



DrumBeat: October 18, 2007

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Topic: [Miscellaneous](#)

[The time remaining for serious action on energy is short](#)

The rapid loss of Arctic ice has led nations to lay claims to possible energy reserves under the thinning polar ice cap. Deffeyes said more than 100 deep-sea holes have been drilled elsewhere and no oil has been found. A set of special conditions are all required to produce oil and natural gas reserves and most of the planet never had all of them. There may be no significant reserves beneath the Arctic ocean.

Deffeyes noted that the time remaining for serious action on energy is relatively short, perhaps five years. The path we have been on will likely lead to war and famine, but, we still have choices in that regard.

[John Michael Greer: The age of scarcity industrialism](#)

A very large percentage of the energy used in a modern industrial society, after all, is wasted. During an age of cheap abundant energy, it's profitable to use energy in ways that have no real economic value at all, because the profit to be made selling the energy outweighs the short-term costs of wasting it. Tourism, the world's largest industry just now, is a classic example. Shut down the tourist industry – as every country in the world did during the Second World War – and redirect the resources now wasted on tourism to other uses, and industrial societies could weather a steep drop in energy supplies without impacting necessary goods and services. The same is true of many other dimensions of today's economy of waste.

[Energy-rich Caspian becomes center of U.S.-Russia power struggle](#)

Is the Caspian a sea or a lake?

The answer has immense repercussions for the energy industry. If it is a lake, there are no obligations by countries that flank it to grant permits to foreign vessels or drilling companies. But if it is sea, there are international treaties obliging those countries to an array of permits.

[Drugs are not our only addiction](#)

We have to agree with Mr. Bush that alternative energy sources are critical to our survival as a strong nation, but who will step forward and try to effect genuine change? If someone does take that brave step, he or she should first knock on Jimmy Carter's door to learn just how painful the price of change can be.

[Oil? What's the password?](#)

Anyway, back to oil. If prices remain this high, we'll all just spend a bit more and save a bit less. But if this volatile commodity goes ballistic, then every element of modern life is going to blow up with it, and spending a bit more won't even be an option, because there won't be much to spend it on. We'll be all foraging for coconuts.

So maybe hiding out in a well-provisioned cave doesn't sound so bad, as we contemplate a Mad Max world. I ain't saying it's going to happen, but if you're looking for something big to worry about, and the global warming trend has gotten so mainstream, even bland, that it's lost its trendy edge, then oil paranoia could make for a wonderful hobby. Believe me, you might have plenty of company soon.

[Maine: Oil price spike fouls state tax revenue forecast](#)

Oil prices, which hit an all-time high of \$88 a barrel on Tuesday, could dampen holiday sales and further erode the state's revenue projections that already suffer from lower-than-anticipated corporate income and cigarette tax collections.

[Slutz getting around but few are interested](#)

Sadly for Slutz, not many in Australia had the chance to hear about his committee's findings. At a press conference in Perth, a grand total of one journalist turned up to hear him speak.

[Uganda: Gulu Faces Fuel Shortage, Fares Hiked](#)

A FUEL shortage has hit Gulu district, leading to a hike in transport fares. Motorists and boda boda cyclists on Tuesday morning queued at the Caltex station, the only station that had fuel.

[Diesel price hits record](#)

LONDON - Retail prices for diesel have struck a record high and are set to rise further,

the Automobile Association said on Thursday.

[OPEC: Strong oil demand will continue through '08](#)

The Organization of Petroleum Exporting Countries (OPEC) says world crude oil demand remains steady despite high prices and gave no indication of planning an increase in output to ease prices from this week's all-time highs.

[New tensions accompany promise of alternative fuels](#)

First came the boom. Now, the backlash.

Biofuels have gotten a bad name around the globe, despite their ability to reduce oil use.

Whether the blame is fair or not, a negative image could limit the potential to create more environmentally beneficial fuels, experts say.

[Do food miles make a difference to global warming?](#)

The U.S. local food movement -- which used to be elite, expensive and mostly coastal -- has gone mainstream, with a boost from environmentalists who reckon that eating what grows nearby cuts down on global warming.

