



Drumbeat: January 7, 2010

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Topic: [Miscellaneous](#)

[Troubled times: A talk with James Howard Kunstler](#)

Rochester, N.Y. — James Howard Kunstler always figured he would be some sort of cultural commentator. “I was doing that kind of writing in college” — he graduated from SUNY-Brockport in 1971, a drama major — “and I became a newspaper columnist at a pretty tender age of 24.”

It was novels where Kunstler made his impact at first, including “The Wampanaki Tales,” “An Embarrassment of Riches” and “Blood Solstice.” In more recent years, though, Kunstler has been particularly known for his nonfiction works of social criticism, in which he takes a hard look at many of the elements of industrialized Western (especially American) society — and warns that many of them may not be sustainable once the oil runs out. His books include “The Geography of Nowhere” (1994), in which he details (and decries) the rise of suburbia, and “The Long Emergency” (2005), in which he argues that Americans are going to be forced to down-scale their lives due to declining oil production — life won’t be centered on the automobile and the highway anymore, he holds.

[rkets/thebuzz/index.htm">Uh-oh: The return of \\$3 gas](#)

"Gas is going to continue go higher because the commodity markets in general seem to be on the run right now," he said, adding that oil could approach \$90 before cooling off and that gas might head toward \$3 a gallon as a result.

That could be a problem for consumers. Some economists think that \$3 a gallon for gasoline could lead to a noticeable change in consumer spending behavior.

...Of course, the fact that energy prices are on the rise is partly good news. It's not all about cold weather creating supply and demand disruptions. It's not a coincidence that gas prices started to rise last year just as there were more signs that the worst was over for the global financial markets and economy.

"Oil prices will go up over 2010," said Chris Probyn, chief economist with State Street Global Advisors in Boston. "We may get short-term relief once the cold spell is over, but energy prices will be higher than they were at the end of 2009."

[Commodities Bull Market Will Roar Like a Tiger in 2010](#)

Through 2010, both Commodities and commodity-linked Equities will tend to show volatile but high performance, with very strong gains in specific sectors and subsectors. Following the failure of the Copenhagen climate summit, harder assets than soft energy, or high leveraged and subsidy dependent alternate and renewable energy stocks will feature. This starts with oil, uranium, coal and perhaps natural gas, and will rapidly boost a wide range of food and bioresource soft commodities.

[ANALYSIS - China eyes Caribbean fuel oil market now, crude later](#)

MEXICO CITY/BEIJING (Reuters) - PetroChina's move to take a big position in Caribbean oil storage should give the state oil company immediate muscle in the region's residual fuel trade and open up longer-term options for crude trading.

PetroChina's assumption this week of Saudi Aramco's lease on 5 million barrels of oil storage capacity at the strategically located Statia terminal in the Caribbean signaled its intent to build a global oil trading network.

[Pakistan: Prolonged power outages make people suffer](#)

PESHAWAR: The prolonged power loadshedding and low pressure and suspension of gas supply is making consumers suffer in NWFP, as electricity remains cut off for eight to 15 hours a day while natural gas supply is affected at peak hours.

The energy crisis is deepening with no solution in sight in the near future. Electricity loadshedding in urban areas is almost eight hours a day and in rural area it is above 15 hours. Already protests and road blockade across the province are being reported.

[Pindiites facing severe kerosene oil shortage](#)

According to a survey conducted by APP here on Wednesday, kerosene oil's supply is insufficiently in various localities including Dhoke Kala Khan, Dhoke Kashmirian, Shamsabad, Katarian, Dhoke Hassu, Ratta Amral, Fazalabad and Dhoke Syedan.

Most of the people belonging to the lower middle class and low-income groups reside in these areas and use kerosene oil as fuel, when there is a shortage of Sui gas in the morning and evening peak hours.

[Iraq, Iran to meet to draw border](#)

AFP - Iraq and Iran will hold talks from next week to formally mark their borders, Iranian Foreign Minister Manouchehr Mottaki said on Thursday, weeks after a dispute between the two countries over an oil well.

