



## The Round-Up: May 8th 2007

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### [The nuclear option](#)

Sensing some reluctance from the crowd, Hawthorne later slips into passive-aggressive salesman mode. "I'm not here to sell you a nuclear plant. If you don't want a nuclear plant, I don't want to be here."

But he does want to be there, and he is selling something the idea that a nuclear renaissance is upon us, that emission-free atomic power will save local economies, keep global warming in check and pave the way to a nuclear-based hydrogen economy. The message in a nutshell: the construction of new nuclear plants in Canada is inevitable.

Nuclear power, once shunned, is back on the table in Canada and around the world. Its image as a risky, expensive, dangerous technology amplified by the Three Mile Island accident and Chernobyl disaster is clouding. Only emission-free nuclear power, proponents say, can keep global warming in check without hindering economic growth.

There's serious talk in Alberta about using nuclear power to reduce emissions during oil sands production. Behind the scenes, Prime Minister Stephen Harper has reportedly embraced the cause. And Ontario has already committed to building two new nuclear reactors totalling 1,000 megawatts in the province just the start, industry and political sources contend.

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### [The Current, May 3rd: Nationalize Oil?](#)

Jean Paul Getty, the famous American Industrialist and founder of Getty Oil, who compared the hunting of oil to the hunting of a wild animal. Whoever manages to capture oil, Getty once said, owns it!

In Canada, that saying still holds true. You don't own the oil unless you happen to own shares in Exxon Mobil, Suncor, ConocoPhillips, Petro Canada or one of the big, private corporations controlling Canada's oil supply.

But Gordon Laxer would like to see that changed. He is a professor of political economy at the University of Alberta, Director of the Parkland Institute - and the author of *Open for Business: The Roots of Foreign Ownership in Canada*.

### [Calvert touts Canada-wide 'ethanol highway'](#)

Calvert thinks an "E85" highway could help the environment and give a boost to the biofuels industry in Saskatchewan and other provinces.

"What we need to do is do some co-ordination, because we have major production happening in our province, we have major networks of delivery points, fuel stations and we have got a growing number of people who are looking to or today own E85 [compatible vehicles]," said Calvert, who presented the idea earlier this week at a meeting of provincial and territorial leaders in Toronto.

However, one industry expert is putting the brakes on, saying the industry may not have the fuel.

Brad Wildeman, the president of the Pound-Maker ethanol plant in Lanigan, southeast of Saskatoon, says the industry already has its hands full trying to meet demand.

Having an E85 filling site at every retailer is probably "some ways off yet," Wildeman said.

### [Biofuels: The great green con](#)

Biofuel is the latest green craze. It is made from crops such as wheat, rapeseed, corn and sugar, and less commonly, waste products such as used cooking oil and tallow (animal fat). According to biofuel's many fans, blending conventional petrol and diesel with these crops or waste reduces the amount of crude oil needed and the overall amount of carbon released into the atmosphere.

Everyone is jumping on the biofuel bandwagon. In his State of the Union address in January, Mr Bush announced a 15 per cent target for the replacement of petrol by biofuels in US vehicles. Over the next 18 months, American biofuel production capacity will double to some 7 per cent of the petrol that the country consumes. The EU has set a less ambitious target of just under 6 per cent by the end of the decade; this could rise to 10 per cent.

But questions are starting to be raised about just how green biofuels really are. They encourage deforestation - responsible for around a quarter of the world's carbon emissions - as land is cleared to grow the crops. Biofuels have also driven up food prices, hitting the world's poor the hardest. According to the International Grain Council, at the end of this financial year the world's grain stocks (corn, wheat and barley) will be the lowest since the 1970s, mainly because of soaring demand from biofuels. Some of these "green" energy sources also use up more energy during the manufacturing and refining process than they save.

### [Ethanol plant location really stinks](#)

An independent review of Northern Ethanol's plans has raised red flags about air, odour and noise concerns.

