

DrumBeat: November 16, 2008

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Topic: Miscellaneous

Global climate changes could lead to violence: Experts say it will accelerate the race for food, water

KANSAS CITY, MO. - A warmer planet could find itself more often at war.

The Earth's fast-changing climate has a range of serious thinkers — from military brass to geographers to diplomats — predicting a spate of armed conflicts driven by the weather.

Shifting temperatures lead to shifting populations, they say, and that throws together groups with long-standing rivalries and thrusts them into competition for food and water.

Cost of Living in U.S. Probably Dropped by the Most in 60 Years Last Month

``Tumbling energy and commodity prices have altered the inflation landscape," said Ryan Sweet, a senior economist at Moody's Economy.com in West Chester, Pennsylvania. ``More rate cuts are needed as the economy is sinking deeper into recession."

Peak Oil, Cars, and Depressions

. All prior discussion of oil supply, demand, and pricing has been trumped by the economic sledgehammer that is killing the global economy. I still believe oil supplies will begin to peak in a few years. But the amount of oil used in the meantime will be far less than had previously been estimated and will result in a fair amount of spare capacity being generated. The additional spare capacity will be available to mitigate the early years of the eventual decline of old oil fields. So oil pricing may not recover rapidly as the previous megaprojects analysis suggested, more detail below.

Meet The Press (transcript and video)

Our issues this Sunday: Can the American car companies survive? Big trouble for the

Big Three. Stiff opposition on Capitol Hill to a federal bailout for Detroit. Should America's car companies receive emergency aid or go into bankruptcy? Two key senators square off: the co-chair of the Senate Auto Caucus, Democrat Carl Levin of Michigan; and the ranking Republican on the Senate Banking, Housing and Urban Affairs Committee, Richard Shelby of Alabama.

Then, it's Green Is Universal week at NBC. What is the future for America with energy independence? Joining us, the legendary oil man now turning in a new direction, T. Boone Pickens.

Kuwaiti Ready to Cut Production in a Surplus, Oil Minister Says

(Bloomberg) -- Kuwait is willing to cut petroleum production if OPEC members agree that there is a surplus, oil minister Mohammed Al-Olaim said today in comments cited by KUNA.

Global Energy Transition Plan

Denying the possibility of oil or gas shortage is now a powerful cottage industry with its own gurus, regularly wheeled into TV studios to perorate, but the most down-to-earth reason for denial is simple: the inability or refusal to face facts. Ironically perhaps, or even antinomically, public opinions in the most oil-intense and gas-intense societies, called 'postindustrial' but consuming every imaginable type of industrial product, are now supposedly very concerned about climate change. This supposed concern allows political and business leaderships of these countries to orient and focus consumer demand to new industrial products such as 'low carbon cars' or 'low energy washing machines', while creating new business opportunities for windmill and solar cell producers, and the levered financial investment structures supported by « alternate energy investing ». The net result is to simply add more energy on top of the fossil fuel pyramid, and maintains fossil energy demand at extreme high levels!

Oil output cuts not likely - OPEC chief

ALGIERS, Algeria (AP) -- More oil output reductions aren't likely this month because OPEC members haven't yet fully enforced previous quotas and the organization needs more data before it reaches a decision, the cartel's president said Sunday.

Chakib Khelil's comments came as Iran called for a new output cut of at least 1 million barrels per day, in addition to the 1.5 million cut decided by the Organization of Petroleum Exporting Countries on Oct. 24 to try to sustain slumping prices.

Iran needs up to \$5bn for fuel imports

Iran's government needs up to \$5 billion more to import fuel for the year to March 2009, in addition to a previously budgeted \$3.3 billion, a senior oil ministry official said on Sunday.

Iran is the world's fourth-largest exporter of crude but lacks enough refining capacity to meet domestic gasoline needs, forcing it to import large amounts which it then sells at subsidised prices, burdening the budget.

Report: Turkey to cooperate on development of Iran's gas fields

TEHRAN (Xinhua) -- Iran's oil minister has said that he has discussed with his Turkish counterpart on the development of southern Iranian gas fields by Turkish firms, Iran's Energy and Oil Information Network (SHANA) reported on Sunday.

Nigeria oil pipeline attacked, bunkering arrests

PORT HARCOURT, Nigeria (Reuters) - A Nigerian crude oil pipeline was sabotaged in the Niger Delta while 22 Filipinos were arrested after their ship was intercepted for carrying stolen oil, a military spokesman said on Saturday.

