



DrumBeat: February 24, 2008

Posted by [Leanan](#) on February 24, 2008 - 9:39am

Topic: [Miscellaneous](#)

[High oil prices take a toll on the middle class in the Middle East](#)

AMMAN: Even as it enriches Arab rulers, the recent oil-price boom is helping to propel an extraordinary rise in the cost of food and other basic goods that is squeezing this region's middle class and setting off strikes, demonstrations and occasional riots from Morocco to the Gulf.

In Jordan, the soaring price of oil led the government to remove almost all its costly fuel subsidies this month, pushing the price of some fuels up 76 percent overnight. In a devastating domino effect, the cost of basic foods like eggs, potatoes and cucumbers doubled or more.

In Saudi Arabia, where the inflation rate had been virtually zero for a decade, it has reached an official level of 6.5 percent, though unofficial estimates put it much higher. Public protests and boycotts have followed, and 19 prominent clerics posted an unusual statement on the Internet in December warning of a crisis that would cause "theft, cheating, armed robbery and resentment between rich and poor."

[Beware 'First Colonization' - Steer the Chinese from suburban, driving culture](#)

Polling conducted by Rice University's Shell Center for Sustainability's Coastal Cities project shows that almost as high a percentage of Chinese urbanites from Shanghai, Shenzhen and Tianjin are as worried about traffic congestion, air pollution and quality of schools as Houstonians.

This "First Colonization" of China has huge implications for global energy markets. Already, Chinese oil demand has risen from 116 million tons in 1990 to 327 million tons in 2005.

[Energy policy: We won't get there by tinkering](#)

Clinton backs the creation of a \$50 billion energy fund to support investments in alternative energy. She also supports adding 100,000 plug-in hybrid electric vehicles to the federal fleet by 2015 and \$2 billion in research and development to reduce the cost

and improve the longevity and durability of batteries. I like that.

Plug-in hybrids are a building block to a transition to a more fuel-diversified transportation sector — one that could be weaned off carbon-based fuels (read Middle East supply) over time as we improve our electricity network. Imagine: Hugo Chavez cuts off the oil we need to fuel our cars and instead of standing in long gasoline lines and cursing our government and Big Oil, we simply opt to charge up by plugging in our cars at home.

[Energy policy: Environment merits attention](#)

If an energy surprise awaits, perhaps it will take shape in a new administration that breaks with tradition and forcefully commits to building energy policy around substantive environmental issues. In 2008, it is no longer possible to deny that finding, producing and exploiting fossil fuels is inextricably linked with the environmental health of our planet and ourselves.

[Mexican leftist back on streets in oil protest](#)

MEXICO CITY (Reuters) - Eighteen months after he crippled the capital with protests over a 2006 election defeat, Mexican leftist Andres Manuel Lopez Obrador was back on the street on Sunday to protect the state monopoly on oil.

[A new era for railroads as companies expand](#)

For decades, railroads spent little on expansion, even tore up surplus track and shrank routes. But since 2000 they've spent \$10 billion to expand tracks, build freight yards and buy locomotives, and they have \$12 billion more in upgrades planned.

[Putin's Iron Grip on Russia Suffocates His Opponents](#)

NIZHNY NOVGOROD, Russia — Shortly before parliamentary elections in December, foremen fanned out across the sprawling GAZ vehicle factory here, pulling aside assembly-line workers and giving them an order: vote for President Vladimir V. Putin's party or else. They were instructed to phone in after they left their polling places. Names would be tallied, defiance punished.

[In City Waters, Beds \(and a Job\) for Oysters](#)

Scientists in the last several decades have developed a better understanding of the ability of oysters to filter water. As an adult oyster feeds, it can filter 5 to 50 gallons of water a day, depending on its size and the temperature of the water.

During this process, it absorbs nitrogen, algae and bacteria, depositing them in the sediment at the water's bottom. The oyster beds also serve as the foundation for an ecosystem that can support other marine species, like eelgrass, which in turn absorb other waste materials and provide habitats for fish.

