

---

**From:** Office of Terje Rod-Larsen [REDACTED]  
**Sent:** Thursday, October 17, 2013 9:23 AM  
**Subject:** October 17 update

17 October, 2013  
Article 1.

=he Washington Post

Turkey blows Israel's cover for Iranian spy ring

David Ignatius <[http://www.washingtonpost.com/david-ignatius/2011/02/17/ABXXcOJ\\_page.html](http://www.washingtonpost.com/david-ignatius/2011/02/17/ABXXcOJ_page.html)>

=a href="#b">Article 2.

=he National Interest

The Psychology of Barack Obama

Robert W. Merry <<http://nationalinterest.org/profile/robert-w-merry-0>>

Article 3.

=IME

As Iran and the West Make Progress in Geneva, Israel Grumbles From the Sidelines

Karl Vick <<http://world.time.com/author/karl Vick/>>

=a href="#d">Article 4.

=oreign Policy

New technologies are dramatically reshaping the geopolitics of the Middle East

=my Myers Jaffe, Ed Morse

Article 5.

=all Street Journal <<http://www.newamerica.net/taxonomy/term/1=20>>

Why OPEC No Longer Calls the Shots

=aniel Yergin

Article 6.

The Guardian <<http://www.guardian.co.uk/theguardian>> =/p>

Americans need to discover how the world sees them

Timothy Garton Ash <<http://www.theguardian.com/profile/timoth=gartonash>>

&n=sp;

Arti=le 1.

The Washington Post=/span>

Turkey blows =srael's cover for Iranian spy ring

David Ignatius <[http://www.washingtonpost.com/david-ignat=us/2011/02/17/ABXXcOJ\\_page.html](http://www.washingtonpost.com/david-ignat=us/2011/02/17/ABXXcOJ_page.html)> =/p>

October 16, 2013 --=The Turkish-Israeli relationship</=pan> <<http://www.haaretz.com/news/diplomacy-defense/1.549086>> became so poisonous <[http://www.washingtonpost.com/opinions/turkish-president-=bdullah-gul-assad-must-go/2013/09/23/ffc45d7a-246e-11e3-b75d-5b7f66349852\\_=tory.html](http://www.washingtonpost.com/opinions/turkish-president-=bdullah-gul-assad-must-go/2013/09/23/ffc45d7a-246e-11e3-b75d-5b7f66349852_=tory.html)> early last year that the Turkish government of Prime Minister Recep Tayyip=Erdogan is said to have disclosed to Iranian intelligence the identities o= up to 10 Iranians who had been meeting inside Turkey with their Mossad ca=e officers.

Knowledgeable sourc=s describe the Turkish action as a "significant" loss of intelligence =nd "an effort to slap the Israelis." The incident, disclosed here for =he first time, illustrates the bitter, multi-dimensional spy wars that lie behind the current negotiations between Iran and Western=nations over a deal to limit the Iranian nuclear program. A Turkish Embass= spokesman had no comment.

Israeli anger at th= deliberate compromise of its agents may help explain why Prime Minister B=njamin Netanyahu became so entrenched in his refusal to apologize to Erdog=n about the May 2010 Gaza flotilla incident <<http://www.washingtonpost.com/wp-dyn/content/article/2010=05/31/AR2010053102860.html>> . In that confrontation at sea, Israeli commandos boarded a Turkish-organized convoy of ships carrying humanitaria= aid to Gaza. Nine Turks were killed.

Netanyahu finally apologi=ed to Erdogan <<http://www.washingtonpost.com/blogs/world=iews/wp/2013/03/22/yes-netanyahus-apology-to-turkey-is-a-very-big-deal/>> by phone in March after President Obama negotiated a compromise <[http://www.washingtonpost.com/wo=ld/middle\\_east/obama-ends-israel-visit-by-honoring-historic-figures/2013/0=/22/7a489fc4-92e9-11e2-ba5b-550c7abf6384\\_story.html](http://www.washingtonpost.com/wo=ld/middle_east/obama-ends-israel-visit-by-honoring-historic-figures/2013/0=/22/7a489fc4-92e9-11e2-ba5b-550c7abf6384_story.html)> =ormula. But for more than a year before that, the Israeli leader had resis=ed entreaties from Obama and Secretary of State Hillary Clinton to heal th= feud.

Top Israeli officia=s believe that, despite the apology, the severe strain with Erdogan contin=es. The Turkish intelligence chief, =akan Fidan <<http://online.wsj.com/news/articles/SB1000142405270230364=304579107373585228330>> , is also suspect in=Israel because of what are seen as friendly links with Tehran <<http://www.haaretz.com/print-edition/news/israel-worried-=y-new-turkey-intelligence-chief-s-defense-of-iran-1.294568>> <=pan style="font-size:18.0pt">; several years ago, Israeli intelligence officers are said to have described him fa=etiously to CIA officials as "the MOIS station chief in Ankara," a ref=erence to Iran's Ministry of Intelligence and Security. The United States=continued to deal with Fidan on sensitive matters, however.

Though U.S. officia=s regarded exposure of the Israeli network as an unfortunate intelligence =oss, they didn't protest directly to Turkish officials. Instead, Turkish=American relations continued warming last year to the point that Erdogan

was among Obama's key confidants <<http://www.whitehouse.gov/the-press-office/2013/08/07/readout-president-obama-s-call-prime-minister-erdogan-turkey>> = This practice of separating intelligence issues from broader policymaking = said to be a long-standing U.S. approach.

U.S. officials were never sure whether the Turkish disclosure was done in retaliation for the =lotilla incident or was part of a broader deterioration in Turkish-Israeli=relations.

