



DrumBeat: July 14, 2008

Posted by [Leanan](#) on July 14, 2008 - 9:15am

Topic: [Miscellaneous](#)

[UK joins debate on speculators in oil markets](#)

LONDON (Reuters) - A British parliamentary panel will on Tuesday join in the debate on why oil prices are at record levels above \$145 a barrel and whether speculators have played a role.

The UK Treasury Committee will grill economists, executives from electronic exchange ICE Futures Europe and officials from the UK regulator the Financial Services Authority.

[Oil Paranoia](#)

After consulting a wide variety of experts on both energy and markets, I could find nobody who sees speculation as a major contributor to the oil price spike. The problem is massive global demand overpowering a finite supply, aggravated by uncertainty about oil supplies in the Middle East, Nigeria and Venezuela. But the image of evil men on Wall Street manipulating oil prices fits, to borrow the trenchant phrase of the late historian Richard Hofstadter, "the paranoid style" in dealing with the current crisis.

[Bush lifts offshore drilling ban in symbolic move](#)

WASHINGTON (Reuters) - President George W. Bush lifted a White House ban on offshore drilling on Monday to try to drive down soaring energy prices, a largely symbolic move unlikely to have any short-term impact on high gasoline costs.

[Petrobras Says 36 of 38 Platforms in Oil Strike Are Producing](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, said it's producing crude from all but two of 38 offshore production platforms affected by a strike that began this morning.

[Contaminated US site faces 'catastrophic' nuclear leak](#)

More than 210 million litres of radioactive and chemical waste are stored in 177 underground tanks at Hanford in Washington State. Most are over 50 years old. Already 67 of the tanks have failed, leaking almost 4 million litres of waste into the ground.

There are now "serious questions about the tanks' long-term viability," says a [Government Accountability Office report](#), which strongly criticises the US Department of Energy for delaying an \$8 billion programme to empty the tanks and treat the waste. The DoE says the clean-up is "technically challenging" and argues that it is making progress in such a way as to protect human health and the environment.

[Russia blasts oil majors on production](#)

MOSCOW (AP) -- Three of Russia's oil projects, which all have foreign participation, failed to achieve oil production targets in 2007, Russia's Audit Chamber said Monday.

The state auditor said in a statement that the projects in question were ExxonMobil's Sakhalin-I, Gazprom's Sakhalin-II and Total's Kharyaga, all of which operate under production-sharing agreements.

[Petrobras says strike cuts output by 300,000 bpd](#)

RIO DE JANEIRO (Reuters) - Brazil energy giant Petrobras said on Monday that a strike started by its oil workers at midnight on Sunday will cut its production by 300,000 barrels per day.

[A Tesla In Your Future?](#)

PayPal's cofounder hopes to produce a practical \$30,000 all-electric car in four years.

[Could sustainability lead to an authoritarian future?](#)

Those who imagine humans eventually returning to agrarian societies also often imagine that such societies have the potential to be much more democratic and egalitarian than our current world. But, among those who imagine what I'll call a sustainable industrial future, there is little discussion of future political arrangements. It is implied that we will continue with nominally liberal democratic governance in North America and Europe. (It's hard to see, however, how that model will apply to say, the governments of central Africa.) But a sustainable industrial future, if it can be achieved, might require the regimentation of the individual beyond anything we have so far experienced.

One need look no further than the issue of population to realize that this assertion is not

overblown. In any sustainable society population cannot grow indefinitely. It must be stabilized at some point. How then to stabilize it? Normally, nature manages this task by making the death rate equal to the birth rate. The question that should concern us is whether we want to allow nature to match high birth rates with high death rates or whether we'd like to keep both birth and death rates low. Presumably, one of the principal advantages of industrial society is that it is able to provide a healthy longevity to many more people. This implies that to stabilize the population we must achieve birth rates low enough to match our low death rates.

The right to bear children, however, is regarded as a fundamental human right not to be interfered with by the state. And, the choice not to bear children is also regarded as a right in many countries. But if the choice is left up to the individual, there is no guarantee of a stable population. How then should we go about matching birth and death rates?

