



Drumbeat: January 30, 2010

Posted by Leanan on January 30, 2010 - 9:38am Topic: <u>Miscellaneous</u>

Fighting Starvation, Haitians Share Portions

PORT-AU-PRINCE, Haiti — Maxi Extralien, a twig-thin 10-year-old in a SpongeBob pajama top, ate only a single bean from the heavy plate of food he received recently from a Haitian civic group. He had to make it last.

"My mother has 12 kids but a lot of them died," he said, covering his meal so he could carry it to his family. "There are six of us now and my mom."

For Maxi and countless others here in Haiti's pulverized capital, new rules of hunger etiquette are emerging. Stealing food, it is widely known, might get you killed. Children are most likely to return with something to eat, but no matter what is found, or how hungry the forager, everything must be shared.

..."The whole food supply chain has been trashed by the earthquake," said David Orr, a spokesman for the World Food Program. "The port, the roads, the trucks, the whole commercial life of the country has been disrupted."

It is not, after all, just homes that fell when the earth shook on Jan. 12. Supermarkets have collapsed to rubble. Butchers and bakers are dead.

ses with Gulf allies

DUBAI, UNITED ARAB EMIRATES -- The Obama administration is quietly working with Saudi Arabia and other Persian Gulf allies to speed up arms sales and rapidly upgrade defenses for oil terminals and other key infrastructure in a bid to thwart future military attacks by Iran, according to former and current U.S. and Middle Eastern government officials.

The initiatives, including a U.S.-backed plan to triple the size of a 10,000-man protection force in Saudi Arabia, are part of a broader push that includes unprecedented coordination of air defenses and expanded joint exercises between the U.S. and Arab militaries, the officials said. All appear to be aimed at increasing pressure on Tehran.

ALMATY: Kazakh protesters scuffled with police yesterday at a rally against their government's burgeoning ties with neighboring China. Many in Kazakhstan, a vast but thinly populated nation, are suspicious of China's growing influence in resource-rich Central Asia and accuse the government of selling out oil riches to their giant, energy-hungry neighbor. President Nursultan Nazarbayev said last month China had proposed renting a million hectares of Kazakh land to grow soya and other crops. The government later denied any plans to lease land to China.

Political Uncertainty Grips a Russian Republic

Dagestan, one of the most heavily subsidized of Russia's regions, should be able to support itself. It has oil and gas reserves, like neighboring Azerbaijan, and once lucrative vineyards and fisheries. The sandy coastline itself, stretching 250 miles along the Caspian Sea, should be a moneymaker in a beach-starved colossus like Russia.

But the beaches around Makhachkala (pronounced ma-HACH-ka-la), a city of 466,000, offer a primer in what has gone wrong. Tycoons have chopped up much of the coast for private mansions, and local residents complain that the public beaches that remain are too dirty and ill kept to enjoy. As for tourists, Makhachkala's mayor, Said D. Amirov — who now uses a wheelchair as a result of an assassination attempt — put it this way: "You can't develop tourism when you have a murder every day."

Peak Oil Confusion

Although the issue of peak oil has gained attention over the last several years (due mainly to oil prices skyrocketing to \$147 per barrel in 2008), it's simply amazing that most opponents have no idea what "peak oil" means.

Fighting Starvation, Haitians Share Portions

PORT-AU-PRINCE, Haiti — Maxi Extralien, a twig-thin 10-year-old in a SpongeBob pajama top, ate only a single bean from the heavy plate of food he received recently from a Haitian civic group. He had to make it last.

"My mother has 12 kids but a lot of them died," he said, covering his meal so he could carry it to his family. "There are six of us now and my mom."

For Maxi and countless others here in Haiti's pulverized capital, new rules of hunger etiquette are emerging. Stealing food, it is widely known, might get you killed. Children are most likely to return with something to eat, but no matter what is found, or how hungry the forager, everything must be shared.

..."The whole food supply chain has been trashed by the earthquake," said David Orr, a spokesman for the World Food Program. "The port, the roads, the trucks, the whole

commercial life of the country has been disrupted."