[ConocoPhillips Extends Maintenance Shutdown at German Refinery](#)

(Bloomberg) -- ConocoPhillips extended maintenance work that has shut its Wilhelmshaven oil refinery, Germany's third-largest.

"Planned maintenance continues at Wilhelmshaven," Bill Stephens, a ConocoPhillips spokesman based at company headquarters in Houston, said today in an e-mail. The refiner had expected that the German facility would be in so-called turnaround for the "majority" of the fourth quarter, according to a third-quarter earnings statement.

[Shell to transform Montreal refinery into terminal](#)

CALGARY, Alberta, Jan 7 (Reuters) - Royal Dutch Shell Plc (RDSA.L) said on Thursday it will transform its Montreal East refinery into a fuel terminal, making the 130,000 barrel a day plant the latest in North America to be closed amid weak returns in the industry.

Shell, which has operated a refinery at the site for 76 years, said in a statement that the plant did not fit into its long-term strategy.

[Heavy snow slams North American business](#)

CHICAGO/HAMBURG (Reuters) - Blasts of Arctic winds and drifting snow gripped much of the northern United States and Canada on Thursday, slowing business in the agricultural sector and threatening to disrupt natural gas production.

[Thailand: Free NGV conversions for taxis pitched](#)

The Energy Ministry plans an open bid for private companies to install natural gas kits in taxis to help operators deal with rising oil prices.

"As oil prices have begun to jump again this year, we want to be prepared for a shortage of liquefied petroleum gas if it happens again," said Norkhun Sitthipong, the deputy permanent secretary of the Energy Ministry.

[When a home energy audit pays](#)

There are some simple improvements that are relatively cheap and can pay for themselves quickly.

Just adding the insulation, caulking and lights might run an average homeowner \$5,000 to \$7,000, he said. That could shave about 30% off a home's energy bill each month. And if the government picks up half the cost, the payback time for homeowners would be just a few years.

"It's a win-win-win," said Burt. "It creates jobs, it saves energy, and it saves consumers money."

[Unsold clothes destroyed at H&M -- until Twitter roared](#)

New York City's homeless may be wearing a motley collection of castoff clothing: the rejects from the closets of more financially-blessed residents, perhaps, or the logo merchandise from now-merged banks or defunct companies, maybe even some cast-offs from local discount retailers that lingered too long on the clearance racks. Yet, you won't see any such freebies from H& M or Walmart. Instead of donating unsold clothes to the needy, the two retailers have evidently been quietly stuffing unloved frocks in the trash.

According to *The New York Times*, unsold clothes from the two retailers were found destroyed in garbage bags outside the H&M store on 34th Street east of Sixth Avenue, and in the nearby 35th Street Walmart. At Walmart, unworn clothes had been punched with holes by some sort of machine. At H&M, they'd been slashed by a box cutter, rendering a bunch of fiber-filled coats unwearable.

[John Michael Greer: Housebreaking the Corporations](#)

From this perspective, the problem with corporate persons is simple enough: the only risk they run in breaking the law is that they have to pay wergild, and that doesn't constrain antisocial behavior any more effectively now than it did in Anglo-Saxon times.

My more perceptive readers may be wondering at this point whether I'm seriously proposing that corporations should be thrown in jail or put to death. Yes, that's what I'm proposing, with the adjustments needed to account for the differences between corporate persons and natural persons. What's the essential nature of imprisonment for a crime, after all? The criminal ceases to be a free person; for a specified period of time, he is a chattel of society, and society has the right to profit from his labor during that period. And capital punishment? The criminal, having proven that he isn't willing to abide by even the most minimal standards of social existence, ceases to exist by act of society. Both of these can be applied to corporations easily enough.

[2010: The year to really start worrying about food security](#)

t started already last year, but 2010 is shaping up to be the year in which the issue of food security takes on a greater sense of urgency. Why? Because policy-makers have connected the dots about where current trends are taking us, and it's scaring them silly.

Consider the factors affecting food production: Climate. Water. Land. Fertiliser. Energy. Now consider the trends affecting those factors...

