



DrumBeat: December 16, 2007

Posted by [Leanan](#) on December 16, 2007 - 9:59am

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[OPEC May Increase Oil Quotas in February, Algeria's Khelil Says](#)

OPEC, producer of more than 40 percent of the world's crude oil, may increase output quotas when it meets February 1 because stronger demand is expected during the winter season, Algerian Oil Minister Chakib Khelil said.

"The forecasts now point toward a cold winter, and the economy seems to be improving. That means stronger demand" for oil, Khelil said today in an interview in Limassol, Cyprus. "The chances that we could decide to increase output are greater than reducing output."

[Friend or foe?](#)

Friend or foe, or something uneasily in-between? That's the question Europe is asking about Russia, and Russia about a newly aggressive Europe. President Vladimir Putin's choice of Dmitri Medvedev, chairman of Gazprom, the gas company with an emerging stranglehold on European energy supplies, only throws this question into an even starker light.

[Gazprom warns of tensions with Ukraine if new govt tries to amend price accords](#)

Russian energy giant Gazprom Sunday warned of a risk of "tensions" with Ukraine's future government, two days before a vote in the Ukrainian parliament on pro-Western Yulia Tymoshenko for prime minister.

"Today, the only place where there could be tensions is in Ukraine," said Gazprom spokesman Sergei Kuprianov on the Russian news channel Vesti 24.

[India: 'The era of easy oil is over'](#)

There has been a paradigm shift in the oil market. On the demand side there are today many more drivers of demand than before. Earlier, the OECD countries were the

principal engines of demand growth.

Today in addition to OECD, there is China, India, Russia and the West Asia. On the supply side, there is anxiety. The era of 'easy oil' is over. Globally, there is no shortage of hydrocarbons.

It is simply difficult to find them and then once found difficult to develop them. This is because they are in geologically difficult and logistically extreme topography (eg. Deep waters, Arctic etc).

[Finland: Electricity Prices Continue to Rise](#)

According to Timo Pylvänen, the managing director of Savon Voima, the price of wholesale electricity will skyrocket next year. Wholesale prices are expected to be 60 percent higher next year than this year in Nordic countries.

[Iraqi Oil Tanker Company launches first ship in 27 years](#)

The Iraqi Oil Tanker Company is launching its first oil tanker Monday in 27 years. While the company already has 22 ships in its fleet, the 14,000 ton capacity ship being delivered Monday is the first time the Tanker Company has been able to add new ships to its fleet since the onset of the Iraqi-Iranian war in 1980.

[Michael Pollan: Our Decrepit Food Factories](#)

To call a practice or system unsustainable is not just to lodge an objection based on aesthetics, say, or fairness or some ideal of environmental rectitude. What it means is that the practice or process can't go on indefinitely because it is destroying the very conditions on which it depends. It means that, as the Marxists used to say, there are internal contradictions that sooner or later will lead to a breakdown.

For years now, critics have been speaking of modern industrial agriculture as "unsustainable" in precisely these terms, though what form the "breakdown" might take or when it might happen has never been certain. Would the aquifers run dry? The pesticides stop working? The soil lose its fertility? All these breakdowns have been predicted and they may yet come to pass. But if a system is unsustainable — if its workings offend the rules of nature — the cracks and signs of breakdown may show up in the most unexpected times and places. Two stories in the news this year, stories that on their faces would seem to have nothing to do with each other let alone with agriculture, may point to an imminent breakdown in the way we're growing food today.

[In China, Farming Fish in Toxic Waters](#)

Fuqing is one of the centers of a booming industry that over two decades has transformed this country into the biggest producer and exporter of seafood in the world, and the fastest-growing supplier to the United States.

But that growth is threatened by the two most glaring environmental weaknesses in China: acute water shortages and water supplies contaminated by sewage, industrial waste and agricultural runoff that includes pesticides. The fish farms, in turn, are discharging wastewater that further pollutes the water supply.

“Our waters here are filthy,” said Ye Chao, an eel and shrimp farmer who has 20 giant ponds in western Fuqing. “There are simply too many aquaculture farms in this area. They’re all discharging water here, fouling up other farms.”

[Lice in Fish Farms Endanger Wild Salmon, Study Says](#)

Parasites that breed in fish farms kill so many passing juvenile wild salmon that they threaten the survival of fish populations in some rivers and streams, Canadian researchers are reporting.