It is not, after all, just homes that fell when the earth shook on Jan. 12. Supermarkets have collapsed to rubble. Butchers and bakers are dead.

The Fateful Geological Prize Called Haiti

The vast oil reserves of the Persian Gulf and of the region from the Red Sea into the Gulf of Aden are at a similar convergence zone of large tectonic plates, as are such oilrich zones as Indonesia and the waters off the coast of California. In short, in terms of the physics of the earth, precisely such intersections of tectonic masses as run directly beneath Haiti have a remarkable tendency to be the sites of vast treasures of minerals, as well as oil and gas, throughout the world.

Notably, in 2005, a year after the Bush-Cheney Administration de facto deposed the democratically elected President of Haiti, Jean-Baptiste Aristide, a team of geologists from the Institute for Geophysics at the University of Texas began an ambitious and thorough two-phase mapping of all geological data of the Caribbean Basins. The project is due to be completed in 2011. Directed by Dr. Paul Mann, it is called "Caribbean Basins, Tectonics and Hydrocarbons." It is all about determining as precisely as possible the relation between tectonic plates in the Caribbean and the potential for hydrocarbons —oil and gas.

Russia and Antarctica

It is impossible to name a specific timeline for a possible "War for the Antarctic." But conjecture is possible based on the following factors - for example, the appearance of technology allowing rapid and cost effective supply of fresh water from Antarctic glaciers to arid and tropical regions; a new increase in oil prices and growing demand for crude, which will make oil extraction on the Antarctic shelf economically viable or an increase in demand for food because of the growing global population, which would require fishing in the south seas, etc.

Obama Acts to Ease Way to Construct Reactors

When President Obama said in his State of the Union address on Wednesday that the country should build "a new generation of safe, clean nuclear power plants," it was one of the few times he got bipartisan applause.

China Insists That Its Steps on Climate Be Voluntary

BEIJING - As a Sunday target date approaches for countries to submit to the United Nations their plans for fighting climate change, China is banding together with other

The Oil Drum | Drumbeat: January 30, 2010

major developing nations to stress that only the wealthier countries need to make internationally binding commitments.

Carbon Market Could Grow 33% This Year

The global carbon market is expected to total \$170 billion this year, a 33 percent jump from 2009, driven mostly by higher prices in Europe and a growth in the nascent carbon market in the United States, according to a new report from Point Carbon, a market analysis firm.

Chris Martenson: Big Ideas at the Commonwealth Club

Five years ago the audiences were all 'of an age' and now they include many more younger people and represent a much broader cross section of society, beliefs, professions and income levels.

My impression is that the tide is shifting, powerfully, and yesterday's response proved to me that ideas matter, that people care, and that getting our collective act together is a rapidly ascending priority for a growing group of people. Whoever says that there's no interest anymore in big ideas is flat-out wrong.

Analysis: Major Offshore Project Start-Ups to Watch in 2010

As we look at the year ahead, OPEC is predicting a world crude demand of at least 85.1 MMb/d. Specifically, the cartel's forecast calls for world oil demand to grow modestly (by about 0.8 MMb/d) this year, a view they have maintained since late-2009. Though there is no shortage of oil supply, the following projects, due to come onstream in 2010, can only help in supplying this demand.

Mexico shuts Gulf oil port due to bad weather

Mexico, a major oil supplier to the United States, shut the Dos Bocas oil export terminal in the Gulf, the communications and transport ministry said in a statement.

Alaska Pipeline Project Files Open Season Plan

The Alaska Pipeline Project has filed its plan with the U.S. Federal Energy Regulatory Commission (FERC) to obtain approval to conduct the first natural gas pipeline open season to develop Alaska's vast natural gas resources. The project is a joint effort between TransCanada Corporation and Exxon Mobil Corporation to develop a natural gas pipeline under the Alaska Gasline Inducement Act (AGIA).

