



DrumBeat: October 27, 2008

Posted by [Leanan](#) on October 27, 2008 - 9:30am

Topic: [Miscellaneous](#)

[At Asian food market, a sign of lost confidence](#)

Empty rice shelves encase a fear that has transcended American culture, as consumers have learned that things they saw as entitlements - food staples, fuel for a commute, toys, and toothpaste free of poison - could no longer be taken for granted.

"I was like, 'What is going on?' " said Peter Park, a 28-year-old Willamette University law student who moved to Seattle from South Korea when he was 15. "This is the last country that I thought would run out of food."

[Sri Lanka: Extended credit period from Iran](#)

COLOMBO: Petroleum and Petroleum Resources Development Minister A.H.M. Fowzie and Ceylon Petroleum Corporation (CPC) Chairman Ashantha de Mel have successfully negotiated an extended credit period of full 90 days from Government of Iran.

[Thailand likely to barter rice for Iranian oil](#)

Hanoi (VNA) - Thailand, the world's biggest rice exporter, plans to exchange rice for oil from Iran, its commerce minister said on October 27.

"Our senior officials plan to go to Iran by mid-November to discuss the specifications of oil and rice that would be exchanged," Commerce Minister Chaiya Sasomsab was quoted by news reports as saying.

[As Dubai skyscrapers keep rising, buyers and developers eye world's financial woes](#)

DUBAI, United Arab Emirates (AP) - Dubai's long, lucrative property boom is hitting rough times, with property-flipping speculators and hopeful foreign buyers increasingly worried as easy oil money and quick profits dry up.

It's far from clear, though, if a bubble has truly burst or if the once red-hot market is

simply cooling.

[Don't believe in climate change? You still need a carbon tax](#)

So let's say that climate change really is bunk. Does that mean that we should forget about carbon taxes, the development of alternative energy, and all the other steps proposed to fight climate change?

Not at all. In fact, there is only one such policy - carbon sequestration - that would be without value if anthropogenic climate change is a mirage. In every other case, the policies proposed to fight climate change are not only sensible, they are essential, even if climate change is dropped from the equation.

[Chinese hostages 'executed' by Sudan kidnappers](#)

KHARTOUM, Sudan (AP) -- The kidnappers of nine Chinese oil workers have killed five of the men, execution-style, a Sudanese Foreign Ministry spokesman says.

Ali Sadiq said two other kidnapped workers managed to flee their abductors, while two still remain in the hands of the kidnappers.

[Petrobras' Costa Says Oil Prices to Rise Again](#)

(Bloomberg) -- Oil prices will rebound because of scarce supply, said Paulo Roberto Costa, head of refining at Petroleo Brasileiro SA, Brazil's state-controlled oil company, the Valor Economico newspaper reported.

Declining output from existing fields, means new discoveries of 8.5 million barrels a day are needed to meet demand, Valor quoted Costa as saying.

Delays in bringing new fields online would hamper the ability to meet global oil consumption, even if it remains at the current level of about 85 million barrels a day, Costa was quoted as saying.

[Slip in oilsands expansion worries Newfoundland mayor](#)

There may be thousands of kilometres between Alberta's oilsands and the southern Newfoundland town of Marystown, but Mayor Sam Synard is still keeping a close and increasingly anxious eye on a possible downturn in that province's oil fortunes.

Major energy companies, including Suncor Energy, Petro-Canada and UTS, have announced they are delaying projects or cutting spending on oilsands work, in response

to the spiralling global credit crisis.

Thousands of workers from Newfoundland and Labrador commute to jobs in Fort McMurray and other communities in Alberta's oilpatch, to such an extent that what experts call the "receipt economy" is guiding the fortunes of many towns in the province.

[Carmakers may be next up for bailout](#)

NEW YORK (CNMoney.com) -- Bush administration officials have had talks with the nation's automakers about providing possible federal help for the cash-starved companies, a White House spokeswoman said Monday.

[U.S. forces staged attack in Syria, U.S. official says](#)

WASHINGTON (CNN) -- The U.S. military conducted a "successful" strike into Syria on Sunday to kill a suspected al Qaeda facilitator, a U.S. official said Monday.

