



DrumBeat: February 22, 2009

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Topic: [Miscellaneous](#)

[Raise the price of gas to \\$4 – before the next oil crunch](#)

Berkeley, Calif. - Remember last summer, when gas prices broke new records every day and the era of "energy independence" was on the horizon? Gas is half what it was then, but not for long. When OPEC's planned production cuts hit, tightening the global supply of oil just when economies are poised to resume growth, the world may well face the worst oil crunch in history.

The way to avert the brunt of that? It might not be pretty at first, but a price floor – a government-mandated minimum – on retail gas will buy us the time we need to wean us off the oil.

[Conflict Over, and in the Midst of, Nature's Assets](#)

Two reports out today on conflict and the environment mesh in a disturbing way. One, from the United Nations Environment Program, asserts that persistent conflicts within states most often relapse when the root cause is scarce natural resources and environmental issues are not incorporated into efforts to forge peace. The other study, "Warfare in Biodiversity Hotspots," has been published in the journal Conservation Biology. The authors find that "more than 80 percent of the world's major armed conflicts from 1950 to 2000 occurred in regions identified as the most biologically diverse and threatened places on Earth." More on conflict and ecology from Conservation International.

So there's potentially a vicious loop here, as resource-based battles drag on in the world's last bastions of biological bounty.

[Pristine African Park Faces Development](#)

IVINDO NATIONAL PARK, Gabon — The forest here seems to go on forever, interrupted only by the broad ribbons of its rivers. Deep inside, some of the world's rarest creatures cavort in one of the most pristine patches of rain forest on earth, a direct but accidental result of Gabon's reliance on one of the filthiest fossil fuels: crude oil.

For years, these vast stretches of green have been left almost entirely untouched because oil has supplied Gabon's people with one of the highest per capita incomes in sub-Saharan Africa.

But now the oil is running out, and Gabon needs a new source of cash, quickly, throwing the future of Gabon's lush, Edenic landscapes into doubt.

[In Parched Argentina, Worries Over Economy Grow](#)

BUENOS AIRES — Cows are dying by the thousands in the baking sun, and crops are being lost before their seeds even break the soil.

Argentina's worst drought in more than 50 years is magnifying the country's chances of suffering another economic crisis, and the lost farming revenue will complicate the government's efforts to meet more than \$18 billion in debt obligations this year, economists said.

[Crop Scientists Say Biotechnology Seed Companies Are Thwarting Research](#)

Biotechnology companies are keeping university scientists from fully researching the effectiveness and environmental impact of the industry's genetically modified crops, according to an unusual complaint issued by a group of those scientists.

[Rescue Flight](#)

As hard as it is to create cranes that will survive in the wild, making sure there is suitable wilderness to put them in may be harder. Globally, loss of habitat is the grimmest threat to endangered species, and it is no longer enough to simply seal off the habitat that's left. Those ecosystems also must be managed as assiduously as the animals themselves.

Having disrupted natural fire cycles, we're forced to suppress fires in some areas and set them in others. We control predators, mop up pollution or clear out invasive species. We slip contraceptives to overpopulations of deer and the plague vaccine to ferrets; call in sharpshooters in helicopters to assassinate every last feral pig from certain islands; teach California condors not to perch on power lines; pick up migrating salamanders and carry them safely across a California road; and install feeders to satiate the Devil's Hole pupfish, a species of small blue fish that lives exclusively in a particular pool of warm water in the Nevada desert. "If humans had the inclination to give up, this would be the one species given up on," Kieran Suckling, executive director of the Center for Biological Diversity, says of the pupfish. "You could say it wouldn't matter — it has very few ecological interactions with anything else in the world. But just the opposite has happened. I think we've got a very unshakable ethic to prevent extinction in this country.

[Iran official sees possible oil price rise](#)

The head of Iran's state oil firm expressed hope that crude prices would rise, citing predictions of increased consumption in coming months, the official IRNA news agency reported on Sunday.

Seifollah Jashnsaz, managing director of the National Iranian Oil Company, also said Iran had cut output by 550,000 barrels per day (bpd), in line with the drive by the Organization of the Petroleum Exporting Countries (OPEC) in recent months to reduce production in a bid to halt tumbling prices.

