homelessness.



homeless people waiting for shelter to open

THURSDAY 2-15-2018

Back in our 4-person dorm room at the hostel, Jamie and I got a new roommate, who was slightly intoxicated and sat in the middle of the room speaking about her job working for the U.S. Army. We listened to her for over an hour. She was very likeable.

She explained she was on a one-week vacation from the army base near Washington D.C., where she was a dispatcher. She was in charge of getting pilots to volunteer for bombing missions in our seven wars. The planes would leave with bombs to be dropped. She was one of six or seven dispatchers in other army bases around the U.S.

She was focused on figuring out how the dispatcher job could be made more efficient.



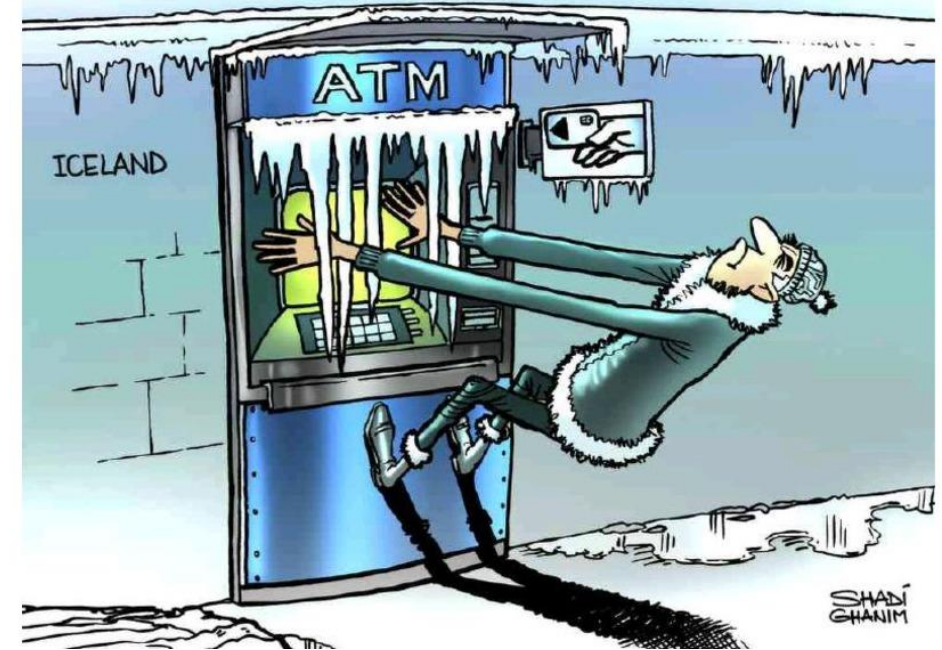
I had never met someone that did what she did. I was shocked.

THE CRISIS 2008

THE CRISIS

I studied the 2008 financial crisis in Iceland.

