



DrumBeat: August 29, 2007

Posted by [Leanan](#) on August 29, 2007 - 9:09am

Topic: [Miscellaneous](#)

[Gas prices expected to keep more drivers home](#)

Fewer Americans plan to travel by car this Labor Day weekend, AAA says, despite gas prices that are about a dime lower than a year ago.

...“This year families appear to be concerned about the travel costs associated with an end of summer vacation, which may mean Americans aren’t canceling previously planned trips but are not planning to travel more than they did last year,” said Robert Darbelnet, president and chief executive of AAA.

[The other side of carbon trading](#)

Planting trees in Uganda to offset greenhouse-gas emissions in Europe seemed like a good idea - until farmers were evicted from their land to make room for a forest.

[Heat wave will stress California electric grid](#)

Electricity demand in California surged past forecasts Tuesday, setting a new peak for the summer and prompting calls for conservation as a heat wave was expected to push demand near all-time record highs on Wednesday and Thursday.

[Gas prices and ghost towns](#)

Throughout the West, from Alaska to west Texas, mining camps and once-vibrant towns have decayed into relics, their fates sealed by the whimsy of economics, changes in transportation, or the boom and bust of resource extraction. We drive past, wondering what they once were like, or wondering who lives there now, or, perhaps not noticing them at all.

Which of today's thriving towns will become the next century's ghost towns? What places will have become forlorn, decrepit and abandoned? This might be wild speculation, but could the answer be the West's sprawling subdivisions that depend on the automobile and cheap fuel, those far-flung developments miles from Main Street,

work, schools and soccer fields, that Americans love for their views, relative quiet and sense of privacy?

[The last straw? Alongside debt, rising food prices threaten industrial growth](#)

Just when the world economy seemed to have found immunity to rising world fuel prices, the rising world grain price may be the shock that finally ends its long upturn, as costlier food baskets eat into household budgets.

[Western oil firms face growing troubles in African countries](#)

Big foreign oil companies are finding it harder to make money in Africa because of the region's often unstable politics, output restrictions and moves by some governments to rewrite contracts.

Africa remains one of the last big regions open to foreign oil exploration, and companies of all stripes are benefiting from record energy prices. But fresh obstacles threaten to crimp future production in a region that is crucial to global energy supplies.

[Nigeria: Oil Theft Costs Nigeria \\$14 Billion Yearly](#)

Nigeria loses \$14 billion a year to the highly lucrative and illegal business of oil bunkering, the President of the Corporate Council on Africa, Stephen Hayes has said.

[California's gain but Oregon's pain](#)

The push by energy speculators from Texas, New York and California to build the first West Coast liquid natural gas terminal in Oregon is yet another unfortunate sign that our state is being viewed as a suitable place for high-risk industrial projects that California and Washington won't tolerate. While the residents and political leaders of Tijuana, Mexico, successfully fought plans for an LNG terminal there, most of Oregon's politicians have been unwilling so far to speak out against such projects.

[Study links CO2 to demise of grazing lands](#)

Rising levels of carbon dioxide in the atmosphere may be contributing to the conversion of the world's grasslands -- crucial for livestock grazing -- into a landscape of useless woody shrubs, according to a study released today.

Because humans have the mobility and intelligence, they can restore the ecosystems and increase the diversity of many areas over what would be climax. Humans can potentiate ecosystems and live in stability from the increase. Realizing that now, anything except existing wild lands would be scar tissue renewing the flesh of the earth. The preferred method of restoration would be the practice of Permaculture. This method of growing food and restoring ecosystems has spread world-wide among cognizant people .

[Credit crunch cools demand for automobiles](#)

Just when the U.S. automotive sector looked to be getting its legs underneath it after a years-long slump, another stumbling block has come along to knock it off kilter — the credit crunch.

The ongoing pain in the housing sector — including higher monthly payments for some owners and declining home values for others — is persuading many Americans that buying a car is not a good idea right now, according to market research company CNW Marketing Research.

[Edwards: Americans should give up their SUVs](#)

Democratic presidential candidate John Edwards told a labor group Tuesday that he would ask Americans to make a big sacrifice: their sport utility vehicles.

“I think Americans are actually willing to sacrifice,” Edwards said during a forum held by the International Association of Machinists and Aerospace Workers. “One of the things they should be asked to do is drive more fuel efficient vehicles.”

[Hot Metal. Cheap Price!](#)

But wait ... the shortfall gets even bigger once you take into account the projected decline in the amount of uranium available from decommissioned nuclear weapons over the next 20 years.

