



DrumBeat: July 12, 2008

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Topic: [Miscellaneous](#)

[Welcome to a world with \\$500 oil](#)

How far will the real price of oil and other carbon-based resources rise? Experts (I am not one of them) differ widely in their medium-term and long-term predictions, but my reading of the evidence suggests that there is a fair chance that the sky is the limit. In the short run (the next 2 or 3 years) a global cyclical slowdown may provide some temporary relief from rising commodity prices in general and rising oil prices in particular. This temporary cyclical energy price comfort will be deeper and longer-lived if the key emerging markets that have let inflation get out of control (effectively all of them except for Brazil) tighten monetary and fiscal policies to bring inflation down to politically tolerable levels. The resulting cyclical slowdown in emerging market growth will be bad news for economic activity in the industrial world, but will put downward pressure on commodity prices. We will be unemployed but able to afford petrol.

[Czechs take measures to offset Russian crude cuts](#)

PRAGUE (Reuters) - The Czech Republic's main oil refiner said on Saturday it was tapping state oil reserves and bringing in crude through an alternate pipeline after Russia cut deliveries to the central European state.

Czech officials said on Friday the cuts would nearly halve incoming oil from Russia -- which could hurt ties already under strain after the Czechs disregarded Russian objections and signed a missile defense pact with the United States this week.

[Follow the Oil Money](#)

And it doesn't lead to a good place. U.S. dependence on foreign oil has led to both a wealth transfer and a power transfer.

[An Energy Policy We Can Stick To](#)

Energy independence is the wrong goal.

Oil, like all other goods, flows toward the highest bidder. Consequently, talking about "independence" in a global economy ruled by market forces is a contradiction.

As national policy, we must protect the U.S. economy from interruptions in the supply of such a critical commodity -- whether those interruptions are related to natural or political causes. I believe the appropriate aim is to strengthen our energy resilience to adjust to such changes.

[Dr. Johann Wingard On Synthetic Fuels and Energy Crisis](#)

I believe that the combination of electrified transport, bio-fuels and synfuels from coal and oil bearing minerals can eventually replace oil based fuels, which would last mankind for the next couple of centuries. I am a hydrogen skeptic, but research and development on fuel cells which use hydrogen bearing liquid fuels may provide the breakthrough, as phenomenal efficiencies are possible with fuel cells used in conjunction with unfired micro-turbines. I agree with physicist David Goodstein who said that fusion and shale oil are the energy sources of the future – "...and will always be." Geophysicist Amos Nur of Stanford University believes that oil production will have to triple by 2060 just to cater for the world's expanding population. Clearly that is not likely to happen, meaning that a huge conflict could be emerging during the next few decades.

[Analyzing the analysts, part II: Oil price forecasts](#)

The best and worst forecasts of the past decade: Best – Jeff Rubin in 2005; Worst – Dan Yergin in 2004.

[Short supply fuels oil crisis in Nepal](#)

KATHMANDU: The fuel crisis in Nepal intensified on Saturday as Indian Oil Corporation (IOC), the main supplier of petroleum products to the Himalayan nation, cut supplies due to non-payment of outstanding bills.

The shortage of petroleum products in Nepal aggravated as IOC cut fuel supplies by 67 per cent to the Himalayan state. The decision to cut the supply was made after state-run Nepal Oil Corporation (NOC) failed to make payments of committed amount to IOC, official sources said.

[Abu Dhabi rations supply of diesel](#)

Abu Dhabi has rationed the supply of diesel to heavy duty vehicles at its petrol pumps to ease worsening traffic congestion on main streets and prevent a possible supply shortage because of surging demand, suppliers said yesterday.

[Malaysia: Diesel Subsidy Scheme For Fishermen Flawed - State Assemblyman](#)

KUALA PERLIS (Bernama) -- A state assemblyman has called for a review of the diesel subsidy scheme for fishermen as it is flawed and leads to abuse.

...He said the present system where subsidy was based on the size of boats and not the actual catch made by fishermen had led to abuse.

[Hudson road crews revamp work schedule](#)

HUDSON, NH – Faced with a roughly \$90,000 shortage in his fuel budget, Hudson Road Agent Kevin Burns will send his crews out for fewer, but longer days.

Starting next week, highway department crews will begin working 10-hour days four times a week rather than eight-hour days five times a week. Burns hopes the four-month experiment will save up to 15 percent of his fuel budget.

[Gas Thieves Use New Tactic To Keep Prices Low](#)

CHICAGO (CBS) – With sky-high gas prices, thieves have come up with a bold new way to steal fuel, right at the pump.

CBS station WBBM-TV in Chicago reports police and gas stations are now catching on to the scam.

[How much will the local school system have to send to Raleigh to cover travel costs?](#)

The Alamance-Burlington Board of Education talked about high fuel prices and the potential impact on schools, students and parents during a meeting held Friday.

Superintendent Randy Bridges said the system doesn't yet know how much money the state will ask to be returned from local school districts in other areas to compensate for rising fuel costs.