[10 things the nation must do to avert an energy crunch \(and protect the planet\)](#)

THE price of crude oil has topped \$100 a barrel and could go higher. Rising demand for oil in India and China, combined with global bottlenecks in production and refining, could cause an energy crunch with the potential to disrupt economies and place public safety at risk.

At the same time, the burning of carbon-rich fossil fuels is creating greenhouse gases and causing temperatures and sea levels to rise. The United States is the world's largest energy consumer and producer of greenhouse gases and must lead the way in the search for alternative sources of energy.

The following is a list of 10 steps the United States must take in order to avert an energy shortage and protect the environment.

[OPEC President Khelil Expects Oil Demand to Decline](#)

(Bloomberg) -- Organization of Petroleum Exporting Countries President Chakib Khelil said he expects oil demand to decrease in the second quarter and that the group may agree to cut production at its next meeting.

"We don't expect to put more oil in the market," Khelil told reporters in Algiers today. Inventories are "very high and international demand is expected to decrease in the second quarter. OPEC is going either to keep production or reduce it."

[Venezuela considered swap in Exxon dispute](#)

CARACAS (Reuters) - Venezuela offered to resolve its nationalization dispute with U.S. energy giant Exxon Mobil by withdrawing from its stake in the Chalmette refinery, a top energy official told local media in comments reported on Sunday.

[Boom and bust may be a relic of Houston's past](#)

What if today's peak oil prognosticators are right, and there will be no significant tapering of demand or growth in supply? And if that's true, what does it mean for a city whose fortunes have always been linked to a price graph and the whims of traders who traffic in black gold?

[Imagine a world that's energy-rich: Storing electricity locally was late Nobelist's dream](#)

The late Dr. Richard E. Smalley was a Nobel Laureate and professor of chemistry at Rice University. His Nobel Prize in Chemistry was awarded in 1996 for the discovery of a new form of carbon, buckminsterfullerene ("buckyballs") with Robert Curl, also a professor of chemistry at Rice, and Harold Kroto, a professor at the University of Sussex in England. At the time of his death in October 2005, Smalley was focused on finding solutions to the global energy problem. The article below is a summation of Smalley's thoughts on an energy solution excerpted by his colleague, Amy Myers Jaffe of Rice's Baker Institute.

[Federal funds for roads fading fast](#)

WASHINGTON – The federal Highway Trust Fund is expected to run out of money next year, and transportation officials across Washington state, already feeling the squeeze from deteriorating roads, highways and bridges, are scrambling to deal with the possible fallout.

...The bulk of funding for the federal Highway Trust Fund comes from the 18.4 cents-per-gallon federal gasoline tax. But revenues from the tax have flattened out, likely because people are driving less due to the price of gas and because cars have become more fuel efficient in the 14 years since the federal gas tax was last increased.

[Australia: Lack of parking puts train users on road](#)

A CRITICAL shortage of commuter car parking is forcing thousands of would-be train users on to the roads adding to Sydney's already chronic congestion, an NRMA report says.

More than 40 per cent of motorists who otherwise drive all the way to work would rather park at a station and commute if there were an adequate number of parking spots at the station.

[Australia: Government's 50c slug on petrol](#)

THE country's biggest fuel refiner, Caltex, says the Federal Government is getting about 50c on every litre of petrol sold to motorists.

Caltex yesterday revealed for the first time who gets what from petrol that goes through the pumps at service stations.

Managing director Des King told BusinessDaily: "We haven't announced this before, but

we make an average of 1.5 on every litre of petrol after all costs, whereas the government makes 50.

[OPEC vis-à-vis \\$100 per barrel](#)

Crude oil prices were up again last week, reaching the \$100 level, which it had attained at the beginning of the year despite the gradual decline to the \$86 mark. Why are oil prices up again?

