



## The Round-Up: October 26th 2006

Posted by [Stoneleigh](#) on October 26, 2006 - 1:49pm in [The Oil Drum: Canada](#)  
Topic: [Miscellaneous](#)

### [OPEC calls for Canada's help](#)

"Canada will not even consider joining OPEC. Our energy production in Canada is based on the principles of a free market. We will not stray from that at all," Natural Resources Minister Gary Lunn told Agence France-Presse.

"We're always looking for new markets around the world. There's a very large market right beside us (United States). Any new markets we pursue will be based on free market principles," he added.

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### [Home Price Drop Is Largest in 35 Years](#)

How long will it be before this dynamic makes its way north of the border?

The Commerce Department reported that the median price for a new home sold in September was \$217,100, a drop of 9.7 percent from September 2005. It was the lowest median price for a new home since September 2004 and the sharpest year-over-year decline since December 1970. The weakness in new home prices was even sharper than a 2.5 percent fall in the price of existing homes last month, which had been the biggest drop on record.

### [Letter to The Rude Awakening](#)

As someone who works in the Athabasca oil sands area, I see every day the water usage. It's astronomical. I have seen first-hand the ridiculous amounts of wasted water. Every day, while oil is being pumped out at a rate of 400,000+ bpoe/d (in just one plant), the water being wasted I'm sure is bigger than that number. While I have no hard facts to substantiate this claim, it doesn't take a water scientist to see the "steam" billowing into the air from the enormous cooling towers (these towers circulate water to keep various parts of the process cooled to acceptable temperatures). And I say "steam" and not just steam, because anyone with a nose can tell that there's more in that "steam" than just water. But ask any so-called safety-person and they will tell you that it's perfectly fine to breath in, even though no one is willing to show you the Material Safety Data Sheet (MSDS) on the whatever chemicals are mixed into the water.

And the tailings are a nightmare. How these companies can say that they are "environmentally friendly" I'll never understand. Just because they reclaim some of the land after strip-mining, then plant some grass and trees, and put in a few wood-bison to roam there, does not mean that they are doing anything that is environmentally

friendly. The tailings are a soup of waste-water crap that literally sits in a pool called a tailings pond. Even at -30 degrees Celsius, this stuff doesn't freeze. It just sits there, steaming. The stench from these ponds is indescribable. I've been there. I've seen it. I've smelled it.

And yet, thousands of people work at these plants every day. The economy in the Wood Buffalo region is booming. New vehicles are everywhere. New houses are everywhere. People have money to throw around. Working 50 and 60 hour work-weeks is common, because the money to be made is great. Not many seem to care that the water supply is dwindling. Not many seem to care about the big brown cloud of who-knows-exactly-what-is-in-there that moves towards the town of Fort McMurray when the wind is blowing from the north. Some people see their bank accounts going up. Some decide to let their bank accounts stagnate while collecting toys - a big truck, a quad, two snow mobiles, a boat, an RV - and the list goes on. But it seems like most people decide that the "things" are more important than their health.

I work there, but I don't live there. I commute from Calgary (a 7 hour drive one-way). I stay in Ft. McMurray and drive out to the plants every day to go to work. So why am I different than all the rest? Because I can go home any time I want. When I get tired of breathing in toxic fumes, I can go home for a few months and work in Calgary.

Eventually though, the lure of bigger money brings me back to the oil sands. It always does. Am I getting rich by working there? No, but I make more money than your average bear when I work "up north" as we call it. Right now, I just came home. My stay was sixteen months this time. But with winter coming, and the roads getting worse by the week, I've had enough of the oil sands for now. I'll find a job here in Calgary to keep me busy for the winter. It's not hard to find a job in Alberta when you're a qualified tradesman.

Is the rate of cancer higher in the Athabasca region as compared to other parts of Alberta, or even Canada? I don't know. Is the water being used, abused, mistreated, and peed on (or in)? Absolutely. I've been there. I've seen it. And I've smelled it.

## Give Us Just a Little More... ([EWI Independent](#))

By Alan Hall

The Dow 36,000 and Dow 100,000 authors are back in the news. They say their ideas are still valid, even though their books are for sale on Amazon for one cent (literally). The chief investment officer of a New York investment firm says, "These guys come out of the woodwork when society is foaming at the mouth and receptive to these things."

The word 'illusion' derives from the Latin word meaning, 'the action of mocking', an apt term for investors' blithe flirtation with financial risk-taking. An individual can see the scary data, but groups will not; they take cues from each other rather than from evidence. Nevertheless, here is more of it.

\*Total credit market debt as a percentage of GDP was 270% at the 2000 market top. Today, it is 320%.

\*The Dow Jones Industrials measured against anything but inflated U.S. dollars is nowhere near a record.

\*DJI/gold and DJI/CRB commodities weekly charts show a huge bear market, with the

index near eight-year lows.

\*DJI/Stable Currency Benchmark Index looks almost as bad, but is bolstered by inclusion of the U.S. dollar.

\*The ironic waltz of the 'bad' trade deficit rising and falling in lockstep with the 'good' stock market, hands the bill for our national splurge to the grandkids.

\*Stock valuations remain far outside their historic range, and never returned close to it in the last six years.

\*Real estate is deflating as consumers borrow against houses, stocks, and credit cards to pay monthly bills, even as health care and college education costs rise.

\*The U.S. savings rate is nil. 46 million are without health insurance.

\*Income for middle class families has remained flat since 2001. Two incomes are no longer enough for many.

All the above is visible, but through the lens of socionomics, the turbulent picture of a historic peak in social mood becomes clearer.

\*Congress suffers a 12% approval rating, the lowest in 14 years.

\*The SEC expands credit and leverage, by relaxing depression-era margin-trading rules -- in force for 70 years.

\*Wealth concentration reaches historic extremes.

\*Both houses of Congress and the President vote for the Military Commissions Act, which restricts the right to an attorney, suspends the writ of habeas corpus, and voids parts of the Geneva Conventions for anyone designated as a detainee. The legalese is dauntingly hypnotic and contributes to the calm with which we watch the rules change.

\*This month, in the highest (bearish) reading in its history, Investor's Intelligence Daily Sentiment Index polled 91.2% bulls. That leaves half as many bears as the most optimistic point of the 1990s. As this month's Elliott Wave Theorist says, "Correctly interpreted, traders optimism is double what it was then."

This market environment shouts, 'Historical anomaly!' A whole thesaurus of words fails to describe the degree of investor optimism. The financial and social scene begins to resemble a skit I saw in Robin Williams Live on Broadway, depicting a hilarious, endless, agonizing Viagra orgasm.

### [More wind power viable: study](#)

A study released yesterday by Ontario's electricity authorities says wind power could represent nearly 20 per cent of the province's power-generation capacity with little compromise to system reliability.

### [Taking a right turn on green](#)

World media will not mince words when, on Nov. 6 in Nairobi, Kenya, Canadian Environment Minister Rona Ambrose, as president, opens the second Meeting of the

Parties to the Kyoto Protocol (COP/MOP 2) and the 12th Conference of the Parties to the Climate Change Convention (COP 12), successor to last year's Montreal conference. Canada is 35 to 40 per cent over its Kyoto targets. Not only are per capita energy use and CO2 emissions arguably the highest in the world, they also increase faster than anywhere else. At home, Environment Commissioner Johanne Gelinás last month released a report condemning both Liberal and Conservative governments for their inaction on greenhouse gases.



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