



DrumBeat: March 7, 2009

Posted by [Leanan](#) on March 7, 2009 - 10:45am

Topic: [Miscellaneous](#)

[Jan Lundberg: Counter argument for "Stimulus," growth and employment](#)

It is not clear where we are headed in terms of a society impacted by ecological destruction and the end of globalized consumption. I for one am not sure I want to see the result. However, as things are not so bad now compared to where they seem to be heading -- with too many mouths to feed and no social safety net or ecological capacity up to the challenge for avoiding big pain -- I continue to soldier on, so to speak. I try to serve the greater good while I worry about my own survival and that of my loved ones. I also have a good time when I can, but things are getting weirder for me as they seem to be for most of us.

I keep in mind my former career-training as an oil-industry analyst and my generalist knowledge gained, in order to try to make sense of our changing, swirling world. It's what I learned after leaving the industry and government that ultimately allowed me, I believe, to find out more or less fully what is going on, and thus feel I can offer ideas on what needs to be done. That is not to say I know everything or am prepared for any direction the human experience may take. But some things I know for sure from experience and meditating on the forces of both history and the universe.

[Getting From A To B](#)

So you see, any pause in present trends, with particular attention to how gold is stealing the show due to grand scale deleveraging, would only be that – a pause within a secular trend of the highest order. And it's very important you understand this, because the bad news doesn't end there. No, the world is not just deleveraging a rotten and corrupt financial system. This is only a symptom of the disease. What is happening on a larger scale is the entire socio-political economy of our very existence is coming into question, brought on by Peak Oil, excessive population growth, etc., where up until now the prognosis appears to be increasingly bleak considering special interests still have far too much influence on the pace at which alternative energy systems are being developed. In this respect it appears the combination of faulty pricing mechanisms in concert with everything else (think misplaced intervention, deflation perception, etc.) keeping energy prices too low right now could manifest into an increasingly profound crisis in coming years, one where economic hardship, and even famine, reach populations presently viewed as insular. (i.e. that means you.)

[Arab investments in energy plunge](#)

Riyadh: Investments in the Arab energy sector, especially in the oil industry in the Gulf, have undergone a major decline due to the global financial crisis, which could endanger the future of the industry, according to a survey conducted by an Arab oil investment firm.

"The future of investments in the Arab energy sector would face a number of potential challenges over the coming five years. The most important among them is a fall of 19 per cent in the projected volume of investments in the energy sector, mainly in the oil sector of the Gulf region, from \$650 billion to \$450 billion over the period between 2009 and 2013," the report said.

[Rescue plan for North Sea jobs](#)

THE government is finalising the terms of a rescue package for North Sea oil firms amid warnings that more than half the companies in the sector will fail this year and put tens of thousands out of work.

The plan could include several unprecedented measures, including immediate release of several hundred million pounds held by the Treasury in accumulated tax credits and an offer to groups that won licences in last year's auction of new North Sea blocks to hand them back if they are unable to fund their development.

[Interview with Jorma Ollila, the Chairman of the Board of Royal Dutch Shell](#)

Question: There was a man called M. King Hubbard employed by Shell. How do you view his intellectual and scientific legacy, i.e. the peak oil theory which proved to be broadly true for the continental United States.

Answer: I think the peak oil theory has a certain explanatory power for individual oil fields. But if you take a global view with all technological opportunities and oil reserves which have not been discovered, the theory's explanatory power is more limited. I don't think we have seen the peak point in oil production globally. There is more oil to be discovered through exploration and more oil to be produced due to new technologies.

[Three injured, 25 detained in takeover attempt in south Russia](#)

ROSTOV-ON-DON (RIA Novosti) - Police have detained 25 people who attacked an oil refinery in south Russia's Rostov Region and injured three guards, police said Saturday.

Director Anatoly Skiba told RIA Novosti that the incident was an attempt to forcibly take over the refinery.

Police said about 30 people armed with firearms and airguns attempted to seize the refinery. The attackers rammed the gate with a tractor and opened fire on the guards.

[Iraq says non-Opec producers need \\$70 oil price](#)

"Below \$70 would mean that many of the oil fields outside Opec would stop production because they cannot produce at a loss."

[Tareen in S Arabia to seek oil on deferred payment](#)

LAHORE: Finance Adviser Shaukat Tareen is in Saudi Arabia on a four-day visit to seek oil supply for Pakistan on deferred payment and a \$100-million aid for the rehabilitation of the quake-affected people in Balochistan, a private TV channel reported on Friday.

