Quote of the week : "This 'No' from the Greek people must pave the way for a healthy new approach ... European countries should take advantage of this event, together around the negotiating table, take stock of the failure of the euro and austerity, and organize the dissolution of the single currency system, which is needed to get back to real growth, employment and debt reduction.." - Marine LePen - *as head of France's 'against-just-about-everything' extreme right wing Front National party, she is benefitting from the Europe-wide voter alienation from the traditional centre right-, & left-, parties; in the first round of France's local elections this spring hers trailed Sarkozy's center-right party 25-32 but beat President Hollande's Socialists 25-22.*

Quote of the week No. 2 : "The Eurozone must now accept that Greece needs debt relief. The referendum has seen EU states do their very best to undermine the democratic will of the Greek people but it's time to draw a line under the past and move forward ... In 1953, at *the* London Conference, Greece was among the ... nations signing a deal which allowed for the cancellation of German debt, to enable the country to grow again after the destruction of the Second World War. Europe needs to come together to offer the Greeks a deal which allows the country to rebuild."[1] Caroline Lucas (age 55) - *A Ph.D. in English Lit. from the University of Exeter, after representing the Green Party on the Oxfordshire County Council & in the European Parliament, in 2010 became Britain's first-ever Green Party MP (for in the Southern England constituency of Brighton Pavilion) & wasre-elected earlier this year with an increased majority.*

Two extremes on the political spectrum, Ms. Lucas' being evolutionary & Mme. LePen's revolutionary with the former working on the assumption the Greeks would do their bit & not turn a positive gesture into a further throwing of good money after bad (& history is replete with cases of more funding for badly managed situations creating bigger badly managed messes).

Merkel may have overplayed her hand, choosing to roll the dice & coming up 'snake eyes'. So now she has to choose the least bad option without having her voters behind her the way Tsipras has (against a background of she is contemplating retirement, but unlike some of her predecessors, at her own time & on a high).

The overwhelming (61.31-38.69) support for Prime Minister Tsipras in the referendum, came as a total surprise to the Eurogroup &, apparently, to Tsipras himself. And it was noteworthy for three reasons. First, while every poll in the past five months had reported that 60+% of Greeks wanted their country to stay in the Eurozone, they nevertheless voted NO in even greater numbers, despite having been bombarded for a week with warnings from non-Greek leaders that voting NO was voting to leave. Secondly, if the result of the poll conducted June 30th & July 1st on the referendum that 41.5% of "decided" voters planned to vote YES & 40.2% NO, with 10.9% still undecided & 5.7% intending to spoil their ballots, had been a reasonable reflection of voter sentiment on that date, this meant that, to give Tsipras his 61% majority, in the next five days **every one** of the then still undecided, & even some of the 'decided' YES voters, had decided to vote NO (which makes one wonder if the Eurozone leaders' bullying had backfired & prompted a groundswell of patriotism). And finally, there was a marked age-driven difference in voting behaviour, with 67% of 'younger' voters voting NO but only 37% of 'older' voters (not surprisingly so since pensions, that have already been cut big time, remain the troika's top target for spending cuts) – *and crazy as it may seem, post-referendum polls show that 80% of Greeks still want to stay in the Eurozone.*

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1 An idea that gaining some traction & in line with earlier suggestions that what Greece needs is a Marshall Plan-like initiative & that, despite what its detractors say, is a horse of quite a different colour from Tsipras' claims that Germany owes Greece WW II reparations payments.

All the kerfuffle about the Greek debt has totally ignored the fact that the continued growth in recent years' in Greece's debt-to-GDP ratio has **in its entirety** been due to the 25% shrinkage of the latter. For, according to EuroStat, among the Eurozone countries with the largest economies, Greece was the **only** one to have shrunk its debt in the 2011-2014 period, as illustrated by the following : Greece (-10.7%), Germany (+3.2%), Ireland (+6.8%), Italy (+12.0%), Netherlands (+14.4%), Portugal (+14.8%), France (+16.4%), Finland (27.4%) and Spain (+39.2%). Another thing to keep in mind, is that, while from the IMF on down some impressively large numbers are being bandied around as to Greece's need for "new" loans, the reality is that, since much of this is 'needed' to repay already outstanding debt, there might be little, if any change in Greece's 'net' debt (*although its overall terms would likely improve*).