Israeli intelligenc= had apparently run part of its Iranian spy network through Turkey, which =as relatively easy movement back and forth across its border with Iran. Th= Turkish intelligence service, known as the Milli Istihbarat Teskilati</=>, or MIT, conducts aggressive surveillan=e inside its borders, so it had the resources to monitor Israeli-Iranian covert meetings. <<http://www.mit.gov.tr/eng/index.html>>

U.S. officials asse=sed the incident as a problem of misplaced trust, rather than bad tradecra=t. They reasoned that the Mossad, after more than 50 years of cooperation =ith Turkey, never imagined the Turks would "shop" Israeli agents to a hostile power, in the words of one so=rce. But Erdogan presented a unique challenge, as he moved in 2009 to champion the Palestinian cause <<http://www.aa.com.tr/en/news/182098--palestinians-appreci=te-erdogans-unity-efforts>> and, in various ways, steered Ankara away from what had been, in effect, a secret partnership with Jerusalem. <=span>

The Israeli-Turkish=intelligence alliance was launched in a secret meeting in August 1958 in A=kara between David Ben=urion <<http://www.jewishvirtuallibrary.org/jsource/biography/ben=gurion.html>> , then Israel's prime m=minister, and Adna= Menderes <<http://www.turkishweekly.net/article/60/the-menderes-peri=d-1950-1960-.html>> , then Turkey's pri=e minister. "The concrete result was a formal but top-secret agreement for comprehensive cooperation" between the Moss=d and Turkish intelligence, wrote Dan Raviv and Yossi Melman in their 2012=book, "Spies Against Armageddon" <[http://www.amazon.com/gp/product/0985437839/ref=3Das\\_li\\_qf\\_sp\\_asin\\_il\\_tl?ie=UTF8&camp=1789&creative=9325&=creativeASIN=0985437839&linkCode=as2&tag=washpost-opinions-2=> .](http://www.amazon.com/gp/product/0985437839/ref=3Das_li_qf_sp_asin_il_tl?ie=UTF8&camp=1789&creative=9325&=creativeASIN=0985437839&linkCode=as2&tag=washpost-opinions-2=> .)" =/p>

The groundwork had =een laid secretly by Reuven Shiloah <

Fidan, the Turkish =py chief, is a key Erdogan adviser. He became head of the MIT in 2010 afte= serving as a noncommissioned officer in the Turkish army and gaining a ba=helor's degree from the University of Maryland and a doctorate in Ankara. After Fidan took over the Turkish s=rvice, "he rattled Turkey's allies by allegedly passing to Iran sensit=ve intelligence collected by the U.S. and Israel," according to a =ecent profile <<http://online.wsj.com/news/articles/SB1000142405270230364=304579107373585228330>> in the Wall Stre=t Journal. The Journal also noted U.S. fears that Fidan was arming jihadist rebels in Syria</=pan> <<http://www.al-monitor.com/pu=se/originals/2013/10/turkey-must-control-jihadists-entering-syria.html>> .

The Netanyahu-Erdog=n quarrel, with its overlay of intelligence thrust and parry, is an exampl= of the kaleidoscopic changes that may be ahead in the Middle East. The Un=ted States, Israel, Iran, Saudi Arabia and Egypt are all exploring new alliances and struggling to find a new equ=librium — overtly and covertly.

=/span>

Arti=le 2.

The National Intere=t

Robert W. Merry <<http://nationalinterest.org/profile/robert-w-merry-0>>

October 16, 2013—In 1972, Duke University professor James David Barber brought out a book that immediately was heralded as a seminal study of presidential character. Titled *The Presidential Character: Predicting Performance in the White House*, the book looked at qualities of temperament and personality in assessing how the country's chief executives approached the presidency—and how that in turn contributed to their success or failure in the office.

Although there were flaws in Barber's approach, particularly in his efforts to typecast the personalities of various presidents, it does indeed lay before us an interesting and worthy matrix for assessing how various presidents approach the job and the ultimate quality of their leadership. So let's apply the Barber matrix to the presidential incumbent, Barack Obama.

Barber, who died in 2004, assessed presidents based on two indices: first, whether they were "positive" or "negative"; and, second, whether they were "active" or "passive." The first index—the positive/negative one—assesses how presidents regarded themselves in relation to the challenges of the office; so, for example, did they embrace the job with a joyful optimism or regard it as a necessary martyrdom they must sustain in order to prove their own self-worth? The second index—active vs. passive—measures their degree of wanting to accomplish big things or retreat into a reactive governing mode.

These two indices produce four categories of presidents, to wit:

**Active-Positive:** These are presidents with big national ambitions who are self-confident, flexible, optimistic, joyful in the exercise of power, possessing a certain philosophical detachment toward what they regard as a great game.

**Active-Negative:** These are compulsive people with low self-esteem, seekers of power as a means of self-actualization, given to rigidity and pessimism, driven, sometimes overly aggressive. But they harbor big dreams for bringing about accomplishments of large historical dimension.

**Passive-Positive:** These are compliant presidents who react to events rather than initiating them. They want to be loved and are thus ingratiating—and easily manipulated. They are "superficially optimistic" and harbor generally modest ambitions for their presidential years. But they are healthy in both ego and self-esteem.

**Passive-Negative:** These are withdrawn people with low self-esteem and little zest for the give-and-take of politics and the glad-handing requirements of the game. They avoid conflict and take no joy in the uses of power. They tend to get themselves boxed up through a preoccupation with principles, rules and procedures.

