



DrumBeat: July 8, 2008

Posted by [Leanan](#) on July 8, 2008 - 9:11am

Topic: [Miscellaneous](#)

[Oil: The New Reality](#)

Rising oil prices are pinching the wallets of consumers worldwide. And although oil may be in for some short-term drops, most experts agree that the days of cheap gasoline are gone and prices will continue to climb steeply over the long term. Can oil production keep up with rising demand, particularly from India and China? And will alternatives be available before it's too late? With so many questions, and so few answers, the only thing there's no shortage of is uncertainty.

Oil approached a record \$145 barrel in early July. Although many observers believe the price is higher than supply and demand justify, it continues to rise. Moreover, the normal symptoms of too-high commodity prices -- building inventories and significantly declining usage -- have not appeared.

Standard & Poor's (MHP) continues to believe prices will come down in the short run but that they are cycling around a rising trend. Demand continues to mount because of economic growth in Asia. Oil output is increasing only slowly, in part because so much of the world's supplies are now in the hands of national oil companies, which have less incentive to raise production. The amount of oil still in the ground, though unknown, is clearly finite.

[U.S. gasoline prices won't peak until November: Energy agency](#)

WASHINGTON — U.S. drivers can expect to shell out more than \$4 (U.S.) a gallon, on average, for gasoline for the rest of 2008 and prices will keep rising until November, the U.S. Energy Information Administration said Tuesday.

[Russian tax inspectors said to make new demands on TNK-BP](#)

MOSCOW: Russian tax inspectors have presented TNK-BP, BP's troubled Russian oil joint venture, with a new demand only hours after Prime Minister Gordon Brown of Britain had raised the issue of official harassment of the company with the Russian president, Dmitri Medvedev.

A person with direct knowledge of the matter, speaking on condition of anonymity, said

Tuesday that the new demand requested unprecedented levels of information on a group of foreigners on temporary assignment to TNK-BP, including time sheets, certification of business trips and passport copies showing foreign travel.

[Shell may process oil sands crude at U.S. refineries](#)

CALGARY, Alberta (Reuters) - Royal Dutch Shell Plc may process tar-like crude from its Canadian oil sands holdings at some of its U.S. refineries, rather than at a proposed C\$27-billion (\$26-billion) plant in Alberta, the head of the oil major's Canadian unit said on Tuesday.

[Boeing, SkyHook team up to launch heavy-lift blimp](#)

TORONTO (Reuters) - After years of hovering high above sports stadiums to provide aerial shots to TV audiences, blimps may soon take on a new role in carrying heavy cargo to remote regions like northern Canada's oil sands.

[Arctic ice may yield low-emission fossil fuel](#)

A form of gas-rich ice trapped beneath the Arctic permafrost and underlying Canada's coasts could become a major source of low-emission fossil fuel over the next two decades, experts say, but only if Ottawa makes a long-term commitment to its development.

Called gas or methane hydrates, the volume of natural gas that can be produced from it may exceed all conventional sources of fossil fuels combined.

[Russia hydro, rail shortage to cut coal exports](#)

LONDON/MOSCOW (Reuters) - Russia's hydro power levels have fallen to the lowest for 16 years and coal-fired plants are struggling to take up the slack because a rail wagon shortage is making it hard supply enough fuel, Russian coal exporters said on Monday.

For years there have not been enough rail wagons available to move all the commodities competing for space, but the shortage of hydro power would make the situation worse this year, they said.

[Announcing A Peak Oil Media Guide](#)

As those who understand peak oil are no doubt aware, coverage of the issue in the media has been extremely uneven. Some observers cite the best available data and production models, which indicate that there are perhaps 1.2 trillion barrels of economically recoverable conventional oil yet to produce. But a few seem intent on promoting an optimistic industry view (despite historical evidence to the contrary) that one day, the world can recover most of the estimated 12 trillion barrels of original oil in place — a factor of 10 variance in estimates!

