



DrumBeat: June 6, 2007

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Topic: [Miscellaneous](#)

[Americans not very big on very small cars](#): *Even with high gas prices, tiny minicars unlikely to make waves, study says*

Despite a rush to offer them the smallest fuel-sipping cars, it seems one aphorism is likely to ring true for some time when it comes to Americans and their cars — size matters.

Persistently high gasoline price have spurred automakers to make plans to introduce tiny cars into the U.S. market, beginning early next year, when Mercedes Car Group plans to begin selling tiny, two-seater Smart models. At the New York auto show in April, General Motors unveiled three small Chevrolet concept cars aimed at young car buyers in urban markets.

But research from consulting firm CSM Worldwide shows that American consumers are not very big on very small cars, which are popular in many markets around the world because they are so fuel efficient and easy to park.

[Enbridge, Exxon forge link to Texas refineries](#) - *A Pipeline from Calgary to Houston?*

"Exxon Mobil has said to us it makes no sense to ship crude away from this continent," said Steven Paget, an analyst at FirstEnergy Capital in Calgary.

"This continent needs more oil than it produces -- it should not be shipping crude overseas." He added that Mexican production could slide sharply in the next years.

Bitumen production from the oil sands could rise to 1.9 million barrels a day by 2010 and 3.1 million by 2016, up from 1.25 million last year, according to new numbers yesterday from Alberta's energy regulator.

It is a "round one" victory for U.S. refiners over competitors in China, according to Stephen Calderwood, a Raymond James Financial Inc. analyst.

[Why no one's making more gas](#)

Motorists must get tired of hearing how refinery problems are causing high gasoline

prices.

In a free-market economy, if there really was such a shortage (most experts say there is), and refining profits are so high (any oil company earnings report will attest they are), then why aren't people building more refineries?

[Iraqi unions fight to keep oil out of corporate hands](#)

The Bush administration calls the Iraq occupation an exercise in democracy building. Yet from the beginning, many of the Iraqis who want democracy most are treated as its enemies - Iraq's unions.

[Uganda: Oil Discovery - Curse Or a Masked Blessing?](#)

BLACK gold or commercially viable oil deposits have been discovered in Uganda generating quite a buzz what the future will look like when oil dollars start flowing into resource starved government programs. So far little public discussion has gone on about that future.

[Green group hits at Canada over oil sands](#)

Canada is unlikely to be able to hit its target for reducing greenhouse gas emissions by 2020 because of the rapid growth of its oil sands industry, a leading research group has warned.

[Richard Heinberg's Museletter - The Oil Depletion Protocol: An Update](#)

My book *The Oil Depletion Protocol: A Plan to Avert Oil Wars, Terrorism and Economic Collapse* was released eight months ago; given the importance of its subject, I thought an update might be useful.

Relevant developments during these few months have been both encouraging and discouraging.

[Dems' energy-policy plans worry oil and gas industry](#)

Democrats, sensing growing consumer angst over high gas prices and a winning political issue in tightening the screws on "Big Oil," are moving ahead in the House and Senate to produce energy legislation — and to do it quickly.

[China's Axis of Oil](#)

It is not difficult to find examples of China's growing ties with the Middle East. Although Beijing's primary focus in the region concerns access to oil and gas, the resulting increase in foreign direct investment and trade between the two regions is redefining geopolitics.

[Ecuador launches campaign to keep oil underground](#)

Ecuador offered on Tuesday to drop plans to develop the country's biggest oilfield if wealthy nations pay it to safeguard pristine land near the proposed drill site.

Leftist President Rafael Correa hopes developed countries and environmental groups will pay the poor South American nation about \$350 million annually to leave the oil in the ground and reduce carbon dioxide emissions to slow global warming.

[Former World Bank Energy Specialist on China's Renewable Energy Development](#)

Martinot believes that China will have no problem achieving its targets for different forms of renewable energy, such as hydro, wind, biomass, solar power and bio-fuel. However, Martinot's concerns remain regarding biomass because of insufficient raw materials, solar power because of its high costs and bio-fuel because of its technology and the wide dispersion of raw materials. He further suggested that the Chinese government should set higher power tariffs for renewable energy, which would mean larger profits, in order to attract more players to the market.

[Biofuel can help poor as well as climate: FAO](#)

However, the person in charge of energy policy at the U.N. Food and Agriculture Organization (FAO) said biofuel was getting a bad press and, rather than being a threat to the poor, it could boost food production as well as wealth.

