



DrumBeat: April 13, 2008

Posted by [Leanan](#) on April 13, 2008 - 9:15am

Topic: [Miscellaneous](#)

[Peak and ye shall find - it doesn't have to be so bad](#)

Let's begin with a silly bet sent out by ASPO (Association for the Study of Peak Oil) to CERA (Cambridge Energy Research Associates, part of IHS). It wasn't bad marketing: I suspect that some magazine(s) will publish the supposed \$100,000 bet. But eventually I came to see it as the publicity stunt that it was. CERA won't take the bet, and even if they did, money would never change hands from the non-profit ASPO to the profitable CERA in nine years. The bet was whether CERA's recent forecast of 112 million barrels a day of global "oil" production *capacity* by 2017 would materialize, up from about 87 million today.

[Are We Doomed? Why Civilizations Like Ours Fall](#)

MacKenzie says it all comes down to how complex and interconnected your civilization is. Hierarchies tend to create increasing levels of bureaucracy, each serving in part to deal with problems created by the other levels. When the situation becomes too complex to manage, she says, "you turn into a network where the decision-making is sort of decentralized."

[Carolyn Baker: Recession, Depression, Collapse: What's Fear Got to Do with It?](#)

No one walking away from a foreclosed home, no one declaring bankruptcy, no uninsured person staring in the face tens or hundreds of thousands of dollars in medical bills needs a maestro or any other member of the ruling elite to tell them that not only are we in a recession, but we are on a fast-track to a depression that is going to make 1929 look like living in the lap of luxury. It's called the collapse of Western civilization, and it is well underway.

Oh, you don't like my use of the word "collapse"? Then please listen up.

[The Coming War with Iran: It's About the Oil, Stupid](#)

World civilization is based on oil. The world is running out of oil. The oil companies and

governments are not telling the truth about how close we are to the end. Dick Cheney knew about peak oil back in 1999 when he spoke to the London Petroleum Institute as Halliburton CEO. He predicted it would come in 2010. After that it's just a matter of years before it runs out. Whoever controls the remaining oil determines who lives and who dies.

[Iraqi government orders crackdown on unauthorized control of gas stations by militias](#)

BAGHDAD: The Iraqi government on Sunday announced plans to crack down on militiamen controlling gas stations and oil distribution in a new move to dry the resources of armed groups.

Iraqi Prime Minister Nouri al-Maliki has given instructions to ban the interference or the presence of any unofficial people or groups at state-run and private gas stations, refineries and oil distribution centers, according to a government statement.

['Sky-high' oil prices to last until 2020](#)

The world is now in a period of sky-high oil prices that will last a long time — probably until 2020, according to the world's largest investment bank.

Senior analyst Gioavanni Serio in Goldman Sachs, visiting Norway, told participants in an energy seminar that the oil industry moves in 20-year cycles, reports finance industry newswire E24.

[France says food should take priority over biofuel](#)

PARIS (Reuters) - Production of food must take precedence globally over biofuels as prices surge and the threat of famine grows, France's farm minister said on Friday, calling for a European Union initiative on world supplies.

[German development minister calls for regulation of biofuels market](#)

WASHINGTON: Germany's development minister is calling for greater regulation of the global biofuels market to prevent its expansion from driving up food prices.

Heidemarie Wieczorek-Zeul says "it is unacceptable for the export of agrofuels to pose a threat to the supply situation of the very people already living in poverty."

[Darling calls for urgent review of biofuel policies](#)

Alistair Darling has demanded an urgent review of international biofuel programmes as part of a plan to tackle the world's mounting food crisis. The Chancellor said he had asked the World Bank to produce an analysis - for June's G7 meeting of global leaders - on the impact of green policies, including America and Europe's biofuel programmes, on global food shortages.

'This is an urgent problem,' said Darling, who was speaking in Washington at a meeting of G7 leaders. 'People across the world will say, "Why didn't you see this coming?" when it is staring us in the face. We have got to take action.'

[Energy politics in South Asia](#)

An all too visible energy crunch lies at the heart of Pakistan's unfolding economic crisis. In fact, its deleterious effects in various sectors have become obvious probably a trifle earlier than expected because of a rapid increase in demand.

It is a problem that all the states of South Asia face in a setting where for reasons that vary from case to case actual achievement in developing power has lagged behind national planning.

[Britain ignored risk of whale extinction in rush for oil and gas](#)

Britain agreed to bankroll controversial drilling for oil and gas, despite a warning from its own officials of the "potentially devastating effects" on a critically endangered species of whale. The decision to flout their own experts' advice is revealed in deeply embarrassing documents the Government fought for three years to keep secret.