[Ryan's oil security review will cost government €224,000](#)

Energy minister Eamon Ryan is spending almost a quarter of a million euro on a review of the security of Ireland's oil supplies, which will include assessing the possibility of constructing an oil pipeline to Britain or continental Europe.

[Lula Says Investment to Resolve Bolivia Gas Impasse](#)

(Bloomberg) -- A revival of investments in Bolivia, home to South America's second-largest natural gas reserves, will ease a regional shortage of the fuel in the "medium term," Brazilian President Luiz Inacio Lula da Silva said.

[Nepali gov't given 15-day ultimatum to end load-shedding crisis](#)

KATHMANDU (Xinhua) -- The recently formed Consumers' Struggle Committee has given a 15-day ultimatum to the Nepali government to end the persisting problems of load-shedding, crisis of petroleum and cooking gas, The Himalayan Times reported on Sunday.

[Nepal: Supply committee decides to enforce odd-even rule to address fuel shortage](#)

The meeting of the Supply Management Committee of the government, Saturday, decided to enforce odd-even rule beginning Monday to deal with the acute shortage of petroleum products.

The committee decided that odd-numbered vehicles (registration number) can obtain fuel only on odd days while even-numbered vehicles can obtain fuel on even days (Monday, Wednesday, Friday).

[Chiles: Energy research gets low priority](#)

During a humorous presentation that earned him a standing ovation, Springfield City Councilman Dan Chiles noted the Bush administration has spent astronomically on the Iraq war while spending only a pittance on research and development of new energy.

[History Lesson](#)

Also, consider that during the early part of the last century, as the state poured more and more state and federal money into constructing and maintaining better highways, the love affair with the automobile began to blossom. The once popular trolley — in 1902, there were 987 traction companies throughout the nation with a capacity of 4.8 billion passengers — fell out of favor. Reduced ridership along with the fact that government regulations prevented privately run trolleys from raising their fares above a nickel spelled the demise of the once popular mode of mass transit.

[Ethanol plants could trigger new water-use laws](#)

Missouri's rush to expand ethanol production may end up rewriting the state's water-use laws.

At least that's what a group of Webster County residents believes will happen as their lawsuit against an ethanol project near Fordland moves through the courts.

[Folding green: the investment boom](#)

Money is pouring into the clean energy sector, which includes renewable forms of electricity generation such as wind, biomass and solar as well as companies involved in energy efficiency and waste treatment. According to research firm New Energy Finance, investment in the sector increased globally by 41 per cent last year to \$117bn (£59bn), just over half of which went on new projects.

[Colorado residents fight uranium mine](#)

Jean Hediger can stand at the edge of her organic wheat farm and look west to the Rockies, east toward this speck-in-the-road town and straight ahead into what she sees as her worst nightmare.

A Canadian company's plans to establish a uranium mine just across the two-lane county road from Hediger's farm has triggered a bitter tug-of-war with residents of this fast-growing region about 70 miles north of Denver who fear the risk of contaminated water and other health problems.

"How do you farm organically next to a uranium mine?" Hediger asks. "It's pretty darned scary, isn't it?"

[Biologist tells how climate change affects agriculture](#)

Essentially, in places where there is rain, global warming will bring more rain, and regions that commonly suffer droughts will continue to see a decrease in precipitation, he said.

But changes will not be immediate.

"What we're seeing now is a result of carbon fuels released 30 years ago," he said. "You're looking at a big water shortage in the future for this part of the world."

[Wheat shortage gets bakers right in the bread basket](#)

Like flour-dependent businesses all over the country, Formica Brothers has been hit hard by the drastically rising price of flour, which has increased by about 250 percent in just six months.

"In August, a 100-pound bag of flour cost about \$15. Today it's over \$50," said Formica, of Margate. "For us, that means we went from paying \$7,500 a week for a shipment of 500 pounds of flour to now paying over \$25,000."