About one-third of the uranium used in the U.S. comes from old Russian nuclear warheads under the Megatons-to-Megawatts program. The Russians have said they won't renew the agreement when the program expires in 2012. Why? They need the fuel for their own plants and they're sick of selling it cheap.

[In Caspian, Big Oil Fights Ice, Fumes, Kazakhs](#)

On an island in the Caspian Sea, the hub of the world's largest oil-development project, a thousand men in orange jumpsuits train for catastrophe.

Oil in the Kashagan field here is potentially lethal, with high concentrations of hydrogen sulfide gas. So workers carry oxygen canisters and gas detectors and do daily evacuation drills. High-tech getaway boats stand ready to whisk them to safety. The place feels more like a hazardous-chemical plant than an oil rig.

"One breath would kill you," says offshore installation manager Ian King.

Since an unlikely alliance of Western oil companies received rights to drill for oil here a decade ago, they've struggled to cope with a combination of rig-wrecking ice packs, bone-chilling winters and noxious, high-pressure gases. Yesterday, the consortium's bid to exploit one of the world's top oil deposits encountered its biggest challenge yet: Kazakhstan's government, stung by delays and rising costs, suspended the group's permit for the field, halting work there for the next three months.

[Peaking Oil Production: Blindsided by Peak Oil](#)

The longer we wait, the worse the consequences will be. I can't but wonder how many people will be saying over the next decade, "We should have done something about this years ago."

I'm growing more restless with each passing day. And after the conversations I've been having with readers for the past few weeks, it appears that a lot of you are too.

[Precious metals are about to play catch-up](#)

Now, to illustrate my point that supply and demand are important factors, I would add that this rising demand (regardless of monetary inflation) would not have translated into a higher oil price IF there was an endless supply of oil. In the current scenario however, the oil price is rising because supplies are extremely tight when compared to demand. In fact, I would argue that humanity is staring "Peak Oil" in its face.

Today the average Chinese person consumes less than two barrels of oil per year and the average Indian consumes less than a barrel of oil per year whereas the average American consumes 25 barrels per year. After reviewing this data, you don't have to be a rocket-scientist to figure out that demand for energy in Asia can only rise in the future. And unless we can find a way to increase supply, the price of oil will continue to appreciate.

[Conservation Lessens Energy Profits](#)

The world is devoting more resources to renewable energy, yet little is done about the

best solution – energy conservation. This is because selling energy is a business, and no businessman wants to encourage his customers to use less of his product. Another problem is that governments generate tax revenue from the sale of energy, so simple ideas to conserve energy are often ignored.

[Nicaragua, US Company in Oil Spat](#)

Nicaraguan vice president, Jaime Morales, criticized the lack of cooperation by the US company ESSO for refusing to store Venezuelan oil.

According to the vice president, ESSO "put both feet in" by refusing the use of its storage tanks at a time that the country is going through a serious energy crisis.

[Gaz de France to convert salt caves into gas store](#)

Gaz de France has unveiled a £350m deal to develop salt caverns in the north-west of England to store gas, as the Government grapples with Britain's mounting energy crisis.

[Running out of Roughnecks](#)

The prospect of a work stoppage by more than twenty-thousand construction workers in Canada's oil-rich province of Alberta has sent tremors far beyond North America. "Unions know they have oil companies by the neck," writes the *Financial Post's* Claudia Cattaneo, pointing out Alberta's labor shortage, which gives workers the clout to reject a 24 percent pay increase over four years that would make most Canadians "cringe with envy." Some of the workers consider a four-year contract too long (*Global Investor*) and say they are "simply fighting for the best deal as employers book record profits."

[OPEC Chief Visits Angolan State Oil Firm](#)

OPEC Secretary General Abdullah el-Badri wrapped up a meeting to the oil cartel's newest member Angola today by holding talks with bosses at state-run oil firm Sonangol, official media said.

Although there were no details about the outcome, the talks were expected to focus on the the production level that OPEC, which regulates oil supply from its members to control prices, will fix for Angola.