Such a wide range of expert opinion has only served to confuse the public at a time when it is critically important that they get up to speed on the simple facts of oil production and understand what they might realistically expect in the future. In an effort to close this enormous gap, I have collaborated with Steve Andrews, a co-founder of ASPO-USA, on a new “Peak Oil Media Guide,” to address the important questions that regularly come up about peak oil. We encourage those who engage with the media to distribute the guide. It is my hope that the guide will become a “living document” which can be updated and enhanced as time goes on by knowledgeable experts. We welcome their input. For now, please send comments to Chris Nelder at [This email address is being protected from spam bots, you need Javascript enabled to view it and include “PO Media Guide” in the subject line.](mailto:This_email_address_is_being_protected_from_spam_bots_you_need_Javascript_enabled_to_view_it_and_include_PO_Media_Guide_in_the_subject_line) You can find the full document [here](#) (pdf).

[Cheney wanted cuts in climate testimony](#)

WASHINGTON - Vice President Dick Cheney's office pushed for major deletions in congressional testimony on the public health consequences of climate change, fearing the presentation by a leading health official might make it harder to avoid regulating greenhouse gases, a former EPA official maintains.

[Heinberg: Want Cheap Oil? Reduce Demand!](#)

So here's the solution: We could reduce the price of oil just by reducing demand. If the world could be satisfied with the amount of oil that can still be produced cheaply (\$30 is an arbitrary figure—by now \$130 oil sounds cheap), then the price would fall to that level. We'd have to keep reducing demand to maintain that price since the cheaper oil continues to deplete.

But there's a problem to that solution: the most likely way that global demand will be reined in is by economic contraction brought on by high prices. That's a nice way of saying bankruptcy, unemployment, and industrial collapse. It sounds bad, but that's not the problem; the problem is this: once the price falls by any significant amount, demand will just pick back up again and we'll be right back where we are now—with prices aiming for Alpha Centauri.

[Canada, US Break Ice to Map Arctic](#)

The United States and Canada, which have been known to disagree on certain Arctic sovereignty claims, will collaborate for the first time on a United Nations scientific mapping project aimed at extending their sovereignty in the Arctic, reported CBC News.

[Gas hits cabbies: More hours, less pay](#)

NEW YORK (CNNMoney.com) -- Mikhail Glikberg remembers when he made a decent living as a taxi driver in Boston. He could work a 12-hour shift and take home up to \$80 a day after expenses.

That was a few years ago. Now, with gas above \$4 a gallon, he pays up to \$60 a day at the pump instead of \$15. He's lucky if he clears \$20.

[Malaysia: Scores Of Fishing Boats Grounded Due To Diesel Shortage](#)

KUALA PERLIS (Bernama) -- Scores of fishing boats here have been grounded since three days ago due to a diesel shortage.

The boat operators and crew were seen hanging around at the fishing base while waiting for the subsidised diesel to arrive.

Perlis Fishermens' Association (PELARIS) acting chairman Ismail Yatim said over 40 boats were grounded since Friday and that the number would increase if the situation worsens.

He said the shortage started recently when the diesel quota for Perlis fishermen was reduced from 4.7 million litres monthly to 3.9 million litres.

[Monbiot: Trawlermen cling on as oceans empty of fish - and the ecosystem is gasping](#)

The latest people to join these surreal protests are the world's fishermen. They are on strike in Italy, Spain, Portugal, France and Japan, and demonstrating in scores of maritime countries. Last month in Brussels they threw rocks and flares at the police, who have been conspiring with the world's sedimentary basins to keep the price of oil high. The fishermen warn that if something isn't done to help them, thousands could be forced to scrap their boats and hang up their nets. It's an appalling prospect, which we should greet with heartfelt indifference.

[Environmentalists dismiss G-8 emissions target](#)

TOYAKO, Japan (CNN) -- A call from the world's most powerful nations to establish the goal of halving greenhouse gas emissions worldwide by 2050, was criticized by environmentalists Tuesday.

[Mexico quickens pace of gasoline price rises](#)

MEXICO CITY (Reuters) - Mexico is quickening the pace of gasoline price increases, fanning worries about inflation, as the rising cost of subsidizing imported fuel weighs on the government's finances.

The price of Mexico's standard grade gasoline, known as Magna, jumped 6 centavos on July 1 to 7.23 pesos a liter, a spokeswoman for state-run oil monopoly Pemex said on Monday.

