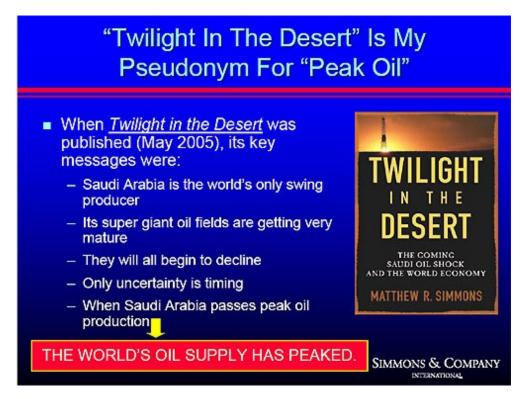




DrumBeat: April 25, 2008

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New Matthew Simmons presentations



Including:

The 21st Century Energy Crisis Has Arrived

Are We Nearing The Peak Of Fossil Fuel Energy? Has Twilight In The Desert Begun?

The Peak Oil Debate As The EIA Turns 30

<u>Clothing stores feel sharp economic pinch</u>: *High fuel, food prices crimping spending on apparel*

After years of routinely asking consumers what they think of the coming fashion season, it would seem that nothing could surprise C. Britt Beemer. But this year, when Beemer asked women to rate spring clothes, he got an unexpected response -50 percent of women said they hadn't even noticed what's in store windows.

...If rising food and fuel prices aren't exactly getting you in the mood to hit the mall for a new spring outfit, you're not alone.

Clothing retailers are facing a double whammy of drooping consumer interest - fueled by economic woes - coupled with their own rising costs for raw materials such as cotton, fuel to transport goods and even labor in China.

North Pole could be ice free in 2008

You know when climate change is biting hard when instead of a vast expanse of snow the North Pole is a vast expanse of water. This year, for the first time, Arctic scientists are preparing for that possibility.

"The set-up for this summer is disturbing," says Mark Serreze, of the US National Snow and Ice Data Center (NSIDC). A number of factors have this year led to most of the Arctic ice being thin and vulnerable as it enters its summer melting season.

The greening of America

LOS ANGELES - Spurred by visions of their cities frying in a warmer world, mayors around the nation have grasped a green solution: trees! Like Johnny Appleseed, they have vowed to sow their seeds in great profusion, promising millions of new trees in the coming years. Arbor Day, that old fusty holiday, is getting a makeover.

Cities once planted trees because they were beautiful. Now trees are being retasked as "green infrastructure" managed by "urban foresters" to work as powerful energysaving, carbon-sucking, wastewater-treating tools to save the planet. But as the mayors spin their green dreams, their releaf teams have had to confront a brutal reality: Planting a tree is a lot harder than it looks.

Insects left disfigured by nuclear radiation

No one wants to live too close to a source of artificial radiation, not even insects. Cornelia Hesse-Honegger has spent 20 years travelling around the world, mostly in Europe, capturing and studying over 16,000 insects, many living in the vicinity of nuclear power stations, or other artificial sources of radiation. Her conclusion, not surprisingly, is that exposure to radiation increases the chances of deformity.

How to End the Global Food Shortage

The world economy has run into a brick wall. Despite countless warnings in recent years about the need to address a looming hunger crisis in poor countries and a looming energy crisis worldwide, world leaders failed to think ahead. The result is a global food crisis. Wheat, corn and rice prices have more than doubled in the past two years, and oil prices have more than tripled since the start of 2004. These food-price increases combined with soaring energy costs will slow if not stop economic growth in many parts of the world and will even undermine political stability, as evidenced by the protest riots that have erupted in places like Haiti, Bangladesh and Burkina Faso. Practical solutions to these growing woes do exist, but we'll have to start thinking ahead and acting globally.

The Politics of Food is Politics: An Alternative Agriculture is Possible

We buy food at the supermarket; so we don't generally experience -- directly -- the association between fuel and food. The connection, however, is every bit as central in the current food production regime as the link between aircraft engines and their fuel. Industrial monocropping for global distribution is "neither tooled nor organized for oil at \$120-a-barrel." It is not just the far-flung food transport network (much of it refrigerated and fuel-hungry) that creates the intimate dependency on oil; it is the whole scheme called industrial (or corporate, or "modern") agriculture.

