



# Drumbeat: December 29, 2010

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# <u>The Peak Oil Crisis: 2011 – A Pivotal Year?</u>

Wall Street is getting nervous. As oil prices continue to creep up and as more evidence accumulates that the age of ever-growing energy production and economic growth is coming to an end, a specter is haunting the great investment banks and brokerage houses of New York. For five years now Wall Street and its chorus in the financial media have ignored or denied that global oil production has reached a plateau after 150 years of steady growth. Those who did admit to a problem were quick to assert that the markets would find substitutes first in the form of endless quantities of coal waiting to be exploited and more recently 100 years' worth of shale gas would come seamlessly to the rescue.

The nervousness of course is that once global energy production starts to decline, capitalism as we have known it for the last few centuries will no longer be the same. While some new form of an economic system will evolve, the transition is likely to be long and painful. Many, if not most, jobs in the financial industry will simply melt away. Hence, for many, putting off the fateful day when we have to admit the inevitable is much preferred solution.

#### Steve LeVine: The electric car age just got a little closer

For the last year, Deutsche Bank's Paul Sankey, one of the best long-range energy minds on Wall Street, has been distributing a series of provocative, deeply researched, and forward-looking notes to clients under titles like "The Peak Oil Market" and "The End of the Oil Age." Last week, Sankey produced a sixth note called "2011 and Beyond - - A Reality Check." Among the takeaways: As of 2010, the new electric car age is coming upon us faster than expected -- far beyond this year's conspicuous arrival of the General Motors Volt and Nissan Leaf, and the race among the world's industrial nations to dominate this technology. Converging even more rapidly, says Sankey, are far higher oil and gasoline prices, starting in 2012. Such shifts could have enormous geopolitical ramifications -- as a consequence, some countries will become poorer, and some richer, with corresponding impacts on their global influence.

#### <u>Oil bulls may have to pull in their horns</u>

NEW YORK — Oil bulls are once again kicking up dust. The intensifying struggle to lift output, they say, will collide with the insatiable thirst of an expanding Asia to push oil

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above \$100 a barrel. In fact, the cost of crude may be held down by a halving of demand growth as producers from Russia to Africa via Brazil ramp up supply.

Recent years have been humbling for oil bulls. In 2008 Goldman Sachs was arguing that crude would have risen to between \$150 and \$200 a barrel by now. Since then the notion of peak oil on which many such forecasts were based has taken a battering. Rather than bumping up against the limits of available oil — as peak theorists expected — drillers have uncovered an embarrassment of mineral riches. And this happened to occur just as hunger for oil slackened amid a deepening global recession.

# Peak Oil Is Coming, Courtesy of Political Incompetence

According to the International Energy Administration worldwide demand for crude oil imports is growing at a rate of 1.5-1.6% a year. When you combine this growth in demand with a major cut in 20-25% of world exports you have makings of what Rick calls, "a MAJOR price dislocation."

This is something I've yet to hear anywhere else, especially in the mainstream media. All talk of higher oil prices that I've seen focuses on speculation on Wall Street (true), the view that the world is running out of oil (false), or the view that war in the Middle East will disrupt supplies (probably will be true). Nowhere is anyone talking about a cut in exports due to government misallocation of resources.

# Bolivians protest fuel price increases

(CNN) -- Teachers protested for a second day Tuesday and bus drivers staged a partial strike as the general Bolivian population expressed indignation at a sharp spike in gasoline and diesel prices.

Over the weekend, the government announced the end to gas subsidies that kept the price at Bolivian pumps artificially low. The end of the subsidies resulted in an increase of up to 73% for gas and more than 80% for diesel.

# Doing things the Putin way

NOBODY expected Mikhail Khodorkovsky and Platon Lebedev, the former controlling shareholders of the Yukos oil company, to be acquitted, just as nobody believed they were guilty of stealing oil and laundering the proceeds. But there was some hope, however irrational, that Viktor Danilkin, the judge presiding over their trial, might find the courage to resist political pressure and deliver justice.