Bahrain, Saudi look to expand pipeline

Bahrain and neighbour Saudi Arabia will look into expanding an oil pipeline connecting the two countries, a senior Bahraini official said in remarks published on Sunday.

The countries plan to expand the oil pipeline capacity to 350,000 barrels per day (bpd) from 235,000 bpd, Bahrain Petroleum Co. (BAPCO) chief executive Abdulkarim Al-Sayed told local newspaper Al-Watan.

Oil in a Week: Obama's Energy Policy

For almost a quarter of a century, American presidents have been adopting new multibillion dollar energy policies under loose titles such as the Energy Independence Program which evidently means ending oil dependence. Indeed, Barack Obama's program whose details he presented during his electoral campaign does not differ from the programs of his predecessors, especially the Democrats.

I have beheld the future and boy, am I ready to run

HAVE you heard of the Web Bot Project? It turns out that two blokes in America have built a time machine using the interweb.

Don't start throwing things. The idea is that big news stories can be predicted in advance by sending little robots scurrying through the net looking for words you might not normally expect in places you would not ordinarily find them. Like "mushroom cloud" appearing in, say, a gardening column. If that happens these blokes George Ure and Cliff High, make a prediction about, say, 9/11.

Utter hogwash, you might think, and a fancy way to go crazy. Except it turns out that they can to an extent predict the future.

Costs Slide Prompts Wave Of Project Delays

The global financial crisis is poised to cut a swathe through projects throughout the Gulf. Plunging costs for raw materials and the expectation of further slides are prompting Gulf project sponsors with an eye to making major savings to reschedule bidding dates on lump sum turnkey (LSTK) projects. Even state-owned Saudi AramcoSaudi AramcoLoading..., with its strong track record on delivery times, has postponed bid dates on at least two of its flagship downstream projects.

Iraq's oil and the future

Wednesday the 13th of November will be a day to remember. For a number of hours I and my research group had the opportunity to discuss Iraq's oil in detail with Dr Issam A. R. al-Chalabi. He has worked in Iraq's oil industry for 23 years and has been chairman for SCOP, the State Company for Oil Projects, the chairman of INOC, the Iraq National Oil Company, as well as Iraq's vice-oil minister and oil minister. At the time of war in Kuwait he was dismissed and moved to Jordan. Few people can have a better knowledge of Iraq's oil.

Gas price drop: 60 days straight

NEW YORK (CNNMoney.com) -- Remember \$4 gas? Soon it will be \$2 gas.

As the nation's economy worsens, the demand for oil and gas wanes. As a result, prices drop. And drop. And drop.

The price of gas fell overnight Sunday for the 60th consecutive day.

Congo's poor lose their last possessions

As the rebels advance, the nature of the looting here indicates how desperate Congo has become. Humiliated, retreating government soldiers, hungry rebels and other opportunists have wrestled chickens and cellphones from fleeing villagers and smashed the doors and windows of abandoned homes, making off with mattresses, goats, pots,

clothes, radios and TVs.

Pakistan and U.S. have tacit deal on airstrikes

The United States and Pakistan reached tacit agreement in September on a don't-ask-don't-tell policy that allows unmanned Predator aircraft to attack suspected terrorist targets in rugged western Pakistan, according to senior officials in both countries. In recent months, the U.S. drones have fired missiles at Pakistani soil at an average rate of once every four or five days.

Does Natural-Gas Drilling Endanger Water Supplies?

A debate is heating up over whether the fracturing technique used in natural-gas drilling could result in chemicals contaminating drinking water.

The (Not So) Invincible Society

It is an article of faith that modern industrial society is robust and resilient, that any setbacks will be temporary, and that we can look forward to an ever-increasing standard of living. And, this article of faith makes it difficult to discuss society's vulnerabilities to collapse in any serious way in policy circles.

Popular culture adds to the illusion. The enduring fantasy embedded in the many iterations of the original Star Trek television series is that humans will soon be a space-faring species. The hidden and never-discussed prerequisite, however, is limitless, cheap energy. This also turns out to be the assumption behind contemporary projections of ever-increasing prosperity.

Luling builder defies the big, goes tiny

With Tiny Texas Houses as his new distraction from everyday armchair theorizing about the energy crisis, global warming and red meat, Kittel has a chance to make good on the forgotten promise of his fellow baby boomers, many of whom traded their '60s ideology to join the consumer culture.