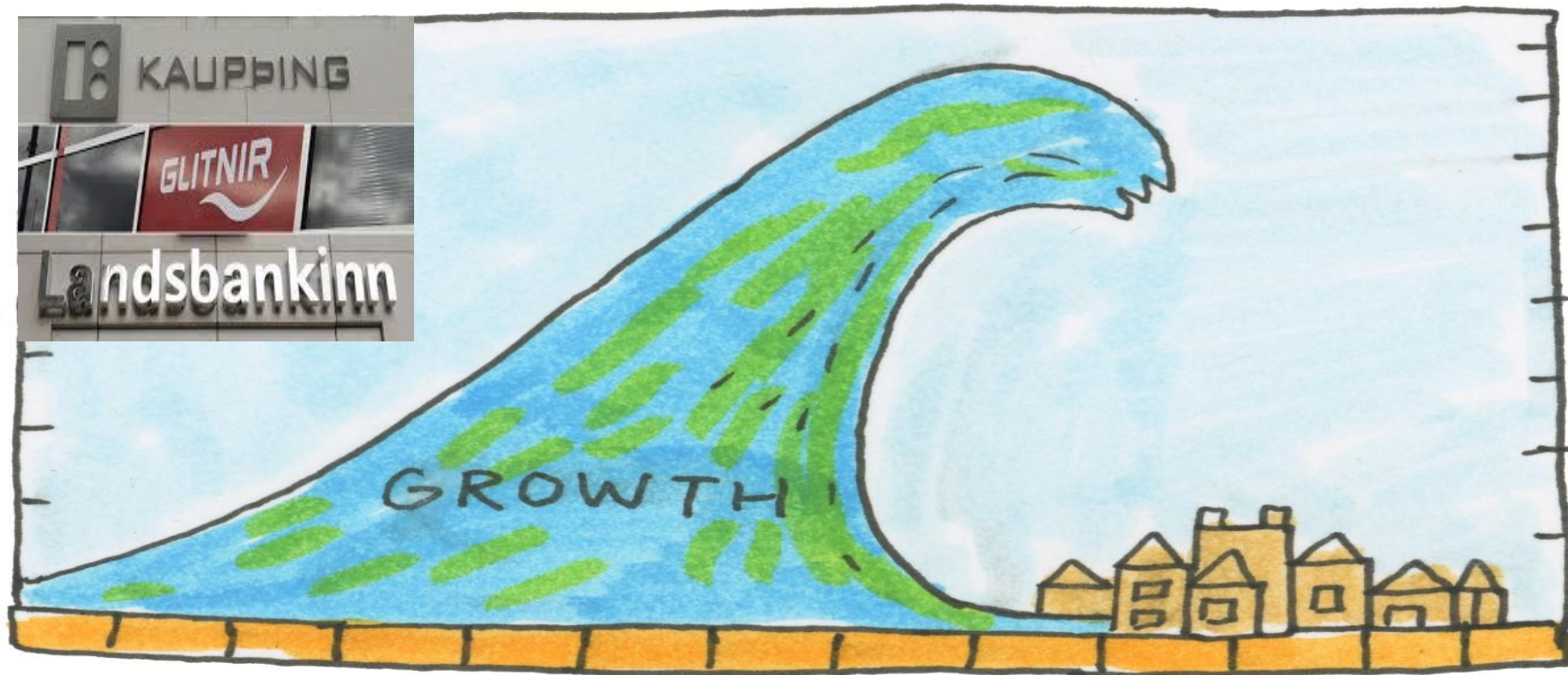
I discovered that Iceland was a good historic example of how the private banking system works and how it creates crises.



THE CRISIS

Relative to the size of its economy, Iceland's 2008 systemic banking collapse was the largest experienced by any country in economic history.

Between 1994 and 2008, the banks had increased the money supply 19 times !



THE CRISIS

Private banks can increase the money supply stupendously by working in tandem...and the 3 largest Icelandic banks were 90% of the market!.....

How?

#1 - payments are made between customers of the same bank

#2 - deposits between different banks are fairly balanced

...then the CRASH!



THE CRISIS

The bankrupt 3 largest banks had claims by depositors and customers of 9 times GDP !

After the crash in 2008:

- 15-20% inflation for up to 1 year
- run on banks in Britain and Netherlands depositors
- 2008-2010 collapse of economy – Icelanders go overseas for jobs