It was the sharpest increase in at least 2-1/2 years by the government, which sets fuel prices.

[Shell, Valero Unfazed So Far By Mexico Oil Export Slump](#)

MEXICO CITY -(Dow Jones)- Two oil refiners in the U.S. that traditionally buy crude oil from Mexico have said they can get crude from other sources, as Mexican exports have slumped this year.

Mexico's average crude exports plummeted 17.3% to 1.46 million barrels a day during the first five months of the year compared to the year-ago period, contributing to record oil prices.

[Mexico begins rationing gasoline to station owners](#)

TIJUANA – Mexico's national oil monopoly began to ration the supply of gasoline in the Baja California region yesterday, much as it has limited diesel deliveries for several weeks.

Joaquín Aviña, president of the Association of Gas Station Owners of Tijuana, which represents 157 stations, said Pemex told the stations it would supply them according to their sales from January to March, without taking into account current demand.

[Coal's perfect storm morphs into robust price trend](#)

Citigroup has raised its coal price forecasts across the board, citing the perfect storm of four months ago, along with persisting global supply deficits of coking, met and thermal coal.

[Pakistan on the brink of oil crisis, stocks to last 16 days only](#)

The skyrocketing oil prices in the international market have curtailed the capacity of the developing countries like Pakistan to maintain high stocks of crude oil as well as POL products.

[Verve Power Plant Restart Eases Australia Shortage](#)

(Bloomberg) -- Verve Energy, a power producer owned by the Western Australian state government, restarted generation at a unit at the Kwinana plant after maintenance, helping to ease an energy shortage created by a gas pipeline blast.

[Budget tight now? Wait until winter](#)

Rising oil prices are already affecting commuting and travel. Soon they will have an impact on how we stay warm, or in some cases, if we stay warm.

[The energy crisis deepens](#)

There are parts of Maine that could "become uninhabitable" this winter.

The words were those of U.S. Sen. Olympia Snowe and they came last week at a meeting of the Senate Small Business and Entrepreneurship Committee. Snowe is the ranking Republican member of the panel.

It wasn't rhetoric. It was a realistic evaluation of what some parts of northern New England may be facing in the winter of 2008-2009.

[Streets across Arizona crumbling as shortage of funds stalls repairs](#)

PHOENIX — From Wickenburg to Eagar, streets in cities and towns across Arizona are falling into disrepair because there's not enough money to keep them in shape.

Some cities are barely able to pay for routine maintenance, let alone build new roads to keep up with growth. Others, such as Eagar, can't even afford to fill the cracks in streets.

[Inflation crisis could spark political unrest: Malaysia PM](#)

KUALA LUMPUR (AFP) — The soaring price of food and fuel could spark widespread political unrest, Malaysia's Prime Minister Abdullah Ahmad Badawi said Tuesday at a summit of developing nations.

..."The price of oil has skyrocketed to levels never anticipated ... the price of food has

increased beyond the normal abilities to pay by the poor, which form the majority of the world's people," he said in an opening speech.

[Horse sales slow to a trot](#)

Mounting fuel, feed and hay prices are driving up the costs of horse ownership and making it harder to sell colts, yearlings, wild stallions and other horses.

[Call for ban on 'eco-town' second homes](#)

Second-home investors should be stopped from buying properties in so-called "eco-towns", it has been claimed.

Peter Bolton King, chief executive of the National Association of Estate Agents (NAEA), said planning conditions could be needed to ensure local buyers were not priced out of the market.

[Are big bets by speculators driving up oil?](#)

Speculation about whether speculators are to blame for the superspike in oil prices is in overdrive.

Now that it costs \$100 to fill up big SUVs, an Agatha Christie-esque whodunnit featuring finger-pointing lawmakers and suspected speculators is gripping this oil-obsessed nation in search of someone to blame.

[In energy, there are no easy answers](#)

To get a sense of Americans' frustration with soaring gas prices, all you have to do is read the writing on the wall, and occasionally, on a portable potty.

There it was, a hand-scrawled paper sign taped to a brown, rented toilet just off the Fourth of July parade route in my hometown of Seguin: "Drill here. Drill now. Pay less."