[U.S. helicopter shot down in Afghanistan](#)

KABUL, Afghanistan - Insurgents shot down a U.S. helicopter after exchanging fire with its crew in central Afghanistan on Monday, while a suicide bomber in the north killed two U.S. soldiers inside a police station, officials said.

[China may lend Russia \\$25 bln as part of oil deal](#)

MOSCOW (Reuters) - Russia and China will sign a much-delayed long-term oil supply deal on Tuesday and Beijing is in talks to lend Russian companies \$20-\$25 billion in export-backed loans, industry sources said on Monday.

The deal will give Beijing access to 300 million tonnes of Russian oil over the next 20 years, accounting for 4 percent of its annual demand, while allowing Russian firms to sort out immediate financing needs during an acute liquidity squeeze.

[OPEC's slippery slope](#)

Oil producers are understandably desperate. In the space of only three months, crude oil prices have fallen by more than half - slashing their export earnings and cutting into their oil-dependent budgets.

Still, OPEC must tread extremely carefully as it attempts to put a floor under oil prices.

The sharp decline in the price of energy has been the only sliver of good news amid a tide of financial woe enveloping the world. It reduces inflationary pressure and gives more space for central banks to cut interest rates.

[Oil in a Week \(OPEC & the Decision to Cut Output\)](#)

It is noted that there exists an oil cycle of approximately ten years for the meltdown of prices in the recent past, even when causes varied in each case. The collapse of prices in 1986 was caused by the increasing supply from outside OPEC whereas the second collapse in 1998 was caused by the Asian economic crisis and the decline in demand there at a time when OPEC increased output (the Jakarta resolution of 1997). The current price meltdown, on the other hand, is caused by the decline in demand as a result of the rapid and massive increase in prices during the first two half of the year in addition to the declining demand as a result of the global financial crisis and the lack of confidence in the proposed economic solutions.

[LUKoil crude output down 2.1% in Jan.-Sept.](#)

MOSCOW (RIA Novosti) - LUKoil's crude output in January-September decreased 2.1% year-on-year to 71.2 million metric tons (522 million bbl), Russia's largest independent oil producer said on Monday.

The company produced 62.3 million tons (457 million bbl) in Russia and 3.9 million tons (29 million bbl) under international projects, representing year-on-year declines of 1.7% and 7.9% respectively.

[Undeterred After Ordered Off OPEC Property, Freedom Watch Attorney Cordially Places Complaint Into Oil Minister's Hand Charging Price Fixing](#)

VIENNA, Austria /PRNewswire/ -- If there were such a thing as a process server's academy award, Freedom Watch Chairman and Chief Legal Counsel Larry Klayman most likely would be nominated for one. (<http://www.freedomwatchusa.org>).

After thwarted by OPEC security from serving his complaint charging the cartel with illegal price fixing, market division and collusion in agreeing to lower oil production, Klayman sprang out from a line of TV press to serve a complaint on an unwitting OPEC oil minister on his way to be interviewed following OPEC's emergency meeting here.

[An 'invisibility cloak' for tsunamis?](#)

A tsunami is headed right for a vulnerable shallow-water gas platform. The next minute, the first wave passes by harmlessly as if the structure had completely disappeared.

Impossible? Perhaps not, according to a team of French and British physicists that has devised an 'invisibility cloak' that could, in theory, hide susceptible platforms or coastlines from ocean waves such as tsunamis.

[GAO finds agencies using oil products to fuel AFVs](#)

Federal government agencies are meeting requirements to acquire alternative fuel vehicles (AFVs), but they currently are running them on petroleum products, the US Government Accountability Office said Oct. 23.

[Cooling climate 'consensus' of 1970s never was: Myth often cited by global warming skeptics debunked](#)

Now, new research also skewers the global warming skeptics' claim that, in the 1970s, scientists believed that an ice age was imminent. Researchers of the day had discovered that Earth had been cooling since the 1940s. Some believed that continued increases in the amount of planet-cooling aerosols kicked up or emitted by human activity — dust and smog, for example — could easily tip the planet into an ever-deepening cycle of cooling, skeptics have repeatedly pointed out. That wave of concern was obviously a false alarm, the skeptics note, so maybe today's scientists are equally mistaken about global warming.

