



DrumBeat: January 9, 2009

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Topic: [Miscellaneous](#)

[Saudi Arabia Can Raise Capacity a Third, Saleri Says](#)

(Bloomberg) -- Saudi Arabia, the world's biggest oil producer, could raise its oil production capacity to 15 million barrels a day, a former Saudi Aramco official said. That would be almost one-third above the current level.

"The resources are there, the organizational capability is there," Nansen Saleri, president and chief executive officer of Houston-based Quantum Reservoir Impact and former head of reservoir management at Saudi Arabian Oil Co., said in an interview today in New York.

[Scientists Refute Argument Of Climate Skeptics](#)

ScienceDaily — Scientists at the GKSS Research Centre of Geesthacht and the University of Bern have investigated the frequency of warmer than average years between 1880 and 2006 for the first time. The result: the observed increase of warm years after 1990 is not a statistical accident.

[Bruce Sterling's Annual Report on 'Things in General'](#)

Then there's energy. I'm not a Peak Oil guy, but of course wild turbulence in energy prices is gonna put people on edge. How can any person of reasonable prudence invest, plan and build with that kind of uncertainty?

[Oil Price Volatility and Economic Chaos](#)

When oil was trading at \$40/barrel, no one believed the claim that it would hit \$60 per barrel. When oil passed \$60/barrel, no one believed it would break \$100/barrel. When it shot past \$100/barrel, no one believed it would get close to \$150/barrel.

And when peak oil theorists warned that persistent high and rising oil prices would destroy demand for oil by triggering a major economic recession, no one believed us then, either.

Yet the arrival of that recession more or less on cue has done little to increase the respectability of peak oil in the mainstream media. With the exception of Dyer, who also wrote about it in his December 23 column, no one in the mainstream is even talking about peak oil anymore.

[Venezuela faces racing inflation, slowing growth](#)

CARACAS, Venezuela – Analysts predict Venezuela's economy is headed for a worse year than the government admits, as falling oil prices stall growth and inflation soars in the import-dependent country.

[Takeover talk returns to oil patch](#)

CALGARY, Alberta (Reuters) - Shares of Canadian oil producers, hard hit by crashing commodity prices and the credit crunch, have staged a quiet comeback since bottoming out in November and observers say the takeover chatter that roiled the market late last year may return as conditions improve.

[Colo. company raises \\$34 million for biofuel plant](#)

DENVER (AP) - A Colorado company that developed a process using bacteria to convert wood to fuel has raised \$34 million to build its first biorefinery.

[Saudi official says global oil demand could fall 45 percent](#)

DUBAI (Reuters) - Oil demand could fall 45 percent due to the global financial crisis, but investments should be increased to ensure supplies are maintained, a senior Saudi government official said in remarks published on Thursday.

Majid al-Munif, an adviser to Saudi Arabia's oil minister, said the global financial crisis may cut oil demand by 23 percent to 45 percent, pan-Arab Al-Hayat reported, citing remarks made at a conference on Wednesday.

[Algeria's Disappointing Gas-Plots Auction](#)

The North African country saw scant interest in a recent auction of gas rights, a sign of weaker investment appetite among energy majors

[TVA: Waste pond in Alabama ruptures](#)

STEVENSON, Ala. (AP) — The Tennessee Valley Authority says a waste pond at its Widows Creek power plant in northeast Alabama has ruptured but the spill is contained.

The spill comes after a major rupture last month in Tennessee, when a dike released nearly a billion gallons of toxic-laden ash.

[Tennessee Valley Authority Sued Over Coal-Ash Spill](#)

(Bloomberg) -- The Tennessee Valley Authority, the federally owned utility, was sued on behalf of residents and property owners in eastern Tennessee affected by a coal-ash spill that dumped 1 billion gallons of sludge.

[The Amish Flock From Farms to Small Businesses](#)

The Amish move into the world of commerce has been more out of necessity than desire. Over the last 16 years, the Amish population in the United States — mostly in Pennsylvania, Ohio and Indiana — has nearly doubled, to 230,000, and the decreasing availability and increasing cost of farmland has forced many of these agrarian families, especially the younger generation, to gravitate to small business as their main source of income.

