



Drumbeat: August 24, 2009

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Topic: [Miscellaneous](#)

[Scenes from the Violent Twilight of Oil](#)

Across the globe, oil is invoked as an agent of destiny. Oil will make you rich, oil will make you poor, oil will bring war, oil will deliver peace, oil will shape our world as much as the glaciers did in the Ice Age.

But how?

Oil is not a machine that can be disassembled or schematized for comprehension. It is a liquid. How do you coax secrets from a liquid? To know a person, you talk to him. To know a country, you visit it. To know a religion, you study sacred texts. Oil defies these norms of interrogation. It is a commodity that is extracted, refined, shipped, and poured into gas tanks with few people seeing it. It has no voice, body, army, or dogma of its own. It is invisible most of the time, but like gravity, it influences everything.

Over the course of eight years, I tried to solve this puzzle by talking with people who worked in the industry, visiting people who were touched by its operations, and taking a look not only at oil fields but the battlefields they have spawned. I met with oilmen in Houston, princes in Riyadh, lobbyists in Washington, roughnecks in Baku, warlords in the Niger Delta, leftists in Caracas, billionaires in Moscow, environmentalists in Quito, generals in Baghdad, traders in Manhattan, wildcatters in Midland, and diplomats in London. If you have conversations with people such as these, the topics you discuss include not just politics and economics but history, geology, geography, chemistry, engineering, physics, climatology, ecology, accounting, law, corruption, culture, psychology, anthropology, greed, envy, disease, ego, and fear. The world of oil is an intellectual as much as a physical space, and my years of journeying took me through a crude world that is as dark and amazing as the liquid that casts a spell on all of us.

(This article, and the Yergin one, are part of *Foreign Policy's* special report, [Oil: The Long Goodbye](#).)

[Pemex May Miss Output Goal This Year as Drop Worsens, Cera Says](#)

(Bloomberg) -- Petroleos Mexicanos, Latin America's largest oil producer, may miss its goal of producing 2.65 million barrels of oil a day this year, said Alejandra Leon, an analyst with Cambridge Energy Research Associates.

Pemex, as the Mexico City-based company is known, may produce 2.6 million barrels, Leon said in a telephone interview from Mexico City today. The company will find it “difficult to reverse” a five-year output decline before 2012, she said.

[Pipeline May Quench China's Oil Thirst](#)

LONDON — A pipeline set to join China's energy demand with Russia's oil supply will spur production and spark refinery construction and could greatly reduce Beijing's need for crude from elsewhere.

Russian crude imports to China in the second quarter of this year rose by 30 percent from the first three months to average 346,692 barrels per day, a 37 percent rise year on year.

Currently, Russian oil flows to China via rail or ship, and until the East Siberian-Pacific Ocean pipeline is completed next year and a spur begins bringing in a predicted 300,000 bpd of Urals crude in 2012 it will lag while cheaper options are preferred.

[Chinese vessel spotted in Shirakaba gas field area](#)

A Chinese ship has been spotted conducting activities in the Shirakaba gas field area of the East China Sea, which Japan and China have agreed to jointly develop, government sources said Monday.

The government has asked China to explain what the ship was doing in the area.

[Putting a price on walkability](#)

How much is walkability worth? An intriguing new study suggests that people are willing to pay considerable premiums for houses in neighborhoods that are highly walkable — that is, where you can actually get to nearby stores, schools, and parks without having to hop in the car.

The study, conducted by a group called CEOs for Cities, looked at 90,000 homes in 15 different markets in the US, mashing up home sales data with “walkability” scores from WalkScore.com. (See the press release describing the study here, or download the study itself, in pdf form, here.) In 13 of the 15 areas studied, homes in highly walkable neighborhoods sold on average for \$4000 to \$34,000 more than homes in neighborhoods of average walkability. The pattern held in locations as diverse as Chicago, Tucson, and Jacksonville, Florida; only in Las Vegas were more-walkable neighborhoods less desirable than less-walkable ones. To the author of the study, Joseph Cortright, this suggests that neighborhood walkability is “more than just a pleasant amenity,” and deserves far more attention from politicians and other urban leaders.

[Solar cell phones take off in developing nations](#)

Kenya's biggest mobile phone company, Safaricom Ltd., launched the nation's first solar-charged phone this month. The handset comes with a regular electrical charger and a solar panel that charges the phone using the sun's rays, company CEO Michael Joseph told CNN by telephone.