[Michael Pollan Fixes Dinner \(Extended Interview\)](#)

One of the things that happened is that we lost the cultural skills that used to allow people to eat well cheaply. For example making three or four meals from a chicken, rather than buying chicken breasts. Every peasant cuisine has incredible ingenious tricks for getting a lot of nutrition out of a small amount of ingredients. There are people who don't have the money to invest in better food, but perhaps they have the time. There's a trade-off: The more time you're willing to put into food preparation, the less money you have to spend. And people have gone out and done studies on "Can you eat locally on a food stamps budget?" And you can, but you've got to put in like all day Sunday cooking meals. And a lot of people feel as pinched for time as they are with money, but you're going to have to invest more time or more money if you want to get off this industrial food chain, and that is a challenge.

[Farmers could face rough year, MU institute says](#)

After last year's meteoric rise in food prices, shoppers can expect to see some relief in the grocery aisles this year — or, at least, be slightly less sticker-shocked. But the farmers who produce that food could be in for a rough year.

[Don't Get Comfortable With Cheap Oil](#)

Oil was officially taken down last summer. Fine American institutions like Goldman Sachs and JP Morgan are fully capable of moving markets in either direction and profiting accordingly. Do you think you could make a few bucks if you absolutely knew the direction a market was to be taken? I have zero confidence in the integrity of elitist paper markets, be they gold, silver, oil, Treasuries or orange juice.

[Exxon CEO's Meetings with Obama 'Constructive'](#)

Exxon Mobil Corp. Chief Executive Rex Tillerson said Thursday that meetings with President Barack Obama and other government officials to discuss energy policy had been "cordial" and "constructive."

[Dubai oil exchange in push for liquidity](#)

But now the Dubai market faces its biggest challenge: to persuade the state oil companies of the region – starting with the largest, Saudi Arabia – to use the DME Oman futures as the basis for their export pricing.

“The Saudis are the linchpin and they know that,” said Thomas Leaver, chief executive of the DME, in an interview. “We are talking to Abu Dhabi, Qatar, Kuwait, Iran and Iraq. They have all told us if the Saudis move, they will move with them.”

[U.S. McDermott gets Saudi gas field contract-Aramco](#)

RIYADH (Reuters) - Saudi Arabia's state oil firm Aramco said on Saturday it had awarded a contract for the Karan gas field to J.Ray McDermott, which is wholly-owned by U.S. engineering and construction firm McDermott International Inc.

[Team Formed to Study KSA's Asphalt Shortage](#)

DUBAI - A team, comprising representatives of various ministries and road contractors, has been formed in Saudi Arabia to study the current shortage of Asphalt in the local market.

[Pakistan: Closure of power plants causes loadshedding](#)

ISLAMABAD: The closure of AES Pak Gen and one unit of Uch Powerhouse has led to over 500MW power deficit which is why many areas of the country are being exposed to loadshedding.

However, the country had power shortage of 2,800MW in last year in the same period. According to a senior official at the Ministry of Water and Power, the boiler tube of the AES Pak Gen has become out of order owing to which Pakistan Electric Power Company (Pepco) lost 350MW of electricity.

[It's Time For Double Daylight Saving Time](#)

Tonight, the clock shifts forward. Tomorrow, sunset moves from 6:07 p.m. to 7:08 p.m. But our work here is not done. If we really wanted to fill our lives with joy and save energy and money, if we really wanted to move beyond the fiction of our agrarian conception of time and into the modern world, we'd shift to year-round Daylight Saving Time--or, if we really wanted to embrace reality and maximize life, go to Double DST, a big, two-hour push forward of the clocks that would turn our summers into a marathon of gorgeous, endless evenings.

[America's Wind Power Imperative: A Call to Action](#)

One of the few bright spots in today's struggling economy, wind power holds the promise of sparking a new economic renaissance for America. As the second largest source of new electrical capacity in the U.S. for the past four years running, behind only natural gas, wind power provided 42% of the nation's new electric generating capacity in 2008. The wind industry also invested \$17 billion in domestic wind farm construction in 2008 alone, bringing good-paying jobs to rural America and to a hard-pressed U.S. manufacturing sector. This is great news, given that the rapidly escalating climate crisis demands that we kick our addiction to fossil fuels as quickly as possible.

[Builders go 'green' with new standards](#)

"Green" is also becoming more standard for homebuilders in our state, driven partially by the new Michigan Uniform Energy Code that took effect in October, and the recent energy "crisis" that has more and more consumers looking for ways to save energy around their homes.

