



DrumBeat: February 2, 2008

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Topic: [Miscellaneous](#)

[A Marine's New Mission](#)

Vietnam vet and FedEx founder Frederick Smith wants to craft an energy policy for America.

...It shouldn't be forgotten that the proximate cause of World War II was the U.S. oil embargo against Japan, when we were an oil-exporting nation. And World War II was largely won in Europe by the United States' attack on the fuel supplies of Germany. In fact, they were making more Messerschmitt fighter planes in late 1944 and early 1945 than anywhere else in the world—they simply didn't have the fuel to train the pilots to fly them. The first gulf war was caused totally by oil—it was Saddam Hussein's insistence that he own certain oilfields that led to his invasion of Kuwait and our ouster of his forces there. The subsequent presence of the United States in the Middle East was in large measure driven by the protection of the oil trade. And a lot of analysts think that as much as 40 percent of the entire U.S. military budget can be attributed to protecting the oil trade.

[What if you held a conference, and no \(real\) scientists came?](#)

Over the past days, many of us have received invitations to a conference called "The 2008 International Conference on Climate Change" in New York. At first sight this may look like a scientific conference - especially to those who are not familiar with the activities of the Heartland Institute, a front group for the fossil fuel industry that is sponsoring the conference. You may remember them. They were the promoters of the Avery and Singer "Unstoppable" tour and purveyors of disinformation about numerous topics such as the demise of Kilimanjaro's ice cap.

[Living Or Dying On Planet Earth!](#)

The only real issue is that humankind can only exist on this planet in a very narrow range of conditions, and the planet is quite capable of altering those conditions in a relatively short time when stressed!

[Oil Exploration In Arctic Highly Risky: 'Response Gap' In Case Of Oil Spill, According To New Report](#)

Arctic marine conditions contribute to an oil spill “response gap” that effectively limits the ability to clean up after an oil spill.

[Venezuela seeks up-front cash for \\$1 bln fuel oil](#)

CARACAS (Reuters) - Venezuela's state-run oil company PDVSA is seeking a \$1 billion up-front payment for several large shipments of fuel oil, El Universal newspaper reported on Saturday, in what may be a new sign of cash flow problems.

Under the deal, Venezuela is selling the fuel relatively cheaply but wants payment next week, the newspaper said.

[Profits suffer at BP as high taxes hit home](#)

BP boss Tony Hayward will dismiss claims that the UK's biggest company is profiteering from high oil prices on Tuesday when he is due to present annual figures which will be scarred by the effects of higher taxes and increased depreciation charges.

[Venezuela to open bid for Orinoco oil block](#)

CARACAS (Reuters) - Venezuela will open a bid round for private companies to develop the Carabobo I block of the OPEC nation's Orinoco heavy crude belt, state oil company PDVSA said on Saturday.

[Iran wants OPEC to discuss output cut in March](#)

TEHRAN (Reuters) - Iran wants OPEC to discuss cutting crude oil output at the cartel's next meeting in March as stocks are expected to increase, Iranian Oil Minister Gholamhossein Nozari said on Saturday.

Nozari was speaking a day after OPEC, meeting in Vienna, kept oil supplies unchanged, and Iran and Venezuela said it may need to curb output in March to defend prices against a drop in demand, should the United States slip into recession.

"Our proposal ... for the upcoming meeting is that OPEC ... cuts its output capacity," Nozari told a news conference in Tehran. "Iran and Venezuela brought up this issue so that it would be discussed at OPEC's next meeting."

[Running on empty](#)

The San Francisco Peak Oil Preparedness Task Force explores life after fossil fuels — an era that may be coming sooner than most people think.

[Developers hit by material price hikes](#)

The rising cost of building materials could send Middle East property prices soaring, according to Saudi Arabia based property developer Rakaa.

A series of steep hikes in the cost of core building materials such as steel and cement, along with skyrocketing oil prices could have "huge financial implications" in the coming months, according to Rakaa Property CEO Dr Abdulrahman Al Tassan.

[Pakistan: Measures to cut energy consumption by 30%](#)

ISLAMABAD, Feb 1: In an effort to tide over the country's worst ever energy shortage, the federal government has asked the provinces and trade and industrial bodies to strictly observe a set of energy conservation measures to reduce consumption by about 30 per cent with immediate effect.

