



## DrumBeat: July 6, 2008

Posted by [Leanan](#) on July 6, 2008 - 9:02am

Topic: [Miscellaneous](#)

### [UK: Government asks stores to stockpile food to overcome hauliers strike](#)

Ministers are in talks with supermarkets about emergency food reserves in case fuel protests lead to shortages at shops.

The government wants to ensure retailers and suppliers can continue to sell basics such as meat, bread and milk if hauliers bring the country to a halt.

They have asked supermarkets to make contingency plans "in case the infrastructure of the country breaks down".

### [German truckers plan to join world fuel-price protests](#)

Hanover, Germany - Truck operators in Germany are planning to follow the transport industry in other countries, demonstrating for government relief from soaring fuel prices, an industry leader said Saturday.

Separately, a market-research company said 51,000 medium-sized German companies were close to failure because of rising costs. The companies say they mostly have fixed-price agreements with their customers and cannot pass on their cost increases.

### [OPEC president warns no end to oil price rises](#)

ALGIERS (AFP) - OPEC president Chakib Khelil warned Sunday that oil prices will continue to rise because of the falling dollar, in an interview in the Algeria-News.

"The price of oil will rise again in the coming weeks. We have to follow the evolution of the dollar, because a one percent fall in the dollar means four dollars more on the price of oil," Khelil, who is Algeria's minister of energy and mines, told the independent daily.

### [Tribute paid in oil](#)

In 2004, Mexico exported 50% of the oil extracted. Some years ago, Mexico reached its peak production and if we estimate very conservatively that production is declining at a rate of 5% a year, in four years – from 2004 to the present - production must have declined by 20%.

In the meantime, Mexico 's own consumption of oil has increased. So that by 2014, Mexico will have no excess oil production available for export. Galland conjectures that by 2014, not a single barrel of Mexican oil will be exported.

### [Kazakhstan Seeking to Export Oil to Europe via Iran](#)

TEHRAN (FNA)- Kazakhstan, which already transports oil through Russia, Azerbaijan and Iran, gives a preference to the last one as an alternative route for deliveries to Europe, a Kazakh diplomat said.

### [Shell may pull out of Zimbabwe - report](#)

LONDON Thomson Financial - Oil giant Royal Dutch Shell may pull out of operations in Zimbabwe, the Observer newspaper reported Sunday.

### [TNK-BP Russian Partners Say They Face \\$370 Million BP Lawsuit](#)

(Bloomberg) -- AAR, the Russian partner in the TNK-BP oil venture in which BP Plc holds 50 percent, said today it is being sued for \$370 million by BP.

### [Nigeria: Shell recruits 4,000 to protect oil pipelines](#)

Nigeria's subsidiary of oil major Shell has recruit 4,000 people to help protect its network of oil pipelines in the country's oil producing Niger Delta region, company officials said.

The manager of pipeline operations in the Shell Petroleum Development Corporation (SPDC), Mr. Godwin Idoko, said the people would provide intelligence reports to the company, which will then forward such to security agencies to prevent the incessant vandalism of the firm's pipelines.

### [ASPO Newsletter - July 2008 \(PDF\)](#)

1057. *The Flat-Earth Refrain loses its appeal*  
1058. *Impact of High Prices on Reserves*  
1059. *Falling Demand*

*1060. Economical with the Truth*  
*1061. Peak Oil : A Turning Point for Mankind*  
*1062. An Atlas of Oil & Gas Depletion*  
*1063. A Remarkable Shift of Position*  
*1064. Saudi Net Crude Oil Exports*  
*1065. ASPO-USA Conference*  
*1066. A Matter of Saudi Mindset*

### [Bye-bye gas subsidies](#)

In recent weeks, China, India, Indonesia, and Iran - countries where the government sets the price of gas - have all raised prices.

And now analysts disagree on what the impact will be. Some say that gas consumption - and worldwide oil prices - could actually go up.

"Their lifestyle has changed so much for the better, it's not going to impact them that much if gas prices go up 20%," said Nauman Barakat, an energy trader at Macquarie Futures, the trading arm of Macquarie investment bank. "They are willing to pay more so they don't have to wait in line."

### [At \\$100 for Tank of Gas, Some Choke on 'Fill It'](#)

Bryan Carisone, a heating and air-conditioning contractor in Raritan, N.J., "absolutely loves" his new GMC Denali XL, an extra-large sport utility vehicle with televisions built into the leather seats. But in June, one week after he bought it, he pulled into a station on a near-empty tank and watched the total climb higher and higher — to \$109.

