



Drumbeat: April 23, 2009

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Topic: [Miscellaneous](#)

[Lester R. Brown: Could Food Shortages Bring Down Civilization?](#)

One of the toughest things for people to do is to anticipate sudden change. Typically we project the future by extrapolating from trends in the past. Much of the time this approach works well. But sometimes it fails spectacularly, and people are simply blindsided by events such as today's economic crisis.

For most of us, the idea that civilization itself could disintegrate probably seems preposterous. Who would not find it hard to think seriously about such a complete departure from what we expect of ordinary life? What evidence could make us heed a warning so dire—and how would we go about responding to it? We are so inured to a long list of highly unlikely catastrophes that we are virtually programmed to dismiss them all with a wave of the hand: Sure, our civilization might devolve into chaos—and Earth might collide with an asteroid, too!

[John Michael Greer: A Struggle of Paradigms](#)

Perhaps the most fascinating factor shaping today's debates about the future of industrial society, and certainly among the most frustrating, is the rapidity with which any such debate plunges into territory outside the reach of rational argument. Watch a conversation about the subject, and nearly always one of two things will happen: either the participants will find they share basic assumptions in common, and will proceed to build a conversation on that firm ground, or their assumptions will differ and they'll spend the rest of the conversation talking past one another.

Any number of examples could be cited, but the one that comes to mind just now is the way that communications break down over the subject of environmental limits. It's no exaggeration to say that either you believe in limits or you don't. If you do, it seems glaringly obvious that modern industrial civilization, which depends on ever-increasing exploitation of finite and nonrenewable resources, is in deep trouble, and the only viable options are those that jettison the fantasy of perpetual economic growth and aim at a controlled descent to a level of energy and resource use per capita that can be sustained over the long run.

If you don't believe in limits, by contrast, such notions are the height of folly. Since, according to this way of thinking, progress can by definition overcome any limit nature

might impose on human beings, it seems glaringly obvious that modern industrial civilization needs to push progress into overdrive so that it can find and deploy the innovations that will get us past today's problems and launch our species onward toward its glorious future, whatever that happens to be.

[Energy is everything](#)

No living or manufactured thing exists on this planet without energy. It enables flowers and people to grow. We need energy to mine minerals, extract oil or cut wood and then to process these into finished goods. Without energy the goods would not exist so we can think of each product as containing "embodied energy". So the most fundamental definition of money is that it is a mechanism to allow the exchange and allocation of different forms of energy. The economy is energy.

[AutoNation CEO: Gas is too cheap](#)

I think we need a revenue-neutral gas tax that puts a floor under the price of gasoline at around \$3.50 to \$4. The price of gas totally determines the types of vehicles that people buy and how they use them. The fact that America has ignored this reality is the reason why our energy policies have failed for 50 years. With gas now around \$2 per gallon, it won't be possible to sell fuel-efficient vehicles. Already, another great migration away from them is underway. I've seen this movie three times in my career.

[Saudi to keep oil output steady in May - sources](#)

DUBAI (Reuters) - Top oil exporter Saudi Arabia would pump about the same amount of crude in May as in April, industry sources said on Thursday.

"They are not cutting output overall," one senior oil executive said. "It is about the same."

Supply has been steady since February at just under 8 million barrels per day (bpd), sources said.

[Who killed Chrysler?](#)

A decade ago, the company was sitting on top of the automotive world. Then the Germans took over - but you can't blame them for everything.

[World Bank offers Sh40m to boost food production](#)

High fuel prices are said to have increased the cost of fertilisers by over 200 per cent between January and April 2008, forcing farmers to plant without them. This led to a drop in crop production fell by 25 per cent.

[Energy Efficiency Is Back](#)

Having worked in economic and community development for many years, I have seen some trends come full circle and some that cycle on and cycle off intermittently. One of them is the notion that individuals and businesses should use energy more efficiently because it is good for the environment and will save them money.

When I say "energy efficiency," I am talking about using less energy to provide the same level of energy service. When politicians get involved in something, they tend to stretch its definition to meet their agenda or throw everything under one umbrella phrase like "green." Therefore, I want to be clear that I am not going to talk about solar and wind power, biomass, or other types of renewable energy, though it is also a big part of the stimulus strategy and part of "being green" (apologies to Kermit the Frog).