[Russia says Czech oil supply cut "not political"](#)

MOSCOW (Reuters) - Russia said on Monday it cut oil supplies to the Czech Republic last week for technical reasons, and denied it was linked to Prague's role in a U.S. missile defence shield.

"Trade with the Czech Republic or other traditional partners is in no way linked or connected with resolving the problem of deployment" of missile shield components, Deputy Foreign Minister Sergei Kislyak told reporters.

Russian pipeline monopoly Transneft said supplies to the Czech Republic via the Druzhba pipeline dropped by half last week only because two Russian firms had decided to refine more crude at home.

[Iran's gas export prospects sink as tensions rise](#)

LONDON — Iran's vast gas reserves will remain largely untapped so long as Western companies are scared off by political tensions and U.S. sanctions stop Tehran from getting the technology it needs to develop them alone.

[Pull-out Demand Signals Final Bush Defeat in Iraq](#)

Prime Minister Nouri al-Maliki's demand for a timetable for complete U.S. military withdrawal from Iraq, confirmed Tuesday by his national security adviser Mowaffak al-Rubaie, has signaled the almost certain defeat of the George W. Bush administration's aim of establishing a long-term military presence in the country.

[U.S., Iraq Scale Down Negotiations Over Forces](#)

U.S. and Iraqi negotiators have abandoned efforts to conclude a comprehensive agreement governing the long-term status of U.S troops in Iraq before the end of the Bush presidency, according to senior U.S. officials, effectively leaving talks over an extended U.S. military presence there to the next administration.

[Britons spurning foreign holidays as economy dips](#)

Travel operators are reporting a marked shift in holiday habits among Britons this summer with a sharp rise in people choosing to take a break in the UK instead of going abroad. The strength of the euro, uncertainties about the economy, airport frustrations and rising fuel costs have all combined to increase the appeal of, say, a weekend in Weymouth or a fortnight in the Fens.

[Relearning How to Drive 55](#)

Even with gas prices cresting above \$4 a gallon, large SUVs, pickup trucks and even Toyota Priuses barrel down freeways here in suburban Detroit at more than 75 miles per hour -- well beyond the 55 mph that was the national speed limit during the '70s and '80s.

If the U.S. Energy Department's calculations are right, all these lead foots could save the equivalent of 29 cents to 94 cents a gallon if they slowed down just to 60 mph -- and reduce the fuel they burn by about 7% to 23%. But most of my neighbors and I still choose to hit the gas rather than add 10 or 15 minutes to our commute times.

[Slowing to 55 MPH Could Speed us into Recession](#)

There is no better example of how out of touch Washington is with reality than the idea that our energy crisis can be addressed with a reduction of the national speed limit to 55 miles per hour. This is a classic sterile ivory tower academic type answer to a much more messy and complex question than politicians realize.

[The right to mobility: How the left is violating our fundamental liberty by refusing our right to drill for oil](#)

That is why I believe we have gone off-track in our arguments for more energy exploration; we are approaching the matter from an economic and political viewpoint, rather than one of basic rights. This argument should be framed as the right to mobility versus the regulatory burden of an overweight government determined to use the many laws on the books to restrict our freedom to travel.

One of the first things tyrants do when they take power is restrict the right to travel. The Roman Emperor Diocletian restricted the right of the peasantry to move off their

tenant farms, laying the groundwork for medieval serfdom. The Russian Tsars did likewise at a later date. The Bolsheviks always required special passes for travel, and the fascist state in modern Russia is now doing likewise. Ditto Castro. Control of the movement of people means control of the individual.

[LOST Oil Prophets](#)

Against the alarming backdrop of gasoline prices at over \$4 a gallon, oil industry executives are busily working the halls of Congress to make the case for increasing domestic oil supply. In addition to pushing for access to the Arctic National Wildlife Refuge (ANWR) and oil reserves off the east and west coasts, however, some industry reps are also rehashing the argument that the Law of the Sea Treaty (LOST) presents an opportunity further to secure American oil by "locking in" drilling rights in our Arctic continental shelf.