The new Michigan code requires builders to use a higher level of insulation in new homes; a level that is at an Energy Star or higher rating. For instance, on a typical new home ranging from 2,000-2,500 square feet, the added cost to bring it up to this Michigan code is \$3,000 to \$5,000. However, the higher level of insulation also can decrease a typical homeowner's energy bill by an average of \$1,000 annually when compared to the same size home without the energy upgrades.

[Nuclear waste dogs US energy policy](#)

Washington - President Obama's proposed budget for fiscal year 2010 all but sinks prospects to store America's nuclear waste at Nevada's Yucca Mountain.

But it leaves wide open the role of nuclear power in building "a new economy powered by clean and secure energy" – and the question of what to do with existing, highly toxic nuclear waste.

"The nation has already accumulated 60,000 metric tons of spent nuclear waste, and

the material is going to have to be isolated from the environment for hundreds and thousands of years," says Edwin Lyman, senior scientist at the Union of Concerned Scientists in Washington.

"There's no way to make the waste disappear. No matter what the French say, there's no alternative to having a mined geological repository," he says. The challenge is to find one that is technically and politically acceptable.

[Oil above \\$45; many think bottom may have been hit](#)

NEW YORK – Every day this week arrived with more evidence that energy usage is unlikely to bounce back soon, yet some experts believe oil prices may already have struck bottom.

[IEA and OPEC may cut global oil demand forecasts next week](#)

LONDON (Reuters) - The world's top energy forecasters look set to cut further their estimates of oil demand for this year as the global economy slips towards its first contraction since World War II, analysts say.

[Oil May Rise as OPEC Cuts Curb Supplies, Survey Shows](#)

(Bloomberg) -- Crude oil may rise on speculation that OPEC production reductions are beginning to curb U.S. inventories and imports.

Twenty of 40 analysts surveyed by Bloomberg News, or 50 percent, said futures will increase through March 13. Eleven respondents, or 28 percent, forecast oil prices will be little changed and nine said that there will be a decline. Last week, 48 percent of analysts expected prices would rise.

[CNPC sees oil settle at \\$40](#)

China's CNPC forecasts global oil to average at \$40 a barrel this year, a conservative market view that has led the firm to expect its crude output to drop for the first time in years, a company executive said on Saturday.

The world's number two oil consumer, accounting for more than a third of incremental world oil demand in the past few years, has been hit by the global economic crisis, with its oil use falling since November and fuel stocks brimming as industrial activities slow.

[Venezuela's Chavez turns to confrontation in crisis](#)

CARACAS (Reuters) - Venezuelan President Hugo Chavez's aggressive moves against the food industry show the socialist leader will respond to growing economic woes in the OPEC nation with takeovers and tighter controls on business.

[Pdvsas seeks partners; tightens its belt](#)

State-run oil company Petr6leos de Venezuela (Pdvsas) is trying to ride out the storm of sinking oil prices by reducing costs and looking for new partners to join the projects at the Orinoco Oil Belt; however, for this to happen it will have to loosen its business schedules.

The value of the Venezuelan crude oil, which yields more than 90 percent of the foreign exchange and accounts for 50 percent of the domestic budget, has plummeted almost USD 100 from a peak of USD 130 in July 2008. Now, the Venezuelan oil barrel is around USD 36, far from the amount of USD 60 estimated in the 2009 budget, AFP reported.

[Venezuela May Take Over More Rigs to Allow Drilling to Proceed](#)

(Bloomberg) -- Petroleos de Venezuela SA, the state oil company controlled by President Hugo Chavez, may take over privately owned oil rigs to ensure that they keep operating, Oil and Energy Minister Rafael Ramirez said.

If contractors try to use workers to halt production, equipment will be confiscated, Ramirez said today in a statement from the oil company known as PDVSA.

...Venezuela, the biggest oil exporter in the Western Hemisphere, is seeking to avoid a loss in oil field productivity as private contractors shutter some rigs in response to non-payment of outstanding invoices.

[State-owned companies in trouble](#)

Venezuelan oil workers, who are requesting a renewal of their collective bargaining agreement and have complained about the alleged breach of employment benefits related to health and food, among others, will talk to government authorities to find a solution to their situation.

[Qatar robust to oil price shocks, says Capital Intelligence](#)

Qatar's sovereign ratings are supported by the strength and flexibility of the government's balance sheet and the country's external finances, which in turn are underpinned by the sheer scale of hydrocarbon production relative to the small size of the population.