[Fuel costs a burden on prep sports](#)

Struggling with escalating gas and diesel prices, some high schools and districts are hiking athletic participation fees to help offset the rising cost of transporting athletes to events.

[The G8 fiddles while petro-civilization burns](#)

From the ancient Trojans to the louche Renaissance popes who provoked the Protestant secession, to the British who lost America in the 18th century, to the Americans who made their fatally poor decisions in the Vietnam War of the 20th century, Tuchman painstakingly catalogues the information the political leaders were aware of and could have used to make better decisions, but didn't.

Were she alive today, Tuchman would be twitching to write another chapter and this one would follow the grandest folly of them all. It is the story of rising carbon dioxide concentrations in the atmosphere and ocean and the global political establishment's utter inability to cut them down.

[Tesla's wild ride](#)

Building the world's first electric supercar was never going to be easy - even without the hubris, infighting, and mismanagement that nearly sent Tesla spinning off the road.

[The Only Diet for a Peacemaker Is a Vegetarian Diet](#)

A hundred million tons of grain go yearly for biofuel -- a morally questionable use of foodstuffs. But more than seven times that much -- some 760 million tons according to the United Nations -- go into the bellies of farmed animals, this to fatten them up so that sirloin, hamburgers and pork roast grace the tables of First-World people. It boils down to this. Over 70 percent of U.S. grain and 80 percent of corn is fed to farm animals rather than people.

[Oiling the War Machine](#)

Is the Iraq War a US response to Peak Oil? Is it a favor to Israel? Is it meant to bring US consumers cheap gasoline?, or to inflate oil prices that balloon the profits of US oil firms? Ismael Hossein-Zadeh posed these questions and gave his answers in an interesting article "Are They Really Oil Wars?"

[War, oil caused most U.S recessions since 1950](#)

WASHINGTON - Wars and sharp spikes in oil prices were behind most of the seven recessions in the United States since the Great Depression.

Following is a list of recessions since 1950...

[The Achievable Imperative](#)

Last month the International Energy Association announced that we will reach peak oil in five years because the global demand for fossil fuel has accelerated faster than expected. Gas prices in Hawaii have nearly tripled in the last five years, without the demand crunch. Hawaii depends on fossil fuel for more than 90% of its energy needs, making it vulnerable to the approaching global intersect of peak demand and peak oil production capacity.

[Floridians Driving Less, Buying Fuel Efficient Cars](#)

Rising gas prices are changing people's driving habits. Floridians are driving less and choosing more fuel efficient vehicles. Scooter sales are skyrocketing. According to a report released by the Florida Department of Environmental Protection, in 2007 Floridians bought 40 fewer gallons of gas than they did just a few years ago. Sarah Williams, A Florida Department of Environmental Protection spokeswoman says less gas means less gas emissions.

['Fuel For Thought' On Transport Sector Challenges](#)

A report on how Australia can best respond to the environmental and economic challenges arising from its dependence on fossil fuels for transport has just been released in Melbourne.

The report "Fuel for thought – The future of transport fuels" challenges and opportunities addresses two serious issues – the need to dramatically reduce the transport sector's greenhouse gas emissions and, how to deal with the economic risks associated with increasingly costly and scarce oil supplies.

[Adelaide's great rail divide](#)

After eight hours in a single day on buses and trains, Yvonne Wenham realised Adelaide's public transport system was shot.

The Onkaparinga councillor wanted to test government claims that public transport in the outer southern suburbs was good enough. She put her car keys aside and used public transport exclusively for a fortnight.

[Catholic activist sees living green as a divine calling](#)

"I have been striving for years to live a fairly simple lifestyle, in part because of care for

our environment, though mostly because of the poverty of so many of our sisters and brothers in the world," Holtz said in a recent interview. "I was unaware of the severity of the environmental challenges until October 2006, when I read a book about the convergence of the peak oil and climate change crises. Through my prayer and study of 17 additional books and numerous Web sites, it became clear to me that I needed to weave this new awareness into all my other work."

[Oil Will Fall to Disastrous Levels in 30 Years](#): *With the arrival of peak oil production, the oil coming out of the oilfields is of lesser quality and costs more energy to obtain*

What is Spain's energy situation?

Dire, since Spain's dependence on foreign produced energy and fuel is overwhelming. In 2007, according to British Petroleum (BP), we consumed some 150 million tons of oil's equivalent (MTEP). The government says that we are "dependent" on foreign sources for 87% of that, but that's because it considers nuclear energy "independent." However, a hundred percent of the fuel for nuclear plants is imported; Spain does not control the enrichment process, nor is it the owner of important parts of the basic technology. For me then, nuclear energy is energy which is "dependent" on others.

[Russian oil sector at 'critical juncture': Putin](#)

Russian Prime Minister Vladimir Putin on Friday expressed concern over the country's declining oil production and said the sector was at a "critical juncture." Putin also said, however, that Russia would not engage in "economic egoism" and would continue to fulfill export contracts even as it met the energy needs of its own growing economy.