When Barber first put forth this matrix, it was correctly viewed as distinctively probing and original. And there is little doubt that such traits, if correctly identified and analyzed, can inform our assessments of how presidents do their job. But there is plenty of room for debate when it comes to attaching particular traits to particular presidents.

For example, do we really want to place George Washington in the Passive-Negative category, as Barber does? Did he have low self-esteem? Did he avoid power and shrink from conflict? Did he concentrate on small matters—procedures, etc.—at the expense of the big matters? Hardly. Another favorite mismatch was Barber's insertion of Ronald Reagan into the Passive-Positive category, meaning his famous optimism was merely superficial, that he reacted to events rather than initiating them, that he was easily manipulated.

No, Reagan clearly was an Active-Positive who transformed the economic debate in America, injected profoundly new thinking into the body politic, and set about not just to counter the Soviet threat but to upend the Soviet Union itself.

And he did this with hardly any evidence that he absorbed in any unhealthy way the barrage of harsh criticism thrown at him. Besides, who is to say his optimism, so eloquently projected, was artificial?

On the other hand, Lyndon Johnson and Richard Nixon clearly were Active-Negative, in Barber's terms. So were Herbert Hoover and Woodrow Wilson, as Barber suggests. And it isn't difficult to accept some of Barber's list of Active-Positives—Thomas Jefferson, Franklin Roosevelt—and Harry Truman.

All of which suggests that Barber's categorizations could be viewed as a kind of parlor game. There is plenty of room for discussion and debate on just where various presidents should be placed. No doubt partisan impulses will creep into the parlor game as well.

So let's all go to the parlor and talk about Obama.

He took office with big ambitions and a manifest resolve to change American society in very significant ways. This was manifest particularly in his Affordable Care Act, designed to transform the way we dispense health care in America and increase federal intrusion into a sixth of the current economy (projected to be 20 percent of the U.S. economy by 2020). And he was willing to do this without a single opposition vote, which reflected an almost breathtaking political audacity. His energy bill represents another reflection of his ambitions, and multiple actions in the regulatory realm (some of questionable constitutional validity) reflect also Obama's preference for America as a European-style social democracy. Since the country has generally shunned such a course since the early years of the New Deal and a brief spurt of federal activity under Lyndon Johnson, Obama's presidential temperament clearly falls into the Active category.

But is he a Negative or a Positive? The Positive presidents relished the job and the grand necessity to move events by persuading, cajoling, bargaining with and perhaps occasionally threatening other players in the political arena. The great Active-Positive presidents all had fun in the job. They showed a zest and enthusiasm that was infectious, not just with the American people but, more significantly, with members of Congress.

We sure don't see any of that with Obama. Edward Klein, a former New York Times Magazine editor and author of a book on Obama called *The Amateur*, has written that Obama "doesn't learn from his mistakes, but repeats policies that make our economy less robust and our nation less safe." That's a classic Active-Negative trait, according to Barber. Indeed, as Barber predicted in 1969, shortly after Richard Nixon's election, "The danger is that Nixon will commit himself irrevocably to some disastrous course of action. This is precisely the possibility against which he could defend himself by a stylistic adjustment in his relations with his White House friends."

That is another knock on Obama—that he surrounds himself with like-minded and sometimes sycophantic underlings who reinforce his actions rather than testing his thinking against those who may harbor differing thoughts and perceptions. Vernon Jordan, the big-time Washington lawyer (and a solid Democrat), tells the story of a golf game in which Obama was partnered with New York mayor Michael Bloomberg, who also is in a very select group of true experts on the financial markets. Afterward, Bloomberg remarked that, through four hours of riding the cart with the mayor, Obama asked his golf partner not a single question about anything.

Do we see any presidential zest or political joy in this chief executive? Hardly. He seems always stern, beset, frustrated and angry. It's as if he expects the opposition to join him in whatever he wants to do for the simple reason that they should want to make his life easier. After all, he's the president.

Here's how Barber describes the Active-Negative: "...relatively intense effort and relatively low emotional reward for that effort. The activity has a compulsive quality...His self-image is vague and discontinuous. Life is a hard struggle to achieve and hold power, hampered by the condemnations of a perfectionistic conscience. Active-negative types pour energy into the political system, but it is an energy distorted from within."

Nothing illustrates this more starkly than Obama's insistence on shirking his responsibility as president to lead the way out of Washington's increasingly dire fiscal deadlock, with the government partially shut down and a possible financial

default on the horizon. His political balance is so far from the Positive traits, as defined by Barber, that his categorization as an Active-Negative is unavoidable.

Active-Negative presidents don't have a great track record. They include John Adams, a failed one-termer; Woodrow Wilson, a two-termer whose second term was among the most disastrous of our history; Herbert Hoover, tossed out after a single term because he couldn't find a way to grapple with the Great Depression; Lyndon Johnson, a foreign-policy failure of rare dimension; and Richard Nixon, the only president to resign the office in disgrace.

If there is any merit in the Barber thesis, then there is plenty of room for concern about the rest of this president's second term.

Robert W. Merry is a political editor of [The National Interest](http://nationalinterest.org/) and the author of books on American history and foreign policy. His most recent book is *Where They Stand: The American Presidents in the Eyes of Voters and Historians* [http://www.amazon.com/gp/product/1451625405/ref=as\\_li\\_ss\\_tl?ie=UTF8&tag=thenatiinte-20&linkCode=as2&camp=1789&mp;creative=390957&creativeASIN=1451625405](http://www.amazon.com/gp/product/1451625405/ref=as_li_ss_tl?ie=UTF8&tag=thenatiinte-20&linkCode=as2&camp=1789&mp;creative=390957&creativeASIN=1451625405) .