"It's probably the best opportunity there has been since the 'green revolution' to bring really a new wind of development in rural areas," Gustavo Best told Reuters in an interview.

He was referring to the huge increase in food production in the developing world, aided in part by new plant technologies that came into vogue in the 1960s.

[Vatican auditorium's roof to be covered with photovoltaic cells to save energy](#)

Some of the Holy See buildings will start using solar energy, reflecting Pope Benedict XVI's worry about squandering the Earth's resources, said a Vatican engineer who came up with the idea.

[Abu Dhabi's green move gathers pace](#)

Last month the Abu Dhabi Future Energy Company (Masdar) launched a \$5 billion initiative to establish the world's first totally green city in Abu Dhabi.

[OPEC Could Rethink Post-2012 Expansion Plan](#)

OPEC members responsible for 40% of the world's oil production capacity could rethink their capacity expansion plans beyond 2012, according to the group's Secretary-general Abdalla Salem el-Badri, unless dialog with consuming countries gives them assurances over future demand.

In an interview with Dow Jones Newswires, el-Badri said there was little enthusiasm among Organization of Petroleum Exporting Countries members to spend billions on idle oil capacity.

[George Soros to invest \\$900 million in Brazilian ethanol](#)

US finance tycoon George Soros said Tuesday that he will invest \$900 million in the production of ethanol in Brazil, and demanded that the US and EU open their markets for the biofuel produced in the South American country.

[The five myths of the transition towards biofuels](#)

The five myths

1. Biofuels are clean and protect the environment
2. Biofuels do not cause deforestation
3. Biofuels allow for rural development
4. Biofuels do not cause starvation
5. Biofuels of "the second generation" are within reach

[Combustion engine set to dominate for 25 years, say experts](#)

Engines driven by petrol or diesel will continue to dominate for another 25 years, mainly because the alternative systems still display teething troubles, are too expensive or because other sources of energy are simply not available in sufficient quantity.

[Oil Prices Rise With Fears Cyclone Gonu May Hit Southern Iran](#)

A Black Swan, by the way, is the term philosopher Nassim Taleb uses for a low probability, high impact event; they are so named because until Europeans found Black Swans everywhere in Australia, they were considered so rare as to be statistically insignificant. A cyclone impairing or destroying production capacity in the world's most important oil region certainly qualifies as a Black Swan.

But here's the thing. As Taleb points out, Black Swans are not as rare in financial markets as today's modern financial models would suggest. They are more common than you'd expect. And the funny thing is, as the world's financial markets become more complex and more integrated, Black Swans seem to be taking flight with increasing frequency. Hmm.

[All World War III, All the Time](#)

The Russians, Tom Clancy's old reliable villains, are back. The American techno-thriller author has lent his name to several computer games, including the intricate new title from Ubisoft known as EndWar.

The video game's back scenario? In the next twenty years, America deploys a space weapons system to protect the U.S. and Europe from nuclear attack, while a sullen Russia stays out of the missile shield club. A few years later, the world's peak oil doomsayers are suddenly proven right and all of the world's major oil producers - except for Russia - are found to have massively inflated their reserves. The resulting collapse of the world economy puts a remilitarized Russia on a collision course with the America and Europe.

[Putting Peak Oil to the Test in 2007](#)

One of the most telling signs that we're experiencing the effects of peak oil is the unprecedented price oil is reaching. If I were writing just a few months ago, I'd mention how OPEC was comfortable with a barrel of oil trading at \$50. But now they're saying they're happy with oil between \$60 and \$65 a barrel.

[The G8: Not the Only Show In Town](#)

Given the centrality of oil not only to current geo-politics but also to the politics of global warming, it is interesting to recall that the G7 is a by-product of the 1973 oil crisis. Almost 35 years later, the now-G8 -- Russia was formally admitted in 1998 -- is again facing a crisis of global energy policies brought about by the increased public pressure for action to reduce carbon gas emissions, the looming fact of peak oil and, not least, the

G8's incapacity over the past three decades to think beyond their own interests. But in 2007, the situation is very different from the 'unglobalised' world of 1973 (although with some surprising similarities) and the G8 is not the only game in town.