But do food miles -- the distance edibles travel from farm to plate -- give an accurate gauge of environmental impact, especially where greenhouse gas emissions are concerned?

[The Green-Collar Solution](#)

"Try this experiment. Go knock on someone's door in West Oakland, Watts or Newark and say: 'We gotta really big problem!' They say: 'We do? We do?' 'Yeah, we gotta really big problem!' 'We do? We do?' 'Yeah, we gotta save the polar bears! You may not make it out of this neighborhood alive, but we gotta save the polar bears!' "

Mr. Jones then just shakes his head. You try that approach on people without jobs who live in neighborhoods where they've got a lot better chance of getting killed by a passing shooter than a melting glacier, you're going to get nowhere -- and without bringing America's underclass into the green movement, it's going to get nowhere, too."

[Sweden's sustainable finance system](#) (podcast)

Oscar Kjellberg is the former CEO and current strategic manager of J.A.K. Members Bank in Sweden, an interest-free, member-owned savings and loan. In this interview with Andi Hazelwood of Global Public Media, Kjellberg talks about the history of J.A.K. Members bank, explains the J.A.K. banking model and illustrates how the conventional interest-based system, with its growth imperative, is unsustainable. Kjellberg also discusses how the J.A.K. model differs from the interest-free Islamic banking system, and how the current mortgage and currency crisis in the US is a result of interest-based financing.

[Tar Sands and the American Automobile](#)

The tremendous energy required to bring the sand to the surface for separation is largely provided by natural gas. (Oil sands consume about 500 million cubic feet of natural gas a day, an amount likely to increase to 1.25 billion cubic feet daily by 2016. The process is so inefficient that the natural gas required to produce one barrel of tar sands oil could heat a family home for two to four days. This process uses a relatively clean fuel to assist in the production of a dirtier one, prompting oil analyst Matt Simmons to describes the process as “making gold into lead.”

[Brit's £6bn oil giveaway to EU](#)

BRITAIN will be forced to surrender its oil stocks to the EU under the new treaty – costing taxpayers £6BILLION.

European Commission chiefs will be able to order the UK to increase its oil reserves in case of emergencies in OTHER nations.

It would mean Britain would have to hand over stocks to EU states suffering an energy crisis.

[ANALYSIS-No "big bang" Mexico energy reform, only tweaks](#)

Mexico is facing a double headache of declining output and proved reserves that have shrunk to just nine years' worth of output. Pemex lacks the technology to explore deep waters in the Gulf where it thinks massive reserves might be found.

Despite winning two other economic reforms in only a few months, Calderon lacks a majority in Congress and a key opposition party is not keen to lift a 70-year constitutional ban on direct private investment in energy.

[Canada-Mexico Energy Deal Signals Deeper Bilateral Ties](#)

A new agreement between a Calgary-based oil and gas firm and Mexico's state-run

energy company is being hailed as a significant deal that could signal the beginning of a shift in what defines the Canada-Mexico relationship.

[Local groups use peer pressure - and fines - to cut carbon emissions](#)

Some local initiatives emphasize adoption of new technologies or vastly improved rates of recycling. Others aim to push the government to set a mandatory cap on the amount of carbon dioxide each citizen may generate. But all these efforts face a balancing act: Satisfying a desire among the early adopters to make quick progress and, at the same time, developing models that could become accepted by the general public.

[US concerned about "very high" oil prices: Bodman](#)

"The signs are that there are issues related to the amount of supply," Bodman told reporters hours after oil touched a record peak of \$89 a barrel, adding that prices were "very high."

"I would think it would have an impact on the decision making - not just OPEC but all of the exporting countries. I think the message has become reasonably clear," Bodman said.

[New Zealand: Official oil forecasts wildly incorrect](#)

"Every Reserve Bank prediction has said that oil prices will stabilise and then drop, when in fact they have continued to rise. In December 2005, the Reserve Bank's prediction was that the price right now would be US\$40 a barrel - less than half what it actually is. The following year they recognised this looked silly so predicted the US\$40 price would be reached instead at the end of 2009.

"Does anyone continue to believe this fantasy?"

[Next Stop: \\$100 Oil?](#)

Some analysts say record highs are only the beginning. Traders betting on rising global demand could push prices up further.

