



DrumBeat: April 26, 2008

Posted by [Leanan](#) on April 26, 2008 - 9:30am

Topic: [Miscellaneous](#)

[UK: It's time to relocalise our lives](#)

FACED WITH panic at the pumps, Alex Salmond was absolutely right to urge people to behave sensibly and responsibly, by cutting out non-essential trips, and using public transport. But he should have added: "Get used to it", because we urgently need to realise that this isn't just a one-off.

While we fret about filling the tank to visit family this weekend, or get to work this coming week, an infinitely more serious, long-term fuel problem is creeping up on us.

This dispute is simply a taster of more shortages in the pipeline, and the sooner we make permanent, structural changes to the way we live to take account of it, the better.

[Environmental Cost of Shipping Groceries Around the World](#)

Under longstanding trade agreements, fuel for international freight carried by sea and air is not taxed. Now, many economists, environmental advocates and politicians say it is time to make shippers and shoppers pay for the pollution, through taxes or other measures.

[Australia: Economy shifts into low gear](#)

ANZ chief economist Saul Eslake says he does not subscribe to the "peak oil" theory but is concerned that supply is not keeping up with demand, meaning prices will remain high and could even go higher.

The International Energy Agency estimates that global demand for oil grew by 1 million barrels a day last year, while supply remained flat. This year the agency expects demand to grow by 1.7 million to 87.6 million barrels a day.

Much of that demand is coming from the booming economies of India and China, the latter of which has gone from a net oil exporter to a net importer as its thirst for the black liquid grows to fuel economic expansion.

[Why The Chinese Are Getting Richer But Not Happier](#)

Data examined in a new study to be published in the *Journal of Happiness Studies* highlights a striking paradox in the expanding Chinese economy. While the Chinese are getting richer, they don't seem to be getting happier - in fact they're getting more unhappy. This paradox may have much to teach other expanding societies about the perils of financial inequality.

[For Many, Thrift Shops Are a Wardrobe Essential](#)

According to the National Association of Resale and Thrift Shops, the industry is growing at a rate of 5 percent a year. And as the prices of gasoline and groceries edge higher and debt — be it mortgage or credit card — weighs more heavily, saving money on clothes, shoes and household goods has become increasingly essential for many people.

[The Oil And Gas Industry Appeals Government To Avert Strike At Grangemouth Refinery](#)

(RTTNews) - The oil and gas industry has appealed the government to mediate in the industrial dispute at Grangemouth, Scotland's only refinery. Oil and Gas UK has urged its ministers to act to avoid further interruption to production.

[Mobil Nigeria union leader: Shutdown complete, strike to continue](#)

IBADAN, Nigeria (MarketWatch) -- The strike by workers at Mobil Producing Nigeria Unlimited, or MPN, entered its third day Saturday with the complete shutdown of the company's oil, condensate and gas production, a senior union leader told Dow Jones Newswires.

"All production by Mobil has been shut down. We achieved zero production as of 3 p.m. local time (1400 GMT) on Friday, and there is no attempt to reopen production," George-Olumoroti Olusola, Mobil branch chairman of the Petroleum and Natural Gas Senior Staff Association of Nigeria, or Pengassan, said Saturday.

[Sen. Kay Bailey Hutchison: Undoing America's Ethanol Mistake](#)

The Nobel Prize-winning economist Milton Friedman once said, "One of the great mistakes is to judge policies and programs by their intentions rather than their results."

When Congress passed legislation to greatly expand America's commitment to biofuels, it intended to create energy independence and protect the environment.

But the results have been quite different. America remains equally dependent on foreign

sources of energy, and new evidence suggests that ethanol is causing great harm to the environment.

[Oman drilling firm explores use of bacteria to increase oil production](#)

Muscat: Petroleum Development Oman (PDO) is exploring the possibility of using naturally occurring bacteria to increase oil production at its wells in the sultanate, the company's managing director John Malcolm said.