This oil/food link -- during the onset of what some call the Peak Oil event -- has resulted almost overnight in steep food-price inflation, hitting peripheral economies like a tsunami.

Stand by your beds

I do not wait for permission to become a gardener but dig wherever I see horticultural potential. I do not just tend existing gardens but create them from neglected space. I, and thousands of people like me, step out from home to garden land we do not own. We see opportunities all around us. Vacant lots flourish as urban oases, roadside verges dazzle with flowers and crops are harvested from land that was assumed to be fruitless. The attacks are happening all around us and on every scale - from surreptitious solo missions to spectacular campaigns by organised and politically charged cells.

This is guerrilla gardening.

Hundreds of EPA scientists cite political interference

Washington — Hundreds of Environmental Protection Agency scientists say they have been pressured by superiors to skew their findings, according to a survey released Wednesday by an advocacy group.

The Union of Concerned Scientists said more than half of the nearly 1,600 EPA staff scientists who responded online to a detailed questionnaire reported they had experienced political interference in their work.

Falling Polish coal output raises energy security fears

Poland's largest hard coal companies said Wednesday they produced 1.8 million metric tonnes less in this year's first quarter compared to the same period last year, raising concerns about supplies to the country's power plants. Poland produces almost 95% of its electricity from coal-fired plants.

What Nuclear Renaissance?

The fact is, nuclear power has not recovered from the crisis that hit it three decades ago with the reactor fire at Browns Ferry, Alabama, in 1975 and the meltdown at Three Mile Island in 1979. Then came what seemed to be the coup de grâce: Chernobyl in 1986. The last nuclear power plant ordered by a US utility, the TVA's Watts Bar 1, began construction in 1973 and took twenty-three years to complete. Nuclear power has been in steady decline worldwide since 1984, with almost as many plants canceled as completed since then.

All of which raises the question: why is the much-storied "nuclear renaissance" so slow to get rolling? Who is holding up the show? In a nutshell, blame Warren Buffett and the banks--they won't put up the cash.

World's largest solar farm set for California

Stealth Bay Area solar startup OptiSolar has quietly revealed plans to build the world's largest photovoltaic solar farm on the central California coast — a 550-megawatt monster that would be nearly 40 times as large as the biggest such power plant operating today.

With First Car, a New Life in China

SHUANG MIAO, China — Li Rifu packed a lot of emotional freight into his first car. Mr. Li, a 46-year-old farmer and watch repairman, and his wife secretly hoped a car would improve the odds of their sons, then 22 and 24, of finding girlfriends, marrying and producing grandchildren.

Is humanity's restlessness a threat to the planet?

Humanity's history is marked by constant movement, mass migration from continent to continent in search of a better way of life. Is this restless addiction to travel - and our desperate demand for more fuel to feed it - our fatal flaw as a species?

The rapid pace of environmental change threatens to drastically transform our world. What might the future look like? Alan Weisman, best-selling author of *The World Without Us*, peers ahead 50 to 100 years to construct plausible scenarios for three widely divergent ecosystems, and the people who inhabit them.

U.S.-contracted ship fires toward Iranian boat

WASHINGTON (Reuters) - A cargo ship contracted by the U.S Military Sealift Command has fired at least one shot toward an Iranian boat, a U.S. defense official said on Friday.

...The United States in January said Iranian boats threatened its warships on January 6 along a vital route for crude oil shipments.

Strike refinery shutdown complete

The shutdown of the Ineos oil refinery at Grangemouth in central Scotland has been completed, the company has said.

White House Rejects Dem Plan Linking Arms Deals with OPEC Output

The White House said Thursday that Senate Democrats are "barking up the wrong tree" by threatening to hold up arms deals with Saudi Arabia and other Organization of Petroleum Exporting Countries unless the oil-producing countries agree to increase oil production.

"The last thing that we want to do is increase our dependence on foreign sources of energy," White House spokeswoman

CNOOC in Tax Dispute in Nigeria Over OML 130 License

Chinese oil producer Cnooc Ltd. (CEO) is involved in a tax dispute in Nigeria that might affect the price of its biggest-ever acquisition of a foreign oil field.