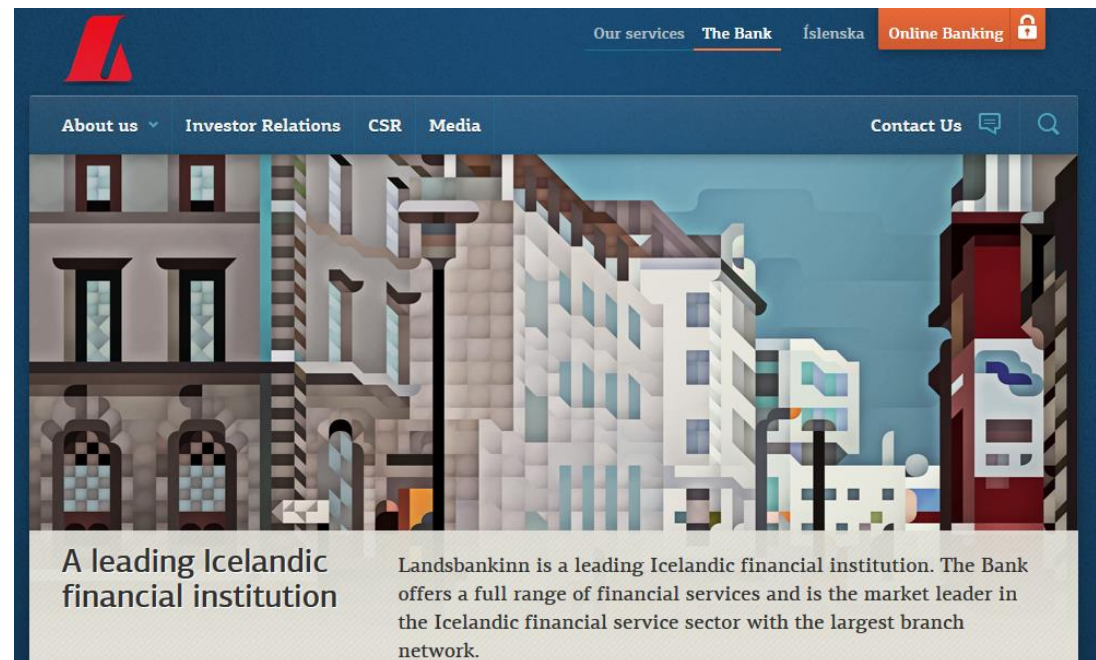


THE CRISIS

...Iceland took over their banks and jailed bankers.

But did not change their monetary system.

Today, the private banks are back.



FRIDAY
2-16-2018

FRIDAY 2-16-2018

That night, we studied together.

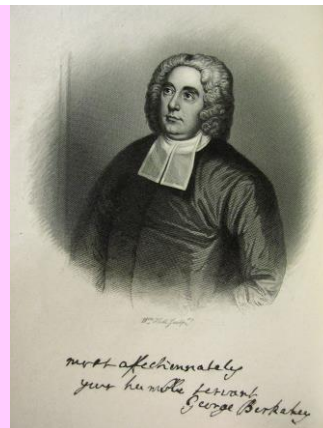
We read the chapter on Bishop Berkeley in Christopher Hollis' **The Two Nations**, a financial history of England. What fun to share one of my favorite books with Jamie. We read it out loud and discussed the ideas.

And I not only studied but painted – because suddenly Jamie wanted to research John Ruskin and proceeded to use his computer to get excited about learning all he could about Ruskin – for about two hours!

I painted Jamie being so excited about researching and reading. I painted him as a young boy because I felt this was probably what he was like as a boy!

ON AMERICAN COLONIES AND THEIR PAPER MONEY:

Query 253 Whether, whatever inconveniences those people may have incurred from not observing either rules or bounds in their paper money, yet it be not certain that they are in a more flourishing condition, have larger and better built towns, more plenty...
George Berkeley, *The Querist*. 1735



FRIDAY 2-16-2018

I painted a group of British Boy Scouts – which included girls – at our hostel. They hung out and played cards.



SATURDAY
2-17-2018

SATURDAY 2-17-2018

Saturday we tried one of the outdoor, geothermal heated Icelandic pools.

The air is freezing, but the pools are really hot!



SUNDAY
2-18-2018

SUNDAY 2-18-2018

Jamie and Sue returned to another city pool
– we wanted to experience it again!



MONDAY
2-19-2018

MONDAY 2-19-2018

Monday Jamie and Sue took a City Tour.

It was around the center of Reykjavik on foot. The guide was very informative.



TUESDAY
2-20-2018

TUESDAY 2-20-2018

Tuesday was the last day before our departure.