[Nigeria troops repel attack on Agip oil terminal](#)

YENEGOA, Nigeria (Reuters) - Nigerian security forces repelled an attack by gunmen on an oil terminal operated by Italy's Agip in the Niger Delta late on Saturday, a military spokesman said.

Gunmen in two speedboats attacked Nigerian troops guarding the Twon Brass oil terminal in Bayelsa state. Oil production at the facility was not affected.

[Coast Guard Work To Free Grounded Tanker](#)

GALVESTON, Texas -- An oil tanker remained grounded late Saturday night off the Texas coast in the Gulf of Mexico, but no fuel had spilled from it, officials said.

The U.S. Coast Guard, other federal and state agencies and a salvage company have been planning a strategy for freeing the 800-foot vessel, the Yasa Golden Dardanelles. It's carrying 620,000 barrels of low sulfur fuel oil, said Coast Guard spokeswoman Renee Aiello.

[Poker-Faced, Russia Flaunts Its Afghan Card](#)

MOSCOW — Russia last week marked the 20th anniversary of the Soviet withdrawal from Afghanistan with avowals from its leaders that they really, truly do not want the American military mission there to suffer the same humiliating fate.

In practice, though, it often seems that Russia cannot decide whether it hopes that America's current venture in Afghanistan succeeds, collapses or just ends up in a lengthy slog that might be cause for furtive grins in the backrooms of the Kremlin.

[British Fight Climate Change With Fish and Chips](#)

Last year, when the price of crude oil topped \$147 a barrel, a number of large companies in Europe and the United States were spurred to set up plants to collect and refine used cooking oil into biodiesel.

The global recession and the steep drop in oil prices have now killed many of those large refining ventures. But smaller, simpler ones like Mr. Friedlos's are moving in to fill the void with their direct-to-tank product, having been deluged by offers of free oil from restaurants.

[When Consumers Cut Back: A Lesson From Japan](#)

The economic malaise that plagued Japan from the 1990s until the early 2000s brought stunted wages and depressed stock prices, turning free-spending consumers into misers and making them dead weight on Japan's economy.

Today, years after the recovery, even well-off Japanese households use old bath water to do laundry, a popular way to save on utility bills. Sales of whiskey, the favorite drink among moneyed Tokyoites in the booming '80s, have fallen to a fifth of their peak. And the nation is losing interest in cars; sales have fallen by half since 1990.

The Takigasaki family in the Tokyo suburb of Nakano goes further to save a yen or two. Although the family has a comfortable nest egg, Hiroko Takigasaki carefully rations her vegetables. When she goes through too many in a given week, she reverts to her cost-saving standby: cabbage stew.

[Say what you will, it's still about the money](#)

I recognize that this meltdown is going to be terrible and painful for many millions of people. I've been a foreign reporter long enough to know that the end of this mad buying spree will likely trigger unrest and conflict in the many developing countries that produced all those great cheap, stylish goods, as well as at home, where all of us - including me - bought them. But in the end, it all seems like a necessary corrective.

[A funny thing happened on the way to eco-superiority](#)

"You're comparing apples to oranges," says John Zych, DBA, associate professor of marketing management at the University of Scranton. He says you can't compare automotive sales month to month to spot trends. Instead, year-over-year provides a better picture. That bigger picture shows SUV sales are still down. Moreover, he says, SUV-buyers generally fall into one of two categories.

“There are people who need these vehicles for towing, or large families, or for driving in the hinterlands,” he says. “There is a complex set of objectives that go into car-buying. For these people, even when gas goes up, this vehicle has utility and they’ll continue to buy it. The other group is the trendy group. That group, I think, has gone away.”

[Severe Drought Adds to Hardships in California](#)

MENDOTA, Calif. — The country’s biggest agricultural engine, California’s sprawling Central Valley, is being battered by the recession like farmland most everywhere. But in an unlucky strike of nature, the downturn is being deepened by a severe drought that threatens to drive up joblessness, increase food prices and cripple farms and towns.

