



DECLARATION
BY THE PRESIDENT OF ICELAND
ÓLAFUR RAGNAR GRÍMSSON

(OFFICIAL TRANSLATION)

Under Iceland's constitutional structure, the Parliament, the Althingi, exercises legislative power except in cases where matters are referred to the nation through the agency of the President. Then, the Althingi and the nation exercise legislative power jointly, and the nation's decision is final. The Constitution of the Republic is clear in this respect.

Through the decision by the President on 5 January 2010 and the referendum held later the same year, the Icelandic people became the legislators regarding the Icesave issue as it was then presented. Their conclusion was unequivocal.

Following the legislative decision by the people on 6 March 2010, new negotiations took place.

Although the new Icesave agreements contain a certain amount of uncertainty, they are different from the previous ones. They are more advantageous in many ways; the financial obligations are so very much smaller that the difference amounts to a gigantic sum, and in addition, our foreign counter-parties also shoulder responsibilities. A substantial majority of the members of the Althingi from three of the largest parties have now given their approval for the ratification of the new agreements.

As regards other aspects of the agreements, the views expressed by the President in his Declaration here at Bessastaðir on 5 January 2010 and his Statement of 2 September 2009 are reiterated.

When assessing whether the President should sign into law the new bill on the Icesave dispute, it is of fundamental importance to take account of the fact that the Althingi and the people have exercised joint legislative power in this matter. The Althingi that dealt with the matter on 16 February this year is composed of the same members as before; the nation has not renewed its mandate in a general election.



One legislator in this case, the Althingi, is the same; thus, the question is whether that legislator should conclude the matter on its own, without the involvement of the other legislator, the people, who determined the issue on the last occasion.

The democratic process in this matter up to now, with the involvement of the nation in the exercise of legislative power, means unambiguously that if the Althingi's approval of the new agreement is to be the conclusion of the matter, there must be a broad consensus that the issue is to be settled finally by the vote in the Althingi.

It is now clear, however, that no such consensus exists; on the other hand, there is support for the view that the people should once again, as before, act together with the Althingi as the legislator in this matter.

Firstly, proposals on another referendum received substantial support in the Althingi, with nearly half of the members of parliament, from four parties, approving them.

Secondly, more than 40,000 voters, about one fifth of the electorate, have formally requested that a referendum be held on the new bill.

Thirdly, opinion polls indicate that the majority of the nation wishes to be involved in the final decision on the matter.

The fundamental consideration, which must determine the President's decision, irrespective of the merits of the new Icesave agreements, is that the people have exercised legislative power in the Icesave dispute and that no broad consensus has been achieved on having the Althingi alone determine the issue on this occasion.

I have therefore decided, in accordance with Article 26 of the Constitution, to refer the new bill to a referendum.

It is my sincere hope that as many of our people as possible, both those who support the bill and others, will exercise their democratic right in the referendum, which will soon be held.

Bessastaðir, 20 February 2011

Ólafur Ragnar Grímsson