



DrumBeat: December 30, 2007

Posted by [Leanan](#) on December 30, 2007 - 9:53am

Topic: [Miscellaneous](#)

[Carolyn Baker: New Year's Dissolution: Surrender vs. Gtiving Up](#)

It's almost 2008, and in the final hours of 2007, I'm reflecting on the past twelve months and what may lie ahead of us in the coming year. It's been a dreary year for planet earth-scientists telling us that climate change has passed the point of no return; the almost-daily blasting away of civil liberties in the U.S. with nary a peep from its citizens; endless war that produces little but nauseating carnage in the Middle East and a steady stream of suiciding or physically and emotionally devastated veterans, and of course, a housing bubble burst that has left thousands of families suffocating in debt, bankruptcy, and foreclosure.

Some readers would like me to stop talking about collapse and re-frame the notion into "spiritually correct" terminology that isn't as scary, daunting, and dismal. Many more of you are telling me that you do want to talk about collapse because even with all the opportunities for rebirth and transformation that it holds, the world we have known, demanded, and relied on to be there for us is crumbling. I too would love to focus only on opportunity, but opportunity offers no free lunch; it travels alongside this thing called collapse, and if you're going to embrace one, you must be prepared to invite the other.

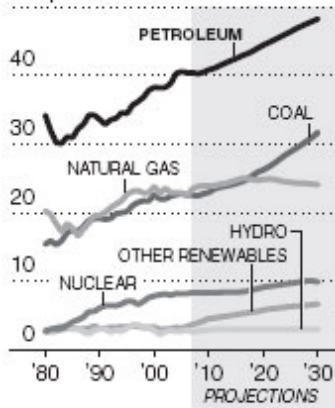
[In Units of Action, Not Just Talk, Oil Is Still King](#)

In the Future: Oil

In the government's long-term forecasts for the country's sources of energy, petroleum is expected to remain dominant.

ENERGY CONSUMPTION BY FUEL

50 quadrillion B.T.U.



Source: Energy Information Administration
THE NEW YORK TIMES

This year, there was plenty of talk about reducing oil consumption, but let's face it: a lot of it was probably hot air. So it should come as no surprise that a new forecast of United States energy use through 2030 shows that energy consumption is expected to rise, and to be dominated by petroleum.

[Alarm at Gazprom's Serbia move](#)

Gazprom's offer to take control of Serbia's state-owned petroleum monopoly has divided the Serbian government and sounded alarm bells about the cost of Moscow's political support.

[Global gas lines remain pipedream](#)

India's plan to bring gas through international pipelines was reduced to mere pipe dreams in 2007. This year India lost Burma-India pipeline to China, is on the verge of being thrown out of Iran-Pakistan-India (IPI) pipeline and no one knows whether Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project is actually feasible.

[Cyclone Veers Away from Australia's Northwest Coast](#)

Oil companies have begun to resume production in Australia's remote northwest coast after government meteorologists on Sunday cancelled a cyclone warning for category two tropical cyclone Melanie.

[Mexico Police Arrest Drunken Group Vandalizing Pemex Plant](#)

Mexican authorities arrested at least 10 people vandalizing a Petroleos Mexicanos facility last week, the state-owned oil company said.

The men were drunk and caused minor damage to a pipeline at the El Salitre plant in

the central state of Guanajuato, said Carlos Ramirez, spokesman for the company, in a telephone interview.

Ramirez denied a report by the Mexico City-based newspaper El Universal that the group was trying to sabotage the facility, which was the target of bombings by a rebel group earlier this year.

[Venezuela economy grew 8.4 pct in 2007-central bank](#)

Venezuela's economy expanded 8.4 percent in 2007 despite a contraction in the oil sector, the backbone of the South American nation's economy, the central bank said on Sunday.

The bank said the oil sector had shrunk 5.3 percent in the year, but 9.7 percent growth in non-oil parts of the economy had compensated.