[Oil's Backed Itself Into A Corner](#)

TOKYO (Dow Jones) -- Imagine what it would be like to watch oil prices climb to a spectacular record high of \$150 per barrel and then leave the planet for the next several months.

That's practically what happened to me.

With much fanfare, oil hit an all-time high in July. I dropped off the face of the oil world four months later, and I've come back to find nothing less than a shocking drop in prices.

[Record costs cut energy use](#)

The report is further proof that last year's speculative surge in crude oil prices affected consumer behavior. Motorists cut back on trips after experiencing gas-pump sticker shock with a gallon of regular shooting above \$4 in Honolulu in May and staying at those levels until early October.

At the same time, Hawai'i electricity prices spiked because most of it comes from generators fueled by fuel oil or diesel. Hawai'i is the most oil-dependent state in the nation.

[Petrobras 4th-Quarter Profit Surges as Real's Rate Lifts Assets](#)

(Bloomberg) -- Petroleo Brasileiro SA, Latin America's biggest publicly traded company, reported fourth- quarter profit rose a more-than-forecast 46 percent as a weaker Brazilian real boosted the value of the company's dollar assets.

[Oil Industry Eyes the Arctic](#)

The Norwegian oil industry is focusing on winning the battle of developing the Lofoten area in northern Norway first. However, the ambitions for future development projects lie further north in the Arctic.

[Peak oil body calls for protection of industry's future](#)

The Australian Petroleum Production and Exploration Association -- the peak industry body for Australia's oil and gas companies -- has used its pre-budget submission to exhort the federal Government to act swiftly to relieve pressure on the sector as the global financial crisis takes its toll.

APPEA warned that a decline in petroleum production in Australia would expose the nation to "major trade imbalances and potential economic, environmental and social costs".

[Suncor refinery slammed with OSHA fines](#)

Suncor Energy faces \$130,500 in penalties for more than two dozen health and safety violations at its refinery in Commerce City.

Suncor allegedly failed to test monitors properly for hydrogen sulfide, a toxic and flammable gas, and failed to follow safety standards while processing hazardous chemicals, according to the federal Occupational Safety and Health Administration, which issued the citations.

[Smizik pushes freight by rail](#)

Newly appointed House Chairman of the Committee on Global Warming and Climate Change, Rep. Frank Smizik of Brookline, will join 30 state and local leaders from across the country in Washington to meet with members of Congress to urge support for legislation that will lead to an increase in freight rail capacity.

Smizik is a member of Go21, a national public interest organization that advocates the public benefits of moving freight by rail, such as increased fuel efficiency, reduced greenhouse gas emissions and easing traffic congestion. Go21 members are joined in the ninth annual Railroad Day on Capitol Hill by 300 representatives of the nation's freight railroads and rail supply industry.

[19-cent gas tax hike proposal too low, transit advocates say](#)

Bob Terrell, Marvin Martin, and other transit advocates take issue with the proposed 19-cent increase to the state's gasoline tax - but only because they think it might not be high enough.

[Japan's speedy train history](#)

"It's a matter of commitment," Smith said just after attending a Japanese music concert in Yokohama, where he also took the local JR East train and subway route from Tokyo. "Japan is committed to its train system."

And, right now, the United States is not — instead hooked on a long-obsolete interstate highway system dependent on millions of individual diesel-burning semis and millions more other vehicles, experts say. While Japan and Europe have used high-speed train

systems and linked them to other transportation networks for more than 40 years, the U.S. has relied on its interstate highway network.

[Utah's 4-day workweek draws out-of-state attention](#)

Utah switched to a four-day week last year primarily to save money on electricity, gasoline and other energy expenses. The change affected 17,000 state employees, who now work 10 hours a day, four days a week.

These days, employees have embraced the long weekends, and the public has grown accustomed to state agencies being closed on Fridays.

An interim report released earlier this month by Gov. Jon Huntsman shows that the initiative will cut greenhouse gas emissions by more than 12,000 metric tons, reduce gasoline consumption among commuting employees by 744,000 gallons annually and pump as much as \$3 million into the economy from workers who have to spend less money on gas.

[Bangladesh Faces Acute Electricity Outages in Peak Season](#)

Entire Bangladesh including its capital Dhaka will experience nagging electricity outages as the country's Power Development Board (PDB) is seemed unable to meet the demand of power during the upcoming peak summer season, officials said on Thursday.

They said in Bangladesh during the peak summer season, usually from mid-March to mid-October, power demand goes up to its highest level because of hot weather as well as a huge need for irrigation by farmers.

