

Iceland Population Rejects Bank Bailout

by Our European Bureau

April 11—On April 10, the Icelandic population, for the second time in 14 months, decisively defeated a proposal that the small country pay more than \$5 billion to British and Dutch bankers who lost their money in the speculative gambling spree which crashed in October 2008. By their votes, the Iceland people, and their President—who triggered the referendum by refusing to sign a bailout law passed by the parliament—set a feisty example for the rest of the European nations which are kowtowing to the Inter-Alpha Group and European Union blackmail that they “pay up, or else.”

Icelandic President Olafur Grimsson had a message for Portugal, Ireland, and Greece, and especially the EU imperialists. Coming at the time when the EU is escalating its assaults on sovereignty and the people of Europe’s weaker nations, his official statement, delivered at a press conference and posted on his official website, will resonate continentwide. It reads:

“The Icelandic nation has now delivered its verdict and shouldered unequivocally the responsibility it is granted by the Constitution. The turnout was high by Western standards, and this, together with the extensive and thorough debate in the run-up to the referendum, shows clearly how important the issue was to the nation.

“The people have now spoken clearly on this matter on two occasions in accordance with the democratic tradition which is Europe’s most important contribution to world history. The leaders of other states and international institutions will have to respect this expression of the national will. Solutions to disputes arising from financial crises and failures of banks must take account of the democratic principles which are the foundation of the constitutional structure of the West.”

Even the London *Financial Times* wrote that this part of the statement showed that Grimsson “seemed to be championing Iceland’s defiant stance as a model for other crisis-hit countries facing similar debates over how to deal with crippling foreign debts.”

Grimsson’s statement also reminded the U.K. and the Netherlands that it was not correct to claim they will not receive payments, since they will receive as much as \$7 billion for the estate of Landesbanki, which has gone through a bankruptcy proceeding. He reminded them that, “The Icelandic people have noted with satisfaction that our position has, during 2010 and 2011, met with broad international understanding and support. Decisive and negative judgment has been passed on the demands to which the Governments of Britain and the Netherlands stuck throughout 2009; they lacked both fairness and logical strength.

“The banking collapse resulted not only in severe economic and financial shocks; it also paralysed the nation’s will and sapped the courage of our people. The two referendums on the Icesave issue have enabled the nation to regain its democratic self-confidence and to express sovereign authority in its own affairs and thus determine the outcome in difficult issues. This is a valuable experience to build on in the future. . . .”

Second Time Around

The proposition rejected by the Icelandic voters has the very same form as the bailouts being demanded by the EU and the Inter-Alpha Group, that the *private* bankers must have their losses compensated, at the expense of nations, such as Ireland and Portugal. Note that this is the same model as the U.S., as well. In Iceland’s case, the amount demanded is estimated to come to over \$6,000 for every man, woman, and child.

President Grimsson stands out among national leaders for listening to his constituents. Under the Constitution, if he refuses to sign a bill passed by the parliament, it goes automatically to a referendum. Grimsson has now done this twice, after the parliament caved in to the international bankers’ pressure.

The first referendum was held in March 2010, when the bailout was rejected by a whopping 93% of voters. The political battle was fierce, as U.K. Prime Minister Gordon Brown put Iceland on the list of terrorists, for refusing to pay up, and Icelandic citizens reacted with fury. The bankers then succeeded in December in pushing another bailout through the parliament, and thought they were home free.

But Grimsson again refused to sign the bill into law, citing the fact that more than 42,000 Icelanders—more than 13% of the population—had signed a petition asking him to block the accord.