[Rainforest clash in Panama signals larger debate](#)

Rural workers are migrating toward cities in search of jobs, and forests are re-emerging where now abandoned farms and cattle ranches once flourished, according to a 2009 report from the U.N. Food and Agriculture Organization.

[Kjell Aleklett: Energy alarm sounding for the EU](#)

Last Monday (April 13) there were two articles in the Financial Times, either of which would be troubling by itself. However, if one analyses them together there is every reason to sound the alarm. On the first page there was an article on oil, "Crisis hits N Sea oil search" and in the supplement that reports on investment funds there was an article on renewable energy, "Inflows into clean energy drop by half". In the article on future oil production in the North Sea it states that the oil industry has pulled on the emergency brake in terms of investing in the search for new oil fields. Investment has fallen by 78% compared to one year ago and in the article on renewable energy they state that investment has halved. The combined consequences can be devastating for our future.

[America needs passenger rail](#)

My grandpa likes to tell a story about rail travel a century ago. When his father, a farmer in rural Iowa, had a recurring minor health problem, he would visit a doctor in Chicago. Why go so far for a small problem? Because he could hop on a train to Chicago from his small town in Iowa and be there and back within a few hours.

The moral of the story, as my grandpa says, is that traveling by train then was easier than traveling by car now.

[In China, G.M. Remains a Driving Force](#)

SHANGHAI — Ford may be standing taller than General Motors in Detroit these days — flush with cash while its rival is forced to go repeatedly to Washington, hat in hand, seeking government bailouts. But in China the tables are turned.

G.M. is a powerful presence here with 8 to 10 percent of the market for cars, minivans and sport utility vehicles, making it the second-largest automaker in China for such vehicles, passed only by Volkswagen. One of G.M.'s local joint ventures, Wuling, dominates the sale of bare-bones pickups and vans, hugely popular in rural areas, with nearly half the market.

...Unlike the gas guzzlers churned out by G.M.'s North American operation, the company's China division has emphasized fuel-sipping models in the last decade. Two weeks ago, G.M. set a target of roughly doubling sales in China within five years, to two million vehicles a year.

By contrast, Ford languishes in 10th place with 3 percent of the market.

[NextGen Oil & Gas Summit](#)

Although price have fallen in the past, there is a growing consensus among analysts that the current situation is not a transitory feature of the market. Instead, there is a fundamental and potentially worsening gap between our demand for oil and natural gas and our ability to supply it. Despite seemingly large resources, we are becoming increasingly dependent on imports (imports' share of gas supply has tripled since 1985, and imports' share of oil supply has jumped to almost 60% from 27% in 1985). More importantly, the domestic industry has been unable to increase production despite strong price incentives and increased drilling.

The root cause of this difficulty is the progressive change in the remaining resource base. The North American industry has picked much of the "low-hanging fruit," and remaining resources are increasingly found both in deeper, more remote, more complex reservoirs (high cost and high risk), or in shallow, drilling-intensive, low-productivity reservoirs.

[Backyard refineries blamed for fires, explosions](#)

EDMONDS, Wash. — Trying to live green and beat high gasoline prices, some enterprising Americans are turning cooking oil into biodiesel in their garages. Problem is, some of these do-it-yourselfers are burning down the house.

[Banker sees rocky future for oil](#)

“Oil prices need to triple — then triple again,” Matthew Simmons, keynote speaker at the annual Texas Alliance of Energy Producers luncheon, said Wednesday.

“If we don’t have prices high enough, then we can’t sustain the (oil) industry,” Simmons said.

He said prices must rise and stabilize: “Volatility is killing us.”

[Oil Prices Resist the World’s Recession Trend](#)

In recent months, oil prices plunged as consumers curtailed fuel use around the world, with some analysts predicting that the dire economic situation would cause oil to fall to \$20 a barrel or less.