"The prospects are good but some tendencies worry us. The rate of growth of production has gone down...In the first quarter of this year, production even declined 0.3%," Putin told ministers and oil executives.

"The oil sector has reached a critical juncture," Putin said after visiting the Sevmash shipyard in Severodvinsk where Russia's first Arctic oil rig is under construction.

[Political action needed to deal with reality of peak oil](#)

Wait a minute! Isn't Canada a net exporter of crude oil? Yes, and more than two million barrels a day is flowing into the United States, mostly from Western Canada plus a portion from Newfoundland.

Why then, are Canadians paying world commodity prices for the stuff?

[Oil shortage will become a local issue](#)

The 19-member Vancouver Peak Oil Executive, which includes energy consultants, community organizers and artists, aims to "build awareness of the potential effects on metro Vancouver of an imminent shortage of oil and other critical natural resources."

[The Texan oil baron and the winds of change](#)

T Boone Pickens was the ultimate Texan oil tycoon. Then he saw the light: the green light. Now he's at the forefront of a revolution that has turned the Lone Star state into the US's biggest producer of wind power. And, he says, that's just the start.

[Riyadh agrees to defer Pakistan's oil payments](#)

Saudi Arabia has agreed to defer payments for the crude oil sales to Pakistan worth \$5.9 billion during Pakistan's current July-June financial year, a British daily reported on Saturday.

[Angola: Oil Production Sets Huge Challenge to Navy](#)

Large scale production of oil in Angola sets a huge challenge to the country's Navy (MGA) in protecting the installations from enemy attacks.

This was said Thursday in Luanda by the chief of staff of the Angolan Armed Forces (FAA), gen. Francisco Furtado.

[Nigeria's top building firm to pull out of delta](#)

LAGOS (Reuters) - Nigeria's biggest construction firm, Julius Berger, is set to pull out of the oil-producing Niger Delta because of the deteriorating security situation there, a senior security source said on Saturday.

[Iran confirms Total's withdrawal from gas project](#)

TEHRAN (AFP) - Iran's oil minister confirmed on Saturday that the French energy giant Total was out of a multi-billion dollar gas investment in the Islamic republic, the state broadcaster reported.

[Nigeria navy arrests Filipinos on ship of stolen oil](#)

YENAGOA, Nigeria (Reuters) - The Nigerian navy has arrested 15 Filipinos after

intercepting a vessel carrying a significant quantity of stolen crude oil off the coast of the Niger Delta, a senior military official said on Friday.

[Vandalism rampant Niger delta region of Nigeria](#)

More than 200 foreigners have been seized in the Niger Delta since early 2006. Though almost all have been released unharmed, but the ransom the militants have extorted from them was much more than people can imagine.

The militants, who said they are fighting for greater local control of the region's oil resources, launched a campaign of violence against the oil industry in early 2006 that has shut a fifth of Nigerian output.

[Queues grow as Nigerian strike enters second day](#)

LAGOS (AFP) - Long queues of motorists formed at petrol stations in Nigeria on Saturday as a truck drivers strike to protest soaring fuel prices entered its second day.

"We will not lift petroleum products from the depots until the government brings down the price of diesel and kerosene," said Peter Akpatason, president of the National Union of Petroleum and Natural Gas Workers (NUPENG).

Akpatason said fuel prices had more than doubled in recent months and the government had not managed to do anything about it.

[Hummer, How We Need Thee](#)

It would be a mistake for GM, assisted by the raving grease-monkey CPAs of Citibank, to sell the brand to an upstart carmaker in India or China or to breed it as a hybrid, as some have suggested. GM desperately needs an obnoxious, attention-grabbing brand to keep from turning into a dreary shadow of its former self. And America needs the Hummer to remind us of what has always made our automobiles stand out, from the tailfin 1950s to the muscle car 1960s and '70s: swagger. Americans don't just drive their cars -- they proclaim something about themselves by driving them.

[EPA says climate rules are the job of U.S. Congress](#)

NEW YORK (Reuters) - The top U.S. environmental regulator on Friday declined to make rules to regulate planet-warming emissions under existing pollution laws despite a Supreme Court decision that has pressured his agency to act.

Environmental Protection Agency Administrator Stephen Johnson said Congress should make rules to regulate emissions of carbon dioxide and other gases blamed for global

warming.

[Excerpts from greenhouse gas decision documents](#)

Key excerpts from Environmental Protection Agency, White House and other government documents on the Bush administration's decision rejecting regulation of greenhouse gases under the Clean Air Act...

[White House rejects regulating greenhouse gases](#)

WASHINGTON - The Bush administration, dismissing the recommendations of its top experts, rejected regulating the greenhouse gases blamed for global warming Friday, saying it would cripple the U.S. economy.

[Pope expresses worry about climate change](#)

ABOARD THE PAPAL PLANE - Pope Benedict XVI said Saturday he wants to wake up consciences on climate change during his pilgrimage in Australia.



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