

WORLD BANK WARNS OF POSSIBLE WORSE RECESSION

JAN 18/12. THE World Bank has slashed growth forecasts, warning that the global economy could be thrown into a worse recession than it faced during the global financial crisis. "While contained for the moment, the risk of a much broader freezing up of capital markets and a global crisis similar in magnitude to the Lehman crisis remains," it said. "The world could be thrown into a recession as large or even larger than that of 2008-09."

Australia's Acting Treasurer Bill Shorten said that the outlook for 2012 appeared even more challenging than 2011. "There's no doubt we've got a tough year ahead of us. There are huge challenges in the global economy and these will inevitably impact on our economy and our budget," Mr Shorten said. For full story >

<http://www.theaustralian.com.au/business/economics/world-bank-lowers-global-growth-outlook/story-e6frg926-1226247311109>

IMF SEEKS MORE FUNDS TO GIRD FOR EURO CRISIS

JAN 19/12. The International Monetary Fund wants to raise hundreds of billions of dollars to boost its financial firepower—despite U.S. resistance—to cope with the effects of Europe's debt crisis. The IMF said it is seeking \$500 billion in new lending capacity.

The IMF plans indicate a growing willingness of some nations to bear the costs of rescuing the troubled euro zone, but also a lack of consensus on how to do so.

The fund's latest efforts highlight **the grim outlook for the 17-nation euro zone**. Euro-zone nations have struggled to raise enough money on their own to contain the crisis because of political and financial obstacles.

The IMF, the world's emergency lender, has almost \$400 billion in available resources. While that is plenty for the IMF's usual lending programs to small economies, it is far too little to rescue larger debt-burdened nations such as Italy and Spain.

Europe's financial turmoil also could spark economic crises in other parts of the world. The IMF staff estimated the fund could need about **\$1 trillion** to meet global financing needs in the coming years. – WALL STREET JOURNAL

http://online.wsj.com/article/SB10001424052970204555904577168461757285158.html?mod=googlenews_wsj

DAY AFTER IRAN TESTS THE BOMB

By Bob Maginnis BobMaginnis.com January 19, 2012

Iran will become an atomic weapons state because it already has the raw materials, technology, the ambition, and no single or group of nations is willing to do what is necessary to deny that outcome.

Two things are becoming obvious regarding Iran's atomic quest. The U.S. has neither the will nor the international support to topple the regime and an Arab Spring-like Iranian revolution doesn't appear likely either. What does appear likely is the grudging acceptance of an atomic armed Tehran, and a radically changed Middle East.

<http://www.humanevents.com/article.php?id=48889>