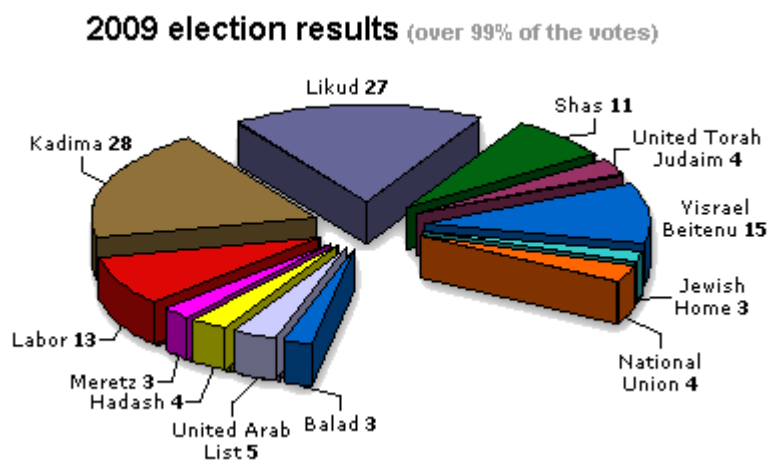




ELECTION ARITHMETIC PUTS NETANYAHU IN THE DRIVER'S SEAT

Feb 11/09. For all the confusion prompted by the near parity of Kadima and the Likud in Tuesday's election, and even before the final adjustments necessitated by Thursday's tally of soldiers' votes and the complex surplus-vote distribution system, one of the most critical pieces of arithmetic is straightforward.

And it shows that notwithstanding Kadima's victory claims, and its leader Tzipi Livni's insistence that the people of Israel have given her their backing, Likud leader Binyamin Netanyahu can reasonably hope to build a narrow coalition majority with "natural" allies, and she cannot.



This puts Netanyahu firmly in the driver's seat on the road to becoming prime minister. And it places Livni - though she led her party to far greater success than some of its own optimists had anticipated and thus cemented her leadership hold - in the back seat. He can probably block her; she probably can't block him.

That is not to say that Netanyahu has a smooth ride ahead. It may yet be eased a little when those last votes are calculated. Precedent suggests that the soldiers' votes are unlikely to boost the center-Left; they might well lift the Right, and perhaps Avigdor Lieberman's Israel Beiteinu, which had stressed a shared burden of national service.

Netanyahu was speaking from the heart during the election campaign when he said he wanted to lead a broad government, with a range of Zionist parties from across the political spectrum. He doesn't want to have to rely on a narrow coalition, vulnerable to internal pressures and perceived both domestically and abroad as intransigent as regards progress with the Palestinians.

Chiefly, a narrow Likud-led coalition requires the fiercely secularist Lieberman and the Torah-driven Shas to put aside fundamental differences that go to the root of Jewish nationhood.

<http://www.jpost.com/servlet/Satellite?cid=1233304750774&pagename=JPost%2FJPArticle%2FShowFull>

European banks sitting on \$24 trillion of toxic assets...

EUROPEAN BANK BAIL-OUT COULD PUSH EU INTO CRISIS

Feb 11/09. A bail-out of the toxic assets (*estimated at \$24 trillion*) held by European banks' could plunge the European Union into crisis, according to a confidential Brussels document.

“Estimates of total expected asset write-downs suggest that the budgetary costs – actual and contingent - of asset relief could be very large both in absolute terms and relative to GDP in member states,” the EC document, seen by The Daily Telegraph, cautioned.

"It is essential that government support through asset relief should not be on a scale that raises concern about over-indebtedness or financing problems.”

National leaders and EU officials share fears that a second bank bail-out in Europe will raise government borrowing at a time when investors - particularly those who lend money to European governments - have growing doubts over the ability of countries such as Spain, Greece, Portugal, Ireland, Italy and Britain to pay it back.

FULL STORY>

<http://www.telegraph.co.uk/finance/financetopics/financialcrisis/4590512/European-banks-may-need-16.3-trillion-bail-out-EC-dcoument-warns.html>

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