"My generation - I'm 53- we were the ones who were gonna save the world," Kittel says. "Conserve!

"What'd we do? We used it up."

Confessions of an economic moron with no practical skills

I moved home three years ago in part because something in my consciousness, below the radar, told me we are headed for trouble, and when the trouble comes, I want to be in North Dakota and not elsewhere. I read a series of books, beginning with James Kunstler's "The Long Emergency: Surviving the Converging Catastrophes of the Twenty-First Century," that made me feel that the glorious period of unprecedented prosperity, mobility and material happiness that followed World War II, may not be sustainable, at least not if we want to call ourselves a democracy in any meaningful sense.

Here's the problem for me and for millions of others. My generation has never known want. We have lived on the froth of staggering prosperity and access, surfing through life as if it could only get better and better and better, and we have absolutely no psychological capacity, so far as I can tell, to face a grimmer world. Second, spoiled and mollycoddled as we have been, we have never bothered to learn any real survival skills. Our grandparents didn't exactly enjoy the Depression years, but they had excellent skill sets — sewing, gardening, canning, carpentry, neighboring and squeezing the most out of a dime.

Insecticide! (An ecological disaster that will affect us all)

While the plight of mammals and birds commands the world's attention, insects are quietly but rapidly disappearing.

U.S. cities lag Europe in green practices

While U.S. cities continue to rely heavily on coal for power, many European nations are drawing large amounts of energy from nuclear, wind and solar projects.

Cities in Iowa and across America also have largely ignored their transportation systems' contributions to higher greenhouse gas emissions, while European cities have built on already impressive mass-transit systems and have helped lower their emissions, said Kamyar Enshayan, a Cedar Falls City Council member and director of the University of Northern Iowa's Center for Energy and Environmental Education.

"We continue to not invest in public transport," he said. "We are doing things to help people drive alone."

Robert Bryce: Why ethanol will never work out

When it is refined, a barrel of crude yields several different "cuts" that range from light products, such as butane, to heavy products, such as asphalt. Even the best-quality barrel of crude (42 gallons) yields only about 20 gallons of gasoline. Furthermore, certain types of crude oil (such as light sweet) are better suited to gasoline or diesel production than others.

...The problem for the ethanol advocates is that there's very little growth in gasoline demand, while the demand for other cuts of the barrel is booming. In short, the corn ethanol producers are making the wrong type of fuel at the wrong time. They are producing fuel that displaces gasoline at a time when gasoline demand — both in the United States and globally — is essentially flat. Meanwhile, demand for the segment of the crude barrel known as middle distillates — primarily diesel fuel and jet fuel — is growing rapidly. And corn ethanol cannot replace diesel or jet fuel, the liquids that propel the vast majority of our commercial transportation machinery.

Peak Oil's Bell Is Ringing

A minority of geologists have long argued that hydrocarbons were formed through inorganic processes operating on carbon sourced from the earth's mantle. Theories for an inorganic origin ranged from hydrocarbons raining from the sky early during the Earth's formation and trapped into the surface rocks which, later transformed into petroleum. In all these cases, the presence of organic matter was attributed to the petroleum picking them up as it moved through crystal rocks containing organic material.

Unfortunately for the inorganic theory, all major petroleum discoveries have come from methods that assume an organic formation process. However, hydrocarbons are almost surely derived from organic decay and because of this, the petroleum reserves are limited. We will eventually run out of "affordable" oil, the big question is when? *Peak Oil Theory* tends to answer this question.

Refiners slowing momentum

A recent pullback in plans to expand or upgrade U.S. oil refineries may herald a more cautious era for refining companies, now facing uncertainty on many fronts after enjoying high profits for several years.

The uncertainty stems from volatility in commodity and capital markets, as well as from a historic decline in gasoline usage this year that has raised doubts about long-term demand for petroleum-based fuels.

Kremlin losing grip in crisis

MOSCOW - THE ruble is losing value, thousands of jobs are being cut and Russia's oil boom is over: after years of economic and political stability, the Kremlin could be losing its grip, experts said.

Is Ahmadinejad losing chance for vote win?

Hardline President Mahmoud Ahmadinejad's failure to share out Iran's oil income more fairly has raised doubts over his chance of securing a second-term in next year's election. Instead of ushering in the era of "economic prosperity" he promised in 2005, Ahmadinejad presides over an Iran which may struggle to balance its books despite enjoying windfall oil earnings for much of his first term, analysts say.

