



## DrumBeat: March 7, 2008

Posted by [Leanan](#) on March 7, 2008 - 9:45am

Topic: [Miscellaneous](#)

### [New 'super-spike' might mean \\$200 a barrel oil](#)

NEW YORK (MarketWatch) -- With \$100-a-barrel here for now, Goldman Sachs says \$200 a barrel could be a reality in the not-too-distant future in the case of a "major disruption."

Goldman on Friday also boosted by \$10 the low end of its 2008-2012 projected range for crude to \$60 a barrel -- significantly lower than current prices, to be sure, but a possible mark for oil if "normalized" trends return to the marketplace.

...Goldman analysts Arjun Murti, Kevin Koh and Michele della Vigna said prices have advanced more quickly than Goldman had forecast back in 2005, when it predicted a range of \$50 to \$105 a barrel as part of its "super-spike" oil theory.

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### [\\$100 oil hurts, just like a recession](#)

NEW YORK (CNMoney.com) -- All of those people that believe high oil prices will hurt the economy may be onto something.

Back in October, when oil prices were near \$90 a barrel and the economy was still humming along economists said high oil prices shouldn't cut into economic growth - despite widespread public opinion to the contrary. The economy used oil more efficiently than it did in the 1970s, and spending on gas was just a small percent of people's budget, the experts said.

Fast forward to March and you've got a sputtering economy, and economists saying \$105 oil deserves a big part of the blame.

### [U.S. missteps in Mideast weaken influence with OPEC](#)

WASHINGTON (Reuters) - U.S. missteps in the Middle East have estranged Washington from some long-time allies in the region and made OPEC suppliers less inclined to rescue the top consumer from record oil prices that are battering an already-fragile American economy.

Tempers flared this week at the White House after OPEC rejected U.S. calls to boost production, helping to send oil to yet another record above \$100 a barrel. OPEC officials blamed high oil prices -- which topped \$106 on Friday -- on the mismanagement of the U.S. economy.

..."The White House's fundamental problem is they don't have credibility with the issues that are important to OPEC, so they're not inclined to give us a break on price," said David Goldwyn, an energy consultant.

"There's no motivation right now for them to help us out with more production," Goldwyn said.

### [Stagflation Redux](#)

*It may not seem as bad as in the 1970s. But that doesn't mean it won't be painful.*

...In his smart new entry in the behavioral economics genre, [Predictably Irrational](#), Dan Ariely writes about the importance of context: People routinely make business decisions and judgments by comparing them to recent events rather than the distant past. Your relative happiness with your salary and bonus doesn't rest on comparing it with what you made 10 years ago; it rests on comparing it with what you made last year, and with what the people sitting next to you are making this year. Yes, consumers today aren't being ravaged by inflation, high interest rates, and slow growth as they were in the late 1970s. But that's of little solace. Consumers compare their purchasing power and job prospects today with their purchasing power and job prospects of a year ago, or a few months ago. And that's why the sudden decline in growth late last year and the persistent rise in prices are a slap in the face. This case of stagflation may be mild by historical standards. But since we haven't experienced it in decades, our coping mechanisms are weak. That's why consumer confidence has fallen of a cliff in the last several months.

### [Raymond J. Learsy: Bush's Hypocrisy, OPEC's Arrogance, The Oil Mess We Are Living](#)

The *New York Times* article informs us that we, and our dollar are primarily to blame for the current vertiginous oil prices. Why, in the past year alone "the dollar has lost 17 percent of its value against the euro." No mention, of course, that in January of 2007 the price of oil touched \$50 a barrel, making the increase in price since some 110%, a long way from the 17% being trumpeted by the *New York Times* and OPEC flacks. By the way, if you're doing your sums, a 17% increase compensating the fall of the dollar's value on the January 2007 price would bring prices to \$58 a barrel, not the \$104/bbl we have today.

And then of course the *Times* goes on to applaud the Saudis for steadily producing 9.2 million barrels a day "day in and day out" to keep the market "well supplied." No investigative journalism here to determine what the Saudis could produce at full tilt. Most likely well in excess of 10 million barrels a day, and given what indeed we know

about the modest estimation of their reserves (more than 260 billion barrels and probably closer to 700 billion barrels) could continue doing so for well over a hundred years.

### [Conflict between Ukrainian leaders over natural gas dispute with Russia deepens](#)

KIEV, Ukraine: The conflict between Ukraine's leaders over a long-standing natural gas dispute with Russia deepened Friday, after President Viktor Yushchenko insisted that the country may continue to need intermediaries to buy natural gas from Russia.