#### U.S. senators push to slow oilsands pipeline project

WASHINGTON - A group of 11 Democratic senators on Friday expressed grave

concerns about a controversial proposal by Calgary-based TransCanada to construct a 2,700-kilometre-long pipeline to transport oil from northern Alberta to the Gulf Coast of Texas, warning approval of the project would commit the U.S. to "significantly increase" its dependence on high-carbon Canadian fuel for decades.

Writing to Secretary of State Hillary Clinton, the senators urged the Obama administration not to rush into a decision about the pipeline nor to "pre-judge" the outcome of an ongoing environmental review of its impact.

# <u>Global oil wealth to rise by 2trn barrels</u>

New technology in the future could boost the world's proven oil resources by nearly two trillion barrels but more than five times of these quantities could remain inaccessible, according to Saudi Aramco.

Although the current global oil reserves in place are estimated at 14 trillion barrels, only about 1.2 trillion can be recovered, said Khaled Al Buraik, executive director of the government-controlled Saudi Aramco

Speaking at a seminar in Riyadh, Buraik said the quantity of oil extracted so far worldwide does not exceed one trillion barrels.

"Advanced technology in hydrocarbon production could add around two trillion barrels to the existing proven crude reserves in the near future," he said in his address, published by Saudi newspapers on Monday.

# <u>Oil Industry's Spending to Rise in Hunt for Energy</u>

The global oil industry, far from chastened by the catastrophic spill in the U.S. Gulf of Mexico, is planning record spending next year, including a large amount for deep-water development.

From giants Saudi Aramco and Exxon Mobil Corp. to five-person wildcat outfits, the industry plans to spend nearly a half-trillion dollars next year to find and extract oil and natural gas, according to a new survey by investment bank Barclays Capital.

For the first time in several years, large Western oil companies are leading the industry's charge, increasing their budgets faster than the state-run national oil companies that have dominated spending in recent years.

#### Buenos Aires swelters amid heat wave, power outages

Buenos Aires – A blistering heat wave, power outages and a fuel shortage added up Tuesday to a second day of hellish conditions in Greater Buenos Aires, home to about a quarter of Argentina's 40 million people.

### Families face £100 extra in petrol costs

Motorists face sharp increases in petrol prices in the new year as two tax rises coincide with an increase in the cost of oil, motoring groups have warned.

Iran refuses India oil sales on RBI's terms - sources

(Reuters) - National Iranian Oil Co (NIOC) has refused to accept payments for oil supplies to India without the Reserve Bank of India's (RBI) guarantee, sources with direct knowledge of the matter told Reuters on Wednesday.

### <u>Oil crisis looms as RBI stifles Iran oil imports</u>

New Delhi: India may face fuel supply shortage next month after Reserve Bank of India (RBI) stopped facilitating payments for Iranian crude imports, which make up for 12% of the nation's oil needs.

RBI's sudden move, which came without either the oil industry or the government being consulted, would mean that the nation cannot import 10 million barrels of crude oil contracted from Iran for January, a replacement of which cannot be found easily.

#### LPG association asks producers to rationalise prices

KARACHI: The LPG Association of Pakistan requests all the producers, particularly the public sector to rationalise their prices in January as the Saudi Aramco Contract price is expected to rise by \$40-50 per ton during the next month, a statement said on Monday.

#### 77% car owners in Pakistan use CNG as fuel

ISLAMABAD: More than three fourth of all Pakistani car owners (77%) claim that they use CNG as fuel and 81% of them claim that they are facing problems with regard to its supply, a survey conducted by Gilani Research Foundation-Gallup Pakistan says.

#### Perpetual crisis: Fuel shortage hits Gilgit hard

GILGIT: A shortage of diesel in Gilgit is compounding people's misery, who are already faced with persistent power outages and freezing cold.

Criticising the government for inaction, people contacted by this correspondent agreed that owners of petrol pumps and oil tankers are colluding to earn extraordinary profits.

# Subsidized fuels stock safe until mid-January

State oil and gas firm PT Pertamina says Indonesia's stocks of subsidized fuels are secure until mid January.

...Pertamina, he added, had also coordinated with the Energy and Mineral Resources Ministry to set up a task force to supervise fuel consumption across the country.

