



## DrumBeat: October 1, 2008

Posted by [Leanan](#) on October 1, 2008 - 10:06am

Topic: [Miscellaneous](#)

[Time to bet on an oil crunch](#): *Oil prices will keep rising, says billionaire investor Richard Rainwater - and he's putting money on it.*

NEW YORK (Fortune) -- Back in May, when oil was at \$129 per barrel and rising, billionaire investor Richard Rainwater did something as prescient as it was shocking: He sold off all the energy stocks he owned.

Now he's making another bold move: He's betting on oil again.

A few weeks ago, when the price of oil tested a low near \$90 per barrel for the first time in many months, Rainwater decided that he had found the right reentry point. "I reinvested back in the oil business, and it's worked out really well for me," he told me the other day. "I bought Exxon stock under \$75. I bought ConocoPhillips under \$68. I bought Pioneer Natural Resources under \$50. I bought BP. I bought Statoil. I made a big bet on the sector. I bought a lot of stocks back."

[Oil sinks below \\$99](#): *Government report stokes fears of softening demand and crude traders see little benefit from bailout plan*

NEW YORK (CNNMoney.com) -- The price of oil fell Wednesday after a key inventory report highlighted concerns about waning demand and doubts emerged about the impact of the government's proposed bailout plan.

Light, sweet crude for November delivery fell \$2.11 a barrel to settle at \$98.53 on the New York Mercantile Exchange.

[Ford, Toyota post huge drops in Sept. sales](#): *Tight credit, economic worries and high gasoline prices hurt auto purchases*

DETROIT - Tight credit, economic worries and high gasoline prices combined to cut automakers' U.S. sales once again in September, with beleaguered Ford Motor Co. reporting a 34 percent decline and Toyota Motor Corp. posting a 32 percent drop.

It was Ford's worst sales month this year, and the results at both of the automakers are

a strong indication that analysts' forecasts of another dismal month will come true.

General Motors Corp.'s sales drop was a less severe 16 percent, mostly thanks to an offer of employee pricing on most of its vehicles.

Hyundai Motor Co., whose single-digit sales decline this year has looked like a success against the Detroit automakers' slide, reported its U.S. sales fell 25 percent. Honda Motor Co. reported a 24 percent drop. Other automakers are set to release their results later Wednesday.

### [Small businesses take hits, find ways to prevail](#)

Back in Georgia, Smith, too, said he feels the pinch from rising food costs. When corn prices go up, so do the prices for animal feed, which push up the cost of beef and poultry. He is also seeing the effects of the July minimum wage increase, to \$6.55, and the rising cost of gas.

"Most of the stuff we sell is commodity items -- so it's beef, produce, a lot of things that are affected by fuel," Smith said.

The price of oil has other ramifications, Smith and Claesson said.

"People have to drive. They've got to drive here to eat. My employees have to drive here to work. My vendors have to put stuff in a truck and drive it here," Smith said. "Pretty much anything that gets to this building has been brought by something that's using fuel."

### [The Recurring Myth of Peak Oil](#)

The Peak Oil theory maintains that world production of conventional oil will soon reach a maximum, or peak, and decline thereafter, with grave socio-economic consequences. Some proponents of the theory argue that world oil production has already peaked, and is now in a terminal decline [1].

Although, on the face of it, this sounds like a fairly reasonable proposition, it has been challenged on both theoretical and empirical grounds. While some critics have called it a myth, others have branded it as a money-making scam promoted by the business interests that are vested in the fossil fuel industry, in the business of war and militarism, and in the Wall Street financial giants that are engaged in manipulative oil speculation.

Regardless of its validity (or lack thereof), the fact is that Peak Oil has had significant policy and political implications. It has also generated considerable reactions among various interest groups and political activists.

### [Not since 1999 have Canadians driven so little](#)

OTTAWA - Canadians were driving their cars less - at least their big cars - at the start of this year as gas prices were rising towards their mid-year peak, Statistics Canada reported Wednesday.

In fact, the number of kilometres driven on average during the first quarter of the year was the lowest this decade, and down 3.4 per cent from a year earlier.

### [Blockades slow work on C\\$3 bln Enbridge oil line](#)

CALGARY, Alberta (Reuters) - Enbridge Inc said on Wednesday native blockades in the Canadian province of Saskatchewan have forced the company to halt most construction on its C\$3 billion (\$2.8 billion) Alberta Clipper pipeline project.

### [ANALYSIS-Can emerging economies stand alone as cash flees?](#)

LONDON (Reuters) - As western investors dump emerging assets, the fate of the sector's major economies will hang on whether Brazil, Russia, China and others such as Gulf Oil producers have built up enough funds to survive the storm.