Hunger returns. We look to history for solutions

What can we learn from the green revolution? And could a "second green revolution" extricate us from today's food problems?

Unpaid utility bills soar as economy sags

CHICAGO — Hundreds of thousands of utility customers are at risk of disconnections as the sagging economy drives up the number of past-due home heating bills and the amounts owed, utility companies in cold-weather states say.

Xcel Energy says 17%-19% of its 1.1 million Minnesota customers and its 280,000 Wisconsin customers are in arrears. That's about the same as a year ago, but balances owed are up 10% in Minnesota and up 20% in Wisconsin, says Pat Boland, Xcel's credit policy manager.

Xcel disconnects 600-650 customers daily, he says. "Obviously the economy is playing a very big role in the disposable income that folks have," Boland says. Another factor: Cold weather added 7%-8% to this year's bills.

The extent of the problem is becoming apparent now because most states in the Midwest and Northeast have moratoriums on disconnecting utilities in winter months. Those restrictions typically end March 31 or April 15.

Petrol stations run dry as minister sparks fuel panic by admitting: 'Supplies can't be guaranteed on every forecourt'



Petrol stations in Scotland are already running dry, despite appeals for motorists not to panic buy ahead of a strike by workers at one of Britain's biggest oil refineries.

Several filling stations in Edinburgh are down to just two or three pumps as customers queue to stockpile fuel.

And at least one station has been closed, ahead of the imminent strike at Grangemouth, based nearby.

The Era of Cheap Food, Energy and Credit at an End

Eight years into a new millennium, it feels like the end of an era.

The end of the eras of cheap credit, cheap food and cheap energy. Will they be back? Even Pollyanna might swallow hard before giving the nod to that one.

Driving down the highway we have seen the future pass us by

What Kunstler did was make you feel guilty driving anything larger than one of those Smart cars that are only slightly bigger than a breadbox, and kicking the thermostat up a notch. He is quite literally a Prophet of Doom.

Doom? At the rate we were using oil in 2006, he estimated that the known reserves would be drained by 2043. That's 35 years away — as far in the future as 1973 is in the past, which is not that long ago, if you're about my age. I know exactly where I was in 1973: Waiting in a gas line at a Sunoco station in Florham Park, in the days following the Yom Kippur War. The 1973 gas shortage was blamed on international politics. The coming shortages are based on Mother Nature running dry.

Running on Empty

SOUND BITES and sloganeering just won't cut it anymore. Energy security—defined as reliable supplies at reasonable cost obtained in an environmentally sustainable manner —is no longer assured. All the presidential candidates loudly proclaim that they will reduce our dependence on foreign oil and, as a bonus, curb carbon emissions. Yet these same politicians, for the most part, have overlooked a serious problem. In so doing, they risk missing an important opportunity.

We are on the verge of an oil-production crunch—in which the growth in the global demand for oil will outpace supply. This is expected to occur, if present trends continue, after 2012.

Brazil: biofuels threaten food production only in U.S.

NEW YORK (Reuters) - Brazil's finance minister rejected on Monday the idea that the production of biofuels is driving higher the price of food globally, saying that this is a problem restricted to the United States.

"It endangers (food production) here in the United States, but not in Brazil, not in African countries, not in Latin American countries, which have enough land to produce both" food and biofuels, Guido Mantega told journalists in New York.

National Expert Touts Fuel Alternatives

While prices at the pump keep rising, some say it's time to look for alternatives.

National expert and author, Richard Heinberg, visited Vermont to talk to lawmakers. He thinks we're close to peak oil, which is the point when the rate of oil production will start to decline. He told Vermont leaders that they should look at cutting back on driving and buying local food to avoid the fuel it takes to truck it across the country. He also suggested helping people better insulate their homes so they're using less home heating oil.

Buying Our Way to a Better Planet?

There is a debate, subdued at times, between various approaches toward changing the planet to the better. In many ways, my viewpoint (on the optimist side) tends toward the 'enviro-capitalist', thinking that we can work to structure the economy to make the right choice, the easy (and preferred) choice. There is a challenge between using financial mechanisms as a tool to move toward a A Prosperous, Climate-Friendly Society and going overboard.

