

# President of Iceland defends financial stance

**REYKYAVIK**— Few countries have experienced the economic meltdown suffered by Iceland as a result of the global financial crisis in 2008. A run on the country's banks, who had lent well beyond their means at unsustainably high rates of interest, virtually bankrupted the entire Icelandic economy, and led to widespread demands for the banks to be bailed out to protect depositors — a majority of whom were outside Iceland. **The government of Iceland held firm and refused, and the country's President Ólafur Ragnar Grímsson was seen as something of a hero for standing up to both the banks and their foreign depositors.** He says Iceland's economic recovery has proved him right. **BBC's Pascal Harter** has been speaking to President Grímsson in Reykjavik:

**PRES. GRIMSSON** "Well, one of the reasons why Iceland is recovering earlier than anybody expected is that we did not try to pump public money into the banks. To some—"

**INTERVIEWER** "—You couldn't, though, could you? They were worse—"

**PRES. GRIMSSON** "—No no no, of course, oh certainly. Well, we could have tried, during certain dates in this crisis, some people would like. We didn't do it because we couldn't. But leaving that aside, it is definitely one of the major reasons for our early recovery, that we treated the banks like what they were: private companies. But somehow people talk about banks in a way that they are somehow Holy Institutions in our economies, and therefore should have an easier access to public funds than other

companies. And I believe, both academically as well as politically, that that is also a very risky cause, because it sends the signal to the banking community and all these people that operate in the big financial institutions, that somehow they have become the **High Priests of the modern economy**, and the Church — meaning the State — will always take care of them, whatever happens. If we're going to build a healthy economy, the financial sector has to learn the lesson that they have to be as responsible as everybody else."

**INTERVIEWER** "Mr. President, what do you think of the trial of your former colleague, the ex-prime minister, Geir Haarde, who was at the helm of the country in the lead up to the financial crisis?"

**PRES. GRIMSSON** "Well, I have maintained a very firm stand, following the financial crisis, both with the respect to this case and many others, not to make any comment, whatsoever, because I think an essential part of our recovery, fundamental condition for the nation accepting the burdens and the difficulties that inevitably every Icelander's had to go through, was the strict independence of the judiciary that everybody would be convinced that justice was being done irrespective of the opinion of me or any other leader or politician in the country. And, I think so far we have managed to maintain this, and I don't know of any other country that has adopted the judicial mechanism to both reestablish the country assets, but also to build up the national confidence, in order to enable the people to get out of the financial crisis."



President Ólafur Ragnar Grímsson

**INTERVIEWER** "So you were the architect of the referendum in Iceland as to whether the Icelandic people — the State — should pay back the creditors in the Netherlands, in the United Kingdom, which had invested in your now-defunct banks. **Are you going to pay back the creditors in the UK and the Netherlands?"**

**PRES. GRIMSSON** "Well, the way you put this question, is a reflection of a fundamental misunderstanding, about what this issue was all about. What happened with respect to the third bank, Landsbanki, was that the government of Britain, and the government of the Netherlands, took their own initiative without consulting us, even for a minute, and made themselves responsible for the payment of this one bank, Landsbanki, instead of waiting and seeing what were the assets inside this bank. They rushed forward — and everybody now knows it was a political expediency on the behalf of the Gordon Brown government — Iceland was an easy target for them to operate on. But as we tried to point out, and has now turned out to be true, there were sufficient assets inside the Landsbanki to pay back, out of this private bank's assets. That is what is already taking place. But what the British and the Dutch government are now arguing is that the (their) Treasury should make a profit on this exercise, by the Icelanders paying the British government a rate of interest on this exercise, which is on the one hand, I mean, outrageous, but on the other a very dangerous signal to the European financial system."

President Grímsson has said that this is his last term as president, but he has been persuaded by a recent 300,000 signature petition asking for him to again stand for re-election this June.

—BBC News interview, March 27, 2012

## Iceland's ex-PM on trial over banks crisis

**Geir Haarde** denies negligence as he faces special court over collapse of country's banks during 2008 financial crisis.

The former Prime Minister of Iceland has gone on trial in a special court in Reykjavik on charges of negligence over his handling of the country's 2008 financial crisis and the collapse of the country's banking system. Proceedings against Geir Haarde are being held at the Landsdomur court, a special body to try cabinet ministers, which has never before heard a case in its more than 100-year existence.

—March 5, 2012

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## World's biggest indoor ski run

**STOCKHOLM, Sweden**, has plenty of cold, but not much in the way of snow or hills. So the members of a Stockholm ski club convinced architecture firm Berg/C.F. Møller to construct the most energy-efficient indoor ski park in the world. **Skipark 360°** will be powered by sun, wind, water and heat from the earth.

Ski, Schuss, Salchow // *Skipark's main slope will be the only indoor run in the world approved by the International Ski Federation to host World Cup slalom events. At 2,300 feet long and 165 feet wide, with a vertical drop of 525 feet, the bottom of the ski slope fans out and connects to an area that contains a 2.2-mile cross-country ski tunnel and a full-scale biathlon arena, complete with shooting ranges and a rink for hockey, bandy (Swedish hockey) and skating.*

Minimal Support // *Six tapered 180-foot-wide concrete pillars and crossbeams give the run an open feel — the structure is nearly transparent on its sides — and the design merges with a natural slope for the final 55 feet of the ski run.*

—Popular Science, April 2012.

## Pirate Party Founder Speaks

**Rick Falkvinge** didn't plan on becoming a politician, but his dedication to civil liberties and internet sovereignty led to him founding the Swedish Pirate Party in 2006, which fights for transparency, anonymity and "sensible" copyright laws. He explains how he became the leader of Europe's tech-driven political party, which so far has won 17 seats across national parliaments in Europe.

Interestingly, this party has a very strong showing with people under the age of 25.

View the talk by him at the amazing TED website, at TED.com.

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