The researchers studied pink salmon in an area north of Vancouver Island, British Columbia. But they said their findings, and earlier studies of the effects of farm-borne parasites on wild salmon, were so damning that they challenged aspects of aquaculture generally.

[OPEC had several reasons for not boosting production this month](#)

OPEC, producer of 40 percent of the world's oil, kept their output targets unchanged, dismissing calls to add more oil to the market with prices hovering around \$90 a barrel.

This came as no surprise as we assumed the cartel would not boost production for several practical reasons.

[Syrian oil minister says Syria-Iraq pipeline will reopen within 2 years](#)

A pipeline linking Iraq's northern oil fields with Syria's Mediterranean coastline will be operational within two years but needs repairs in Iraq, Syria's oil minister said Sunday after meeting with a visiting Iraqi delegation.

[Reservoirs Closed After Carcinogen Is Found](#)

LOS ANGELES (AP) — Two reservoirs that supply drinking water to parts of the city have been shut down and will be drained after a rare sunlight and chlorine reaction

tainted the water with a cancer-causing chemical, utility officials said Friday.

The Los Angeles Department of Water and Power plans to drain 600 million gallons from the reservoirs, the Elysian and the Silver Lake, early next year, said a water department spokesman, Joseph Ramallo. The reservoirs will be out of use for three to four months amid drought conditions.

[New 'Great Game' for Central Asia riches](#)

In the past few years, Chinese fruit, vegetables, TV sets, T-shirts and tires have flooded markets along the old Silk Road in former Soviet Central Asia. Each day, all along the Chinese border, hundreds of tractor-trailers rattle west.

These goods are the most visible sign of Beijing's growing power here as China, Russia, the United States and others compete for financial and strategic advantage on the borders of some of the world's most turbulent countries - Iran, Afghanistan and Pakistan.

It's a struggle in which China seems to be gaining the upper hand.

[Turkey Reports Airstrike on Iraq](#)

Turkish warplanes hit Kurdish rebel targets in northern Iraq early Sunday, Turkey's military said, the first such attack since the U.S.-led invasion of Iraq. An Iraqi official said the planes attacked several villages, killing one woman.

Deputy Prime Minister Cemil Cicek urged Kurdish separatists to surrender and said Turkey would press ahead with operations against rebel bases in northern Iraq "with determination when necessary."

[Vietnam: Nationwide blackouts for December](#)

Electricity of Vietnam (EVN) announced it would start massive load-shedding until the end of the year, because of water shortages and technical break-downs at power plants.

The EVN's National Load Dispatch Center (NLDC) said in a statement on Wednesday, power would be cut between 9-11 a.m. and 5-7 p.m. everyday on a massive scale throughout Vietnam.

[Should a fireplace fire make you guilty?](#)

Is it right to be among the 3.2 million Canadian households that enjoy a soul-warming

fire at least some of the time? And if you eschew fossil fuels and electricity as sources of heat, relying on wood burning to warm up at least part of your residence, are you doing the atmosphere a favour?

As with anything pertaining to the environment, the answers aren't simple.

[Homespun Electricity, From the Wind](#)

Until recently, wind turbines were used primarily by those who lived outside the range of local utility lines, or who wanted to live completely off the grid. Now, reductions in their size and cost, along with improvements in their efficiency, are allowing suburban homeowners with no dissident leanings to speak of to install them in growing numbers, with concerns over rising energy costs and global warming driving the demand.

[Building a Greener Cardboard Box](#)

AMERICANS are using more cardboard in different ways each year. But tree replanting and technological advances in making cardboard are easing the environmental impact, says Patrick J. Moore, chairman and chief executive of the Smurfit-Stone Container Corporation, the largest maker of paper-based packaging products, with \$7.2 billion in sales in 2006. Mr. Moore, who is based in St. Louis, says recycling programs are also improving the environmental impact of all the packaging that Americans consume.

[Points of no return ahead](#)

For the last few years, James Hansen, the man who first warned Congress of global warming in testimony last century, and the man considered NASA's "top scientist" on climate questions, has been giving talks around the country asking can we avoid dangerous climate change (PDF)?

But Hansen has changed his tune: no longer does he ask if we have passed the tipping points of climate change. In a press conference Thursday morning at the American Geophysical Union, he stated that we have passed several tipping points. He said scientists now know that soon the Arctic will be ice-free in the summer, that huge ice sheets will melt, and the climactic zones will shift towards the poles of the earth, among other consequences.