[A warm welcome: Oil and gas in Peru](#)

WITHIN a decade, says Peru's prime minister, Jorge del Castillo, his country will be a net exporter of energy. While other Latin American governments are tightening the screws on foreign investment in oil and gas, Peru is courting it. It has opened up swathes of the country to exploration, and is encouraging the \$1 billion modernisation of a state-run oil refinery and the construction of an export terminal for a huge liquefied natural gas project, which would be the biggest investment in Peruvian history.

[Oil, environment, lifestyle fuel Asia's two-wheeler boom](#)

SINGAPORE (AFP) — Record high oil prices, environmental concerns, affluent lifestyles as well as the need to dodge city traffic are driving a boom in Asia's motorcycle and bicycle market, industry figures say.

The rediscovery of cycling as a way to keep fit is also helping to boost demand for two-

wheelers, those at a bicycle and motorcycle exhibition which runs in Singapore until Sunday said.

[Energy and food problems need global solutions, says Sachs](#)

Any one of the problems that economist Jeffrey Sachs takes on would be daunting by itself: finding sustainable energy sources to avoid environmental destruction; stabilizing world population; ending extreme poverty and creating a new system for global cooperation.

Yet Sachs, who directs the Earth Institute at Columbia University, tackles all four in his new book, called "Common Wealth: Economics for a Crowded Planet."

He argues that finding solutions to these interconnected problems is not only possible, it's inexpensive, and would take just 2 to 3 percent of the world's annual income.

[Shell Finds Leak, Shuts Oil Pipe From Gulf to Midwest](#)

(Bloomberg) -- Royal Dutch Shell Plc said a leak forced the shutdown of a crude oil pipeline that moves more than 1 million barrels a day from the Gulf of Mexico to Midwestern refiners, cutting supplies at a time of near-record prices.

[High gas prices portend 'The Long Emergency'](#)

While many drivers may be concerned about the short-term drain that gas prices are having on their wallets, author and activist James Howard Kunstler says the bigger problems associated with oil and gas are profound, long-range, and irreversible.

Kunstler believes that what drivers are witnessing now is only a glimpse into what the future holds for society as a whole -- a future that will force communities around the world to restructure the way they're organized.

[Canada: The spectre of hunger](#)

It's bad enough some cash-strapped families are forced to remortgage just to keep up with skyrocketing energy prices.

If you think \$1.14 a litre at the pumps is gouging -- just wait for summer.

But Lord help the lowly consumer if our new crisis, a global food shortage, hits home.

[Delhi govt. cracks down hard against hoarders](#)

Cracking down on hoarders and black-marketeers, the Delhi Government has conducted raids in the capital and recovered huge stock of edible oils, pulses and cereals along with confiscating a whopping 2.5 lakh quintals of rice from a godown in Narela.

[India: No food grain use for bio-fuel production](#)

On Board Air India Special Aircraft, April 13 (IANS) India may be talking to Brazil over bio-fuel production for fuel sustainability, but Prime Minister Manmohan Singh is clear that his country, facing a food shortage, will not copy the South American nation to make ethanol from edible plants. According to Vilasrao Muttemwar, the minister for non-conventional energy accompanying President Pratibha Patil on her visit to Brazil, Mexico and Chile, Manmohan Singh has said that food grains should not be used to make bio-fuel in India.

[As food costs climb, so do the number of starving people around the world](#)

Blame Australian drought. Blame the shrinking dollar. Blame ethanol. Blame \$100-a-barrel oil and \$3-plus gasoline. Blame China for finding prosperity. Blame India, too. Blame humankind for liking the taste of meat.

Whatever's to blame, it's the world's poor who go hungry.

The number of hungry poor on the planet had stabilized in recent years. But soaring costs for food, and for shipping it to the starving, form the basis of a burgeoning global food shortage.

[How Far is the US From Food Shortages and Food Riots?](#)

As one retired grain salesman noted, most of the nation's grain is moved around the country by just TWO railroads. Little is stored in the event of disaster and the whole system is extremely vulnerable. While we in the United States look at the food riots in other countries with a sense of disbelief, we are not immune. Under the right circumstances, we could be in the same boat.

[After Protests, Haitian Leader Announces Rice Subsidies](#)

Responding to violent street protests against rising food prices that ground Haiti to a halt over the last week, President René Préal announced subsidies on Saturday that he said would cut the cost of rice by more than 15 percent.