"The task-force will directly report to us if a fuel shortage occurs and we'll supply the necessary fuels as soon as possible directly to prevent prices from rising," Basuki said.

### Bangladesh to explore gas in restive hill region

DHAKA — Bangladesh has invited some of the world's leading state-owned gas giants to help explore its insurgency-hit southeastern hill tracts region, an official said Tuesday.

The Chittagong Hill Tracts (CHT) region makes up one-tenth of the South Asian country's landmass but has been largely left unexplored due to a decades-long insurgency involving mainly Buddhist tribal groups.

### 'Let them do it!': Chavez dares U.S. to cut ties

CARACAS, Venezuela — Venezuelan President Hugo Chavez dared the United States to expel his ambassador or cut off diplomatic ties in retaliation for his rejection of Washington's choice for ambassador to Caracas.

Tensions have been growing over Chavez's refusal to accept American diplomat Larry Palmer and also over U.S. criticisms of a legislative offensive by the president's congressional allies. Lawmakers have granted Chavez expanded powers to enact laws by decree for the next year and a half, a change that opponents condemn as antidemocratic.

#### Robert Hirsch on "The Impending World Energy Mess"

Robert Hirsch made waves as the 2005 author of what became known simply as the Hirsch Report, the first study funded by the US government on peak oil and its consequences. The experience of writing that report left him shaken at the consequences of peak oil. Now he says that in the next 2-5 years we'll see world oil production permanently decline, a phenomenon "unlike anything faced by modern civilization."

He talks about his new book, written with the same co-authors, The Impending World Energy Mess: What it is and what it means to YOU! It's available at locally owned, independent bookstores.

#### Top 10 peak oil books of 2010

Having read enough books with Hubbert curves and charts of barrels-per-day to last us until the second Bristol Palin administration, we're now into powerful stories that explore peak oil through suspense, romance and humanity. But so you won't feel guilty having so much fun at the expense of the whole premise of industrial civilization, we've thrown in some more fact-y tomes too. Peak oil stalwarts from James Howard Kunstler to Richard Heinberg to Robert Hirsch made the list along with some surprising newcomers.

#### 25,000 new planes needed by 2029

Around 25,000 new passenger planes will be needed over the next 20 years, aircraft company Airbus has forecast.

These planes will have a value of around £1,880 billion, with 10,000 of the new planes replacing older and "less-green" aircraft.

The other 15,000 will be to accommodate passenger growth, said Airbus whose planes' wings are built in the UK.

# Energy: Can We Run Out of Oil and Other Natural Resources?

The reality is that we are in uncharted waters. The world has never, ever seen anything like the rise of major developing countries like China and India—over a billion people growing into the middle class, demanding meat, cars, planes, electricity. Just because we proved smart enough to innovate our way out of periods of past growth doesn't mean we'll be able to handle a world with 9 billion plus people by 2050, most of them richer than now. We may already see that impact on the U.S., which will likely have to dig its way out of recession with the added burden of high energy prices thanks to healthy demand from the developing world.

# Bull vs. Bear: How high will oil go in 2011?

So where will oil go in 2011? Will it surpass the psychologically significant \$100 mark at a time when demand for oil from most emerging economies is expected to rise? Or will it retreat as China tries to rein in growth amid worries over inflation?

Here's a look at the bull and bear arguments for the black gold next year.

Crude Falls From Near a 26-Month High on Pessimism About U.S. Stockpiles

Oil declined from levels near a 26- month high in New York on speculation the economic

recovery in the U.S. isn't fast enough to clear up excess fuel supplies in the world's biggest crude consumer.

Futures slipped as much as 0.8 percent after a report yesterday showed an unexpected decline in U.S. consumer confidence. The Energy Department may say tomorrow that gasoline stockpiles increased for a fourth week.

### ANALYSIS - OPEC caution on output may help bring back \$100 oil

LONDON (Reuters) - Oil has burst above top exporter Saudi Arabia's preferred \$70-\$80 range and yet OPEC is unlikely to stop the rally, helping to prepare the way for the market to bound above \$100 a barrel.