[Ugandan economy hit by Kenyan violence with attacks on trucks causing shortages, price hikes](#)

KAMPALA, Uganda: Attacks by armed Kenyan mobs on truck convoys plying vital trade routes through the country is costing its neighbor Uganda more than US\$500,000 (€330,000) daily in lost revenues, officials said Friday.

Gas prices have surged with shortages reported in many parts of the country, and a scarcity of raw materials, blamed on Kenya's postelection violence, has shut factories and caused layoffs over the border, officials said.

[Iran announces new gas field in Gulf](#)

A gas field with an estimated 11 trillion cubic feet in reserves has been discovered in the Gulf off the coast of Iran, Oil Minister Gholam Hossein Nozari said Saturday.

[What's so funny about a hybrid howitzer?](#)

A rmy green is more than a uniform color scheme -- it's the future of military vehicle technology. The Army is preparing to roll out the first of its next-generation hybrid vehicles, which will be a 155 mm, self-propelled howitzer, or short-barreled cannon.

Nobody will confuse it with a Prius.

But like a Prius, the howitzer will be powered by a fuel-electric drive train that switches back and forth between battery and liquid fuel, depending on the need of the moment. The military hybrid is a diesel-electric version.

[Cleveland Rolls Out Barrels Against Big Oil](#)

A crowd of commuters gathered on Public Square in downtown Cleveland armed with picket signs, auto parts, and a message -- it's time to Join The Ride by taking public transportation. High gas prices have put a drag on the economy, and according to the group, the best stimulus plan for the country is for Americans to incorporate a bus or train into their commutes. The demonstrators, angered by news of record profits from Exxon and Shell, caught the attention of downtown office workers. So did the oil barrels blocking off the streets and the 45-foot long buses parked in the city's busiest intersection.

[A Green Energy Industry Takes Root in California](#)

While interest in alternative energy is climbing across the United States, solar power especially is rising in California, the product of billions of dollars in investment and mountains of enthusiasm.

In recent months, the industry has added several thousand jobs in the production of solar energy cells and installation of solar panels on roofs. A spate of investment has also aimed at making solar power more efficient and less costly than natural gas and coal.

[Wind power meets resistance in Maryland](#)

McHENRY — Residents of Western Maryland's Garrett County pride themselves on their scenic byways and fall foliage, the whitewater rafting and skiing. Like others in the state and around the country, they are concerned about the environment and understand the need for renewable energy sources.

But a proposal to erect 400-foot tall wind turbines to generate clean electricity drew almost unanimous opposition at hearings this week from residents who, while supportive of alternative energy, would prefer not to spoil the scenic views of their state land.

[Simmons: Not So Big Oil](#)

I suspect that Exxon Mobil will have first rate profits because gas prices have been high.

They could be hurt somewhat by the refining margins, but an oil company can't help but make money right now, replies Simmons.

However, it's worth noting that the amount of growth the top 5 oil companies have been able to generate has been almost negative while their spending has been higher than it's ever been. I think the trend will accelerate.

[Surviving the end of the oil age](#)

The global energy predicament Kunstler referred to is not about when the world runs out of oil. Rather, it is about when the world reaches its maximum petroleum production rate, and enters a state of permanent decline. If consumer demand continues to rapidly grow as oil supplies dwindle, the result will be unaffordable energy prices that will force countries such as Canada and the U.S. to surrender the suburban way of life.

[Shaking the foundations](#)

The nation's manufacturing sector has been hit by a double whammy: Oil wealth has ignited the loonie, hurting exports, and the higher energy prices are squeezing profits. Now the factory-dependent provinces are looking greedily at Alberta.

[Pakistan - Industry be preferred to households: experts](#)

LAHORE: Economic experts have stressed the government to take some politically tough decisions in the energy sector in an effort to sustain growth by giving preference to the industry over domestic and commercial consumers.

They argue that stoppage of energy supply to the industry would ultimately force them to close their businesses, leading to unemployment on a mass scale. As a result, majority of the domestic consumers would be left with no money even to feed themselves.

[Help for desperate refugees in Tajik winter](#)

The unusually harsh winter in Tajikistan has frozen rivers, affected the production of hydropower and exacerbated an existing energy crisis throughout the country. Electricity is limited to one or two hours per day in the capital, Dushanbe, with further power cuts expected. Millions of Tajiks are reported to be suffering from the cold.

Among those affected are 1,088 refugees, mostly from Afghanistan. Many of them do not have enough resources to heat their homes, prepare food, buy warm clothes and access medical care. Their most urgent needs are medicines, warm clothes for children and an increase in their monthly cash assistance as prices have risen dramatically.