[Italy to Raise Power Rates 3.8%, Gas Prices 3.4% Next Month](#)

Italy will raise electricity rates for households by an average 3.8 percent in the first quarter, following a surge in the price of oil.

Oil sold in New York has risen almost 60 percent in the past year. Natural gas, the fuel used to produce more than half of Italy's electricity, tracks the price paid for petroleum. Italy imports more than 85 percent of the oil and gas needed to power the country, the Authority for Electricity and Gas said in an e-mailed statement late yesterday.

[A plea for population control to save the Earth](#)

Reversing global warming requires drastically reducing the consumption of fossil fuels. This means switching to sustainable sources of energy (wind, solar, biomass) and deploying more efficient technologies in transportation (hybrid cars and light rail), climate control (passive solar and better construction techniques), agricultural and manufacturing sectors of the economy.

But we must also recognize that the swelling world population is the ultimate driver of global warming and exacerbates all of the other environmental problems we now face. Over-population promotes deforestation, air and water pollution, the production of carcinogens and toxins, soil erosion and the collapse of fisheries.

[Young Swedes Flock to Newly Rich Norway for Work](#)

Long a poor cousin in Scandinavia, Norway has surpassed Sweden to become one of the richest countries in the world — to the point where it has become a magnet for young Swedes ready to work hard to make quick money, and lots of it.

[Iran says its first atom plant to start in mid-2008](#)

Iran's first atomic power plant will start operating in mid-2008, Foreign Minister Manouchehr Mottaki said on Sunday, two days after the country received a second delivery of nuclear fuel from Russia.

[Uranium outlook remains strong](#)

An Australian firm that tracks uranium trends worldwide expects a period characterized by relatively stable uranium spot market prices. But it's likely to be a brief interlude.

Resource Capital Research of Sydney says forward indicators suggest the price will range between \$90 and \$100 per pound for several months, then accelerate to \$125 by September 2008.

[German Biodiesel Forced to Compete](#)

Until a few months ago, the production of crop-based fuels was the best energy business imaginable in Germany, thanks to growing demand supported by the government. That's no longer the case.

[Biofuels, the Biggest Scam Going](#)

Where is agriculture headed? Can we feed a growing population and meet the demand for biofuels in the Industrialized North? Supporters of biofuel agriculture, (grain and chemical companies, Wall St. investors, politicians and most University researchers) avoid mentioning the cost of inputs, the fossil fuels, the environmental damage, the physical toll on animals and humans, and the growing problem of hunger that will accompany the switch from food to energy crop production. They want us to believe the switch to energy crops will be so easy and so practical.

[Food security hobbles South Africa biofuel strategy](#)

Worried that it may be seen as insensitive to the food needs of Africa, the South African government, which is facing a general election in 2009, has chosen food security in framing a biofuel policy.

After months of dilly-dallying, a strategy for the biofuel sector was accepted by the

Cabinet at the start of December. But the government excluded maize, a life-saving export during times of recurring drought in Southern Africa.

['Green fatigue' leads to fear of backlash over climate change](#)

British people are now convinced about the dangers of global warming but are either baffled about how to stop it or are ignoring the issue.

Analysts say few people are taking action to deal with the threat of climate change, although over the past 12 months the vast majority have come to accept that it poses a real threat to the world. Opinion polls reveal much confusion among the public about what Britain should do to combat the problem.

[The climate threat to Japanese rice](#)

In Japan government scientists are trying to find ways to reduce the impact of global warming on the country's rice crop.

There are fears that the extremes of temperature that some researchers are predicting could affect both the yield and the quality of rice, a staple of the Japanese diet.

Flowering grain crops like maize, wheat and rice are particularly vulnerable to changes in temperature.

[Pakistan: Oil stocks deplete as economic shutdown continues](#)

The crippling effect of the complete economic shutdown following Benazir Bhutto's tragic assassination is likely to impact oil refining soon if supplies of crude and furnace oil are not restored, further complicating the overall supply situation and the worsening law and order, experts and officials say.