Prime Minister Yulia Tymoshenko has campaigned to get rid of the middlemen used to import gas from Russia, saying they are used to siphon money into private pockets.

Yushchenko has taken a more cautious position in gas negotiations with Russia, saying that being too demanding may result in a price hike for Ukraine.

### [Oil prices hit record high of \\$106.54 a barrel, fueling recession fears](#)

NEW YORK - Oil prices jumped to a new record above \$106 Friday but extended their recent pattern of choppy trading after a weak jobs report convinced many traders that the Federal Reserve's interest rate cutting campaign will continue.

..."The higher the market goes, the more volatile it becomes," said Darin Newsom, senior analyst at DTN in Omaha, Neb. "Does it mean that the rally is over? No."

...Light, sweet crude for April delivery fell 36 cents to \$105.11 a barrel on the New York Mercantile Exchange after setting a new trading record of \$106.54.

### [Hunt CEO: 'Higher Price Here to Stay...Market Will Sort Things Out'](#)

Hunt Oil Co. chief executive Ray Hunt is an economist, not a geologist or an engineer, like so many of his peers.

So when he says of oil markets, "This higher price regime is here to stay," he talks about gross domestic product, not difficult drilling conditions or expensive oilfield equipment.

Mr. Hunt said in a speech Thursday to the Texas Energy Council that he's long predicted that higher oil prices would persist because people in developing countries are close to a tipping point in energy use.

With a small boost to the economy in, say, Vietnam or China, some people can buy their first cars or washing machines and begin using a lot more fuel, boosting global oil demand and prices. The same small economic gain in the U.S. wouldn't increase energy consumption so much, he said.

### [Asia fuel oil storage glut could trigger casualties](#)

SINGAPORE (Reuters) - Singapore's fuel oil market, a major driver of world prices, is facing its biggest shake-up in more than a decade as a near doubling in storage capacity could lead to big players controlling more of the fragmented industry.

Morgan Stanley's deal last month to buy a stake in a bunker fuel firm may be the start of the trend; at the same time, companies such as ConocoPhillips and PetroChina are expanding their presence in the market for shipping and utility fuel.

### [Mexican Laws Put `Straitjacket' on Pemex, Chief Says](#)

(Bloomberg) -- Mexican energy laws put a ``straitjacket" on Petroleos Mexicanos, the state-owned oil company, and changes must be made before the company can successfully drill in deep water, said Chief Executive Officer Jesus Reyes Heroles in a radio interview.

Most of Mexico's prospective oil resources are located in Gulf of Mexico waters that are more than 1,000 meters deep (3,281 feet). The company known as Pemex doesn't have enough flexibility to operate in deepwater under laws that are the same for buying pencils or petrochemicals, Reyes Heroles said today in an interview with Grupo Imagen.

### [Mexico ruling party mulls separate energy bill](#)

MEXICO CITY, March 6 (Reuters) - The ruling conservative party, which wants the Mexican state oil monopoly to partner with foreign companies to drill in the Gulf of Mexico, will submit such a proposal if it cannot agree with opposition parties on a joint energy bill, a senior lawmaker said on Thursday.

### [Saudi Aramco to Take 50% Stake in Sinopec's Qingdao Refinery](#)

(Bloomberg) -- Saudi Aramco, Saudi Arabia's state- owned oil company, will take a 50 percent stake in a 12.5 billion-yuan (\$1.8 billion) oil refinery that China Petroleum & Chemical Corp. is building.

The refinery at Qingdao in Shandong province will start processing crude oil in early April, Zhou Yuan, the vice chairman of Sinopec, as China Petroleum is known, said in an interview in Beijing today. Sinopec will take the remaining 50 percent stake, according to Zhou.

### [What is driving Aluminium prices](#)

Aluminium prices have surged almost 17% in the current month. During February, the domestic spot aluminium market made a monthly high of 123.2 per kg where as the LME spot and 3 month forward were trading at 3070 and 3106 USD per tonne respectively.

According to the International Aluminium Institute, global aluminium production in January 2008 decreased 2.3 percent to 3.23 billion tonnes from the record 3.308 billion level reached in December 2007. Production in China and Africa fell in January mainly due to severe winter weather in China and problems with cuts in power supplies affecting South African mines.