[High gas costs fuel energy debate](#)

With gas prices hitting record highs nearly every day, the major presidential candidates tangled yesterday over energy policy.

Barack Obama said that Democratic rival Hillary Clinton and presumptive Republican nominee John McCain are part of a Washington establishment that has failed to stand up to oil companies. McCain and the Republican National Committee are accusing Obama of flip-flopping on the idea of suspending the federal gas tax to help consumers. And Clinton is bashing Obama for voting for an energy bill that included tax breaks for oil companies.

[More than half Nigeria's oil output shut due to strike, attacks](#)

LONDON (MarketWatch) -- Roughly 58% of Nigeria's oil pumping capacity remained shut Saturday following an ongoing oil worker's strike and a series of recent militant attacks on energy infrastructure in Africa's biggest crude producing nation.

[How to cultivate a 'green mortgage'](#)

Brian Berg, vice president for corporate communications at ShoreBank in Chicago, says consumers can save up to 45 percent off their monthly utility bills with an investment of just a few thousand dollars.

"This is why when someone comes to us for a mortgage or home improvement loan, we talk to them about how adding a 'green' element to their request might make more financial sense over the long run," says Joel Freehling, ShoreBank's manager of "triple bottom line innovation."

[How to spend it: A region awash with oil money has one or two clouds on the horizon](#)

Almost a fifth of the UAE's native population suffers from diabetes, a rate second only to Nauru's. Next come three fellow members of the Gulf Co-operation Council (GCC) —Saudi Arabia (16.7%), Bahrain (15.2%) and Kuwait (14.4%).

The ailment is one unhappy consequence of the region's economic transformation. Before 1961, Abu Dhabi lacked even a paved road. Since then, it has enjoyed a startling transition from pearling to petroleum, from souk to mall and from sand to glass. This prosperity has bought a sedentary lifestyle and a sugary diet, which may have triggered a genetic predisposition to diabetes among Arabs. In the neighbouring emirate of Dubai shoppers are invited to enrol in "Mall Walkers", a power-walking club that promises to give more than your credit card a workout.

Diabetes is a useful metaphor for the Gulf's present problems. The region's economies are struggling to absorb petrodollars, accumulating like glucose in the bloodstream. The risk they face is the economic equivalent of renal failure: inflation, a hollowing-out of the non-oil sector, and a young, growing workforce in chronic need of outside labour to supplement it.

[Gasoline could hit \\$7 a gallon in four years: CIBC](#)

Crude supplies are actually lower than some official estimates indicate, while demand is unlikely to fall anytime soon, according to a statement by analysts led by Jeff Rubin at CIBC, an investment bank. They forecast that these tighter supplies and continued strong demand will drive oil and gasoline prices to roughly double their current levels by 2012.

"It is increasingly clear that the outlook for oil supply signals a period of unprecedented scarcity," said Rubin. "Despite the recent record jump in oil prices, oil prices will continue to rise steadily over the next five years."

[A world agricultural bank?](#)

Presently there is no way out for a country which has a shortage of food and cannot supplement the same with imports. The problem is more acute when the product is rare, like pulses which are grown by a few countries. This situation should sow the seeds of the idea of establishing a world agricultural bank (WAB) which can respond appropriately in times of crisis.

[UK: We've become a nation of bulimics](#)

Just how decadent is a society that can purge itself of decent food? The estimated £800 rise in a family's annual grocery bill could be more than absorbed by eliminating waste and reviving respect for food, eroded by decades of cheap produce.

[Gas station loses 1,500 gallons to thieves](#)

It was a somewhat surprising heist, considering that gasoline theft in the United States typically has been limited to people siphoning modest amounts out of parked vehicles and storage tanks or driving off without paying. But at a time when gas has surpassed \$4 a gallon, larger-scale theft has been increasing.

The crime cost retailers \$122 million in 2006. It jumped to \$134 million in 2007, according to the National Association of Convenience Stores.