[Recession resistant coal industry cuts back](#)

CHARLESTON, W.Va. -- The ailing economy has left a big question mark hanging over the U.S. coal industry: will last year's high-priced contracts and today's declining costs be enough to offset rapidly falling world demand this year?

Already, mine operators have scaled back production plans for 2009, namely coking coal used for steelmill blast furnaces as manufacturing grounds to a halt.

Peabody Energy Corp., one of the world's largest coal miners, said this week it was cutting its production in Wyoming and Australia because of the economic downturn.

Investors have pulled billions out of the market and coal companies have not been immune.

[Credit crunch may lead to another rice crisis](#)

MANILA, Philippines (AP) — A drop in oil and fertilizer costs has halved the price of rice — a staple for almost 700 million of Asia's poorest — but it could jump again this year as farmers struggle to secure loans amid the credit crunch, experts said Friday.

The price of the regional benchmark, Thai 100 percent Grade B rice, fell to \$575 per ton

last October from a record high \$1,080 per ton in April — a result of record production and declining oil and fertilizer costs.

Farmers, however, suffered losses because they were left with a lower-priced crop produced with high-priced fuel and fertilizer, said the Philippines-based International Rice Research Institute.

[The outcry is muted, but the food crisis is getting worse](#)

The financial debacle has drowned out coverage of food shortages. Where are the billion-dollar bailouts for the hungry?

[OPEC President Says Oil Trend “Not Comfortable”](#)

(Bloomberg) -- Angolan Oil Minister and OPEC President Jose Maria Botelho de Vasconcelos said the current oil “price trend is not comfortable”, as crude fell for a fourth day.

“We know the price had a significant decrease and the trend is not comfortable,” he said today in the capital, Luanda. He did not clarify his comments further.

[Ecuador Seeks \\$280MM Line of Credit from Iran for Oil Projects](#)

Ecuador plans to seek a \$280 million line of credit from Iran to finance pipeline and other oil-sector related projects, Mining and Oil Minister Derlis Palacios told Dow Jones Newswires Thursday.

"We are asking for a credit line of \$280 million, especially to invest in our pipelines. We are sure that this money will come," Palacios said in a telephone interview.

[Canada's oil sells for less](#)

CALGARY — A supply glut has jammed up Canada's pipeline system, driving the price of Canadian crude below global benchmarks in an anomaly expected to cut into fourth-quarter profits in the oil patch.

The short-term aberration, caused in part by new output from the oil sands, comes as energy companies grapple with unprecedented swings that have seen the price of crude soar to a record \$147 (U.S.) a barrel in July and sink to a close of \$41.70 Thursday.

At times in December, the price of a barrel of West Canadian light crude fell almost \$10 below that of benchmark West Texas intermediate crude (WTI), but the gap has since

narrowed to about \$2.50. The two usually trade at similar prices, or even a slight premium for the Canadian blend.

[Era of cheap energy 'will never return'](#)

The era of cheap energy is over and will never return as Britain pays the price of turning into a low-carbon economy, the former chairman of the Environment Agency has warned. Sir John Harman accuses politicians of failing to be honest with people about the costs of developing and delivering new forms of clean energy.

And he calls for measures to combat fuel poverty, through price controls, subsidies or higher state benefits to prevent the creation of a new class of low-carbon poor.

[Steve LeVine - Falling Oil Prices: Again, Blame Speculators](#)

Hedge funds and other speculators have had a hand in oil's price decline, just as they did in its rise. But don't expect congressional hearings now.

[Russia-Europe Gas Spat Ends — For Now](#)

The two sides are still unhappy. Putin has portrayed Ukraine as a flaky transit country, while Ukrainians say Russia is simply a bully. Over the next few weeks, Moscow and Kiev still have to agree on a price for Russian gas deliveries, subsidized since Soviet times. And even if that happens, there's no guarantee this same dispute will not flare up again in the coming months, as it regularly has over the past few years.

[Hungary's Car Workers Desperate as Gas, Recession Threaten Jobs](#)

(Bloomberg) -- It's 10 a.m. on a Thursday and Janos Oklos would normally be on the assembly line, installing dashboards at Suzuki Motor Corp.'s factory in northern Hungary.