But the emergency move was not enough to stop Haitian senators from voting to remove Mr. Préval's prime minister, Jacques-Édouard Alexis, who has been blamed for handling the struggling economy ineptly.

[Saudi cuts output](#)

LONDON: Saudi Arabia, the world's top oil exporter, has trimmed its output to about nine million barrels per day (bpd), a Saudi oil source said yesterday.

The level is slightly lower than the 9.2m bpd that Saudi Arabia had been producing until now and reflects lower customer demand, the source said.

[Oman inflation jumps, showing cost of dollar peg](#)

MUSCAT/DUBAI - Annual inflation in Oman, one of six Gulf oil producers, surged above 10 percent this year for the first time in at least 18 years, highlighting the cost of being pegged to the ailing dollar as food prices soared.

[Calderón's high-stakes gamble over Pemex](#)

For 70 uninterrupted years, the constitution has guaranteed Pemex unchallenged control over Mexico's oil resources, from exploration to the gas pump. And for many Mexicans, any change in that formula is tantamount to sedition.

The change needs to happen nonetheless. Pemex is financially mismanaged, partly because of corruption that has helped enrich several of Mexico's elite families. It is inefficient, has a bloated bureaucracy and is badly in need of modernization. Though treading lightly, Mr. Calderón is taking the first steps to put Pemex on a better path.

[Bangladesh okays \\$3bn Saudi oil investment](#)

DHAKA: Bangladesh has approved to go ahead with a \$3bn investment by Saudi Arabia to set up an oil refinery with a capacity to produce 300,000 barrels of oil products a day, a senior official said yesterday.

[Shell wants to set up a global CO2 market](#)

Royal Dutch Shell, Europe's largest oil company, wants a global carbon market to be introduced as "quickly as possible" to ensure that nations like India and China participate.

[Alberta Govt Gives Royalty Break To Deep Oil, Gas Dvlpmnt](#)

The Alberta government announced two new royalty programs Thursday to encourage the development of deep oil and gas wells, responding to criticism about the "unintended consequences" of its new royalty regime.

The programs will provide royalty breaks to the high-cost, high productivity wells that were hit hard by the royalty rate increases announced in October.

[Conoco, BP plans for gas line carry hope to economy](#)

BP and Conoco Phillips' announcement Tuesday that they will move forward to prepare for an open season for a gas pipeline should send a jolt of new confidence through the state's business community, which we badly need, what with worries of a national recession.

I was amused, however, by all the politicians in Juneau crediting themselves for making this happen. The two companies said that a deciding factor in moving ahead now is their belief that we are in a new environment of high energy prices for good.

[Venezuela oil wealth no cure for problems in health care](#)

Problems in Venezuela's health care system did not materialize when Chavez took office. The system has been beset by corruption, mismanagement and disorganization for decades. Tropical conditions have made the country ripe for a host of epidemics difficult for any government to control. An encephalitis outbreak in 1996 sickened 20,000 people.

But the system's current crisis comes as the country is awash in oil wealth, a windfall that critics say could be used to ease the problem.

[Officials robbing ExxonMobil](#)

What Alabama citizens might not realize is that trial lawyer type "Robin Hood" schemes against deep-pockets companies will ultimately rob jobs, diminish health care availability and restrict economic development in areas that need it most.

[Pakistan: APTMA slams 8-hour load-shedding](#)

LAHORE: All Pakistan Textile Mills Association Chairman Punjab Akber Sheikh has

slammed the unprecedented six to eight-hour unscheduled and unannounced load-shedding being endured by the textile industry. Contrary to assurances of managed load shedding, the distribution companies (DISCOs) and the National Transmission and Dispatch Company (NTDC) were shutting off electricity to textile units directly from the grids.

[A solution for Lebanon's power shortage](#)

The installation of a solar water heater in Lebanon is an effective way to combine ecology, economy and energy independence.

[South Africa: Is Eskom shocking us into using less power?](#)

Eskom's drive to drastically hike electricity tariffs is a "shock and awe" tactic aimed at getting consumers to permanently slash their consumption.

[Re-lighting the world](#)

As chief executive of one of San Luis Obispo's newest high-tech companies, King Lee says he believes his General LED business holds the torch that will re-light the world.

[On the Irish Coast, Reconsidering Energy From the Town Up](#)

DUNDALK, Ireland - WHEN the fearsome Cuchulainn was transformed by the rage of battle into a Celtic Incredible Hulk, according to Irish mythology, the warrior's intensity melted snow for 30 feet around him. That was an impressive generation of alternative energy from this Achilles-like hero so closely associated with Dundalk, but this town on Ireland's east coast is turning to less ephemeral kinds of power as it tests technologies to reduce the country's thirst for fossil fuels.