The power crisis may worsen in the next couple of days as furnace oil supply is completely suspended and stocks would only last for a few days to continue electricity generation particularly for Punjab, NWFP and Balochistan.

[14 more killed in Karachi violence Over 1,000 vehicles torched in three days; four fire stations damaged](#)

Violence continued to grip the city on the third consecutive day on Saturday with 14 more deaths while hundreds were injured in separate incidents and shops, banks, factories and vehicles were torched. Four fire stations were also damaged with the Fire

Office facing stiff resistance from miscreants in fighting fires.

[Pakistan: Fuel shortage hits residents of twin cities](#)

The fuel and food shortage in the twin cities of Islamabad and Rawalpindi is creating problems for the residents of the twin cities for the last three days.

[A Question of Blame When Societies Fall](#)

Dragoon is also home to an archaeological research center, the Amerind Foundation, where a group of archaeologists, cultural anthropologists and historians converged in the fall for a seminar, "Choices and Fates of Human Societies."

What the scientists held in common was a suspicion that in writing his two best-selling sagas of civilization — the other is "Guns, Germs and Steel" — Dr. Diamond washed over the details that make cultures unique to assemble a grand unified theory of history.

[Kuwait's state budget reveals more reliance on oil revenues](#)

Kuwait's state budget has revealed more dependence on oil revenues to make up for the deficit in the non-petroleum revenues which hit KD 9.3 billion, marking a rise of 53 percent compared to last year, the Kuwait Economic Society (KES) said on Sunday.

[Iraq exports 58.9 mln bbl in November at \\$83.87](#)

Iraq's monthly oil exports hit a three-year high of 58.900 million barrels in November, sold at an average price of \$83.87 per barrel, the Oil Ministry said on Sunday.

[India's population will harm the country and the planet](#)

Population Control is one of India's most colossal failures, and has in the recent past been touted as a demographic dividend it will reap as the world ages. This view is oversimplistic and ignores the bigger picture.

[Qatar: Imported farm products likely to cost more](#)

Agricultural and associated products from Brazil and some other countries in the region may cost more in the near future as these countries are busy developing bio-fuel as an alternative source of energy, according to a senior business executive here.

[No gas supply surprise from Russia in 2008](#)

Russian political pragmatism is not to cause breaks in energy supplies to the CIS and European countries.

Russia and its energy partners are likely to see in 2008 without a usual energy crisis and supply cuts for the first time since 2005. This year Gazprom has done its best to avoid conflicts after the negative reaction to its failure to agree with Ukraine and Belarus the recent years, when the negotiations were held up to the first minutes of a new year.

[Part of BPA Credit Could Return Soon](#)

Bonneville Power Administration's Residential Exchange Program was created to ensure small-farm and residential customers of investor-owned utilities in the Northwest share in the benefits of the region's federal hydroelectric system.

That it did. But when it was halted for the first time in 30 years last summer because of a federal court decision, those customers saw their power bills rise, in some cases drastically.

[Reid, Congress deserves praise for keeping Yucca nuke dump at bay](#)

Congress, led by Senate Majority Leader Harry Reid, D-Nev., gave Nevada a most welcome Christmas present earlier this month by slashing the budget for the proposed Yucca Mountain nuclear waste dump by more than 12 percent to its lowest level in several years. Although I disagree with Sen. Reid on many issues, including illegal immigration and Iraq, we owe him and Congress a vote of thanks for keeping nearly 80 million tons of highly toxic nuclear waste out of the Silver State.

[Pair hope meeting on alternative fuels will spark advances](#)

Karrer and Robey expect the meeting to attract not only a few inventors and researchers who have studied high-mileage carburetors and cars that run on various other fuels, but a number of people who hope to learn more about experiments being done by private inventors.

[Surge in Off-Roadng Stirs Dust and Debate in West](#)

The growing allure of the federal lands coincides with marked changes in how people play, with outdoor recreation now a multibillion-dollar industry. It also comes at a time, according to data compiled by Volker C. Radeloff of the University of Wisconsin, when

more than 28 million homes sit less than 30 miles from federally owned land that millions of people increasingly view as their extended backyards.