Jacques Whitford Environmental Engineering Scientific Management Consultants says that while its application generally meets Ontario Environment Ministry (MOE) guidelines, there are concerns.

Odour is not discussed in Northern Ethanol's MOE application, and should be considered in the facility's air assessment, Whitford says.

He says there's potential for significant noise - from flares, boilers, dryers, fans, cooling towers, trucks and rail transportation.

While the MOE's minimum separation distances from neighbours may be met, Whitford says noise limits may not be met because of the large machinery.

### [Renewable is not a synonym for sustainable](#)

A farmer may be able to sell some switchgrass grown from the nutrients in the soil, but over time will have to replace a lot of nitrogen, phosphorus and potassium and eventually some micro-nutrients.

Maintenance rates would cost around \$30, at 2007 prices, per ton of dried switchgrass sold. For biofuels to be sustainable, fertilizer sources would have to be limitless and economical.

Some in the biofuels industry say farmers will need a \$50-per-ton subsidy to make switchgrass work for them.

I would rather subsidize good soil- and water-conservation practices, wind and solar energy and related energy storage (e.g. hydrogen or electricity) and energy conservation - all better attacks against both global warming and fossil-fuel dependence.

### [Calculating the true cost](#)

In the neighbourhood of \$1.25 a litre, Lower Mainland commuters are crying the gas-guzzler blues. But that price is actually a steal, with the polluting public being subsidized to the tune of as much as \$3 per litre.

Because if that tankful of gas combined all the costs of getting it to the pump -- including increased pollution, global warming, and health consequences of bad air -- the price could be as much as \$4.43 a litre (\$15.14 US a gallon), according to a study by the International Center for Technology Assessment.

While some of the costs, like U.S. tax subsidies, wouldn't apply in Canada, most would. And economists say if we are to save the planet, those costs must be reflected in the pump price.

### [Birth of a New Wedge](#)

The first meeting of the International Agrichar Initiative convened about 100 scientists, policymakers, farmers and investors with the goal of birthing an entire new industry to

produce a biofuel that goes beyond carbon neutral and is actually carbon negative. The industry could provide a "wedge" of carbon reduction amounting to a minimum of ten percent of world emissions and possibly much more.

Agrichar is the term not for the biomass fuel, but for what is left over after the energy is removed: a charcoal-based soil amendment. In simple terms, the agrichar process takes dry biomass of any kind and bakes it in a kiln to produce charcoal. The process is called pyrolysis. Various gases and bio-oils are driven off the material and collected to use in heat or power generation. The charcoal is buried in the ground, sequestering the carbon that the growing plants had pulled out of the atmosphere. The end result is increased soil fertility and an energy source with negative carbon emissions.

### [Being Green](#)

Last week in these pages, Don Butler told the story of Colin Beavan, aka No Impact Man. In a year-long experiment, the New Yorker is trying to live without any net impact on the environment: No trash, no carbon emissions, no toxins, no elevators, no subways and so on. Asked for a message people can take from his efforts, Beaven said: "It's not 'Do what I am doing.' It's not even 'Use your car less.' It's 'Wake up and pay attention. What are the consequences of your actions?'" We invited Citizen readers to tell us if and how they are changing the way they live.

### [Big industry fears Tory plan, Baird says](#)

Industry leaders are worried about federal regulations to cap air pollution and greenhouse gases, but they are afraid of complaining to avoid a public backlash, Environment Minister John Baird said yesterday.

Environmentalists and opposition parties have suggested big industries are keeping quiet about the minority Conservative government's plan because it isn't tough enough to threaten their profits, but Baird said the reaction from big business is based on politics and public support for the Kyoto protocol on climate change.

### [Fiddling with figures while the Earth burns](#)

"I have a dream," Yvo de Boer, executive secretary of the United Nations Framework Convention on Climate Change, told the delegates. He set out his belief that carbon trading will help stabilise greenhouse gas emissions and aid developing countries by transferring £50 billion a year to these nations from the First World to support green development.