[Prepare for a Shock: Electric deregulation could zap your checkbook](#)

It wasn't long ago that legislators from around the country were streaming into Pennsylvania to get a look at a successful model for electric utility deregulation.

..."Everyone was expecting this vibrant market to emerge and I don't think anyone envisioned PECO being the only provider in an unregulated market in 2011," Haver said.

[World Oil Markets In Chaos – No Solutions In Sight](#)

World oil markets are in a state of total chaos and this is nowhere more evident than in the United States. The price for West Texas Intermediate (WTI), a benchmark crude oil for the US, has shot up by nearly 100% in less than a year and a substantial portion of this increase has taken place over the last six months. WTI closed at \$139.64/B on 26 June. It was trading at an average price of \$29.07/B in the second quarter of 2003 and around \$80/B at the end of last year. Some analysts are now projecting the price to rise to as high as \$150/B by the end of the year.

The spike could not have come at a worse time. The US economy, facing one of its worse housing and financial crisis in generations, has been teetering on the verge of a severe recession since last August with no sign of a quick turnaround. Skyrocketing costs of the Iraq war coupled with rising inflationary pressures had already weakened the government's ability to stimulate the economy through monetary or fiscal policy. With crude oil and other energy prices escalating daily, bringing the economy out of its current doldrums will be an even greater challenge.

[Measure fills balloon sellers with worry](#)

With helium costs skyrocketing and supply shortages developing, the balloon industry has struggled for more than a year to compete as worldwide demand for the gas has, well, ballooned. Adding to the turmoil is a bill in the California Legislature that would ban helium-filled foil representations of birthday cakes, Hello Kitty and the like.

Foil balloons -- made from a tough polyester film known as Mylar or some other metalized material -- are accused of causing hundreds of power outages each year in California by short-circuiting power lines they encounter during escape attempts.

[Paraguay: Oil Shortage Limits Public Transport](#)

Asuncion (Prensa Latina) Public transportation service in Paraguay is still limited today by the shortage of gas oil due to logistic problems.

To save fuel and avoid suspending the service, companies of this sector decided to implement an emergency plan that includes functioning of only 20 percent of its buses.

[Zambia's sole petroleum refinery runs out of crude oil feed stock](#)

LUSAKA (Xinhua) -- Zambia's sole petroleum refinery, INDENI Petroleum Refinery, has stopped producing petroleum products after running out of crude oil feed stock, according to Zambia Daily Mail.

...Konga said the ship ferrying the crude oil feed stock had delayed to dock in Dar-es-salaam because of some challenges in paying the supplier.

[Taxi shortage latest threat to Dubai boom](#)

But it is not simply a lack of taxis causing the problem. In fact Dubai has more taxis per person than most other major global cities.

According to Bloomberg, Dubai has around 4.9 taxis per 1,000 people, compared to 4.7 in Tokyo, 2.7 in London and 1.6 in New York.

The problem has more to do with the city's lack of public transport, soaring temperatures that can reach as high as 50 degrees Celsius in the summer months, and the cheap price of fuel, according to analysts.

[India May Pay Twice as Much for Gas by 2010 on Demand](#)

(Bloomberg) -- India, Asia's third-largest energy consumer, may pay as much as \$12 per million British thermal units for natural gas in 2010, U.S. consultant Facts Global Energy said in a report.

Consumers may pay twice as much for the cleaner-burning fuel because gas demand may grow at 5.1 percent a year between 2007 and 2015, and amid record crude prices, Facts said in a report e-mailed today. The price of delivered gas to consumers from Reliance Industries Ltd.'s gas discovery on the east coast is about \$6 per million British thermal units, half of the U.S. benchmark gas price at Henry Hub.

[Gas crisis 'threatening' WA tourism](#)

The West Australian gas shortage is threatening to wreak havoc on the state's tourism industry because of higher costs for laundry services.

The accommodation sector is facing a "major, major crisis" that may see international and interstate visitors being turned away at hotel reception desks, said Australian Hotels Association WA general manager Paul Brockschlager.