[On the Ground and in the Water, Tracing a Giant Wave's Path](#)

After a tsunami swept across the Indian Ocean in 2004 and killed an estimated 300,000 people in Indonesia, Thailand and Sri Lanka, Dr. Fernando used his amazing piece of equipment to determine why the wave was so lethal.

He and colleagues confirmed that human activities at southern Asian seashores — like coral poaching, dune destruction and mangrove harvesting — had made a natural disaster even more deadly.

[Beijing's Olympic Quest: Turn Smoggy Sky Blue](#)

Every day, monitoring stations across the city measure air pollution to determine if the skies above this national capital can officially be designated blue. It is not an act of whimsy: with Beijing preparing to play host to the 2008 Olympic Games, the official Blue Sky ratings are the city's own measuring stick for how well it is cleaning up its polluted air.

[Conserving Cuba, After the Embargo](#)

Cuba has not been free of development, including Soviet-style top-down agricultural and mining operations and, in recent years, an expansion of tourism. But it also has an abundance of landscapes that elsewhere in the region have been ripped up, paved over, poisoned or otherwise destroyed in the decades since the Cuban revolution, when development has been most intense. Once the embargo ends, the island could face a flood of investors from the United States and elsewhere, eager to exploit those landscapes.

[Pleasure Without Guilt: Green Hotels With Comfort](#)

The idea of luxury has long been intertwined with — even confused with — profligate waste. But with green consciousness making its way to center stage, some hotels are changing their ways. They face a delicate balance: when does greening go so far as to cut palpably into the feeling of luxury?

[What the Fundamentals Say About Future Oil Prices](#)

My thesis is based in part on the hoarding mindset that now dominates the oil market and is hardly ever discussed. Exporters (read OPEC, particularly KSA, UAE, Kuwait,

and Venezuela) are now addicted to high and rising oil prices. Their ever increasing cash flows from oil have led to their making huge future capital commitments; they are not willing to see falling oil prices endanger those commitments. They also know that due to tight global supplies relatively minor production cuts are sufficient to raise prices. Finally they now believe that oil in the out years will only get more expensive. Thus near term production cuts will also be rewarded because the oil not sold now can be sold later for more money. In summary, exporters today have their hands on a hair-trigger for raising the oil price and they will not hesitate to pull it if the price falls much below \$85. I summarize this series of attitudes on the part of oil exporters as the "hoarding mindset."

[2008, a Year of Petroleum Exuberance](#)

We will witness the dawning of an era of exuberance regarding matters petroleum, a time of optimism comparable to the Roaring Twenties and the recently expired housing boom that was inflated by phony mortgages. Peak-oil theorists, those people foolish enough to believe that a nonrenewable resource is eventually exhaustible, will be vilified as alarmists. American consumers, mollified by falling petroleum prices and the promised availability of more exploitable oil reserves, will breathe sighs of relief. And they will spend the summer before November's elections wrestling with issues of gravitas, such as whether our presidential candidates, Democrat and Republican, support the right of adults to marry whom they choose to marry.

[2007: year of recognition](#)

There are three things that keep me up nights: the threat of climate change, peak oil and the mountaintop removal strip mining that is destroying Appalachia. And I have reached the conclusion that, here in the United States, there are three major causes of these problems: Our homes are too big, our food travels too far, and our entire economy is built around the automobile. American homes are twice as big as they were 30 years ago, though fewer people actually live in them. The average item on a supermarket shelf has logged 1,500 miles to get there. And the homogenous suburb has ensured that we must drive everywhere, destroying at once the traditional, walkable city and the surrounding rural landscapes. Thus we have created a consumer culture that much of the developing world -- most ominously, China -- wants to emulate. But the problem is that this culture is based entirely on carbon-emitting fossil fuels, and it is therefore a culture that has no future.