How simple, I thought. Wouldn't it be nice if the answer were as easy as that? Forget trading the Hummers for hybrids, the conservation efforts, the alternative fuel research. Let's just drill our way out of this mess.

[Wish Upon A Pump](#)

Reagan, who succeeded Carter in the White House, wore only a smile. For him, there was no energy crisis. Whereas Carter had insisted that only the government could manage the energy crisis, Reagan, in his first inaugural, demanded that government get out of the way. Speaking of general economic conditions at the time, he said, "Government is not the solution to our problem." He went on to call for America to return to greatness, to "reawaken this industrial giant," and all sorts of swell things would happen. It was wonderful stuff.

To contrast the two speeches is like comparing the screeching of a cat to the miracles of Mozart. Yet today, Carter's speech reads as prescient. Most of his dire predictions -- "It is a problem we will not solve in the next few years, and it is likely to get progressively worse through the rest of this century" -- have generally come true, although not quite as soon or as calamitously as he had warned. The pity of it all is that in American politics, being right is beside the point.

[Study: Chile Dam Project Will Scare Away Tourists](#)

The controversial HidroAysen dam project could prove extremely costly for Chilean Patagonia's budding tourism industry, a recent study conducted by the Universidad de Chile's Social Sciences Dept concluded.

According to the researchers, the US\$3 billion project could result in annual losses of more than US\$22 million. During its construction phase, which is expected to last between five and 10 years, lost tourism revenue could be higher still: approaching US\$40 million per year.

[The Philippines: Class suit on energy has children as petitioners](#)

BACOLOD CITY: A group of environmentalists and their sympathizers have signed in their children as petitioners in filing for a temporary restraining order (TRO) as their last recourse to stop the Energy Development Corporation (EDC) from pursuing their geothermal development exploration at the Mount Kanlaon Natural Park.

[Europe faces fresh New Year Russian gas crisis](#)

HONG KONG (Reuters) - A fresh New Year energy crisis is brewing in Europe as Russia prepares to foist an indigestible price rise onto Ukraine, putting European supplies at risk, a leading expert on the sector warned on Tuesday.

Jonathan Stern, director of gas research at the Oxford Institute of Energy Studies, said Russia's pledge to pay Central Asian gas suppliers "international prices" for gas from Jan.1 meant a huge increase in the price Russia demands from Ukraine.

"Essentially they're going to try to impose a price on Ukraine that Ukraine can't pay. And I can see that we're sleepwalking towards the end of the year and that price has got

to be agreed, and I think we could see a replay of 2006," Stern said. "We could have a major blow-up in January again."

[Are We in the Peak of an Oil Bubble?](#)

Since 2003, worldwide oil prices have quadrupled. According to a new study, the price of oil is rising at a faster-than-exponential rate, and cannot be sustained. In other words, we're in the midst of an oil bubble, say researchers Didier Sornette and Ryan Woodard of ETH Zurich in Switzerland and Wei-Xing Zhou of the East China University of Science and Technology in Shanghai, China.

By analyzing oil prices over the past four years, the researchers have demonstrated more support for the hypothesis that the recent oil price run-up has less to do with supply-demand interplay and more to do with speculation.

[Peak Flows - Part 2](#)

Peak oil should be renamed to peak flows. Peak oil is seen by the majority of the public, at least those who have at least become conscious of the term, is the date when we run out of oil. Since oil is "everywhere" with new discoveries being announced every week they ridicule the preachers of peak oil as being out of touch or on the lunatic fringe. "Why everybody knows we have enough oil to last the rest of the century." Nobody, and I repeat nobody expects oil to disappear in this century. They will still be exploring and producing 100 years from now. The problem is peak flows.