At meetings this month -- a full conference of the Organization of the Petroleum Exporting Countries in Quito and talks among Arab oil ministers in Cairo -- oil producers stood by OPEC's two-year-old set of output curbs.

<u>Oil Poised for \$97 on Bullish Flag Breakout, Kase Says: Technical Analysis</u>

Crude oil may rise to \$97.90 a barrel after breaking higher from a "bullish flag" formation, according to a technical analysis by Kase & Company Inc.

February crude futures rising from the flag formation last week was "the most important factor" for the projected gain, said Dean Rogers, an analyst at the Albuquerque, New Mexico- based consulting firm. "The move up may be choppy, especially during the low-volume holiday week, but should test \$94 over the next few weeks."

# Fears for petrol prices as oil hits two-year high

Hard-pressed UK consumers look set to be hit by further increases in fuel costs in 2011 after the price of crude oil touched its highest level for more than two years on London's futures market yesterday.

The rise in the price of crude oil is being driven in part by comments over the weekend by the Arab group within the Organisation of the Petroleum Exporting Countries, which said that all its members were unlikely to meet until June to discuss quotas.

#### <u>Hedge Funds Bet Natural Gas Will Decline in Warm New Year</u>

Hedge funds raised bearish natural gas bets by the most since October on forecasts that higher- than-normal temperatures in the first weeks of the New Year will reduce demand for the heating fuel.

Liquid gas expands to fill Britain's energy gap

Virtual pipeline that ships LNG around the world is growing in importance – and reducing the UK's reliance on Russia. But it can't insulate the gas supply from disruption.

Japan's November LNG Import Bill Increases 6% After Crude Oil Prices Gain

Japan, the world's biggest importer of liquefied natural gas, paid 6 percent more for the fuel in November compared with a year earlier as oil costs climbed.

Are Oil Prices Are About To Wake Up To Peak-Production Realities?

Somehow the government is sticking with an outlook that sees crude prices not hitting triple digits until 2015.

It is an estimate that would get smirks on Wall Street and get you laughed out of the room at the peak oil conference in D.C.

Just look at the chart on right to see why.

#### Russia Cuts Light Oil-Product Taxes to Spur Refining of High-Value Fuels

Russia will begin lowering the export tax on light oil products such as gasoline while increasing the levy on heavy crude products to encourage domestic production of higher-value fuels.

#### Top 10 energy picks for 2011

Demand for oil will continue to rise as developing economies in Asia and elsewhere fuel their rapid growth. Here's how to play a bullish outlook on oil.

# Desire Petroleum Falls in London After Finding No Oil in Jacinta Prospect

Desire Petroleum Plc, the U.K. energy explorer, plunged in London trading after saying it found no hydrocarbons in the Jacinta Prospect off the Falkland Islands.

The shares fell as much as 17 percent to 50 pence as of 9:18 a.m. local time.

# <u>QR National Says Queensland Rain, Train's Derailment Hurt Exports of Coal</u>

QR National Ltd., Australia's largest coal transporter by rail, expects deliveries to be "adversely" affected for at least this month and next after rain and a derailment forced track closures in Queensland.

The wet weather and flooding is "hampering access to the track and hence recovery efforts," Brisbane-based QR said in a statement today. Queensland Premier Anna Bligh cut short her Christmas vacation to oversee the response to the floods, she said in a statement.

# <u>Petrobras says Lula well in Tupi has 6.5 bln boe</u>

(Reuters) - Brazilian state oil company Petrobras said Wednesday its Lula well, in the Tupi area in the deep water offshore region known as the subsalt, has recoverable reserves of 6.5 billion barrels of oil equivalent.

It also said in a securities filing that its Cernambi well, in Iracema field, has 1.8 billion barrels of recoverable oil.

# Brazil to replace oil rigs with 'underwater cities'

Traditional oil rigs will be replaced with "underwater cities" within a decade under ambitious plans being drawn up by Petrobras, Brazil's state-owned energy group.