"It just about killed me," Mr. Carisone said.

### [Four things President Bush could do to lower oil prices now](#)

While people want to argue whether drilling for oil in protected areas will help ease our long-term energy problems, maybe we should deal with a more immediate question: What can we do about the prices we are paying now?

### [Pumped-up oil prices hit at home, too](#)

The soaring price of oil doesn't just show up in your gas tank these days.

Thousands of products - from diapers to deodorant, CDs and computers, shampoo, shaving cream and even the plastic lid on your takeout morning coffee - contain oil.

### [America's love affair fades as the car becomes burden of suburbia](#)

It is known as the Inland Empire: a vast stretch of land tucked in the high desert valleys east of Los Angeles. Once home to fruit trees and Indians, it is now a concrete sprawl of jammed freeways, endless suburbs and shopping malls.

But here, in the heartland of the four-wheel drive, a revolution is under way. What was once unthinkable is becoming a shocking reality: America's all-consuming love affair with the car is fading.

### [America's middle-class collapse](#)

But what makes this coming decline in economic security different from the one visited upon American families in the 1970s, for example, is that we are much less well positioned to withstand the financial buffering. The work of Harvard law professor Elizabeth Warren indicates there is a coming collapse of the middle class and she can prove it with a raft of scary statistics and charts.

### [Oil prices make it hard for U.S. to pressure Iran](#)

**CNN:** Is the situation with regard to Iran getting more serious?

**Zakaria:** Well, the efforts of the United States and Europe to put Iran in a box, because of its refusal to suspend its uranium enrichment, are facing two problems. First, it will be very difficult to get a new round of even stiffer sanctions through the United Nations. Second, with oil at \$140 a barrel, the Iranian regime is likely to be impervious to economic pressure.

### [South Korea: High crude costs make industries mull surrender](#)

There seems to be no end to surging energy costs as companies raise the white flag of surrender.

### [Indonesian workers demand cancellation of fuel hike](#)

Around 80 people demonstrated under the banner of the National front for Indonesian Workers Struggle (FNPBI) outside the headquarters of ExxonMobil and the national parliament building to demand that the government cancel the increase in the price of fuel.

Protesters also demanded the nationalisation of the mining industry and repudiation of

the foreign debt. They called on the Indonesian people to not re-elect those political parties that are pro-foreign interests and supporters of the fuel-price rise.

### [Blackouts put fish business in poorhouse](#)

Recurring blackouts have cut production at some Mekong Delta fisheries over 60 percent as the country's power shortage continues to hinder development.

### [Can General Motors Recover?](#)

One of the big issues for auto companies is adequate supply of hybrids, and GM says it is winning that battle. "Hybrid demand and availability continues to build, and we're seeing really positive momentum with the Chevrolet Tahoe and GMC Yukon 2-mode hybrids," LaNeve added. At the same time, GM is still planning to roll out the Chevrolet Volt, a plug-in electric vehicle that will run on battery power rather than gasoline, in late 2010 despite some skepticism about whether the lithium-ion battery will be ready for the road.

### [GM seeks tax break to spark Volt production](#)

PONTIAC - General Motors Corp. is asking Pontiac city officials to grant a major tax break to help in the effort to create a cost-efficient car.

The City Council scheduled a public hearing for 7 p.m. Thursday on the request for a 100 percent tax break under Act 328 for 25 years on new equipment needed to produce the Chevrolet Volt, which is expected to be on the market in two years.

### [Three types of doomers and fantasy collapse](#)

s it "impossible" to stop this collapse? Many thoughtful scientists whisper to each other what they can't address publicly for fear of spreading panic, but what they see is terrifying: hundreds of species dying each day, a vanishing polar icecap, areas of the world, now unrecognizable, are deserts or flood plains. Vast plastic "islands" in our oceans have become "dead zones" or worse. Part of the frustration is the incredible senselessness of it all.

Yet Doomers are the ones that are considered "crazy," while magical thinking ("We'll come up with something. I know...let's trade 'carbon credits!' That way, the market will resolve it all!") passes for a sane and constructive discourse.

