EDITORIAL

WikiLeaks row highlights Internet generation gap

WikiLeaks founder Julian Assange is temporarily under lock and key pending a trial over alleged sexual assaults, but world authorities would like to see him detained for a much longer period for the ongoing chaos his website has created by publishing thousands upon thousands of leaked classified U.S. diplomatic files.

While a Swedish court looks likely to decide on the Australian hacker-turned-citizen-journalist's fate for events in his personal life, there is a question mark over the legality of attempts to bring him down for the actions of his website.

That gray area has led many to question the legitimacy of this week's corporate shutdown campaign in which the likes of MasterCard, Visa, PayPal, Facebook and Amazon set about disabling WikiLeaks' servers, forums and lines of payment.

While many question WikiLeaks' motives and wonder if some of the leaked information would be better kept secret, a significant constituency of Internet users, particularly those in their 20s or younger, saw the move as an attempt by multi-billion-.dollar private industries to exert control over the flow of information, thereby venturing way beyond their jurisdictions to threaten the very principles of press freedom and freedom of speech.

The issue highlights a generation gap, the lines of which can generally be drawn between those for whom the Internet has been a constant presence throughout their lives, and those who built and managed the world before the dawn of the Web.

The battle took shape this week when young so-called "hacktivists" from across the world began to attack, with some success, websites belonging to the likes of MasterCard. It has been pointed out by some of those WikiLeaks supporters that while MasterCard has frozen lines of payment to the renegade website, it remains happy to process money for groups such as the Ku Klux Klan. They also question why WikiLeaks has been targeted, when there appears to be no legal case against what the website is doing. While it is a crime to steal classified documents, it is not illegal for a third party to receive and then publish them. Without that distinction, journalism and the free press could never flourish effectively.

While the authorities may rest easy if, or when, Julian Assange is jailed in Sweden, they miss the point about WikiLeaks and Internet activism in general.

The film and music industries have tried for years to battle Internet piracy to no avail. For every Pirate Bay that is shut down, a hundred other sites spring up to take its place. Similarly, newspapers have struggled to deal financially with the coming of online news, because a huge population of netizens are accustomed to getting something for nothing, and will not go back to paying for content.

For many, the Internet is simply an ongoing conversation between individuals — and governments and businesses have no right to define the parameters of that conversation.

While Assange can be stopped — and if the current charges against him for sexual assault prove to be true, he will deservedly be jailed — it is unlikely that the amorphous movement behind WikiLeaks can. As this week's Internet attacks showed, the WikiLeaks threat is greater than just one person. If Assange is taken out of the equation, there will be a replacement within minutes. Equally, if one teenager is arrested for hacking sites from his bedroom in Tokyo, another will start doing the same in Manchester, England.

Copyright theft is a crime, and no amount of libertarian preaching about the values of a free Internet can get away from that fact. Equally, the cyber attacks on the likes of MasterCard this week must be condemned — they were indisputably illegal. However, that should not detract from the fact that there are valid questions to be asked about whether big business this week overstepped the mark by attempting to control the flow of information. While it is undeniably a nuisance and possibly misguided in its intent, which law has WikiLeaks broken? No court in the world has found one yet.

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'Violence' and the 11-26 shooting

DANIEL J. BAUER

Democracy Taiwan style is in some ways still in its infancy. Our politics in general and political campaigns in particular are often more like roller-coaster rides than any of us would prefer. The election eve shooting at a rally on Nov. 26, which left one person dead and came so close to taking the life of politico Sean Lien has clearly brought pain and confusion to all corners of the country.

Despite the instability and controversy this incident has caused, and perhaps even because of it, there are valuable lessons here to learn. Who can say, however, that leaders of the two major parties are willing to look at this dismal situation in that way? This is a time that calls for common sense and reason, and not simply the old rigmarole of finger-pointing, partisan bickering and increased polarization in a society that is weary to the point of exhaustion over political wrangling.

Among the lessons apparently still waiting to be learned is the necessity for influential people to keep a cool head about themselves when emotions are pounding and media are following every micro-second of time as unpredicted events unroll before the public eye.

No one can condemn the fatherly feelings that must have been rushing through former vice-president Lien Chan when he appeared at a campaign rally shortly after visiting his son at the hospital the night of the shooting. Lien's mere presence at that rally, however, when perhaps he ought to have been by the side of his loved ones, speaks volumes about how everything in Taiwan, and I mean everything, seems fated to get politicized. Personal emotions and family needs when his son was flat on his back in a surgical ward were less important, it seems, than a priceless last chance to elicit a few more, oh, just a few more votes, don't you know, for his political party. Lien did not have to say much at the rally and, to give him credit, he did not say much. Just standing there on that stage (and waving to the cheering crowd) with other KMT dignitaries was more than enough to deliver the message.