Energy Independence Isn't Very Green

THERE'S BROAD AGREEMENT that America should reduce its dependence on imported oil, but far less agreement on why. Are we combating global warming, or are we distancing ourselves from hostile and unstable regimes? The popular reply is that it hardly matters - we need to do both and the goals reinforce each other. But these two national energy goals are not only different but frequently in conflict, and effective policy will not be forged until those conflicts are addressed.

Top scientist objects to coal-based power plant

Dr. James Hansen has asked Gov. Tim Pawlenty to quash the plant, citing the governor's work to reduce greenhouse gases. But Pawlenty hasn't reached for the "off" switch yet.

There's more to \$120 oil than speculation

So there we were, dancing on the doorstep of \$120 this week.

When we last discussed oil prices in this space, crude was crossing the \$100-a-barrel milestone. That was less than four months ago.

Crude futures barreled through that threshold and have kept climbing, which wasn't supposed to happen. Our mounting economic downturn was supposed to curtail demand and drive prices down.

Our demand *is* falling — the International Energy Agency predicts U.S. oil consumption will slip by 2 percent this year — but the markets don't seem to have noticed.

It's as if our recession is meaningless.

"All the conventional wisdom about oil markets is wrong," said Jeffrey Brown, an independent geologist in Dallas who studies energy market data.

T. Boone Pickens Predicts \$125/Barrel Oil

"My IQ is the gas price. At \$3 I'm a genius. At \$1.50 I'm a moron. Don't talk to me too fast; it's at \$1.53 today."

T. Boone Pickens, 1999 from his online biography.

Here's the headline: T. Boone Pickens thinks oil prices are *still* going up. So who the heck is this guy and why should you care?

Free the SPR!

A rebounding dollar started to take the steam out of crude prices, until another militant attack in Nigeria spooked oil markets Friday, reports AP. Is crude set to go higher with more disruptions? About 700,000 barrels per day could be taken offline if British unions strike and disrupt North Sea refineries, reports the WSJ (sub reqd.)

Does that count as a severe disruption, though? That's the White House criterion for releasing oil from the Strategic Petroleum Reserve, now 97% full, while Democrats call for the government to ease prices with a timely release of crude, also in the WSJ (sub reqd.) Higher energy costs, from heating oil to gasoline, to electricity are hammering households, reports the NYT: Federal aid for energy bills is at its highest level in 16 years.

Oil Prices will stop rising, but until then

Oil prices are breaking new records and it seems like not going to cool down soon. In energy business, the predictions are doomed to get falsified. Short terms blink some hint, but in the long run it is full of surprises. This is the magnet of this business. And we are not sure when the prices will slow down. But panicking makes everything worse.

Carolyn Baker: Peak Civilization And The Winter Of Our Disconnect

For countless Americans across the nation, this winter has brought with it something far more distressing than brutal, bone-chilling temperatures-horrific, traumatic revelations that the American dream, neatly packaged and sold for decades, has become their worst possible nightmare. Should they happen to see on TV the guy from the Countrywide commercial greeting them with "Homeowners...", they are probably wondering why he hasn't been assassinated and at the very least wondering why Countrywide is still in business.

Countdown to the end

Kunstler's book details many factors of the ongoing global oil crisis we now face, which will, Kunstler says, lead to the inevitable destruction of American society and way of life. When this happens, Kunstler also alludes to the dwindling of globalism and the inability of suburban life forms to exist.

I really didn't want to listen. I want my American dream. I want my white-picket fence, a big backyard where the kids can play and the dog can run free while I watch from the house with my loving husband. I want my big, fat paycheck to buy expensive, fancy furniture. I want to entertain guests with my fancy china. I want to take jet planes all around the world where I can lay in pristine sands of paradise beaches. And, I want my big, fancy cars so I can drive into town when I need some groceries or want to spend a day at the spa - that is, of course, how all Americans dreams turn out, right?

UK: Dithering governments blamed for biofuel tanker shortage

Britain is facing a big shortage of ships for carrying biofuels unless politicians give clear guidelines about the future of renewable fuels, a leading maritime organisation warned last night.