[Food shortages loom as wheat crop shrinks and prices rise](#)

THE world is only ten weeks away from running out of wheat supplies after stocks fell to their lowest levels for 50 years.

The crisis has pushed prices to an all-time high and could lead to further hikes in the price of bread, beer, biscuits and other basic foods.

It could also exacerbate serious food shortages in developing countries especially in Africa.

[South Africa: Time Ripe for Food Security to Move Up Policy Agenda](#)

THE increase in fossil fuel prices has led the world to reconsider alternative sources of energy, such as biofuels.

As a result, the demand for grains and oil seeds has increased substantially over a short period, with prices reaching record highs. At the same time, the economic growth and increasing wealth in countries such as China and India have put additional demand on grain supplies.

The prophets of climate-change doom have highlighted the effect that this could have on the availability of food. All these factors have brought agriculture to the forefront of international discussions, not only among governments but also among business leaders.

['Eco-awakening' affects personal lifestyle choices](#)

Almost every day, Vanessa Willbourn looked forward to a cup of tea from Starbucks on her drive to high school.

Then several weeks ago, she started wondering about whether her habit was good for the Earth.

[Sustainability and the Pressing Need to Raise Our Collective Consciousness](#)

In 1972, during a speech at an International Rotary Convention in Lausanne, Switzerland, shortly after my epiphany in space, I raised concern about the finite supply of fossil fuels, and its role in sustainability. We are overwhelming our planet's renewable resources with our numbers and consumption patterns. It is my hope that reaching peak oil will cause citizens of the world to awaken to the larger issues.

[Matt Simmons - Energy policy: U.S. needs to show world the way](#)

If I were preparing a briefing for the president-elect on urgent energy actions needed in the administration's first 30 days, it would read as follows:

- Be prepared for peak oil and gas. While the data is still imperfect, there is a high risk that global use of oil and gas is now at or beyond a sustainable level. While demand for both key fossil fuels still rages ahead, new supplies are struggling to grow fast enough to offset rising production declines from old (and very old) oil and gas basins.

...It is impossible to predict any precise timing of when peak supply will be reached, nor the duration this peak output will stay at an "undulating plateau" before then going into what could be a steep decline. Hence, the world's leaders need to assume we have no more than three to five years to make a transition to a post-peak oil and gas world.

[Renowned 'peak oil' expert addresses Dubai's business leaders](#)

"Peak oil is probably now past tense and the world is desperately in need of a sustainable series of new energy sources and urgent adoption of conservation measures to wean 'us' all from a chronic addiction not just to oil, but all three forms of fossil fuels," said Matthew Simmons.

According to Simmons one of the most critical questions facing the global energy market is whether key oil producing nations can increase oil production to meet the current and future growth in world demand. He warns that with the rapid population growth, improved economies and subsequent increase in vehicles the world's demand for oil can only continue to multiply.

[OPEC Production Cut In March To Send "Bad Signals"- Official](#)

DUBAI -(Dow Jones)- An output cut by the Organization of Petroleum Exporting Countries during its March meeting would send "bad signals" to the market and add further pressure on already soaring oil prices, a group official said Sunday.

"Fundamentals do warrant a cut, but we are afraid that if such a step is taken then it would send bad signals to the markets and lead to even higher prices," the Persian Gulf OPEC official told Dow Jones Newswires.

[Iraq's oil flows to Turkey despite incursion](#)

BAGHDAD (Xinhua) - Iraqi exports of crude oil continue flowing through Turkey despite the Turkish military operation against the Kurdish Workers' Party (PKK) guerrillas in northern Iraq, the Iraqi Oil Ministry said on Sunday. "I confirm that the oil exports are flowing normally to Ceyhanport and that the operations did not effect it," an official from the ministry's media office told Xinhua.

"There is up to 350,000 barrels of crude oil per day exported through the Ceyhan port," the official said.

