

Canada Leaps into the Empire of Chaos

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Region: [Canada](#), [USA](#)

Theme: [US NATO War Agenda](#)

Canada has always been a part of U.S. imperial ambitions, in spite of our pretensions otherwise. Locked in as we are to the U.S. economy and our dollar only relevant in comparison to the US\$, up until the Harper regime Canada was able to maintain that pretense. Our NATO political alignment, the NAFTA trade agreement, the North American Aerospace Defence Command – formerly NORAD – are a few big ticket acronyms that have kept us united and generally subordinated.

After achieving majority power in the last election, the Harper neoConservatives have been open advocates for causes that support U.S. imperial interests. That is not surprising when the history and roots of the Reform Party – Alliance Party – born again Conservative party – is examined. The strong attachments that the neoCons have to the U.S. Republican party has been well covered recently (see Party of One, Michael Harris, Viking, 2014; The Black Book of Canadian Foreign Policy, Yves Engler, Fernwood Publishing, 2009; among many others). The neoCons share the Republican's fundamentalist, right wing 'might is right', less government, corporate power agenda – and the electoral methodologies used to gain and stay in power.

Now that the U.S. has increased the 'arc of instability' and made it into its 'empire of chaos', Canada is either front running the hubris leading this, or is a perfectly willing assistant to creating chaos. A series of recent events highlights this in the financial world as well as in the military geopolitical world.

King Abdullah, "proponent for peace"

Yes, our great ally Saudi Arabia, has lost its monarch. So sad. The Saudis and our relationship to them are the height of hypocrisy and double standards.

This is the country that supported Bahrain in violently crushing the peaceful demonstrations by the majority Shia against their absolutist monarchy. Saudi Arabia is a country that is itself a monarchy, a fundamentalist autocratic tribal fiefdom writ large on the Arabian peninsula, supported by the reactionary fundamentalist Sunni Wahabi sect.

Rule of law is Sunni sharia law with no written "rule of law" which the Canadian neoCons always tout as being one of the requirements of a country with whom they have good relationships. Misogyny, torture, beheadings, stonings, whippings, amputations, and death (well obviously for beheading) are traits of their "legal" system. "Freedom" and "democracy" have little application in Saudi Arabia.

9/11 has the Saudi name written all over it yet nothing was done concerning those incriminating liaisons. al-Qaeda and the Taliban – associated further back with U.S. efforts to militarize the mujahideen freedom fighters in Afghanistan against Soviet forces – are

products of U.S. geopolitical interests. The oil interests of the U.S. have protected the House of Saud in the arc of instability and allowed the free flow of dollars between the oil country and the military corporations and investment houses of the U.S. (see House of Bush – House of Saud, Craig Unger, Scribner, 2004)

Two other events are occurring which adds more hypocrisy and double standards to the mix, both tied in with the empire of chaos: the first is a feature of war; the second is a feature of financial predation, but another part of war in itself.

ISIS

Harper's hatred of Islam is obvious, his concerns for its peaceful members superficial. His coinage of the pejorative term "Islamicism" to denigrate all that is Islam clearly titles his attitude.

Yet the current transformation of violent reactions to the continued imposed violence on the arc of instability – the region of the Middle East including Iraq, Israel, Syria, Jordan, Lebanon – has morphed into the more general empire of chaos with the violence spreading through to northern Africa, the Sahel, the Horn of Africa – well be honest, just about all of Africa. It has spread the chaos through the former Yugoslavia, created the encroachment of NATO into eastern Europe against the promises of President Clinton (yeah, like anybody should believe a U.S. promise), and now is doing its best to destabilize the Ukraine with its neoNazi coup installed government and then on into destabilizing Russia as per the Brzezinski "grand chessboard".

But it is the current iteration of Islamic reaction to this ongoing petrodollar colonialism that has attracted most of Harper's current concern. ISIS is seemingly an amalgam of reactionary Syrians, unforgiving Iraqi sunnis, and many other people wanting to combat the empire. Yet for the nature of ISIS there are questions about its origins. It is an organization that apparently draws support from Saudi Arabia, has been supplied with U.S. weapons, either through Saudi Arabia or indirectly through covert and profiteering actions.

All was well with ISIS until they came too close to Irbil, the main Kurdish city with many international energy corporations seeking profits there. Then the U.S. decided it had to do something. Harper of course, realizing the ability to use this arena to foster his own anti-Islamic interests and create more domestic fear of the 'other' domestically, climbed aboard the USS Chaos. Fortunately for Harper, two lone wolf attacks, carried out in the name of ISIS, helped reinforce that fear of the 'other', without any discourse or awareness as to how and why ISIS came into existence. It really doesn't matter, because as Harper said, "We'll just kill them."

And boots on the ground?

Well certainly. Anytime a country sends in its special ops forces, there will obviously be boots on the ground, well trained boots, boots able and willing to enter conflict, to kill or be killed. A combat mission? If it looks like combat, acts like combat, then yes, it is combat.

Canada's petrodollar and financial chaos

Harper boasted early on about Canada becoming a super-star energy state. Well, how is that working out for you?