The comments from Lloyd's Register that the world fleet might be "unable to cope" unless an extra 400 suitable vessels - 20% of the present fleet - were constructed, came after energy minister Malcolm Wicks questioned the use of biofuels at a time of rising food prices.

The Peak Oil Crisis: The Case for 2008

It is conventional wisdom for most of the people following the peak oil story that we still have a few years to go before the real troubles begin. Some say 2011, others 2015 or later, but in general, among those calculating the depletion vs. new supply balance most have been talking about troubles starting in years rather than months.

Let's ponder for a second the meaning of "peak oil." Ever since the concept was invented some 50 years ago, peak oil has meant the point in time when world oil production increases to a level that never again will be reached. For most of us, however, peak oil will not be a point on a government chart, but will be the day when we drive up to a gas station and find the tanks empty, restrictions on how much we can buy, or more likely a price that makes us realize our lifestyles are going to change. We can no longer afford to use our cars in the manner that we have been doing all our lives.

In recent weeks there have been developments suggesting that the troubles associated with peak oil may be coming faster than many realize.

Peak oil's a chimera. Dumb policies are the real problem

Fossil fuels are finite by definition. Eventually, since a growing global population will consume more energy, we'll run out of oil.

Some time after the world's oil reserves are depleted, what little food hasn't been contaminated with Bisphenol A will be gone.

Climate change will have rendered the earth uninhabitable, and WE'RE ALL GONNA DIE!

The environmental movement has become a death cult seduced by the fantasy of the coming Apocalypse.

Avoiding a 'Soylent Green' Future

Here is something to keep in mind concerning the sudden *Soylent Green* hysteria about rising food prices: Resources are limited only by the imagination and creativity of people operating in a free marketplace. Peak oil? Maybe. Peak energy? No way. Likewise, I don't think that McDonald's selling vat-grown burgers and algae fries is in our future.

Is B.C. ready for peak-oil refugees?

When Kitsilano-based strategic planner, architect, and peak-oil proponent Richard Balfour talks about environmental refugees, he mentions his own speculation that "20 to 30 million people" could be living in the Georgia Basin in the next 15 to 20 years.

"They come in three waves," Balfour told the Georgia Straight in an interview at his home. "The first is the one that is already happening, where people with money think they are going to find refuge up here. So they are buying up the coast of B.C. and the farmland of the Interior. The second wave is the middle class thinking they are going to move up to have a better place for their family, and that has started. And then starts the true wave, where you have the refugees arriving with nothing. How do you stop them?"

Some Aspects of the Future Supply of Middle Eastern Oil

In a recent edition of his 'blog', one of the authors of Freakonomics (2005) – Stephen Levitt – made a few comments about his short stay in the United Arab Emirates [UAE] state of Dubai. As most viewers of CNN are aware, luxury is the order of the day in that lucky nation, however in mulling over the details of this condition, Professor Levitt failed to emphasize the key economic element behind Dubai's rise from a fishing village to a middle eastern version of Monaco. The ingredient to which I am referring is systematic diversification, which in this case means that emphasis is unambiguously put on the conservation rather than the production/export of crude oil – where crude oil is oil as it is found underground, i.e. unprocessed. This approach means that less than 10% of Dubai's GNP is now directly attributable to oil, and as trade and the provision of services increases, measures may be taken reduce the output of crude even further.

Saudi Output Growth Can Help Forestall Peak Oil, Bernstein Says

"Saudi and global oil production has the potential to grow slowly going forward," the authors wrote. "We do not believe world oil production supply is peaking today."

Proponents of peak-oil, the theory that global production has or is about to reach its zenith, say booming demand and dwindling supply are responsible for the rising price of oil. Analysts debate the extent and timing of a drop in crude production in Saudi Arabia, the world's biggest oil exporter. Some argue Saudi Arabian Oil Co., known as Saudi Aramco, is downplaying reservoir declines and that the country may be forced to reduce output.

Sanford Bernstein commissioned a survey by GeoVille Information Systems to use satellites to monitor drilling at Ghawar, Saudi Arabia's biggest oil field. The analysis ``concludes that the Saudi peak oil production conspiracy theories, based on little or incomplete current field data, do not fit with our findings."

