



DrumBeat: July 17, 2008

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Topic: [Miscellaneous](#)

[Oil futures: Know when to hold 'em](#)

NEW YORK (CNNMoney.com) -- In the last three days oil prices have fallen by roughly \$10 a barrel. Many analysts say slackening demand, or the threat of it, is the main culprit.

But another force could be at work in the background. Last week various analysts said there was talk that Mexico, the world's fifth largest oil producer, was hedging its bets - the country was said to be signing contracts to deliver oil several years into the future at today's prices. Essentially, it was betting oil prices have peaked.

"This is a smart move," said Phil Flynn, senior market analyst at Alaron Trading in Chicago, who also thinks there's a good chance prices have peaked. "If I were an oil producer, I'd want to lock in these prices."

[Czechs dealing with Russian oil cutback](#)

BERLIN: With Russia cutting oil deliveries to the Czech Republic, a strategic decision made by Prague in the early 1990s to reduce its energy dependence on Moscow appears to be paying off.

The Czech Republic was the only former communist country in the region to diversify energy sources immediately after the fall of the Soviet Union, and it seemed unfazed this week by the Russian decision to cut oil deliveries by about 40 percent.

[House rejects bill to require drilling on leases](#)

WASHINGTON (Reuters) - The House of Representatives failed to approve legislation on Thursday that would have pushed oil companies to drill on federal leases they already hold and required the government to lease tracts in a Alaskan oil reserve more often.

[Shell may invest up to \\$300 million in Peru](#)

LIMA, Peru — Royal Dutch Shell may invest up to \$300 million in oil and natural gas exploration in northern Peru, a company official said today, a decade after the Anglo-Dutch company suspended gas exploration operations here.

[Texas gives green light to lots more wind power](#)

AUSTIN, Texas - Texas officials gave preliminary approval Thursday to the nation's largest wind-power project, a plan to build billions of dollars worth of new transmission lines to bring pollution-free energy from gusty West Texas to urban areas.

Texas is already the national leader in wind power, and wind supporters say Thursday's move by the Public Utility Commission will make the Lone Star State a leader in moving energy to the urban areas that need electricity.

[Oil extends slide below \\$130 on demand worries, Iran](#)

NEW YORK (Reuters) - Oil prices dropped by \$5 on Thursday, adding to a decline of about 12 percent from last week's record on worries over U.S. demand and easing political tensions between Iran and the West over the OPEC producer's nuclear program.

Oil's slide marks the biggest 3-day loss in the market in percentage terms since December 2004, and the biggest 3-day loss in dollar terms since oil futures started trading in New York in 1983.

[N-power plant remains offline / Pressure mounting to resume operations at Kashiwazaki-Kariwa site](#)

A year has passed since the Niigata Prefecture Chuetsu Offshore Earthquake, but the Kashiwazaki-Kariwa nuclear power plant operated by Tokyo Electric Power Co. (TEPCO) is not likely to resume operations soon.

[White House threatens to veto oil drilling legislation](#)

WASHINGTON (Reuters) - The White House on Thursday threatened to veto legislation being considered by the U.S. House of Representatives that would force oil companies to give up undrilled federal leases and ban the export of crude drilled in Alaska.

[Iran satisfied at US involvement](#)

Iran has welcomed as positive America's decision to take part in international talks on its nuclear programme.

Speaking in Damascus, Iran's foreign minister said Tehran was looking forward to constructive engagement.

[Galp to get 1st shipment of Venezuela crude in Aug](#)

LISBON (Reuters) - Portugal's oil and fuel company Galp will receive the first shipment of 1 million barrels of crude from Venezuela in the first week of August, the transport ministry said in a statement on Thursday.

Last year, Galp signed an agreement with Venezuela's state-run oil giant PDVSA envisaging imports of oil from the South American country to account for up to 30 percent of Portugal's refining demand of over 300,000 barrels per day.

[Costa Rica to Join Chavez's Oil Alliance for Low-Cost Financing](#)

(Bloomberg) -- Costa Rica requested full membership in Petrocaribe, Venezuela's preferential oil program, giving the Caribbean country access to low-cost financing on oil purchases.