[Canada: Gas tax will hit Metro hard](#)

The region's transportation hub stands to lose a lot if a provincial carbon tax became reality, according to the chief executive officer of a transport company in Moncton.

Vicki McKibbon, of Armour Transportation Systems, said the New Brunswick government's proposed gas tax would drive up costs beyond reason in the transportation industry, adding that wouldn't bode well for Metro since a good number of transportation companies are located here.

[Pakistan: Saudi "bailout" and our energy map](#)

Those who think that Saudi Arabia will once again write off the oil dollars should take another look at the world oil situation. The prices are rising on a daily basis, and what was yesterday simply a comparatively modest gesture to a Pakistan under nuclear sanctions, would today amount to extravagance. Therefore Pakistan should move quickly to exploit its coal deposits so that the dependence on Saudi largesse doesn't become highly irresponsible, if not politically suspect.

[ANALYSIS - What price Saudi oil bill deferrals for Pakistan?](#)

Saudi Arabia - LONDON, July 14 (Reuters) - Saudi Arabia has agreed in principle to defer payments for crude oil sales to Pakistan, the Financial Times reported, raising

speculation about what the kingdom is looking for in return.

[‘Everybody still travels’](#)

Airline fares are up, fuel prices are at a record high, the dollar is down. That’s put the travel industry in the tank, right?

Not really, insisted Alex Trettin, president of the Carlson Wagonlit Travel Center on Broadway Plaza in downtown Tacoma.

“With all the doom and gloom in the press, you’d think we’re all losing our jobs,” Trettin said last week. “Most of the people in the Puget Sound area are still working, still spending money and still traveling.”

[UK: More nuclear plants ‘to be approved within two years’](#)

At least eight new nuclear power stations are to be approved within the next two years and built swiftly under fast-track planning procedures, The Times has learnt.

Gordon Brown believes that they will be needed to avoid an energy crisis in the next decade, and more will follow as the world tries to reduce its dependence on oil for power.

[Coal To Liquid Fuel Study To Be Released](#)

Officials in one eastern Kentucky county say they are ready to tell the world they have the answer to the country's energy crisis.

Pike County officials say they are excited to release their findings from a year long coal to liquid fuel study.

[Pickens' plan should spark energy debate](#)

We don't know if Pickens' energy plan is the answer to America's energy woes, but at least an energy "voice" is on the scene. That can't be a bad thing. We hope Pickens does start a national energy debate that results in a plan the nation can live and prosper with.

[Iraq's electricity-starved capital goes solar](#)

BAGHDAD -- In a city with constant electricity shortages but no lack of sunshine, the new buzz is solar energy.

Teams of engineers have appeared along major Baghdad roadways, bolting panels and bulbs to rows of towering steel poles to make solar-powered streetlights.

[White House: Bush to lift offshore drilling ban](#)

WASHINGTON - The White House says President Bush is planning to lift an executive ban on offshore oil drilling.

In a Rose Garden statement on Monday, the president plans to lift the ban. But by itself, the move will not lead to more drilling off America's coastline.

Congress must still lift its own legislative ban before offshore drilling can happen.

[Canada should play big role in new world oil order: IEA](#)

PARIS -- Canada could play a crucial role in helping to alleviate the current international energy crisis if it continues to expand Alberta oilsands production and considers allowing exploration off B.C.'s pristine coastline, according to a senior official with the International Energy Agency.

But IEA chief economist Fatih Birol acknowledged there are major environmental considerations that weigh heavily on both options.

He also said increased Canadian production won't by itself alter the emergence of a "new world oil order," with consistently higher prices that could lead to economic decline particularly in the world's poorest countries.

[Russian navy boosts combat presence in Arctic](#)

MOSCOW - The Russian Navy on Monday said it was boosting its combat presence in the Arctic, including near the Norwegian island of Spitsbergen, amid increased international interest in the region.

"The Russian Navy has restored the presence of combat ships of the Northern Fleet in the Arctic region, including in the region of Spitsbergen," the Navy said in a statement.

