



Drumbeat: February 3, 2012

Posted by [Leanan](#) on February 3, 2012 - 9:25am

[Once, men abused slaves. Now we abuse fossil fuels](#)

Intriguing similarities between slavery and our current dependence on fossil-fuel-powered machines struck me: both perform roughly the same functions in society (doing the hard and dirty work that no one wants to do), both were considered for a long time to be acceptable by the majority and both came to be increasingly challenged as the harm they caused became more visible.

The history of slavery and its abolition shows how blurred the frontier between what is considered good and evil can be, and how quickly it can shift. We have a mental image of slave-owners as cruel, sadistic, inhuman brutes, and forget too easily the ordinariness of slave ownership throughout the world. To many, slavery seemed normal and indispensable. In the US, George Washington and Thomas Jefferson owned slaves. Lifestyles and healthy incomes were predicated upon it, just as we today depend on oil. Similarly, many slave-owners lived with the impression that they were decent people.

[Oil Rises From Near Six-Week Low Before Jobs Report; Brent Premium Widens](#)

Oil headed for a weekly decline before a report that may show U.S. employers hired fewer workers last month than in December. Brent crude's premium to the New York price is set for the largest weekly gain in a month.

Futures traded near a six-week low after dropping a fifth day yesterday, the longest losing streak since August. The U.S. added 140,000 jobs in January after gaining 200,000 in December, according to a Bloomberg News survey of economists before a Labor Department report today. London-traded Brent's premium to West Texas Intermediate crude, the U.S. benchmark, widened 30 percent this week to the most since Nov. 12.

(Actual job numbers were [way better](#) than predicted.)

[U.S. gasoline heads for "epic summer"-Citi's Kleinman](#)

(Reuters) - Refinery outages in the U.S. and Europe and lower U.S. crude prices will support U.S. gasoline refining margins and enable traders to profit from rising U.S. gasoline futures, said Seth Kleinman, global head of energy strategy at Citi.

"U.S. gasoline looks fantastic - it is heading for an epic summer," said Kleinman, speaking at the ETF Securities Investment Conference in London on Thursday. "Structurally it will be very supportive for the entire oil market."

[Bets on Raw Materials Rising Most Since '06 as Factories Grow: Commodities](#)

Investments in commodities are expanding at the quickest pace in six years on signs of rising economic growth, even as JPMorgan Chase & Co. and Goldman Sachs Group Inc. warn that some prices have rallied too fast.

The number of futures contracts on 24 commodities from oil to copper rose 9.3 percent last month, the most since January 2006, according to data compiled by Bloomberg. Speculators are the most bullish since November, Commodity Futures Trading Commission data show. Gold and silver had the best start to a year since 1983, orange juice posted its biggest rally in more than three decades, the LME gauge of six industrial metals rose the most since 2006, and cattle futures advanced to a record.

[North Sea Oil Exports to Asia at 8-Year High: Energy Markets](#)

(Bloomberg) -- More North Sea oil is being shipped to Asia than at any time in the past eight years as prices fall to their cheapest levels in 15 months compared with Middle East alternatives.

[Deja vu as Russia gas cuts hit eight more EU countries](#)

BRUSSELS - Eight EU countries have joined Italy in noting a sharp drop in Russian gas supplies, in events recalling the massive 2009 crunch.

Gazprom deliveries to Austria and Slovakia reportedly fell by 30 percent on Thursday (2 February). Shipments to Poland fell 7 percent and Czech distributor RWE Transgaz said deliveries are "several" percent lower than normal.

[EU says gas supplies are down despite Gazprom claim](#)

(BRUSSELS) - The EU executive said Friday that gas deliveries have fallen in eight countries, despite Russian insistence that volumes had increased amid a sudden drop in temperatures.

As temperatures plunged to fresh lows in a week-long cold snap that has claimed more than 220 lives, the European Commission said Austria, Bulgaria, Greece, Hungary, Italy, Poland, Romania and Slovakia had each registered drops in gas supplies.