[Before It Disappears](#)

The Woodses are part of a travel trend that Ken Shapiro, the editor in chief of TravelAge West, a magazine for travel agents, calls "the Tourism of Doom."

"It's not just about going to an exotic place," Mr. Shapiro said. "It's about going

someplace they expect will be gone in a generation.”

From the tropics to the ice fields, doom is big business. Quark Expeditions, a leader in arctic travel, doubled capacity for its 2008 season of trips to the northern and southernmost reaches of the planet. Travel agents report clients are increasingly requesting trips to see the melting glaciers of Patagonia, the threatened coral of the Great Barrier Reef, and the eroding atolls of the Maldives, Mr. Shapiro said.

[In Duck Blinds, Visions of Global Warming](#)

After 32 years of hunting ducks in the wetlands of Missouri, Chuck Geier knows when temperatures will drop and waters will freeze. That means he also knows when the birds will fly and hunting will be best.

Except that much of what he knows is now in question.

[Saudi calls to cut carbon emissions](#)

Saudi Arabia is in agreement with the call for greater efforts to reduce CO2 emissions and invest in new technology to curb environmental pollution.

[As China Goes, So Goes Global Warming](#)

The tide can only be turned, a host of scientists and economists with varied perspectives agree, if China and other rising powers like India speed through the familiar path in nation building — resource extraction, industrial and economic growth, accompanying despoliation, and then environmental restoration and protection. If they don't, their emissions will eventually swamp all other sources, according to many analyses.

[Plenty of oil left in the global tank](#)

The “peak oil has already happened” argument was partly based on the fact that global oil production, on International Energy Agency figures, had never been higher than the 86.13m barrels a day of July 2006.

That, however, is no longer true. World oil output in October was 86.5m barrels a day, 1m more than in October last year and 3m more than in October 2005. It edged up to 86.55m last month.

Even if it was the case that global oil production had been flat over the past couple of years, however, it would prove very little.

[Crude Oil Demand to Continue Accelerating for Decades - Energy Sector Trends Analysis](#)

Texas oilman and hedge fund manager T. Boone Pickens for well over a year now has questioned whether global production of crude oil liquids can exceed 86 million barrels per day. Many analysts disputed his analysis, claiming production could be increased well above the 86 million barrel per day level as new supplies were brought online and older fields were upgraded.

While not making a judgment whether Mr. Pickens is correct or not, the chart at right is quite interesting in light of his comments. Keep in mind global demand for crude oil has been increasing about 1.5 million barrels per day per year with global demand for petroleum liquids correlating very closely with economic growth.

[Peak performance: commodities still on the up](#)

PEAK oil, peak metals, and this year, peak food. Every bookshop has a corner warning that mankind will soon outrun the basic resources of the globe.

[Peak Oil reporting and internet advertising - Big Oil enters the debate](#)

The Google and Yahoo ads that ran alongside those stories at that time occasionally were energy-related, usually investment tips sheets or newsletters attempting to sell on the fear (and greed) that shadow peak oil. I viewed these as good things, as putting a dollar figure on peak oil brings the story home in real, tangible way.

But our recent energy package, which initially appeared in print in the December 7 issue of the North Denver News, has ads running from Big Oil's mouthpiece, the American Petroleum Institute, next to the story. (Editor's note: The Cherry Creek News does not control Google or Yahoo advertising-- they are placed by those companies using a content sensitive process external to our websites) This means that Big Oil (and the American Petroleum Institute), which has generally avoided engaging Peak Oil directly, are now paying to join the fight.

[Japan: High Fuel Prices Problem for Sea Transport to Outlying Islands](#)

The skyrocketing cost of oil is driving up fuel prices and causing problems for the businesses and local governments offering sea transport to the outlying islands. They've cut personnel costs, and reduced ship speeds and the number of trips, but operators claim prices have risen beyond the point where these efforts can succeed. The 40 operators in the region operating 47 sea transport routes lost an aggregate 4.2 billion yen in the first half of the current fiscal year. Continued price rises may cause sharp cutbacks in service, which could seriously inconvenience the islanders.

[Belarus to pay more for Russian gas](#)

- Belarus will pay nearly 20 percent more for Russian gas beginning next year, Russia's state-controlled gas monopoly said Saturday.