Retailing at about \$35, the phones were manufactured by Chinese telecommunications company ZTE Corp. Safaricom plans to make an initial supply of 100,000 phones available.

[Mexico City bans stores from distributing plastic bags](#)

MEXICO CITY, Mexico (CNN) -- Mexico City's thousands of stores went green Wednesday, as amended ordinances on solid waste now outlaw businesses from giving out thin plastic bags that are not biodegradable.

[U.S. Refining May Drop by a Quarter on Climate Bill, API Says](#)

(Bloomberg) -- U.S. refining production may drop by a quarter by 2030, making the nation more dependent on fuel imports, if the climate-change legislation approved by the House becomes law, the American Petroleum Institute said.

The Washington-based group, whose members include Exxon Mobil Corp. and ConocoPhillips, released a study today it commissioned on the legislation approved in June by the House. The Senate has yet to vote on the measure, which would cut greenhouse gas emissions 80 percent from 2005 levels by 2050.

The API said costs associated with the program will discourage refiners from running plants at full capacity. The report concludes that U.S. refining production may drop by 4.4 million barrels a day, or 25 percent, and investment in refining may fall by as much as \$90 billion, or 88 percent, by 2030.

"This study clearly shows the devastating impact this legislation could have on U.S. jobs and U.S. energy security," Jack Gerard, chief executive officer of the Washington-based group, said in a statement today.

[Denninger: America Is Running Out Of Rope](#)

The dollar is in the toilet and threatening to break all support levels. If it does, it may collapse to as low as 40, which will in turn rocket oil north to \$300 or more and gasoline to \$10!

If that happens it is too late to stop it and too late to reverse course. What we now know as a middle class will be reduced to sheer destitution - literal destitution.

...We are not on the cusp of recovery, we are on the precipice of disaster. Whether we avert it is an open question but this much is certain - if we wait until external funding disappears it will be too late to prepare and too late to act in furtherance of our nation's interests. When gasoline is \$10/gallon as is heating oil the price of food will more than double, heating costs in the northeast will quadruple and millions will either starve, freeze to death or both. At the same time the ability to fund Social Security and Medicare will vanish - at the precise moment when it can't.

[Titan's Giant Tires Falling Flat in Alberta Oil Sands](#)

(Bloomberg) -- Titan International Inc.'s bid to break into the oversized-tire market hit a roadblock after tires installed on trucks hauling Canadian oil sands lasted just 1 percent as long as expected.

Titan has halted production of 13-foot (4-meter) tires used on dump trucks to install pressure-monitoring devices, Chief Executive Officer Maurice Taylor said in a telephone interview. Four tires failed after 100 hours of work on the 400-ton trucks used to haul oil-soaked sand for Royal Dutch Shell Plc and other energy companies in Alberta, rather than the minimum expected lifespan of 10,000 hours, he said.

[Canada's bloody oil](#)

My people are dying, and we believe British companies are responsible. My community, Fort Chipewyan in Alberta, Canada, is situated at the heart of the vast toxic moonscape that is the tar sands development. We live in a beautiful area, but unfortunately, we find ourselves upstream from the largest fossil fuel development on earth. UK oil companies like BP, and banks like RBS, are extracting the dirtiest form of oil from our traditional lands, and we fear it is killing us.

We have come to call the tar sands "bloody oil". This is why, this week, I am coming to London to attend the Camp for Climate Action, with the aim of internationalising the campaign for a complete tar sands moratorium.

[Detroit tries peddling produce like ice cream](#)

DETROIT - In a U.S. neighborhood served by 26 liquor stores but only one grocery, a community group is peddling fresh fruits and vegetables like ice cream.

Five days a week, the Peaches & Greens truck winds its way through the streets as a loudspeaker plays R&B and puts out the call: "Nutritious, delicious. Brought right to you.

We have green and red tomatoes, white and sweet potatoes. We have greens, corn on the cob and cabbage, too."

The truck set up like a small market brings affordable produce to families on public assistance, homebound seniors and others who can't reach the well-stocked grocery chains in the suburbs.

Experts call Detroit a food desert: More than half of its residents must travel at least twice as far to reach the nearest grocery store as they do to a fast-food restaurant or convenience store. Many shop at liquor stores and corner markets that carry few, if any, fresh fruits and vegetables.