### [A How-To Book for Everything From Water Filters to Fly Traps](#)

A new guide to public health has just been published by the same foundation that 30 years ago issued "Where There Is No Doctor," a simple but comprehensive how-to medical book endorsed by the World Health Organization and used by hundreds of Peace Corps volunteers.

The book, "A Community Guide to Environmental Health," took eight years and \$1.6 million to put together, said Jeff Conant, one of the authors. It is published by the Hesperian Foundation in Berkeley, Calif., and goes on sale Tuesday for \$28.

The 600-page book is written in simple English and has hundreds of drawings showing, for example, how to disinfect water with boiling, bleach, sunlight or lime juice and how to make filters from sand, clay and charcoal. It has numerous designs for stoves that use less fuel; it has schematic drawings of simple fly and roach traps and bicycle-powered grinders and blenders. It devotes almost 40 pages just to toilets.

### [Q&A: A full-tilt battle over electricity](#)

While \$140-a-barrel oil gets the front page, America uses just 15 percent more of it today than in the energy crisis from the early 1970s. Electricity consumption, on the other hand, is up 115 percent. Just wait until we plug in all of our cars, a goal we all support. The reality is that the region's options for baseload generation are limited. Wind, while a superb renewable resource, is intermittent. New nuclear power is illegal in Minnesota. There is no more hydro, and biomass for power production will remain a niche. That leaves natural gas. If the Big Stone owners are forced to build a natural gas plant instead of coal, at today's natural gas prices, the annual penalty to consumers would be more than \$300 million.

### [Why Fly When You Can Float?](#)

As the cost of fuel soars and the pressure mounts to reduce carbon dioxide emissions, several schemes for a new generation of airship are being considered by governments and private companies.

### [Seasonal Factor Seen in Melting and Ice Shifts in Greenland](#)

A Dutch study using 17 years of satellite measurements in western Greenland suggests that the movement associated with the meltwater is not as rapid as had been feared. The acceleration appears to be a transient summer phenomenon, the researchers said, with the yearly movement actually dropping slightly in some places.

Presentation by Matthew Simmons: [School's Out: Let The Summer Begin](#) (PDF)



## “Send In The Troops”

- The major oil fields of the world need to be invaded by third party inspectors.
- Real audits never hurt those who issue honest, accurate reports.
- If auditors are locked out, send in troops to get production data.
- Staying “in the dark” will unleash the last war.
- Let's not create a “lights out event.” I am too young!



### [Despite rocketing prices, outlook is bleak for oil majors](#)

DESPITE record crude prices, the major oil companies are struggling to access resources that are being jealously guarded by national companies with whom they are forced to establish partnerships.

As paradoxical as it may seem, high oil prices do not mean a golden age for the likes of ExxonMobil, Chevron, Total or BP.

Of course, with a barrel of oil at more than US\$140 (S\$190), they are seeing major profits, but the future has never seemed so uncertain.

The problem is access to reserves. The oil majors now control less than 10 per cent of world resources of gas and oil, against 70 per cent in the 1970s, according to figures released by the office of Ernst and Young at the World Petroleum Congress in Madrid.

### [South Korea announces first oil contingency measures](#)

SEOUL (Reuters) - South Korea said on Sunday it was implementing a multi-stage contingency plan aimed at reducing energy consumption before the skyrocketing oil prices push Asia's fourth-largest economy into a full-fledged crisis.

Prime Minister Han Seung-soo told a televised news conference the government would restrict driving of cars owned by public organizations as part of the measures, adding a tougher set of steps would be adopted if oil prices rose further.

### [Suburbia's not dead yet](#)

In a March Atlantic article, Christopher B. Leinberger, a visiting fellow at the Brookings

Institution and a professor of urban planning, contended that yesterday's new suburbs will become "the slums" of tomorrow because high gas prices and the housing meltdown will force Americans back to the urban core. Leinberger is not alone. Other pundits, among them author James Howard Kunstler, who despises suburban aesthetics, and New York Times columnist Paul Krugman, see the pain in suburbia as a silver lining for urban revival.

Not so fast. The "out of the suburbs, back to the city" narrative rests more on anecdote than demographic or economic fact. Yes, high gas prices and rising sub-prime mortgage defaults are hurting some suburban communities, particularly newly built ones on the periphery. But the suburbs remain home to a majority of Americans and a larger proportion of U.S. families -- and people aren't leaving those communities in droves to live in cities. Even with economic growth slowing, many suburbs, exurbs and smaller towns, especially those whose economies are tied to energy, are continuing to do better than most cities in terms of job creation and population growth.