Seoul's path to nuclear power

South Korean business leaders are proud that they have built a powerful, energyintensive economy in a land with almost no natural resources. If Ulsan were its own country, its GDP per capita would be among the world's highest, and it has created that wealth in large part by efficiently converting imported energy from the Middle East into products sold around the world.

But a steady rise in oil and gas prices has put increasing pressure on the country's old economic model.

Is aid without climate adaptation a waste of time?

Aid agencies are well resourced and quick to act, but not enough of them appear to be using their power to tackle the long term problems posed by climate change.

Straw Homes That Would Have Foiled the Wolf

At Quail Springs, days are spent perfecting greywater systems, creating food forests and building bio-swales to keep the limited rainwater from eroding the topsoil. But what's really capturing attention are the buildings constructed with natural products like straw bale, adobe and bamboo.

But don't expect to see this eco-village-in-the-making take final form in your lifetime — or your children's or your grandchildren's — and certainly not in the lifetime of the farm's founders, husband-and-wife team Warren Brush and Cynthia Harvan.

Brush says the undertaking will take 200 years.

5 Unique Ways to Go Green if You're Living in a Dorm

College is often termed the best years of your life. Now, recent trends suggest that it is also becoming pretty green. A growing number of colleges and universities are seeking ways to reduce their greenhouse gas emissions, many with energy-efficient facilities and construction projects. A wind turbine at St. Olaf College in Minnesota, for example, provides 33 percent of campus electricity and saves more than \$250,000 annually in utility costs. Richard Stockton College in New Jersey is heated and cooled using one of the country's largest closed-loop geothermal systems, and students living in a new green-themed dorm at Dartmouth College use, on average, about 60 percent less energy than other students on campus. Plans for the dorm, named the Sustainable Living Center, call for it to be a waste-free, energy-neutral student residence. By now, the apocalypse story – which goes back at least as far as the ancient Hebrews – has fractured into numerous sub-genres. Our favorite, these days, is the soft apocalypse, where the end has come but life goes on.

The Road) and the "happy apocalypse" (Noah's Arc, Asimov's Foundation books, or the '70s novel *Ecotopia*), where civilization falls but is replaced by something better. Sometimes, of course, it's just a matter of tone: *Road Warrior* shows us humanity surviving after devastation, but it's hard to call anything there "soft."

The Perfect Near-Future Novel To Get You Through The Recession

Need a book to get you through another year of unemployment, glacier melts or maybe even another oil crisis? *World Made By Hand* could do the trick.

Energy prices fall so far in 2010

NEW YORK (AP) -- For the past several months, oil prices have soared on the expectation that China would soon lead a new race for natural resources.

But government data released so far this year has told a different story, and oil has tumbled nearly \$10 a barrel in the first month of 2010.

Americans are burning less gasoline than they did a year ago, according to a report this week from the Energy Information Administration. The EIA says the country's appetite for petroleum products has dropped every week this month. And while China should expand petroleum consumption this year, a decision to rein in risky bank loans and cool down its economy may curb China's energy appetite.

"What's been driving oil prices is the promise of Chinese economic growth," said Phil Flynn, an analyst with PFGBest. "But its demand numbers are very suspect right now."

Crude Oil Falls to Five-Week Low as Dollar Rises Against Euro

(Bloomberg) -- Crude oil fell to a five-week low as the dollar strengthened against the euro, making commodities less attractive as an alternative investment.

Follow the Money (video)



Standing at the pump, watching the numbers tick away, do you ever wonder where the money goes? You're not alone: People on the other end of the pipeline are wondering too. While we feel the pinch in our pockets, citizens of oil-producing countries are often not seeing the profits.

Lester R. Brown: Mounting Stresses, Failing States

Among the top 20 countries on the failing state list, all but a few are losing the race between food production and population growth. Close to half of these states depend on a food lifeline from the World Food Programme. Food shortages can put intense pressures on governments. In many countries the social order began showing signs of stress in 2007 in the face of soaring food prices and spreading hunger. Food riots and unrest continued in 2008 in dozens of countries, from tortilla riots in Mexico to breadline fights in Egypt. In Haiti, soaring food prices helped bring down the government.