For Lovelock, however, such dreams are dangerous nonsense on a par with a drowning man clutching at straws. "It's all ridiculous," he sighed. "These new markets do some good in that they generate wealth and keep these people employed, but they and the IPCC are just raising false hopes. We have done too much damage to the world and now it is changing too fast for us to make much difference."

Lovelock's view is that the world has two stable states: the "icehouse", when ice covers

both poles, sometimes extending far into lower latitudes in the form of ice ages; and the "greenhouse", when all the ice melts. Both have already happened many times in the Earth's history.

"Human outpourings of greenhouse gases have flicked the switch that turns the world from its colder to its warm state - and it is probably too late to stop it," he said. "The warming impact of the carbon we have already released is such that the Earth has taken over and our greenhouse gas emissions are being amplified by nature itself."

### [Sea ice melting faster](#)

One report noted there was less Arctic sea ice in April than had ever been recorded that month since satellite imagery of the northern ocean began in 1979. Another found that the melting of the Arctic ice cap is proceeding faster than anyone expected.

That second finding -- announced jointly by scientists at the National Snow and Ice Data Center and the National Center for Atmospheric Research -- concludes that all the summer Arctic sea ice should disappear "about 30 years" sooner than mainstream climate models earlier predicted.

The Intergovernmental Panel on Climate Change, widely regarded as the gold standard for such projections, had estimated that summer sea ice in the Arctic probably declined at a rate of 2.5 percent a decade from 1953 to 2006. At that rate, the IPCC said, the summer ice cap would disappear sometime between 2050 and next century.

That estimate reflected the average of 18 separate IPCC climate scenarios, the most pessimistic of which placed the rate of ice shrinkage at 5.4 percent a decade.

But newly available data, "blending early aircraft and ship reports with more recent satellite measurements," show that the September ice actually declined at a rate of about 7.8 percent per decade from 1953 to 2006, the ice data center reported in a press statement.

"Because of this disparity, the shrinking of summertime ice is about 30 years ahead of the climate model projections," said NSIDC scientist and co-author Ted Scambos.

### [Arctic leaders blame warming for wolves, suicide](#)

Global warming sent marauding wolves into an Alaskan hamlet, killed Norwegian reindeer with unlikely parasites and may even spur suicide among Inuit youth, Arctic leaders said on Thursday.

As scientists and government officials in Bangkok put the finishing touches on a report by the U.N. Intergovernmental Panel on Climate Change on what to do about global warming, the three Arctic emissaries came to Washington to tell how the phenomenon was making their lives more difficult now.

Sarah James, a member of the Gwich'in nation, said climate change had brought formerly unheard-of species -- black bears, beavers and cottonwood trees -- to the small community of Arctic Village, Alaska, where she lives.

It also changed the way wolves hunt for food, forcing them to band together in a pack and prey on dogs tied up outside villagers' homes instead of hunting solo in snow-covered areas, James said.

### [Defeating Harper easy as ABC, Williams tells Toronto audience](#)

Newfoundland and Labrador's premier took his crusade against Stephen Harper to the heart of Toronto's business community on Thursday, with voting advice that a preschooler could remember.

"I am encouraging Newfoundlanders and Labradorians, and Canadians, in the next federal election to simply vote ABC - easy to remember," Danny Williams said in a speech to the Economic Club of Toronto.

"Vote ABC - anything but Conservative."

Williams has all but declared rhetorical warfare on the prime minister since March, when the federal Conservatives' budget introduced a new equalization formula that Williams says will cost his province billions of dollars.

### [National Post editorial board: Newfoundland and Labrador's bumptious blowhard](#)

What currently has Mr. Williams in high dudgeon is his belief that the March federal budget abrogates his province's sweetheart deal with Ottawa. It doesn't. Newfoundland will continue to receive massive federal handouts through to 2020 so long as it never qualifies as a "have" province and so long as its massive debt-servicing payments do not fall below the all-province average. Both are unlikely before that date.