Not true, climatologist Thomas C. Peterson of the National Climatic Data Center in Asheville, N.C., and his colleagues report in the September *Bulletin of the American Meteorological Society*. The team's survey of major journal papers published between 1965 and 1979 found that only seven articles predicted that global average temperature would continue to cool. During the same period, 44 journal papers indicated that the average temperature would rise and 20 were neutral or made no climate predictions.

[Heinberg: A Back-Row Seat at the Collapse Revue](#)

The actions of national governments and the central banks to shore up the credit market have constituted an effort to establish a floor below which the credit markets cannot fall further. Whether these efforts will be successful we shall discover soon enough.

However, the deeper Peak Everything crisis effectively establishes an ever-descending ceiling above which a recovery can never rise. The recession is lowering the price of commodities that would otherwise be at all-time high prices due to scarcity. Why? Demand is falling because fewer people can afford food or gasoline.

So far, despite massive efforts to infuse trillions of dollars in new money and credit to keep the international financial system at proper pressure, this is a textbook case of deflation.

[Chavez Ambitions in Venezuela, Abroad May Shrink With Oil Price](#)

(Bloomberg) -- The same tumbling oil prices that led OPEC to slash output last week threaten to send Venezuela's economy into a tailspin, and put an end to President Hugo Chavez's ambitions to expand his socialist revolution at home and abroad.

To cope with plummeting oil revenue, the source of half the government's spending, Chavez may have to cut domestic handouts and foreign aid. The first items likely to go will be arms purchases from Russia, oil subsidies for Cuba, and job-creating local projects such as bridges and subways, economists say.

[Warzone where oil prospects outweigh risks](#)

Half way up a barren mountain in northern Iraq the earth begins to shake. Starting slowly, a deep rumble is heard, stopping suddenly with a thin hydraulic hiss. But this is no earthquake. It is part of a seismic test to search for oil in a region where crude is so prolific that it oozes from the rocks.

Andy Grosse, exploration director of Sterling Energy, the British company funding the programme, says: "There is nowhere else left like this on earth — where there is so much potential but so little exploration has been done. For an oil company, it's like being a kid in a sweet shop."

[Chevron Replaces BP As Third-Biggest Oil Major](#)

US oil major Chevron Corp has replaced Britain's BP Plc as the third-largest non-government controlled oil company in the world, as problems in Russia and currency weakness have hit BP.

[Neither Obama or McCain Understand How to Tackle the Oil Crisis](#)

A detailed examination of the Obama and McCain energy platforms and track records reveal that neither man has tackled the issue of a potential oil catastrophe which would quickly tear this nation apart. Nor does either reflect the sense of urgency such a looming catastrophe—constant, continuous threats by Iran, Venezuela and other OPEC activists — requires.

[On McCain, Obama, Energy & the Environment](#)

I've spent the past few weeks researching John McCain and Barack Obama on the issues of energy and the environment. I've looked at their published platforms, reviewed their

speeches and debate appearances, and scanned the opinions of a gaggle of pundits.

And, after all that research, I'm reminded of a TV commercial from the 70s, the one with the French chef comparing margarine and butter. "There is no differ-*ance*..." he exclaimed.

[Vietnam's President in Moscow for Energy Talks](#)

Vietnamese President Nguyen Minh Triet held talks with President Dmitry Medvedev and other top Russian officials at the Kremlin on Monday to boost trade and energy ties.

[Zimbabwe: Wheat growers face fuel problems](#)

WHEAT farmers in Umguza are facing problems of securing enough fuel to use in harvesting their crop while the only combine harvester in the area constantly breaks down.

Some farmers told Chronicle during a visit to the farming area yesterday that they now feared the problems might result in their crop being damaged by the summer rains that are about to start.