=</span>

Article 3.

TIME

As Iran and the West Make Progress in Geneva, Israel Grumbles From the Sidelines

Karl Vick <http://world.time.com/author/karlvick/>

Oct. 16, 2013 -- On Tuesday night, about the time U.S. diplomats prepared to sit down alone with their Iranian counterparts in Geneva, Israeli Prime Minister Benjamin Netanyahu <http://topics.time.com/benjamin-netanyahu/> arrived in the Golan Heights <http://topics.time.com/golan-heights/> . The contrast was not incidental. The talk among world leaders in Switzerland <http://topics.time.com/switzerland/> , that famed neutral ground, may have heralded the start of fresh talks on Iran's nuclear program as "meaningful" and "very useful." But the Golan is a battleground <http://www.dunya.com/ulteni.net/?aType=haber&ArticleID=277459> , territory that Israeli troops fought to take from Syria three times in the space of six years and, in the gloaming, Netanyahu watched as Merkava tanks roared across broken ground in an exercise that demonstrated Israel's military readiness.

"We can't surrender the option of a preventive strike," Netanyahu warned in the Knesset <http://www.timesofisrael.com/netanyahu-makes-a-case-for-preemptive-strike/> , Israel's parliament, a few hours earlier. "It is not necessary in every situation, and it must be weighed carefully and seriously. But there are situations in which paying heed to the international price of such a step is outweighed by the price in blood we will pay if we absorb a strategic strike that will demand a response later on, and perhaps too late."

Netanyahu framed his remarks as a lesson of the October War of 1973, when Israel was taken by surprise by Egypt and Syria, and for a time lost territories it had taken six years earlier — by striking first, in the Six-Day War. But Israeli reports said the Prime Minister's staff made clear the remarks were intended as a reality check on the diplomatic hopes blossoming in Geneva. Netanyahu says he fears that the momentum for a negotiated solution to Iran's nuclear ambitions might produce a hasty compromise that leaves its enemy with a residual capacity to create atomic weapons that would threaten the Jewish state.

"I think that it would be a historic mistake to ease up on Iran without dismantling the nuclear capabilities it is developing," Netanyahu added when he reached the Golan. "Iran is now on the ropes, and it is possible to employ sanctions at their fullest in order to achieve the desired result. I hope that the international community will do this, and I call upon it to do so."

In Geneva, talks continued for a second day on Wednesday. Iran appeared intent on building on the sense of a fresh start that followed the public relations success of Iranian President Hassan Rouhani's U.N. visit, which was capped by a telephone conversation with President Obama. The substance of Iran's proposal remained unclear, but European diplomats, at least, welcomed it for a level of detail not seen in earlier negotiations. And the tenor of the session remained upbeat with the next round of talks now scheduled for early November. Israelis were surprised when an Iranian deputy foreign minister, Abbas Araghchi, took a question from Israel Radio — a departure for any Iranian official, let alone the lead nuclear negotiator in the room at Geneva.

"Any agreement will open new horizons in relations with all states," Araghchi told the reporter <http://www.timesofisrael.com/irans-deputy-fm-to-israel-radio-nuke-deal-can-open-new-horizons-with-all-nations/>, whose ID clearly identified him as Israeli. The diplomat replied "Yes" when asked if Israel could live with any agreement that might come out of the Geneva talks.

"That's the key question to this negotiation," says Gary Samore, who held the title of President Obama's top adviser on weapons of mass destruction for four years, and now heads a group called United Against Nuclear Iran. "I would put it in terms of time. How much time do you want to have in terms of advance warning that Iran has decided to pursue nuclear weapons by producing weapons-grade uranium?"

Currently, <http://swampland.time.com/2013/10/14/obamas-ex-top-wmd-official-on-the-iran-nuclear-talks/> target="\_blank">Samore told reporters in a conference call on Tuesday night, Western intelligence agencies estimate that Iran would need about two months to spin enough uranium to the 90% enrichment required for a weapon, if it decided to "break out" of its atom-for-peace posture. The interval will grow shorter, Samore adds, as Iran brings more sophisticated centrifuges online. Given that trajectory, he describes the goal of the negotiations as "put time back on the clock," meaning gain more time for IAEA inspectors to notice and report any move toward the bomb. That time would also allow Washington or Israel to prepare air strikes aimed at knocking out Iran's nuclear facilities before it's too late.

"Obviously I'd feel much more comfortable if we had a year's notice, or even nine months' notice," Samore says. "That would give us a lot more time to detect and then respond. And I think from Israel's standpoint if there was that amount of warning time and the Israelis had confidence the U.S. was willing to act once 'breakout' was detected, that should give them some comfort as well."

Israel's leadership has struggled a bit to hit the right note since Rouhani was elected Iranian President earlier this year. The dynamic in the international campaign to constrain Iran's nuclear ambitions has shifted from scolding rhetoric backed by military threat to diplomatic politesse, with hopes now that a negotiated solution can emerge. At the U.N. General Assembly last month, Netanyahu tried to mine Rouhani's professional history in Iran's theocratic regime in an effort to hollow out the Iranian's charm offensive. But he may have made more headlines for his subsequent interview with BBC Persian, energetically mocked by the Iranians Netanyahu was trying to persuade when he suggested the hip youth of Tehran were not allowed to wear jeans <http://www.theguardian.com/world/2013/oct/07/binyamin-netanyahu-iranians-jeans>. He had extended his stay in New York City for days in order to give interview after interview, intent on showing a sense that one analyst, at least, says is in fact mostly show. "If Iran and the Western countries agree ... will Israel agree too?" asked Amos Hare in the daily Haaretz on Wednesday <http://www.haaretz.com/news/diplomacy-defense/.premium-1.52639>. "The answer, though Israel will not admit it officially, is yes."