[Collapse Comes to the Alamo for Two Nights Only \[We're Screwed\]](#)

Ruppert virtually predicted our current economic crisis, and he did it at a time when things didn't seem all that bad, even to fancypants, pipe-smoking (probably) economists. His predictions about international political turmoil have similarly come true over the past decade, and his ostensibly wild 1970s-era accusations of CIA drug dealing were pretty much validated by the Kerry Committee nearly a decade after he made them. Now, Ruppert says, we're speeding toward a future that looks a hell of a lot like the ending of *Fight Club*. So how crazy is he, exactly?

[Troubled times: A talk with James Howard Kunstler](#)

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[API Chief Comments on Additional Regulatory Hurdles](#)

American Petroleum Institute President and CEO Jack Gerard issued the following statement on Interior Secretary Ken Salazar's announcement that he would impose additional regulatory hurdles before allowing companies to drill for oil and gas on federal lands:

"In what has become increasingly familiar double-talk from this administration, Interior Secretary Salazar today again spoke of the importance of domestic oil and natural gas, while making it more difficult to produce American oil and gas, put more Americans

back to work and help restore our nation's economy. Under the guise of offering certainty for investors, Interior Secretary Salazar has taken steps to further delay and limit American energy resources for all Americans."

[E.P.A. Announces Strict New Health Standards for Smog](#)

WASHINGTON (AP) -- The Environmental Protection Agency on Thursday proposed stricter health standards for smog, replacing a Bush-era limit that ran counter to scientific recommendations.

The new limits -- which are presented as a range -- will likely put hundreds more counties nationwide in violation, a designation that will require them to find additional ways to clamp down on pollution or face government sanctions, most likely the loss of federal highway dollars.

[Final Quarter of '09 Barrels in \\$75B in Oil and Gas Deals](#)

PLS, Inc. and international partner Derrick Petroleum Services report that Global M&A activity for the 4th Quarter 2009 totaled nearly \$75 billion in 172 separate deals, up from \$21 billion in 112 deals in 3rd Quarter 2009. According to Brian Lidsky, Managing Director, Research, at PLS, "ExxonMobil's blockbuster \$41 billion all-stock bid to buy U.S. unconventional resource leader XTO Energy took the market by surprise and marked a significant shift for the major back to North America onshore natural gas. The deal vaults ExxonMobil to the largest producer in the United States and gave the market and producers a large dose of confidence. U.S. gas prices have been in a slump for over a year. Shortly after the Exxon deal, French company, Total, struck a \$2.25 billion JV with Chesapeake in the Barnett shale of Texas."

[What Is Peak Oil?](#)

The first step to understanding Peak Oil is the recognition that oil is a finite, non-renewable resource. Over the last century and a half, oil has powered phenomenal economic and population growth. As LiveScience notes, besides water, there's no other liquid that humans rely on more than petroleum. It fuels our vehicles, heats our homes, paves our roads and is used to make countless consumer products.

[Poland May Cut Gas Deliveries to Industrial Customers](#)

(Bloomberg) -- Poland may reduce natural gas supplies to industrial customers such as PKN Orlen SA depending on temperatures or possible cuts in Russian fuel imports.

"We are monitoring the situation and whether we'll announce the reduction will depend on the air temperatures, the amounts of gas imported from Russia and the level to

which the storage facilities are filled,” Malgorzata Polkowska, a spokeswoman for the country’s pipeline operator Gaz-System SA, said by phone today.

[U.K. Issues Gas Balancing Alert as Supply Falls](#)

(Bloomberg) -- National Grid Plc, manager of the U.K.’s natural-gas network, issued a gas balancing alert for today, the second this winter, after supplies from Norway fell and it forecast record demand.

A gas balancing alert is designed to ensure the safe operation of the network. It’s meant to act as a signal to gas shippers to increase flows, while some companies may need to reduce consumption. National Grid also issued an alert Jan. 4.