[Ukraine blames Russia for gas shortages in Europe as severe cold spell grips region](#)

KIEV, Ukraine — Ukraine's government is blaming Russia for natural gas shortages in some European countries as a severe cold spell grips the region.

Fuel and Energy Minister Yuri Boiko said Friday that Russia was shipping some 15 percent less gas than usual because of increased domestic consumption due to the cold weather.

[Risks to UK gas security abound - Ofgem chief](#)

LONDON (Reuters) - A lack of sufficient gas storage, heavy dependence on Qatari liquefied natural gas (LNG) and an unknown American capacity to export gas to Europe are all risks to Britain's gas supply security, the UK's energy regulator chief said this week.

"Fundamentally we are very concerned about security of (energy) supply," said Ofgem Chief Executive Alistair Buchanan at a gas seminar on Thursday evening.

[Lukoil reserves 17.3 bln barrels of oil equivalent](#)

MOSCOW (Reuters) - LUKOIL, Russia's second-biggest oil producer, said on Friday that proven hydrocarbon reserves as of Dec. 31 were 17.3 billion barrels of oil equivalent, including 13.4 billion barrels of oil and 23.2 trillion cubic feet of gas.

The company also said it replenished oil already produced by more than 100 percent in 2011, with 619 million barrels of oil equivalent added thanks to exploration and a further 197 million barrels of oil equivalent gained by a "reinterpretation of previous assessments."

[Huhne Resigns as U.K. Energy Secretary After Being Charged](#)

Chris Huhne resigned as U.K. energy secretary after becoming the first serving Cabinet minister to be charged with a serious criminal offense in modern times.

Prosecutors have "sufficient evidence to bring criminal charges" against Huhne and his ex-wife, Vicky Pryce, of perverting the course of justice, the director of public prosecutions, Keir Starmer, said in a televised statement in London today. The charges were laid after Pryce accused Huhne of lying about a speeding ticket nine years ago.

[Employment minister Davey named Energy Secretary](#)

(Reuters) - Employment minister Ed Davey was appointed Friday as Energy and

Climate Change Secretary to replace Chris Huhne who has resigned following news he is to be charged over allegations he tried to cover up a speeding offence.

[Oil Royalty Raise on U.S. Lands 'Not Imminent,' Agency Says](#)

A proposal to increase royalty rates for energy production on federal lands isn't imminent and won't be included with President Barack Obama's 2013 budget proposal this month, an administration official said.

Environmental groups including the Wilderness Society said the administration should consider raising the payments to as much as 20 percent. The federal government collects 12.5 percent of the value of oil produced on federal land and 18.75 percent offshore.

[Norway's Oil Bonds Chase Record Spending Amid Offshore Boom](#)

(Bloomberg) -- Norway's corporate bond issuance is growing at the fastest pace in at least six years as Europe's biggest oil exporter prepares for record spending on its offshore industry.

[Spain's Repsol begins Cuba offshore drilling-sources](#)

HAVANA (Reuters) - Spanish oil company Repsol YPF has begun drilling the first well in Cuba's long-awaited exploration of offshore oilfields that the communist country says hold both billions of barrels of oil and the key to greater prosperity, industry sources told Reuters on Thursday.

The massive Scarabeo 9 drilling rig, which arrived in Cuban waters two weeks ago, began drilling into the sea floor about 30 miles northwest of Havana on Tuesday night, the sources said.

[Uganda and Tullow sign deal to start oil production](#)

Uganda's government has signed production agreements with the London-based company Tullow oil.

The deals pave the way for a \$10bn (£6bn) investment in a refinery and crude oil export pipeline.

[PetroChina, Shell Deepen Ties for 'Powerful' Shale Potential](#)

PetroChina Co. (857) and Royal Dutch Shell Plc (RDSA) deepened their collaboration in

exploring unconventional gas resources with the Chinese company investing in a Canadian project and the European oil producer pledging to help it step up drilling to tap shale reserves in the second-largest economy.

[Wyoming adopts new gas flaring rules](#)

CHEYENNE -- Top state officials and education advocates say a new natural-gas flaring policy is a "step forward" to securing more royalties for minerals on state school trust lands.