[Wesbury: Economy keeps going and going](#)

"Thomas Malthus was wrong," said Wesbury. "What'd he miss? The tractor, fertilizer ... he missed technology."

Wesbury said he recalls former President Jimmy Carter stating in 1978 that the world would have peak oil in 1984 or 1985. Now, said Wesbury, peak oil is projected to be reached in 2112.

"We will never, ever, ever run out of oil," he said. "That last barrel of oil will cost \$1 trillion, and it will end up in the Smithsonian Institute. Because way, way before that, someone will figure out how to heat homes, drive cars ... without using so much petroleum.

"They are all wrong because they don't believe in the human ingenuity," he added. "They don't have faith in humankind."

[Indonesia: Oil prices a threat to state budget](#)

Oil could well be a slippery factor again for the state budget -- and Indonesia's whole economy -- if its prices continue to rise and strain the country's fuel-related subsidies, analysts warn.

[Putin Suggests U.S. Wants Iraq's Oil](#)

President Vladimir Putin, in his latest jab at Washington, suggested Thursday that the U.S. military campaign in Iraq was a "pointless" battle against the Iraqi people, aimed in part at seizing the country's oil reserves.

[Higher Alberta Levies Threaten Oil Sands Pipeline Plans](#)

Raising Alberta's oil and gas royalty rates could threaten at least C\$15 billion in proposed oil sands pipelines, as producers delay or cancel projects to develop the resource, a report said late Tuesday.

[The tip of the iceberg](#)

Britain's new claim for sovereignty in Antarctica is all about energy, but we should now expect a sharp backlash and criticism from around the world.

[Think \\$80 oil is painful? Wait until spring](#)

Stable gasoline prices over the last two months have shielded U.S. consumers from the impact of galloping crude oil prices, but drivers will face more pain at the pump if the cost of crude remains high into next spring.

[The next oil shock could come soon](#)

ARE you ready for oil at \$US100 a barrel? It's getting closer after hitting new highs above \$US88 this week, and you will feel the pain at the petrol bowser. Console yourself with the thought that you are taking a hit for your country: in the Organisation for Economic Co-operation and Development universe, there's probably nowhere better to be than Australia when the price is surging.

[Oil price can hit \\$150 before 2010 - Investec](#)

The price of oil, which hit a new record high above \$88 a barrel on Tuesday, can rally further and may reach \$150 before 2010, the fund manager for Investec's Global Energy Fund said.

"The reason why it has potential is the underlying supply and demand fundamentals are causing a serious crunch in oil markets," said Tim Guinness, chairman of Guinness Asset Management, who runs the Investec Global Energy Fund.

[When Peak Oil Meets Global Warming](#)

Crude oil prices rose to nearly \$88 a barrel after Turkey approved a military incursion into Kurdish Iraq yesterday, which is just one reason why Jeremy Leggett's ideas about peak oil and global warming are getting attention.

[BP Executive pied as Europe's largest BioFuels Event disrupted](#)

This morning a group of 15 climate change activists from protest group Food Not Fuel entered the BioFuel Expo & Conference taking place at the Newark Showground and took over the keynote speech. Oliver Mace, CEO of BP Fuels, the lead sponsors of the event recieved a cream pie in the face. Another campaigner was D-locked to the podium and various alarms were placed around the place. The hall was emptied and talks were canceled. There were no arrests.

[Firefighters battle flames after explosion rocks Exxon Mobil refinery](#)

Production at the facility that refines 60,000 barrels of oil a day has been scaled back due to the malfunction, Getz said. The extent of the damages and the exact cause of the malfunction will remain unknown until the fire is completely extinguished and investigators can examine the area where the malfunction occurred, Getz said.

Getz described as speculation some reports that the incident caused a spike in world oil market prices.

[Oil Refinery Problems Play Role in Prices](#) (audio)

U.S. refineries are operating at close to full capacity and are aging, vulnerable, overburdened and very difficult to replace. That means problems at a single plant can have an outsize effect, causing pump prices to fluctuate wildly.