[Britain gets first taste of big tidal power](#)

LONDON (Reuters) - The world's first commercial-scale tidal power turbine has supplied the British grid with its first surge of tidal electricity, Marine Current Turbines (MCT) said on Thursday.

The tidal current turbine, known as SeaGen, briefly generated 150 kilowatts of power off the coast of Northern Ireland as part of testing ahead of full commercial operations in a few weeks, the company behind the project said.

[Moving Too Fast to Drive 55](#)

Maybe Phil Gramm wasn't entirely wrong. Maybe we are happier whining about problems rather than coming up with solutions that entail any sort of inconvenience.

[Church oil theft leaves huge mess](#)

An environmental cleanup is underway at St. Luke's Anglican Church at O'Leary Corner

in western P.E.I. after thieves made a mess while stealing heating oil from the tank outside the church.

The theft occurred last month. Thieves unhooked a line to empty the tank and oil spilled into the ground. The cleanup is expected to take several more weeks and is costing thousands of dollars. The church has insurance to cover the cleanup, but still has to pay a deductible.

[Moscow should host "gas OPEC" base - lobby group](#)

MOSCOW (Reuters) - Russia's top business lobby group said the country should host the headquarters of an OPEC-like gas group and sell oil in roubles to help achieve the Kremlin's desire to make Moscow a global financial centre.

Russia, which is flush with oil revenues and holds the world's third largest gold and foreign exchange reserves, aims to boost its influence in global political and financial affairs and wants to lure international investors to its capital.

[Get ready for the last oil war](#)

The now accelerating countdown to Peak Oil marking the ultimate peak of world production – with a faster fall-off in net export supplies than total production under several logical scenarios - can only aggravate existing global and regional tensions, especially in the Mid East. Any decline in global export supply (currently running at about 51 million barrels/day (Mbd)) will be catastrophic for attempts at maintaining flagging credibility in 'market supply/demand balance' and open market price setting. The date at which this will happen, without war accelerating the process through destroying oil infrastructures is of course disputed. Several studies indicate likely date could be 2012-2013.

When we arrive at permanent undersupply, prices will explode. This will be the end of market trading. Bilateral country-to-country arrangements will replace open market trading – returning world oil commerce to pre-1990s structures and arrangements, best suited to opaque and complex supply deals. Moving on from oil-for-food, supply deals will be dominated by weapons-for-oil, and support for using them. This was a key part of supply deals operated by major powers with Iraq, including third party supply of oil from Iraq's Sunnite-ruled GCC neighbor countries, during the 1980-88 war.

[Europe Seeks North Africa Energy](#)

With stability returning to Algeria and UN sanctions lifted from Libya, European energy giants are vying with each other to tap new sources of natural gas and oil in these North African countries. Their hope is to reduce what many fear is an overreliance on Russia - and beat the United States to the punch. Gazprom, the state-owned Russian energy

monopoly, which supplies more than a quarter of European natural gas needs, is also in the region, trying to reach long-term contracts to diversify its own energy sources. But Gazprom, which opened an office in Algeria last month, is facing tough competition.

[Rush Limbaugh - See, I Told You So: Oil Price Drops](#)

Now, I remember, what was it, a month ago now, we had a long discussion on this program when everybody was saying that the oil price per barrel was going to get to \$200, and I said, "Folks, even if it does, it is not going to stay there 'cause the market can't support it, the market won't be able to support \$150. The aviation industry will not be able to stay in business if it gets that high, it's just that simple. Market forces are market forces and nobody is going to bail out airlines and nobody is going to subsidize fuel costs, it isn't going to happen." And so, lo and behold, look what happens when Congress just stays out of things, when they just stay out of it. By staying out of it, I don't mean opposing drilling. If we could come to an agreement on that, then these prices would plummet even further.

[Suncor says oil sands pipeline shut after leak](#)

CALGARY, Alberta (Reuters) - A pipeline carrying diesel fuel from Suncor Energy Inc's northern Alberta oil sands operations sprung a leak on Tuesday, but production at the facilities has not yet been affected, the company said.

[Despite declining reserves, China's leading oilfield vows 40m tonnes](#)

BEIJING (Xinhua) -- China's leading oilfield, Daqing, said on Thursday it will make efforts to maintain high output, to ease oil shortage in domestic market.