Instead, he's in his slippers, taking out the garbage at the hostel where he and 300 co-workers live in sight of the car plant in Esztergom. A natural-gas shortage caused by the dispute between Russia and Ukraine, forced the factory to close until next week, raising concerns about jobs cuts a month after Suzuki said it was reducing the local workforce by 20 percent.

[Turkey aims to be alternative gas route to ease Europe's reliance on Russia, but problems loom](#)

ANKARA, Turkey (AP) — As Europe is once again held hostage to the gas quarrels between Ukraine and Russia, Turkey is hoping to become an alternative route for the continent's energy imports — but its ambitions face tough practical and political challenges.

[Analysis: Gas crisis forced a reluctant EU to act](#)

VIENNA, Austria: Just a few days ago, the European Union was doing its best to stay out of the natural gas standoff between Ukraine and Russia.

On Friday, it was deeply — if belatedly and reluctantly — involved: It dispatched observers to Ukraine as part of a deal aimed at getting the gas flowing back into the 27-nation bloc again.

EU monitors typically keep tabs on border disputes, not pipelines. But Russia's cutoff was seen by many as an act of economic warfare — threatening millions of Europeans in the depths of winter.

Guaranteeing reliable energy supplies then came to be seen as a vital strategic interest.

[Political fallout of Bulgaria's gas crisis](#)

On Thursday, the crisis became so severe the ministry of energy issued an "austerity ordinance" which made major cuts to usage of natural gas to keep essential services like hospitals and schools open.

This in a fully-fledged member of the European Union.

Not surprisingly, the Bulgarian public is deeply unimpressed by their politicians.

Press reports have surfaced suggesting the government was warned by the Russians in the middle of December that there could be a disruption in gas supplies, yet no action appears to have been taken.

[Baker Hughes announces December 2008 Rig Counts](#)

Baker Hughes Incorporated announced that the international rig count for December 2008 was 1,078, down 18 from the 1,096 counted in November 2008, and up 42 from the 1,036 counted in December 2007. The international offshore rig count for December 2008 was 291, down 6 from the 297 counted in November 2008 and unchanged from the 291 counted in December 2007.

[Energy downgraded to 'Sell' from 'Hold'](#)

Deutsche Bank on Friday downgraded power provider Entergy Corp. to "Sell" from "Hold," citing natural gas and power price declines and a weakened growth outlook due to price drops and lower earnings expectations for regulated utilities.

[Chesapeake Energy Chief to Remain for 5 More Years](#)

Chesapeake Energy Corp. Chief Executive Aubrey McClendon agreed to remain at the helm of the natural gas producer for at least five years, under a new employment contract that provides him a \$75 million bonus.

Mr. McClendon was one of the most prominent executives swept up in a wave of margin calls last fall, which forced him to sell 94% of his Chesapeake holdings, worth more than \$2 billion at their peak. The forced sale had led some analysts to speculate that Mr. McClendon might leave the company he co-founded in 1989.

[List of power plants with coal ash ponds](#)

Power plants in each state with coal ash ponds and the amount in tons stored, according to an Associated Press analysis of Energy Department data from 2005, the latest year statistics were available.

[Greening the Ghetto](#)

A hundred and fifty years ago, New Bedford was the whaling capital of the world. "Nowhere in all America will you find more patrician-like houses; parks and gardens more opulent, than in New Bedford," Melville wrote. Today, the town is filled with empty factories. Its long list of problems— failing schools, high unemployment, gang violence — make it just the sort of place Jones likes to work in. The logo of Green for All, which is based in Oakland, California, is a sun rising over a crowded cityscape. The group's goal is to broaden the appeal of the environmental movement and, at the same time, bring jobs to poor neighborhoods. Jones often says that he is trying to "green the ghetto."

[Hybrids Heat Up at the Car Show](#)

Despite lower gas prices and few car buyers in sight, automakers are still seeing green with a raft of new electric and hybrid vehicles.

[When It Comes to Cash, A Thai Village Says, 'Baht, Humbug!'](#)

Homemade currencies, sometimes known as community or complementary currencies, have a habit of popping up during economic crises. Some towns in the U.S., Canada and

Germany introduced their own scrip during the Great Depression. Similar schemes have emerged more recently in Japan, Argentina and Britain.