[Statoil Says Output at Troll Shut Down Due to Technical Issues](#)

(Bloomberg) -- Statoil ASA, Norway’s biggest natural gas producer, said production at its North Sea Troll field was shut down at 9:15 a.m. local time due to technical issues, according to spokesman Gisle Johanson.

[Russia and Belarus talks continue](#)

Russia and Belarus were locked in a second day of talks aimed at resolving a dispute over 2010 oil supply prices, Russia's Energy Ministry said today.

[Poland unlikely to ask refiners for dividends](#)

WARSAW (Reuters) - Poland's treasury is unlikely to ask two refiners PKN Orlen and Lotos to pay dividends out of their 2009 profits, Deputy Treasury Minister Mikolaj Budzanowski said on Thursday.

[Iraq readies for big exports](#)

Iraq plans to begin crude oil shipping operations in March as it prepares to export larger volumes of crude in the future, the head of Iraq's State Oil Marketing Organisation said today.

[China tightens grip on Kazakh gas](#)

Chinese President Hu Jintao and his Kazakh counterpart, Nursultan Nazarbayev, were

liberal with their profuse eulogies such as a "milestone in Sino-Kazakh relations" and "an epoch-making event" after their talks in Astana on December 12.

Hu had every reason to describe his official visit to Kazakhstan as a success. The two leaders signed three important documents relating to cooperation in the development of renewable energy resources, a joint memorandum on financing the second section of a gas pipeline from Kazakhstan to China and a credit agreement for the reconstruction of Atyrau oil refinery in West Kazakhstan.

[Flicking the switch: the pressing issue of getting UK business energy efficient](#)

With the disappointment of Copenhagen turning into history and the economic situation still tough, there is growing concern that not enough is being achieved to get businesses more energy efficient. But those that have 'switched on' say they are reaping the benefits.

Business spoke out forcefully, last month, after the failure of Copenhagen to deliver a binding global agreement on climate change. The CBI called for urgent action from Government and business in order to maintain the much-needed momentum to get a deal done internationally, while back at home getting businesses more energy efficient.

[Rubin, Oil Rally Predictor, Sees \\$100 Crude in 2010](#)

(Bloomberg) -- Jeff Rubin, the former CIBC World Markets Inc. chief economist who accurately predicted oil's surge during the last decade, expects crude to reach \$90 a barrel this quarter and \$100 by the year's end.

Accelerating demand in Asia and the Middle East will force consumers to rely on costlier non-conventional energy sources such as oil sands, said Rubin, who spent 20 years with the Toronto-based bank and last year published a book on energy economics, "Why Your World is About to Get a Whole Lot Smaller." Rubin correctly forecast in 2007 that crude would reach \$100.

"It's safe to say that we'll see triple-digit oil prices by the fourth quarter of this year," Rubin, 55, said in a telephone interview yesterday. "I would expect prices to move pretty close to that level, and be in the \$90 range probably by the end of March."

[How much fuel do we use in a year?](#)

Sketchup is a fantastic 3D modelling package that Google bought a few years ago. Having done a small amount of work on Swift and Maya, I found this tool immeasurably simpler. This is how 3d interfaces should be done! The commands, whilst very different to common 3D packages, are all logical and started to come naturally after only an hour or so of experimentation.

Inspired by PageTutors post on how much a trillion dollars is that used Sketchup for the illustrations, I thought I would have a go myself by calculating and displaying how much of a energy based raw material would be needed to power the entire world for a year.

[Oil Drops, Snapping 10-Day Gain, as Supplies Enough for Winter](#)

(Bloomberg) -- Crude oil fell in New York, snapping 10 days of gains, on speculation that rising U.S. supplies will be enough to withstand the cold snap.

The Energy Department said crude inventories rose 1.3 million barrels last week, the first increase in five weeks. Stockpiles were forecast to fall by a Bloomberg News survey. Supplies of distillate fuels such as heating oil dropped less than expected. Oil fell on speculation China's move to slow bank lending may reduce commodity demand in the world's second- largest energy consumer.