One problem a Grexit might solve for Greece could be its rapidly growing Middle Eastern/African migrant problem. According to the UNHCR in the first half of this year they numbered 136,840, up 87% YoY, for all of Europe; but, while there has been much in the media about the problems this is creating for Italy, Greece, with a population one-fifths Italy's, YTD has had to deal with more newcomers than has Italy (68,000 vs. 67,500) since the sea voyage from Turkey to Greece/the Greek Islands, is shorter & less hazardous than that from Libya to Italy. For after a Grexit would-be migrants would likely see Greece as a second rate way station on their voyage to Northern Europe .

Canada's GDP declined 0.6% in the First Quarter & 0.1% in April (as the low oil prices appear to have had a more deleterious effect on its economy than people had been lulled into believing). So Bank of America Merrill Lynch economist Eleanor Enennajor is forecasting, in part because Canadian manufacturers haven't taken enough advantage of the much weaker Canadian dollar, another 0.6% decline in the Second Quarter (any negative number would qualify the Canadian economy for being officially in recession). But Finance Minister Joe Oliver disagrees, saying "we expect solid growth for the year, following a weak first quarter" *though, even if the Second Quarter outturn were not quite as weak as the First, "solid growth for the year" may be a pipedream (& the IMF seems to agree; for this week it cut its forecast for 2015 GDP growth in Canada by a third to 1.5% - but what else can Oliver do; for with an election in the fall, the "R" word is anathemous to a Prime Minister marketing himself as a 'good steward of the economy'.*

Forest fires are a rite of passage in the spring in Western Canada. But this spring it has been unusually dry (thus in Edmonton in the last 12 months rainfall has been 40% below the long term average and April rainfall was 5-, less than half the long term average of 13- millimeters, with the corresponding numbers for May & June being 11 vs 45-, and 28 vs. 87-, millimeters). So, as of July 1st the number of forest fires reported in the four Western provinces was already nearly two-thirds more than the 10-year annual average, with 850 forest fires burning, 20% out of control, & the acreage burnt being 1.42MM hectares/14,229 square kilometers/5,500 square miles, 75% more than the 10-year average. As a result, the army has sent in 1,400 troops and firefighters are being brought in, not just from other parts of Canada & from the US (which is not unusual) but from as far as far away as Mexico, Australia & New Zealand - *and one farmer told me his wheat is heading out while less than one foot in height (vs. a more normal three feet), which will affect its yield, & quality, and will make it "a bitch' to harvest. As a result also there will be very little straw, which will further compound cattle farmers' winter' feed situation (which has been seriously, & negatively, affected by the dry conditions.*

Spain must hold a general election on, or before, December 20th. And while GDP growth has been positive for two years (& in the First Quarter was almost 4% annualized), not much of this seems to have "trickled down"; for the overall unemployment rate is still 23.78% (up a smidgen

QoQ & down only marginally from its 26.94% peak a couple of years ago, with the youth unemployment steady at twice the overall rate). So the ruling centre-right People's Party fared badly in May's municipal elections (although a series of corruption scandals had also fueled voter anger), losing the mayoralties of Madrid & Barcelona, the biggest two cities, to left-of-centre, anti-austerity types. Not surprisingly therefore, on July 2nd Prime Minister Mariano Rajoy announced he was accelerating, effective the day before, personal income tax cuts that were to have come into force on January 1st [*in the (faint?) hope the resultant 1.5BN Euro 'money drop' into tax payers' pockets will assuage their 'edgy' feelings about his party*].

On July 3rd the Geneva-based UN Human Rights Council, voted, as expected *& in line with its long history of an anti-Israel bias*, 41-1-5 to accept a report accusing Israel (*& Hamas*) of having committed war crimes during its Protective Edge operation a year ago. This was a good news-bad news story for Israel. Part of the good news was that the US had cast the sole vote against, and the even better news that India, that historically had voted in favour of such resolutions, on this occasion was one of the five council members to abstain, prompting euphoric comments by government spokesmen & in the media in Israel, that attributed this to the 'warming' of ties between the two countries based on a personal relationship between their prime ministers. But the bad news, for which the Israeli government publicly chastised its German counterpart, was Germany abstained (*part of a growing body of evidence Europe is losing patience with Israel).*

An otherwise often insightful British journalist opined this week that after the surprise outcome of Sunday's Greek referendum, on Monday the Greek government was in disarray. This week's 'below the line' item let's you judge for yourself which of the two sides seemed to be more so.