[Waste watchers: Save cash *and* the environment](#)

Milly d'Escrivan has shed 4.5kg (9.9lbs) this week, making her the biggest "loser" in her Cambridgeshire group. Ms d'Escrivan and nine other young mothers have lost more than 40kg (6.3 stone) between them over the past four months. Like thousands of others around the country who are trying to shed the pounds, they meet regularly to offer each other moral support and to swap recipes and tips. Unlike many other women, however, they are watching their waste, not their weight.

They are part of an innovative scheme helping women to cut their food waste and shopping bills in half – using simple, old-fashioned home economics. If their success were repeated nationwide, the scheme could save the UK 2 million tons of wasted food a year – and £5bn.

[Arctic is melting even in winter](#)

The Arctic icecap is now shrinking at record rates in the winter as well as summer, adding to evidence of disastrous melting near the North Pole, according to research by British scientists.

They have found that the widely reported summer shrinkage, which this year resulted

in the opening of the Northwest Passage, is continuing in the winter months with the thickness of sea ice decreasing by a record 19% last winter.

[UK: Genteel custodian of grand houses turns eco-warrior to save green spaces](#)

The National Trust is to take up an aggressive eco-stance to protect green spaces and prevent desecration of the countryside.

The trust, one of the country's biggest landowners, has decided to shift its focus to become the leading champion for the protection of green fields - a move that puts it on a collision course with the Government over housebuilding, development of eco-towns and the proposed expansions of Heathrow and Stansted airports.

[Who will run out first?](#)

DESPITE advances in alternative energy technologies, oil remains the world's primary fuel. We wonder: Which of the following countries will deplete its oil reserves first?

Answers: A. Mexico; B. Russia; C. United States; D. United Kingdom

[Critics say Barack Obama's, John McCain's energy policies leave Americans wanting](#)

Ostensibly, presidential candidates John McCain and Barack Obama have very different approaches to America's energy problems. But when some experts look at them, they see the same thing: Timidity.

"We need to get away from looking for a silver bullet," says Paul Linzmeyer, a partner in Innovation for Sustainable Organizations, an energy consulting firm based in Appleton. "There is none. ... Both (candidates) are going in a different place than we are today, and that's what we need, but I don't think they're bold enough."

[Pickens: My Energy Plan Is The "Only Plan"](#)

(CBS) If you've been watching television lately, chances are you've seen a white-haired Texas oil man promising he can save America from foreign oil by using wind power, solar energy and domestic natural gas. He's T. Boone Pickens, and he's playing the role of pioneer and provocateur, in a massive national campaign warning of an energy crisis as dire as the current financial one.

As *60 Minutes* contributor Charlie Rose reports, Pickens says he has a solution - a plan that might sound unrealistic in the current economic climate - but one he hopes will be

good for the country and good for Boone Pickens.

[Funding becoming harder to get for green startups](#)

LOS ANGELES (Reuters) - Saving the planet is looking a lot less profitable than it was a few months ago, and investors once enamored with finding the next high-flying alternative energy startup are retrenching.

Venture capitalists poured a record number of dollars into alternative energy companies as oil prices peaked at \$147 in the third quarter, but some say that investment has trailed off substantially as crude prices declined and the global economy has slipped toward recession.

Not only are venture firms demanding lower valuations for what they call "cleantech" companies, they are also shying away from those with riskier technologies and startups whose business plans will require large amounts of capital.

[Can smoke and mirrors ease global warming?](#)

OSLO (Reuters) - Backers of extreme technologies to curb global warming advocate dumping iron dust into the seas or placing smoke and mirrors in the sky to dim the sun.

But, even though they are seen by some as cheap fixes for climate change when many nations are worried about economic recession, such "geo-engineering" proposals have to overcome wide criticism that they are fanciful and could have unforeseen side effects.

[Oil falls below \\$62 as investors eye weak demand](#)

SINGAPORE (AP) -- Oil prices fell to 17-month lows below \$62 a barrel Monday in Asia as investors brushed off OPEC's output cut, focusing instead on growing evidence of a severe global economic slowdown that would undermine crude demand.