OPEC oil output to dip in April - Petrologistics

LONDON (Reuters) - OPEC oil supply in April is expected to slip by 100,000 barrels per day (bpd) from March, led by lower supply from Iraq, Iran and Nigeria, an industry consultant said on Friday.

All 13 members of the Organization of the Petroleum Exporting Countries are set to pump 32.5 million bpd this month compared with a revised 32.6 million bpd in March, Conrad Gerber of tanker tracker Petrologistics, told Reuters.

New York - Uncle Sam is adding 60,000 barrels of oil a day to giant underground caverns in Texas and Louisiana to be used for the proverbial "rainy day."

Is it raining yet?

UK: Petrol crisis looming as fuel fears grow

Britain could be on the brink of a petrol shortage as work begins to close a pipeline that delivers 30% of the UK's oil.

It's feared a two-day strike at the Grangemouth refinery could spark panic buys at petrol stations.

Record oil price to boost oil majors' profits

LONDON (Reuters) - Exxon Mobil, Royal Dutch Shell and BP are expected to report bumper first-quarter profits next week, thanks to record crude prices, but \$110 per barrel oil will also squeeze refining profits and delay a return to oil production growth.

Strike shuts 200,000 bpd of Exxon Nigeria oil - source

LAGOS (Reuters) - A strike by workers at Exxon Mobil in Nigeria has forced the company to shut down some 200,000 barrels of crude oil output, a senior union official said on Friday.

Oil pipeline bombing reported in Nigeria

LAGOS, Nigeria - Militants say they have sabotaged an oil pipeline in Nigeria's south.

The Movement for the Emancipation of the Niger Delta says its fighters hit a pipeline late Thursday in southern Rivers State.

That brings to four the number of pipelines the militant group claims to have blown up in the past week.

European airlines face squeeze on profit

The American airline industry lost \$1.5 billion (£760 million) in the first three months of the year and fears are growing that European carriers will be the next to feel the pain.

High oil prices have caused enormous losses among airlines in the United States, forcing them to seek bankruptcy protection, cut capacity and look for mergers.

Britain faces industrial unrest as unions threaten strikes

Britain faces a wave of industrial unrest this summer as unions, emboldened by Gordon Brown's climbdown after the 10p tax revolt, ballot millions of members on strike action.

Workers in local government, the health service, the Civil Service, the Royal Mail and even the Sellafield nuclear site could join teachers in an escalating confrontation with the Government over pay.

...Mark Serwotka, of PCS, the Civil Service union, said: "The 10p tax U-turn has shown that the Government can change its mind and it needs to change its mind on public sector pay. People on the minimum wage are facing rising fuel, mortgage and food costs and are being expected to take a pay cut in real terms. The Government has to act quickly to stem unrest."

BMI reveals approaches from ailing airlines

Several airlines struggling to cope with the record oil price have approached BMI to sound out whether the carrier would be interested in buying them.

"They have already started coming to us," said the chairman Sir Michael Bishop after a speech in which he predicted the slowing economy and the record price of fuel was leading to a clear division of airlines into the "haves and have-nots." Those able to withstand the difficult conditions – five airlines have folded in recent weeks – would be determined largely by their fuel hedging positions. BMI, he said, has hedged 75 per cent of its fuel for this year.

Natural-gas vehicles hot in Utah, where the fuel is cheap

SALT LAKE CITY - Troy Anderson was at the gas pump and couldn't have been happier, filling up at a rate of \$5 per tank.

Anderson was paying 63.8 cents per gallon equivalent for compressed natural gas, making Utah a hot market for vehicles that run on the fuel.

It's the country's cheapest rate for compressed gas, according to the Natural Gas Vehicle Coalition, and far less than the \$3.56 national average price for a gallon of gasoline.

Global warming fix could damage ozone layer

A climate "fix" to curb global warming would have a serious side effect, damaging the Earth's protective ozone shield.

Environment groups target Senate races on climate

WASHINGTON (Reuters) - U.S. environmental groups joined forces on Thursday to target Senate candidates in Colorado, New Hampshire and New Mexico, aiming to elect a 60-vote majority to deal with global warming.

Environmental measures have failed to clear Congress by "a handful of votes in the Senate" in recent years, the groups' leaders said, noting the legislation to fight climate change is set for debate by the full Senate this year.

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