[Nepal: Transporters call off strike as govt agrees to normalise fuel supply](#)

The transporters called off their strike Saturday evening after the government agreed to normalise the supply of petroleum products.

The Federation of Transport Entrepreneurs of Nepal and the government reached an agreement, according to which the government will normalise the fuel supply by February 6 and the transporters will halt their strike until then.

[Nepal: Power cuts, diesel crunch clobber economy](#)

KATHMANDU, Feb 2 - Extended hours of power cut and an unprecedented shortage of diesel - the major industrial fuel - have threatened almost all vital sectors of the economy.

Energy crisis has forced some transport, manufacturing and service units to close down and compelled many others to operate below capacity. Hoteliers complained that they are finding it tough to keep the guests warm and in illuminated surroundings.

[South Africa's mines battle on new low-electricity diet](#)

Johannesburg - A week after they ground to a halt for lack of electricity at an estimated cost of nearly 200 million rand (27 million dollars) a day, South Africa's mines were struggling on a new, cut-power regimen and warning of job losses. On January 25, production at the country's biggest gold, diamond and platinum mines screeched to a halt after beleaguered state electricity supplier Eskom warned it could not guarantee their power supply.

[South Africa urged to use uranium more, instead of coal](#)

French nuclear giant Areva says South Africa should use its rich uranium resources to address its energy crisis.

As the fifth largest producer of uranium, South Africa should not see coal as the solution.

[Saudi Aramco to boost capacity at offshore Karan gas field](#)

Saudi Aramco is to increase capacity at its Karan gas field development by 50 per cent as it looks to keep pace with soaring domestic demand.

The offshore field, which is thought to contain more than 9 trillion cubic feet of gas, was originally slated to produce 1 billion cubic feet a day (cf/d) of gas, but this has now been raised to 1.5 billion cf/d.

[Mexico's Pemex Signs Cooperation Agreements With Exxon Mobil](#)

MEXICO CITY -(Dow Jones)- Mexican state oil monopoly Petroleos Mexicanos, or Pemex, said Friday it signed two cooperation agreements with U.S. major Exxon Mobil Corp.

Pemex said in a press release that one is an extension of a 2002 agreement for scientific and technological research and development and that the other is to share experiences in electromagnetic soundings to reduce exploratory risk in deep water.

Pemex said the accords are "non-commercial."

[Russia: An Energy Superpower?](#)

When Putin and other Russian officials refer to Russia as an energy superpower, they seem to mean a country that possesses a bounty of energy and will use its resources to ensure Moscow's influence on the world's stage. In contrast, the true picture of Russia's energy resources and the attempted politicization of their uses is far more nuanced and complex. Russia's energy policies -- resource and infrastructure development and its use of the energy weapon thus far -- raise major questions about Russia's energy superpower status.

[Mexico's Oil Output Has Peaked, Under Current Limitations](#)

Peak oil production occurred in Mexico in 2004-that is, under the limitations of current regulations-says George Baker, publisher of Mexico Energy Intelligence in Houston. Mexico's most important field, Cantarell, is in serious decline, and the recently announced KMZ and Chicontepec prospects are "suspect" as well, he says. A Pemex business-as-usual scenario is unlikely.

Despite a debottlenecking project in 1989 and nitrogen injection in 2000, Cantarell production peaked at slightly more than 2 million barrels per day. Consequently, Mexico's exports peaked at the same time, near some 1.88 million barrels per day. and have since fallen to just over 1.7 million barrels per day, according to Baker.

[Countrywide and Chase Shut Off The Cash Spigot](#)

It does not happen often and when it does it is usually striking: On occasion, Greenspan

actually says something that makes sense. The China Post is reporting Former Chair Greenspan doubts 'major' Fed role as risk reprices:

"Global forces can now override most anything that monetary and fiscal policy can do," he said in the interview, adding it was "absolutely" more difficult for the Fed to react to financial-market turmoil than was the case 20 years ago. "The resources of central banks relative to the size of global forces have markedly diminished."

I concur with the above on account of global wage arbitrage, the ease of moving operations to another country then out again (see Dell Walks Away), and also because of peak oil and emerging market demand for global resources.

However, this is the primary reason the Fed will fail is changing social attitudes towards debt. More evidence of changing attitudes can be found in the *The Business of Walking Away*.