Light, sweet crude for December delivery declined \$2.22 to \$61.93 a barrel in electronic trading on the New York Mercantile Exchange by midafternoon in Singapore, the lowest since May 2007.

[Cheap Crude: A Flash in the \(Oil\) Pan](#)

The biggest mistake the United States could make right now is to assume recent weakness in oil and gasoline prices means the energy crisis is over and the US can go back to our old energy habits and policies.

[Qatar calls for oil 'between \\$70 and \\$90'](#)

Qatar believes that current oil prices are low and should be between \$70 and \$90 a barrel to satisfy consumers and producers, Prime Minister Sheikh Hamid bin Jasim said in comments published today.

"We believe oil prices should be in the reach of everybody," Reuters quoted Jassim as telling local media.

"But we want to be protected. The current prices are a bit low. We are talking about prices ranging from \$70 to \$90 which we think are fair for consumers and producers."

[Nigeria: Halliburton Scam - EFCC Seeks Clues From Abroad](#)

The Economic and Financial Crimes Commission (EFCC) is at present seeking evidence from abroad in a bid to nail Nigerian officials alleged to have received bribes in order to help some foreign companies secure juicy oil and gas contracts in the country.

Top on the cases on which the anti-graft body is seeking clues is the \$180 million bribe allegedly paid some government officials by Halliburton to secure Liquefied Natural Gas (LNG) contracts.

[The rise \(and fall?\) of petro-states](#)

The Kremlin's assertiveness and strident defense of national interests in the Putin era is ascribed to the boom in world prices of natural gas and oil, which Russia exports in abundance. Russia reaped direct dividends from the steep increase in fossil fuel prices by accumulating foreign exchange reserves to the tune of US\$560 billion by mid-2008. Indirectly, possession of the much-coveted strategic minerals enabled Russia to neutralize energy-hungry Western European countries, particularly Germany, so that the "West" was divided over taking an anti-Moscow foreign policy line.

[China CNPC to issue 20 bln yuan bills next Monday](#)

Authorities are encouraging the issuance of medium-term corporate bills and all forms of corporate debt, to bolster corporate financing and prop up the economy as growth slows.

[SK Energy drops China crude unit plan-paper](#)

SEOUL (Reuters) - South Korea's top refiner SK Energy has dropped a plan to build a

crude oil processing unit in China due to government price regulations, a local newspaper reported on Monday.

[Nigeria: Fire Guts Intergrated Oil and Gas Tank Farm](#)

A tank farm on Apapa-Oshodi expressway belonging to Intergrated Oil and Gas limited, situated around the Ibru oil depot in Tincan island area of Lagos went up in flames yesterday.

[Free fall at the pump eases worries on living costs](#)

Concern about high gasoline prices and the rising cost of living have melted away in recent weeks as a free fall in oil prices brought relief at the pump, dropping from more than \$4 a gallon to well under \$3.

[South Africa: The future of the state](#)

How will peak oil impact on South Africa? Will we run out of water? It will need to assist Cabinet to assess mega-projects strategically. Do we need aluminium smelters? We are not good at posing, let alone beginning to answer, questions such as these.

[States of Mind](#)

Oil is at the centre of two major crisis, one of which remains within the realm of news networks as part of the economy. According to the cost of oil, the cost of everything else in society goes. The current downturn has dampened the demand for oil and decreased its value as a speculative investment for the future. Some pundits have ignorantly claimed that because the price of oil has gone down there is obviously no problem with supply. Unfortunately we are somewhere at peak oil now, just past, right on, or just about there, we won't know yet for a while. And while there is still lots of oil, demand will increase again if the economy recovers, but regardless, future oil will be harder to obtain and more expensive because of that. That will cause ripple effects of higher costs for all products but more importantly, higher costs for food.