The Wyoming Board of Land Commissioners voted Thursday to accept new standards and procedures to determine when companies can flare gas without paying state royalties.

['Bayou Billionaires' Brings Gas Boom To Reality TV](#)

NEW YORK (CNMoney) -- The fracking-led oil and natural gas boom that's received widespread attention in the mainstream press has moved to a new medium: reality TV.

[Japan protests to China over undersea gas drilling](#)

TOKYO (AP) — Japan has accused China of unilaterally exploring gas deposits in the East China Sea, in violation of an agreement to jointly develop disputed areas.

Chief Cabinet Secretary Osamu Fujimura told reporters Wednesday that Japan protested to China after a flare was seen Tuesday at a Chinese structure at an undersea gas deposit. Japan has made similar complaints several times in the past.

"We have detected a flare, a sign that it is highly likely that there is a gas development going on," Fujimura said. "Any unilateral exploration is unacceptable."

[China rejects Japan protest over gas exploration](#)

(AP) BEIJING — China has rejected Japanese protests over alleged improper exploration of gas deposits in the East China Sea.

The Foreign Ministry said Friday the recent activity had taken place within Chinese-controlled waters and was completely normal. A ministry statement said China was strongly dissatisfied with recent comments from Japanese officials.

[Egyptian Police Fire Teargas at Cairo Protests After Deadly Soccer Clash](#)

Egyptian police used tear gas to disperse protesters in Cairo and two people were reported killed in Suez as unrest persisted following violence at a soccer match this week that left more than 70 dead.

Crowds tried to storm police headquarters in both cities, the state-run Middle East News Agency reported. Demonstrators blame police for failing to prevent the violence that followed a soccer match on Feb. 1 in the coastal city of Port Said.

[Gunmen kidnap 2 Americans and an Egyptian in Sinai](#)

Egypt has faced deteriorating security and a surge in crime since the popular uprising that ousted Hosni Mubarak nearly a year ago. Protesters accuse the military council that has assumed power and the police force of negligence.

The unrest led to a sharp drop in the country's vital tourism sector, with revenues plunging almost 30 percent last year.

[Sacrifices in vain on the Afghanistan war path](#)

A NATO report made public yesterday suggests that the Taliban, backed by Pakistan, is set to retake control of Afghanistan after NATO-led forces withdraw.

Although not a strategic study the report begs the question, has the sacrifice of our Australian diggers been in vain? Has our contribution to the war on terrorism as Australian taxpayers been money well spent?

[Rights group: Syrian security forces have tortured children](#)

(CNN) -- Syrian army and security officers have detained and tortured children with impunity during the past year, a rights group claimed in a report Friday, as it urged the U.N. Security Council to act on Syria.

The Human Rights Watch report comes as the U.N Security Council considers a draft resolution intended to pressure Syria to end its months-long crackdown on anti-government demonstrators -- and as violence continues unabated in Syria.

[Iran's Khamenei warns over military strike, oil embargo threat](#)

TEHRAN (Reuters) - Iran's Supreme Leader Ayatollah Ali Khamenei said on Friday the Islamic Republic would not yield to international pressure to abandon its nuclear course, threatening retaliation for sanctions aimed at Iran's oil exports.

"Threatening Iran and attacking Iran will harm America ... Sanctions will not have any

impact on our determination to continue our nuclear course ... In response to threats of oil embargo and war, we have our own threats to impose at the right time," Khamenei told worshippers in a speech broadcast live on state television.

[Panetta says Israel could strike Iran in spring: report](#)

US Defense Secretary Leon Panetta believes there is a "strong possibility" that Israel will strike Iran's nuclear installations this spring, the Washington Post said Thursday in an editorial.

When asked about the opinion piece by reporters travelling with him to a NATO meeting in Brussels, Panetta brushed it aside.

[New fears over Iran's missile capability](#)

IRAN is developing a missile capable of hitting the east coast of the US, according to an Israeli government minister, intensifying western anxiety over the regime's nuclear ambitions.

The fresh alert was further heightened by reports that the US Defence Secretary, Leon Panetta, believes a pre-emptive strike on Iran's nuclear facilities by Israel looms likely and could come as soon as April.