[Petrobras to Pay Most in Bond Market Since '03 on Oil](#)

Bloomberg) -- Petroleo Brasileiro SA, owner of the Americas' biggest oil discovery in three decades, will pay the most in the bond market in five years to finance a record investment plan after crude prices tumbled.

The state-controlled producer may tap international debt markets within days, said Gianna Bern, president of Brookshire Advisory and Research Inc., a Flossmoor, Illinois-based energy economics research firm. Petrobras will boost borrowing this year from \$8.5 billion in 2008 to help fund an investment plan of about \$22 billion, Credit Suisse Group AG said yesterday.

[Obama's energy quick fix bound for the slag heap](#)

In November, The New York Times asked a number of prominent energy experts to assess president-elect Barack Obama's chances of ending American dependence on imported oil. Vaclav Smil, the prolific environmental thinker at the University of Manitoba – he's written 25 books – was one of these experts. The only way that Mr. Obama could significantly advance this objective, he said, would be with the help “of a deep and lasting recession.” Otherwise, he said, “there will be precious little of any rapid change.” As for Mr. Obama's promise to enact a cap-and-trade regime to discourage the use of fossil fuels, “it will only further cripple America's industries.”

Why so bleak, Prof. Smil?

“Energy systems are inherently inertial,” Prof. Smil said. “Energy transitions take decades to accomplish. Anyone who expects Mr. Obama to transform the world will be disappointed [and] the degree of disappointment that must follow such naiveté will be phenomenal.”

[Gas Fight: T. Boone Pickens and FedEx Square Off](#)

Dallas billionaire T. Boone Pickens and FedEx Corp. chief executive Fred Smith are now duking it out—over, of all things, the virtues of natural gas as a transportation fuel.

[Bulgaria has learned what energy dependence really means](#)

Whatever the reason for the cut off supplies of Russian natural gas to Bulgaria, the energy shock that hit the country on January 6 was a painful reminder of its total dependence on Russia's energy policy.

[During Gas Shortage – They Steal Gas Water Heaters](#)

ZAGREB, CROATIA - Just like that old joke about selling ice to an Eskimo, Croatian thieves have become famous. During the biggest wave of the energy crisis which hit Croatia, when millions of people are freezing in neighbouring countries due to gas shortages, which is a serious threat in Croatia as well, gas water heaters are “hot goods” for Croatian thieves!

[Half of Kyrgyz schools close due to power shortages](#)

BISHKEK (Reuters) - Almost half of Kyrgyz schools have closed for two months due to the shortages of electricity needed for heating as the impoverished Central Asian state struggles with an energy crisis.

"According to a government decree ... all schools that use electricity for heating will be closed until February 28," an Education Ministry spokeswoman said.

[Pakistan: Country's breadbasket facing flour crisis](#)

Lahore: The Punjab province, considered the breadbasket of the country, is on the verge of another severe flour crisis - not due to smuggling or mismanagement - but because of current energy crisis.

The 10-12 hour power cuts daily mean that the supply time from mill to market has increased from eight hours to 2-3 days which could easily spark another flour crisis in the country.

[Brazil's Ethanol Industry](#)

The energy crisis of the 1970s brought about high gas prices and limited supplies that generated an intense interest in renewable fuels and weaning ourselves from foreign sources of oil. However, when gas prices plummeted in the 1980s, renewable fuels and energy independence were quickly forgotten.

The story evolved differently in Brazil. After investing heavily in renewable fuels in the 1970s, Brazil kept the program alive during the 1980s. This has given Brazil a head start in the current situation. With its robust ethanol program, Brazil has developed an extensive ethanol industry. In this article we will discuss the structure and growth potential of Brazil's ethanol industry. In future articles we will discuss Brazil's domestic usage and exports.

[Green Crude](#)

Never mind falling oil prices. Bill Gates and the Rockefellers think they know a better way to fill up your gas tank: algae (Yes, we mean pond scum).

[Somali pirates free Saudi supertanker](#)

MOGADISHU (Reuters) - Somali pirates freed a Saudi supertanker seized in the world's biggest ship hijacking for a \$3 million ransom on Friday, an associate of the gang said.

