



DrumBeat: June 5, 2008

Posted by [Leanan](#) on June 5, 2008 - 9:07am

Topic: [Miscellaneous](#)

[Beyond gasoline: Prices surge for oil-based goods](#)

New York - Besides gasoline, the Department of Energy calculates, there are 57 major uses of petroleum – everything from cosmetics to ballpoint pens, nylons, and even the waxes in chewing gum.

That is why the effect of high oil prices is now spreading well beyond the pump, where gasoline hit another record price of \$3.98 a gallon on Wednesday. Now, consumers will have to brace themselves for other higher costs, since businesses such as Kimberly-Clark, Procter & Gamble, and Colgate-Palmolive are raising prices on their products to recoup energy costs.

In brief, this means less money in consumers' pockets in the months ahead. But it also goes beyond consumers. For example, the price of asphalt is up 65 percent so far this year – and municipalities' and states' road departments are cutting back. This may mean bumpier roads ahead.

[Survivalists get ready for global meltdown](#)

With oil prices soaring, a small but growing number of Americans are bracing for a global meltdown.

They say they're ready for it and plan to ride it out.

Iver Lofving is convinced the world is running out of oil. He's spent the last ten years getting ready for that day – a mainstream survivalist, chopping his own wood, installing solar panels, growing vegetables, even driving a solar-powered-car – all of it geared to becoming self-sufficient.

[When the oil runs out](#)

Have you heard of "peak oil"? If you are appalled at \$4-a-gallon gasoline, you ain't seen nothing yet.....

For Pittsburgh, the peak-oil crisis is likely to have a profound impact upon the "ed-med" economy (higher education and medical institutions) that this region is betting on.

[Hollow victory](#)

Rep. Roscoe Bartlett's been proselytizing about peak oil from the House floor to the White House for years. He told us that America was in trouble by producing so much less oil than we consume. He warned of dependence on foreign oil and urged a national commitment to a smart energy policy — or else.

The "or else," of course, being what's happening now. Truckers are out of work and more unemployed are on the way as the cost of fuel hits a staggering all-time high. We feel the pain when we swipe our bank card, open a bill or buy food.

[Religion and the survival of culture](#)

Broaden Toynbee's insight to embrace a wider range of religious phenomena, though, and his basic claim — that religion very often serves as the conduit by which the cultural treasures of one civilization reach the waiting hands of the next — is true much more often than not. It's easy enough to see why this should be so. In a time of social disintegration, when institutions collapse and long-accepted values lose their meaning, only the most powerful human motives can ensure that the economically unproductive activities needed to maintain cultural heritage will be carried out in the teeth of the difficulties. Religion is the only cultural force that consistently provides motivation strong enough for the job; the same sense of transcendent value that leads martyrs to sing hymns as they are burnt alive can just as easily inspire scholars and scribes to preserve and transmit knowledge to a future they will never see.

[Australia: Miners hobbled by gas shutdown at Apache Energy](#)

HUNDREDS of millions of dollars in revenue could be wiped from the balance sheets of mining companies affected by the shutdown of Apache Energy's Varanus Island gas processing plant in Western Australia.

Many of the miners have been forced to switch to diesel, a much more expensive and strictly short-term solution.

[Electricity outages anger, frustrate Pakistanis](#)

ISLAMABAD, Pakistan — Pakistan is experiencing its worst electricity shortages in years, and the signs are everywhere.

Traffic lights have been switched off, making already treacherous roads even more so. Dinner parties often take place by candlelight. And air conditioners and fans are idle as temperatures rise.

"Our lives have been made miserable," said 40-year-old Zubaida Bibi.

The rising demand and inadequate energy infrastructure in this South Asian nation of 160 million people has precipitated the nationwide electricity outages, fueling protests that have turned violent and helping to sink the economy.

[India: Widespread shock, anger over fuel prices](#)

CHANDIGARH: The increase effected by the Union Government in the prices of petrol, diesel and cooking gas on Wednesday came as a shock for the residents of Chandigarh and Panchkula and many of them rushed to the nearby petrol pumps to fill the tanks of their vehicles at the old rates as the new prices would be effective from midnight.

