

Re: "oil will be capped at \$40 per barrel"

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Source: <http://sci.tech-archive.net/Archive/sci.energy/2006-04/msg00100.html>

- *From:* "Morty McSnerd" <morty@xxxxxxxxxxxxxxxxxxxxxxxx>
 - *Date:* Sat, 22 Apr 2006 11:02:30 -0600
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Ya know bob, like all socialists, you are quite full of beans. Obviously you have never been out here where the rubber meets the road solving energy and environmental problems and overcoming the myriad of obstacles already placed by the monstrous and quite stupid government bureaucracies that tax and regulate this nation's oil and gas industry.

Look at how much of their profits these capitalist American oil companies are putting back into research and new reserve development. Far FAR more than any governments in the world are. It's an incredibly more intelligent and efficient system than have a gaggle of government nitwits try to regulate it like they did in the Jimmy Carter era as you seem to advocate.

Don't forget that it was capitalist's like Standard Oil's Rockefeller, Henry Ford and Thomas Edison who created the middle class and the very high standard of living that the American middle class enjoys today –in spite– of an ever growing big fat and quite stupid government bureaucracy getting the way.

And as you well know, our best, brightest and most ambitious go into the private sector, including our quite challenging and rewarding energy industry. Only those who don't have the education, ability and/or ambition to make it in the private sector become government bureaucrats, and if for no other reason than that, it will be much better and more efficient to keep this great nation's energy development as much in the capitalist private sector as is possible.

You are a government employee or some kind of an insurance salesman right?

"Bob Eld" <nsmontassoc@xxxxxxxxxx> wrote in message
[news:J%d2g.70554\\$Jd.57195@xx](mailto:news:J%d2g.70554$Jd.57195@xx)

<jefft0@xxxxxxxxxx> wrote in message
news:1145653988.540007.66620@xx

A few years ago, when oil prices had been under \$30 per barrel for a long time,

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analysis wrote off gasoline synthesis (from methanol, coal, etc.)
because of cost.

This posting from 2003 was typical:

http://groups.google.com/group/sci.energy/browse_thread/thread/1b9d35a39fd270d1/10cf29c9c4cfc4b4

"The business types I'm aware of who have invested in this enterprise, have admitted its a long shot, because oil would have to be \$40 per barrel or more – over an extended period – for this system to be profitable."

Because cost of synthesis was assumed to be around \$40 per barrel, people said that this would cap the effective price of oil. (Do you remember this talk?)

So are these conversion technologies going to "kick in" with oil now above \$70 per barrel?

It's not that simple because it's not text book supply and demand. While tight supplies and high demand are the trigger, there is a lot of collusion and monopolistic practices involved in the recent run up of prices. In a simple text book case, tight supplies would squeeze everything including profits and everybody would be scrambling to increase supply. Under the present system, there is little incentive to increase supply including synfuels and alternatives because profits are increasing even faster than raw petroleum. There is little competition and in some cases, oil companies are buying each other up. Look at the recent \$400 million retirement package for an Exxon executive as an illustration of the greed and excesses in that industry. OPEC is a monopoly that sets crude prices. While American companies are not a part of OPEC they, none the less, benefit from OPEC's price fixing and are only too happy to throw up their hands and say "what can we do?" while they laugh all the way to the bank. What we see is unfettered, laissez-faire, do what the hell you want, screw the public, capitalism. What is needed is a few rules and regulations with taxing policy to encourage companies to be good corporate citizens. We need to revisit and enforce the anti trust laws originally placed against Standard Oil in 1912 because we've been down this road before. We need a government that cares about the general public as much as it cares about its corporate friends in high places. Corporations should be allowed to make money but they should not be allowed to screw the public while

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certain

politicians deal out special favors to them and write blatant giveaway energy bills. And, we need a government that is more interested in helping forward the development of alternative fuels than it is in waging war.