That's certainly not what Netanyahu has been suggesting relentlessly in public. At the U.N., Netanyahu made a show of taking the gloves off, offering a more explicit threat of military action against Iran's nuclear program — "Israel will stand



The 1970s witnessed a profound and unprecedented transfer of wealth to the Middle East that continues to have significant repercussions today -- from democracy movements to terrorism to civil wars. The region's leaders failed to set up long-term mechanisms to distribute the benefits of that wealth transfer broadly to their populations and to establish an equitable stake in governance of resource proceeds that would have brought a newfound stability to the region. Instead, they bought lavishly, gilding their palaces and buying fleets of luxury autos. For decades, they squandered the opportunity to use oil wealth to modernize their societies and train their populations for future global economic competition. The result -- unfolding not just in the Middle East but in other oil-producing countries as well -- is a crisis of governance that is itself triggering a round of oil-supply disruptions.

Massive petrodollar inflows brought with them a new political paradigm of "rentier" patronage, characterized by financial excesses, corruption, repression, and billions of dollars in accumulated weapons purchases. Populations of oil-producing states, for the most part, are little better off today than in 1973. Many of the countries have been ravaged or riven by sectarian hatreds. And, even with decades of relatively high oil prices and associated worker remittances, most countries of the Middle East still see modest GDP per capita, below \$30,000 person on a purchasing-power-parity basis.

Deep income inequality means that much of the region's population is in fact still living in poverty, even in places like Saudi Arabia. So it should be no surprise that 40 years after the 1973 embargo, citizens of the region are rising up against those who squandered their futures. Tired of waiting for the day when rising oil revenues would somehow magically bring back the promise of prosperity, youth are taking to the street; port and oil workers are mounting strikes; and jihadists are taking up arms to end the oil curse once and for all. Their frustrations do not unfold in a vacuum. High oil prices associated with all this unrest is propelling energy investment elsewhere to great success. Energy efficiency is also getting a boost, shrinking the long-term market for Middle East oil. The upshot will be that it will be harder and harder over time for Arab rulers to count on oil money to keep them in power. And that has a trickle-down effect to the populations they've been keeping quiescent with handouts for decades.

Ironically, just when political revolutions were gaining momentum across the Middle East, a different kind of revolution was emerging that looks likely to bring a new epoch of dislocation and distortion to prevailing oil and gas structures. This second energy revolution is also ameliorating the impact of the first.

Since January 2011, at the dawn of the rebellions against dictatorial governments in North Africa, the amount of oil "offline" or being blocked from production by either domestic turmoil (in Iraq, Nigeria, Sudan, Syria, Yemen) or international sanctions (in Iran) has generally been above 2 million barrels per day (m b/d), four times the average level of supply outages before the so-called Arab Spring. Then Libya erupted once again this past summer, taking another 1.2 m b/d, or more, offline. But the impact of these disruptions has been relatively mild, given that over the same period, production in North America, the heartland of the three revolutionary changes in unconventional hydrocarbon production (shale, deep water, and oil sands), has grown by more than 2.5 m b/d. And more is on the way.

Growth in renewable energy has also been significant in recent years in the United States and beyond, and rising fossil fuel costs and strong government intervention have created new market opportunities. World biofuels production has doubled to over 1.2 m b/d since 2006, but wind power has grown in oil-equivalent terms from 1 m b/d to 2 m b/d since 2008 (and is accelerating at about a 20 percent annualized clip). Solar power, meanwhile, grew from 20,000 b/d of oil-equivalent energy in 2008 to 400,000 b/d last year.

But the impact of all this change in the energy world will go far beyond just replacing continuing Arab Spring outages. Unconventional oil and gas and the clean-tech booms are spawning a host of new, smaller oil and gas exploration companies committed to innovation and willing to take on risk. They have no stake in the multibillion-dollar megaproject world of the international majors and national oil companies, and as such, they have fewer concerns about sustaining high profits from giant assets found decades ago. They are enabling the United States the opportunity to take a lead in changing the way energy is sought and sold -- not just in the United States, but globally.

Energy innovation is taking many forms in the United States, creating major export opportunities and giving Washington the tools it needs to ensure that the conditions of a 1973-style oil embargo will not repeat themselves. The oil embargo was so devastating because strong economic growth throughout the 1960s had taken up the margin of spare oil-productive capacity in the United States and across the world, leaving the Middle East's oil producers with undue monopoly power. Similar razor-thin extra productive capacity left markets highly vulnerable in 2006 and 2007, when OPEC made contraseasonal cuts in output to increase prices, instead of considering the risks to global economic growth. But as oil and gas production from U.S. and Canadian shale formations rises, the ability of oil producers like Russia to use an "energy weapon" to gain extra benefits from consuming countries is diminishing.

U.S.-led innovation in alternative fuels (including natural gas-vehicle fueling technology and electric vehicles), energy-efficiency technologies, battery storage, and smart-grid solutions, working together with and complementing the supply surge in unconventional oil and gas, should also change the face of demand, giving consumers around the world more freedom of choice. And as the United States becomes an energy exporter -- at competitive prices -- that should seal the deal. By providing ready alternatives to politicized energy supplies, the United States can use its influence to democratize global energy markets, much the way smartphone and social media technologies have ended the lock on information and communications by repressive governments and large multinational or state-run corporations.