[India: Industrial blunders](#)

There is yet another issue with regard to economic growth and its relationship to the

quality of life. Economists typically suffer from a growth fetish and imagine that it can solve most of the problems of the contemporary world. But there are a thousand reasons to suspect that the reported numerical increases in GDP and its growth do *not* add to the welfare of ordinary people in the country to the degree normally believed. In many cases, “better” numbers are portents of decline and failure in often immeasurable ways. Apart from well-known conundrums such as the GDP going up if a wife divorces her husband and sells him sex thereafter, or the GDP rising with greater medical expenses on account of the growth in respiratory diseases from pollution, there are numerous problems (too many to go into here) with taking the GDP measure of human welfare seriously. One problem with GDP measures is that if growth is accompanied by rising inequalities and expenses on guard labour to control growing crime rates, many of the purported benefits are cancelled out. An even more intrinsic problem with using the GDP measure as an index of human welfare in a country like ours – with such a huge unmonetised subsistence economy – is particularly serious: losses occurring in the economic realm outside the measured markets (tribal populations living on gathered minor forest produce or fisherfolk catching fish to eat for themselves along the coastline or small farmers growing their own grain) remain unreckoned. Thus, unsurprisingly, the government will offer figures for the creation of jobs (in say, SEZs) but never for the number of *livelihoods* (which are more than jobs after all) *lost*.

[DC Metro Blames Mechanical Failures](#)

Metro officials said the unsettling series of smoke and fire incidents that halted train travel throughout much of the system for two nights probably was caused by power and equipment failure and not sabotage, underscoring the agency's difficulty in maintaining and operating the aging rail line as ridership grows.

...Metro's most recent difficulties highlight one of its biggest issues -- maintaining its worn equipment, such as its power substations, signaling and communications systems, and track beds. Some of the fires, for example, were caused by smoldering insulators that heated up because they were damaged by water or were coated with grime. The 31-year-old system has about 250,000 such insulators, which are attached to the electrified third rail that powers the trains.

[North Dakota Oil](#) (video and transcript)

You may be wondering why are we experiencing a gasoline shortage when oil production is peaking in North Dakota...

The shortage isn't with oil the bottleneck is in the refining process.

This graph shows you what's going on...

We have three pipelines that bring gasoline into the state.

All three of them dead end in North Dakota. President of the North Dakota Petroleum Council, Ron Ness, says being at the end of the pipeline means we get the left overs and

now there's not much left over to get.

[Subprime crisis gives Opec dilemma](#)

Before the subprime crisis, Opec had been expected to raise production at that meeting. Now it is worried that it could be increasing supply just as demand is about to collapse in a global economic downturn.

Opec is haunted by the meeting in Jakarta in November 1997, when its members agreed a 10 per cent increase in its output quota as the Asian financial crisis was beginning.

Before that decision, the price of oil was above \$20. Afterwards, fears of a global recession and two warm winters sent it down to \$12 in 1998 and then \$10 in 1999.

[Oil Shale to the Rescue?](#)

Let me start by saying that this post is as non-partisan as it gets. I care about America, not political parties. So buckle your seatbelt...

We're facing an oil crisis. Biofuels and hybrids will not save us in time. But oil shale might.

[Linux, Windows duke it out over energy efficiency](#)

The battles for energy efficiency aren't just being fought by chipmakers, server and PC vendors, and other hardware companies out there. There's a similar battle heating up on the OS layer between Microsoft and Linux.

[The looming food crisis](#)

Land that was once used to grow food is increasingly being turned over to biofuels. This may help us to fight global warming - but it is driving up food prices throughout the world and making life increasingly hard in developing countries. Add in water shortages, natural disasters and an ever-rising population, and what you have is a recipe for disaster.

[Kenya: Biofuels Likely to Boost Energy But Increase Hunger, Now Critics Warn](#)

Though biofuels are being touted as the solution to Africa's growing energy crisis, not

everybody is happy with the rising demand for biofuel products.

Already, some environmentalists have raised concern about the potential threat to the continent's weak food security.

[Ethanol byproduct aids farmers, ranchers](#)

The rising demand for corn to make renewable fuel might be hurting some dairy farmers and beef ranchers, but others are finding advantages to staying close to ethanol plants.

Converting corn into ethanol produces a byproduct called distillers grains, which can be used as high-protein livestock feed. Most are dried so they can be shipped across the country and overseas, but cattle ranchers within 50 miles or so from an ethanol plant can save money by buying wet distillers grains.

[Moscow Court Issues Arrest Warrant for Former Russneft CEO](#)

Moscow's Tverskoy court today issued an arrest warrant for NK Russneft OAO former chief executive Mikhail Gutseryev, Interfax reported.

The billionaire executive left the company in July after what he described as an "unprecedented hounding" by the Russian government.

Russneft is the focus of several enquiries, notably in court for the "illegal activities" of its subsidiaries and by the Ministry of the Interior for large-scale tax evasion.

[NOAA blames hot year on greenhouse gases](#)

Warming caused by human activity was the biggest factor in the high temperatures recorded in 2006, according to a report by researchers at the National Oceanic and Atmospheric Administration.



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