Sun Journal

We Can Drill Our Way Out of the Problem

By J Dwight , *Populist Economics*
Tuesday, September 09, 2008

“'We have lived for 400 years with the problems of poverty, and I wouldn't mind looking forward to a couple hundred years of prosperity,'” said Jerry Byrne, to the reporter.

“’The government announced that it finished the fiscal year with a surplus of $1.4 billion, which was $1.1 billion more than it projected in last year's budget… and it expected a surplus of $544 million for the coming fiscal year.

"Unprecedented," the news story continued, "an outstanding turnaround in four short years. Economic prospects have never looked better. This turn of fortune has not happened by accident. It has happened by design," added the treasurer.’”

Now that’s a sustainable economy.

Revealed in news stories were a number of moves by the government, including tax cuts, program improvements and new initiatives.

Tax cuts, $180 million:

- the elimination of the tax on insurance premiums.
- cutting motor vehicle registration fees
- a one per cent drop in all personal income tax rates, effective July 1

Program improvements, $673 million:

- providing meaningful wage increases to government employees
- the government finally has the resources to fix sagging infrastructure, $673 million is being budgeted, including $182 million in highway and road upgrades
- a new municipal cost-sharing arrangement was included as well

New Initiatives, $75 million:

- "youth retention and attraction strategy" to recruit young workers to jobs
- measures to persuade nursing and medical students to stay after graduation
- $52 million in spending on new equipment is targeted toward cancer detection and treatment

The above was reported in St. John’s Newfoundland, not, Augusta, Maine, this spring.

Newfoundland’s extraordinary progress was largely due to the steps it has taken to drill

for oil and natural gas on the Grand Banks over the last forty years.

I guess you can drill your way out of the problem.

There's more. Newfoundland expects to receive $1.7 billion from its oil royalties in 2008. Over the last ten years they have extracted over 700 million barrels of oil and estimate that another 2.7 billion barrels remain in the Hibernia Field, not to mention 10 trillion cubic feet (tcf) of natural gas.

On August 20, 2008, Newfoundland announced a contract to tap the Hebron field (estimated to contain 400 million to 700 million barrels of oil). This contract is expected to provide 3,500 new jobs, $20 billion of oil royalties and an 4.9% equity interest in the deal.

Now that's creative.

Five days earlier, Governor Baldacci's Pre-emergency Energy Task Force announced $12.5 million in spending to forestall the possible freezing of Mainers this winter saying, in effect, "There's nothing we can do."

This summer Maine has lost over 500 more jobs from paper and manufacturing. If the voters had followed different policies over the last forty years, it is probable we'd be enjoying a better state of economic affairs too.

Nova Scotia, our mutual neighbor, expects to receive over $514 million from natural gas royalties from wells off Sable Island, where they have discovered over 50 trillion cubic feet (tcf) of natural gas and over 4.5 billion barrels of oil.

Economic benefits studies by Nova Scotia Department of Finance concluded: "The actual impacts of Nova Scotia offshore activities and related activities...exceeded the expected impacts in all cases."

Nova Scotia is using its royalties to locate wind turbines, cover the province with broadband internet, improve schools, hospitals and roads, reduce taxes and increase higher education spending.

They are also exploring putting turbines in the Bay of Fundy to harness the tidal flow to produce electricity. They are testing the geologic formations in the Bay of Fundy for oil and gas as well.

Now that's progressive.

Nova Scotia has allowed 200 wells to be drilled over the last 40 years without environmental damage! The same can be said of Newfoundland on the Grand Banks—the largest fishery in the western Atlantic.

Studies by independent researchers at the International Ocean Institute and others at the Sable Island offshore oil and gas sites have concluded in July 2005

- No oiled seabird carcasses found on Sable Island have contained hydrocarbons traceable to the operations.
- Whales, dolphins and seal species observed from the platforms showed no obvious avoidance of the operations.
- Tests done on fish local to the operations showed no adverse health effects. Additionally, no taint was found in naturally occurring fish species tested.

Now, that's green.

The same geologic formations off Newfoundland and Nova Scotia are off Maine, and all the way down the eastern seaboard to Florida.

Nova Scotia estimates that on their side of the Georges Banks some 5.3 trillion cubic feet of natural gas and over one billion barrels of oil wait to be found and extracted.

Democrats and their environmental lobbyists are so busy bashing 'big oil' and 'speculators' and "minimizing unnecessary energy production, distribution, and use," they refuse see the reality of the economic prosperity and the environmental truth just across our border with Canada.

Energy policies of Maine Democrats, and Maine Environmental lobbyists have been very successful in 'causing' poverty.

John Baldacci, Tom Allen, Ray Michaud, and Barak Obama, the Democrats have all expressed strong opposition to drilling offshore.

John Frary, Susan Collins and John McCain, the Republicans favor offshore drilling.

You can drill your way out of the problem. Our neighbors Nova Scotia and Newfoundland are proving it. And, it can be done without environmental harm.

To drill or not to drill, that is the question. I think the answer is clear.

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