[That Sinking Feeling: Why Off-shore Drilling is Wrong Regardless of Peak Oil](#)

It's a sinking feeling watching your country collectively making bad decisions over and over again. It seems like it's about to happen once more with the move to expand off-shore oil drilling and in the Arctic National Wildlife Refuge. This is happening because there hasn't been enough logical introspection into what is driving our thinking.

[Happy Days for Oil Companies Reaping Massive Profits](#)

Fortune released its list of the most profitable companies in the world and 7 of the top 10 were major oil companies, including the top spot. Of these, 5 out of 7 were companies with major holdings in the U.S.

The myth that oil isn't creating huge profits is a favorable one for these companies, who fear their exclusive elite status in the business world may make them a tax target. The myth may have some rather skewed basis in reality, in that the profit margins (net income, including tax, over net sales revenue) are not as high as some companies. However, the fact is that oil companies commodity deal in a commodity that has become worth so much, this they don't have to have a large profit margin to make epic profits -- they simply have to sell.

[Future of big oil companies threatened by skills dearth – survey](#)

The world's biggest oil producers are facing a "major skills shortage" over the next decade, which was the industry's biggest threat, a report said on Monday, as London Brent crude traded just under \$143 a barrel.

Audit, tax and advisory firm KPMG International said that all the national oil companies' directors that it had surveyed said that "a lack of skilled personnel was the biggest threat to their businesses going forward".

[Homeowners who use heating oil seek alternatives](#)

As heating oil approaches \$5 a gallon, consumers in the oil-reliant Northeast are looking at pellets, heat pumps, firewood and even geothermal systems to soften the blow of high oil prices -- which have almost doubled in the past year and gone up nearly fivefold since 2003.

[As gas costs keep rising, look at ways to fight back](#)

With gas prices hovering above \$4.50 per gallon and with the growing likelihood that those prices may rise to \$7 or more in the near future, the time has come for America to declare war.

“Declare war?” you may say. “Aren't we already waging one too many wars these days?”

But I'm not talking about war on another nation. We need to declare war on oil itself: a multipronged attack involving business, government and you and me.

[Melting Ice = Rising Seas? Easy. How Fast? Hard.](#)

Most forecasting is easier and more reliable in the short run than over the long haul. Think of weather prediction. (And history is full of failed long-term forecasts of everything from oil prices to human population trends.)

But for scientists studying the fate of the vast ice sheets of Greenland and West Antarctica, the situation seems reversed. Their views of sea trends through this century still vary widely, while they agree, almost to a person, that centuries of eroding ice and rising seas are nearly a sure thing in a warming world. The great shifts of sea level and temperature through cycles of ice ages and warm intervals make that clear. I wrote about that consensus last year in covering the reports released by the Intergovernmental Panel on Climate Change, but also wrote about scientists' frustrations over trying to convey the importance of a slow-motion disaster.

[Oil Brings Americans Closer to OPEC Debtor Dependence](#)

(Bloomberg) -- Petroleum-exporting nations from Saudi Arabia to Russia are not only charging Americans record high prices for fuel, they are also poised to become the biggest creditor to the U.S. government.

Holdings of Treasuries by oil producers and institutions such as U.K. banks that are proxies for Middle East nations rose 44 percent this year to \$510.8 billion through April, four times faster than the rest of the world, according to the Treasury Department's most recent data. At the current pace, they'll surpass Japan, which holds \$592.2 billion, as the largest owner this month.

While the investment of so-called petrodollars into government debt is helping to temper a rise in borrowing costs as the U.S. finances a record budget deficit, it highlights America's dependence on foreign money. New York's Chrysler Building was bought last week by Middle East investors.

[Oil prices head lower as dollar advances](#)

LONDON (AFP) - Oil prices fell on Monday as the dollar strengthened and traders took profits from a record run that saw crude hit historic highs above 147 dollars per barrel last week.

