



## The Round-Up: May 22, 2008

Posted by [Sam Foucher](#) on May 22, 2008 - 11:33am in [The Oil Drum: Canada](#)  
Topic: [Miscellaneous](#)

*Many thanks to "peakto" for his help.*

[Record oil here to stay: Scotiabank](#)

The Bank of Nova Scotia says **Canadians should get used to current record-high oil prices, because they'll be with us for the rest of the decade.** The bank's commodities report suggests most commodities have hit or are headed to record prices, with the bank's commodity price index up 5.7 per cent over March.

[Fuel costs hurting Air Canada](#)

High fuel prices that are consuming a growing proportion of income at Air Canada will likely hurt demand for air travel, the airline's chief executive said yesterday. Montie Brewer, Air Canada's president and CEO, said the rapid rise and volatility of fuel prices was a concern at the country's biggest airline, which is pushing ahead with plans to use newer, more fuel-efficient aircraft. **"The severity of it will impact customer demand. We'll see how much the customer can absorb and still plan on travelling,"** he told reporters after the company's annual meeting.

[Denmark seeks Arctic peace on eve of Greenland summit](#)

Denmark's foreign minister has made a plea for peace among Arctic nations, including Canada, on the eve of an international summit in Greenland aimed at easing territorial tensions in a region experiencing unprecedented melting and thought to contain a quarter of the world's remaining oil reserves. Per Stig Moller's appeal for countries to end the "rush" for control over the Arctic and the emerging competition over "who comes first or who plants their flag where" -- a clear reference to last summer's controversial Russian expedition to the North Pole -- coincides with a new prediction by U. S. scientists that, for the first time in recorded history, the pole itself could become ice-free at the height of this summer's thaw.

[Canada's Arctic mapping key to resource claims: Lunn](#)

After returning from a trip to the polar cap where he visited a northern Canadian research outpost, Lunn said "I really think it's important that we have jurisdictional control to ensure that we decide what's in our nation's interest," Lunn said in a phone interview. "We (would) make the rules on ensuring that the environment remains protected not to mention the economic benefits of the natural resources as well."

### [Expect more hikes at the pumps: Harper](#)

Gas prices will likely continue to rise for the next several years and there is little governments can do to lower them, the Prime Minister said Wednesday. **"I don't think government should fool people into thinking it can control the price of gas. It - generally speaking - can't,"** Stephen Harper told reporters during an announcement at a fruit farm in Southern Ontario. "These prices are set internationally. We are seeing increased prices around the world."

### [Gas headed for up to \\$1.50 a litre, analysts say](#)

"What we haven't seen yet is that seasonal rise in gas prices related to supply and demand," she said. In the early summer, prices usually jump along with demand, as drivers head out on vacation trips, Ms. Hay said. In most years, this adds about 10 to 15 cents to the price of a litre of gas. The price then tends to slip back as the summer progresses. Last year, the jump was as much as 25 cents a litre because gasoline inventories were low, but this spring "what will serve to moderate the spike is the fact that we are entering the peak gasoline demand season with inventories in quite good shape," she said. Others think prices could go even higher. Jason Toews, co-founder of the gasbuddy.com website, said **he expects prices to hit \$1.50 to \$1.60 a litre in Canada this summer**, and possibly more if crude oil continues to rise.



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