[When Cheap Housing Isn't: How Transportation Changes the Equation](#)

Ballooning gasoline prices aren't just changing how people drive—they may soon change where people live. With gas stuck above \$3.00 a gallon, those cheaper houses in the suburbs can be a money-losing proposition in the end.

[A Cleaner, Leaner Jet Age Has Arrived](#)

JET engines are now so reliable that a pilot can go an entire career without seeing one fail. Autopilots are so good that some airlines have set up their cockpits to emit a loud beep every few minutes, to make sure the crew is still awake. And navigation is so

accurate that landings can be timed to the second.

So what's left to worry about in aviation?

In a word, fuel.

[Defects found in nuclear reactor the French want to build in Britain](#)

Safety investigators uncover cracks in the concrete base and substandard welds. Lack of recent experience in building nuclear plants said to have caused problem.

[Death Looms for a Flood-Control Project](#)

STEELE BAYOU, Miss. — Seven decades of hydro-engineering have transformed the lower Mississippi Delta from wetlands to dry fields of cotton and soybeans. Levees and canals funnel runoff from hundreds of thousands of acres here to a huge set of metal gates that sit across Steele Bayou.

The debate over whether the Delta's transformation was an engineering feat or environmental folly winds up here, too.

[Saudi King says keeping some oil finds for future](#)

Saudi Arabia - RIYADH (Reuters) - Saudi Arabia's King Abdullah said he had ordered some new oil discoveries left untapped to preserve oil wealth in the world's top exporter for future generations, the official Saudi Press Agency (SPA) reported.

"I keep no secret from you that when there were some new finds, I told them, 'no, leave it in the ground, with grace from god, our children need it'," King Abdullah said in remarks made late on Saturday, SPA said.

[Bakken oil shows market's true power](#)

We're running out of oil.

Whale oil, that is.

And if an American prophet had said that in about 1850, he or she would have been right.

But so what? In the early 1800s, the future wasn't about whale oil, it turned out. Even though whaling was one of America's biggest industries and most Americans lit their lamps with whale oil at night.

[Is sun setting on Hawaii's future?](#)

For 25 percent of adults, the first sign of heart disease is sudden death from a heart attack.

For isolated economies, the first sign that you have flamed out might be that the planes stop flying to your airport on a regular basis.

[UK: Crushed on the road to oil armageddon](#)

ANOTHER WEEK, another set of dire omens and fears for the UK haulage industry. Last week it was the turn of Unite, Britain's largest trade union to warn that unless the government implements an essential users' rebate on diesel tax, small companies will go bust and employees will lose out on wages.

With the industry reeling over the price of diesel and the massive amount of tax commercial users have to pay, Ron Webb, Unite's national secretary for road transport, said: "The government needs to listen to the trade associations. Unless they introduce a method of returning some of the tax to road haulage companies they will simply not be able to continue to operate. Not only will small companies go bust but larger companies are informing us across the bargaining table that unless they see a change soon it will mean lower wages for employees."

[Chevron, Total seek oil deal in Iraq](#)

BAGHDAD - Oil giants Chevron Corp. and Total have confirmed that they are in discussions with the Iraqi Oil Ministry to increase production in an important oil field in southern Iraq.

The discussions are aimed at finalizing a two-year deal, or technical support agreement, to boost production at the West Qurna Stage 1 oil field near Iraq's second-largest city of Basra.

[Australia: 'Dammed if we do'](#)

Steve's aim is to shake city-dwellers out of their complacency about plans to build the Traveston Crossing dam and show them what is at stake.

He said the world has passed peak oil, we need food sources close to urban centres, the Lockyer Valley is drying up and the government is planning to flood arable land on Brisbane's doorstep. Moreover, climate change will bring reduced rainfall and the dam

will contribute to greenhouse gas emissions, he added.

[Shell's future in Nigeria in doubt](#)

Royal Dutch Shell is facing pressure from the Nigerian government and increasingly violent opposition in the Niger Delta oil-producing region, raising questions over its long-term future in the country.

[Australia: Diesel's turn under the pump](#)

THE new petrol price watchdog has promised to scrutinise soaring diesel prices, amid concern that oil companies are using the fuel to gouge profits previously earned on unleaded.

[Financing crucial to next climate change pact: U.N.](#)

WASHINGTON (Reuters) - The global fight against climate change after the Kyoto pact expires will fail unless rich countries can come up with creative ways to finance clean development by poorer nations, a U.N. official said on Saturday.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).