[AFGHANISTAN: Fund shortage may shut UN humanitarian air service](#)

Fuel prices have gone up by about 100 percent in the past 12 months, making flights very expensive, according to Lataste.

"It's also difficult to find operators who can meet UN flight safety standards and are willing to fly in Afghanistan, mostly due to insecurity," he added.

Intensifying conflict-related violence and deteriorating security in different parts of Afghanistan have increasingly impeded humanitarian and development access.

[Malaysia: River, land transport in rural Sarawak comes to a standstill](#)

MIRI: River and land transportation in many parts of rural Sarawak came to a standstill Thursday as petrol and diesel supply ran out following massive panic buying hours before the Government's new price took effect.

Petrol and diesel shortages have been reported in rural villages and interior towns in central and northern Sarawak as the fuel supply situation gets even more chaotic following the sharp hike in price of this vital commodity.

[Philippines: Gov't intervention on fertilizer pushed](#)

"Unless positive measures are taken, our country may face a sugar shortage which will further complicate our present woes involving the rising prices of food and fuel,"

Puentevella said in his speech at the House of Representatives.

Sugarcane planters have expressed frustration at the prohibitive cost of fertilizers, giving rise to uncertainty about the future profitability of sugarcane farming, he said.

[New Zealand: Fertiliser price shock](#)

Fertiliser costs have been rising steadily for the past few years, on the back of an enormous upsurge in demand from developing economies like China and India, and an increasing trend towards growing maize for fuel in the United States.

Corn crops are heavy users of fertiliser, Summit Quinphos chief executive Gray Baldwin told a gathering of farmers in Gisborne yesterday.

On top of this were significant increases in shipping costs and the cost of aerial spreading.

"One of those two-tonne Fletcher aircraft uses about 280 litres of fuel an hour," he said.

[Iran Expects New Record for Crude Prices](#)

TEHRAN (FNA)- Iran's governor at the Organization of Petroleum Exporting Countries (OPEC) said on Monday he expected the oil price to hit more records due to increased transportation during the summer.

"With the onset of summer and increased transportation, the record oil price will be broken again," Mohammad Ali Khatibi said.

[Six fixes for pricey gasoline](#)

Ideas to help people ease the burden of high gas prices are swirling in Washington. Will any of them work?

[QANTAS: Flying mean and nasty skies](#)

The same week Qantas announced it was on track for a record \$1.4 billion annual profit, the airline announced the scrapping of several services and said it would be making deep cuts in staff numbers. Management blames fuel prices for the measures and, through company CEO Geoff Dixon, has said that if the price per barrel for oil drifts up to \$US200 "all bets are off".

[A chilling global warming forecast](#)

There's always a new report about global warming, but the one released by the U.S. Department of Agriculture, with its charts on optimal temperatures for soybeans and peanuts, is downright creepy in its detail. This isn't your usual futuristic fodder, with vague but dire predictions. The USDA report is more frightening because it states matter-of-factly the practical changes in farming, forestry and water that are transforming the landscape now and will do so again over the next few decades.

[Brighter future for solar panels: silicon shortage eases](#)

Quartz, the raw material for solar panels, is one of the most abundant minerals on earth. But for years, the solar industry has faced a bottleneck in processing quartz into polysilicon, a principal material used in most solar panels. The problem stalled a steady decline in prices for solar panels.

Now the silicon shortage may be coming to an end, predict some solar analysts, thanks to new factories coming online.

[Mexico sees lower oil exports for 2008](#)

MEXICO CITY (Reuters) - Mexico's average oil exports will remain well below target all year, and beneath last year's levels, due to lower crude production, the head of state oil monopoly Pemex said on Wednesday.

Pemex Chief Executive Jesus Reyes Heróles said the state-run company's oil exports were headed for an average of 1.40 million to 1.45 million barrels per day over 2008, around 15 percent below a goal set in Mexico's 2008 budget of 1.683 million bpd.