I guess, then, that it was back to business as usual. No sense wasting time on grieving, even if only a short time before, a by-stander only steps away from his son was killed. Media in general in Taiwan showed what value they hold for folk more humble in public stature than Lien and his son, didn't they? Chen Hung-yuan was dead on arrival at a hospital that night, but who even mentions his name today?

Surely the "use your vote to punish violence" spirit that other KMT leaders pushed that unfortunate night was unhelpful, to say the least, for our budding democracy. Their assumption that the DPP was somehow behind the shooting was as transparent as the Beefeaters in a long-stemmed martini glass.

If the spoken word carries more punch than symbolic presence, several KMT legislators acted more crassly than Lien.

Lu Shiow-yen came within a whisper of tagging the tragedy to the DPP by saying in Taichung, with voters heading to the polls the very next morning, that the Lien shooting was "a dirty trick." The victims of the shooting were hardly out of the ambulance when Chiu Yi charged on a talk show that DPP chair Tsai Ing-wen condoned the shooting. And at a rally in Taipei County, Wu Yu-sheng reportedly urged voters to "condemn violence" by voting KMT candidates into office.

"Violence" is an interesting English word partly because it is so elastic. The root of it is the Latin "violentus," or "force." Its added "ulent" denotes a sense of quantity or "fullness" (my Random House Webster's College Dictionary suggests we consider similar usages with "opulent" and "fraudulent"). Inferring that violence only delivers its punch in a material sense, say with the firing of a gun, is patently shortsighted. Words can be bullets, too.

From time to time, shocking news of violence in the United States makes for juicy headlines and shibboleths about how much more gentle and peaceful Taiwan is than, well, you know, over *there*. Well, maybe.

All I know is that, as the poet says, we have miles to go over *here* before we can sleep.

Father Daniel J. Bauer SVD is a priest and associate professor in the English Department at Fu Jen Catholic University.

About climate, the elephant in the room is Republican

BY CHARLES J. HANLEY
CANCUN, Mexico, AP

The latest international deal on climate, reached early Saturday after hard days of bargaining, was described by exhausted delegates as a "step forward" in grappling with global warming. If they step too far, however, they're going to bump into an elephant in the room.

That would be the U.S. Republican Party, and nobody at the Cancun meetings wanted to talk about the impending Republican takeover of the U.S. House of Representatives. It essentially rules out any new, legally binding pact requiring the U.S. and other major emitters of global warming gases to reduce their emissions.

In endless hours of speeches at the annual U.N. climate conference, the U.S. political situation was hardly mentioned, despite its crucial role in how the world will confront what the Cancun final documents called "one of the greatest challenges of our time."

Not everyone held his tongue. Seas rising from warming, and threatening their homes, got Pacific islanders talking.

Marcus Stephen, president of Nauru, spoke despairingly of "governments deadlocked because of ideological divisions." Enele Sopoaga, Tuvalu's deputy prime minister, referred to the "backward politics" of one unnamed developed nation.

A U.S. friend, Prime Minister Meles Zenawi of Ethiopia, told a large gathering here, "The key thing for us is not whether the American Congress is controlled by this or that party," but that richer nations help the developing world with financial support — for clean energy sources, new seawalls, new water systems and other projects to try to stem and cope with climate change and the droughts, floods, disease and extreme weather it portends.

"Which party" does matter, however. Many Republicans dismiss scientific evidence of human-caused warming, citing arguments by skeptics that the large majority of scientists are wrong or that the consequences of warming are overstated.

Early in the two-week conference here, four Republican members of the Senate Environment and Public Works Committee sent a letter to Secretary of State Hillary Rodham Clinton demanding a freeze on about US$3 billion in planned U.S. climate aid in 2010-2011.

The senators said some findings of the U.N.'s climate change panel "were found to be exaggerated or simply not true" and said that at a time of record U.S. budget deficits, "no American taxpayer dollars should be committed to a global climate fund based on information that is not accurate."

The leader of the protest, Sen. John Barrasso of Wyoming, called the financing an "international climate change bailout." What will they call the long-term finance plan embraced at the Cancun conference, for US$100 billion a year in U.S. and other international climate financing by 2020?

Norwegian Prime Minister Jens Stoltenberg, who with Zenawi co-chaired a U.N. panel on climate financing, was asked how this U.S. opposition can be overcome.

"I believe that many things might happen in American politics in a period of 10 years," he replied.

Such long, wishful views have dominated the climate talks for two decades, as the U.S. remained outside the 1997 Kyoto Protocol and the modest mandatory reductions in emissions that other industrial nations accepted.