[Natural Gas Prices Rise To Yearly High](#)

(RTTNews) - Natural gas prices surged to a yearly high on Thursday as cold temperatures across the U.S. boosted the need for heating fuel. Traders also looked ahead to the Energy Information Administration's weekly inventory report.

February natural gas settled at \$6.009 per million British thermal units, a rise of 37.2 cents on the session.

[Exxon Shuts Rotterdam Refinery Units for Maintenance](#)

(Bloomberg) -- Exxon Mobil Corp., the world's largest oil company, shut units at its Rotterdam refinery for planned maintenance, limiting supplies of fuels such as heating oil at a time of freezing weather.

[US breaks with 'drill anywhere' energy policy: official](#)

WASHINGTON (AFP) – The United States is moving away from the "drill anywhere, whatever the cost" energy policy of the previous administration, officials said Wednesday as they announced reforms in the way oil and gas leases are attributed.

"We don't believe we have to be drilling everywhere and anywhere," Interior Secretary Ken Salazar told a news conference where he and other officials announced changes to the way the US government manages onshore oil and gas exploration leases.

"We believe we have to have a balanced, thoughtful approach that allows for the development of oil and gas resources but at the same time protects the treasured

landscapes of America," Salazar said.

[Industry: Grouse measures could mean delays, costs](#)

CHEYENNE, Wyo. (AP) - The Petroleum Association of Wyoming says oil and gas companies face more drilling delays and higher costs under a new U.S. Bureau of Land Management policy for protecting sage grouse in Wyoming.

Association Vice President Cheryl Sorenson says the policy could require companies to put radio collars on sage grouse to track the birds before receiving approval to drill.

[The Dreaded 'Double Dip'](#)

Put plainly, there appears to be a lack of political will to end this crisis, led by banks who continue to hang onto bad assets, overpay themselves and refuse to lend in anything like the volume needed to restart real growth. Meanwhile, they continue to stall the kind of regulatory reforms that would stem their appetite for the kind of risk-taking that put the global economy on a fast track to total implosion in the last decade.

Put on top of these factors the effects of an inevitable Federal Reserve decision to raise interest rates by summer, and another "peak oil"-driven acceleration of oil prices in the direction of the \$140 a barrel level that was a major trigger in the ungluing of the global economy just a couple years ago.

[Nippon Oil to Buy LNG From Chevron, Build Terminal](#)

(Bloomberg) -- Nippon Oil Corp., Japan's biggest refiner, signed an initial agreement to buy liquefied natural gas from Chevron Corp. and may spend about 50 billion yen (\$539 million) to build a terminal to import the fuel.

The Tokyo-based refiner plans to purchase about 300,000 metric tons a year of LNG starting in 2015 from the Chevron-led Gorgon project, Nippon Oil said in a statement today. The fuel from the A\$43 billion project is to be delivered to the planned terminal in Aomori, northern Japan, that will have two 140,000- kiloliter tanks. Terminal operations are to begin in April 2015.

[Aluminum Smelters in Henan May Face Power Shortages, CRU Says](#)

(Bloomberg) -- Some aluminum smelters in China's Henan province, the largest producer in the nation, received notices from power suppliers to prepare for stoppages, according to CRU International Ltd.

There have been “periodic power supply disruptions” in provinces including Henan and Hunan, though the impact “is not serious” so far, Wan Ling, a Beijing-based analyst, said by phone today. She declined to name the smelters affected.

[Russia, China, Iran redraw energy map](#)

The inauguration of the Dauletabad-Sarakhs-Khangiran pipeline on Wednesday connecting Iran's northern Caspian region with Turkmenistan's vast gas field may go unnoticed amid the Western media cacophony that it is "apocalypse now" for the Islamic regime in Tehran.

The event sends strong messages for regional security. Within the space of three weeks, Turkmenistan has committed its entire gas exports to China, Russia and Iran. It has no urgent need of the pipelines that the United States and the European Union have been advancing. Are we hearing the faint notes of a Russia-China-Iran symphony?