The estimation is also well below an average export level of 1.686 million bpd in 2007.

[Border battle brews over Mexico's undersea oil](#)

Mexicans fear that companies drilling in U.S. waters close to the border will suck Mexican crude into their wells. Actor Daniel Day-Lewis' fictional oilman in "There Will Be Blood" likened the concept to siphoning a rival's milkshake.

"When they take petroleum from the American side, our petroleum is going to migrate," Sen. Francisco Labastida Ochoa, head of the Mexican Senate's Energy Committee, told the newspaper Milenio recently.

[Chile truckers extend strike to protest fuel prices](#)

SANTIAGO (Reuters) - Truckers across Chile said late on Wednesday they would continue their national protest against high diesel prices, potentially restricting the movement of goods to local and export markets.

Thousands of Chilean drivers started what was meant to be a 48-hour strike on Tuesday, parking their trucks along national highways in protest of soaring fuel prices.

"We've decided to continue to strike indefinitely," said Javier Lazcano, a leader for truck drivers in Rancagua, a mining and agricultural city south of the capital Santiago.

[Gas price belches upward - again](#)

In a repetition of the past four months, natural gas customers will once again see an increase in the cost of the fuel this month as the price rises another 21.82 percent.

The announcement of the increase, officially known as a GCA or gas cost adjustment, was made by Northern Indiana Public Service Company, NIPSCO, Monday. According to NIPSCO the increase is due mainly to a rise in the wholesale price of natural gas and is subsequently passed onto consumers.

[Crude 'oil' reality- NO easy Energy](#)

After observing no back off in the price of international oil and natural gas markets, the government of India had no option but to hit the consumer by raising the prices of diesel and petrol by Rs 3 and Rs 5 respectively and that of LPG by Rs 50 per cylinder. The present price hike presses hard on the fact that the age of fossil energy is over; a worthy assertion on the very occasion of World Environment Day.

[Kyrgyzstan plans to increase coal production](#)

It is reported that to cope with the current energy crisis, Kyrgyzstan needs to address a number of possible remedies, one of which is a broader use of coal by industries and the population at large. Experts say Kyrgyzstan has sufficient coal reserves to meet its energy needs.

[Alaska: Local officials look to coal gasification to curb rising energy costs](#)

"The rising cost of energy has taken \$300 million from our economy in the last three years," said Steve Lundgren, Fairbanks Economic Development Corp. board chairman. That figure came out of the FEDC's recent Cost of Energy report. Lundgren, speaking at the corporation's annual investors' luncheon Wednesday, urged Fairbanks to find ways to solve energy problems quickly. A coal gasification plant, which is under study now by

the FEDC, could provide an oil alternative while potentially solidifying the continued presence of the area's top economic sector — the military.

[Markets Not the Only Answer to Climate Change](#)

In responding to at least four earlier problems relating to energy and the environment - fuel scarcity during World Wars I and II, pesticide pollution, the energy crisis of the 1970s, and ozone depletion - US and international regulators did not rely on market-based solutions to achieve their desired policy goals.

[California: More cuts loom as drought declared](#)

"We're taking it very cautiously here," said Fern Steiner, chairwoman of the San Diego County Water Authority. "We would like (water-use habits) to be changed forever. We'd like lifestyle changes."

Rationing is highly unlikely for 2008, Steiner said, but added, "We'll have to take 2009 as it comes."

[The price of peak fuel](#)

The concept of peak oil — and by extension, peak coal, gas and other fuels — was born in 1956, when American geophysicist M. King Hubbert calculated that the rate of production of fossil fuels would peak in the United States in about 1970 and then start declining. At first his calculations were dismissed, but ultimately he was proven correct.

"The peak that matters is a peak in production," says Dr Mark Diesendorf, a senior lecturer at the Institute of Environmental Studies at the University of New South Wales. "And the peak wouldn't matter so much if the demand for these fuels wasn't increasing so much. But demand keeps going up and up and up. In that scenario only one thing can give, and that's price."