For the world to agree on a new, all-encompassing treaty with deeper cuts to succeed Kyoto, whose targets expire in 2012, the U.S. Congress must pass legislation to cap U.S. industrial emissions of carbon dioxide and other greenhouse gases.

"I don't think that's going to happen right away," Todd Stern, chief U.S. negotiator, said with understatement here early Saturday.

Instead, the Cancun talks, waiting for another day, focused on small steps on climate: some advances in establishing a system to compensate developing nations for protecting their forests, for example, and in setting up a global clearinghouse for "green" technology for developing nations.

Cancun's chief accomplishment was to decide to create, with details to come, a Green Climate Fund that will handle those expected tens of billions of dollars in climate support.

This slowly-slowly approach began at the climate summit in Copenhagen, Denmark, last year, when the U.S., China, other big emitters and some small one pledged to carry out voluntary reductions in emissions.

Some say this will be the way global warming will be addressed, not with "topdown," legally binding treaties, but with self-assigned targets, bilateral deals to help create low-carbon economies, aspirational goals set by G-20 summits. If the world busies itself with such voluntary activities, this thinking goes, it may all add up to climate protection.

But scientists do numbers better than politicians. And the latest U.N. scientific calculation shows that the current emissions-reduction pledges, even if all are fulfilled, will barely get the world halfway to keeping temperatures rising to dangerous levels. The U.S. pledge — based on executive, not congressional action — is for a mere 3 percent reduction of emissions below 1990 levels.

If too little is done, the U.N. science network foresees temperatures rising by up to 6.4 degrees Celsius (11.5 degrees F) by 2100. In a timely reminder of what's at stake, NASA reported last week that the January-November 2010 period was the warmest globally in the 131-year record.

At that rate, climate will become the elephant no one can ignore.

Has OPEC maintained enough spare capacity during the lean years?

BY HUMEYRA PAMUK AND DAVID SHEPPARD
DUBAI/NEW YORK, Reuters

With oil prices near US$90 a barrel for the first time in two years, one of the biggest questions for analysts is has the Organization of the Petroleum Exporting Countries (OPEC) assembled enough spare capacity to quench over-heated markets this time?

At least five major banks including Goldman Sachs, Societe Generale and JP Morgan raised their mid or long-term oil price forecasts last week, betting on faster than expected oil demand growth slashing the world's buffer supplies within two to three years.

The most bullish forecast came from Goldman Sachs, the largest investment bank in commodities. The bank's energy analysts warned that if their projections for global oil demand growth of over 2 million barrels per day (bpd) in both 2011 and 2012 prove correct, OPEC spare capacity could quickly be exhausted.

But even with oil at a 26-month peak on the back of near record demand over the last quarter, the majority of industry analysts remain more sanguine about the supply outlook ahead of the producer group's meeting in Quito, Ecuador, on Saturday.

Exact data on OPEC spare capacity remains a closely guarded secret within individual members, but the majority of industry analysts peg the current figure at between 5 and 6 million bpd.

That compares with as little as 1.5 million bpd in 2008 when prices were spiraling towards US$150 a barrel, before the global financial crisis slashed demand and saw prices crash. "Overall, global demand is not growing fast enough to draw down spare capacity over the next two to three years," said Manouchehr Takin, Senior Petroleum upstream analyst at the Centre for Global Energy Studies (CGES) in London.

Takin said Saudi Arabia alone, the world's largest crude oil exporter, is sitting on up to 5 million bpd of spare capacity. Its size and ability to substantially ramp up production lends it sway over the rest of OPEC.

OPEC itself has stated the group holds more than 6 million bpd of capacity, and said in its annual world oil outlook report this level would be maintained until 2014.

If that is to be the case, Saudi Arabia will cede some power to other members. The kingdom has no plans to expand capacity after ramping its production capabilities to 12.5 million bpd in 2009, Saudi-owned al-Hayat newspaper reported in October, citing high level sources.

By contrast, Abu Dhabi's National Oil Company (ADNOC) plans to add 213,000 barrels per day (bpd) to its crude production by 2012, with a longer term target to increase output by about 400,000 bpd to 1.8 million bpd over the next 10 years.

In Iraq, analysts polled by Reuters in October forecast production in the one OPEC member currently exempt from output targets would hit 2.8 million bpd next year from around 2.5 million currently, before leaping to 4.6 million by 2015.

Analysts at JBC Energy in Vienna, who advise several OPEC members, estimated current UAE spare capacity at 500,000 bpd, with Kuwait sitting on 350,000 bpd.

Peter Wells, analyst at UK-based Neftex Petroleum Consultants said while he saw Saudi Arabia's spare capacity as lower than some at 3.4 million, he calculated Nigeria, Algeria, Libya, Qatar and Iran all also had spare capacity between 150,000 and 300,000 bpd each.