[County panel pushes solar energy](#)

An innovative program that could make homes across Alachua County more energy-efficient through the use of methods from low-tech weather stripping to cutting-edge solar cells will be a key recommendation of a committee studying ways to cut waste and greenhouse gases. Continue to 2nd paragraph

With the measures, committee members say, the county will be able to produce more jobs, trim energy costs and become a national leader in energy efficiency.

Without them, the county will have to cope with steeply rising energy costs, economic instability and a glum world of dwindling oil.

[How new homes block natural air-con](#)

A retired scientist with a passionate interest in "peak oil", Bruce is concerned about what he sees as wasteful and profligate use of energy to power air-conditioning.

"We should be adapting to the climate rather than air-conditioning everything," he said.

[Experts call for alternative sources of energy by 2020](#)

CAIRO (KUNA) -- Egyptian experts called, in an interview with the Kuwait News Agency (KUNA,) on Arab states to find secure and alternative sources of revenue than oil by 2020.

They called for the use of nuclear energy "under international supervision." "Several armed conflicts are being waged, across the world, over competition for oil and water resources," the head of the Political Science Faculty at Helwan University, Dr. Sayed Elaywa told KUNA.

He added that, within the next 50 years, the entire world will witness a "large drop in natural gas and oil resources." This is likely to trigger a real catastrophe unless suitable alternatives are found, he said.

[Nigeria's Oil Morass](#)

After insurgents attacked a link to a key oil export terminal on the Forcados River in Nigeria's Delta region in February 2006, it took a year and a half for Royal Dutch Shell to make repairs and get part of it running again. It took just two months for insurgents to shut it down again.

The result: Just when oil-consuming countries want more high-quality petroleum to cool off high oil prices, a group of insurgents in the West African nation forced oil companies to stop pumping an average of 475,000 barrels a day last year, and at times as much as 600,000 barrels a day.

[Oil stocks key to OPEC March output decision - Naimi](#)

DUBAI (Reuters) - OPEC's output policy decision in March will depend on how much crude oil stocks have been drawn down during the winter, influential Saudi Oil Minister Ali al-Naimi told Al Arabiya Television.

Naimi said predictions of output decisions at the OPEC meeting in March were premature, but inventories were currently at the low end of the five-year average range.

[Oil prices lose more than \\$3 a barrel](#)

NEW YORK - Oil prices fell sharply Friday, closing well under \$90 a barrel after a string of dismal economic reports renewed worries that a possible U.S. recession could stunt oil demand.

[Ecuador, Venezuela join hands to build huge oil refinery](#)

QUITO (Xinhua) -- Ecuador and Venezuela have planned to jointly build a huge oil refinery with a daily processing capacity of 300,000 barrels in Ecuador's coastal province of Manabi, said Ecuador's Mines and Oil Ministry Friday.

[UK: Government 'connived' with Eon over Kingsnorth](#)

Green campaigners claim a major Government energy strategy collapsed in just six minutes following an exchange of emails between ministers and a big energy company.

Greenpeace claims the emails show Eon, the German utility giant, was dictating terms of approval of a new controversial coal-fired power it wants to build and rubbished a new technology which the Government was previously keen to push.

[Montana: Gov. Schweitzer, Panelists Urge Aggressive Action on Climate Change](#)

Naming global climate change as the most pressing issue facing the nation, Gov. Brian Schweitzer called for swift and decisive action by individuals, industry and government to reduce greenhouse gas emissions in a speech at the University of Montana Thursday night.

“The fastest way to decrease our carbon footprint is to decrease our consumption of energy,” Schweitzer said in his keynote address before a panel discussion by state and local leaders on climate change policy.

[Canada learns from the US, muzzles climate scientists](#)

It's no secret that the Bush White House hasn't been much of a friend to science during its seven-year stretch: The Republican War on Science, a book detailing various political assaults on research, is a best seller. But those of you thinking that this phenomenon is specific to the United States need to think again. An astute reader let us know that just north of the border, Environment Canada, the government department responsible for protecting the Canadian environment, has enacted Deutsch-like restrictions over researchers' access to the media.

All media requests to scientists working for Environment Canada now have to be sent to the capital, Ottawa, for approval. Journalists have to submit their questions in writing. "Sources say researchers are then asked to respond in writing to the media office, which then sends the answers to senior management for approval. If a researcher is eventually cleared to do an interview, he or she is instructed to stick to the 'approved lines.'"



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