Another characteristic of failing states is a deterioration of infrastructure—roads and power, water, and sewage systems. Care for natural systems is also neglected as people struggle to survive. Forests, grasslands, and croplands deteriorate, generating a downward economic spiral. A drying up of foreign investment and a resultant rise in unemployment are also part of the decline syndrome.

Oil Shortage 'Claim' Tip of the Iceburg

Few thought it was possible, but a surefire conspiracy seems to be brewing. Energy, the heartbeat of the world, is the cusp in the coming tide. The theory of Peak Oil is running rampant. Over 75% of the human population believe that he earth will soon run out of

oil.

The US is producing less than 40% of the domestic crude it needs. It's regulatory limitations have increased so much that a new oil refinery hasn't been built in over 30 years. It's environmental regulations have 'built' a wall around obtaining oil from the Outer Continental Shelf (OCS), ANWR, and oil shales. That can mean only one thing.

The current administration seems to want a global governance. That governance would be controlled by one person--a ruler of sorts over everything. The UN would control energy, economies, and lives. But Obama has the power to put America first again.

Natural gas supplies could be augmented with methane hydrate

WASHINGTON – Naturally occurring methane hydrate may represent an enormous source of methane, the main component of natural gas, and could ultimately augment conventional natural gas supplies, says a new congressionally mandated report from the National Research Council. Although a number of challenges require attention before commercial production can be realized, no technical challenges have been identified as insurmountable. Moreover, the U.S. Department of Energy's Methane Hydrate Research and Development Program has made considerable progress in the past five years toward understanding and developing methane hydrate as a possible energy resource.

"DOE's program and programs in the national and international research community provide increasing confidence from a technical standpoint that some commercial production of methane from methane hydrate could be achieved in the United States before 2025," said Charles Paull, chair of the committee that wrote the report, and senior scientist, Monterey Bay Aquarium Research Institute in California. "With global energy demand projected to increase, unconventional resources such as methane hydrate become important to consider as part of the future U.S. energy portfolio and could help provide more energy security for the United States."

Exxon, TransCanada Say Alaska Gas Pipeline Cost Soars

(Bloomberg) -- Exxon Mobil Corp. and TransCanada Corp. said a proposed pipeline to carry Alaskan natural gas to U.S. markets will cost 23 percent to 58 percent more than originally expected.

Is Iraq's oil strategy too ambitious?

BAGHDAD (UPI) -- The chief executives of two of the world's oil giants have been waxing lyrical about helping Iraq quadruple its oil production over the next decade, but questions linger about whether it can be done.

Some energy industry experts believe that given the plethora of problems that the Iraqi

government of Prime Minister Nouri al-Maliki is having to deal with, Baghdad is being way too ambitious.

Oil India May Buy Fields in Africa, Latin America, Australia

(Bloomberg) -- Oil India Ltd., the nation's second- biggest state-run explorer, is seeking to buy oilfields in Africa, Latin America and Australia to cut imports and meet energy demand in India, Asia's third-biggest consumer.

BP Interested in Brazil Assets, China Projects

(Bloomberg) -- BP Plc is interested in acquiring assets in Brazil and is working with China Petrochemical Corp. to expand in Asia, Chief Executive Officer Tony Hayward said today.

"If we can find the right opportunity, we'll enter Brazil," Hayward said in an interview at the World Economic Forum in Davos, Switzerland today. "We've signed an agreement with Sinopec," and "we continue to see new opportunities, like shale and other things" in China.

Brazil to renew energy contracts by decree-report

SAO PAULO (Reuters) - Brazil's Mines and Energy minister on Friday denied that a draft provisional measure had been prepared that would enable concessions for electricity firms to be renewed by decree ahead of their expiry in 2015.

Friday's Folha de Sao Paulo newspaper said such a measure was afoot to reduce regulatory uncertainty that had damped investments and mergers in the sector, to help utilities firms raise funds from banks by showing concrete future plans.