As fossil fuels become increasingly rare, the cost of extracting them from the earth will inevitably grow, he says. And the impacts on the global economy could be dramatic. These fuels are used for more than just running the family car; they are vital to powering homes and offices, transporting foods and much more.

['Peak Oil' author returns to Grass Valley](#)

The last time Richard Heinberg came to Grass Valley to talk about the global energy crisis, gasoline cost around \$3 a gallon.

..."After 200 years of having an industrial economy, we're quite literally facing a dead

end," he said in a telephone interview this week. "If we keep going this way, we will be dead."

[No stopping runaway fuel price as pressure on supplies increase](#)

Oil is a finite natural resource, and believers in "peak oil" argue that it is progressively reaching the end of its life. While in the 1970s there was plenty of production available to pick up the slack after the Arab oil blockade and the Iraq invasion of Iran, notably from Opec countries, those days are now well and truly gone.

[Why oil is cheap at today's prices](#)

Western and Asian economies alike — which are bearing the brunt of the oil-sourced cost increases right across the spectrum of their economies — seem to have failed to learn from past experience. Despite the fact that global economies have gone some way to adapting after the previous spikes, the world seems to have been caught unprepared for the latest oil price jump to record highs and the consequences.

[PPM, ETS part of a new lexicon of environmental terms](#)

Peak oil

NOBODY knows how much oil there is in the world, but common sense tells us it is not limitless. There will come a time when production cannot meet demand. Basic rules of supply and demand then dictate that prices go up and keep going up. So peak oil describes the point where this irreversible trend begins, as well as the global impact that expensive and scarce oil will bring. Queensland Environment Minister Andrew McNamara and several renowned scientists think we are experiencing peak oil now.

Oil companies say we have nothing to worry about.

[Australia: Cycling is a healthy transport solution](#)

Soaring petrol prices make the car trip far less attractive for some. This is already evident in the greater patronage of public transport in the capital cities. Petrol prices will only go up as we hit "peak oil" - that point where half the world's oil reserves have been used, and the remainder is harder to reach and will be used ever more quickly because of increasing demand, particularly by major users such as the US, and now India and China. Some oil industry observers say we have already reached the tipping point.

A plausible future scenario is that it will only be the rich that can afford to drive. Mortgage stress in the outer ring suburbs of our capitals already talk about rationalising their car use. Governments will have to provide better transport options for those who

don't have a car (younger people, older people, people with disabilities) or who cannot afford to run one. Better public transport and bicycle infrastructure will allow people to make choices about how they travel. This is an important and powerful social equity strategy, because those people least able to afford to drive would still have independence and safe mobility.

[New Zealand: Dunedin trio unveil household wind power](#)

Rather than focusing on a "gloomy" post-peak oil future, a trio of Dunedin engineers is looking to pluck some positives out of thin air.

Today, Bill Currie, Wayne O'Hara and Richard Butler's company Powerhouse Wind will unveil its small wind turbine prototype to a group of engineers and designers at Otago Polytechnic.

[Kuwait pumps up the gas](#)

New gas fields in Kuwait will pump 50,000 barrels per day of light crude and condensate in coming days, state oil firm Kuwait Oil Company (KOC) said today.

The country began much-delayed gas output from the northern fields yesterday, with gas output initially scheduled to start in December.

Kuwait needs the gas to meet soaring demand from power plants and industry.

[Power Shortages Hit LUKoil Output](#)

The company's crude production in western Siberia was 5.5 percent lower in the first quarter, at 14.3 million tons (1.2 million barrels per day), compared with a year earlier, according to a statement on its web site. LUKoil pumps about 62 percent of its oil in western Siberia.

"A significant impact on our production in the period was caused by a lack of sufficient power generating capacities to meet the growing demand," it said. Producers "face the need to scale up pumping operations supporting crude oil production operations."