Daqing aims to produce around 40 million tonnes of crude oil every year in the next 10 years, said Wang Yupu, the oilfield's general manager.

Despite declining reserves, Daqing will rely on high-tech to maintain high output, he said.

[Ivory Coast's main city crippled by transport strike](#)

ABIDJAN (AFP) — Ivory Coast's economic heart Abidjan was crippled by a transport strike over fuel price hikes for a third day Wednesday as motorists queued up at petrol pumps following rumours of an oil shortage.

Tens of thousands walked to work in the sprawling seaside city as communal taxis and minibuses, a cheap means of transport for locals, remained off the streets.

[Iraq To Limit No-Bid Deals With Big Oil](#)

(CBS/AP) The Iraqi government is planning to limit no-bid contracts being negotiated with several major oil companies to one year to avoid overlap with longer-term deals expected to be signed next June, a senior Oil Ministry official said Thursday.

[How to buy organics while on a budget](#)

If you're like me, your household budget is getting clobbered by the one-two punch of \$4-plus-a-gallon gasoline and higher food prices. Most of us can find a way to drive less, but we all have to eat.

To stretch their food dollars, people are changing the way they shop. For some, that means buying fewer organic products or taking them off the shopping list entirely.

[Where to ride out a gas crunch](#)

Here are 10 places where commutes are short or many residents get to work in ways that don't use a lot of fuel.

[Finding Fuel Efficient Metals](#)

Ultra high-strength and super-light steels are the plastics of the 21st century. There is high demand for these steels for use in everything from jet engines to rail components. In turn, there is a big push for the quirky metals so critical in making them. And in those quirky metals are good opportunities for investors. One of them is vanadium.

[Continental smothered by fuel prices](#)

HOUSTON (AP) -- Continental Airlines Inc. said Thursday it swung to a second-quarter loss, hurt by record high fuel prices and weakening economic conditions.

But the result was far better than expected, and shares rose 73 cents, or 7.9 percent, to \$9.92 in trading after the opening bell.

[Eskom Full-Year Profit Plunges 86% as Coal, Diesel Costs Soar](#)

(Bloomberg) -- Eskom Holdings Ltd., South Africa's state-owned power utility, said full-year profit plummeted 86 percent as coal prices jumped and it spent more on diesel to ease a national electricity shortage.

Net income fell to 923 million rand (\$121.4 million) in the year to March 31, from 6.5 billion rand a year earlier, the Johannesburg-based company said today in its annual report. Sales rose 11 percent to 44.4 billion rand.

``Our financial performance was severely impacted by the increasing cost of primary energy, mainly coal and diesel," Eskom said in the report. Coal exported through South Africa's Richards Bay port tripled in the past year.

[Eskom Sees 100 Million-Ton Coal Gap in South Africa](#)

(Bloomberg) -- Eskom Holdings Ltd., South Africa's state-run power utility, estimates the country may face a shortage of 100 million metric tons of coal by 2017 if the government doesn't intervene to secure supplies for local use.

``The low growth in South Africa's coal production is of very great concern and poses a serious supply risk to Eskom and South Africa," the Johannesburg-based company said today in its annual report. Lower quality coal, previously only used by Eskom, is becoming attractive to importers, particularly in India, it added.

[National Aluminium to Import Coal to Avoid Reducing Production](#)

(Bloomberg) -- National Aluminium Co., which last month cut production because of a coal shortage, plans to import 100,000 metric tons of the fuel to prevent another disruption at a time when prices of the lightweight metal are near a record.

The company, India's biggest alumina maker, will purchase thermal coal from countries including Indonesia in two months, Chairman C.R. Pradhan said in a phone interview from the eastern city of Bhubaneswar. Last month, it bought 30,000 tons at an average 8,000 rupees (\$186) a ton, he said.

[Major power shortage foreseen in China](#)

BEIJING (UPI) -- A major power shortage reportedly looms in China, brought on by rising coal prices and low government-controlled electricity rates.

[Iluka stung by gas shortage](#)

Iluka Resources, the world's biggest zircon producer, said second-quarter mineral-sands production fell 20% after declaring force majeure at its Western Australia operations because of a power outage.