# Saudi Aramco's 400,000 Barrel-a-Day Yanbu Refinery to Start Output in 2014

Saudi Aramco, the world's largest state-owned oil company, said its planned refinery in the industrial city of Yanbu will start production in 2014.

The refinery will process 400,000 barrels of heavy crude a day to produce diesel and gasoline with byproducts of sulfur and petroleum coke, the company said on its website yesterday.

# <u>A Lower-Carbon Route to Replacing Oil</u>

A more important difference, though, could be the energy needed for conversion from the natural hydrocarbon molecule, methane, to the synthetic one, ethylene. In Siluria's process, using a new kind of catalyst, that conversion gives off heat instead of requiring it.

Producing the fuel gas required by a Fischer Tropsch process is "rather brute force," said Alex Tkachenko, Siluria's president. Using a catalyst that produces a bigger hydrocarbon without going through the fuel gas stage is "more elegant," he said.

# Iraqi Kurds push for recognition of oil deals

Iraqi Kurds are pushing the central government to recognize oil contracts they signed with international companies, insisting the self-ruled region will not resume oil exports until Baghdad accepts the deals.

# Iran Gasoline Consumption Down 20% Year-On-Year After Subsidy Cut

LONDON -(Dow Jones)- Iran's gasoline consumption has fallen by 20% on a year-onyear basis since a four-fold increase in prices came into force, a top Iranian oil official said Wednesday, as a broad overhaul of subsidies hit oil-products use.

The gasoline subsidy cut comes after after a U.S. ban this summer on the country's gasoline imports. Feared riots against the rise have not materialized so far amid cash payments to compensate the less well-off and heavy police presence.

### Iran blames weather on gas use rise

TEHRAN (UPI) -- Natural gas consumption for all sectors of the Iranian economy is up about 1 percent for the last part of December because of cold weather, the government said.

#### Indian, Iranian bankers to meet on payment row

New Delhi (PTI) Top officials of Reserve Bank of India, whose decision to bar dollar and euro payments for imports from Iran may hit crude oil imports, will meet their Iranian counterparts later this week to resolve the issue.

# Iran corruption claims stoke political infighting

DUBAI, United Arab Emirates – Corruption charges against one of Mahmoud Ahmadinejad's most trusted political advisers provided the latest evidence of deep rifts within the Iranian president's own conservative political camp.

The challenge by Ahmadinejad's rivals — one of them the head of the judiciary — could set the tone for a bitter fight leading up to the next big political moment in Iran, parliamentary elections less than a year away.

#### Report: US military pushing for new Pakistan raids

WASHINGTON – American commanders in Afghanistan are pushing to expand special operations raids into tribal areas of Pakistan where Islamist militants are known to find

refuge, according to a newspaper report.

Harper's Christmas Special: The myth of how fortress North America will boost Canadian exports to the U.S.

The Harperites refuse to acknowledge the two crucial realities of our time, peak oil and climate change. Experts across a range of fields, from geology to geo-economics and the U.S. military, say that world petroleum production will peak in the next few years and then will began an inexorable decline. The rise of China, India, Brazil and other countries coincides with peak oil. Their soaring demand for petroleum means that oil prices, with fluctuations along the way, are headed higher. Get ready for gasoline prices of \$3.00, then \$3.50 and \$4.00 a litre. They're coming.

# Robert Rapier: My Top 10 Energy Related Stories of 2010

Here are my choices for the Top 10 energy related stories of 2010. I can't remember having such a difficult time squeezing this list down to 10 stories, because there were many important energy stories for 2010. It was hard to cut some of them from the Top 10; so hard that I almost did a Top 15. But I made some difficult choices, and offer my views on the 10 most important energy stories of 2010.

### Gas and oil prices are rising. Do you really know why?

What happens when oil wells start producing less oil? And they will. This is a question being asked at the highest levels of government all over the world every day. The oil disaster in the Gulf of Mexico propelled global concern for the topic. It may not be headline news anymore, but gas prices surely are, and if you live in the Northeast and heat with oil, your oil bill is probably looking quite a bit different than it did this time last year.