But in a twist, oil prices have stabilized at close to \$50 a barrel. While prices may have fallen by two-thirds since their peak last summer, oil remains expensive by historical standards.

[The end is not near](#): *Despite what you’ve heard, we’ve got along way to go before we hit bottom*

It may take five years or longer for the economy to recover, and the Sacramento area will be profoundly transformed as a result. That’s going to be especially true as the economic effects of peak oil continue to sink in, driving up the relative cost of fuel and pulling the rug out from under the suburban lifestyle. California remains dangerously dependent on natural gas for producing electricity, and as gas becomes more scarce, economic survival for individuals might mean going without heat in the winter and air conditioning in the summer.

We’ll be shopping local out of necessity, not to prove a point. We’ll be growing local because shipping vegetables 1,500 miles via planes, trains and trucks will become prohibitively expensive. In short, we’ll become more sustainable because we’ll have no other choice.

This won’t be the happy, shiny sustainability currently being embraced by every major corporation on the planet. An increasing number of Americans are going to experience scarcity and hunger, many of them for the first time.

[Oil stays below \\$50 as recovery hopes wane](#)

VIENNA – Oil prices rose but stayed well below \$50 a barrel Thursday as rising U.S. crude inventories and a stark demand forecast by the IMF doused investor optimism for a near-term recovery from the global recession.

[Near 100 mln bbls oil stored at sea](#)

Oil companies are storing close to 100 million barrels of crude oil at sea, the highest in recent times, Frontline, one of the world's biggest independent oil tanker owners said on Wednesday.

An oil market structure known as contango -- when oil for prompt delivery is cheaper than oil for later delivery -- has encouraged high levels of oil storage by trading firms for some months. Contango provides an incentive for traders to buy now and sell later.

[ConocoPhillips Profit Tumbles 80% After Oil Plunges](#)

(Bloomberg) -- ConocoPhillips, the third-biggest U.S. oil producer, said first-quarter profit fell 80 percent as the global recession dragged down energy prices. The company's shares rose after earnings exceeded analyst estimates.

[Occidental Petroleum profit falls 80 percent on plummeting oil and gas prices](#)

HOUSTON (AP) — Occidental Petroleum said Thursday its first-quarter profit fell 80 percent from a year ago as results were crushed by lower oil and natural gas prices.

The company still beat Wall Street expectations and shares in premarket trading rose 2.7 percent, or \$1.51, to \$57.07.

[Shell and BP profits to crash on cheaper oil](#)

LONDON (Reuters) - Royal Dutch Shell and BP are expected to report 70 percent profit declines in the coming week on lower oil prices, and some analysts expect even worse to come in future quarters.

[Suncor Posts Second Straight Loss After Oil Plunges](#)

(Bloomberg) -- Suncor Energy Inc., the oil-sands producer that agreed last month to buy Petro-Canada, posted a second straight quarterly loss after the global recession dragged down crude prices.

[Exxon says drill rig at long-awaited Alaska field](#)

HOUSTON (Reuters) - Exxon Mobil Production Co said Wednesday it has moved a drilling rig into place at the Point Thomson Project, responding to pressure from the state of Alaska to develop decades-old leases.

"We are moving forward with drilling and development activities at Point Thomson for the mutual benefit of Alaskans and the Point Thomson Unit working interest owners," said Craig Haymes, Exxon Mobil's Alaska production manager.

[Gorgon Project May Get Environment Approval in Days, West Says](#)

(Bloomberg) -- Chevron Corp.'s Gorgon liquefied natural gas project may win environmental approval "within days" from Western Australia's government, the West Australian reported, citing the state premier.

[Petrobras begins talks on 'strategic oil supply' to Japan: CFO](#)

Tokyo (Platts)- Brazil's Petrobras has begun talks with state-owned Japan Bank for International Cooperation about "strategic oil supply" to Japan from sources including Brazil's offshore pre-salt reservoirs, a senior company executive told Platts Thursday.

The talks also include discussion of financial support from JBIC for Brazil's downstream sector throughout the supply chain.