[Chinese resources chief eyes Antarctica minerals](#)

A DELEGATION of Chinese dignitaries, including a senior resources minister, flew into Casey Station in Antarctica yesterday to meet Australian officials.

The Chinese contingent lunched with visiting Australian Antarctic and diplomatic officials before being taken by helicopter to their research icebreaker Xue Long, the Snow Dragon, moored in the nearby bay.

The presence of the Chinese Minister for Land and Resources, Xu Shaoshi, underlines China's increasing interest in the vast natural resources of Antarctica.

[Study: US biofuels policies flawed](#)

The United States needs to fundamentally rethink its policy of promoting ethanol to diversify its energy sources and increase energy security, according to a new policy paper by Rice University's Baker Institute for Public Policy.

The paper, "Fundamentals of a Sustainable U.S. Biofuels Policy," questions the economic, environmental and logistical basis for the billions of dollars in federal subsidies and protectionist tariffs that go to domestic ethanol producers every year. "We need to set realistic targets for ethanol in the United States instead of just throwing taxpayer money out the window," said Amy Myers Jaffe, one of the report's authors.

[Our planet is now overstocked!](#)

Nobody mentioned the real problem in Copenhagen - never mind the solution to it. The problem is that there are now too many of us on board. More than twenty years ago, through no fault of my own, I found myself on Gay Byrne's "On the job quiz" and one of the questions I was asked was, "What is the population of the world?" I got the correct answer, which was four billion. Now, had I been asked that question in 1950 - apart from the fact that I wouldn't have known the answer, the figure was 2.5 billion. If I'm asked the same question in 2050, I won't be able to answer on account of being dead, but the correct answer is likely to be ten to twelve billion. Are you getting the picture? We are populating planet earth to an unsustainable level. Just look at it this way: it took all of human history until 1950 to get the population up to 2.5 billion and yet we expect mother earth to nourish and sustain a further ten billion a mere hundred years on? Once again, may I insert my favourite Bill Clinton saying; "that dog ain't gonna hunt"!

[Benn unveils plan to boost UK food and 'grow your own'](#)

Plans to boost food production in Britain and reduce its impact on the environment have been unveiled.

The government's 20-year food strategy includes making land available for people to grow their own food and more healthy cooking courses.

Minister Hilary Benn said shoppers had led the push for free-range eggs and could do the same for sustainable food.

[Do we need to say our prayers?](#)

For millions of people in Africa, climate change is a reality, says Greig Whitehead. However, as he explains in this week's Green Room, in religious nations such as Kenya, many believe that tackling global warming is beyond their control.

[First Carbon Tariff Will Tax CO₂ at the Border](#)

The first carbon tax to reduce the greenhouse gases from imports comes not between two nations, but between two states.

[Study: Climate change means greater risk of catastrophic wildfire](#)

Leading University of Montana researchers have released results of a new study that shows climate change will increase drought stress in northern Rocky Mountain forests, leading to increased potential for insect infestations and risk of more frequent and severe wildfires.

The peer-reviewed study, conducted by UM forestry researchers, finds that longer periods of drought will stress the forest ecosystem that includes areas in Montana,

Wyoming and Idaho, with increased insect epidemic and wildfire disturbances. The economic impact of highest concern is the potential of a catastrophic wildfire in the region, which could affect more than 360,000 people who live in homes in the forest-urban interface that are valued at \$21 billion.

“As temperatures rise, we will see about two months of additional drought stress each year by late this century,” said study author Steve Running, Regents Professor of Ecology in UM’s College of Forestry and Conservation. “And the worse global warming gets, the more significant the consequences for forests.”

[Methane release 'looks stronger'](#)

Scientists have uncovered what appears to be a further dramatic increase in the leakage of methane gas that is seeping from the Arctic seabed.

Methane is about 20 times more potent than CO₂ in trapping solar heat.

The findings come from measurements of carbon fluxes around the north of Russia, led by Igor Semiletov from the University of Alaska at Fairbanks.

"Methane release from the East Siberian Shelf is underway and it looks stronger than it was supposed [to be]," he said.



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