

2008, THE YEAR OF \$100/BARREL OIL

As freep pointed out, the price of oil has officially topped \$100/barrel.

Surging economies in China and India fed by oil and gasoline have sent prices soaring over the past year, while tensions in oil producing nations like Nigeria and Iran have increasingly made investors nervous and invited speculators to drive prices even higher.

Violence in Nigeria helped give crude the final push over \$100. Bands of armed men invaded Port Harcourt, the center of Nigeria's oil industry Tuesday, attacking two police stations and raiding the lobby of a major hotel. Word that several Mexican oil export ports were closed due to rough weather added to the gains, as did a report that OPEC may not be able to meet its share of global oil demand by 2024.

Light, sweet crude for January delivery rose \$4.02 to \$100 a barrel on the New York Mercantile Exchange, according to Brenda Guzman, a Nymex spokeswoman, before slipping back to \$99.15.

I'm not surprised in the least that this symbolic limit has been passed (however briefly—this was just a single transaction). It's just kind of creepy that it happened on the first business day of the New Year (along with a 200 point decline in the Dow).

We started last year with the hope that somehow we could scale back Bush's disastrous imperialism. A year later, Bush's policies and the developed world's addiction to oil continue to destabilize the world. Only now, the economic impacts of those policies are taking center stage.