The capture of the Sirius Star and its \$100 million cargo of crude in November drew attention to a surge in piracy off Somalia that has brought global navies rushing to protect one of the world's most important shipping lanes.

Farah Osman, speaking to Reuters from Haradheere port near where the tanker had been held, said the pirates had wanted more money but finally agreed \$3 million for the ship.

[Saudi Arabia deepens February oil supply cuts](#)

TOKYO (Reuters) - The world's top oil exporter, Saudi Arabia, will deepen its crude oil supply cuts in February from January levels to Asian consumers to their lowest in almost five years, industry sources said on Friday.

[Oil below \\$40 after jobs report](#)

NEW YORK (CNMoney.com) -- Oil prices fell Friday as a government report showing significant job losses added to concerns about weaker demand in an ailing economy.

U.S. crude for February delivery fell \$1.89 to \$39.81 a barrel.

[Taking the shock out of farm energy costs](#)

The memory of \$140-a-barrel oil brought George Scott to the Energy Solutions for Our Farms conference in Moncton.

"I have a lot of oil furnaces heating six acres of greenhouses," said Scott, Managing Director of Scott's Nursery Ltd. in Lincoln, New Brunswick. "After what happened with the price of oil this year, I'm looking for an alternate heat source."

[A Green Agenda for Obama's First 100 Days](#)

The world's top environmentalists offer the president-elect their advice on the priorities he should set for his first 100 days.

[The Peak Oil Crisis: Cars - Redux](#)

With increasing gasoline prices and falling family incomes, unlimited use of private cars that nearly all in America now enjoy will start moving back up the socio-economic tree. The fortunate, who can afford the new generations of ultra high-mileage plug-in cars, will not have to worry about increasing gasoline prices, shortages or rationing. For the rest, use of the aging fleet of our current car inventory will gradually be reduced. Car pools and public transit are likely to become far more prevalent. Efficient cars will become more desirable as gasoline approaches unaffordable prices.

The very nature of the car will likely evolve to a smaller more utilitarian device to compensate for declining incomes and high gas prices. Consumer perceptions about what constitutes a desirable car that grew up in last 50 years will no longer matter. Various forms of government intervention into the automobile and oil industries - ranging from tax policies to ownership -- will have a major influence in the evolution of cars during the coming decades. In Europe, 30 years of high liquid fuel taxes have resulted in a civilization that uses about half the oil per capita that we use in America. There are already calls in the U.S. for much higher, possibly varying, gasoline taxes to stem roller coaster gasoline prices.

[Gazprom expects gas monitoring deal signed Friday](#)

MOSCOW/KIEV (Reuters) – Russia's gas monopoly Gazprom said a deal to monitor gas exports via Ukraine would be signed Friday, allowing for the resumption of supplies to Europe cut off by Moscow's price row with Kiev.

[Crisis chills Europe's ties to Russia](#)

Moscow – With parts of Eastern Europe now going without heat because of the lingering natural gas conflict between Russia and Ukraine, officials in Europe say they must do more to prevent Russia from having so much control over the continent's thermostat.

[India calls in army but returning workers ease crisis](#)

NEW DELHI (Reuters) - India called in troops to load fuel tankers and some striking employees at state oil firms went back to work on Friday, easing fears of a prolonged fuel crisis.

The government dug in its heels on the third day of a stoppage that has triggered panic buying and cut natural gas and crude oil output in the energy-hungry nation, saying no further talks were possible and threatening to imprison striking workers.

[Schlumberger eyes job cuts beyond North America](#)

SAN FRANCISCO (Reuters) - Schlumberger Ltd, the world's largest oilfield services provider, plans to shed 5 percent of its North American workforce, or 1,000 jobs, and is looking at cuts elsewhere, a spokesman said on Thursday.

"We do anticipate reductions in jobs worldwide, but it's too early to say," said Stephen Harris, a spokesman for Schlumberger, which has 84,000 workers in about 80 countries.

[Chevron sees big drops in fourth-quarter production and earnings](#)

SAN FRANCISCO (Reuters) - Chevron Corp (CVX.N) expects its fourth-quarter earnings to be significantly lower than the previous quarter due to the impact of lower energy prices on its exploration and production business.