GLEANINGS II - 622
Thursday July 9th, 2015

AMERICAN DRILLERS ADD RIGS AFTER CUTTING COSTS (BB, Lyn Doan)

- On July 2nd Baker Hughes reported that, for the first time in 29 weeks, the number of working oil rigs in the US had risen WoW from 628, a five-year low, to 640 (& according to Scott Mitchell, Wood Mackenzie's Director of Upstream Research in Houston could go 100 higher by yearend[2]) despite the fact that, when the the rig count last increased, crude oil futures were US$70, not US$60. For shale explorers have cut their break-even costs by up to US$20 &, according to one oil industry consultant "Shale oil is (*or has proven?*) a lot more resilient than we thought ... we're going to be able to keep producing shale oil at a lower cost than we thought we could" & to Charles Blanchard, a Bloomberg New Energy Finance) analyst, the cost of drilling services has fallen by up to 50 percent, reducing break-evens in the Texas & Oklahoma shales to < US$40.

Six weeks ago already Goldman warned "should West Texas Intermediate prices remain near $60 a barrel, U.S. producers will ramp up activity" & Morgan Stanley that US oil production, rather than declining, could rise another 1MM bbld. by late 2016. While US oil has hiked output YTD by 4.4%YTD to 9.6MM bbld. by shutting down marginal-, & squeezing more production from more prolific-, wells, the reversal in the drill count suggests is that it now may be shifting to a longer term strategy of bringing its inventory of 3,000+ "incompleted" shale oil wells[3] on

2 Which, nevertheless, would still be less than half their 1,600 high late last year.

3 That have only had their vertical 'leg' drilled, or had both drilled & are simply awaiting fracking

*stream. Furthermore, the lower oil service costs may also prompt a "refracking" of some 50,000 wells (although this will have a lower priority since this is known in the industry as "Pump & Pray" since its effectiveness, & profitability, varies widely from well to well). Even if the C$, as expected, continues to weaken, this is bad news for Alberta; for its breakeven price exceeds that of US shale, especially in much of the oilsands, and its oil sales are so heavily US market-dependent that more US oil output cannot help but erode US demand for the Alberta product[4] (and if, in the absence of offshore export markets, surplus US shale oil were to start spilling into Central Canadian markets, of which there already is some evidence, and which would be facilitated if Enbridge were to get approval to start operating its 40 year-old E9 pipeline between Sarnia & Montreal that it has 'reversed' to carry oil to-, rather than from-, Montreal, domestic demand for Alberta oil could also suffer). And in a global context, if the Saudis were to continue to produce at their current level, or possibly even hike output (as they have the capacity-, & purportedly are planning-, to do), this will validate the view they never **really** had targeted shale but were driven by concerns about the future value of their oil reserves. And this, along with higher-than-expected US production, possible increases in production by Iran & other 'one trick pony' oil producing countries, along with flagging demand growth, would help increase, & prolong, the current global oil 'glut' , with geopolitical consequences few people have so far seem to have seriously focused on.*

GREECE DEBT CRISIS : EUROZONE SETS 'FINAL DEADLINE FOR NEW PLAN (BBCNews)

- The eurozone has given Greece until Thursday[5] [6] to present a new proposal to its creditors. Speaking at a press conference late Tuesday EC President Donald Tusk said "the final deadline ends this week" & this is "the most critical moment in the history of the eurozone", and called those who think a Greek bankruptcy & collapse of its banking system would not affect the whole of Europe "naïve", a sentiment echoed by President François Hollande when he said "it's not just the problem of Greece - It's the future of the European Union that is at stake" (*note he referred to the EU, not the Eurozone)*
- Over dinner Wednesday evening Tsipras told his fellow leaders that, while he will accept most, if not all their demands for reform (some of which he had previously rejected), what he wants in return is a third bailout, an agreement on restructuring his country's debt & more help in promoting economic growth. According to Merkel *on Tuesday* the eurozone leaders had a "serious, candid discussion" in Brussels that "reflected the seriousness of the situation at hand" and that, while they "obviously respected the results of the referendum ... as regards the euro, we don't have the sovereignty of just one country to contend with, but of 18. Shared sovereignty, shared responsibility". But then she added, *somewhat mysteriously* that Greece 'needed a new debt programme that would last several years, not a short-term fix.' And the EU's top bureaucrat, Jean-Claude Juncker said he wants Greece to stay in the Eurozone but warned "We have a Grexit scenario, planned in detail[7]."