[Iraq forms committee for shared oilfields issues](#)

(MENAFN) The Iraqi Cabinet announced that it will form a government committee to negotiate with neighboring countries over shared oil fields, a move that comes after Iraq accused Iran of stealing its oil from areas along their border, AP reported.

The Iraqi Prime Minister Nouri al-Maliki's office issued a statement saying that the Cabinet had agreed to form a committee to be headed by a foreign affairs deputy, with representation from the Oil and Interior ministries.

[Yemen says foils attempt to bomb oil pipeline](#)

SANAA (Reuters) - Yemeni forces have foiled an attempt to blow up a crude oil pipeline in the Marib province and arrested a number of "saboteurs," the official Yemeni news

agency Saba said on Sunday.

"Interrogations are under way, but the initial results indicate that this group is linked to the terrorist bombing of the pipeline last year," Saba said, citing the head of security in the province.

[Shell Irish Gas Refinery Fire Deliberately Set, Scotsman Says](#)

(Bloomberg) -- Royal Dutch Shell Plc said a fire at a natural gas refinery being built in western Ireland appears to have been deliberately set, the Scotsman newspaper reported, citing the Press Association.

[Basin has yielded 30 billion barrels of oil, isn't through yet](#)

More than 300 million years of history combined to form the Permian Basin of West Texas and Southeast New Mexico, filling it with abundant reserves of crude oil and natural gas.

To date, more than 30 billion barrels of crude oil have powered economies around the globe, and experts say the Basin isn't yet done.

[Energy policy: Drop ideas of independence](#)

The search for solutions to our energy challenges leads to one inescapable conclusion: There are no easy answers.

Regardless of who sits in the Oval Office next January, the reality is that world oil prices will never return to the "good old days" of the 1990s.

[Energy Sector Peak Oil Trends Paint "A Very Alarming Picture"](#)

While energy demand may be tempered by a slowdown in global economic growth, longer term growing energy demands and supply constraints will continue to present incredible challenges. Much more capital will need to be allocated to the sector to address supply issues, which should create opportunities for investors. We noted the following developments in the energy sector last month...

[Concerns delay Richton oil site](#)

WASHINGTON - Environmentalists persuaded Mississippi lawmakers to press the

Department of Energy to re-examine plans to store millions of gallons of oil in salt caverns near Richton, foreshadowing other hurdles the ambitious project could face.

[British Columbians are voting with their feet and heading to the burbs](#)

British Columbians are voting with their feet. And they're opting for suburbia.

Folks like Kunstler can rage against the suburbs all they want -- but wishing them away won't make it so.

[Australia: Garnaut inquiry into climate change a step forward](#)

THE interim report on climate change by Professor Ross Garnaut is excellent . Garnaut argues convincingly that Australia has more to lose from global warming than other developed countries, is well placed to profit from effective global mitigation policies and therefore concludes it is in Australia's interests to seek international agreement based on the most feasible global mitigation target.

[Brother, can you spare a carbon credit?](#)

Thinkers weigh a radical new way to reduce greenhouse gas: Give everyone an individual carbon allowance, and let the dealing begin.

[Oil industry and wind farms battle for tax breaks](#)

WASHINGTON — It's renewable energy vs. the oil industry in the halls of Congress where lawmakers are weighing whether to shift billions of dollars in tax incentives from oil and gas to wind, solar and biomass.

[A biofuels boondoggle](#)

With our polar ice caps shrinking, our coral reefs dying and our ecological clocks ticking, Earthlings are losing patience with the shameless gas-guzzling status quo in the United States. Even the barons of the old energy industries have abandoned their speaking points that denied climate change, and have begun demanding government action.

[Governors: Include coal in energy debate](#)

WASHINGTON - Governors pushing alternative energy development are not shying from coal, a major culprit in global warming but also a homegrown energy source and an

economic lifeline for many states.

Leaders of coal-rich states say clean-coal technology is a must. Governors from states without coal want more evidence the technology works.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).