[As oil super-spike hits, stocks pay attention](#)

Wall Street gasped, then guffawed, two years ago when Goldman, Sachs & Co. analysts said the oil market had entered a multi-year "super-spike" period that would ultimately send crude prices as high as \$105 a barrel.

Oil was averaging around \$50 a barrel at the time, well into the Iraqi war, and there was not much reason to see it going any higher than \$60, or for the very bullish, \$70.

But I knew Wednesday morning that the current spike, a speculative frenzy if there ever was one, was the real thing when I saw a story in my newspaper about how higher oil prices no longer mean much to the U.S. economy.

[“Oil at \\$87 a barrel is cheap”](#)

Geopolitical tensions pushed New York crude contracts for November delivery to a record high of \$88.20 a barrel on Tuesday night, prompting market watchers to revise their price forecasts, and some are even predicting a leap to \$300 a barrel should the US invade Iran.

[Experts Worry That World Oil Production May Soon Peak](#) (podcast)

Energy experts from around the world have gathered in Houston for a three-day conference on the issue of peak oil, which involves predictions that world oil production will soon reach its peak and then go into decline. This could cause a global economic crisis since demand for energy is not expected to slow, but, in fact, is expanding rapidly.

[Crude Oil Futures Surpass \\$86: Backwardation Is Back](#)

The ill-founded, yet perpetual "oil prices will be lower in the future" thinking by traders flies in the face of all that is known about peak oil projections and expected demand as a result of emerging economies around the world.

[Iran, Sanctions and War: the Oil Factor](#)

Is Iran importing gasoline because it is running out of oil? Do the fuel riots in Iran earlier this year mean that sanctions against Iran are working? Would Iran use the oil weapon? Can the oil weapon be used against Iran? These questions are crucial, but attempts to answer them have often been misleading and characterized by hyperbole. But putting the oil factor in context is important if there is to be an accurate analysis of current U.S.-Iran relations, and of Iran's role in the global energy market.

[Is Crude Oil on Course to hit \\$100 per barrel?](#)

An accurate reading of the global supply and demand picture is certainly a big help in predicting global oil prices. But if one wants to point the “finger of blame” at the biggest culprit behind the historic rise in crude oil prices, it’s no other than Federal Reserve chief Ben “B-52” Bernanke, whose decision to bail-out Wall Street brokers and banks this past summer, by slashing short-term interest rates, set in motion another US dollar devaluation, and sent global oil prices and gold sharply higher.

[Iran, Venezuela Form Oil Venture to Rival Shell, Eni](#)

Iran and Venezuela, the producers of about 9 percent of the world's oil, will form a \$1 billion global venture for projects in countries where companies such as Royal Dutch Shell Plc or Eni SpA are facing tougher business conditions.

[Ex-CIA chief wants energy independence](#)

It is in the U.S.'s national security interest to continue developing transportation fuel derived from agricultural products because the country has become dangerously dependent on foreign oil, former CIA Director James Woolsey said.

[Biofuels use transforming commodity markets: CME chief](#)

The recent surge in crude oil and wheat prices to record highs pointed to a transformation of commodity markets, said Craig Donohue, chief executive of the world's largest financial exchange.

"This is an entirely new market in commodities. We see a tremendous convergence now between (soft) commodities and energy with many economies becoming very ethanol based," he told reporters during a visit to Tokyo.

[IMF concerned by impact of biofuels on food prices](#)

The IMF warned Wednesday that an increasing global reliance on grain as a source of fuel could drive up food prices in poor countries.

"The use of food as a source of fuel may have serious implications for the demand for food if the expansion of biofuels continues," the International Monetary Fund said in its twice-yearly report on the world economy.

[Annan urges united action to tackle climate change](#)

GENEVA (AFP) - Former UN chief Kofi Annan formally launched his new humanitarian forum here on Wednesday by urging all nations to work together to meet the challenges of climate change.

[Climate change reshaping Arctic](#)

The Arctic is under increasing stress from warming temperatures as shrubs colonize the tundra, changing wildlife habitat and local climate conditions, researchers said Wednesday.

Sea ice fell well below the previous record, caribou are declining in many areas and permafrost is melting, according to the annual update of the State of the Arctic report.



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