While it is true the budget proposes a new equalization formula that includes resources revenues in the calculations for the first time, Newfoundland's income from oil and natural gas is grandfathered, and provinces have the option of including 50% of their resource income in the calculations, or not, whichever is more beneficial for them. Indeed, so eager is the Harper government to stop the new formula from harming Newfoundland's and Nova Scotia's fiscal positions, it is permitting both provinces to revert to the existing formula if they try the new one and discover it is less beneficial to their treasuries.

Nevertheless, in March, Mr. Williams used tax dollars to fund national newspaper ads attacking Prime Minister Stephen Harper for going back on his 2006 election promise to honour the Atlantic deal. And he expressed out loud his hope that the Harper government would lose the next election.

### [Oil sands costs rising for CNQ](#)

Earlier this week, struggling oil sands upstart Synenco Energy Inc. [SYN-T] put itself up for sale after it said it couldn't afford to develop its Northern Lights project, whose cost has risen to \$10.7-billion from \$8-billion.

Last summer, Shell Canada, now owned by Royal Dutch Shell PLC [RDS.B-N], said the cost of expansion of its Athabasca oil sands operation had surged 75 per cent to \$12.8-billion from \$7.3-billion estimated just a year earlier.

But some industry executives have said the worst surges in costs might be over. Last November, Canadian Natural president Steve Laut said labour was not as difficult an issue as the company had forecast. At the same time, Suncor Energy Inc. [SU-T] chief executive officer Rick George said he was seeing the early signs that the worst part of the crunch was passing.

Last week, Suncor said its oil sands expansion is on time and on budget and after the firm's annual meeting, Mr. George said the cost situation had improved.

"My feeling is we're past the peak of inflation in Alberta," Mr. George said, noting one positive factor was the fact that there is less oil and gas drilling this year in the province.

"You're starting to see a number of projects getting delayed and all of that will feed into a lower rate of inflation."

### [Mackenzie pipe best hope](#)

The best hope for all Arctic gas -- including reserves from Alaska's North Slope -- reaching southern markets could be the \$16.2-billion Mackenzie Valley pipeline, says Brendan Bell, the lead minister in the Northwest Territories overseeing the Mackenzie gas project file.

Mr. Bell, the N.W.T.'s Minister of Industry, Tourism and Investment, said one pipeline and the potential for it to carry additional Arctic reserves, including those from Alaska, is an opportunity backers of the cost-challenged Mackenzie project aren't paying enough attention to when they say their project's economics are thin.

Defining the Mackenzie project's viability based on a \$16.2-billion price tag to develop sixtrillion cubic feet of discovered gas, all of it in the Mackenzie's Delta is missing the "big picture," Mr. Bell said from Houston, where he addressed an Offshore Technology Conference breakfast.

### [Powerful trader at centre of BMO fiasco](#)

When David Lee was betting Bank of Montreal's money on New York's risky natural-gas markets, rivals eyed their trading screens nervously.

"There's not many guys who would trade against him ... usually it took at least three guys," said an energy trader at a big New York City financial institution.

Mr. Lee is the man at the centre of BMO's \$450-million losses revealed last week by Bill Downe, BMO chief executive....

...The brokers, hungry for a share of his trade, came to Mr. Lee, schmoozing BMO's star

trader over  
dinner and at Bruce Springsteen rock concerts.

"He is up there in the options world," said a rival options trader. "He is such a large trader and he trades so frequently that you pay attention to what he's doing."

But now the man who dominated the natural-gas options market is nowhere to be found.

### [Mystery shrouds BMO Gas trades](#)

A week ago, Bank of Montreal announced it had suffered the worst trading losses ever incurred by a Canadian bank. BMO blamed bad luck saying markets moved against it rapidly and in historic proportions. The bank promptly refused further comment.