[Dairy farmers strained by rising costs, drop in exports](#)

“We are faced with two problems,” Vanderhyde said Wednesday. “The input prices have increased in price the last two years — the feed, fuel and fertilizer — and second is what has happened to export prices.”

The export markets are in a serious decline, and the droughts are over in Australia and New Zealand, leading to more milk production, Tony Banks, assistant director of commodity marketing for the Virginia Farm Bureau Federation, said .

“The market decline is being driven by the global economy,” he said Thursday. “The milk consumption, especially with cheese, a popular ingredient within the restaurant trade, has declined because people are not eating out as much.”

[Philippines: Activists hold rally to oppose revival of mothballed nuke plant](#)

Hundreds of protesters urged legislators on Sunday not to support a bill in Congress to revive the mothballed Bataan Nuclear Power Plant (BNPP).

Volunteers of environmental activist group Greenpeace and members of a network opposed to the BNPP also formed a human banner at the UP sunken garden forming the words - “NO TO BNPP.”

[Vancouver poised to lead world in fuel cell technology](#)

Yoga Yogendran of the National Research Council's Institute for Fuel Cell Innovation says the cluster of Vancouver-area companies have been conducting cutting edge research into hydrogen fuel cells for years, a technology he says may significantly lower greenhouse gases around the world -- and help fuel everything from electric power plants to cars to portable music devices.

"This is not the silver bullet," he told CTV.ca from Vancouver. "But it is a key solution to help us be more responsible for global warming and climate change or at least meet our (international) obligations."

[Petro Caribe averts major fuel shortage crisis in Dominica](#)

PDV Caribe Dominica received a shipment of 5,000 barrels of gasoline and 10,000 barrels of diesel from Venezuela on Saturday, February 21, 2009.

[Oil industry 'faces major security threat'](#)

Middle East oil companies are spending billions of dollars on security every year, and the cost is rising fast, according to a new report by The Gulf, a weekly business magazine.

Saudi Arabia alone is expected to spend \$14 billion over the next six years to improve oil security, while other energy producers are investing heavily in protecting pipelines, refineries, rigs, tankers and other assets, The Gulf said in its latest issue.

[Gulf defence spending seen strong despite low oil](#)

ABU DHABI (Reuters) - Regional tensions are fuelling continued military spending by Gulf Arab states despite the global downturn and low oil prices, major arms suppliers said on Sunday.

'The Middle East market, including the Gulf, remains very viable and credible. There is confidence in their ability to drive on their acquisition schemes,' said P.T. Mikolash, Raytheon Co.'s Middle East and North Africa chief.

'There are no delays in our projects so far,' he said on the sidelines of the International Defence Exhibition (IDEX) in Abu Dhabi, the Middle East's largest military show.

[Kuwait, Iran crude exports disrupted due to weather](#)

Kuwait, the world's seventh-largest oil exporter, suspended its more than 2 million barrels per day (bpd) of oil shipments early on Sunday, said a spokesman for state refiner Kuwait National Petroleum Co (KNPC).

"Oil exports were stopped on Sunday morning due to low visibility and will resume once weather conditions are better," Ahmad al-Muzaiel told Reuters. High winds are whipping up sand and reducing visibility. Visibility was expected to improve by Sunday evening, state news agency KUNA cited a weather expert as saying.

Bad weather extended through the northern Gulf. Exports from Iran's main crude oil terminal Kharg Island have been intermittent since last Wednesday due to high winds.

[Iran OPEC Head: Additional Crude Should Be "Removed" From Market](#)

TEHRAN (Dow Jones) - Iran's governor to the Organization of Petroleum Exporting Countries said Sunday excess oil supplies have allowed crude stockpiles in consuming countries to rise and should be taken out of the market.

"Generally, OPEC believes additional barrels (of crude) should be out of the market. This is very important not only for OPEC but for all producers - to remove all additional barrels from the market," Mohammad Ali Khatibi told Dow Jones Newswires by phone Sunday.

[Valero temporarily shutting Texas City refinery](#)

Valero Energy Corp. says it is shutting down its entire Texas City refinery, rather than keep parts of it open while some units undergo maintenance, because refining margins are weak and demand for gasoline is down.