[2008 Has Been an Incredible Year for Commodities](#)

No, this is not a bubble. It's a coming of age, a big, hard reality check that has been decades in the making. I have seen more activity by Wall Street in the resource markets in the last three years than in the previous 17. And I do not expect that it will ever go back to the way it was. I also don't expect to see 42nd Street filled with porno and hookers again, either.

Change is often hard to accept. \$140 oil, \$1,000 gold, \$8 corn... this is all the new reality. None of these new price trends are a figment of some rogue speculator's imagination or the products of evil activity. This is a wake-up call that our growing world is hungry for the limited resources it still has.

[Officials: Heating costs to spike](#)

Although the price of gasoline has been in the news lately, Sen. Charles Schumer, D-N.Y., says, "You ain't seen nothing yet" when it comes to home-heating oil.

He spoke during a Wednesday telephone news conference about legislation he is co-sponsoring in the Senate that would provide an additional \$2.53 billion for the Low Income Home Energy Assistance Program. This would supplement the \$2.57 billion already available.

[There's Washington Buzz About National Speed Limit](#)

With gas prices now topping \$4 a gallon, talk of a national slowdown is again swirling. Sen. John Warner, R-Va., has asked for a government study on a national speed limit.

But don't expect a repeat of 1974 anytime soon.

[Some predict shakeout in Michigan as fuel prices hit home health care](#)

"Some businesses have gone to four-day workweeks, but in this industry, we have to take care of patients 24/7 and we don't have that luxury. We have to be there every day," Osofisan said. "We've lost staff that can't afford to make it work.

"We're not in a great position, but the business has got to go on," Osofisan said, noting he raised mileage pay recently. "Unfortunately for everybody, the population is getting older, and it's going to get worse if there's no relief in gas prices."

[No fuel like an old fuel crisis](#)

The biggest annoyance caused by the increasing price of gasoline is that you have to listen to people complaining about it. People who bought vehicles slightly smaller than the USS New Jersey were taken by surprise that there is a big tank in the back somewhere that they have to keep filled. They hold it to be self-evident that all good Americans have the unalienable right to life, liberty, arms-bearing, taxes with lots of representation and gasoline under three bucks a gallon.

Gasoline prices are making it hard to feed the family. If it gets any worse, the old man might have to cancel the \$120 a month cable package that allows him to watch any sporting event live from anywhere in the world, with an option to watch Martian sports if that new robot on Mars finds any. The machine is looking for ice on Mars, so there may be figure skaters or curling up there.

[The Optimizer: Energy Conservation](#)

With its huge hydrocarbon reserves of gas and oil, Saudi Arabia is among the richest countries in the world in terms of natural resources, yet for the Kingdom and Saudi Aramco, energy conservation is an important concern.

[Ethiopia hit by diesel shortage](#)

Major towns throughout Ethiopia have been hit by a major shortage of diesel fuel, starting Thursday, July 10, 2008 this week, gas stations were congested with vehicles queuing to fill up their tanks.

Damenu Kibret, Public Relations head of the Ethiopian Petroleum Enterprise (EPE), told Capital that the shortage occurred from reduced supply at retail companies.

[Saudi refinery unit to start output soon](#)

SINGAPORE: Saudi Arabia's new 60,000 bpd petrol-making unit at its Rabigh refinery will come online between end-September and early-October, a source said yesterday.

The unit is part of the 400,000-bpd PetroRabigh refinery, which is linked to the \$10 billion joint-venture petrochemical complex between Saudi Aramco and Japan's Sumitomo Chemical.

[Will Offshore Drilling Lower Gas Prices?](#)

Bush argues that lifting the offshore drilling ban would send an important psychological

signal to markets, which could ease oil prices. According to NPR, "The Department of Energy says there may be 18 billion barrels of oil in coastal waters, but they also say that drilling for it would not have a significant impact on production or prices until 2030." Oil industry insiders "say drilling won't ease the oil pinch." Matthew Simmons, President of energy investment bank says, "It's really misleading to hold that out as a panacea. It won't work. It might work for our grandchildren."

[Tropical depression less likely in SE Caribbean: NHC](#)

The energy market has been watching this system since the NHC on Monday first forecast it could develop into a tropical depression.