But the story did not die down, and BMO's explanation of how it placed bets in the natural-gas markets and found itself down as much as \$450-million at last count -- the figure could yet grow -- has opened the bank to a flood of questions about how the losses could have happened and to criticisms from many in the industry about the bank's version of events.

"We found it astonishing that [BMO] made claims that can be so easily proved to be flat-out wrong," said an executive at a U.S. energy brokerage.

### [Prudent Bear's Tice Says the Plunge Is Coming](#)

"We think it's probably three to six months away from a significant decline." He calls the latest rally "a crack-up boom. At the tail end of credit excess it just gets crazier and crazier. It sucks people in, and it's an extremely dangerous scenario."

In all, Tice argues that the rally of the past four years is masking a long-term bear market that began in 2000 and won't end for at least another five years.

The reason? In short, Tice argues that the bull market is simply massive asset inflation caused by reckless lending and easy money. Sooner or later, he says, it will have to be worked out of the system.

"Our philosophy is that this has been asset inflation, created by rampant, excess credit." He argues the global money supply has grown by 18% a year for the past four years (no wonder asset prices are booming).

### [Money Lending Standards Have Created Debt Bubble](#)

Larry Fink, CEO of BlackRock (NYSE: BLK), a trillion-dollar fund management company, spoke out last week and said that all these mergers and acquisitions were going to cause 'tomorrow's problems.' Why? Because they are all funded with debt. And lending standards for big, commercial deals have gone the same way as the lending



standards for people buying trailers.

“Standards have deteriorated to a level that we never even dreamed we would see,” said Fink.

Almost on the very same day, the Bank of England said almost the same thing. Loose credit standards have, “increased the vulnerability of the [global financial] system.”

The Boston Globe helpfully provides more detail:

“Private equity firms are raising gigantic new funds, which in turn are buying companies on an unprecedented scale. The targets are bigger than ever, and the deals are gushing at fire-hose volume. But that isn’t just a function of all the billions raised from limited partner investors. Borrowed money is the real fuel driving an overheated market.

“I think of this as a debt bubble, not a private equity bubble,” says Kevin Landry, chief executive of the Boston private equity firm, TA Associates.

“Debt markets that finance private equity transactions have changed in three important ways. They are charging lower interest rates, reducing the premium normally charged for greater risk. They are lending more money for the purchase of an operating company, exceeding normal caps based on the cash generated by the acquired business. Finally, debt markets are reducing or virtually eliminating covenants and other rules that now make it almost impossible for private equity investors to default on loans used to buy companies.

### [In the buy-out gold rush investors throw caution away](#)

Should any outsider build up more than 20 per cent of the votes, the votes of those shares will be cancelled. And the opportunity to exercise votes will be somewhat limited. To quote the prospectus, Blackstone "does not anticipate that any meeting of the common unitholders will be called in the foreseeable future". As a limited partnership, Blackstone does not have to meet the governance requirements of the New York Stock Exchange, where the units will be quoted. All this matters, since a chorus of voices from both sides of the Atlantic assures us flotation is the way forward for private equity firms. It gives them currency to attract and retain staff, and it cushions them against downswings. Above all, it gives them permanent capital.

Restricted voting rights, it seems, will be the norm. Fortress, another US firm which floated in February, has a similar set-up to Blackstone.

It might be objected that institutions investing in those firms' buy-out funds today are similarly powerless. On the contrary - they can refuse to invest in the next fund. If they buy into permanent capital instead, it is precisely that power that they will lose.

This puts the institutions in a curious position. They make plenty of noise about the need to improve governance rights in public companies. But they are selling those companies to private equity, then buying private equity shares with no governance rights at all.

Why? Simply because in the private equity gold rush, investors have thrown caution to the winds. If they subscribe to leveraged loans, they require weak covenants or none. If they buy equity, they ask no voting rights. Like the dotcom boom, these will be strange times to look back on.