Just months ago, many analysts argued the fast-growing sector had "decoupled" from the developed world. But a Wall Street-led rout has since hit stock markets from Lusaka to Bombay as western banks failed or needed bailing out.

### [Moscow super-rich pour millions into luxury homes](#)

MOSCOW (Reuters) - The world outside may be in the thralls of crisis, with house prices plunging, markets slumping and banks collapsing; but Russia's cocooned super-rich can still spare 2.5 billion roubles (\$99 million) for a Moscow townhouse apartment within strolling distance of the Kremlin.

Spurred by petrodollars and booming consumer confidence, Moscow's real estate - where sky high prices can outpace Manhattan and London - has so far avoided following the local stockmarket's downward spiral, which continued Tuesday.

### [Kinder, Energy Transfer in US South gas line pact](#)

NEW YORK (Reuters) - Kinder Morgan Energy Partners LP and Energy Transfer Partners LP said Wednesday their Fayetteville Express Pipeline LLC joint venture will build a new \$1.3 billion, 187-mile natural gas pipeline in the southern United States.

The line, with an initial capacity of 2 billion cubic feet per day, will originate in Conway

County, Arkansas, and continue eastward through White County, Arkansas, to an interconnect with Trunkline Gas Co in Quitman County, Mississippi.

### [Suspected U.S. missile strike kills 6 in Pakistan](#)

ISLAMABAD, Pakistan (AP) — A missile strike by a suspected U.S. drone killed at least six people in a Pakistani tribal region near the Afghan border, two Pakistani intelligence officials said Wednesday.

American forces recently ramped up cross-border operations against Taliban and al-Qaeda militants in Pakistan's wild border zone, a possible hiding place for Osama bin Laden.

The attacks have drawn stiff protests from Islamabad, an uneasy ally in Washington's seven-year war on terror, particularly since a highly unusual Sept. 3 raid by U.S. ground troops in the South Waziristan region.

### [Hurricane experts predict a stormy October](#)

Think hurricane season is over? Think again. Top hurricane forecasters at Colorado State University are predicting well-above average activity for the month of October. Forecasters say that October should feature three named storms, of which two will be hurricanes. Of those two hurricanes, one should become a major (Category 3-4-5) hurricane. Overall, the forecast team expects activity to be nearly twice the activity of the average October.

"We expect the month of October to be quite active," says Phil Klotzbach, lead author of the hurricane forecast. "We continue to observe low sea-level pressures and warm sea-surface temperatures across the tropical Atlantic," he says. "A combination of these two factors typically leads to an active October."

### [CO2 increase means louder oceans, study finds](#)

Beyond the damage it is expected to inflict upon sensitive marine ecosystems, ocean acidification may also allow sound to travel farther underwater, creating a louder deep sea din.

The change may have implications for marine mammal communication, and for military, commercial and scientific applications.

### [Do we need a 'Gaian führer' to save the world?](#)

Here is a worrying thought. Or maybe not. One rich philanthropist could take it into his head to re-engineer the planet's climate. It might only cost a few billion dollars, and even in these days of financial meltdown there are people around with that kind of cash.

Dutch Nobel prize-winning chemist Paul Crutzen recently proposed that, if things went really pear-shaped on climate change, we could start spraying the upper atmosphere with sulphate particles. They would intercept enough solar radiation to cool us down again.

It might be a last resort, but it could prevent us crossing some tipping point to irreversible climate mayhem. And it wouldn't cost the Earth.

## [Transition Town](#)

Toward the end of his life, Thomas Jefferson realized the American Revolution had failed to provide institutional mechanisms to keep the creative spirit of insurrection alive in the populace. He wanted to institute a township system, giving more self-determination to local communities, or “elementary republics.” For Jefferson, the goal of a democratic republic was to make everybody feel “that he is a participator in the government of affairs not merely at an election one day a year but every day; where there shall not be a man in the state who will not be a member of some one of its councils great or small, he will let the heart be torn out of his body sooner than his power wrested from him by a Caesar or a Bonaparte.” He worried that the representational government devised by the federalists had deprived people of a public space where their freedom could be meaningfully exercised.

Unlikely as it seems, the Jeffersonian model may get its chance in the next few years, due to the converging forces of peak oil and climate change. Richard Heinberg, author of *Powerdown: Options and Actions for a Post-Carbon World*, calls the project that confronts us “a species-wide effort toward self-limitation.” Such a project requires global coordination and cooperation to reduce resource consumption and energy use, while industrialized countries “forego further conventional economic growth in favor of a costly transition to alternative energy sources.” For Heinberg’s “powerdown” approach to work, the U.S. would quickly decentralize food, energy and industrial production, and return a great amount of decision-making power to local communities.