[Bursting Bubbles Mean Inflation to Give Way to Deflation](#)

Widespread is the notion that inflation is back for good. Many assume that the relative price stability of the past two decades has been irrevocably shattered by "peak oil" and the surging demand by developing economies. Improvement of living standards in those developing countries has caused, and will continue to cause, increasing demand for calories, and final demand for food will outstrip supply. Additionally, the cost of basic materials is lifting production costs, and the cycle of higher food and fuel costs means that the prices of all imported goods to the United States will continue to rise. The fixed income investment conclusion is that inflation is endemic, and since the market does not currently reflect such dire inflation prospects, long dated Treasury securities should be sold. We would be among the first to move to the short dated part of the curve if the economic statistics supported the above view. Our conclusion is that deflation, not inflation, is, and will continue to be, the essential problem for the U.S. economy and that the optimum fixed income portfolio should consist of treasuries with the longest possible maturities.

[Russia power firms turn away from coal as cost surges](#)

MOSCOW (Reuters) - Russian power producers expect coal prices to follow the cost of gas sharply upward in the coming years, and are switching away from coal as much as possible, said the head of one of Russia's largest power firms.

Vladimir Khlebnikov, the head of OGK-1 (OGK1.MM: Quote, Profile, Research), the country's second-largest fossil fuel-run generator, said on Monday the problem had forced his firm to revamp its development plans, converting some coal-run turbines to gas-fired ones.

[China's move signals oil and gas ambition](#)

Oil rigs are scarce commodities these days; so scarce that it can be easier to buy a company that owns them than to buy the rigs themselves. That is one of the main motives behind China Offshore Services' \$2.5bn acquisition of Awilco Offshore.

There has been a high level of sensitivity over Chinese companies' acquisitions of natural resources, most notoriously in the attempt by China National Offshore Oil Company, COSL's parent, to buy Unocal of the US in 2005.

The takeover of Awilco, while likely to be far less politically sensitive, is a sign that oil rigs are themselves valuable resources.

[Commuting has high costs beyond gas](#)

When the Suncoast Parkway opened in 2001, it seemed hard to imagine commuters would ever have to worry about congestion. And the lower cost of houses in Hernando more than made up for the extra expense of buying gas, which dipped to as low as \$1.08 in early 2002. Coincidentally or not, that was just about the start of the real estate boom in Hernando.

Now, obviously, the boom is over.

The unanswered question is whether rising gas prices will ever again allow Hernando — or any community on the outer fringe of a metropolitan area — to attract large numbers of commuters.

[Taking Us Back To Mud Huts And Loincloths](#)

A prominent journalist doesn't just want our air conditioners turned down. He wants them off. This is the sort of nonsense we're getting from the anti-energy, global-warming-is-making-us-sick left.

[Nuclear Recycling Fails the Test](#)

Advocates, such the Heritage Foundation, a conservative think-tank, argue that used fuel at U.S. power plants contain enough energy “to power every U.S. household for 12 years.” Heritage points out that nuclear recycling “can be affordable and is technologically feasible. The French are proving that on a daily basis. The question is: Why can't oui?”

The key to recycling is being able to reuse materials while reducing pollution, saving money and making the earth a safer place. On all accounts, nuclear recycling fails the test.

[Lester Brown: Time for Plan B: Cutting Carbon Emissions 80 Percent by 2020](#)

When political leaders look at the need to cut carbon dioxide emissions to curb global warming, they ask the question: How much of a cut is politically feasible? At the Earth Policy Institute we ask a different question: How much of a cut is necessary to avoid the most dangerous effects of climate change?

By burning fossil fuels and destroying forests, we are releasing greenhouse gases, importantly carbon dioxide (CO₂), into the atmosphere. These heat-trapping gases are warming the planet, setting in motion changes that are taking us outside the climate bounds within which civilization developed.

[Greenland meltwater will take slow wave around globe](#)

Pacific nations threatened with disappearing beneath the waves as sea levels rise have been given a partial reprieve – for a few decades at least. But Europe and North America could be at much greater risk of floods than previously appreciated. So claims the first systematic analysis of what will happen to the water from melting Greenland ice.

[Texas oilman T. Boone Pickens wants to supplant oil with wind](#)

SWEETWATER, Texas — Get ready, America, T. Boone Pickens is coming to your living room.

The legendary Texas oilman, corporate raider, shareholder-rights crusader, philanthropist and deep-pocketed moneymen for conservative politicians and causes, wants to drive the USA's political and economic agenda.