Energy costs burden bigger on Maltese workers

A litre of petrol cost a Maltese worker 15 per cent of his hourly wage, much more than the six per cent of the hourly wage it cost a British worker, Labour leader Joseph Muscat said yesterday.

Speaking to supporters in Gozo, the Labour leader said that such were the comparisons that had to be made.

Greek gunboat in Aegean holds standoff with Turkish frigate

ATHENS: A Greek navy gunboat was dispatched yesterday to intercept a Norwegian oil survey ship and a Turkish frigate sailing near the Greek island of Kastellorizo in the Aegean, an official said. The Norwegian and Turkish vessels were sailing in international waters in the southeastern Aegean but over an area of sea bed that was Greek, general staff spokesman lieutenant-colonel Dimitris Bonoras told AFP.

Bahrain refinery output rises to 271,000 barrels

MANAMA: Oil production and refinery capacity have significantly increased during the first three quarters of this year, National Oil and Gas Authority (Noga) announced yesterday.

Saudi stocks fall to lowest level since March 2004

RIYADH(Agencies): The stock market in oil powerhouse Saudi Arabia, the largest in the Arab world, slumped heavily on the first trading day of the week on Saturday, when shares ended 7.4 percent lower. The Tadawul All-Shares Index (TASI) closed at 5,079.54 points, with the key petrochemicals sector down by 9.47 percent and market leader SABIC losing 9.95 percent of its value. In the past three months SABIC stocks have plunged 55 percent. The banking sector shed 8.32 percent by close of trading, with all other sectors also in the red. The TASI finished last week's trading on Wednesday down almost 10 percent and the index is 48.6 percent lower for the year so far. It fell 25.8 percent in October.

Kuwait may find itself in economic mess if current global financial crisis continues

KUWAIT CITY: Kuwait may find itself in an economic mess if the current global financial crisis continues with the same tempo while petroleum prices continue to nosedive and the public treasury is further exhausted, reports Al-Watan Arabic daily quoting an economic analyst. Explaining the country judiciously used profits earned during the oil boom to replace the amounts taken from the Future Generations Fund in previous years, the analyst said Kuwait might be forced to spend its reserves if oil prices continue to fall below the budgetary benchmark.

Rouble fixing eats Russia's reserves

Russia's currency reserves, the world's third-largest, are no match for tumbling oil prices and an exodus of capital that may force the country's central bank to accept a devalued rouble.

Don't get too comfortable with gasoline at \$2 a gallon

No one should get too comfortable with \$2 a gal lon gasoline.

It's a welcome break from the \$4 gas we saw just last summer and an impressive lesson in the power of conservation to achieve price reductions.

But what it isn't is permanent. Even with the price of gas breaking through the \$2 range, the head of the International Energy Agency, Nobuo Tanaka, declared last week that "while market imbalances will feed volatility, the era of cheap oil is over."

Actually, drilling is critical to our future

Geologists report that huge quantities of hydrocarbons (oil and natural gas) still lie buried at various locations around the globe. A recently released international study estimates more than 90 billion barrels of recoverable oil remain in the Arctic alone.

Added to that are immense amounts of oil and other fuels invested in the combined proven and projected reserves of oil shale, offshore natural gas and petroleum, coal and uranium in North America. These are available, and their use will be necessary to make an orderly transition to the future, as we develop non-carbon technologies that can't yet compete economically or practically.

Fruit and veg boom needed to feed Britain

It is an image worthy of a Keats poem or a Constable landscape: great orchards bursting with fruit, fields crammed with ripening vegetables and hillsides covered with sheep and

cattle.

But this is no dream of long-gone rural glories. It is a vision of the kind of countryside that Britain may need if it is to survive the impact of climate change and higher oil prices, according to leading agricultural experts.

Climate change: Too many people?

Last week, *Green Left Weekly* published an article arguing that population reduction schemes provide no answers to the threat of climate change.

Population-based arguments wrongly treat population levels as the cause, rather than an effect, of an unsustainable economic system. This means they tend to divert attention away from pushing for the real changes urgently needed, the article insisted.

The animals and plants we cannot live without

From the Amazon rainforests to the frozen ice fields of the arctic, animals, plants and insects are disappearing at alarming rates from pollution, habitat loss, climate change and hunting.

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