### [Pressure at Mortgage Firm Led To Mass Approval of Bad Loans](#)

As an appraiser for a company called New Century Financial, Hardiman was supposed to weed out bad mortgage applications. Most of the mortgage applications Hardiman reviewed had problems, she said.

But "you didn't want to turn away a loan because all hell would break loose," she recounted in interviews. When she did, her bosses often overruled her and found another appraiser to sign off on it.

Hardiman's account is one of several from former employees of New Century that shed fresh light on an unfolding disaster in the mortgage industry, one that could cost as many as 2 million American families their homes and threatens to spill over into the broader economy.

### [Moody's, S&P Understate Subprime Risk, Study Says](#)

Moody's Investors Service, Standard & Poor's and Fitch Ratings understate the risks of subprime mortgage bonds, putting funding for the U.S. housing industry at risk, according to a study to be released today.

The ratings companies can't evaluate the probability of losses because home loans that back the debt have constantly changing underwriting standards, according to the study by Joshua Rosner, a managing director of investment research firm Graham Fisher & Co. in New York, and Joseph R. Mason, an associate finance professor at Drexel University in Philadelphia.

S&P, Moody's and Fitch are also not impartial examiners of credit because they help design the securities, according to Rosner and Mason. Their 84-page study, "Where Did the Risk Go? How Misapplied Bond Ratings Cause Mortgage Backed Securities and Collateralized Debt Obligation Market Disruptions," is to be presented today at the Hudson Institute in Washington....

....Some of the \$450 billion in subprime mortgage-backed debt sold last year has lost more than a third of its value, according to Merrill Lynch & Co. Bond investors may lose as much as \$75 billion on securities made up of millions of mortgages to people with poor credit, Newport Beach, California-based Pacific Investment Management Co., manager of the world's biggest bond fund, said last month.

### [Post Mortem for the Stock Market](#)

Tremors from the real estate earthquake won't be limited to housing—they will rumble through all areas of the economy including the stock market, financial sector and currency trading. There is simply no way to minimize the effects of a bursting \$4.5 trillion equity bubble.

The next shoe to drop will be the stock market which is still flying-high from increases in

the money supply. The Federal Reserve has printed up enough fiat-cash to keep overpriced equities jumping for joy for a few months longer. But it won't last. Wall Street's credit bubble is even bigger than the housing bubble---a monstrous, lumbering dirigible that's headed for the cliff. The Dow is like a drunk atop a 13,000 ft cliff; inebriated on the Fed's cheap "low-interest" liquor. One wrong step and he'll plunge headlong into the ether.

### [Yale Economist Sees Possible Real Estate Crash](#)

But today Shiller believes his worst case scenario may be yet to come as homes are still about as overvalued as stocks were before the tech-stock crash of 2000.

In an interview appearing in the May issue of Money magazine, Shiller was credited with calling the dotcom crash with his uncanny predictions in his book Irrational Exuberance. Shiller attributed that stock crash to collective consciousness.

He said: Our minds focus on the same ideas. Those [ideas] get reinforced because we hear them all the time. Back in the late 1990s, you kept hearing that you had to stake your claim on the Internet or you'd miss out on the future. No one cared about the present.

### [How the DOE can seize your property](#)

When you think of a corridor, you probably visualize a long, narrow area. Apparently, the people at the Department of Energy think of something a wee bit different -- say the entirety of the states of Maryland, Delaware, and New Jersey.

Jaws dropped last week when the DOE proposed its first two so-called "National Interest Electric Transmission Corridors." They covered the entirety of the above states and vast swaths of southern California, Arizona, Nevada, Ohio, Pennsylvania, West Virginia, Virginia, and New York.(pdf) Under everyone's favorite bill, the Energy Policy Act of the 2005, the DOE can designate such corridors for new pipelines and powerlines. And if local or state officials want to protect their wilderness area, wetland, tribal burial ground, or Civil War battlefield -- TOO BAD! The federal government can approve transmission lines over local objection and even if they conflict with other federal laws, such as the National Environmental Policy Act.