Nigerian Militants Cancel Cease-Fire With Government, AP Says

(Bloomberg) -- Nigeria's main militant group has ended a cease-fire with the government and pledged to renew attacks on the nation's oil industry, the Associated Press reported, citing a statement from the group.

SNAP ANALYSIS - Nigerian oil militants end ceasefire

MEND was significantly weakened by last year's amnesty programme, with several of its top field commanders handing over their weapons in return for clemency. It is The Oil Drum | Drumbeat: January 30, 2010

unclear who is in charge and what operational capacity the group has left.

But oil infrastructure in the delta, a network of thousands of shallow creeks opening into the Gulf of Guinea, is extremely exposed with thousands of kilometres (miles) of pipeline passing through remote and thickly-forested terrain.

"To damage a pipeline just takes one youth who is able to swim and carry a beer bottle that is filled with sand and petrol," Emmanuel Uduaghan, governor of Delta state, one of the three main states in the region, said last month.

Arch Coal Plunges After Profit Falls Below Estimates

(Bloomberg) -- Arch Coal Inc., the second-largest U.S. coal producer, plunged the most in 13 months after it said fourth-quarter profit missed analysts' estimates on lower shipments amid the worst recession since the 1930s.

Woodside Construction Workers Return to Australian LNG Project

(Bloomberg) -- Woodside Petroleum Ltd., Australia's second-largest oil and gas producer, said construction workers who went on strike at its Pluto liquefied natural gas project in Western Australia returned to their jobs today.

Gold Versus Co2 Bancor, Why Are Gold Bugs Scared?

As we noted above, the US dollar is already Bancor, in the fiat money sense that its creation and circulation has no need at all to relate to fundamentals. Not for nothing, 'Time' magazine in 1999 named Keynes as one of the 20th century's most influential persons, writing: "His radical idea that governments should spend money they don't have may have saved capitalism".

With a CO₂ Bancor, capitalism can create virtual money and survive the final energy crisis, when the after-peak oil fall in global energy supply begins to be really serious, well before 2020. Other natural resource stress points and strangleholds can be added. These affect everything from iron ore and coal transort and supply, to water and soil resources. All need massive remedial investment spending to avert serious and permanent shortage, making it very desirable to have a new world reserve money, with a tendency to fewer zero's after the spending need estimates.

Kentucky studies 42 locations with best potential for nuclear plants

State officials are scouting potential nuclear power plant sites around Kentucky as part of a broader effort to expand the state's electricity supply beyond traditional coal-fired generators.

Sydney desalination plant splits opinion

One of the world's biggest desalination plants is about to open in Australia's most populous - and thirstiest - city, Sydney.

The \$1.7bn (£1.04bn) scheme has been driven by concerns about climate change and of erratic rainfall patterns in a fast-growing metropolitan area attracting 50,000 new residents each year.

Climate chief was told of false glacier claims before Copenhagen

The chairman of the leading climate change watchdog was informed that claims about melting Himalayan glaciers were false before the Copenhagen summit, *The Times* has learnt.

Rajendra Pachauri was told that the Intergovernmental Panel on Climate Change assessment that the glaciers would disappear by 2035 was wrong, but he waited two months to correct it. He failed to act despite learning that the claim had been refuted by several leading glaciologists.

Obama Orders Government To Slash GHG Emissions 28%

President Obama has ordered the government, the largest consumer of energy in the U.S., to reduce its greenhouse gas emissions 28 percent by 2020.

...The federal government, which occupies nearly 500,000 buildings, operates more than 600,000 vehicles, employs more than 1.8 million civilians, and purchases more than \$500 billion per year in goods and services, spent more than \$24.5 billion on electricity and fuel in 2008 alone. Achieving the federal GHG pollution reduction target will reduce federal energy use by the equivalent of 646 trillion BTUs, equal to 205 million barrels of oil, and taking 17 million cars off the road for one year. This is also equivalent to a cumulative total of \$8 to \$11 billion in avoided energy costs through 2020, according to the White House.

SOMERIGHTS RESERVED This work is licensed under a <u>Creative Commons Attribution-Share Alike</u> 3.0 United States License.