[Daniel Yergin: It's Still the One](#)

Just because we have entered this new age of high-velocity change does not mean this story is about the imminent end of oil. Consider the "peak oil" thesis -- shorthand for the presumption that the world has reached the high point of production and is headed for a downward slope. Historically, peak-oil thinking gains attention during times when markets are tight and prices are rising, stoking fears of a permanent shortage. In 2007 and 2008, the belief system built around peak oil helped drive prices to \$147.27. (It was actually the fifth time that the world had supposedly "run out" of oil. The first such episode was in the 1880s; the last instance before this most recent time was in the 1970s.)

However, careful examination of the world's resource base -- including my own firm's analysis of more than 800 of the largest oil fields -- indicates that the resource endowment of the planet is sufficient to keep up with demand for decades to come. That, of course, does not mean that the oil will actually make it to consumers. Any number of "aboveground" risks and obstacles can stand in the way, from government policies that restrict access to tax systems to civil conflict to geopolitics to rising costs of exploration and production to uncertainties about demand. As has been the case for decades and decades, the shifting relations between producing and consuming countries, between traditional oil companies and state-owned oil companies, will do much to determine what resources are developed, and when, and thus to define the future of the industry.

[States of Play](#)

"Big oil," as Daniel Yergin notes, isn't what it used to be. Forget the "seven sisters" -- those huge companies that dominated the oil business in the 20th century. Today, at least 80 percent of oil reserves are in government hands, and three quarters of the 20 biggest oil companies are owned by states, many of them struggling to meet the needs of their populations.

With the global economic downturn walloping companies large and small, it's worth asking: What happens to all that state-owned oil? After all, national oil companies, those state-owned petroleum giants that just last year were enjoying \$100-plus-a-barrel oil,

aren't immune from the recession. Their revenues have slipped as oil prices tumbled. Today many of them are hurting, and the big question is whether they are equipped to invest in the downturn. Lack of investment in the lean years could provoke a price spike -- or worse, a supply shortfall -- when demand picks up.

Not all national oil companies are the same, however. Operating costs vary wildly between the easy-to-drill onshore fields in Saudi Arabia and the expensive ones lying deep, deep off the coast of Brazil. Access to finance is another crucial, though little understood, part of this picture.

[U.K. Gas Plunges on Excess LNG, Supplies From North Sea, Norway](#)

(Bloomberg) -- U.K. natural gas contracts plunged on lower than normal demand and excess flows of liquefied gas and supplies from the North Sea and Norway.

Same-day gas dropped as much as 59 percent to 13 pence a therm as of 12:16 p.m. London time, according to broker ICAP Plc. That's the lowest since October 2006 and equal to \$1.49 a million British thermal units. A therm is 100,000 Btus. Gas for the rest of the working week dropped 6.95 pence to 16.05 pence.

[Natural gas: The key U.S. energy source for the next decade?](#)

Natural gas is experiencing a perfect storm of new technology, a reluctance to cut production, and a pricing anomaly that together may make it a dominant energy source in the U.S. in the decades ahead. How has this happened?

[Saudi gasoline imports higher than expected](#)

Saudi Arabia imported 51,114 barrels per day (bpd) of gasoline in August, higher than expected by traders, due to stockpiling ahead of Ramadan, industry sources said.

The world's top oil exporter, which was expected to import about 34,100 bpd of gasoline this month, came into the spot market to purchase an additional two spot cargoes of about 30,000 tonnes, or 256,000 barrels, traders said.

The additional spot barrels were put into the kingdom's strategic storage, they said.

[Energy security to become big issue says expert](#)

An international relations expert says the politics of energy will be as important as the rise of China and could be more important than climate change.

Emeritus Professor Stuart Harris has told an Australian National University seminar that energy issues have the potential to spark conflict over existing disputes, in areas like the South China Sea.

Professor Harris says the issue of energy security needs to be given the same attention as the challenges posed by the rise of China.

"It's in my view, becoming increasingly difficult to look at international relations without looking at energy," he said.

[Mexico's EPR 'Guerrillas': A Nuisance or a Threat in 2010?](#)

In this time of unprecedented violence and criminal activity throughout Mexico, the last thing President Felipe Calderón's government needs is a guerrilla group resurgence. But is the chaos in some parts of Mexico tempting those who seek to end the democratic state?