The dollar got support after Washington announced measures to bolster Fannie Mae and Freddie Mac, two giant firms holding almost half of all US mortgage debt which had been pushed to the brink by the US subprime home loan crisis.

[\(Hyper\)-Inflation, Deflation, HOCG and LOCG](#)

At a certain point, we see a growing disequilibrium between supply and demand (Peak oil and food commodities) and we end up having an inelastic supply (peak oil) and a rising or stable demand for the LOCG . Prices start rising at an abnormal rate. There is inflation and sometimes hyperinflation.

Important is to understand that this is the direct result of Fractional Reserve Banking and fiat money creation by the banks and political authorities. In other words, they are at the very origin of the evil they are blaming the speculators for today.

[Farewell Indymac, What's Next? Say Hello to the 1970s Inflation Rate \(Part 2\)](#)

When the smaller banks fail, the “Big 5” will snatch them up at pennies on the dollar compliments of Bernanke's printing presses. Maybe now you can see why every nation wants to get as far away from the dollar as possible. They understand the worst is yet to come. Bernanke's “Big 5” banking bailout is only ensuring the dollar crisis will continue. However, no nation will be able to completely escape the effects of the falling dollar since it remains the universal currency. It is deeply embedded within global commerce and has extensive reach throughout the global financial system.

And of course, you must have the dollar to buy oil. But this could change. In fact, Iran has already tried to convince OPEC members to follow its lead in demanding Euro payments for oil on its newly created oil exchange (I previously discussed this global dependence on the dollar in the article “The Big Secret about Peak Oil and the U.S. Military”). In the meantime, most nations continue to hedge the weak dollar by increasing gold reserves. As for the Middle East , they have their hedge against a weak dollar – oil.

[UK: 'Lights will go out' by 2015 if Lords rejects Planning Bill](#)

The lights will go out across the UK in seven years if the Planning Bill coming up for review this week is rejected in the House of Lords, according to a leading business trade body. It estimates the country needs £100bn of investment in major energy plants by 2020.

[OPEC to Say Demand for its Crude to Fall in 2009, MEES Reports](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries will tomorrow say demand for its own crude oil in 2009 will be less than its forecast for 2008, the Middle East Economic Survey reported, without saying where it got the information.

The 13-member OPEC will say in its July 15 Monthly Oil Market Report that the call on

its crude next year will be 500,000 barrels a day less than the corresponding figure for 2008, the Cyprus-based newsletter said today.

[Venezuela says it will stop sending oil to US if Exxon freezes assets](#)

MARACAIBO, Venezuela (AP) - President Hugo Chavez says if Exxon Mobil Corp. dares to freeze Venezuela's assets, he will not sell any more oil to the United States.

Chavez said Sunday that while the U.S. oil giant lost an international court case to freeze the assets in March, it is still trying.

He said that if Exxon Mobil succeeds, oil prices will reach US\$300. He also accused the company of stealing Venezuela's oil.

[Nigerian Oil Union Suspends Strike Over Fuel, Welfare](#)

(Bloomberg) -- A Nigerian oil workers' union suspended its strike to force the government to lower the price of diesel, improve the country's poor roads and the welfare of union road-tanker drivers, the union said.

[Five-day Brazilian oil strike begins](#)

Brazil's Oil Workers Confederation began a five-day strike against Petroleo Brasileiro SA, an action that may cut the country's daily crude production by more than 50 percent.

[China oil demand unmoved by power woes](#)

BEIJING — China's worsening power woes are all but guaranteed to trigger a surge in imported oil, just as they did in 2004 during the worst crisis in decades, right?

Wrong, say experts and industry sources. While the theme is familiar, the circumstances couldn't be more different, suggesting that oil bulls looking for a reason to push crude beyond \$150 (U.S.) a barrel will need to look elsewhere.

[Kazakhstan to Tax Oil Production at Up to 20% of Output Value](#)

(Bloomberg) -- Kazakhstan will tax oil production at 4 percent to 20 percent of output value depending on the size of the field as the government seeks greater revenue from its energy assets, a deputy finance minister said.