### [Russians up the ante in row over BP oil venture](#)

BP's Russian joint venture partners are poised to take legal action tomorrow against TNK-BP chief executive Bob Dudley in six jurisdictions, including Russia. If successful, Dudley could be ousted and barred as a company director.

### [Russia May Cut Baltics From Oil Route](#)

Russia may stop using ports in the Baltic states by 2015 to export oil and instead use a new \$3.3 billion pipeline, a government official said.

Currently, Russia exports roughly 80 percent of its oil products through ports in the Baltic states, RIA Novosti reported Saturday.

### [Saudi cuts Aug light crude prices to Asia, US](#)

DUBAI (Reuters) - Saudi Arabia cut its official selling prices for August for light crude oil to customers in the United States and Asia, state oil firm Saudi Aramco said late on Saturday.

### [Profits dwindle for gas-station owners even as fuel prices soar](#)

Longtime operators say this is the most difficult year they have ever seen. They face nearly nonexistent profits on gasoline, rapid growth in credit-card fees, and new competition from nontraditional sources of gasoline such as grocery stores.

And yet, the most vulnerable people in the business -- operators who have only one



station -- are the fastest-growing category of ownership. Their numbers are rising because large oil companies are fleeing the retail side of the business and selling locations.

### [The Road Already Taken: How the British colonialists tried to run the Middle East](#)

The importance of *Kingmakers* for a wide American audience emerges slowly. At first, the book appears to be a quaint reminiscence of eccentric and often familiar British colonials of the early 20th century, strutting across Middle Eastern deserts in pith helmets, instructing the benighted native tribesmen about the fundamentals of governing. But as this beautifully written and researched book proceeds, it becomes abundantly clear that these skilled English soldier-diplomats are the progenitors of (and in some cases, role models for) the current crop of American diplomats and soldiers on the same turf. The issues that this country is now debating -- how to exit Iraq gracefully, how to protect American interests in the region after withdrawal, how to keep Arab insurgencies in check, how to continue the essential flow of oil, how to maintain American presence without the appearance of colonialism or occupation -- these issues have all been addressed before.

### [Heating forecast? Painful](#)

Summer officially started two weeks ago, and already consumers, oil companies and state officials are bracing for the heating season.

### [Helium's on the rise](#)

Helium, which turns to liquid at 452 degrees below zero, helps create strong magnetic fields for magnetic-resonance imaging machines and superconductors. It's also used to make optical fibers, solar panels and liquid-crystal television displays.

Industry observers say helium prices have risen by double-digit percentages in each of the past two years, mainly because the world's 15 helium production plants haven't kept up with demand.

"The reason for the tight market is the failure on the production end of things, rather than extremely rapid growth," said Phil Kornbluth, executive vice president of Matheson Tri-Gas, a helium supplier in Bernards, N.J.

### [Ignoring Peak Oil Theories Could Leave Nation Stuck In Neutral](#)

WELCOME TO the world of peak oil. This was once the realm of fringe Doomsday theorists on the Internet, but it is now openly discussed on the Web site of The Wall Street Journal.

### [Pain or gain at the pump?](#)

AUSTIN — It's a sort of gas-station roulette: Thousands of inaccurate pumps every year give Texas motorists either more or less fuel than the amount for which they pay.

More than 5 percent of the 109,369 pumps inspected last year in Texas — 5,778 of them — either gave the wrong amount of gasoline or had other problems that put them out of commission until they were fixed.

### [Lobbying increases with oil prices](#)

WASHINGTON — Amid a national backdrop of steadily rising gasoline prices, oil and natural gas interests have pumped up their spending on lobbying while working aggressively to thwart Democratic initiatives in Congress.

The lobbying tab for the industry jumped by nearly 62 percent between 2004 and 2007 — from \$51.1 million to \$83.9 million — according to disclosure reports analyzed by the Center for Responsive Politics, a nonpartisan research group that tracks money in politics.

### [The Philippines: Strategic energy planning](#)

One of the most influential proponents of the oil-is-running-out scenario is Matthew Simmons, an adviser of President George W. Bush on petroleum policy. In his book, *Twilight in the Desert*, Simmons wrote: “Saudi Arabian oil production is at or very near its peak sustainable volume [if it did not, in fact peak almost 25 years ago] and is likely to go into decline in the very foreseeable future.”