[Canada: Ethanol fit for road](#)

Environment Minister John Baird will continue to drive his ethanol-powered car despite a growing outcry that the demand for corn-based fuel is contributing to the world food shortage.

Baird also defended his government's policy on biofuels, which last year promised \$1.5 billion in subsidies to producers who make fuel from corn, grain and other feedstock.

[Fuel crisis obliges Gazans to invent alternatives](#)

The bicycle business is booming in the Gaza Strip in the wake of the fuel crisis, according to dealers.

"The fuel crisis is definitely having a major influence, as more and more people turn to cycling," said Mohammed al-Soussi, owner of a bicycle shop. "I'm battling to get new bicycles," al-Soussi said, complaining that he cannot get parts from outside because of the blockade imposed on Gaza.

[Vegans Kill to Drive Cars and Have Sex in a Dystopian Future](#)



The aptly-named *Blood Car* is a near-future tale about peak oil and bloodthirsty vegans. Gasoline is so expensive that it takes almost 500 bucks to fill your tank, and most cars have been abandoned in vast "car graveyards." Archie is a nice vegan guy who wants to help the world by creating the first engine that runs on wheatgrass — but instead, he accidentally invents an engine that runs on human blood.

[Fear not, Canada will get through it](#)

Let's not panic. Society has undergone seismic shifts in the past. We have adapted. We will again.

Given \$200-a-barrel oil, the 100-mile diet suddenly gets a lot more practical. Rail transport, on a massive scale, comes back into vogue. Hybrid cars shift from being a niche product, to being a mass-market one.

Backyard vegetable gardens are niche interests in Canada now. They weren't always. In wartime most Canadian backyards had a little plot for growing potatoes and other staples. If food prices go high and stay high, these will become common once again.

[Supply, demand and dollar are driving gasoline prices](#)

During the summer, television networks don't seem to discriminate in airing re-runs. The miserable shows get re-aired along with the good ones. Washington seems to have the same mindset when it comes to policy reruns. Failed policies are as likely to be reinstated as successful ones. Case in point: petroleum regulation and the "windfall profits" tax.

[Protest in Mexico's Congress over Pemex oil bill ends](#)

MEXICO CITY -- President Felipe Calderon's proposal to overhaul Mexico's oil industry has revealed a rift in the rival Democratic Revolution Party, with leaders arguing over how to respond to the initiative.

On Friday, after days of talks between party moderates and self-described "radicals," the PRD ended a two-week blockade of Congress that had prevented discussion of Calderon's proposed changes.

[Energy crisis forces India to join Iran gas pipeline project](#)

ISLAMABAD: Differences between Pakistan and India over the Iran-Pakistan-India (IPI) gas pipeline project were resolved on Friday and the two countries agreed to start work on laying pipelines next year for procuring gas from Iran by December 2012.

Talks between the two countries to resolve the differences, mainly relating to transit fee and transportation tariff, failed in June last year, putting the \$7.5 billion 'peace pipeline' project into cold storage. But the current energy crisis and spiralling oil prices brought them back to the table.

[Baltic nuke plant criticized](#)

MOSCOW (UPI) -- Russian plans to build a nuclear power plant in the Kaliningrad Region have provoked protests from Europeans concerned about environmental and radiological safety.

The plant is intended to ensure the Baltic enclave's energy security. Russian physicist Anatoly Zrodnikov once said, "The world is now not ruled by the dollar or the euro, but by the joule."

[Chernobyl tragedy has not prevented nuclear renaissance](#)

MOSCOW (RIA Novosti) - The Chernobyl nuclear power plant must have a new confinement shelter for its 4th reactor, which exploded on April 26, 1986.

The old shelter was built hastily, in emergency conditions when robots went mad but people continued to work. It sufficed in the short term, but time and severe weather conditions have weakened it. The new confinement will be safe for 100 years.