Abundant U.S. natural gas is just the first step. Booming domestic natural gas supplies have already displaced and defanged Russia's and Iran's grip on natural gas buyers. By significantly reducing American domestic requirements for imported liquefied natural gas (LNG), rising U.S. shale gas production has had the knock-on effect of increasing alternative LNG supplies to Europe, breaking down fixed pricing from entrenched monopolies. But this is just the beginning: Over the coming decade, the United States looks likely to overtake Russia and rival Qatar as a leading supplier of natural gas to international markets.

The geopolitical role of U.S. natural gas surpluses in constraining Russia's ability to use its energy as a wedge between the United States and its European and Asian allies should strengthen over time, to the extent that Barack Obama's administration stays the course with approving the construction of LNG export terminals. American unconventional oil and gas plays from Texas to Pennsylvania are also generating new surpluses of natural gas liquids, which are increasingly exported as transportation fuel or petrochemical feedstock to Europe, Asia, and elsewhere -- reducing demand growth for oil from the Middle East. And U.S. crude oil exports might also be possible some day, strengthening America's lead in market-related pricing for kingpin crude oil, much the way rising North Sea production did in the 1980s.

As an increasing number of companies and investors flock to North America to develop prolific unconventional resources, Middle East heavyweights like Saudi Arabia, Kuwait, and Iran are losing their lock on remaining exploitable reserves, reducing their ability to band together and create artificial shortages. Already, Mexico and Argentina are reading the tea leaves and reversing protectionist resource nationalism policies, instead pushing through reforms to attract capital investment to their doorsteps.

Abundant U.S. natural gas is also spawning new American-designed engine and modular fueling station technologies to readily use natural gas as a fuel in trucks, trains, and ships, ending oil's monopoly in transport. Some 40 m b/d of the global 85 m b/d oil market is open for competition from natural gas -- in the form of compressed natural gas for cars and buses, and LNG for heavy-duty vehicles and marine transportation. We conservatively expect at least 2 m b/d of currently projected oil demand to slide to natural gas by 2020, further weakening perspectives on future global oil-demand growth and once again chipping away at Middle Eastern influence.

American innovation and exports of energy supply and technology will open global energy markets to competitive investments and consumer choice. But Washington needs to embrace this choice by resisting the call to continue to ban energy exports to protect vested business interests or for resource nationalistic reasons. Indeed, we need to reverse the mindset of the oil embargo years -- a mindset of supply shortages and hoarding of resources -- and move back to a more traditional promotion of free markets. The energy sector has done this in the trade of petroleum products, where the United States is simultaneously the world's largest importer and exporter. The United States is heading in this same direction for trade in natural gas, whether by pipeline to Mexico and eastern Canada or the export of LNG. And it should

move in the same direction with crude oil exports as pressures mount from growing surpluses midcontinent and on the U.S. Gulf Coast.

The expanding wind and solar businesses in California and Texas are encouraging new complementary battery-storage options and smarter networks, laying the groundwork for greater consumer choice and control. The move to distributed energy, right now focused mainly on affluent customers who can afford private backup generation, may spread to broader applications. Some day soon, it will enable increased remote energy solutions for villages in sub-Saharan Africa or Southeast Asia.

The U.S. government needs to support the reform of the electricity utilities to enable this transition, which will entail more-efficient technologies, locally produced and distributed generation, time-of-day pricing and peak-demand shaving. Such reforms are critical to the integration of renewable energy whose output varies widely over the course of a day. By leading the charge to these new energy technologies, the United States can fashion a global energy world more to its liking, where petropowers can no longer hold car owners hostage or turn off the heat and lights to millions of consumers to further geopolitical ends.

Just as it was difficult to predict the impact of Apple computers on future global social trends, it may now seem hard to depict the exact time and place that America's unconventional resources and smart-grid innovation will democratize energy markets. But Apple did reset the way we think about computing and changed the world. Similarly, the dislocations currently unfolding in the energy sector are pointing to markets taking back pride of place over government control and consumer choice winning over supplier monopolies. The pace of change may be slow in coming at first, but eventually it will be no less stunning than Oct. 16, 1973, a day that sent shock waves into the global economy, the ripples of which are still visible today.

Amy Myers Jaffe is the executive director for energy and sustainability at University of California, Davis. Ed Morse is global head of commodities research at Citigroup.

Article 5.

Wall Street Journal <http://www.newamerica.net/taxonomy/term/120>

Why OPEC No Longer Calls the Shots

Daniel Yergin

Oct. 14, 2013 -- Forty years ago, on Oct. 17, 1973, the world experienced its first "oil shock" as Arab exporters declared an embargo on shipments to Western countries. The OPEC embargo was prompted by America's military support for Israel, which was repelling a coordinated surprise attack by Arab countries that had begun on Oct. 6, the sacred Jewish holiday of Yom Kippur.

With prices quadrupling in the next few months, the oil crisis set off an upheaval in global politics and the world economy. It also challenged America's position in the world, polarized its politics at home and shook the country's confidence.

Yet the crisis meant even more because it was the birth of the modern era of energy. Although the OPEC embargo seemed to provide proof that the world was running short of oil resources, the move by Arab exporters did the opposite: It provided massive incentive to develop new oil fields outside of the Middle East—what became known as "non-OPEC," led by drilling in the North Sea and Alaska.

The Prudhoe Bay oil field was discovered in Alaska five years before the crisis. Yet opposition by environmentalists had prevented approval for a pipeline to bring the oil down from the North Slope—very much a "prequel" to the current battle over the Keystone XL pipeline. Only in the immediate aftermath of the embargo did a shaken Congress approve a pipeline that eventually added at its peak as much as two million barrels a day to the domestic supply.