[Your Oil Stocks Aren't Coming Back](#)

Remember when Intel, Microsoft, Dell, Lucent, Yahoo and Cisco ruled the markets? There was an era, roughly 1997 to 2000 when those stocks actually mattered. They were important companies doing big things in terms of providing the technology needed for the next century's communications and internet build-out. And then, they just didn't matter anymore. Once the dot com bubble burst, every bounce or rally in these names was basically a selling opportunity...for 8 years and counting!

...I believe that this story is repeating itself in the oil patch. Market participants seem to be in a state of disbelief that Chesapeake, Transocean, National Oilwell Varco and ConocoPhillips aren't important anymore. These stocks may have seen the best levels they will ever see, at least for a long time.

[ANALYSIS - Saudi power below par despite wealth, Islamic role](#)

RIYADH (Reuters) - Saudi Arabia is the world's top oil exporter and cradle of Islam, but does not always punch its weight in the Middle East, where Islamist groups like Hamas and Hezbollah enjoy more popular appeal than any Arab government.

Any Saudi aspirations to exert decisive leadership in a fractured Arab world, or even to match the influence of non-Arab powers like Iran, Turkey and Israel, for now remain

just that.

[Don't forget Ukraine](#)

The gas dispute may be over, but Kiev now needs the west's help to escape reliance on Russia.

[Iran's claims snubbed](#)

Manama: Yemen and Tunisia yesterday expressed their solidarity with Bahrain over Iran's claims of sovereignty over the kingdom even as Iran's Deputy Oil Minister Syed Reza Kassai said his country had not received any official statement on halting talks over gas imports.

[A legislative lifeline for Saudi's poor](#)

It's about time that the Gulf's largest economy - buttressed by a local banking system that has so far proved largely immune to the effects of the global crisis, and enormous cash surpluses accrued over the era of peak oil - addressed the needs of its middle and lower classes.

[Challenges of corn ethanol make sugar more attractive](#)

Prices for raw materials have all but killed commercial applications for the time being and the oil market, which was making corn-based ethanol look economically viable, is leveling out, going from \$147 per barrel in July to less than \$40 today.

Private investors have gone cold and federal lawmakers -- who now realize their production mandates of 100 million gallons of advanced biofuels in 2010 and 250 million gallons in 2011 won't be reached on time -- are more hesitant than ever.

[Oil giant tops deadbeat list](#)

ALBANY — The state's largest unpaid oil spill bill is tied up in a dispute with the world's largest oil company.

Since 2006, the state spill fund has spent more than \$9 million at Lighthouse Point on the St. Lawrence river waterfront in Ogdensburg, where a petroleum terminal owned by Exxon Mobil and its corporate ancestors operated for about a century before closing in 1984.

[In China, Clinton focuses on global warming, but not human rights](#)

BEIJING — Secretary of State Hillary Clinton set a new tone Saturday for U.S. relations with China , saying the two nations would join a common battle against global warming even as they look for ways to pull the world out of economic turmoil and recession.

Clinton cited the "tremendous opportunity" before Washington and Beijing as they unite on "one of the most important issues that has ever, ever faced humanity." But Clinton skated over the more contentious issue of China's human rights record.

[Prepare for a climate-changed world, say engineers](#)

IT'S time to get practical over climate change.

A report by the UK's Institution of Mechanical Engineers will next month call for governments to accept that climate change is now inevitable. Strategies must be put in place now to protect our infrastructure from its worst effects, alongside existing efforts to reduce emissions, it will argue.

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[Climate may lead to global conflict](#)

CAPE TOWN, South Africa — If we don't deal with climate change decisively, "what we're talking about then is extended world war," the eminent economist said.

His small, elite audience Saturday had been stranded here by bad weather and was talking climate. They couldn't do much about the weather, but the climate was squarely in their hands. And so, Lord Nicholas Stern was telling them, was the potential for mass migrations setting off mass conflict.

"Somehow we have to explain to people just how worrying that is," the British economic thinker said.



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