Some weather models forecast the system will pass near Aruba, where an oil refinery is located. All models project the system will swirl westward across the Caribbean Sea and hit the Yucatan Peninsula in Mexico in about five days.

If it crosses the Yucatan it could disrupt the Cantarell Field in the Bay of Campeche, the biggest oil field in Mexico.

[Alaska bets gas line jump-starts production](#)

The newest in-state gas pipeline plan for Alaska is based on a bet.

By connecting a region with a declining supply of gas to another region desperate for affordable fuel, the state is betting it can jump-start production of untapped Cook Inlet reserves by using demand from the Interior like a battery and a pipeline like a set of jumper cables.

What remains unclear is whether the jolt will do the trick.

[Big oil companies to spend \\$7 billion on flow from Canada](#)

SIOUX FALLS, S.D. - Two major energy companies will spend \$7 billion to nearly double the amount of crude oil flowing through a pipeline from Canada's tar sands to the U.S. Gulf Coast, highlighting intense demand for crude that was once too expensive to pull from the ground and process.

[Disinformation Age: OPEC lies, the SUV dies.](#)

The folks over at OPEC, the Organization of Petroleum Exporting Countries, must think we're pretty stupid. The other day, Chakib Khelil, the current OPEC president, asserted that "the intrusion of bioethanol on the market" is responsible for 40 percent of recent increases in the price of oil.

[Rising oil prices likely to reverse trend toward sprawl in suburbs](#)

Newly released estimates from the U.S. Census Bureau show a continuation of long-standing population trends in Pennsylvania, and south central Pennsylvania in particular, from the most recent census in 2000 to July 2007. Growth -- or as it is sometimes referred to, "sprawl" -- continued apace in the outer suburbs, while the cities and older suburbs saw declines in residents.

But this decades-old trend may have run out of gas, literally. Cheap gasoline encouraged ever-longer commutes, largely in an effort to find affordable housing on an acre lot with lots of grass to mow. Record-high oil prices are bound to change -- indeed, have already altered -- the economics of "country living," especially when it is supported by long drives to and from work every day.

[Electrical infrastructure faces crisis, experts say](#)

Experts said this week that the infrastructure that provides electricity to homes and businesses throughout the country is nearing the breaking point because of increased energy demands - and it remains vulnerable to cyber and terrorist attacks.

That's part of the nation's grim electrical picture according to industry and homeland security experts who gathered Wednesday at a forum in Shepherdstown to discuss the need for an improved electric transmission infrastructure system in West Virginia and the Mid-Atlantic region. The forum was sponsored by West Virginians for Reliable Power, and it included Daniel Larcamp, spokesperson for the Edison Electrical Institute. Larcamp previously served as chief of staff for the Federal Energy Regulatory Commission.

[Who's Backing Gingrich's 'Drill Here' Push?](#)

As you've probably noted, Newt Gingrich, once casting himself as a conservative conservationist, lately has been proclaiming "Drill here, Drill now, Pay less" through one of his online organizations, American Solutions for Winning the Future. Is anyone experiencing cognitive dissonance?

[The facts have not slowed the legend of Gull Island oil](#)

Along with a surging interest in fuel-efficient automobiles and biking to work, the legend of Alaska's Gull Island, a speck of land four miles or so offshore the North Slope in the middle of Prudhoe Bay, seems to have an uncanny ability to appear when the United States is facing soaring oil and gasoline prices.

[Oil and trouble: Sometimes it's not worth it](#)

There must come a point when BP and Royal Dutch Shell give up on the whole messy business. In Russia, the chief executive officer of TNK-BP, the British firm's half-owned Siberian oil producer, is again facing the loss of his Russian visa. In Nigeria, Shell is pondering new threats of violence by militants in speedboats targeting the company's offshore operations.

These are core oil-producing regions. For BP, its share of TNK-BP represents almost 900,000 barrels a day, about a quarter of the multinational's annual output of oil and gas, while Nigeria is Shell's heartland, a country it has inhabited for almost 50 years. The war of attrition conducted by militants and criminal gangs in the Niger Delta is chipping away at oil production but Shell ought to be getting some 400,000 b/d from Nigeria, about 12 per cent of Shell's total.