[Jan Lundberg: Natural Gas Scam and Folly Again](#)

Top Inside-the-Beltway Democrats are trying to serve up a two-decades old fiasco again: touting natural gas as the "bridge fuel" for a renewable energy utopia. Fossil Fuels Policy Action looked at this in 1988 and rejected the idea's environmental and energy-security premise as well as its ethics. Basically, this new "agenda," as they call it, is the same scam as the late '80s -- it had its way, ran its course, and look where we are now. Natural gas in its easily recoverable state was exploited past the comfort level, causing a resurgence of coal and a near-resurgence of nuke power.

['Cash for clunkers' deals siphon vehicle supply on lots](#)

Dealerships are seeing a shortage of cars, particularly fuel-stingy models popular in the government program.

[Is the world really running out of oil?](#)

The press, and especially those in the Western hemisphere, seems obsessed with the idea of the world quickly running out of oil supplies. This is not a new phenomenon. For some time now, there have been no dearth of pundits clamoring and arguing that world oil supplies are coming to an end and that the peak oil has already been reached.

However, it may not be utterly ridiculous to point out that things are often highlighted out of context. Emphasis is laid on aspects that are often said with a perspective. There seems to be a different ax to grind.

Hence, on a Monday morning earlier this month, while at Schiphol on the way to North

America, a story in the influential British daily newspaper, The Independent, caught attention with its catchy headline — “Warning: Oil supplies are running out fast”.

[Mexico's Declining Oil Production: Clarion Call for Cantarell](#)

The eighth largest oil field in the world will be dead by the end of next year. Shall I repeat that, or did you get it the first time? Like the *Time to Die Speech* of Rutger Hauer at the end of Blade Runner, the Cantarell complex has surely seen its share of ocean storms, human hopes, and stars since its discovery by a humble fisherman in 1976. If you're wondering whether that fisherman has a name, the man who saw oil floating on the surface of the ocean as he gathered his nets, the answer is yes: Rudesindo Cantarell.

The days when you could find a supergiant oil field while fishing are over. Cantarell came late, in the oil age. That meant this global giant would receive all the best doctoring modern technology could provide. The result is that Cantarell was pumped out effectively and hard, especially after the technique to re-pressurize the field was adopted. This allowed for a spike high of daily production to be captured for several years, late in its life when a field would otherwise go into gentle decline. The result? Quicker monetization of the oil *for the benefit of the Mexican state*. But then the price: a catastrophic, fast crash.

[Oil Trades Near 10-Month High on Optimism for Economic Recovery](#)

(Bloomberg) -- Crude oil traded little changed, after approaching a 10-month high in New York as rising equities bolstered confidence in the economic recovery.

Oil's gains of the previous four days halted as the dollar strengthened against the euro, damping interest in dollar-priced commodities that can be used to hedge against inflation. Crude rose earlier, after an Aug. 21 report that showed sales of existing homes in the U.S. jumped more than forecast in July to the highest in almost two years.

[No need for OPEC output cut in Sept - Iraq](#)

ISTANBUL (Reuters) - Iraqi Oil Minister Hussain al-Shahristani said on Monday he saw "absolutely no need" for OPEC to raise oil production at its September meeting.

Shahristani told Reuters in Istanbul that signs of global economic recovery would probably lead to increased oil demand in the near future, but at the same time crude reserves were higher than they had been in the previous five years.

[Iraq's Second Oil Bidding Round Needs Higher Fees to Succeed](#)

(Bloomberg) -- Iraq, which awarded only one oil field contract in June because of disagreements over fees, needs to pay more to attract foreign bidders in the second round of licensing, according to former state officials and analysts.

International companies vying for the untapped deposits, including Majnoon, Iraq's largest undeveloped field, want higher returns for working in a country lacking security and an oil law. Contracts to be awarded in November may be delayed until after a January election and revised if the government changes.

[Mexico Oil Bond May Weaken Effort to Cut Budget Gap](#)

(Bloomberg) -- Mexico's plan to sell 13 billion pesos (\$1 billion) of oil-backed bonds to shore up local government finances may weaken President Felipe Calderon's efforts to rein in a widening budget deficit, according to an Invesco Inc. fund manager.

The bond, announced Aug. 21, will provide a reprieve for states and cities that have been forced to slash payrolls and reduce services as an economic slump cuts into their local tax take. The federal government will also give them an additional 13 billion pesos from a rainy-day oil fund, Finance Minister Agustin Carstens said last week.