[The Local Food Revolution](#)

Our food habits poison not only our bodies but also our rivers, soils, forests, and climate. By raising animals in overcrowded feedlots far from fields, we transform manure from a valuable fertilizer into a pollutant. Nutrient-rich runoff is killing our rivers and creating a large "dead zone" in the Gulf of Mexico. The demand for cheap meat spurs the clearing of rainforests for cattle. Meat production accounts for a whopping 18 percent of greenhouse gas emissions. When managed organically—in a way that restores our connection to the land—farming can instead store carbon in healthy soil and help solve our climate challenge.

[UK: New green strategy could create 400,000 jobs](#)

New jobs will be created in low-carbon industries for 400,000 people - from lagging lofts

to nuclear power - the government will announce today.

[Producers want higher ethanol limits for gasoline](#)

WASHINGTON (AP) — Ethanol producers asked the Environmental Protection Agency on Friday to boost the amount of ethanol that can be blended with gasoline, but automakers argued the increase could damage car engines and fuel lines.

The ethanol producers want the EPA to increase the amount of ethanol that refiners can blend with gasoline from a maximum of 10 percent to 15 percent, which could boost the demand for the renewable fuel additive by as much as 6 billion gallons a year.

[US Energy Secretary outlines wishlist for energy research](#)

US Energy Secretary Steven Chu yesterday made his pitch for more support for energy-related research as the new administration prepares for its first budget.

Energy research is lagging behind other areas, he said. While overall R&D investment is around 3% of gross domestic product (GDP), the energy sector represents only about one-tenth of that.

Resources should also be directed toward transformation research, he added.

“What do I mean by transformational technology? I mean technology that is game-changing, as opposed to merely incremental,” he told the Committee on Energy and Natural Resources.

[Russia flexes muscle over arctic oil and gas treasures](#)

WASHINGTON (UPI) -- Global warming doesn't just mean there will be new patterns of mass migration, wars and border lawlessness in the 21st century. For the great climate change isn't affecting just the warmest parts of the world; it's also affecting areas that used to be the coldest.

The great Arctic Ocean polar ice cap is already melting. The Arctic Ocean could be navigable year-round within decades. The rate of melting of the ice cap, scientists say, is actually accelerating. This may completely transform the strategic resource map of the world.

[Has recession trimmed CO2 output? We'll know by 2010](#)

The financial crisis has slashed industrial output and trade but it will be months before

there is an accurate picture of how much the downturn has curbed greenhouse gas emissions, two leading scientists said on Friday.

[Little Impact Is Foreseen Over Change for Emissions](#)

A move by Gov. David A. Paterson to increase the free allowances for carbon-dioxide emissions that New York gives power plants is unlikely to undermine efforts by nine other states that signed a landmark pact to reduce global warming, officials said on Friday.

[Obama's doomed carbon plan should please Ottawa](#)

U.S. President Barack Obama's climate change plan is, by his country's standards, a dreamy wish list.

His cap-and-trade system to reduce greenhouse gas emissions would be tougher than any tried or contemplated elsewhere.

But Obama, despite sky-high popularity and the Democrats' strong grip on the Congress, isn't likely to get what he's seeking.

[Prime Minister Kevin Rudd's green pledge was all hot air](#)

WHEN KEVIN Rudd took to a UN stage in Bali, 2007, to announced he would ratify the Kyoto Protocol, it was a moment that received rapturous applause.

But the only thing that vanished in the year that followed the PM's grand gesture was the Federal Government's credibility on tackling global warming while stimulating the economy to move to a carbon-free future.

[Silicon Valley manufacturers must reduce greenhouse gas emissions](#)

Under new California rules, computer chip makers must slash releases of sulfur hexafluoride and other fluorinated gases by more than half.

[Bob Ryan's Global Warming Discussion](#)

In years past, I have done a variety of stories about weather, climate, the environment and global change, but have always been a bit reluctant to write the series I begin today. So much emotion and politics is tied up in the subjects that science sometimes falls by the wayside.

But the issue and science itself are becoming ever more pressing and important. I begin what I hope will at once be objective on my part and yet give you a sense of how science and scientific discovery work to help you better understand issues that will be ever more important in the years ahead.

This tome is especially geared to students and young people to take a bit of the mystery and fear out of global change, climate change, weather and global warming. It also could not have been written without the many helpful comments, edits and input from my colleagues, including some of the leading scientists in the field.

[Defense Focus: Warming wars - Part 1](#)

Global warming already is changing the way global wars are going to be fought -- and the weapons they are going to be fought with.



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