This is not the whole story, however, because profitability is what these companies are about and the barrels emerging from these troublesome countries are subject to punishing tax regimes. In both Russia and Nigeria, it is the state, not the oil companies, that gets the windfall from oil at \$140 (U.S.) a barrel. For Shell and BP, these most troublesome parishes are the least profitable, per barrel.

[The Peak Oil Crisis: The Blackouts Spread](#)

Of the 266 distinct nations or entities on the world today, nearly 100 are now reporting continuing energy shortages, mostly in the form of inadequate electricity supply, but in a growing number of cases, shortages of liquid fuels and natural gas. The actual number of countries affected is probably well over 100 but there are dozens of isolated island-states scattered around the world that are rarely heard from and are almost certainly suffering in silence while waiting for the next oil tanker to come in.

The majority of these energy-short states are small, poor and play only a minor role in world trade. While we should feel sorry for the plight of their inhabitants who are, or shortly will be, enduring severe hardships from greatly reduced supplies of electricity, water, food and use of motor transport, the impact of their problems on the better-off OECD world is likely to be minimal for a while.

[Nigeria locals blow up Eni oil pipeline, output shut](#)

ABUJA (Reuters) - Nigerian community members blew up a crude oil pipeline operated by Italian energy group Eni in the restive Niger Delta, shutting around 20,000 barrels per day, the Bayelsa state governor said on Thursday.

[Norway oil output fell to 1.93 mln bpd in June](#)

OSLO (Reuters) - Norway's oil production fell to a preliminary 1.93 million barrels per day on average in June from 2.18 million in May hit by maintenance, the Norwegian Petroleum Directorate said on Thursday.

The figure was up from 1.87 million barrels per day in June last year.

[Democrats try to spur more oil exploration](#)

WASHINGTON (AP) -- Seeking to blunt GOP efforts to permit oil exploration off Atlantic and Pacific coasts, House Democrats are pushing legislation they say would spur oil drilling on already available lands in Alaska, the West and the western Gulf of Mexico.

Republicans scoffed that the so-called Drill Act - imposing a tougher "use it or lose it" rule on leases already held by oil companies - would do little to boost oil exploration, saying current policies are aimed at the same goal. A vote was set for Thursday.

[Brazil oil strike negotiations stall](#)

SAO PAULO, Brazil - Negotiations between striking Brazilian oil workers and state oil company Petrobras stalled late Wednesday with no immediate end of the walkout in sight.

[ConocoPhillips vows Darwin evolution](#)

US supermajor ConocoPhillips said it was "dedicated" to expanding its Darwin liquefied natural gas project in Australia's Northern Territory to meet booming energy demand in Asia.

[Spain broke rules in energy deal](#)

Europe's top court says Spain broke EU law by trying to obstruct a German takeover of Spanish energy firm Endesa.

The European Court of Justice ruled Spain broke competition rules by insisting mergers in its energy sector be pre-approved.

[Australia to Examine Undeveloped Fields as Oil Supplies Dwindle](#)

(Bloomberg) -- Australia will step up calls on companies to bring undeveloped oil and gas fields into production as dwindling reserves make supply security a "major concern,"

Energy Minister Martin Ferguson said.

[Will wood replace oil?](#)

The cost of oil is rising and will continue to rise. At what price do we say enough is enough and abandon oil as a home heating fuel?

[Peak Oil and Energy Imperialism](#)

The rise in overt militarism and imperialism at the outset of the twenty-first century can plausibly be attributed largely to attempts by the dominant interests of the world economy to gain control over diminishing world oil supplies. Beginning in 1998 a series of strategic energy initiatives were launched in national security circles in the United States in response to: (1) the crossing of the 50 percent threshold in U.S. importation of foreign oil; (2) the disappearance of spare world oil production capacity; (3) concentration of an increasing percentage of all remaining conventional oil resources in the Persian Gulf; and (4) looming fears of peak oil.

[The future of fuel is wide open](#)

The only certainty to emerge from the Future Fuels Forum last month is that we are in a time of transition regarding fuel: just how that transition occurs, and where it takes us, is anyone's guess.

The 44-page document that was produced from the forum, and released last week to headlines that shouted '\$8 a litre by 2018', gave equal weight to two opposing concepts —peak oil, and energy agency forecasts that current high oil prices are temporary.