## [Return of US refineries slower than hoped - Bodman](#)

PARIS (Reuters) - The return of U.S. oil refineries to normal following last month's Hurricane Ike is taking longer than expected, the U.S. energy secretary said on Wednesday.

Sam Bodman, who was in the French capital for a meeting on nuclear power, also said that long-term energy projects needed to expand supplies and meet demand could be at risk if the financial crisis continued.

Hurricane Ike and earlier storms have disrupted oil supplies in the United States, the world's top oil consumer, helping to drain inventories. U.S. gasoline stocks as of late last month sank to the lowest since 1967.

"I would have imagined we would have seen more progress," Bodman told reporters, adding it was expected to take four to five weeks for the refineries to return to normal. "It's not going to take 10 weeks."

### [U.S. Senate Attaches Energy Tax Breaks to \\$700 Billion Bailout](#)

(Bloomberg) -- U.S. tax legislation valued at more than \$100 billion, including a host of alternative energy credits, gained new hope after Senate leaders late yesterday announced plans to tie it to a \$700 billion financial rescue bill.

The tax plan will extend roughly \$17 billion in tax breaks for solar wind and other renewable energy sources. It includes \$42 billion in incentives for businesses and individuals for two years, including an \$8.6 billion annual research and development benefit, and it would spare 24 million households from a \$61.8 billion alternative-minimum tax due to take effect this year.

### [Russia gas deal to bolster Ukraine PM, avoid price](#)

MOSCOW (Reuters) - Ukraine's Premier Yulia Tymoshenko will sign a gas deal with Moscow on Thursday aimed at showing Russia's support for her government without any mention of a final gas price, Interfax news agency reported on Wednesday.

"This agreement is of political nature and aims to support the government of Yulia Tymoshenko," Interfax quoted an informed source in Moscow as saying.

### [Gazprom says European gas price exceeds \\$500 per tcm](#)

MOSCOW (Reuters) - Russia's gas export monopoly Gazprom said on Wednesday its export gas price for Europe has reached an all-time high of over \$500 per 1,000 cubic metres.

"As of today we can say that the price growth dynamic has surpassed Gazprom's expectations, and the price for the gas supplied by Gazprom to Europe exceeded \$500 in October," Gazprom's statement quoted chief executive Alexei Miller as saying.

### [Natural Gas Gains as Lower Gulf Output Expected to Cut Storage](#)

(Bloomberg) -- Natural gas futures gained on speculation lingering production shutdowns in the Gulf of Mexico caused by two hurricanes will keep stockpiles from rising near the record levels expected in early September.

Analysts including George Hopley of Barclays Capital and Martin King of FirstEnergy Capital Corp. had predicted stockpiles would top 3.5 trillion cubic feet by the end of this month. Most analysts have pared that to about 3.4 trillion.

### [Tales of The Tape: Ike Battle Seen As Oil Producers' Victory](#)

Although Hurricane Ike wreaked damage to energy infrastructure and halted oil output, the storm's toll is seen as a partial victory in oil producers' battle with Mother Nature.

Preliminary damage assessments indicate that Ike had a smaller impact than past major hurricanes - such as Katrina and Rita in 2005 - on crude oil and natural gas production in the U.S. Gulf of Mexico.

While it's still too early to quantify the impact, analysts say the hit to oil companies' bottom lines isn't expected to be substantial, and Ike will turn out to be less costly than previous storms. Katrina and Rita were more intense hurricanes, but the improvements companies made in their wake also played a key role this time around.

### [Gas Shortages Plague the Southeast](#)

Barry Tipping spent three days searching for gas in Atlanta. The quest seemed to be in vain, as the 44-year-old tried nearly 20 gas stations, many with their pumps draped in bags, or waits that stretched to more than an hour. Twice when Tipping did find stations with gas, he sat in a long line only to see the station run out of premium unleaded before he reached the pump. So here was Tipping on Sept. 30 happily paying \$4.33 a gallon to fill his silver Mercedes at an Exxon (XOM) station in the northern part of the city, a sense of relief on his face. "I'd pay \$5 a gallon if I had to," he said.

### [Refineries back online: gasoline demand, price might drop into October](#)

A decrease in demand for gasoline should continue into October, bringing retail gasoline prices down as much as a quarter by the end of the month, an oil analyst said Tuesday.

"The way the global markets have behaved, I would suspect that whatever you pay on Oct. 1 will be at least 25 cents a gallon or so higher than what you'll pay on Oct. 31," said Tom Kloza, the Oil Price Information Service's chief oil analyst.

Most area refineries are operating at reduced rates, and local gas prices should at least remain stable until normal refinery operations resume, Kloza said.