[Sinopec to Boost Overseas Expansion as Profit Surges](#)

(Bloomberg) -- China Petroleum & Chemical Corp., Asia's biggest refiner, plans "rapid" overseas expansion to secure oil supplies after profit reached a record and as the nation's economic recovery spurs fuel demand. Shares rose.

The Beijing-based company plans to buy overseas assets, including acquiring Addax Petroleum Corp. from its parent, Chairman Su Shulin told reporters in Hong Kong today. Net income surged to 22 billion yuan (\$3.22 billion) in the second quarter, Huang Wensheng, spokesman at China Petroleum, known as Sinopec, said by phone.

[The Red Dragon's thirst for oil grows](#)

While the United States continues its moratorium policy of locking up 85 percent of its natural resources from exploration and development, the Red Dragon is continuing her desperate quest for oil, locking up every oil deal it can get hold of.

China is now "Big Oil," knowing full well the world economic downturn provides economic opportunity. China is investing heavily to secure oil and natural gas concessions for their growing economy, which is growing at the rate of 2 percent in a time the world is in an economic recession.

[Energy 'as vital' as China for new global power](#)

A senior Australian international relations specialist says the changing economics and politics of energy will be as important as the rise of China in reshaping global power and that it could be more important than climate change. Emeritus professor Stuart Harris says energy issues have the potential to spark conflict over existing disputes in areas like the South China Sea.

[Soaring int'l oil fuels expectation for China's price hike](#)

Global economy is "beginning to emerge" from recession, said Ben S. Bernanke, Chairman of the U.S. Federal Reserve on Aug. 21. Crude oil price rose to its highest level since Oct. 20, 2008 on hopes of world recovery the same day, with light, sweet crude for October delivery settled at 73.89 U.S. dollars a barrel on the New York Mercantile Exchange (NYMEX). Soaring international oil prices have also increased expectations of refined oil price adjustment in China's domestic market.

[LNG Demand May Rebound by 2013, Sparking Shortage](#)

(Bloomberg) -- Demand for liquefied natural gas may rebound by 2013 and customers may face a shortage of the cleaner-burning fuel as the global economy recovers and new importing nations start purchases, a report said.

There may be a shortfall of as much as 30 million metric tons, or about 18 percent of last year's consumption, in 2013 as customers add new import capacity, Tony Regan, a consultant at Singapore-based Tri-Zen International, said in a report today.

[Coal Rally Ending as China Shuns Imports, Opens Mines](#)

(Bloomberg) -- China's unprecedented appetite for imported coal is about to be sated, jeopardizing a five-month rally in prices by adding to a global surplus of the fuel used in power plants from Perth to Chicago.

[Dam disaster shows Russia 'very far behind': Medvedev](#)

ULAN UDE, Russia (AFP) – The disaster last week at Russia's biggest hydroelectric dam that is feared to have killed 75 shows the country lags very far behind in technology, President Dmitry Medvedev said Monday.

"The only truth here is this. Our country is technologically very far behind," he said on a visit to the Siberian city of Ulan Ude.

[Power Cuts May Threaten S.African Rebound: Week Ahead](#)

(Bloomberg) -- The pace of South Africa's recovery from its worst economic recession in 17 years is threatened by the inability of its national power utility to raise funds to build the power plants needed to keep the world's biggest precious metal mines running.

[China Air to Exit Fuel Hedges After Return to Profit](#)

(Bloomberg) -- China Airlines, Taiwan's largest carrier, plans to exit all fuel-hedging contracts, locking in paper profits that helped it end six straight quarters of losses.

"When oil prices reach \$75 and above, we will get out," Chairman Philip Wei, 67, said in an Aug. 21 interview at the carrier's Taipei headquarters. The airline was profitable in the second quarter as hedging gains offset an operating loss, he added, without giving any figures.

[Europe's Saharan power plan: miracle or mirage?](#)

RABAT (Reuters) - A 400 billion euro (\$774 billion) plan to power Europe with Sahara sunlight is gaining momentum, even as critics see high risks in a large corporate project using young technology in north African countries with weak rule of law.

[Solar panel prices to slide into next year](#)

LOS ANGELES (Reuters) - A steep fall in the price of solar panels has chipped away at manufacturers' profits this year, and relief is unlikely to come soon, as many in the industry believe pressure will intensify and push prices even lower into 2010 and perhaps even 2011.