# Jeff Rubin: Will car sales rebound to salvage U.S. ethanol targets?

Despite a last-ditch attempt by Senator Dianne Feinstein and others to end the subsidies, the Senate decided to fork out more pork barrel funds to corn farmers and, by extension, to firms like Monsanto and Archer Daniels Midland for another year.

But don't count on U.S. ethanol production ever coming even close to reaching that lofty target of 36 billion gallons per year. If the return of fiscal sanity to Washington doesn't undercut its life-sustaining subsidies, an aborted recovery in motor vehicle sales will soon put the kibosh on future production growth.

#### Road rage in India growing along with economy

While Indian police keep no specific numbers on traffic-related assaults, officers

interviewed agree that road rage is on the rise, fueled by the country's economic boom and the masses of new vehicles it is adding to the already crowded roads.

Roughly 10 million cars, buses, trucks, scooters and motorbikes crowd New Delhi's potholed roads every day, causing long traffic jams, gridlock — and frayed tempers.

#### Paris To Test Banning Gas-Guzzlers (Yes, SUVs!) In City Core

Why are many European carmakers now planning to build electric vehicles? Because many European cities are widely expected to ban high-emissions vehicles from their city cores over the next decade--perhaps even vehicles with any emissions at all.

Now, Paris may be the first city to experiment with such a policy. Next year, it will begin to test restrictions on vehicles that emit more than a certain amount of carbon dioxide (CO2) per kilometer--the measure of a car's contribution to greenhouse gases.

### Feinberg strikes deals to settle oil spill claims

HOUSTON (Reuters) – The administrator of BP Plc's \$20 billion compensation fund has paid \$43 million to residents of the U.S. Gulf Coast who agree not to sue the company for damages stemming from the nation's worst offshore oil spill.

# <u>BP's spill costs look manageable 8 months later</u>

NEW YORK (AP) -- As the Gulf oil spill gushed out of control, BP's financial liabilities seemed big enough to sink the company. No more.

Cleanup, government fines, lawsuits, legal fees and damage claims will likely exceed the \$40 billion that BP has publicly estimated, according to an Associated Press analysis. But they'll be far below the highest estimates made over the summer by legal experts and prominent Wall Street banks, such as Goldman Sachs, which said costs could near \$200 billion.

#### <u>Ohio and New York state pensions named plaintiffs in BP case</u>

NEW YORK (Reuters) – State pension funds in Ohio and New York were named lead plaintiffs in a shareholder suit against BP Plc that alleges losses due to the Gulf Coast oil spill, according to a U.S. district court ruling.

The case seeks damages for investors that bought shares of BP or American depository receipts of the company from 2005 through 2010.

SYDNEY (AFP) – Australian rare earths miner Lynas on Wednesday said China had slashed its exports quota for the lucrative metals used in flat screens and hybrid cars, driving a 12 percent jump in its share price.

Lynas said China had cut export guidance for the first half of 2011 by about 35 percent to 14,446 tonnes, significantly reducing world supplies of the resource critical to digitalage goods such as iPods and plasma TVs.

### <u>UAE urged to tap solar power</u>

The UAE is on the list of states with high carbon footprint. Sea water desalination plants and reliance of fossil fuels have catapulted the Emirates on the list of carbon dioxide polluters.

### Solar firm SpectraWatt to close plant

WICCOPEE – SpectraWatt Inc. announced today that it will begin some layoffs of workers at its solar cell plant here. A formal filing with the state said "plant closing" will affect as many as 117 workers.

The company, in a short news release, said, "This action is undertaken in response to deteriorating market conditions resulting from a harsher-than-usual European winter causing a large drop-off in demand for solar cells."

#### Buffett's Energy Unit Orders 258 Siemens Wind Turbines for Iowa Projects

MidAmerican Energy Holdings Co., the power unit of Warren Buffett's Berkshire Hathaway Inc., will expand wind-generation capacity by purchasing 258 turbines from Siemens AG and acquiring a project under development in Iowa.

#### Vestas 2010 China orders hit high in 2010

COPENHAGEN (Reuters) - Danish wind turbine maker Vestas said its orders from China this year reached a record high as the country invests more heavily in clean energy, including wind power.