### [Mountain slackers embracing “no-gas” excuse as strong sick-day ploy](#)

Due to the fuel shortage in Western North Carolina, local workers have saved “thousands of life-hours” by calling in “no-gas” to their work places, according to several Recreation Science instructors at UNCA.

“The lack of gasoline has affected worker transportation, and workers’ ability to manipulate the perception of worker transportation,” said Mike Blackstone, head of the Recreation Science Department. “Worker sleep patterns have been altered, as more adults stay up late on work-nights on the gamble that gas will still be scarce enough in the morning to take another day off from their jobs.”

In addition to the “no-gas” excuse, WNC employers report an increase in worker sick days for “marginal reasons.”

“I had four workers call in this morning. They had gas, but they said they were too worried about the impending total collapse of the national economy to make it in,” said one local manager. “I can’t have my people citing ‘the economy’ as their reason for not making it to work. It’s just so broad. And I’m trying to run a bank here.”

### [Gas shortage spurs telework in southeast U.S.](#)

Gas shortages in the southeast United States are prompting companies to consider expanding their telework programs so employees can conserve fuel. Other options workers are weighing include greater use of carpools and public transit, along with alternative scheduling arrangements such as four-day work weeks.

### [McCrory defends handling of gas shortage](#)

CHARLOTTE - Mayor Pat McCrory rejected any suggestion Tuesday that he should have rationed gas or otherwise interfered with the marketplace during two weeks of outages and lines at Charlotte's gas pumps.

McCrory's office has received more than 100 e-mails on the issue, many of them critical. Residents have asked why McCrory hasn't limited gasoline purchases, as leaders did in the 1970s. Some accused him of underestimating a problem that has hobbled the community.

### [Did state do enough with gas-crisis plan?](#)

Under the Georgia Energy Emergency Plan, updated just last year, the governor has the power to enforce gas conservation much as he enforced water conservation last year. With supplies running low, Perdue could limit drivers to every-other-day gas purchases,



set minimum and maximum limits to prevent topping off and hoarding, and add temporary car pool lanes on Ga. 400 and other roads.

### [Turkmen Opposition Reports on Fuel Shortage Cases](#)

There is a lack of petrol in Dasoguz Region [northern Turkmenistan, bordering Uzbekistan].

One can observe long rows of vehicles stretching for hundreds of metres at filling stations an apparent paradox for a country with rich oil resources.

Car owners and drivers, standing in queues for hours, sometimes engage in discussions. Some of them accuse authorities of making allegedly false reports on the annual production of up to eight million tonnes of crude oil while others believe that someone is creating an artificial shortage of fuel to discredit the authorities in the eyes of the population.

### [Kansas Energy Council Discusses Lowering Speed Limit](#)

A generation ago, the government responded to an energy crisis by lowering the speed limit. In crafting a state energy policy, the Kansas Energy Council recommends lowering it again.

This time, they are considering a maximum speed of 65 miles per hour instead of 55.

### [Multiple Oil Finds Continue String of Success in Brazil](#)

A series of oil finds reported to Brazil's National Petroleum Agency on Tuesday demonstrated once again the immense promise the country holds for global oil companies.

### [Pakistan: Chinese technology can address energy crisis](#)

BEIJING: Pakistan can address to a large extent its power crisis through Chinese innovative hydro power generating technology, said a senior official at Pakistan Embassy in an interview.

"China has advance technology of generating electricity through small and medium size hydro power plants and Pakistan can greatly benefit from it," the Counselor Technical Affairs Syed Ali Tallae told after a visit to Hanzhou Province where these plants were functioning successfully.

### [Malaysia: Seafood prices going up due to fuel shortage](#)

Catches from the Hilir Perak coast, an important fishing area, have slumped by more than 60 per cent since Aug 22 as a shortage of subsidised diesel has left fishing fleets idle.

Seafood prices are expected to rise by at least 20 per cent next week, with fears that prices could rise further if the fuel shortage persists.

### [Maine Experiences Wood Pellet Shortage](#)

BANGOR, Maine -- In the South, motorists are dealing with short-term gas shortage. In Maine, consumers are dealing with a shortage of an altogether different type of fuel - wood pellets.

Pellet fuel distributors in Greater Bangor are running out of pellets within days of shipments. Pellet experts said the problem is that people are stockpiling them.

### [Canada opposes Alaska refuge oil drilling](#)

OTTAWA (UPI) -- Canada's Conservative government has been lobbying Washington not to drill for oil in Alaska's pristine Arctic National Wildlife Refuge, documents indicate.

