

CHINA STARTS OIL DRILLING OFF FLORIDA

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While Washington dithers over exploiting oil and gas reserves off the coast of Florida, China has seized the opportunity to gobble up these deposits, which run throughout Latin America, the Caribbean and along the U.S. Gulf coast.

The Chinese have forged a deal with Cuban leader Fidel Castro to explore and tap into massive oil reserves almost within sight of Key West, Florida. At the same time, Venezuelan President Hugo Chavez, who controls the largest oil reserves in the Western Hemisphere, is making deals to sell his country's oil to China, oil that is currently coming to the United States.

Meanwhile, a new left-wing populist regime in Bolivia has nationalized the natural gas industry, threatening to cut off supplies to the United States.

SLANT DRILLING

There are new reports out circulating that Chinese firms are planning to slant drill off the Cuban coast near the Florida Straits, tapping into U.S. oil reserves that are estimated at 4.6 billion to 9.3 billion barrels. This compares with 4 billion to 10 billion barrels believed to be beneath the Alaska National Wildlife Refuge, where drilling is held up in Congress due to the objections of environmental groups which warn of endangering caribou. Permission to drill in the refuge, which experts are certain will not present any environmental hazard, has failed by just two votes in the Senate.

As Chinese business increases its reach around the world, it is seeking oil, which it lacks domestically.

After elections in Mexico in early July, when a new regime hostile to Washington is expected to take power, the United States might be without supplies of Mexican crude oil. The United States gets about 40 percent of its imported oil from Mexico and Venezuela.

China is eager to tap into oil reserves in the Florida Straits and then make a deal with Castro to control it. The Chinese have already reopened an abandoned Russian oil refinery in Cuba. Much of the gas refined there is believed to be destined for Freeport in the Bahamas, where the Chinese, through front company Hutchison-Whampoa, has developed a massive port facility and airfield.

With the refinery reopened and expanded it will also meet the needs of Castro.

Sen. Larry Craig (R-Idaho) has introduced legislation to ease U.S. restrictions that prevent dealing with Cuba to drill in the Florida Straits. It is hoped that Florida regulations that prevent U.S. oil drilling off the state's coasts could also be eased.

The irony is that Chinese drilling could be even more of an environmental hazard since China is not as concerned about or equipped to deal with any potential ecological disaster as a result of a spill, said Craig.