The second-largest U.S. oil and gas company also said on Thursday its U.S. oil-equivalent production in October and November was 608,000 barrels per day, down from 647,000 the previous quarter and 730,000 in the fourth quarter of 2007.

[Argentina offered natural gas surplus](#)

LA PAZ -- Bolivia says it will try to sell some of its natural gas surplus to Argentina now that sales to Brazil have dropped 30 percent.

[Chinese oil fund in the pipeline](#)

China is reportedly planning to establish a giant government-led fund along the lines of the National Social Security Fund, in a bid to stabilize oil supply, demand and prices.

..."The timing is good for setting up the oil stabilization fund," said Han Xiaoping, an energy analyst with Beijing Falcon Pioneer Technology Co. "At present the international oil price is relatively low and China has adequate forex reserves."

China should use the fund to build more crude oil reserves and digest some of its foreign exchange reserves, he said.

[International Energy Agency 'blocking global switch to renewables'](#)

The international body that advises most major governments across the world on energy policy is obstructing a global switch to renewable power because of its ties to the oil, gas and nuclear sectors, a group of politicians and scientists claims today.

The experts, from the Energy Watch group, say the International Energy Agency (IEA) publishes misleading data on renewables, and that it has consistently underestimated the amount of electricity generated by wind power in its advice to governments. They say the IEA shows "ignorance and contempt" towards wind energy, while promoting oil, coal and nuclear as "irreplaceable" technologies.

[Start-ups put farm debris to use as fuel](#)

JENNINGS, La. — Want to see what you'll be pumping into your car in a few years?

Come visit a scruffy patch of land here in sugar-cane country, where 15-foot-high piles of what looks like hay stretch three blocks alongside a gleaming, silver-and-yellow jumble of pipes, tanks and girders.

The hay, actually crushed sugar-cane stalks, is feedstock for the first cellulosic ethanol demonstration plant in the USA. The biorefinery cranked up this week and, according to its backers, kicks off a new era of clean transportation fuels that won't compete with the food supply. Corn-based ethanol, by contrast, has been blamed for driving up food prices and doing little to reduce the global warming gases emitted by petroleum-fueled vehicles.

[The Downside of ADM's Focus On Biofuels](#)

Even before oil prices collapsed, Patricia A. Woertz had one of the most delicate balancing acts in business. Now things are getting downright precarious.

As chief executive officer of Archer Daniels Midland, the world's largest grain processor, Woertz has watched various parts of her \$70 billion-a-year empire gyrate wildly during the past year.

[Tilting at wind farms](#)

A way to make wind power smoother and more efficient that exploits the inertia of a wind turbine rotor could help solve the problem of wind speed variation, according to research published in the *International Journal of Power Electronics*.

[Wind company shuts doors in Rutland](#)

RUTLAND, Vt. - A Connecticut company working to install a wind-power project on Grandpa's Knob in Castleton, Vt., is closing its Rutland office.

[Temporary Suspension of Madera, CA Ethanol Facility Operations](#)

SACRAMENTO, Calif. /PRNewswire-FirstCall/ -- Pacific Ethanol, Inc., the leading West Coast-based marketer and producer of ethanol, announced today its intention to temporarily suspend operations at its 40 million gallon per year ethanol facility located in Madera, CA. Extended unfavorable market conditions for producing ethanol has prompted Pacific Ethanol to suspend operations beginning January 12th.

[Philippines revisits nuclear energy option at 'white elephant' plant](#)

MORONG, Philippines (AFP) – The Bataan nuclear power plant stands as a monument to the greed and corruption of the years the Philippines spent under strongman president Ferdinand Marcos.

It was originally meant to cost around 500 million dollars, but the final price tag of 2.3 billion dollars was only paid off in April 2007.

A huge slice of the inflated balance was allegedly stolen by Marcos and his cronies.

And it has never powered so much as a light bulb.

[Nuke plant cuts power by 60 percent after leak](#)

VERNON, Vt. – Vermont's lone nuclear power plant is cutting the amount of power it generates by 60 percent after finding a leak of mildly radioactive water.