The quiet lobbying by Canada's Department of Foreign Affairs and International Trade considers "opposing drilling in the Arctic National Wildlife Refuge" one of Canada's top environmental objectives with Washington, the CanWest News Service reported.

### [Act or the planet is at peril: new study](#)

THE world will have to take drastic action within two years to reduce greenhouse-gas pollution if it is to avoid the worst effects of climate change, a new British study warns.

### [The Economist Hosts Online Debate on Global Water Crisis](#)

NEW YORK (Business Wire EON) September 30, 2008 -- The Economist Debate Series announces its 13th online debate ([www.economist.com/debate](http://www.economist.com/debate)) focused on the global issue of water as a scarce resource. The proposition for this debate is: "This house believes that water, as a scarce resource, should be priced according to its market value."  
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## [Oil Shale: Viable Domestic Energy, Or 'Dirtiest Fuel on the Planet'](#)

After months of bitter wrangling, a quarter-century ban on offshore drilling along most of the nation's coastline will expire at midnight tonight.

But amid the rancor surrounding that fight, punctuated by cries of "Drill, baby, drill" at the Republican convention, Congress is also allowing a moratorium freezing the development of oil shale to expire today.

In theory, the end to the oil shale ban, which has been in effect for two years, could open two million acres for development across Colorado, Utah and Wyoming. As with offshore production, it will be up to the next administration to set the parameters on whether to expand domestic production.

...But for its many critics, oil shales is a particularly nasty way of dealing with the energy crisis. To get hydrocarbons out of the shale, the sedimentary rocks must be heated to temperatures of 900 degrees by injecting steam. The process, which melts the oil and allows for its collection, uses vast amounts of energy and water.

## [High Gas Prices Expected to Push U.S. Car Sales to 1980s Levels, Economists Say](#)

(CEP News) Ottawa - High gas prices are likely to do something that oil price shocks of the 1970s and 80s could not accomplish - push large numbers of vehicles off American roads, says a report released Tuesday by CIBC World Markets.

Economists Jeff Rubin and Meny Grauman say sales of new vehicles have already plunged from almost 17 million units in the first half of the decade to below 14 million on an annual basis, and with gas prices expected to remain high sales will likely fall below 12 million a year - a level not seen since the early 1980s.

By 2010, Americans are expected to be scrapping 14 million vehicles a year, meaning there will be fewer vehicles on the roads, wrote Rubin and Grauman.

## [Fiji: Save electricity, consumers told](#)

FEA chief executive officer Hasmukh Patel said the Monasavu hydro dam is at a dangerously low level and is not expected to improve any time soon with the continuing dry spell.

Mr Patel said the FEA is supplementing Fijis energy demands with their diesel power generators.

## [Embassy's 20 Most Influential Books](#)

## **Rising Powers, Shrinking Planet: The New Geopolitics of Energy**

By Michael T. Klare

With the recognition that the natural resources necessary for the functioning of modern industrial societies are finite, governments rather than corporations are increasingly spearheading the pursuit of resources. In a world where Russia is transformed from Cold War loser to arrogant broker of Eurasian energy and the U.S. is forced to compete with the emerging "Chindia" juggernaut, acclaimed writer and columnist Michael T. Klare argues, the only route to survival lies through international co-operation. A must-read in a country that is trying to declare itself an energy superpower.

### [Solutions to Everything, Pt. 1](#)

First up: the energy crisis. Why start small?

There are a lot of people who think we're headed into a Mad Max future because pretty soon, we're going to run out of oil.

One possible solution: frozen natural gas. Also known as methane hydrate, there are huge deposits of this substance in fields just below the sea floor -- more than all the fossil fuel deposits on earth combined. With any luck, we'll learn to tap this in time to make the transition to solar power easier -- or we'll just use it all up, the way we did oil.

### [What global warming has to do with subprime mortgages](#)

Unless the United States starts addressing global warming now, we might have to spend \$700 billion to bail out the planet, too. But \$700 billion is a nice figure compared to the \$19 trillion estimate from the European Commission.

### [Premier Speakers Address Climate Crisis](#)

TAMPA, Fla. (BUSINESS WIRE) -- The Earth Charter is a remarkable document that brings together remarkable people. With a message that encourages a shift towards a just, sustainable, and peaceful society, it's no wonder that some of the most forward-thinking leaders and scientists are participating in Earth Charter's Community Summits on Saturday, October 11th. People in cities worldwide will meet in these summits to discuss local solutions to the global issue of climate change. Keynote speakers will be broadcast via webcast to participating cities.

### [Crude prices 'to drop from fourth quarter of this year'](#)

Oil prices will begin to ease from fourth quarter of this year as the market will witness substantial increase in spare capacity, according to a forecast by a US think-tank.