When to Get Nervous

Analysts say that historically the market does not become nervous until spare capacity dips to 2 million bpd or below.

Societe Generale said they see spare capacity dropping towards 2 million bpd between 2013 and 2015, though noted that next year it will remain "ample."

Several on the industry side think even SocGen's more conservative view could be underestimating supplies.

"In our base case scenario, we see OPEC's spare capacity declining to a low of 4.7 million bpd in 2012 and 2013 before starting to move up again," analysts at JBC Energy said.

"Increasing Iraqi production capacity and weakening global oil demand growth are the main factors behind this development," they added, saying Iraq spare capacity could hit 8 million bpd within 10 years.

Stronger demand than most are predicting would be required to drag spare capacity down before then.

While demand grew by a rapid 2.5 million bpd this year, according to the International Energy Agency (IEA), most analysts see this as partly a rebound from declining demand during the economic crisis in 2008/2009.

The IEA sees demand increasing by just over 1.3 million bpd in 2011, substantially below the rate this year. OPEC sees demand growing by just under 1.2 million bpd.

Demand growth at that pace will largely be met by countries outside the producer group.

Additionally increased OPEC production of crude-like natural gas liquids (NGL) will effectively increase the supply of oil while not counting against OPEC production targets.

"There's a huge tranche of OPEC NGL capacity coming on stream next year. That could be as much as 700,000 bpd," said Greg Priddy at Eurasia Group.

"Even if demand grows faster than currently expected and non-OPEC supply surprises to the downside, you're still unlikely to see the call on OPEC rise by more than 500,000 bpd next year."

Did anyone notice Ben Bernanke's '60 Minutes' moment?

BY ARTHUR I. CYR
Special to The China Post

Amid all the news of war, Washington and WikiLeaks, there has been comparatively little attention to the appearance of U.S. Federal Reserve Chairman Ben Bernanke on the traditional television interview program "60 Minutes." That is too bad; he made persuasive points regarding the American and wider global economies.

The cerebral tone of interviewer Scott Pelley was appropriate to the subject matter, the position and personality of the guest, and the very high stakes involved. Their policy discussion provides a striking contrast to most contemporary commentary on television regarding public affairs, which is geared toward emotional entertainment rather than serious content analysis.

"60 Minutes" provides a welcome contrast to this dominant TV trend, and the program's durability testifies to the presence of a sizable public audience for serious substantive discussion. Good for us.

Bernanke typically and appropriately ducked commenting on tax cut extension and other specific current Congressional concerns, but did emphasize the enormous and rapidly growing federal fiscal deficit.

Deficit cutting is essential, and barring unforeseen developments on the war fronts, will be the ultimate test of the success of the Obama administration and the new Congress assuming office early next year. The chairman also was direct in criticizing the government of China for sustained active intervention to keep that nation's currency value relatively low compared with others.

Finally, he defended the latest enormous initiative of the Fed in injecting US$600 billion in new money into the system. He stressed the vexing problem of high unemployment, which persists at approximately 10 percent, and the sustained very low levels of global inflation, despite rapidly rising prices of some commodities, notably gold. Gold fever is a useful thermometer for the state of public anxiety, but not necessarily the health of the economy.

Unspoken in the interview, but undeniable on reflection, is the inherently very political role of the chairman of the Federal Reserve.

To date, the current incumbent has been gifted at balancing the need for restraint in public statements with the absolute requirement to have public impact.

Economists are notorious for esoteric ideas, jarring jargon often at odds with clarity, and a penchant for hedging on policy. Plain speaking U.S. President Harry Truman said he longed for one-armed economists because when asked for advice, their response usually was along the line of "on the one hand, Mr. President, but on the other hand" — Bernanke breaks the stereotype.

Bernanke did the interview while visiting Ohio State University. In the fall of last year, he was stage center in discussion of the "Three Rs" of recession, recovery and regulation with a well-informed studio audience in town meeting format in Kansas City, Missouri. That broadcast involved collaboration between Public Television and regional Federal Reserve Bank.

The Midwest today arguably is the most important swing region in U.S. political party competition, and the Chairman's appearances imply an unspoken but sustained effort to influence Congressional representatives who have good reason to listen.

A year ago, TIME Magazine selected Fed Chairman Ben Bernanke as "Man of the Year 2009" — I beg your pardon — "Person of the Year 2009." The recognition is very well deserved. Bernanke so far has provided very strong and effective political as well as economic leadership in the face of an exceptionally severe recession and fitful, uneven recovery to date.

Before becoming chief financial fireman, Dr. Bernanke spent his career as a professor. Academics, take heart.

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