[TNK-BP says its American CEO was called in for questioning in Russian tax probe](#)

MOSCOW: The American chief executive of Russian oil producer TNK-BP has been called in for questioning as part of a criminal investigation into possible large-scale tax evasion, the company said Thursday.

The pressure on Robert Dudley comes as the company's Russian shareholders battle British oil major BP PLC for control of the joint venture, Russia's third-largest oil producer.

[Summer airfares double, triple, quadruple](#)

Airlines are raising prices and reducing capacity in response to record oil prices. ATA spokesman David Castelveter noted that while average fares are way up, the price of crude oil is 217% higher than in 2000, and the cost of refining a gallon of jet fuel is up sixfold.

"These are historic rates for fare increases, but even with that, airlines are failing to keep up with their rising fuel costs," he says.

[Future is About Living Within Our Means](#)

I HAD a very disturbing experience last week at the local petrol station. Filling up the Range Rover, I watched the meter on the pump sail beyond pounds 100, finally settling at pounds 105.

But no, this wasn't even a full tank. The pump simply wasn't capable of delivering fuel beyond this point. Presumably nobody thought there was a car on the road that could absorb so much fuel, or more likely, contemplated petrol hitting pounds 5 a gallon.

[The latest gas pain: More job losses](#)

An already weak labor market is likely to be further battered by high gas prices. Economists expect more layoffs in the next few months.

[Crude oil: Rounding up the bad guys](#)

Soaring energy prices have created a bull market in villains - some more plausible than others. A scorecard.

[Save the planet, save some money](#)

NEW YORK (CNNMoney.com) -- The environmental movement has been around for decades but has never been more mainstream than it is today. Now, organic products, energy-efficient appliances and fuel-friendly cars are all the rage. Of course choosing to go green is very good for the planet, but it can also be surprisingly good for your bottom

line.

[Senators suspect railway dealings](#)

Senators from both parties are calling for an investigation into a move by unknown foreign investors to gain more control of one of the nation's largest railroads, which serves military bases and transports nuclear materials across the country.

[Mass transit demand rises, costs soar](#)

More than 90 percent of public-transit officials report that their ridership is up over the past three years, according to a survey released this week by the American Public Transportation Association (APTA). And more than 90 percent credited the sky-high gasoline prices.

At the same time, many transit agencies find themselves squeezed by the higher fuel prices and smaller local government subsidies, which are shrinking because of the economic downturn. Almost 70 percent have had to raise fares, and some have even been forced to curtail services to cope with the high energy prices, even as the demand is increasing.

[End of the road for SUVs?](#)

In some of L.A.'s wealthier neighborhoods, the homeowners seem to have swapped cars with the hired help. While just last year the well-off were commuting to work in SUVs even as domestic workers pulled into their neighborhoods in cheap subcompacts, today you're likelier to see the moneyed set behind the wheels of Toyota Priuses, while their maids shuttle about in behemoth Lincoln Navigators.

[Big Vehicles Stagger Under the Weight of \\$4 Gas](#)

A fully loaded Ford F-250 pickup truck is a whole lot of vehicle. It can tow a horse trailer with multiple horses. It comes with a DVD-based navigation system for the driver as well as a DVD player for passengers who are sitting in the extended cab.

And how much does an F-250 set you back these days?

Try \$100,000.

[Tales from the Pump](#)

High gas prices are keenly felt in Connecticut, where drivers fill up on some of the nation's most expensive fuel and share stories of how they cope.

[StatoilHydro says oil prices eating into demand](#)

OSLO (Reuters) - The global economy has been more resilient than expected during the oil price surge of the past five years but current high prices have started to hit demand, the boss of Norway's StatoilHydro told Reuters.

[The Coming Oil Investment Boom](#)

When oil hit \$40 and then \$70, this column was serene. With a couple billion Chinese, Indians and others joining the global marketplace, they will need energy, and lots of it. The price mechanism is our only hope.

Sure enough, it's working. Money is pouring into Canada's massive tar sands. A thousand substitutions are taking place on the demand side. Sales of SUVs are falling; sales of four-cylinder sedans are up. The number of miles driven by American motorists shrank in February for the first time in 26 years.