Global Insight, the world's leading company for economic and financial analysis and forecasting, said crude prices will drop as the supply and demand projections indicate that the world is set to see a significant increase in spare capacity over the next six to 18 months, following a string of new projects entering production.

### [Oil dips to \\$100 ahead of U.S. stocks data](#)

LONDON (Reuters) - Oil dipped toward \$100 a barrel on Wednesday ahead of weekly U.S. oil data, which was expected to show an increase in crude oil inventories.

U.S. crude fell 30 cents to \$100.34 a barrel by 7:42 a.m. EDT, after rising by more than \$2 to as high as \$102.84.

### [U.S. driving drops for 9th straight month](#)

WASHINGTON (Reuters) - Motorists on U.S. roads applied the brakes hard on driving when gasoline prices peaked over the summer at more than \$4 per gallon, according to the latest government figures released on Tuesday.

The 3.6 percent year-over-year decline in miles traveled on all roads in July cemented a downward trend begun nine months ago in response to rising pump prices and economic weakness.

While the June drop was 5 percent, the July drop was still sharp and may be more illustrative of consumer habits and concerns about the economy. July is a usually heavy driving period marked by traditional summer vacations and the Independence Day holiday.

### [Five Reasons Why the \\$700 Billion Banking Bailout Will Translate into \\$250 Oil](#)

I've been predicting record oil prices for a number of years now, so when crude oil prices recently plunged from their record highs, I warned investors and consumers that the decline was nothing more than a temporary respite.

But now it's clear that the fallout from the \$700 billion banking bailout pact will virtually guarantee that my prediction will come true.

### [Of mavericks and market meltdowns](#)

Houston's Matt Simmons, the very successful investment banker, prophet of \$300 or \$400 per barrel oil and subject of a lengthy profile in the current Fortune, sees the present problem much less starkly.

"The Houston economy is as strong as horse radish," he says. And: "I think basically we have total gridlock in Washington, but Armageddon is highly unlikely."

### [Energy Stocks Ready to Melt Down](#)

It doesn't take a super-secret report to know that energy stocks have been on fire. Over the past five years, the energy sector has outperformed the S&P 500 by 125 points. However, recent declines in oil prices may be signaling an end to the easy money.

### [Explaining 'peak oil' theory](#)

ALBANY — Stephen Leeb, an author and editor who in 2006 predicted economic collapse and \$200-a-barrel oil, will talk about the peak oil theory tonight.

Leeb, editor of The Complete Investor, a financial newsletter, will speak at an energy symposium at The College of Saint Rose organized by the Capital Region Energy Forum, an advocacy and education group.

Leeb does not hide his feelings about peak oil, the theory that the world has hit the zenith of oil production worldwide, which would spark a global economic crisis as demand starts to outstrip supply.

"You need a solution or else the world is going to be in desperate straits," Leeb said.

### [Logistics News: Does U.S. Need a "No Oil" Contingency Plan?](#)

Even a modest disruption in the flow of oil could have a devastating impact on the economy and commerce, especially the flow of goods.

"First the trucks and shippers will curtail shipments. Shelves will become scant and in some cases bare," Black cheerfully notes in the book's first pages. "Quickly, unemployment will become epidemic as people are laid off due to economic contraction or because many will simply be unable to get to work. That in turn will worsen the country's economic convulsion. Mobile America will cease to exist as we knew it because transportation via automobiles, taxis, buses, planes and other vehicular traffic will become an ever more unaffordable luxury. When people cannot get from Point A to Point B, the nation's economic vitality will quickly wither."

### [Energy prices 'stronger for longer', says BP](#)

Surging demand in developing countries and global fossil fuel supply constraints are creating volatility in energy markets and will keep prices up over the long term, BP's Chief Economist Christof Rühl told EurActiv in an interview.

...BP's chief economist vehemently countered the idea that the world was facing a physical shortage of oil as proposed by 'peak oil' theorists. "I have no reason to accept [peak oil] as a valid statement either on theoretical, scientific or ideological grounds," he said.

"There is no resource constraint at the moment for oil. There is enough oil if you're willing to accept the costs – including the environmental costs for sources like tar sands," he added.

*(The interview itself is [here](#).)*

### [Canada: Candidates focus on rural, agricultural issues at meeting](#)

McQuail accused agriculture leaders and bureaucrats of a “subtle Stalinism” that he said has aimed to “industrialize and collectivize Canadian agriculture.”

“They’ve done a good job at marginalizing family farmers,” he said, “denigrating them as hobby farmers after structuring agriculture so they can’t earn a living from a modest land base.”

McQuail said industrial agriculture is on a shaky foundation, however, and he believes that in the peak oil period and post-petroleum economy, “we are going to need more family farmers.”