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4 There is anecdotal evidence that in June crude oil exports to the US were down 10% MoM.

5 With it being reviewed by the the Eurogroup of Finance Ministers on Saturday,whose findings will be the sole item on the agenda of the EU Leaders' Summit on Sunday.

6 It beat the midnight deadline by two hours.

7 As in wartime, however, once the first shot is fired, the real life often quickly deviates from the plan (which may be even more true in this case, with the global economic & financial situation 'fragile' & markets easily spooked And so has Greece, one that involves (*continued on next page)*

The CW holds that after the referendum a Grexit has become a near certainty. But that will all depend on Angela Merkel, all along the driver of the 'austerity[8] bus and in the final analysis the decision as to whether to cut Greece adrift, or not, will be hers, & hers only. And this suggests another possible outcome.

To digress for a moment, in 2013 two Bloomberg news reporters, Alan Crawford & Tony Czuczka wrote a book entitled Angela Merkel : A Chancellorship Forged in Crisis that they synopsed in an article in the September 19th, 2013 issue of Bloomberg Business entitled Angela Merkel's Years in East Germany shaped her Crisis Politics that contains several intriguing insights. One a quote : "I always wanted to know what I'd face next ... structuring my life and avoiding chaos was always more important." Another that her exiting her first marriage showed an ability (or willingness?) to make a sudden break & move on if something didn't work; thus when it fell apart, it was she who walked out; as her husband (whose last name she still uses) recalled "One day she packed her bags and moved out of the apartment, she had sorted it all out and drawn her conclusions." And finally, & perhaps most relevantly in the present context, her September 2012 quote "I come from a country in which I experienced economic collapse ... At German unification, we were lucky to get so much help from West Germany. Now we have the good fortune of being able to help each other in Europe" (although she then seemed to take a step back when she continued that giving aid to euro countries struggling with debt only makes sense "if things are better afterwards, not even more difficult." (after having externally-imposed austerity contribute to, or result in, a 25% GDP decline in five years, it is hard to believe the next five years won't be better for Greece, Grexit or no Grexit

Returning to the present, her above-noted comment that 'Greece needed a new debt programme that would last several years, not a short-term fix' is nowhere near as dogmatic as she had been even a week earlier. The support for her hardline austerity stance among other leaders, most notably Hollande & Mme. Lagarde[10] [11], has eroded. Support in Europe for a Grexit is anything but overwhelming; thus a recent YouGov poll in seven countries showed that, while in Germany those polled split 53% pro-, & 29% anti-, Grexit, with 18% Don't knows, elsewhere it was 47-26-27 in Finland, 44-24-36 in Denmark, 36-24-39 in Norway, 35-26-38 in Britain, 35-26-

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a)'requisitioning' the central bank's 17BN Euro exchange reserves (*enough for almost two tears of imports*), issuing, a la California, Euro-denominated IOUs, lodging an appeal with the European Court of Justice against the expulsion from the Eurozone while continuing to assert its full rights as a member of the Eurozone (*whatever that may mean*) with implications thereof for all contracts written in accordance with British, US & German law, and reneging on all 27BN of IMF debt & on "odious debt" related to the bailout of French & German banks.

8 Which by June 26th, when it was thought that Tsipras had pained himself in a corner, had become unworldly, including as they did, no debt relief at all, an immediate more than tripling of the VAT on tourist hotels from a defacto 7% to 23%, further cuts equivalent to 1% of GDP to pensions *that had already been cut by 44%*, and a phasing out of welfare assistance to the poorest of pensioners, all of which accounting to 2% of a GDP that after six years of 'help' had shrunk 25%.

10 Who recently reported to the group that Greece's debt is "unsustainable" & needs its debt cut 30% **and** 52BN Euros in new money to get out of the mess it's in.