"We're paying \$700 billion a year for foreign oil. It's breaking us as a nation, and I want to elevate that question to the presidential debate, to make it the No. 1 issue of the campaign this year," Pickens says.

Today, Pickens will take the wraps off what he's calling the Pickens Plan for cutting the USA's demand for foreign oil by more than a third in less than a decade. To promote it, he is bankrolling what his aides say will be the biggest public policy ad campaign ever. The website, www.pickensplan.com, goes live today.

[NYMEX To Change Margins For Crude Oil And Petroleum Swap Futures Contracts On NYMEX ClearPort](#)

The New York Mercantile Exchange, Inc. today announced margin changes for some of its crude oil and petroleum product swap futures contracts on NYMEX ClearPort, beginning at the close of business tomorrow.

The margins for the first month of the Northwest Europe gasoline swap (Argus) futures contract will increase to \$100,000 from \$65,000 for clearing members, to \$110,000 from \$71,500 for members, and to \$135,000 from \$87,750 for customers. Margins for all other months will remain unchanged.

[China Shuts More Coal Power Plants: Warns on Shortage](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, shut 2.5 percent of its coal-fired power plants, prompting local governments to limit electricity consumption and issue warnings on possible blackouts.

Insufficient coal supplies forced the closure of 58 power-generating units in central and northern China as of July 6, or 14,020 megawatts of capacity, data from the State Grid Corp. of China showed yesterday. The nation's total coal-fired capacity stood at 554,420 megawatts last year, according to the State Electricity Regulatory Commission.

[China power woes may worsen before Olympics](#)

BEIJING (Reuters) - China may suffer a power shortage this summer as crippling as four years ago, threatening to cut deeper into industrial operations and stoke another surge in oil imports in order to keep the lights on through the Olympics.

Although Beijing has forecast a modest national deficit of 10 gigawatts (GW) when demand peaks in summer -- just 1.4 percent of its installed capacity -- at least four provinces between them are forecasting more than twice that amount as the risks mount.

[Gazprom sends Ukraine new warning over gas price](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom said on Tuesday its gas import bill for gas purchases from Central Asia may more than double next year, sending yet another price warning to Ukraine.

Gazprom, the world's largest gas producer, imports gas from ex-Soviet republics of Turkmenistan, Kazakhstan and Uzbekistan to meet growing demand at home and abroad. Ukraine heavily relies on purchases of Central Asian gas from Gazprom.

[Agency calls on Congress to end drilling ban](#)

WASHINGTON (Reuters) - Lifting the congressional ban on offshore drilling would likely increase U.S. oil and natural gas production above the government's current estimates, the U.S. Interior Department said on Monday.

Based on data more than 25 years old, the Interior Department estimates that drilling on federal lands off the U.S. coasts could produce 18 billion barrels of oil and 76 trillion cubic feet of natural gas.

[Don't blame the speculators](#)

Politicians who try to make oil cheaper by restraining speculation will just make things worse.

[London oil summit to be in December: UK's Brown](#)

TOYAKO - British Prime Minister Gordon Brown said on Tuesday that a second summit of oil producers and consumers would be held in December in London.

Brown said the London meeting was part of a process following on from a similar meeting in Jeddah and taking forward recommendations on energy security and climate change made at the Group of Eight rich nations summit in Japan.

[Iraq Closeup: Following the Oil Money](#)

BAGHDAD — Iraq's government is likely to earn about \$70 billion in oil revenue this year, but it could earn a lot more if its existing fields operated at maximum capacity. It took a step toward realizing that production increase, with a series of reported deals with Western oil companies. But the proposed contracts only raised suspicions across the Arab world that the real purpose of the war was to give America access to the site of the world's third largest oil reserves.

[All the oil news that's fit to print](#)

On June 19, the New York Times broke the story in an article under the headlines "Deals with Iraq Are Set to Bring Oil Giants Back: Rare No-Bid Contracts, A Foothold for Western Companies Seeking Future Rewards". Finally, after a long five years-plus, there was proof that the occupation of Iraq really did have something or other to do with oil. Quoting unnamed Iraqi Oil Ministry bureaucrats, oil company officials and an anonymous American diplomat, Andrew Kramer of the Times wrote: "Exxon Mobil, Shell, Total and BP ... along with Chevron and a number of smaller oil companies, are in talks with Iraq's Oil Ministry for no-bid contracts to service Iraq's largest fields."