### [Gas lines shorter in largest city hit by shortage](#)

ATLANTA - Lines eased somewhat Tuesday in Atlanta, the largest city hit by a hurricane-induced gas shortage in the southeast, as Georgia's governor waited for a White House answer to his request to release more crude oil.

Gov. Sonny Perdue sent a letter to President Bush on Monday requesting that a "significant amount" of crude oil be released from the Strategic Petroleum Reserve to help ease the shortage.

Perdue contends that while many Gulf Coast refineries are operating again after disruptions from Hurricanes Gustav and Ike last month, not all are receiving enough oil to return to full capacity.

### [Kinder Morgan Oil Terminal Fire Doused in Ohio](#)

(Bloomberg) -- Firefighters doused a fire of burning oil at a terminal operated by a unit of Kinder Morgan Energy Partners LP yesterday morning near Cincinnati, WLWT radio reported, citing fire department Captain Michael Washington.

### [Oil sands safe from U.S. law, advocates say](#)

U.S. environmentalists have declared another victory in their efforts to protect legislation that threatens Canada's booming oil sands, but oil sands advocates say there is no triumph to celebrate.

### [Russia's crude export duty down to \\$372.2 per ton as of Oct. 1](#)

MOSCOW (RIA Novosti) - Russia's crude oil export duty is down by almost 25%, from \$485.8 to \$372.2 per metric ton, as of Wednesday.

Prime Minister Vladimir Putin signed off on the cabinet's September 19 decision to reduce crude export duty, made in the wake of a sharp decline in oil prices in September.

### [Northwest profitable with oil at \\$100: CEO](#)

TOKYO (Reuters) - Northwest Airlines Corp (NWA.N), which is set to be acquired by Delta Airlines (DAL.N), can be profitable with oil at \$100 per barrel, Doug Steenland, the company's chief executive, said on Wednesday.

Despite the turmoil in credit markets, Steenland said he was confident the merged airline would have sufficient liquidity to manage its operations well into the future, noting that the airline would have \$6 billion in cash on closing.

### [Shell to take big stake in Sibir by year-end](#)

MOSCOW, (Reuters) - Royal Dutch Shell is poised to take a large stake in its Russian partner company Sibir Energy before the end of this year, the Financial Times reported on Wednesday.

### [Nigerian militants 'dodge' arrest](#)

Militants in Nigeria's oil-rich Niger Delta region say none of their fighters have been arrested by the military.

On Tuesday, the army said more than 400 men had been arrested following a recent



week-long campaign of militant attacks on oil infrastructure.

But the Movement for the Emancipation of the Niger Delta (Mend), said the arrests were "random harassment".

### [Iran fears nuclear witchhunt](#)

The latest news from the International Atomic Energy Agency (IAEA), aside from a gloomy portrayal of an international agency starved of cash and manpower, is that it cannot confirm the absence of a clandestine Iranian nuclear program. The head of the United Nations' watchdog, Mohamad ElBaradei, should know better that this is not his agency's mandate to begin with, no matter how much new affection is poured on the troubled agency by Western powers.

Hence the question: is there a discrete *quid pro quo* for the simultaneous announcements whereby the IAEA tags along with the United States' plan of action with regard to Iran, as long as Washington promises no military action, and then it is rewarded with Washington's and London's power of the purse?

### [Africa Command is operational, but skepticism persists](#)

WASHINGTON (AFP) — The US military's Africa Command becomes fully operational on Wednesday, but it still faces skepticism about its intentions as it seeks to provide security assistance to African states.

### [Military, Business Leaders Release Comprehensive Energy Security Plan](#)

The Energy Security Leadership Council (ESLC), a project of Securing America's Future Energy (SAFE), yesterday released A National Strategy for Energy Security, a comprehensive plan that offers the public and policymakers specific solutions to the very real threats posed by our nation's dependence on oil.

The National Strategy lays out a pathway toward a long-term goal of an electrified transportation system that is no longer dependent on oil, along with the interim policies needed to reach that goal while keeping our economy and our nation strong and secure.

"Our oil dependence has put our nation at unacceptable risk," ESLC Co-Chairman Frederick W. Smith, Chairman, President and CEO of FedEx Corp., said.

### [China's coal export volume on falling trend](#)

China's coal exports have been falling sharply in volume since June, and the total export

volume of this year is predicted to be approximately the same as last year, according to Customs statistics.

### [French biofuel tax revision threatens jobs - makers](#)

PARIS (Reuters) - Thousands of jobs could be lost in the French biofuel sector if the government's proposal to scrap tax advantages for the grain-made fuels by 2012 is adopted, ethanol makers said on Tuesday.