Best of all, once they're approved, the Federal Energy Regulatory Commission (FERC) has been granted sweeping powers of eminent domain. So FERC can then swoop in, take your property from you, and turn it over Energy Company X so they can pad their bottom line.

### [Feed-in Tariffs: accelerating the Deployment of Renewable Energy by Miguel Mendonca](#)

A feed-in tariff is a renewable energy law which obliges energy suppliers to buy electricity produced from renewable resources at a fixed price, usually over a fixed period. These legal guarantees ensure investment security, and the support of all viable renewable energy technologies. Householders can even use them to make domestic solar

panels cost-effective, helping to speed ecological modernisation. Supporters argue that the feed-in model, if implemented effectively around the world, would greatly assist the energy revolution that is so desperately required; through CO2 reduction, market creation and development, job creation and improved energy security. It was recommended in the Stern Report as the best policy tool for the fastest, lowest-cost deployment of renewables, and Germany's world leadership in renewable energy is thanks largely to their exemplary version.

### [Water, water, everywhere and no one's stopped to think](#)

Canada sells electricity and oil to the United States and exports bottled water, but it doesn't sell water in bulk -- exporting it elsewhere by tanker or pipeline, for example.

It's a complicated issue made more so by the widely held mythology that Canada boasts infinite supplies of fresh water. It doesn't.

"Politicians misquote the facts and say we have more water than anywhere in the world," says University of Victoria geography professor Stephen Lonergan. "It is simply not the case. The renewable supply is not as great as people think it is. We have ample supply in certain parts of the country, at certain times of the year.

"So water falls often in places where we don't need it ... and at times of year when we don't need it ... or where we have no storage facilities."....

....Yet Canada doesn't have a national water policy and now some observers fear the U.S. and Mexico will soon be knocking. Canada's water is publicly owned but administered by the provinces. The Harper government says it has no intention of exporting bulk water, and yet there is no legislation to prevent a province from undercutting that pledge.

### [Revealed: the deadly invader that is bleeding Great Lakes fish to death](#)

Tens of thousands of fish have been bleeding to death from an aggressive Ebola-like virus in North America's Great Lakes. Officials fear that the plague will spread to devastate waters across the continent.

The epidemic - caused by what one US government scientist calls "the most important and dangerous fish virus known worldwide" - is believed to have been brought into the lakes by ocean-going ships.

It is focussing attention on the scores of alien species already spreading uncontrolled in the lakes, which contain a fifth of the world's fresh water. State governments are belatedly trying to introduce measures to control this "living pollution", only to be sued by shipping companies for "placing an undue burden" on them.

The killer - called viral haemorrhagic septicemia (VHS) - has already affected some 37 species of fish in the lakes, including salmon, trout, perch and white bass. Almost every species caught commercially or for sport in the lakes' \$4bn (£2bn) fishing business has been hit.

Victims bloat up and bleed from bulging eyes before dying. The extraordinarily virulent disease is sweeping rapidly through the lakes and is expected to start going on full

rampage again within the next couple of weeks when the water warms up to its favoured temperature.

### [Scientists look high in the sky for power](#)

Scientists are eyeing the jet stream, an energy source that rages night and day, 365 days a year, just a few miles above our heads. If they can tap into its fierce winds, the world's entire electrical needs could be met, they say.

The trick is figuring out how to harness the energy and get it down to the ground cost-effectively and safely.

Dozens of researchers in California and around the world believe huge kite-like wind-power generators could be the solution. As bizarre as that might seem, respected experts say the idea is sound enough to justify further investigation.

The jet stream typically blows from west to east 6 to 9 miles over the northern hemisphere at speeds up to 310 mph.

By lofting generators into the upper atmosphere, scientists theorize they could capture the power of the jet stream and transmit the electricity along cables back to Earth.



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