### [Hitchhiker's guide to gas prices: Don't panic!](#)

Gas prices have gone down in the past. Why not again?

Two words: *Peak Oil*.

Or make that *three*: Peak Oil *blather*.

### [We Need A Declaration Of Energy Independence](#)

On this 4th day of July, 2008, when oil rests at its highest price on record (just above \$145/barrel), the time has come for a Declaration of Energy Independence.

Government seems unable to take any meaningful action, so, maybe the world wide web can be the action ground. Let us use something like a reverse Ponzi scheme, where each person reading this post sends it out to ten friends, who in turn... No, nothing terrible will happen to you if you don't, unless you count the double hammer of Peak Oil and Global Warming as the implied enforcer.

### [New Zealand: Last blast of big rigs](#)

Indeed the real winners of Friday's action were the environmentalists and greenies. This was the preliminary meltdown that most had been predicting as peak oil starts to bite. The days of cheap fossil fuels are over and the big rig has always been their especial fetish decoy.

For them the truckie protest was like the last gathering of the dinosaurs.

Certainly there is a growing sense of bewilderment that the greenies might be right after all.

### [Learning about world oil reserves](#)

Should the U.S. increase domestic oil production by drilling in the Arctic National Wildlife Refuge and currently prohibited areas of the outer continental shelf?

Many consumers, frustrated by high gasoline prices, are now saying yes to both, thinking that drilling will significantly reduce what they pay at the pump. The media and pandering politicians, marching in lockstep with Big Oil, promote this conclusion.

### [Going green? Maybe when there's money in it](#)

CLIMATE change is going to make investors act in different ways: that's the new logic ... and it's true, but not in the way you might think.

### [Global monitor](#)

Former Bush adviser Matt Simmons, chief executive of the Houston energy consultancy carrying his name, claims that as oil runs out, the economic process of globalisation is over. BP, with a big presence in Texas, reports global oil production fell in 2007 for the first time in six years, while consumption continues to grow.

### [Why Baghdad isn't pumping more of its oil](#)

Reacting to domestic and international pressure, Baghdad has moved to restore Iraq's oil infrastructure and give production a badly needed boost.

But the government's plans depend on a long-stalled oil law that is both crucial to future development and so contentious that critics say it would mean open season on Iraq's economic crown jewels.

### [Political spins blurring energy realities](#)

WASHINGTON — When it comes to the raging national debate over energy policy, reality is often in the eye of the beholder.

### [Gas flaring fuels environmental fears](#)

Rising environmental concerns and high gas prices are finally forcing oil companies to confront one of the industry's most intractable problems: how to deal with unwanted gas production.

### [Colombia finds biofuels bonanza in sugar cane](#)

El Cerrito, Colombia — Between breaks to sharpen his machete under the equatorial sun, Gregorio Hurtado laid waste to row upon row of 9-foot sugar cane stalks.

Like plantation labor of a bygone era, the cane harvest remains a backbreaking task. Even though Hurtado earns just \$3 for every ton of the fibrous stalks he cuts, he's happy to have a job amid the chaos of Colombia's sugar industry.

For that, he can thank several new ethanol plants towering above the sea of green cane fields that cover this patch of western Colombia. Even as low world prices and the weak U.S. dollar have hurt sugar exporters here, Colombia's biofuels industry is growing by leaps and bounds.

### [EU ministers 'discover' biofuels not an obligation after all](#)

PARIS (AFP) - European Union energy ministers said at an informal meeting Saturday they had been labouring for 18 months under the false impression that an EU plan to fight global warming included an obligation to develop controversial biofuels.

What seems to be a stunning misreading on the part of policymakers in Brussels comes at a time when the image of biofuels has shifted over a matter of a months from climate saviour to climate pariah.

[Australian climate report like 'disaster novel': minister](#)

YDNEY (AFP) - Heatwaves, less rain and increased drought are the likely prospect for Australia, according to a new report on climate change which the agriculture minister said read like a "disaster novel".

The report, by the Bureau of Meteorology and the Commonwealth Scientific and Industrial Research Organisation, found that the world's driest inhabited continent is likely to suffer more extreme temperatures due to climate change.

It said that exceptionally hot years, which once occurred every 20 to 25 years, were more likely to hit every one or two years. And the hotter weather could begin as soon as 2010.



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