

[\[2008-10-24\] There is always a metal lining to a Financial Problem](#)

'So, farewell then Ultima Thule...' as Private Eye's Poet Laureate, EJ Thribb, might have poetized... at the news that Iceland's banks had gone down the geyser.

Important as the Minor Metal Trade was to Iceland's economy, minor metal traders escaped the fall-out narrowly when Kaupthing Singer Friedlander did the decent thing by letting go of their commodity book at 6 months notice earlier in the year. Metal people with relationship managers at the bank pre-dating the Icelandic takeover had in some cases been working with their trade finance people for upwards of 20 years. But metal people are nothing if not fleet of foot and cheque-book, so within the given notice period all found new homes for their business – with no casualties reported.

Savers at IceSave were not so lucky; nor the councils (my own Elmbridge in Surrey included) nor the cats charity and others who made deposits yet to be unfrozen from the northern wastes.

And yet it is hard to understand, so very hard to understand, how this country listed on the UNs Human Development Index report of 177 nations as 'happiest country' could have got itself in this almighty pickle. In my private parlour game of the mind, Iceland was going to be my bolt-hole if one day everything over here went up the Swanee. I didn't expect it to go first.

OK, it might be tenebral out there at times, but it was full of light in so many other ways. Where else in the world would you find guaranteed energy supplies and organically farmed cod? With the weather getting warmer perhaps, in time, it would also have begun to have a bit more of a Mediterranean feel. And, of course, another plus was that it wasn't a member of the EU. Yes, it managed to enjoy some of the EU's benefits, access to markets, free travel between countries, but it could opt out of anything else it wanted to, including giving away too much of its fish.

Apparently, the Scottish First Minister, and leader of the SNP, Alex Salmond MSP, thought the same. He spoke glowingly and imaginatively about an 'ark of prosperity' leading from Ireland, through Scotland over past Norway and Sweden, down into the little island. How he must have enjoyed that phrase when it came to him as he played with his plastic oil tankers in the bath.

Now look at the place. He should have known! We should all have known something was up when the name Baugur kept cropping up daily in the financial press from nowhere. Of course, I just assumed (as many did) that in the modern world of finance they had been breeding tiny Icelandic Richard Bransons who were scooping up everything from our toy-shops to department stores and football clubs.

I also had another thought; that in an age which we might describe as the 'energy age' a country which had as much of it as you could ever want with their Geo hot springs, and some to spare, must be coining it and therefore their leveraged finance must be infinite. As a metal person, knowing about Alcoa's energy-hungry aluminium smelter, it just made complete sense that the country was a kind of Eskimo Emirate – small, but chunky financially. As ever, in the UK, always happy to prostitute ourselves before anyone with more money than us, we welcomed the Vikings all over again and sold them as much of the high street as we could.

But then something awful happened, the money that had been borrowed to leverage up the ziggurat of their possessions, suddenly became too expensive and the assets in which they had invested became worth less if not worthless and the whole country went into the red. Suddenly we were told that there were exactly 7 people in Iceland who were involved and no one else knew a thing.

For my part, call me paranoid, but I suspect the Russians. In fact I have suspected them on this issue for some time. How convenient it would be to use a rather small western democratic nation, just outside the jurisdiction of the EU, as a front for huge new oligarchical wealth. Perhaps that was it all along, a convenience store for Russians to deposit, scale up and purchase overseas assets and then reap the golden rewards. But they forgot, and we forgot, that their capitalist memory was only about 15 years old and they didn't possess the folksy memory we all have of boom-bang-a-bang-bust. Gosh, it must have hurt when it came. Perhaps, in their darker moments it may even have driven Russian investors to wonder whether 'communism wasn't that bad after all'. As I often opine, rather boringly, capitalism is such an awfully good advertisement for it.

It all comes back to metal though and that marvellous fellow Pytheas the Greek. For it was Pytheas, the navigator, as reported in Pliny, who had first brought back to his Mediterranean empire of Massalia in circa 330-320 BC accounts of the island then known as 'Ultima Thule', a place on the borders of the known world where this steaming land existed. He had popped into Belerium (Cornwall) on his nautical perambulations where he had encountered the miners of Tin but pushed further on, perhaps even – it is thought - circumnavigating Britain.

How little it seems we have learnt since then – Mr Salmond with his eye on oil, the Icelandics with their eyes only on worldwide capitalist expansion – when all that was needed for human happiness in the 21st century was there to be had. Infinite energy, a modicum of sun, and cod in the sea. It is a paradigm for our times.

At least, Mr Alastair Darling, our Chancellor of the Exchequer, has guaranteed the funds of small depositors, although businesses are still in doubt, but I feel that there is something missing from this policy – namely, reparation. To my mind this is the real solution from a UK point of view - we should take re-payment in things in which we are deficient until all Icelandic debts are paid - energy, cod, and, possibly, excluding Bjork, Icelandic women. And, finally, just to keep metal people happy – loads and loads and loads of Aluminium.

So, Farewell then Ultima Thule
It was not you but us the fool
Please send Aluminium
In Memoriam
Ad Infinitum

By EJ Thribb (17½)