### [Eskom exported power during crisis: Electricity sold cheaply to neighbours while we suffered](#)

Eskom increased exports to neighbouring countries in January, the month it shut down the local mining industry for five days and subjected cities to rolling blackouts that averaged more than three hours a day.

Statistics South Africa's electricity data for January shows Eskom's exports were nearly 13 percent higher than in January 2007.

### [Mines look set to receive 95 per cent power](#)

South Africa plans to give its mines 95 per cent of their normal power capacity.

Mines are currently operating at 90 per cent since production had to be stopped for five days in January due to power shortages.

But Mining Minister Buyelwa Sonjica has said that mines will be allowed to increase their electricity consumption to 95 per cent.

### [Tajikistan: helping elderly people survive in the cold without heating](#)

Even elderly people in Tajikistan cannot recall when the country experienced such a harsh winter. Temperatures this winter have fallen below minus 20 degrees Celsius, which is extremely unusual for the region. The effects of the cold wave were made worse by frequent power shortages. In some villages, people only have electricity one or two hours a day, and the power supply to the capital city Dushanbe is reduced to ten hours a day - five hours of electricity in the morning and five in the evening. This rationing is applied to all buildings – commercial, administrative and private homes.

### [Daylight saving time costs nation \\$1.7 billion](#)

In making the case for expanding daylight saving time, Reps. Markey and Upton promised Americans it could reduce fossil-fuel consumption by the equivalent of 100,000 barrels of oil a day. It turns out, however, that the 100,000-barrel-a-day estimate was based on outdated data from 1974, when then-President Richard Nixon, in the midst of an energy crisis, ordered clocks moved ahead an hour in January. In fact, there is no reliable data supporting the premise that DST significantly reduces energy consumption. U.S. Department of Energy (DoE) officials admit "the jury is still out on the potential national energy savings."

As is so often the case, Washington adopted a political policy of shooting first and asking questions later, ordering DoE to submit a study to Congress, due on an unspecified future date, on whether DST actually saves energy. The study has not yet been done.

### [Hybrid tax credit shock](#)

NEW YORK (CNMoney.com) -- If you bought a hybrid vehicle last year, and you were counting on a tax credit, you may be in for a nasty surprise.

### [Global-Warming Payola?](#)

All right, let's talk about the money.

After I asked readers to focus on the substance of the skeptics' arguments at this week's conference on global warming, readers insisted that I should have focused on the financing of the sponsor, the Heartland Institute. Others objected to my (and my colleague Andy Revkin) even writing about a conference sponsored by this group. I'm used to this sort of criticism, but I still find it baffling. Do the critics really think there's more money and glory to be won by doubting global warming than by going along with the majority?

### [Scraping the barrel](#)

There are good reasons why the world should wean itself from oil - but the doomsday cult of peak oil isn't one of them.

The theory has been around for as long as people have been extracting oil. It has been getting its predictions of the end wrong, repeatedly, for just as long. It's hard to keep track, but the latest forecasts say we'll reach the peak as early as 2010. Kenneth Deffeyes, the Princeton professor who is a doyen of the movement, even says it happened in 2005.



## [The Fed fed oil inflation, not OPEC](#)

Let us not be fooled by peak oil theorists and others who paint pictures of soaring demand and failing supply, as if the price of oil were actually being driven by strict market forces. There are, to be sure, real supply-demand issues in the energy market, including the growing influence of state oil companies and rogue governments over the supply of oil. But recent oil price moves, as with the last major oil crisis in the 1970s, are about supply and demand all right, but not for oil. It's the market price for the U.S. dollar.

## [Two Explanations for Surging Oil Prices](#)

Here are two European insights on current developments in the price of oil. One is from Barclays and the other by Chris Skrebowski who maintains a list of global oil fields under development (megaprojects) and edits *Petroleum Review*. The reports are in close agreement.

## [The Elephant In The Room](#)

It is obvious that something has massively increased the world's carrying capacity in the last 150 years. During the first 1800 years of the Common Era, like the tens of thousands of years before, the population rose very gradually as humanity spread across the globe. Around 1800 this began to change, and by 1900 the human population was rising dramatically:

That something is oil.

## [Local Solutions Needed In Response To Global Challenges](#)

While discussion of the potential consequences and mitigation of climate change have finally gained traction in the public arena, the issue of peak oil remains relatively covert. Nevertheless a growing number of petroleum industry analysts, whose business is to track and predict global crude production, assert an undulating plateau of supply has been reached, with a permanent decline likely as soon as 2010. Significantly, the trajectory of natural gas production also seems to be at or near a similar downslope. As with climate change, we likely have entered a brief pause after which options will rapidly close down due to mounting shortages. \$10 per gallon gas, anyone?