[Lithium Unicorns and Alternative Energy Storage](#)

I am gravely concerned when Li-ion battery executives use a report that would not pass muster with the SEC as proof that their companies don't face any supply issues, particularly when the report acknowledges that price increases will be required to justify the resumption of mining and processing of alternative resources.

[New homes being built smaller](#)

The American dream is shrinking. For the first time in at least a decade, builders are

substantially reducing the size of new houses.

"We're trending toward smaller homes," says Gopal Ahluwalia, director of research for the National Association of Home Builders. He says growth in the average size of new single-family homes, which went from 1,750 square feet in 1978 to 2,479 in 2007, is starting to reverse.

His analysis of Census data shows that homes started in the third quarter of 2008 averaged 2,438 square feet, down from 2,629 square feet in the second quarter. Ahluwalia, who began the quarterly analysis in 1999, says there have been slight dips before, but the latest drop was much steeper and is likely to hold even after the economy recovers.

[New rules on toys could spell doom](#)

Looming federal regulations that could force used-item retailers and thrift stores to trash many children's toys and clothing are getting a second look from the Consumer Product Safety Commission.

The regulations, passed under the Consumer Product Safety Improvement Act in August and set to go into effect Feb. 10, are aimed at eliminating lead-tainted products designed for children 12 and younger. They require all such products — clothes, toys and shoes — be tested for lead and phthalates, the chemicals used to make plastics pliable.

The main issue for retailers is the costly testing, which can run from about \$400 for a small item to thousands of dollars for larger toys with multiple pieces, according to Kathleen McHugh, president of the American Specialty Toy Retailing Association.

Products not tested would be deemed hazardous whether they contain lead or not, under the wording of the law.

Abby Whetstone, owner of Twice as Nice Kids in Denver, said consignment stores such as hers would not be able to afford expensive lead tests.

"It would affect every piece of inventory we have," Whetstone said. "We're a little terrified at this point."

[Obama's green energy plans build hopes, skepticism](#)

WASHINGTON (Reuters) - Proponents of alternative energy and energy efficiency were elated on Thursday by President-elect Barack Obama's economic stimulus speech, but some analysts warned his energy agenda could hit turbulence in Congress or from the slow economy.

[Will Americans put on "recession pounds"?](#)

DALLAS (Reuters) - Americans may reduce the amount they spend on food in response to a sour economy but some experts fear they may pick up weight in the process.

The specter of "recession pounds" is a concern weighing on health professionals, who point to numerous studies linking obesity and unhealthy eating habits to low incomes.

They fear that as people cut food spending they will cut back on healthy but relatively expensive items such as fresh fish, fruit, vegetables and whole grains, in favor of cheaper options high in sugar and saturated fats.

[George Monbiot: The sceptics are skating on thin ice](#)

The weather of the past few weeks would have been unexceptional in the early 1980s. Today it is being cited as definitive proof that manmade climate change can't be happening. There's a splendid example of such blithering idiocy here: Gerald Warner, writing in the Telegraph, contends that the cold snap lends more support to the idea of a new ice age than to global warming theory. Were he to apply this reasoning consistently, he would have to write another blog on Sunday showing that, due to the unseasonably warm temperatures the Met Office forecasts for the UK this weekend, global warming is definitely happening. And the following week, if there's another cold snap, he should predict a new ice age again.

[Cyprus runs risk of desertification, says geophysicist](#)

NICOSIA (Reuters) - Cyprus runs the risk of desertification by the end of this century as it feels the brunt of climate change and drought, an expert warned on Friday.

[Can Nitrogen Be Used to Combat Climate Change?](#)

Excess nitrogen mitigates carbon dioxide's effects--but with considerable risk, scientists say.

[Study warns of dire overheating of crops, food crisis by 2100](#)

Hotter summers from global warming will drastically reduce crop yields and lead to a disastrous food shortage for billions of people by the end of this century, predicts a study released Thursday in the journal *Science*.

"The hottest seasons on record will represent the future norm in many locations," says the study by David Battisti, a University of Washington atmospheric scientist, and Rosamond Naylor, director of Stanford University's program on food security and the environment.

While much attention has focused on the threat of increased drought because of climate change, the potential impact of increased temperatures on crops is often overlooked, the report says.



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