Global demand for solar power soared last year until a pullback in solar incentives in Spain and a credit crisis that stifled financing for new projects led to a falloff in demand for solar panels and a global supply glut.

[Wind farm debate splits property owners](#)

Grant welcomes the chance to get into wind energy development and generate some income. His courting of wind developers however has put him at odds with some of his neighbors, who consider a large-scale wind farm to be the industrialization of their backyards in the sparsely populated region.

"My goal is to stay in ag, be able to pass on our generations of history," Grant said. "This

gives us that opportunity."

As the nation's demand for renewable energy grows, landowners and governments across the West are wrestling with how to balance their cherished private property rights against the far-reaching visual impact of 400-foot-tall wind turbines and the transmission lines needed to move power to distant cities.

[Fueling speculation:](#) *Researchers at Cambridge firm are tight-lipped about their secret ingredient for turning sunlight into liquid energy*

CAMBRIDGE - Joule Biotechnologies Inc.'s secret ingredient - a designer organism - looks like green Jell-O before it's refrigerated.

The stuff is kept behind several locked doors in an unmarked brick building on Rogers Street, where Joule researchers are still tinkering with how the organism, which no one here will name, consumes sunlight and carbon dioxide, then sweats ethanol. The 2-year-old company, which just made public news of its possibly revolutionary process, said that one day soon, its SolarFuel could be used to power vehicles. But until then, Joule officials said they intend to keep quiet about just what goes into their product.

On a recent visit, however, chief executive Bill Sims and cofounder David Berry did provide a peek at the Joule process, while dodging persistent inquiries about the mysterious fuel-making organism.

[Nuclear Reactors the Lego Way](#)

NuScale Power discusses how it can build a 1-gigawatt nuclear plant with an array of small reactors. And the power will be cheap.

[Peak oil and climate change ... drowning in rhetoric!](#)

These are both long-running or even stalwart themes of the late great consumer society. They only stretch back a decade or so to some people, but a whole lot further when you drill down a little -- looking for the right ice cores or pockets of remaining oil and gas. Today they provide the base, or in finance jargon the *underlying security* for an endless road show and conference business that stretches right around the world.

Not only thousands of Web sites, TV shows, press reporters and publishing houses extract value from dwindling oil and changing climate, but big business and big government have also adopted and absorbed these themes. Both big business and big government now get plenty of traction from what some call the two Great Causes of Our Times.

[American Anger Is All The Rage](#)

To explain the anger that Americans feel as "incidental anger" generated by bad economic times certainly sounds logical. But something else is stirring. There was anger in the 1980s, 1990s and early 2000s but there were no tea parties, town halls or liberty rallies for libertarian presidential candidate Ron Paul (R-Tex). The so-called anger is akin to the anger that many apparently felt once they'd read the original Bible courtesy of the Gutenberg Press. The various practices, rituals and rewards that the Roman Catholic Church had claimed were necessary to pass into heaven were nowhere to be seen, and eventually these distortions and lacunae led to the Reformation. Worshippers felt betrayed.

There are rituals - or at least themes - abounding on the Internet including Peak Oil, Environmentalism, Global Warming, Central Banking, Stock Market Investing, Retirement Planning, Fiat Money, Democratic Rule, Muslim Extremism, etc. In our humble opinion, these constituted the spiritual nourishment of the late 20th century. And bankers and money-men were (in hindsight) positioned via the media as Shepherds of the Age. The promotions of the monetary elite, buttressed by ever-higher barriers-to-entry, were designed (when married to actionable legislation) to generate an endless stream of wealth and control. But the Internet, in providing these promotions, also provided information to undermine them.

[Call to protect organic farmers from cuts](#)

AS THE Department of Agriculture announced a major review of the organic farming scheme here, the largest organic farming group has said smaller farmers should escape the cuts to agriculture spending.

The 1,000 member Irish Organic Farmers and Growers Association said cuts, if essential, should be informed by a vision for the future shape of rural Ireland.

The association said it "believes that the growing economic consequences of climate change, peak oil and environmental regulation will make both smaller holdings and organic farming more and more viable in the future."