[Oil prices may have peaked](#)

Since oil futures soared past \$133 a barrel two weeks ago, crude has taken a hefty tumble during four trading sessions, including a \$3.45 drop Tuesday to \$124.31 a barrel, leading an increasing number of energy watchers to wonder whether the mania is easing.

[Paper or pricey plastic?](#)

WASHINGTON (Reuters) - You know that flimsy plastic bag the convenience store clerk put your toothpaste in?

The price of those bags, though still cheaper than paper ones, is rising fast because of higher natural gas and oil prices. And the same goes for plastic water bottles, takeout containers, the case around your computer, and car parts.

[Do Fuel-Saving Gadgets Take You for a Ride?](#)

High gas prices have produced a bountiful supply of one kind of product: fuel-saving gadgets for your car.

These devices, which cost anywhere from \$35 to \$300, are pitched as simple ways to improve fuel economy. While not all of the devices are new, \$4-a-gallon gasoline has increased consumer interest and inspired new ad campaigns -- often evoking hybrid vehicles and alternative fuels.

[India: Soaked by Oil Subsidies](#)

Its state-controlled companies are losing a lot of money, and private rivals can't compete.

[Iraq bill against oil smuggling passed](#)

BAGHDAD - A senior Iraqi lawmaker says parliament has approved a bill to combat oil smuggling.

Abdul-Hadi al-Hassani says the measure provides for stiff penalties for oil smugglers ranging from fines to imprisonment and confiscation of boats used for smuggling.

[Store wind energy for later? Idea still inefficient](#)

Compressed air energy storage (CAES) uses off-peak electricity from wind farms or other sources to pump air underground. The high pressure air acts like a huge battery that can be released on demand to turn a gas turbine and make electricity.

However, a good portion of the input energy is lost in this process, making CAES one of the least efficient storage technologies available.

"Nobody really wants to store electricity unless they have to," said Roland Marquardt of RWE Power, a German utility company.

[For ethanol, cutting edge goes way beyond corn](#)

TORONTO - In the search for renewable energy, turning low-value materials like switchgrass and corn husks into ethanol to fuel cars is something of a Holy Grail.

In theory, these materials would replace corn as the main feedstock for ethanol in North America, reducing the pressure on farmland that has played a role in rising food prices and put drivers into competition with hungry people.

But scientists on the front lines of this search are finding that making the process commercially and environmentally viable is proving much harder than some of the hype would suggest.

[Ancient CO2 Helps Extract Oil From Nearly Tapped-Out Wells](#)

By pressure-pumping liquefied CO2 into the porous rock, trapped oil can be freed and extracted.

While oil and water don't mix, CO2 and oil are a perfect match.

[Kiribati likely doomed by climate change: president](#)

WELLINGTON (AFP) - The president of the low-lying Pacific atoll nation of Kiribati said Thursday his country may already be doomed because of climate change.

President Anote Tong said communities had already been resettled and crops destroyed by sea water in some parts of the country, made up of 33 coral atolls straddling the equator.

[World Environment Day calls for end to CO2 addiction](#)

WELLINGTON (Reuters) - The United Nations urged the world on Thursday to kick an all-consuming addiction to carbon dioxide and said everyone must take steps to fight climate change.

U.N. Secretary-General Ban Ki-Moon said global warming was becoming the defining issue of the era and will hurt rich and poor alike.

[Food, oil crises should not overshadow climate danger: UN](#)

WELLINGTON (AFP) - Crises over soaring food and oil prices should reinforce rather than distract from the need for action over climate change, the head of the United Nations Environment Programme said on Thursday.

[Climate bill stalls in Senate after dispute](#)

WASHINGTON - A Senate debate over global warming legislation turned into late-night drama Wednesday marked by an eight-hour reading of the 492-page bill and a call for senators to return — some of them from their homes — to cast a procedural vote not long before midnight.



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