#### The case against nuclear energy

BEFORE the Malaysian government takes the country down the path towards nuclear energy, every citizen must decide if nuclear power is the right choice for the nation.

For some, the threat of climate change and peak oil has produced a false choice between either going nuclear or suffering unabated global warming. But Malaysia, and indeed, the rest of the world, has an increasing number of clean and renewable energy options to choose from, such as solar, wind, tidal and wave.

# Nuclear Builders Keep Their Options Open

Nuclear companies may not be certain they want to build, but they are doing the groundwork anyway.

# Maine Residents Get \$6,000 to Store Wind as Slow Heating

A collaboration between a wind company and a thermal energy storage company will cut Maine heating bills in half and show the way to a national model for how renewable power can cut dependence on oil.

# Stephen Leeb: Beware of Underestimating China

Being less complacent, China has been first to recognize the danger of resource shortages down the road. Many of China's elite have backgrounds in engineering and science. Peak oil and Peak Coal have been seriously discussed by Chinese scientists in academic journals, which government leaders actually read. China understands its need to segue into alternative energy as it urbanizes 400 million people. The nation has gone from nowhere to having the world's largest production of wind and solar energy. Wind power growth has been increasing by 100% a year. If China realizes even a fraction of its plans, it will become number one in nuclear energy as well. China's emphasis on growing real industries is one reason it survived the 2008 financial crisis better than the West.

#### <u>A global food fight that's going to get worse</u>

Brace yourself: The neo-Malthusians will soon be in full cry, warning that population is outrunning the world's food supply. And in this debate, there's no middle ground - some experts tell us we are drowning in surpluses, while others warn that imminent starvation looms as a result of diminishing cultivable land, water shortages, unsustainable/unhealthful hybrids and the impending loss of cheap petrochemical fertilizers.

# Compassionate Resistance - Part 2 - Being Resourceful

In order to successfully engage in a Compassionate Resistance movement, we need to know that we can survive as a community without being dependent on resources the elite control, such as gasoline and processed food. We need to relearn those skills our mothers learned from their mothers: how to grow vegetables in the backyard *without* Miracle Grow -- how to make (or at least mend and alter) clothes" how to cook up a

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healthy meal with whatever ingredients we have on hand" how to collect and save water" how to compost" how to raise chickens and goats" the list goes on and on.

#### Idea #7: Revive the Root Cellar

I still remember the goosebumpy feeling I'd get whenever I tiptoed into my grandparents' cellar as a kid. It only took a minute to grab a can of pop or a jar of homemade pickles off the shelf, but I knew there was a risk of running into a freshly killed deer hanging up in a dark corner, or, in my child's imagination, possibly something worse.

Now, I admire the cellar in all of its cold, dank, cave-like glory. My grandma still stores apples, onions, potatoes, carrots, homemade canned goods, sauerkraut and yes, wild game down there, and her place is where I want to be if disaster strikes.

#### Northern Ireland faces mounting water crisis

BELFAST, Northern Ireland – Frustration and fears of disease mounted in Northern Ireland Wednesday as tens of thousands of people were left without water after much of the supply drained away through broken pipes following a deep freeze and a sudden thaw.

#### Japan's Government Fudges Start of Carbon Trading Amid Industry Opposition

Japan's government took a step back from plans to start carbon trading in 2013 amid opposition from industries that say emission-trading rules would add to costs and limit their ability to compete against rivals in China and India who don't face the same restrictions.

#### Farmers, pecan growers say coal plant kills plants

BASTROP, Texas – Along a stretch of Highway 21, in a pastoral, hilly region of Texas, is a vegetative wasteland. Trees are barren, or covered in gray, dying foliage and peeling bark. Fallen, dead limbs litter the ground where pecan growers and ranchers have watched trees die slow, agonizing deaths.

Visible above the horizon is what many plant specialists, environmentalists and scientists believe to be the culprit: the Fayette Power Project — a coal-fired power plant for nearly 30 years has operated mostly without equipment designed to decrease emissions of sulfur dioxide, a component of acid rain.

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