The push to find alternatives to oil boosted nuclear power and coal as secure domestic sources of electric power. The 1973 crisis spawned the modern wind and solar industries, too. By 1975, 5,000 people were flooding into Washington, D.C., for a conference on solar energy, which had been until then only "a subject for eco-freaks," as one writer noted at the time.

That same year, Congress passed the first Corporate Average Fuel Economy standards, which required auto makers to double fuel efficiency—from 13.5 miles per gallon to 27 miles per gallon—ultimately saving about two millions barrels of oil per day. (The standards were raised in 2012 to 54.5 miles per gallon by 2025). France launched a "war on energy waste," and Japan, short of resources and fearing that its economic miracle was at risk, began a drive for energy efficiency. Despite enormous growth in the U.S. economy since 1973, oil consumption today is up less than 7%.

The crisis also set the stage for the emergence of new importers that have growing weight in the global oil market. In 1973, most oil was consumed in the developed economies of North America, Western Europe and Japan—two thirds as late as 2000. But now oil consumption is flat or falling in those economies, and virtually all growth in demand is in developing economies, now better known as "emerging markets." They represent half of world oil consumption today, and their share will continue to increase. Exporting countries will increasingly reorient themselves to those markets. Last month, China overtook the U.S. as the world's largest net importer of oil.

A lasting lesson of the crisis years is the power of markets and their ability to adjust to disruptions, if government allows them to. The iconic images of the 1970s—gas lines and angry motorists—are trotted out whenever some new disruption happens. Yet those gas lines weren't the result of markets. They were the largely self-inflicted result of government interference in markets with price controls and supply allocation. Today, the oil market is much more transparent owing to the development of futures markets.

The 1970s were also years of natural-gas shortages, which turned into a bitter political issue particularly within the Democratic Party. Many at the time attributed the shortages to geology, but they too were the result of regulation and price controls. What solved the shortage wasn't more controls but their elimination, which resulted in an oversupply that became known as the "gas bubble." Today, abundant natural gas is the default fuel for new electricity generation. The lesson is that markets and price signals can work very efficiently, and surprisingly swiftly, even in crises, if they are allowed to.

There will be future energy disruptions because there is still much political risk around oil. In 2013, the Middle East is still in turmoil, but the alignments are different. In 1973, Iran was one of America's strongest allies in the Middle East. Tehran didn't participate in the embargo and pushed oil into the market. But since the 1979 Islamic revolution, Washington and Tehran have been adversaries. Meanwhile, Saudi Arabia, which was at the center of the 1973 embargo, is now America's strongest Arab ally.

The real lesson of the shock of 1973 and the second oil shock set off by the overthrow of Iran's shah in 1979 is that they provided incentives—and imperatives—to develop new resources. Today, total world oil production is 50% greater than in 1973. Exploration in the North Sea and Alaska was only the beginning. In the early 1990s, offshore production expanded farther out into the Gulf of Mexico, opening up deep water as a new oil frontier. In the late 1990s, Canadian oil sands embarked on an era of growth that today makes them a larger source of oil than Libya before its 2011 civil war.

Most recent is the development of "tight oil," the spinoff from shale gas, which has increased U.S. oil output by more than 50% since 2008. This boom in domestic output increases energy supply, and combined with shale gas has a much wider economic impact in jobs, investment and household income. As these tight-oil supplies increase, and as the U.S. auto fleet becomes more efficient, oil imports have declined. Imports reached 60% of domestic consumption in 2005, but they are now down to 35%—the same level as in 1973.

As the U.S. imports less oil it also produces more to the benefit of energy security. There are several million barrels of oil now missing from the world oil market, owing to sanctions on Iranian oil, disappointments in Iraqi production, and disruptions to varying degrees in Libya, South Sudan, Nigeria and Yemen. The shortfall is being partly made up by Saudi Arabia, which is producing at its highest level.

But the growth in U.S. oil output has been crucial in compensating for the missing barrels. Without it, the world would be looking at higher oil prices, there would be talk of a possible new oil crisis, and no doubt Americans would once again start seeing images of those gas lines and angry motorists from 1973.

Mr. Yergin, vice-chairman of IHS, is the author of "The Quest: Energy, Security, and the Remaking of the Modern World" (Penguin Press, 2012).

`</span>`

Article 6.

The Guardian <http://www.guardian.co.uk/theguardian>

Americans need to discover how the world sees them

Timothy Garton Ash <http://www.theguardian.com/profile/timothygartonash>

October 2013 -- On Monday, government offices were closed in Washington DC, to mark Columbus Day [http://en.wikipedia.org/wiki/Columbus\\_Day](http://en.wikipedia.org/wiki/Columbus_Day) . Except that most of them had been closed anyway, because of the US government shutdown <http://www.theguardian.com/world/us-government-shutdown-2013> . As everyone knows, Christopher Columbus was an Italian navigator who, in the service of the Spanish crown, supposedly "discovered" America and reported its potential to a wondering world. I have spent the summer in the United States watching, with growing alarm, a country engaged in a degree of self-harming which, if observed in a teenager, would lead any friend to cry "call the doctor at once";. As I set course back to Europe, my conclusion is this: America should do a reverse Columbus. The world no longer needs to discover America; but America urgently needs to discover the world's view of America.

Ordinary Americans, and especially the small minority active in Democrat and Republican primaries, must learn more of what people across the globe are thinking and saying about the US. For if you follow that, you realise that the erosion of American power is happening faster than most of us predicted – while the politicians in Washington behave like rutting stags with locked antlers.