11 Who on July 9th went on record as saying that "Greece is in a situation of acute crisis, which needs to be addressed seriously and promptly", mentioning the need for debt restructuring with maturities as far out as 40 years, with Draghi (who at this stage will be spear carrier rather than a decision maker) darkly muttering in the background that he has 'his doubts' about any Greek deal)

40 in Sweden, & 33-36-32 in France (with the unusually high number of don't knows/undecideds everywhere being something any politician would take note of). And, given how stressful the past six months have been, her rumoured interest in retiring on a high at a time of her own choosing, & her abhorrence of chaos, Merkel may just see this as an opportunity to go down in history as the one who singlehandedly 'rescued' the EU from 'going over a (possible)cliff' (while at the same time 'spiking the guns' of dangerous detractors like Marine LePen?), falling back on her ability of 'making a sudden break and moving if something didn't work'[12]*. And Tsipras who, until abhorred by the June 25th set of demands, is said to have been resigned to having to 'fold his tent', may see any softening of her position as opening the door for what most Greeks continue to want : stay in the Eurozone. And last, but not least, there may be, for Merkel & other leaders, two never-yet mentioned, but disconcerting, possible threats lurking in the shadows. One a military coup in Greece [since military spending accounts for a larger share of GDP than in that of all but two EU countries (France & Estonia), the military has a real vested interest in how any shrinking budgetary pie would be apportioned] & the other one of Beijing, not Moscow, seeing a Grexit as an opportunity to fish in troubled waters by underwriting the continued operation of the Greek government, with few questions asked. And while the Brussels Eurocrats remain hawkish, the decision facing the leaders this weekend is a political one, in which what the 'crats' think, or want, is all but irrelevant, especially since the EU has a long tradition of closeting its leaders at critical decision points in a room, with only one adviser each, not to come out, like cardinals electing a pope, until horse trading had produced a consensu.*

<u>'BAILOUT WAS MORE TO SERVE NORTHERN BANKS THAN SOUTHERN PEOPLES'</u>
(NYT, Robert Mackey)

- Last March Euclid Tsakalotos[13], *now Greece's Finance Minister & since last April its chief negotiator with the Eurogroup, but at that time still just its Minister of International Economic Affairs*) spoke at Northern Ireland's Sinn Fein's political conference. There he called the negotiations between Greece & its creditors part of a broader struggle between the left & the right across the continent. More specifically he said "No economy that has ever lost a quarter of its GDP, has 25 percent of its people unemployed and over 50 percent of its young people unemployed, and has one-third of its population facing extreme poverty can be expected to repay its debt with a succession of years of very high primary surpluses ... we are not asking for special treatment ... Greece has had the biggest per capita fiscal adjustment of any economy since the crisis began; hardly special treatment, especially when you consider that the bailout was more to serve northern banks than southern peoples." As to the Eurogroup's insistence on austerity in the face of a recessionary spiral, he told his audience "Their fear has more to do with the aspirations of their own people for social justice and a new model of socially inclusive development. It is you they fear, not us."

While the statistics he trots out are valid & there is much truth in his noting "the bailout was more to serve northern banks than southern people" (as was the case in the Irish bailout), the rest of the above is more iffy. The primary surpluses the creditors are seeking are high, but not

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12 And turning 61 next Wednesday, she is still young enough to contemplate another career move; so she may see becoming the saviour of the EU/Eurozone as the perfect launching pad for her alleged ambition to succeed UN Secretary-General Ban Ki-moon in 2017.

13 Who, the Telegraph's Ambrose Pritchard-Evans twittered on Monday, is "more hardline than Varoufakis" (& is a long-time Syriza stalwart while Varoufakis had been a 'johny-come-lately').

"very high"; while some major Eurozone member countries (incl. France & Spain) have primary deficits, the primary surpluses of Germany & Italy are in the 4% range, according to the EC Greece's was brought down from - 10.2% of GDP in 2009 to +1.7% in 2014 & the Eurogroup's latest demand to have it ramp up from 1% next year to 3% by 2018 was a comedown from their earlier 4.5% demand. And his observation of who had been the real beneficiary of the bailout implies that, in rolling the problem forward by enabling the banks to 'offload' their exposure to Greece onto the public sector, the Eurogroup set itself up to be hoisted on its own petard; for its argument now, that plays to the galleries, especially in Germany, that taxpayers shouldn't have to take a hit on Greece's debt (80% of it now on the taxpayers' 'tab') is hollow; for it was the bailout that allowed it to be moved there; so such reasoning is not unlike that of the teenager who, after killing both his parents, asks for mercy on the grounds that 'he is an orphan'.