## [Carolyn Baker: Personal Survival In a World Gone Mad](#)

*The Path Through Infinity's Rainbow* is a blending of reality and vision. While it's true that the first page of the introduction states that "...the patient effort of five hundred

human generations and the struggles of ten momentous millennia are in the process of being obliterated forever, as though they never occurred," it is also true that the very first paragraph states:

*This book is intended to empower you to navigate through the coming years of crisis, to survive and transform, and to participate in the creation of a new and sustainable political economy. It is a guide for thoughtful, knowledge-based action.*

### [Peak Oil? Peak Soil!](#)

What few people grasp is the connection between oil and the food supply. Put simply, the food and farm economies of industrialized countries run on the stuff. Oil and its derivatives are used to power farm equipment, to create synthetic fertilizers and pesticides, to run food processing equipment, and to transport food from field to fork, a journey of 1500 miles for the average forkful.

### [Should a Liberal Education Include an Agricultural Education?](#)

Even if seeds survive climate change and mass extinction in a bomb-proof vault, will anyone remember how to cultivate them? It's a safe bet that many Americans have never set foot on a working farm and have no clue how farmers coax the most common vegetables out of the ground. (I'm both amused and unnerved when my neighbors visit my garden, point to plain lettuce, and say, "What's that?")

### [Oil Analyst Says Renewables Get Competitive](#)

Those who believe that oil is running out have a special scorn for prominent oil industry consultant and analyst Daniel Yergin, chairman of Cambridge Energy Research Associates. Yergin, who wrote *The Prize*, the Pulitzer Prize-winning book that stands as the definitive history of the oil industry, has often dismissed concerns that the world is at or near "peak oil," or the point at which petroleum production will begin an inexorable decline.

### [Norway oil, gas resources 13 bln cubic metres - NPD](#)

OSLO (Reuters) - Norway's total recoverable oil and gas resources were 13 billion cubic metres of oil equivalents at the end of 2007, little changed from a year earlier, the Norwegian Petroleum Directorate (NPD) said on Friday.

The figure for the end of 2007 includes both produced and remaining resources, ranging from proven to projected finds of oil and gas.



### [Petrobras Unlikely to Raise Gasoline Price in 2008, Folha Says](#)

(Bloomberg) -- Petroleo Brasileiro SA is unlikely to raise gasoline prices in 2008, Folha de S. Paulo reported, citing Chief Executive Officer Jose Sergio Gabrielli.

The Brazilian currency's appreciation against the dollar has helped offset an increase in oil prices in international markets, Gabrielli said, according to Folha.

### [Nigeria oil-delta rebel sees govt threat to peace](#)

A powerful militia leader from Nigeria's oil-producing Niger Delta has accused the government of talking peace while provoking rebel commanders with army raids.

Ateke Tom's armed group is one of several in the anarchic delta that have fought with troops and attacked government targets. The crisis in the home of the world's eighth-biggest oil industry has reduced output and caused oil prices to spike.

### [Opponents cite rising cost for Duke Energy's nuclear project](#)

Environmental groups say Duke Energy Corp.'s proposed nuclear plant in South Carolina could cost three times as much as the \$5 billion to \$6 billion the company has told the public.

As evidence, they cite a Florida utility's projection that its twin-reactor plant -- which would use the same type of nuclear reactors Duke proposes -- is expected to cost as much as \$17.8 billion.

### [Life after the oil crash](#)

The grab-your-gun-and-head-for-the-hills scenario goes something like this: In the next year or so, world oil production will peak and then promptly plummet, forced down by sinking reserves. While supply crashes, demand will grow. Virtually overnight, fuel will become so dear that farm tractors will go idle, people will go hungry and homes will go cold. Financial markets will collapse and social chaos will follow.

Are you ready?

The doomsday image may sound like the half-baked plot of a Schwarzenegger flick, but thousands of North Americans are taking it seriously enough to stock up on non-perishable food, recycle their own manure, build home gardens, bone up on canning techniques, even undergo "socially responsible vasectomies" to limit their energy reliance.

### [With all resistance removed, sky is now the limit for oil](#)

There have been many firsts in the Bush Administration-led United States. And now the administration can add another, but it may not be one they'd like to brag about. In the industrial, modern and now postmodern eras, oil has never cost more than it has in 2008. Oil has no more resistance above it, psychologically or technically: as they say in the trading pits, from here on, the sky's the limit for oil.