### [World's largest uranium refinery plans \\$6M expansion](#)

Over the next 20 years, world demand for electricity is expected to double. Cameco's uranium sales volume has tripled since 1991.

According to the World Nuclear Association website, there are currently 439 reactors operating around the world, 36 under construction, 97 reactors planned and 221 proposed. Canada has 18 operable reactors, two under construction, three planned and four more are proposed.

### [Farmland birds not bothered by wind turbines, study finds](#)

The sight and sound of ranks of whirling 100-metre high turbines had little effect on the numbers of birds in the area, scientists found.

The results will disappoint conservation groups, who claim turbines pose a threat to birds but will provide a boost for wind energy groups who want to erect hundreds of wind farms around Britain.

### [Solar Energy From An Unlikely Source: The Amish](#)

On the porch of a white Lancaster County farmhouse in Pennsylvania set between corn and soy bean fields, an Amish woman makes apple sauce the old-fashioned way: She crushes them in a manual press. Chickens run across the yard. A long line of laundry dries in the sun.

But at her husband's dairy equipment shop next door, the scene is quite different. Energy-saving fluorescent bulbs light the basement. And wiring has just been installed to run heavy machinery off the sun.

Despite their reclusion from the modern world, the plain-living Amish are leading the way when it comes to embracing solar energy.

### [Maine study weighs impact of more wood heating](#)

AUGUSTA, Maine (AP) — Burning more wood for heat could save homeowners money in oil-dependent Maine, but a task force in the nation's most forested state cautioned that care is needed to avoid health problems and damage to the wood products industry.

### [Revealed: oil-funded research in Palin's campaign against protection for polar bear](#)

The Republican Sarah Palin and her officials in the Alaskan state government drew on the work of at least six scientists known to be sceptical about the dangers and causes of global warming, to back efforts to stop polar bears being protected as an endangered species, the Guardian can disclose. Some of the scientists were funded by the oil industry.

In official submissions to the US government's consultation on the status of the polar bear, Palin and her team referred to at least six scientists who have questioned either the existence of warming as a largely man-made phenomenon or its severity. One paper was partly funded by the US oil company ExxonMobil.

### [Australia: How we can be a green super power](#)

Al Gore says the United States should embark on a "man on the moon"-style effort to satisfy all of America's electricity needs by renewable energy within a decade. Just 10 years. That's an incredibly bold vision - a real stretch goal. But it is also what's needed to avert a climate crisis.

So why not do the same in Australia? Here, it could become a "nation-building" symbol of pride, akin to the 19th Century construction of the Overland Telegraph Line or the post-WW II Snowy Hydro Scheme.

### [Eating kangaroos could help fight global warming: scientist](#)

SYDNEY (AFP) - An offbeat suggestion that Australians should eat kangaroos instead of cattle and sheep has been given a scientific stamp of approval by the government's top climate change adviser.

The belching and farting of millions of farm animals is a major contributor to Australia's greenhouse gas emissions, Professor Ross Garnaut noted in a major report to the government on global warming.

Kangaroos, on the other hand, emit negligible amounts of methane gas.

### [Scientists aim to boost Southern Ocean CO2 monitoring](#)

SINGAPORE (Reuters) - Australian scientists set sail later this week on a voyage that could lead to better data from the Southern Ocean, which plays a major role in acting as a brake on climate change.

Oceans absorb vast amounts of carbon dioxide and the Southern Ocean between Australia and Antarctica plays the greatest role of all the world's oceans, scientists say.

### [Melting ice magnifies Arctic risks](#)

The news that Lloyd's insurer Catlin is sponsoring a major scientific expedition to capture vital data for scientists studying the impact of global warming on the Arctic ice cap is a further sign of increasing concern at the uncertain future of the region.

...The project — the Catlin Arctic Survey — will be led by British explorer Pen Hadow. The programme of measurements will include some of the most accurate and detailed observations of the thickness of the permanent Arctic ice. The measurements will be taken as part of a pioneering surface survey over a 1,200-mile route from the Canadian coast to the North Geographic Pole, beginning in February 2009.

### [Failure on climate change will 'haunt humanity': Australian expert](#)

SYDNEY (AFP) - Failure to curb global warming would "haunt humanity" forever, Australia's top climate adviser said Tuesday as he urged the country to cut greenhouse gas emissions by at least 60 percent by 2050.

Ross Garnaut, presenting his long-awaited report on climate change, said Australia was more vulnerable to rising temperatures than any other developed country because of its hot, dry climate and faced environmental destruction and a major decline in farming in nothing was done.

"If we fail, on a balance of probabilities, the failure of our generation will haunt humanity until the end of time," Garnaut told reporters in Canberra.



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