The 24/7 US news coverage follows every last lunge and twist of the stagfight. It is the political equivalent of ESPN, the non-stop sports network. Just occasionally, the rest of the world breaks through: for instance, when the World Bank and

the IMF hold their annual meetings =96 right there in Washington – and the heads of both institutions, Jim Yong Kim <<http://www.theguardian.com/world/2013/oct/13/us-shutdown-hreat-global-recovery-bankers>> and Christine Lagarde <<http://www.theguardian.com/business/2013/oct/03/christine-lagarde-us-debt-crisis-shutdown>> , wa=n of dire consequences. That gets a few column inches. Or when the government shutdown and debt-ceiling brinkmansh=p leads Barack Obama to cancel a major trip to Asia, including the Apec summit in Bali<=span> <<http://www.bbc.co.uk/news/world-asia-24424552>> , leaving the floor wide open fo= president Xi Jinping to assert China's regional leadership ("the Asia-Pacific cannot prosper without China <<http://www.straitstimes.com/b=eaking-news/se-asia/story/apec-2013-xi-says-china-and-asia-can-only-prospe=-working-together-20131>> ").

A more direct taste=of foreign news is available just a few clicks away. On my cable TV contro=, if I scroll down to channel number 73, or 355, or whatever it is, I can =et Al-Jazeera, China's CCTV and Russia's RT. Their reporters often speak perfect American-accented journalese, and =ometimes actually are career American journalists, lured away from job-she=ding US news organisations to give credibility to these channels. CCTV's W=shington bureau chief, for instance, is Jim Spellman, formerly of CNN. These channels' take on the Washington d=E9gringolade is much harder edged than the ESPN version. The website of th= Russian state-backed RT quotes an editorial published by the Chinese stat= news agency, Xinhua <<http://www.xinhuanet.com/english/>> , proposing that, in the light of this crisis, "several cornerston=s should be laid to underpin a de-Americanised world".

Of course these cha=nel= are representative of their undemocratic states, not their peoples. A=nd you may ask, well, who on earth watches CCTV or RT? Does anyone take the= seriously? In Europe and North America the answers are still "not many" and "not very". (That=is somewhat less true of Al-Jazeera.) But in Africa, Latin America and par=s of Asia, it's already a different story. In the global competition of in=ernational broadcasting, these well-funded networks are gaining influence.

It's not just in th= arena of soft power that perceptions are also realities. As George Soros <<http://www.georgesoros.com>> keeps pointing out, that's true of financial markets. Just as a reminde=: the US hit its debt limit of \$16.699 trillion in May this year. (For comparison: the World Bank estimates its 2=12 GDP at \$15.685tn.) Since May, the federal government has been using so=alled extraordinary measures to pay its bills and refinance its debt.

These measures are =hat treasury secretary Jack Lew said <=pan style="font-size:18.0pt">would reach the end <[http://articles.washingtonpost.com/2013-10-10/politics/42=78760\\_1\\_debt-ceiling-debt-limit-full-faith-and-credit](http://articles.washingtonpost.com/2013-10-10/politics/42=78760_1_debt-ceiling-debt-limit-full-faith-and-credit)> of their tether on October 17. A few days ago he told the Senate treasury committee that rate= on short-term treasury bonds had almost tripled in a single seven-day per=od. And last week Fidelity, the largest American money market mutual fund =anager, sold all its short-dated US government bonds. Just a temporary precaution, you understand. But if t=he US goes on like this, then one day – one year, one decade – the copp=r bottom of investors' confidence will fall out.

Even the hardest fo=m of hard power, military action, involves a significant element of percep=ion. Vietnam has just said farewell to its war hero, General Vo N=uyen Giap <<http://www.theguardian.com/world/2013/oct/04/general-vo-n=uyen-giap>> , credited with driv=ing both France and the US out of his country. As obituaries pointed out, his Tet offensive of 1968 was a military failur=, since the Viet Cong were thrown back with huge losses. But politically, =t played a key role in turning American public opinion against the war. Si=ilarly, there is no purely objective truth about the wars in Afghanistan and Iraq, but in the view of=a large part of the world, the US military did not exactly win.

At the time of writ=ng, it looks as if the rutting stags in the Senate and House of Representa=ives will step back from the canyon's edge at the last minute. But even if=they do, huge damage has already been done. Politically, in the eyes of the world, the "full faith and cred=t" of the US has been further eroded.

Americans need to s=e those views from outside. Some understand this need: that's one reason s= many visit the US version of the Guardian's website. It's also a service =he digital International New York Times (formerly International Herald Tribune) may help provide, with a wider ran=e of international voices – although its target audience is modestly des=cribed by the responsible assistant managing editor, in a New York Times pi=ce about itself, as "the political, business

and cultural elite of the world". But what about those proud=ly less cosmopolitan, non-elite Americans back home, including the active m=norities who pre-select Democrat and Republican representatives in Washing=on, in partisan primaries for gerrymandered constituencies?

So here's my au rev=ir suggestion. Let some public-spirited American billionaire set up a main=tream TV and internet channel dedicated to conveying to a wider American a=dience, in a vivid and accessible way, how the US is seen around the world. In Britain, people still occasionally=use an old-fashioned slang phrase to express incredulity at something that=is at once amazing and a bit ludicrous too – such as what's been happeni=g in Washington. They say: "Christopher Columbus!" Complete with Yahoo!-style exclamation mark, that might be=a good name for the channel.

Timothy Garton A=h is a historian, political writer and Guardian columnist.