“The bigger the oil field, the bigger the tax will be,” Daulet Ergozhin said today by telephone from the capital Astana. The government will try to maintain the attractiveness of oil- field investment in assessing the tax, he said.

[Latin America Oil Rig Use Rises to 22-Year High as Oil Surges](#)

(Bloomberg) -- Oil and gas rig use in Latin America rose to a 22-year high in June, led by Brazil, Mexico and Venezuela, according to a report by Baker Hughes Inc.

Oil explorers in Latin America deployed 398 rigs last month, or about 36 percent of drilling equipment used globally excluding the U.S. and Canada, the highest since April 1986, Baker Hughes said on its Web site. The region's rig count rose 8.7 percent from a year earlier.

[Jet Fuel Premium Collapse as Airlines Ground Fleets Weakens Oil](#)

Fuel demand will fall 7.5 percent this year, or 95,000 barrels a day, and 104,000 barrels a day in 2009, according to the U.S. Energy Department. That will spur as much as a 90 percent decline in the fuel's premium to heating oil futures, said Mike Busby, manager of oil and refined-products trading for Northville Industries Corp. in Melville, New York.

[Worth the risk? Debate on offshore drilling heats up](#)

Environmental hazard or energy bonanza: Oil and natural gas trapped beneath the USA's ocean floor mean different things to different people. As gasoline soars beyond \$4 a gallon, President Bush and his would-be Republican successor, John McCain, see a viable source of domestic production. Democrat Barack Obama and the nation's environmentalists see a threat to pristine waters and beaches – and little help at the pump from offshore drilling.

It's a debate with a rising decibel level, thanks to an energy crisis fueled by rising demand halfway around the world.

[Bill passing brings electric rail closer to reality for Auckland](#)

THE recent passing of the Land Transport Management Amendment Bill takes the Auckland region a step closer to electric trains and other public transport improvements.

That's the belief of Auckland Regional Council chairman Michael Lee, who is grateful for the support of MPs at a time when oil prices are constantly rising.

[Africa: The Next Victim in Our Quest for Cheap Oil](#)

Whether or not we have fully arrived at peak oil can be left to the nitpickers and bean counters to decide. What we know for sure is that the cost of black gold has exponentially risen in just a few short years, and the global economy it is built upon is currently straddling a razor waiting for the inevitable slice. That final cut may come from Nigeria, where all the major oil companies have done business, dirty and otherwise, for the last five decades, degrading the environment and depressing the general population along the way.

[Italy and Britain eye nuclear power potential](#)

PARIS (Reuters) - Italian Prime Minister Silvio Berlusconi said on Sunday oil-consuming countries should meet to fix a maximum price they were prepared to pay for oil or they would have to invest heavily in nuclear power.

Berlusconi denounced the "unfair" movement of wealth from consumer nations to oil-producing countries and the "exponential" rise in prices.

[Forests to fall for food and fuel](#)

Demand for land to grow food, fuel crops and wood is set to outstrip supply, leading to the probable destruction of forests, a report warns.

The Rights and Resources Initiative (RRI) says only half of the extra land needed by 2030 is available without eating into tropical forested areas.

[Governors talk of moving beyond corn-based ethanol](#)

PHILADELPHIA - Governors from the coal fields of West Virginia to the corn fields of Iowa talked Sunday at their summer meeting about moving beyond ethanol produced just from food sources.

They sometimes have different priorities in reaching this conclusion — priorities that can be as simple as who grows corn and who feeds it to livestock.

And they're also not talking about replacement so much as supplementing: using switchgrass or wood waste products, for example, along with corn.

[Bush climate action now? "Bogus": Schwarzenegger](#)

WASHINGTON (Reuters) - California Gov. Arnold Schwarzenegger said on Sunday the Bush administration did not believe it should do anything about global warming and that any last-minute action before leaving office would be "bogus."

[Russian researchers flee melting Arctic ice floe](#)

MOSCOW - Russian scientists are evacuating a research station built on an Arctic ice floe because global warming has melted the ice to a fraction of its original size, a spokesman said.



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