

Iceland's PM pushes for 'yes' vote

Referendum to be held before March 6 on repaying Britain and the Netherlands

By **HERDIS SIGURGRIMSDOTTIR** and **JANE WARDELL**
The Associated Press

The Icelandic parliament held an emergency session Friday over plans for a referendum on repaying US\$5.7 billion to Britain and the Netherlands — a poll that is seen as a defining moment in the bankrupted country's economic recovery.

The government was forced into organizing the vote after Iceland's president, Olafur Grimsson, refused to sign legislation on the repayment into law.

That set off a diplomatic clash with Britain and jeopardized crucial bailout funds promised by the International Monetary Fund and Nordic countries.

Britain has since backed away from claims that Iceland would become an international pariah and Norway stood by its commitment to an IMF-led \$4.6-billion bailout fund. But the Spanish European Union presidency warned Friday that Iceland's bid to join the body could be delayed by the dispute.

At the same time as appeasing the international community, the embattled Icelandic government is facing an uphill task to convince voters that passing the bill is essential to Iceland's recovery from the collapse of its banking sector in October 2008.

Icelandic Prime Minister Johanna Sigurdardottir warned that "because of the decision, the nation has been put into uncertainty and the economic plans into much uncertainty."

"I have full trust in the Icelandic voters and know that they will make the right decision," she added during debate over the referendum on Friday. Lawmakers adjourned the debate for discussions behind closed doors in the afternoon, and were due to return later Friday.

But opinion polls suggest the majority of the country's 320,000 people are opposed to the bill. Grimsson cited a wave of popular opposition as the determining factor in his decision not to sign the so-called Icesave bill, named after the high-interest paying Internet bank that went bust leaving the British and Dutch governments to fork out compensation for their citizens.

Many voters want a greater say in the country's economic future, blaming the previous government for letting a handful



Icelandic Prime Minister Johanna Sigurdardottir said an earlier decision by the president not to sign the repayment bill into law is jeopardizing the country's future. "I have full trust in the Icelandic voters and know that they will make the right decision," she said. (BRYNJAR GAUTI / AP)

of "venture Vikings" fuel the boom and subsequent bust of its top-heavy banking sector.

They are also angry at what they see as strong-arm tactics by London and the Hague that resulted in the repayment bill being amended on tougher terms, including extending the time limit of the repayment guarantee and removing Iceland's right to challenge the payment under international law.

With a mountain of debt on the country's shoulders, ordinary Icelanders have been feeling the pain for months and, for many, the thought of taking on more external debt is unbearable.

"Finally the outside world is paying some attention to our cause, and acknowledging the diplomatic bullying of a small nation by a more influential one," said Sveinn Sveinsson, who returned to university after losing his job in the banking sector after the collapse.

In the heady boom years, Iceland enjoyed a welfare society on par with its

well-off Scandinavian neighbours, but it has already made drastic cuts, even in areas once seen as non-negotiable such as education and basic health care.

Eirikur Jonsson, chairman of the Icelandic Teacher's Union, said the sweeping cuts will affect the future prospects of an entire generation.

"We can delay building bridges and infrastructure, but if we don't educate our children the best we can, we can not make it up to them later," Jonsson said.

The irony is that while Grimsson argued that going to a referendum would restore "reconciliation and harmony" in Iceland, a "no" vote risks worsening the situation for ordinary Icelanders by reverting to an earlier version of the bill. That would likely mean another lengthy round of talks with Britain and the Netherlands.

The government said Friday the poll would take place as soon as possible and no later than March 6. It suggested Feb. 20, 27 or March 6 as possible dates.

Spanish Foreign Minister Miguel Angel Moratinos warned that scenario could delay Iceland's bid to join the EU.

"I hope the people of Iceland see the EU in their future," Moratinos told reporters in Madrid. "Clearly if (the bill) is not approved it could slow down the whole calendar, the whole process of negotiations."

As parliament met in Reykjavik, Finance Minister Steingrímur Sigfússon was dispatched to meet his counterparts in Denmark and Norway in a bid to smooth relations.

A day after Britain backed away reasserted its support for the country's entry to the European Union, the charm offensive also appeared to be working on the Nordic countries with Norwegian Foreign Minister Jonas Gahr Støre saying that Norway would stand by its pledge.

Sigfússon said his government has "managed to live up to all requirements" for the loan, but added it was "far too early" to discuss the options confronting Iceland in the event of a "no" vote.