### [Not a lot Bush can do on oil prices - White House](#)

WASHINGTON (Reuters) - There is "not a lot" President George W. Bush can do in the near-term to tame record high oil prices after OPEC declined to boost output, the White House said on Thursday.

"We did try to encourage (an increase in OPEC output). But if OPEC has decided they are not going to increase output, there's not a lot that the president can do. We don't control their decisions," White House spokeswoman Dana Perino said.

### [Analysis: IEA stirs old controversies](#)

The Paris-based International Energy Agency recently awarded the United States high marks for its energy policy but warned stronger action is needed to mitigate climate change and decrease foreign oil imports.

### [Saudi oil minister says speculation driving prices](#)

DUBAI (Reuters) - Speculation is driving triple-digit oil making it impossible for any organization to control price movement, Saudi Arabia's oil minister said in remarks published on Friday.

"Speculation in futures market is determining prices," Ali al-Naimi told Asharq al-Awast newspaper in Morocco. "Today there is no link between oil (market) fundamentals and prices."

"The duty of oil exporters is to make sure that fundamentals are healthy," said Naimi. "If these fundamentals were stable and fulfill market needs, then there is no need to raise or decrease production," he added.

### [Shell Says Canada Fuel Supply 'Tight' on Lower Runs](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's largest oil company, said fuel supply in

western Canada is "tight" because of lower output from refineries.

Shell cut crude processing at its Scotford refinery in Alberta because of reduced supply from a plant used to convert oil sands into crude. The drop will further trim fuel supplies in the region after "operating issues" curbed output at Imperial Oil Ltd.'s Edmonton, Alberta, refinery.

### [Nigeria to Import Heavy Crude Oil From Venezuela, Punch Reports](#)

(Bloomberg) -- Nigeria will import heavy crude from Venezuela for use in a state-run refinery, The Punch reported, citing Abubakar Yar'Adua, head of the Nigerian National Petroleum Corp.

Nigeria, which pumps light crude, needs heavy crude for the production of lubricants and fuel oil at a refinery in the northern city of Kaduna, the Lagos-based newspaper said. The facility is due to restart next week after a recent upgrade.

### [Energy Among The Top Presidential Campaign Issues](#)

With crude oil, gasoline, and home heating oil prices near all-time highs, energy security in the US is one of the most common themes among the presidential candidates. While Democratic and Republican candidates alike agree that energy security should be high on the next president's agenda, their plans for achieving that goal vary widely.

### [A combustible relationship: Russia and Ukraine strike a gas deal but tensions remain](#)

Russia and Ukraine have resolved their latest gas dispute, which had seen Gazprom cut supplies to Ukraine by 50% and raised the spectre of disruptions in supply to EU states. Yet the latest short-term fix is unlikely to bring tensions to an end. The gas relationship is multifaceted, embracing Ukrainian gas imports from Russia and Central Asia; arrangements on the Ukrainian domestic market; the question of re-exports; the huge gas transit trade; and ownership of critical infrastructure. Until the two sides reach a mutually acceptable deal that covers all aspects, the stability craved by Ukraine, Russia and Gazprom's European customers will remain elusive.

### [Nicaragua cuts ties with Colombia](#)

Nicaragua's President Daniel Ortega says he is breaking off diplomatic relations with Colombia.

The move comes amid a growing crisis over a Colombian raid into Ecuador to kill leftist Farc rebels.

### [Plutonium Shortage May Thwart Future NASA Missions to Outer Planets](#)

WASHINGTON -- NASA is facing the prospect of having to explore deep space without the aid of the long-lasting nuclear batteries it has relied upon for decades to send spacecraft to destinations where sunlight is in short supply.

NASA Administrator Mike Griffin told a House Appropriations subcommittee March 5 that the U.S. inventory of plutonium-238 -- the radioactive material essential for building long-lasting batteries known to the experts as radioisotope power systems -- is running out quickly.

### [Global Wind Power Capacity Reaches 100,000 Megawatts](#)

At its current growth rate, global installed wind power capacity will top 100,000 megawatts in March 2008. In 2007, wind power capacity increased by a record-breaking 20,000 megawatts, bringing the world total to 94,100 megawatts—enough to satisfy the residential electricity needs of 150 million people. Driven by concerns regarding climate change and energy security, one in every three countries now generates a portion of its electricity from wind, with 13 countries each exceeding 1,000 megawatts of installed wind electricity-generating capacity.