[Population laments oil prices](#)

The plain truth we are confronting today is this: Cheap energy in any form - oil, gas, whatever - is gone forever. Expensive gasoline is here to stay. But from observing many of the media's so-called experts, it seems we as a society have not acknowledged this fact.

It has been said that when you've dug yourself into a hole, the first thing you should do is stop digging, but our economy doesn't seem to be doing this yet.

[Hopes for peace grow as Iran and US hold first high-level talks for 30 years](#)

The US is to send a senior official to talks with Iran on Saturday, the highest level

meeting between the two since the 1979 Iranian revolution and a departure from George Bush's previous hard line.

[US Airways pilots: We're pressured to cut fuel](#)

WASHINGTON (AP) — The pilots union for US Airways said Wednesday the airline is pressuring pilots to use less fuel than they feel is safe in order to save money.

[Soaring fuel sinks 2000 Qantas jobs](#)

QANTAS will slash about 2000 jobs next week as the national carrier seeks to offset cost pressures caused by the crippling fuel crisis.

The belt tightening also will include cutting loss-making flight routes from both domestic and international schedules.

The economic situation confronting the airline is so grim senior managers, flight crew, engineers and ground staff will be included on the hit list. The cuts are expected to affect 5 per cent of the carrier's 36,000-strong worldwide workforce.

[Lester Brown: Redesigning Urban Transport](#)

The world's cities are facing unprecedented problems. In Mexico City, Tehran, Kolkata, Bangkok, Shanghai, and hundreds of other cities, the air is no longer safe to breathe. Respiratory illnesses are rampant. In the United States, the number of hours commuters spend sitting frustrated in traffic-congested streets and highways climbs higher each year. In response, forward-thinking city planners are seeking ways to redesign cities for people not cars. They have begun to realize that urban transport systems based on a combination of rail lines, bus lines, bicycle pathways, and pedestrian walkways offer the best of all possible worlds in providing mobility, low-cost transportation, and a healthy urban environment.

[Tough decisions on reactors](#)

More nuclear power is coming to Ontario.

Last month's announcement by Infrastructure Ontario named Ontario Power Generation (OPG) as the operator of two new reactors to be built at its Darlington site, east of Toronto. Now some questions have to be answered:

What technology will be used?

Who will build the reactors?

How much will they cost?

How we will pay for the project?

[Energy: Biofuels producers hit back at Opec over oil price](#)

The global biofuels sector has launched a ferocious attack on the Opec oil cartel by accusing it of deliberately "misleading" the public about who is responsible for soaring fuel prices.

An open letter to Chakib Khelil, president of Opec, from the main biofuel organisations in Europe, North America and Brazil accuses him of providing self-serving explanations by claiming that 40% of the \$140-a-barrel crude price results from the intrusion of bioethanol into the market.

[Costly biofuel support offers few benefits-OECD](#)

PARIS (Reuters) - Public support for biofuels is costly and has little impact in cutting greenhouse gas emissions so governments would do better promoting lower energy consumption to fight climate change, the OECD said on Wednesday.

[Pope: World's natural resources are being squandered](#)

SYDNEY, Australia (AP) — The world's natural resources are being squandered in the pursuit of "insatiable consumption," Pope Benedict XVI warned in a speech Thursday that also slammed television and the Internet for exalting violence as entertainment.

[Global Warming: Top 10, Again](#)

WASHINGTON - Earth scored another Top 10 finish in June — climate wise.

It was the eighth warmest June on record, the National Oceanic and Atmospheric Administration reported Wednesday.

And the first six months of the year were the ninth warmest since record keeping began in 1880, NOAA's National Climatic Data Center reported.

[Austro-Canadian team to examine climate change effect on fish](#)

VIENNA (AFP) - Austrian and Canadian researchers will travel to the Arctic to examine links between climate change and high levels of poisonous heavy metals found in local

fish, team leader Guenter Koeck said Wednesday.

[Gore sets 'moon shot' goal on climate change](#)

WASHINGTON - Just as John F. Kennedy set his sights on the moon, Al Gore is challenging the nation to produce every kilowatt of electricity through wind, sun and other Earth-friendly energy sources within 10 years, an audacious goal he hopes the next president will embrace.



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