[The Merging of Climate Change and Energy](#)

Whether one believes in global warming, climate change and our nation's energy policies are merging. Rising global temperatures have become a divisive issue; many believe them to be a part of the natural cycle, while others point to the diminishing polar ice shields as proof that our emissions are killing our planet. Unfortunately, the issue is far from being definitively resolved. My view has always been that promoting clean air and clean water and reducing our dependency on foreign energy is a positive step forward. Once more, the sheer magnitude of what is at stake should dictate being open-minded. While the controversial American Clean Energy and Security Act offers some positive aspects, it falls short of providing the right policy. A more reasoned approach would be

one that reduces our dependence on foreign sources of energy, funds research and increases production of clean domestic energy, and provides transparency of the true cost of changing our energy status quo. Here is the good, the bad, and the ugly of the current American Clean Energy and Security Act, better known as the “cap and trade” legislation.

[Southern governors say don't forsake oil, coal in clean energy debate](#)

WILLIAMSBURG, Va. (AP) -- The South's governors worry that efforts to address climate change from carbon emissions could forsake their region's abundant coal, oil and gas supplies.

[A global climate deal must be simpler, fairer, and more flexible than Kyoto](#)

Negotiations on emissions in the run-up to the UN climate summit show no sign of the radical change we need.

[Africa wants \\$67 billion a year to fight climate change](#)

ADDIS ABABA (Reuters) - African leaders will ask rich nations for \$67 billion per year to mitigate the impact of global warming on the world's poorest continent, according to a draft resolution seen by Reuters on Monday.

Ten leaders are holding talks at African Union (AU) headquarters in the Ethiopian capital to try to agree a common stance ahead of a U.N. summit on climate change in Copenhagen in December.

Experts say Africa contributes little to the pollution blamed for warming, but is likely to be hit hardest by the droughts, floods, heatwaves and rising sea levels forecast if climate change is not checked.

[Research finds higher ocean acidification off Alaska that could threaten fishing industry](#)

ANCHORAGE, Alaska (AP) — Erosion threatens to topple coastal Alaskan villages. Melting ice threatens polar bears. Now, a marine scientist says the state's marine waters are turning acidic from absorbing greenhouse gases faster than tropical waters, potentially endangering Alaska's \$4.6 billion fishing industry.

The same things that make Alaska's marine waters among the most productive in the world — cold, shallow depths and abundant marine life — make them the most vulnerable to acidification, said Jeremy Mathis, a chemical oceanographer at the University of Alaska Fairbanks.

[China Nears Climate-Change Deal With U.S. Over Fuel Efficiency](#)

(Bloomberg) -- China and the U.S., the biggest sources of the greenhouse gas emissions heating the planet, have stood in the way of an international climate treaty for almost as long as there have been efforts to craft one. The U.S. never ratified the 1997 Kyoto Protocol partly because the pact didn't compel China and other developing economies to lower emissions.

Now, the two countries may be moving toward agreement on how to rein in the 40 percent of the world's carbon dioxide pollution that comes from their cars, factories and power plants.

[We believed Obama was going to tackle climate change. It isn't that easy](#)

Barack Obama might be the most powerful man in the world, but he faces tough opposition from all sides over climate-change legislation.

[McKibben: 'No development will be of use if Ganga dries up'](#)

Climate change is not a fully mature political issue here. People need to be clear about the danger to development posed by not doing anything. What's the back-up plan if the Ganga's glacier melts? No car factory will be of any use if the monsoons fail. No development will be of any use if the Ganges dries up. We can go on negotiating, but the real negotiation is between human beings on the one hand, and physics and chemistry on the other. Physics and chemistry have laid their cards on the table. 350 parts per million (ppm) is the highest safe level of CO₂ in the atmosphere. Above 350 is the danger zone. The planet now has 390 ppm CO₂, and this number is rising by about 2 ppm every year. Certainly, India occupies the higher moral ground but that won't make the rains fall.

[Fighting global warming with CIA?](#)

A new debate is unfolding over whether linking climate change too closely with security planning will create a self-fulfilling prophecy, running the risk that the United States will rely too heavily on its armed forces to deal with global problems.

"Once you try to securitize the problem, you also securitize the solution," said Adil Najam, director of the Boston University's Center for the Study of the Longer-Range Future.

"The solution to those problems is not in the Pentagon," he added. "It is moms and pops driving SUVs."

Najam and a growing number of others fear that policymakers will turn to the military

too quickly - dispatching naval forces to secure new shipping lanes in the resource-rich Arctic as polar ice recedes, for instance - or hand the Pentagon a virtually limitless mission to stabilize regions suffering from environmental dislocation.



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