[The World According To Noam Chomsky](#)

With the instability in Iran and scoping the long-term horizon, do you see the potential for World War III, given the natural resources crunch ahead for humanity – with shortages of food, water and oil all looking likely?

"I don't think we are approaching an international resource war, but the problem of natural resources is serious. In terms of fossil fuels, it is not that we are running out – they are actually too easily available. The use of fossil fuels is having a very real impact on the chances of survival. The recent emissions reports from the International Energy Agency and the US Department of Energy indicate that the worst-case scenarios of the International Panel on Climate Change were too conservative. There may be only a few years until we reach the point where the window closes and you can't really do anymore. Now, that is serious. The new techniques on extending the use of fossil fuels, fracking and so on with shale gas and the tar sands in Canada, are extremely dangerous. Not only because they are extending the use of fossil fuels, but also because they have damaging local effects on the environment. They take a massive use of water, which is an increasingly scarce resource itself. They are not only using water, but poisoning local water through use of chemicals. These tendencies are quite ominous, I think.

[All this carbon-cutting is a waste of energy](#)

Neither Boris Johnson nor Ken Livingstone is willing to deliver the uninterrupted, cheap energy London needs.

[The Peak Oil Crisis: Election 2012](#)

If current trends continue, gasoline prices and U.S. energy policy seem destined to play a larger role in the political debate prior to the November elections than ever before. Gasoline on the East Coast is already within striking distance of all-time highs and most prognosticators are talking about the likelihood of \$4+ gasoline before summer. Although the U.S. consumer is more inured to \$4 gasoline than four years ago, the crossing of the \$4 barrier is bound to set off another round of recriminations and finger pointing as to just who or what is causing this phenomenon. If what happened in 2008 is any indication we are in for another round of bizarre proposals from our politicians - remember the "sue OPEC" legislation.

[Economic growth and the future...](#)

Hydraulic fracking, digging up the tar sands of Canada and the desperate deep sea oil exploration are some of the signs that peak oil and energy descent is upon us.

The low hanging fruit are all but gone.

[The Secret Behind Report 117](#)

What started as a typical call with a friend turned into an hour-long conversation about Peak Oil. Both of us had just gotten word of Australia's Report 117 and the fact that the Australian government was keeping a tight lid on its contents.

"So you're saying it was okay for them to bury it like that?" I asked.

"Nowadays, I don't put anything past them... Besides, it's not like we didn't see it coming."

[Peak oil really could destroy the economy – just not in the way greens think](#)

It is one of the key tenets of the global green religion: 'scarce resources' are running out; they must be preserved for 'future generations'; ergo, we must reduce our consumption of them either through self-abnegation or through state intervention ranging from market manipulation (e.g. taxes and subsidies to drive us all from fossil fuels) to full-on rationing. If you refer back to the previous paragraph, you may detect a certain irony here.

Yes, in the name of averting global economic disaster, concerned greens have been pushing the very policies most likely to cause it. Driving up energy prices, discouraging

consumption, increasing regulation, rationing resources: these are not, I think we can all agree, methods traditionally associated with getting an economy out of a depression.

[The solution to peak oil](#)

Peak oil is not a theory, it is a fact. Although we cannot be sure of exactly when demand will outstrip supply, the fact that oil is a finite resource means that it will happen. Sooner rather than later. If humanity is going to survive with any dignity we will need to transition back to a system that is based on the ultimate source of all our energy, the Sun.

[What a resource-constrained economy means for cleantech](#)

Let me start by asking, 'What resources constrain the economy?' In the 20th century the McKinsey Global Institute Commodity Price Index fell by half. This is despite population going up fourfold, and the global economy growing by 20 times (For this and other McKinsey references below see their excellent report on Resource Revolution). Malthus was proved wrong; we didn't live in a resource-constrained world.