<u>CHINESE STOCK MARKETS CONTINUE TO NOSEDIVE AS REGULATOR WARNS OF PANIC</u> (The Guardian, Jennifer Duggan)

- Despite the government's efforts to stop its slide, they tumbled again on July 8th (*but reversed itself the next day*). The Shanghai Composite Index was down 5.9% (*closing at 3,727, down 30%*[14] *from its June 12th seven-year high of 5,166, a level up 150+% YoY*) & its Shenzhen counterpart almost 3%. Within ten minutes of the opening shares of a large number of companies dropped the 10% daily limit that prompted an automatic suspension in trading. In addition over half the companies listed on the two exchanges had trading in their shares halted to avoid further price declines (a situation attributed by Christopher Balding, a professor of economics at Peking University, to companies having used their stock as collateral for loans & wanting 'to lock in the value for the collateral' ").To try & prevent further losses the state asset regulator, the Assets Supervision and Administration Commission, ordered the SOEs not to sell any shares they own & encouraged them to buy more, while the central bank said it was assisting the Securities Finance Corporation (which helps brokers fund the buying of stocks on margin), while a company spokesman said it would buy more shares (of the smaller companies whose shares have been hardest hit). And the end is may not yet be in sight; for according to Balding "margin debt is not falling nearly as fast as the market is falling. What that is telling us is that there is *still* a lot of stock that needs to be sold that hasn't been sold yet."

Unlike the US, in China 80% of the players in the stock market are of the small retail variety, in a society in which the social safety net is still rudimentary & personal savings the bedrock of one's financial security in one's old age, especially now that the tradition of children looking after their parents in their old age has eroded), According to Balding, this has Beijing seriously worried (& rightly so?) that falling stock prices will prompt social unrest & "people protesting on the streets".

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Early in the day Monday Chancellor Merkel, after caucusing with President Hollande, 'demanded a new proposal' from the Greek Prime Minister this week. Then Greek Finance Minister Varoufakis resigned (*at Tsipras' request*) & was quickly replaced by the Minister of International Affairs, Euclid Tsakalotos[15] (who had already replaced him last April as the chief

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[14] Incl. 12% last week alome.

[15] Who has a Ph.D. in economics from Oxford.

negotiator withe the Eurogroup). Next the EU Vice-President responsible for the Euro (*and until last year Prime Minister of Latvia*), Valdis Dombrovkis said that the referendum was not "legally and factually correct", that its outcome had "complicated" the work of the creditors & had weakened, rather than strengthened, the negotiating position of the Greek government, and taken a write-down of Greece's debt[16] 'off the table', that the proposals of the institutions had never really been proposals (*thereby contradicting Juncker who had earlier referred to them as such*), that, *contrary to what Chancellor Merkel had said earlier*, it was now up to the Eurogroup to come up with new proposals, and that Greece's place "is, and remains, in Europe", but not the Eurozone. Then at 1536 hrs GMT rumours started to circulate of the possibility of a Greek government of national unity after it became known that Tsipras had gained the formal support of four of the other six other parties in Parliament, incl. the main opposition New Democracy party, whose leader (& Tsipras' predecessor as Prime Minister) had resigned the night before after the results of the referendum had become known (the two exceptions being the ultra-right Golden Dawn-, & communist KKK-, parties, that have 32 seats in the 300-seat house between them & that in the January election had less than 20% voter support[17]). This was followed a few minutes later by an brief statement issued on behalf of IMF Managing Director Christine Lagarde that "The IMF has taken note of yesterday's referendum held in Greece. We are monitoring the situation closely and stand ready to assist Greece if requested to do so." (*which seems a long way from her claim just a week earlier that Greece's obligation to meet the 1.6BN Euro balloon payment due on June 30th was "irrevocable", & like a further softening of the position it had taken when it had referred to Greece's failure to make the payment as creating "arrears" rather than a "default".*

16 The size of which he inflated to 380N Euros by including the amount the Greek banks now owe to the ECB which, while nominally correct, misrepresents the situation; for the money the ECB had advanced them funded their massive deposits losses; so in the overall scheme of things, these loans were essentially a "wash" for the banks.

17 The discrepancy between their popular support & number of seats in a PR system is due to the fact that under the Greek constitution, the party getting the most votes get 50 "bonus' seats (in an attempt to reduce the need for coaltion governments.