[Throwing a Dart at the Natural Gas Dartboard](#)

Whether you believe in abrupt climate change and global warming or not, growing legions of investors are betting in that direction. Whether their bets are placed on wind farms or solar panels, it may not matter much. We looked to the one sector which has been pummeled over the past 15 months. Most investors have avoided it like the plague.

We believe natural gas is primed to heat up – as early as this month.

[Bharat Petroleum Expects Profit to Triple by 2010](#)

Bharat Petroleum will boost output to meet energy shortages in the world's second-fastest growing major economy. India's fuel imports rose 30 percent to 17 million metric tons in the year ended March 31 and a shortage of natural gas has shut about 5,000 megawatts of gas-fired power generation capacity.

[Thieves siphoning diesel from construction machines](#)

In addition to securing equipment parked on work sites, a construction company is finding that rising petroleum prices mean it now must guard against theft of the fuel from the parked machines.

Jay C. Fulkroad & Sons Inc., of McAlisterville, has had at least 600 gallons of diesel fuel stolen in two recent thefts from its parked equipment, more than \$1,700 worth at current prices, said Gerald Fulkroad, the company president.

[Natural gas prices at highest since December](#)

Sparked by worries about hot weather and a busy hurricane season, natural gas prices have jumped in the last week to the highest since December. Tuesday, the price for natural gas trading in New York for delivery in July closed at \$8.064 per million British thermal units. Although that was slightly lower than the previous day's close, it was 25% above the price seen a year ago.

For consumers, the higher natural gas prices mean heating costs could be elevated this winter for the most popular heating source in the USA if the gains hold. Increased natural gas prices also could lead to higher electricity costs later this summer to power air conditioners, because a large amount of electricity is generated with natural gas.

[Oil gives unhappy Nigerians leverage](#)



Young boys scamper along weed-entangled pipes, transforming an oil-pumping station marked "Not In Use" into a jungle gym in the heart of Nigeria's lawless oil region. Nearby wells rust under the palm trees, and gas-flaring chimneys have gone cold.

The scene in Ogoniland, where villagers ousted oil companies in the 1990s, offers a glimpse of the industry's worst-case scenario: an absolute shutdown of production across the Niger Delta, where strife has already cut production by a quarter.

[Resource Wars - Can We Survive Them?](#)

With the world's energy supplies finite, the US heavily dependent on imports, and "peak oil" near or approaching, "security" for America means assuring a sustainable supply of what we can't do without. It includes waging wars to get it, protect it, and defend the maritime trade routes over which it travels. That means energy's partnered with predatory New World Order globalization, militarism, wars, ecological recklessness, and now an extremist US administration willing to risk Armageddon for world dominance. Central to its plan is first controlling essential resources everywhere, at any cost, starting with oil and where most of it is located in the Middle East and Central Asia.

[It's time to stop doing nothing about oil depletion](#)

Our economy is dependent not just on oil but on cheap oil. When petroleum gets more expensive, businesses will fail because fewer people will be able to afford their products. And when businesses start failing, still fewer people will be out there shopping and supporting the economy. It won't be pretty.

[Calif. sees sprawl as warming culprit](#)

California is pioneering what could be the next battleground against global warming: filing suit to hold cities and counties accountable for greenhouse gas emissions caused by

poorly planned suburban sprawl.

[Inland Empire's 25-year growth targeted](#)

[Marin County] took a forceful approach to greenhouse gases in a growth plan likely to be approved this year. The county set up standards to measure greenhouse gases and set targets for reducing them.

Surrounded on three sides by water, Marin also started planning for possible rising sea levels, as polar ice melts, by identifying areas that shouldn't be developed or, if already built might need sea walls and levees. Marin has long had a progressive, "green" electorate, so fighting global warming came naturally, says community development director Alex Hinds. "We feel fortunate that our population recognizes these concerns," he says.

[Auto execs go to Hill to discuss mileage](#)

The heads of the domestic auto industry are pressing congressional leaders to revisit a plan to increase fuel efficiency standards that automakers say could hurt their industry.

[No G8 accord on global warming cuts: US](#)

The Group of Eight summit final communique will not set long-term targets for cutting the emissions that cause global warming, an advisor to US President George W. Bush said Wednesday.

[China balks at emissions caps](#)

China echoed the Bush administration's stance on global warming Monday, refusing to set firm caps on its greenhouse-gas emissions and saying that economic growth remained its "first and overriding priority."



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