[Canada: National crisis hits home](#)

The brothers say they're caught in the centre of the "perfect storm." Canadian hog producers can't compete against the big U.S. corporations that are trouncing local farmers and flooding the market under the North American Free Trade Agreement.

They've suffered years of financial losses. Economic conditions have been crushing farmers since 2004, said Jan Binnendyk, the father.

The rising Canadian dollar and the escalating cost of feed is killing their business.

[Thailand wants Opec-like cartel for rice](#)

BANGKOK: With the rice price soaring in tandem with the skyrocketing oil price, Thailand's largest enterprise has call on the government to form an Opec-like alliance on rice to elevate its price.

[Raymond J. Learsy: The *New York Times*' Hidden Hand On Oil's Agenda](#)

If ever a commentator on a given issue is freighted with prescribed points of view the *New York Times*' reporter Jad Mouawad would be a standout candidate for the oil patch's "golden goose" award for espousing the preprogrammed pieties that are wont to make us continue our soporific acceptance of the greatest heist, and transfer of wealth in human history. Where there are arguments to be contrived and oil patch rationalizations to excuse the heist inherent in today's oil prices or to explain them away, leave it to the *New York Times* and Mouwad to convey the imprimatur of what once passed for serious journalism to this greatest of all con games.

[Strange times](#)

What a puzzling time to be alive. In the world that surrounds us, beauty and the comforting familiarity of seasonal rhythms. The ospreys have returned from West Africa and are putting on a grand fishing display in Findhorn Bay.

...And yet, news carried on the wind speaks of melting ice, food riots and starvation and, closer to home, fuel strikes and long queues and fights at the petrol stations. Meanwhile, oil expert Matt Simmons declares it to be entirely feasible that petrol will rise in price to \$300 a barrel within the next five years.

[How much your groceries will cost in 10 years](#)

The general picture is that most items will go up, some more significantly than others.

With oil at \$117 a barrel and rising, so are the costs rising of the three Fs of farming: feed, fuel and fertiliser. “We're in a unique situation in which numerous problems are coming together,” says Tim Lang, Professor of Food Policy at City University. We're not just facing rising oil prices and water shortages, but the changing dietary habits of the developing world as it becomes richer, combined with land being used to provide crops for fuel rather than food, and climate change bringing drought to countries such as Australia.

[Food vs fuel: Let free markets work](#)

Co-warriors and peak oil theorists always knew biofuel is all about politics. But the unintended consequence of alternative energy is now making politicians wonder what biofuel is all about. The answers they offer will decide the future of ‘green’ fuels — whether made from maize, rapeseed, wheat, sugar cane or palm oil.

[Offshore Oil Discoveries in Brazil to End Middle East Supremacy?](#)

The position taken by Strategic Forecasting's Zeihan is based on the belief that Brazil will be pumping “several million” barrels of crude daily by 2020, but an increase of 1-1.5 million bpd in crude oil production is just a drop in the ocean. At present, the Gulf region transports about 17-18 million bpd to world markets. Total global demand at that time is predicted to be about 112-115 million bpd, with around 55-60 million bpd produced by OPEC to counter lower production in other regions.

[FACTBOX - Key issues in Japan-Russia relations](#)

Russia is building an oil pipeline that will eventually link fields in eastern Siberia to the energy-hungry markets of the Far East and the Pacific basin.

There is competition between Japan and China over which will receive the lion's share of crude from the pipeline.

[\\$200 a barrel oil? \\$75 is more likely](#)

Hang on to your hats as oil shoots above \$200 a barrel over the next few years, warns a new forecast from a leading Canadian economist. But wait. Another warns to watch out for your Canadian stock portfolio as oil and other commodities drop sharply in the coming year.

Who's right? Nobody knows for sure, since both have good credentials. (And of course, it's well worth remembering that any forecast is inherently risky. If this were easy, we'd all be rich.)