[Nigeria seeks to end 'blood oil'](#)

An international cartel of oil smugglers steals billions of dollars in "blood oil" from Nigeria, trading it for guns, the president has said.

Speaking at the G8 summit in Japan, President Umaru Yar'Adua drew comparisons between oil "bunkering" and the trade in "blood diamonds".

He said an international effort must be made to stop the trade, which fuelled unrest in the Niger Delta.

[Iran to "hit Tel Aviv, U.S. ships" if attacked](#)

TEHRAN (Reuters) - Iran will hit Tel Aviv, U.S. shipping in the Gulf and American interests around the world if it is attacked over its disputed nuclear activities, an aide to Iran's Supreme Leader was quoted as saying on Tuesday.

"The first bullet fired by America at Iran will be followed by Iran burning down its vital interests around the globe," the students news agency ISNA quoted Ali Shirazi as saying in a speech to Revolutionary Guards.

[G8 frets over oil prices, to study averting spikes](#)

TOYAKO, Japan (Reuters) - The Group of Eight industrialised nations said on Tuesday they were very worried about soaring oil prices and pledged to create a forum that will discuss ways of avoiding future spikes.

The G8 said the high costs of both oil and food threatened a global economy already facing uncertainty amid continuing economic strain.

[Gas stations offer discounts for cash instead of credit cards](#)

This year, as gas prices surged, Richard Bell mounted a sign in the station he owns: "Attention gas cash customers: FREE 16 oz. fountain drink or 12 oz. coffee with purchase of 10 gallons of gas or more."

The goal, says Bell, owner of the Market at Jodeco, in Stockbridge, Ga., was to encourage customers to pay with cash rather than a credit card. But so far, he notes ruefully, it's been a struggle. As gas prices climb ever higher, more — not fewer — consumers are using credit cards, because they don't have enough cash on hand.

[As food costs soar, it's back to basics for meal planners](#)

Rebecca Woods and her family in Lathrop, Mo., have turned to the land, planting hundreds of vegetables and relying on their own chickens for eggs.

Retirees Sally and Robert Jones of Alpine, Texas, have reverted back to some of the menus that got them through graduate school many years ago, living on beans, stews and soups.

Dave Snyder of Mobile, Ala., goes to four grocery stores in search of bargains. Nancy Sierra of Fort Myers, Fla., now eats peanut butter and jelly sandwiches for lunch. And Tiffany Nicosia of Charlotte says that, more and more, she whips up new recipes with whatever is left in her refrigerator.

They are just a few examples of how Americans are changing their meal planning as food prices continue to climb.

[Public transport needs urgent attention](#)

Australian urban railways are running at capacity and the federal government needs to pour at least \$10 billion into meeting public transport demand, an expert panel warns.

[We have to stop wasting precious oil on frivolities](#)

It made strategic sense for the Royal Navy to adopt oil-powered warships which had extended range, power and speed. It doesn't make a heck of a lot of sense to hop into the Hummer to find a pack of cigarettes or to drive unfit and overweight kids three blocks to school in an SUV more suitable to a Yukon mining camp.

[Russia faces disease, drought from global warming: WWF](#)

MOSCOW (AFP) - Russia faces an increase in disease, drought and damage to infrastructure because of climate change, the environmental group WWF said on

Tuesday, urging the authorities to "take a lead" on the issue.

"We're very worried.... We have to act in time. Some regions of Russia need urgent attention," Alexei Kokorin, a WWF researcher and one of the authors of the report, said at a press conference in Moscow presenting a new study.

[G-8 Approves Plan to Cut Greenhouse Gas Emissions](#): *Deal Is the Farthest Bush Has Gone in Committing U.S. to Targets on Global Warming*

RUSUTSU, Japan July 8--The United States joined its allies in committing for the first time to cut greenhouse gas emissions in half by 2050, as the Group of Eight nations approved a plan aimed at spurring a new worldwide treaty to limit global warming.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).