The statement came one day after President Vladimir Putin announced \$1.5 billion in loans to help the Belarus economy adjust to rising prices.

[The Tribulations of Iraq's Oil Industry Due to the Ambiguity of the Constitution](#)

Among the many humanitarian and political crises that Iraq is currently experiencing, there is a vital economic problem that will have a negative impact on the country's economic course over the foreseeable future. This problem is having an affect today, and it is represented by the vagueness surrounding the constitutional articles that deal with the management of Iraq's oil and gas resources.

[Crude oil spilled from Saudi Aramco pipeline](#)

Large quantities of crude oil were spilled from a pipeline owned by the state oil company Aramco, the third accident in the country's energy industry in about one month, Saudi newspapers reported Sunday.

Al-Riyadh daily said the spill on Saturday covered about three kilometers (two miles) of an uninhabited open area in the al-Dawadmi district near the capital, Riyadh.

[Nicaragua to Rent Disputed Oil Tanks](#)

The Nicaraguan government has agreed to rent - and later probably buy - a tank farm owned by an ExxonMobile subsidiary that is needed to store Venezuelan oil, ending a bitter dispute.

[Sen. Landrieu \(R-Big Oil\)](#)

You couldn't help but notice that it was Democrat Mary Landrieu of Louisiana who broke ranks and gave President Bush and the Republican leadership the one-vote margin they needed to defeat the Democratic version of the energy bill last week. Landrieu's problem was with a provision eliminating a \$1 billion-a-year tax break now enjoyed by five giant oil companies; the money would have be redirected to subsidize cleaner alternative fuels. As Landrieu saw it, that was "one-sided policymaking" that left "Louisiana industry footing the bill."

Landrieu's attempt to gussy up her cave-in to back-home special interests was

laughable. There was nothing one-sided about the bill -- it was a comprehensive approach to energy supply and demand with bipartisan support that had been watered down at several stages to accommodate business concerns. And does anyone really believe that Louisiana -- which, thanks to sky-high energy prices, has been fleecing the rest of the country -- would suffer grievous economic harm because of a puny tax increase on five multinationals that do the bulk of their business elsewhere?

[British Hand Over Basra to Iraqi Control](#)

British forces formally handed over responsibility Sunday for the last region in Iraq under their control, marking the start of what Britain hopes will be a transition to a mission aimed at aiding the economy and providing jobs in an oil-rich region beset by militia infighting.

With the handover of Basra, in Iraq's far south, nine of the country's 18 provinces have reverted to Iraqi government control.

[Victoria urged to cut dirty industry subsidies](#)

He said the transport sector, the greatest consumer of energy in Victoria (37%), must also form part of government energy efficiency measures, attacking a "legacy of inadequate funding of public transport".

"The current level of car dependency means we are not well placed to address the challenges of climate change and peak oil," he said.

[The scarcest resource humanity has is time](#)

According to Ian Dunlop, a former senior executive in the international oil, coal and gas industries, who chaired the Australian Coal Association from 1987 to 1988 and is now deputy convener of the Australian Association for the Study of Peak Oil and Gas, "it is morally indefensible and unrealistic to expect the developed world can continue to emit at these levels, with the developing world absorbing the bulk of the climatic impact and being asked to constrain its own growth".

[Hawaii: The holidays are upon us — for better or worse](#)

I expect that in future years, as we pass peak oil production, American consumerism will fade as the central issue of our lives. Those of us living on Kaua'i will have simpler lives, growing our own food and providing more of the basic necessities for ourselves.

[Napa should slam door on all development](#)

Never before have we had such a convergence of crises that can end life as we know it sitting dead ahead. If you see the American Dream as a pathway of life, small pebbles are growing to the size of insurmountable boulders from which there may be no getting by.

You hear about them in the news: the housing/credit debacle; peak oil, resource depletion and the energy crisis; the runaway debt; the dollar's collapse; global warming; and a exploding population we can no longer feed or take care of. These crises are not going away nor getting smaller. All of these need drastic action on the national level but I've got news for you: Don't count on it. Short of a violent revolution a la 1776, it's not going to happen.

[Climate Plan Looks Beyond Bush's Tenure](#)

The world's faltering effort to cut greenhouse gas emissions got a new lease on life on Saturday, as delegates from 187 countries agreed to negotiate a new accord over the next two years — pushing the crucial debates about United States participation into the administration of a new American president.



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