[Petrol crisis 'a taste of future'](#)

A DUNDEE environmental expert last night predicted that the present fuel crisis which has seen queues at filling stations and pumps running dry provides a gloomy taste of the future.

Philip Jenkins, natural resources management lecturer at Abertay University, said the western lifestyle was unsustainable because of excessive energy consumption.

He said there is growing evidence that if present energy consumption and climate change continue, it would represent a threat to society.

[Oil: Is oil headed to \\$200 per barrel?](#)

HOUSTON — Oil's meteoric rise to near \$120 a barrel looks like more than just another economic bubble — growing demand and tighter supplies are likely to keep prices high. Some analysts say even \$200 a barrel would not be out of the question.

The latest price surge — pushing crude to record heights in recent weeks, and to nearly double its level a year ago — has some key components of a classic bubble, when market prices climb far above their intrinsic value. The burst comes when investors realize the assets are overvalued.

But growing worldwide thirst for crude, in large part from the rapidly developing economies of China and India, means frustrated consumers probably won't get any relief.

[Aramco to boost drilling, investments](#)

Saudi Aramco is preparing a plan to boost drilling activity by a third and increase investments by 40 percent, the London-based magazine reported, citing sources close to the state firm.

...Aramco will bolster the number of wells drilled around the kingdom to 248, compared with an initial target of 187 and investment on projects will be increased to \$13.7 billion from \$10.7 billion under the draft plan, the magazine reported.

[North Sea oil and gas pipeline set to close over strike](#)

LONDON (AFP) - A North Sea pipeline which supplies around 40 percent of Britain's oil and gas will shut down within the next 24 hours because of a strike by refinery workers, operator BP said Saturday.

...The pipeline cannot function without electricity and steam generated by the refinery, which has already closed ahead of the strike Sunday and Monday.

[U.S. Sides With Oil Firms, Not Libya's Victims](#)

At the moment, the Bush administration is asking Congress to exempt Libya from a four-month-old law passed to help victims of terrorism collect court judgments from the nations that sponsored the attacks.

[How Big Oil got bigger - and befuddled the pundits](#)

The ratcheting up in the cost of oil and gas should have driven up inflation and led to a switch to alternative fuel sources. Instead, oil companies have recorded the highest ever profits in corporate history as demand continues to outstrip supply. In the process, the industry has reconsidered its strategy to plan for an era of high prices.

[Iraqi pipeline fire 'accidental'](#)

A fire which broke out at an Iraqi oil pipeline south of Baghdad injuring at least eight security guards was accidental, the US military has said.

The fire, near the town of Iskandiriya, disrupted the flow of crude oil to refineries in the south of Iraq. The military said it had been contained.

[UK: Rice Rationed As Price Rockets 60% In A Year](#)

The soaring price of food yesterday forced some British wholesalers to ration supplies of rice to try to prevent panic buying.

[Goodbye SUV, hello small cars](#)

Now owners of SUVs and other gas guzzlers who've seen the price of a fill-up climb sharply are getting a second shock when they try to trade in their behemoths. Used car dealers don't want the big vehicles on their lots anymore because hardly anyone is buying them. Some won't take them at any price.

Small cars are now the largest segment of the U.S. auto market, accounting for 18% of new car sales. Last year, U.S. consumers bought a record 2.8 million of them, and with sales up 4% in the first quarter this year, the record almost surely will be shattered.

[Canadian panel: Climate change is threat to polar bears](#)

OTTAWA - A scientific committee that advises Canada's government on endangered species said Friday that climate change is a threat to the survival of the polar bear, but the species does not face extinction.

[Narwhals more at risk to Arctic warming than polar bears](#)

WASHINGTON - The polar bear has become an icon of global warming vulnerability, but a new study found an Arctic mammal that may be even more at risk to climate change: the narwhal.

The narwhal, a whale with a long spiral tusk that inspired the myth of the unicorn, edged out the polar bear for the ranking of most potentially vulnerable in a climate change risk analysis of Arctic marine mammals.



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