[Add Some Green to Your Portfolio](#)

Green tech is the future. It certainly doesn't feel like the present. When oil barrels were heading toward \$150 apiece, everyone flocked to greener alternatives as more of an economic than an environmental necessity. Now that oil has shed two-thirds of its value, it's easy to see why investors have backed away from green initiatives.

However, crude oil isn't a limitless resource, and recession-weighted prices won't stay down forever. Now is a great time to analyze the playing field before your fellow investors begin thinking ahead -- like you should be doing right now.

[Cleantech Backers Thinking Smaller](#)

Because of seismic economic and political shifts - or maybe due to the fact that venture investors have "the attention span of a ferret on crack," as TPG Ventures Managing Director Steve Foster quipped - last fall's Dow Jones Alternative Energy Innovations conference, which was filled with talk about peak oil and solar companies, had a far

different feel than the one held this week, in which the Obama stimulus plan and the concurrent drop-off in VC funding for cleantech dominated discussions.

[Sake Brewer Oenon to Make Biofuel From Imported Rice](#)

(Bloomberg) -- Oenon Holdings Inc., a Japanese maker of sake and liquor, will start making ethanol at the nation's largest biofuel plant this year using rice imported by the government.

Oenon plans to produce 5,000 kiloliters (1.32 million gallons) through December using 12,000 metric tons of foreign rice from government stockpiles, communications department manager Masumi Ushigome said in an interview. The Tokyo-based company plans to double output next year and reach the plant's annual capacity of 15,000 kiloliters in 2011, he said.

[New bottle deposit, bag tax bills touted for combating pollution](#)

House Democrats introduced two bills yesterday aimed at cutting greenhouse gas emissions and curbing toxic pollution by requiring a 5-cent deposit on beverage containers and imposing a 5-cent tax on single-use plastic bags from grocery stores and other retailers.

[Couple are cream of the crop](#)

Environment correspondent SCOTLAND'S top ten green champions are unveiled here today. Top of the list are Mike and Karen Small, whose tireless efforts have inspired hundreds of people in Scotland to eat more local produce. They developed a simple concept called the Fife Diet, and it started a revolution.

[Monbiot - Budget 2009: Alistair Darling has just thrown away £300m](#)

The car scrappage scheme will raise emissions, while the target for cutting carbon emissions of 34% by 2020 is still not enough.

[Obama launches push for green revolution](#)

NEWTON, Iowa (AFP) – President Barack Obama launched his push for a green energy revolution and to pass historic climate change legislation, making his pitch from a wind energy factory on Earth Day.

[Conservative Christians launch green awakening](#)

WAKE FOREST -- For years, some conservative Christians regarded environmentalists as little more than nature worshippers. But on Friday, Southeastern Baptist Theological Seminary will host its first conference on what it calls "creation care," or honoring God's good Earth.

The one-day "Creation Care Symposium" is the seminary's first effort to go green, and, no surprise, it comes two days after Earth Day.

[Ozone Hole Causes Antarctic Sea Ice to Expand, Slows Warming](#)

(Bloomberg) -- The ozone hole over the South Pole is canceling out the effects of global warming and causing sea ice production to build up around Antarctica, researchers said.

The human-induced depletion of the protective ozone layer has altered wind patterns and caused temperatures in most of the southern continent to fall so that more cold air flows over the Southern Ocean, freezing the water, the scientists said today in the journal Geophysical Research Letters.

[Air pollution helps plants blunt climate change: study](#)

PARIS (AFP) – Cleaning up skies choked with smog and soot would sharply curtail the capacity of plants to absorb carbon dioxide and blunt global warming, according to a study released on Wednesday.

[U.K. Says No New Coal Plants Without Carbon Capture](#)

(Bloomberg) -- The U.K. will only allow new coal- fired power plants to be built if they capture carbon-dioxide emissions for underground sequestration, said Ed Miliband, the minister responsible for energy and climate change.

All new coal plants will need to demonstrate carbon capture and storage on at least 400 megawatts of their output, according to government proposals announced today. The state is planning funding so that as many as four new coal-fueled plants are built by 2020, Miliband told reporters in London.

"The era of unabated coal has come to an end," he said. The measures are "the most ambitious of any country in the world."



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