### [US Researchers Hope to Tap Ocean Flows for Electricity](#)

Researchers in the United States are set to begin testing underwater turbine systems that can produce electricity from ocean water flows. The projects in Florida are the latest efforts to find alternative forms of energy to reduce the nation's dependence on oil and other fossil fuels.

### [Emission worry hits oil-sands plan](#)

EDMONTON—A Federal Court decision has sent Imperial Oil's \$7 billion Kearl oil-sands project in northern Alberta back to a review panel over greenhouse gas concerns.

Yesterday's ruling will force harmful emissions to be much more carefully considered in future assessments, says a lawyer who argued the case.

### [‘Environment going bust because of too many people’](#)

KARACHI: Over population in developing countries and the mishandling of natural resources are the main causes for the rising environmental degradation and global climate changes, said national and international environmental experts.

“Managing the urban environment is a particularly serious issue for Asia, as its population is migrating to cities at an unprecedented rate,” said Dr Margherita Turvani, associate professor of the department of planning, University IUAV, Venice, Italy.

### [Outlook for Oceans Bleak as Sea 'Deserts' Grow](#)

The region of the ocean known as "the desert of the sea" has expanded dramatically over the past decade, according to a new study. Scientists looking at the color of the ocean from space have found that vast areas that were once green with plankton have been turning blue, as marine life becomes scarcer. If it's linked to global warming, as they suspect, this could be another blow for the world's fisheries.

### [Lester Brown Puts Cost of Saving Planet at \\$190 Billion](#)

LONDON - What would it cost to wipe out world poverty, guarantee universal health care, stabilise population growth and roll back the ravages of global warming?

About \$190 billion a year, or the equivalent of a third of US annual military expenditure, a prominent environmental economist says in a new book.

"Once you accept that climate change, population growth, spreading water shortages, rising food prices etcetera are threats to our security, it changes your whole way of thinking about how you use public resources," Lester Brown told Reuters in an interview.

### [Global Warming Not Cooling Travellers' Wanderlust](#)

BERLIN - Global warming's threat to the existence of the exotic resorts and beaches tourists crave has not dented holidaymakers' appetites for pollution-producing, long-haul trips, experts said at Berlin's annual tourism fair.

### [Warnings over future food crisis](#)

A world food crisis can be expected in the coming decades as our demand for food outstrips our ability to produce it, a UK government adviser has warned.

New chief science adviser, Professor John Beddington, said the crisis could be as serious as climate change and may hit sooner.

### [Sewage-based fertilizer safety doubted](#)

AUGUSTA, Ga. - It was a farm idea with a big payoff and supposedly no downside: ridding lakes and rivers of raw sewage and industrial pollution by converting it all into a free, nutrient-rich fertilizer. Then last week, a federal judge ordered the Agriculture Department to compensate a farmer whose land was poisoned by sludge from the waste treatment plant here. His cows had died by the hundreds.

The Associated Press also has learned that some of the same contaminants showed up in milk that regulators allowed a neighboring dairy farmer to market, even after some officials said they were warned about it.

### [Rush for biofuels threatens starvation on a global scale](#)

The rush towards biofuels is threatening world food production and the lives of billions of people, the Government's Chief Scientific Adviser said yesterday.

Professor John Beddington put himself at odds with ministers who have committed Britain to large increases in the use of biofuels over the coming decades. In his first important public speech since he was appointed, he described the potential impacts of food shortages as the "elephant in the room" and a problem which rivalled that of climate change.

### [Churches go 'green' for Palm Sunday](#)

Palm Sunday is going "green."

This year, more than 2,130 congregations across the USA, including Catholics, Episcopalians, Lutherans, Methodists and Presbyterians, will use "eco-palms" that are harvested in a more environmentally friendly way, says Dean Current, program director at the Center for Integrated Natural Resources and Agricultural Management at the University of Minnesota.

### [EU warned of climate-induced polar security threat](#)

BRUSSELS (Reuters) - European Union leaders will receive a stark warning next week of potential conflict with Russia over energy resources at the North Pole as global warming melts the ice cap and aggravates international security threats.

A report to the leaders by EU foreign policy chief Javier Solana and the executive European Commission describes climate change as "a threat multiplier," which will exacerbate many existing tensions and heighten instability.

"A further dimension of competition for energy resources lies in potential conflict over resources in Polar regions which will become exploitable as a consequence of global



warming," the eight-page report obtained by Reuters said.



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