But that's no longer true. In the last 10 years that commodity index has gone all the way back up. Why? There are more people, and more of those people are prosperous than ever before – 3 billion will be added to the global middle class in the next 20 years. Expanding existing sources is more expensive and more difficult. The world is more interlinked; a small crisis in one commodity can quickly affect many more, creating a bigger shock. And, crucially, we've degraded the natural world so much that it cannot withstand shocks like it used to, making us all much more vulnerable.

[Bill Rees' Last Lecture](#)

Though tinged with hope, his message rides on tremendous consequences from inaction. Rees quoted from the 2007 Swedish Tällberg Forum which stated, "Do we know what we need to do? Probably yes. Will we do it? Probably not."

Rees laid out it down. "Failure to assert collective reason over instinct will lead to civil strife, resource wars and ecological destruction. That's the summary of the entire course."

[Nuclear Reactor Incidents Are Reminders of Need for Preparedness](#)

A reactor at a Southern California nuclear power plant was shut down after a leak in a steam generator tube on Tuesday, Reuters reported. This incident came a day after WIFR reported a nuclear plant lost power and shut down in Byron, Ill., on Monday. While both incidents were determined to not be high emergency levels, they are reminders of the importance to include nuclear disaster planning in individual and family

emergency plans.

[Wishing Upon an Atom in a Tiny French Village](#)

Even in the wake of the meltdown in Japan, as France's European neighbors have begun to close nuclear plants, this village quite likes its power station. Just a mile or so from the border with Germany — which closed its eight oldest reactors within days of the Fukushima disaster — Fessenheim seems a fitting symbol of France's attachment to the atom.

[58% vs. 27% - Sharp Divide Between Republicans and Democrats on Energy and the Environment](#)

No issue divides more along partisan lines than the importance of environmental protection - 58% of Democrats say it is a top priority, compared with just 27% of Republicans.

[Civic hybrid owner wins in court over too-low mpg](#)

Southern California Honda Civic hybrid owner Heather Peters won \$9,867 in a court fight with Honda over what she said was her car's too-low mileage.

[Clouds gather over Spain's renewables sector as aid cut](#)

Spain's push to become a world leader in renewable energy risks collapsing after the government slammed the brakes on generous subsidies as part of an austerity drive.

Prime Minister Mariano Rajoy's government passed a decree on Friday to "temporarily suspend" subsidies for all new wind, solar, co-generation or waste incineration plants as it seeks to curb the public deficit.

[Federal Government Opens More Ocean to Wind Projects](#)

Enthusiasm for offshore wind projects may have cooled among developers in the United States these days, but the Obama administration is still trying to make a ribbon of wind farms off the Atlantic Coast a reality.

[Towards a More Energy Efficient Food System](#)

So how much energy is required to grow food? According to Webber, about *10 percent* of the U.S. energy budget is associated with "producing, distributing, processing, preparing and preserving the plant and animal matter we consume." And what's the

rate of return on that investment of energy? Unfortunately, it's not very good. "The energy used to make food is vastly greater than the amount of energy we get out of it," writes Webber. In the United States, it takes about 10 units of fossil energy to produce one unit of food energy.

[Too much, too fast, too soon? The future of the Arctic in the times of 'cold rush'](#)

BRUSSELS – Environmentalists, oil and gas industry representatives, the European Commission and certifiers of oil and gas installations were in agreement that the risks of oil and gas operations in the Arctic are far greater than in most other places in the world during a European Parliament conference on Wednesday.

[EU Climate Chief Seeks Doubling of Global Clean Energy at Rio](#)

European Union Climate Commissioner Connie Hedegaard said countries meeting at a conference in June should pledge to double the share of renewable energy they use by 2030 and give all citizens access to sustainable power.

The nations also need to double the world's energy efficiency, Hedegaard told reporters today in New Delhi.

[Euro Parliament backs low-carbon road map](#)

BRUSSELS (UPI) -- A European Parliament committee this week approved an EU "road map" to a low-carbon economy that seeks to go beyond current greenhouse gas reduction targets.

The European Parliament's Committee on the Environment Tuesday passed a report written by British MEP Chris Davies that backs the European Commission's "Road map for Moving to a Competitive Low Carbon Economy in 2050," giving it a key legislative victory.



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