New version of magicJack makes cellphone fees vanish

By The Associated Press

LAS VEGAS — The company behind the magicJack, the cheap Internet phone gadget that's been heavily promoted on TV, has made a new version of the device that allows free calls from cellphones in the home, in a fashion that's sure to draw protest from cellular carriers.

The new magicJack uses, without permission, radio frequencies for which cellular carriers have paid billions of dollars for exclusive licenses.

YMax Corp., which is based in Palm Beach, Fla., said this week at the International Consumers Electronics Show that it plans to start selling the device in about four months for US\$40, the same price as the original magicJack. As before, it will provide free calls to the U.S. and Canada for one year. The original magicJack is available in Canada.

The new device is, in essence, a very small cellular tower for the home.

The size of a deck of cards, it plugs into a PC, which needs a broadband Internet connection. The device then detects when a compatible cellphone comes within 2.4 metres and places a call to it. The user enters a short code on the phone. The phone is then linked to the magicJack and, as long as it's within range (YMax said it will cover a 280-square-metre home) magicJack routes the call itself, over the Internet, rather than going through the carrier's cellular tower. No minutes are subtracted from the user's account with the carrier. Any extra fees for international calls are subtracted from the user's account with magicJack, not the carrier.

According to YMax CEO Dan Borislow,



A new version of magicJack lets users make free calls from cellphones. (PAUL SAKUMA / AP)

the device will connect to any phone that uses the GSM standard, which in the U.S. includes phones from AT&T Inc. and T-Mobile USA. At a demonstration at CES, a visitor's phone with a T-Mobile account successfully placed and received calls through the magicJack. Most phones from Verizon Wireless and Sprint Nextel Corp. won't connect to the device.

Borislow said the device is legal because wireless spectrum licences don't extend into the home.

AT&T Inc., T-Mobile USA and the U.S. Federal Communications Commission didn't immediately respond to requests for comment.

THE NUMBERS DO MATTER

Transportation infrastructure plays a critical role in Nova Scotia's Tourism Industry. Air, rail, ground and water are all essential modes of transportation for access into the province.

The recent announcement regarding the cancellation of ferry service into southwest Nova Scotia highlights the lack of a strategic transportation policy in the province. Nova Scotia's ability to develop tourism and trade continues to be vulnerable as we struggle to have secure and viable access points.

The fact that no clear business case could be articulated around the economic implications along with the decision of having no ferry service highlights an even greater issue regarding the role of tourism and its place as a significant sector in the provincial economy.

The United States has been a primary market and continues to hold tremendous potential for Nova Scotia. The decline in visitors over the past few years can be attributed to many global factors, however it should be highlighted that almost 80,000 people still entered the province in 2009 via this route and this resulted in over 33 million dollars in revenue last year. The broader impact of jobs and investment from employees and suppliers has yet to be quantified, but estimates from the region put job losses in the hundreds, resulting in millions more in lost tax revenue.

Nova Scotia is spending millions to attract people to the province and at the same time making it much harder to get here. Tourism revenue last year was 1.3 billion dollars and the tourism industry employs 40,000 Nova Scotians. TIANS strongly supports responsible investment; a strategic review of ferry service and its importance to accessing markets would be most welcome. In the meantime, reducing access to the province, without any consultation or a plan to improve our ability to bring in visitors and enhance trade, is simply bad business.

The infrastructure required to get people into Nova Scotia and move trade is crucial to our long term prosperity. We need a model for inter-modal travel that will best serve visitors to our province and grow tourism receipts. The condition of our roads, our signage policies, our ability to take advantage of open-skies agreements by attracting new airlines, and our use of rail and ferry access are all part of a broader transportation discussion that should be taking place in support of Nova Scotias tourism industry.

The numbers do matter.

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The partners and staff of Rector Colavecchia Roche Chartered Accountants are pleased to announce the promotion of Steven R. Gray, CA to partner. Steven, a Saint Mary's University alumni, obtained his Chartered Accountant designation in 2003 and is entering his tenth year in public accounting. He has been providing assurance, accounting, and taxation services to the firm's clients for over six years and looks forward to serving the firm's clients and the local community for years to come.

Rector Colavecchia Roche Chartered Accountants has been part of the downtown Dartmouth business community for over thirty years, providing accounting and tax services to owner-manager businesses and non-profit organizations throughout Nova Scotia.