[A politics of crisis: low-energy cosmopolitanism](#)

2008 is the year of a triple shock: the global food crisis (which made the realities of food-insecurity palpable), the global oil-price rise (which put localized transition on the agenda as never before) and the global financial hurricane (which gave the state as agent a new lease of political life). The long-term consequences can at present be only dimly discerned. At this stage, it can be said that together they do provide opportunities for the political left (in its broadest sense) which were barely imaginable at the start of the year. But it is also true that dislocating financial and energy crises offer promising

ground for the political right.

[Fair Game](#)

"I suspect," wrote Friedman, "we will find ourselves living in a world in which key global economies are more intimately tied together than ever before. It will be a world in which multilateral diplomacy and regulation will no longer be a choice. It will be a reality and a necessity. We are all partners now."

Blog columnist and cranky savant James Howard Kunstler takes an opposite view: "While I recognize the appeal of the 'singularity' narrative, which has the human race making a sudden evolutionary leap into some kind of cyborg-nirvana, I regard it as an utter bulls--t fantasy that has zero chance of occurring, given our stark predicament."

[RAB bans withdrawals from energy fund after oil price falls](#)

RAB Capital's energy fund, once worth more than a £1bn, has banned withdrawals by investors as it struggles with the fall in the price of oil and other commodities.

The flagship fund has lost more than 50 per cent of its value in the last 12 months, and in a move to shore up its standing, RAB has moved to stop investors cashing in their holdings.

[RV sales hinge on credit: Lower gas prices will help, but financing is biggest obstacle](#)

"We been saying all year that the real issue is not fuel prices," said Kevin Broom, director of media relations for the Recreation Vehicle Industry Association. "It's credit, and we believe that that continues to be the case.

"It may help some and may offer some hope but fuel prices are not the driving factor in consumers buying an RV, it really is credit — where people can get loans for what they are buying."

[Hybrid engine inventor heads for UM Hall of Fame](#)

Alexander Severinsky thought he had escaped long waits for basic goods when his family fled the Soviet Union in 1978. But barely a year later he found himself in his Oldsmobile Cutlass, in the Texas heat, at the end of a line of cars waiting to gas up.

"I just came from Russia a year ago, where I stand in lines for food, and now what changed? I'm back in line, only for fuel," he said, laughing, in his accented English.

Better fuel efficiency, he reasoned, could boost gas supplies and end the lines. "So I decided to look into what is the problem with engines."

[New global energy strategy tackles climate change, saving USD 18 trillion in fuel costs](#)

Berlin, International — Aggressive investment in renewable power generation and energy efficiency could create an annual USD 360 billion industry, providing half of the world's electricity, slashing over USD 18 trillion in future fuel costs while protecting the climate, according to one of the most comprehensive plans for future sustainable energy provision launched today.

[Climate change 'making seas more salty': Scientists report changing salinity in oceans can be attributed to manmade climate change](#)

Global warming is making the sea more salty, according to new research that demonstrates the massive shifts in natural systems triggered by climate change.

Experts at the UK Met Office and Reading University say warmer temperatures over the Atlantic Ocean have significantly increased evaporation and reduced rainfall across a giant stretch of water from Africa to the Caribbean in recent years. The change concentrates salt in the water left behind, and is predicted to make southern Europe and the Mediterranean much drier in future.

[The Public's Dangerous Misunderstanding of Climate Change](#)

As I report on climate change, I come across a lot of scary facts, like the possibility that thawing permafrost in Siberia could release gigatons of carbon dioxide into the atmosphere, or the risk that Greenland could pass a tipping point and begin to melt rapidly. But one of the most frightening studies I've read recently had nothing to do with icebergs or megadroughts. In a paper that came out Oct. 23 in Science, John Sterman - a professor at Massachusetts Institute of Technology's (MIT) Sloan School of Management - wrote about asking 212 MIT grad students to give a rough idea how much governments need to reduce global greenhouse gas emissions to eventually stop the increase in the concentration of carbon in the atmosphere. These students had training in science, technology, mathematics and economics at one of the best schools in the world - they are probably a lot smarter than you or me. Yet 84% of Sterman's subjects got his problem wrong, greatly underestimating the degree to which greenhouse gas emissions need to fall. When the MIT kids can't figure out climate change, what are the odds that the broader public will?



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).