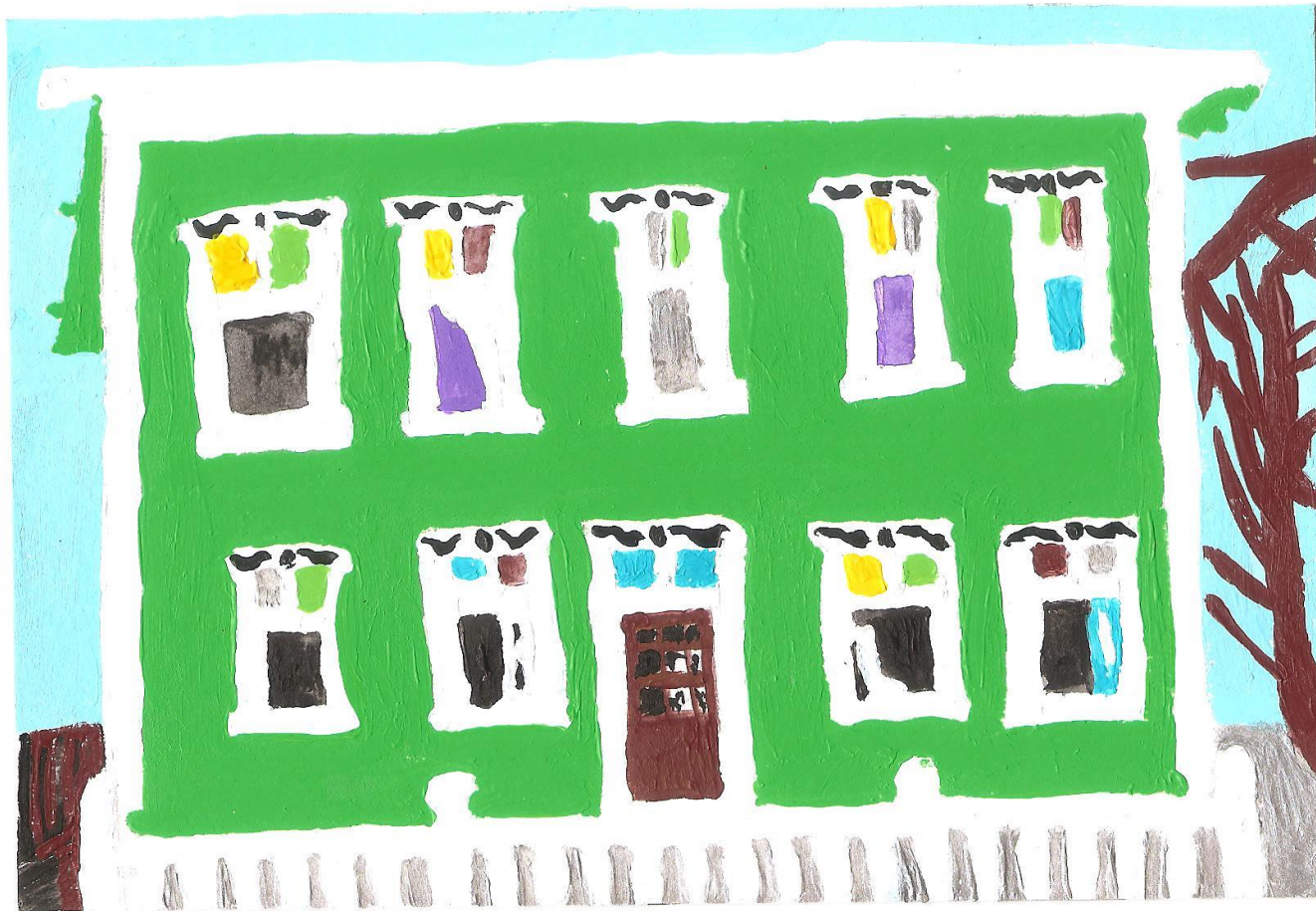
Jamie and Sue had two meetings set up.

1. With two businessmen - to show them Don's video on sustainable fish farming.
2. A women who worked for the Left-Green Party in Iceland. Their party had just had one of their own, Katrin Jakobsdottir, appointed Prime Minister.



TUESDAY 2-20-2018

I managed to paint another picture before I left!



Iceland

End

Week 3: Iceland