[China and India to shrug off US recession](#)

Next year, the growing - and increasingly wealthy populations of the developing world will keep global food demand rising. Global supplies - hit by more droughts, floods and the increased use of land for bio-fuel production - will struggle to keep up.

That's why, in 2008, high food prices will replace expensive oil as the bogeyman of Western consumers and central bankers. Because food accounts for a large portion of

disposable incomes, escalating food prices will seriously dent consumer confidence next year, while preventing deep base rate cuts.

[Oil investing: 2007 a tough act to follow](#)

2007 was truly a banner year for the industry. The big integrated oil companies - ones that produce and refine crude - saw stock gains in the 30 percent range. Crude itself rose nearly 60 percent. The biggest winners were the oil production companies, some of which saw their stock prices double. Overall, the AMEX oil and gas index rose about 30 percent in '07, trouncing the near-stagnant S&P 500.

But most analysts say 2008 is unlikely to mimic the staggering returns of the last year. And on the heels of such a runup, some say the sector is simply overvalued.

[Bin Laden remarks make Gulf dollar peg likelier](#)

Gulf Arab oil producers may be less likely to drop their currency pegs to the weak U.S. dollar after Al Qaeda leader Osama bin Laden criticized dollar pegs as "unjust and arbitrary", economists said on Sunday.

The Saudi-born militant leader urged Muslims in a video recording on Saturday to support militants so they can "preserve your oil and wealth and protect your money that is slipping between your fingers due to the unjust and arbitrary dollar pegs."

[Japan dependence on Kuwait, GCC oil down](#)

Japan's crude oil imports from Kuwait went down 1.2 percent in November from a year earlier to 9.15 million barrels but increased 10.3 percent from the previous month, according to the latest data released by a government agency. Kuwait provided 7.0 percent of nation's crude oil in the reporting month, compared with 6.4 percent in October and 7.5 percent in the same month of last year, the Japanese Natural Resources and Energy Agency, a unit of the Ministry of Economy, Trade and Industry, said in a preliminary report. Japan is Kuwait's largest oil buyer.

[Supply of drilling rig to usher a new beginning of Sino-Pak cooperation in Oil and Gas-HH](#)

The fully digitally controlled Oil and Gas drilling rig manufactured by a prominent Sichuan based Chinese company would be ready for delivery to Mari Gas Company Ltd. (MGCL) next month thus meeting the increasing demand of the rigs to help boost exploration and production activities in Pakistan, a senior official of the company said.

[Oil Exploration Conflict With Iraq Corners SK Energy](#)

SK Energy is still mulling over a tough call between discontinuing oil exploration in the Kurdish region and losing Iraqi oil imports. The nation's top oil refiner has been cornered to make this decision after a conflict that surfaced last week when an angered Iraqi government threatened to cut off crude exports should the Korea-Kurds oil deal continue.

[Alaska: Oil companies will stay, revenue commissioner says](#)

The three major oil companies that operate on Alaska's North Slope say they are reviewing their investments in Alaska now that they'll have to pay more taxes, but state Revenue Commissioner Pat Galvin on Friday treated the statements as a bluff.

"We believe that the incentives that are included in the tax program, the resources that are available on the North Slope, and the tremendous value that oil is getting in the market right now are all reasons why Alaska will remain a very attractive place to invest," he said. "I don't expect to see a reduction in investment, given the attractiveness of Alaska."

[Global warming to alter Calif. landscape](#)

California is defined by its scenery, from the mountains that enchanted John Muir to the wine country and beaches that define its culture around the world.

But as scientists try to forecast how global warming might affect the nation's most geographically diverse state, they envision a landscape that could look quite different by the end of this century, if not sooner.

[2007 a year of weather records in U.S.](#)

When the calendar turned to 2007, the heat went on and the weather just got weirder. January was the warmest first month on record worldwide — 1.53 degrees above normal. It was the first time since record-keeping began in 1880 that the globe's average temperature has been so far above the norm for any month of the year.

And as 2007 drew to a close, it was also shaping up to be the hottest year on record in the Northern Hemisphere.



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