Oil is a commodity; it is also a geopolitical weapon. Canada's financial situation has become dependent on its oil revenues to provide the neoCon government the ability to cut taxes (and social services) and proclaim its achievement of a balanced budget (in spite of an increase in the overall debt to 1.8 trillion dollars!).

What is happening internationally with oil prices is arguable. It cannot be supply and demand, otherwise someone would cut supply to increase the dollar demand – it is not a free market situation.

It could be a Saudi-U.S. alliance to attempt to destabilize Russia. If so, it is not working out so well, as domestic Russian prices remain stable, except for some imports which can easily be covered with Russia's large foreign reserves.

It could simply be Saudi intransigence. Perhaps they are demonstrating that they are still too important to be done away with – or perhaps signalling that maybe they can simply sell most of its oil to energy hungry China without western interference.

Whatever the cause, the consequences are widespread. Canadian pundits proclaim the benefits of the extra oil dollars in the consumers pocket. Yet the average Canadian consumer is already over 160 per cent of annual income in debt. What little is to be gained from those extra pennies will be lost as the dollar loses value compared to other currencies – the US\$ in particular and the rising cost of imports – which for Canada, especially in winter, includes most everything.

Then there is the added feature of the decrease in drilling, the loss of direct oil employment, and the loss of related support workers in many diverse fields servicing the oil sector. First to go will be the expensive sectors – fracking first, and tar sands second. Another added feature is that much of the financing for some of the riskier more difficult projects depends on borrowed money – which, if the dollar and oil continue to slide in value, could have even more serious repercussions on the whole financial sector as bills default and loans go unpaid.

So what are the Harper neoCons doing about it? Nothing – oh, we're waiting until April, and we are going to decrease the prime bank rate as well. The latter will allow more speculative spending, most of which will go to the stock market, giving it an artificial boost without productivity gains similar to that of the U.S. quantitative easing boost, another hazard on the path to financial decay.

Well done Minister of Finance! Well done PM Harper (who, if you didn't know, has a Masters degree in economics from U. of Calgary, Canada's right wing republican think tank university). But then, economists are not held in much esteem by some (yours truly included):

“Lacking empirical testing and measurement, economics narrows into a mock science of abstract assumptions without much regard as to whether its axioms are historically grounded....To the extent that the discipline uses mathematics, the spirit is closer to numerology than to natural sciences. Indeed, astrology also is highly technical and mathematical, and like economics it deals with forecasting.”

“Political economy, therefore, reasons from assumed premises – from premises which might be totally without foundations in fact.” [J.S. Mills]

“...one need not be committed unduly as to the relation between reality and these assumptions.” [Nobel prize winner Paul Samuelson]
From Michael Hudson “The Bubble and Beyond”, 2013.

Electioneering – 2015

These broad three items – the economy, oil, ISIS – with the addition of the upcoming Mike Duffy trial, narrow down to a focus towards the end of April.

The neoCons have already delayed the budget and then hinted there might be an emphasis on the manufacturing sector. Does that mean that NAFTA will be reopened, and that the trade agreements pending between Europe and China will be put on hold in order to protect our ‘other’ industries? There is also room to approach the failed U.S. monetary policy of ZIRP, which along with massive QE has boosted the stock market without doing anything for productivity or the working person. The Canadian dollar is dropping, and unlike some other currencies, there is no gold to support it, as is evident with the current efforts by several European countries to repatriate their gold. Petro dollar – reliant only on oil.

Then there is oil. The big question concerns how low and for how long will the price continue to drop. In the meantime, the government’s only response so far has been to accept the Bank of Canada’s overnight lending rate change. Canada’s dollar is a petrodollar, and like many other dollars, petro or not, it is declining compared to the U.S. dollar. The U.S. dollar is rising not because of intrinsic strength of the U.S. economy, but because the U.S. has one advantage that other currencies don’t – it is the world’s reserve currency, and as such can print as many dollars as they want and still maintain their top position, regardless of whether the economy, except for the top .1 percent, has improved – which in spite of Obama’s state of the union address, it has not.

Next is ISIS. This serves more as the ‘fear factor’, the ability to direct the anger of the population at something other than the ineptitude of the politicians/economists and an economy hanging on the brink of deeper and longer recession. The front page argument will be all about extending Canada’s mission in Iraq and on into Syria. Sure it will go before parliament, but with a dictatorial majority, the neoCons will assuredly continue their war-mongering in support of the empire of chaos.

Finally, the Mike Duffy trial is scheduled to begin on April 07 and is scheduled to last 41 days. Who knows what wonderful stories and denouements will rise from this continuing affair.

All four of these items focus on one thing – the ability to be re-elected in the fall. I would be sort of surprised if the election were to be changed to the spring, as these four items would then become great political cannon fodder for attacks on the neoCon position.

Certainly the neoCons will be obtaining information from their Republican advisors as to how to proceed with all this, and will be obtaining indirect financing from the Koch brothers to swamp the public in disinformation, innuendo, and lies.

Within the empire of chaos, there is some looming chaos in the Canadian sector. The neoCons, and the rest of Canada, are waiting until April to see what overall effect this chaos will have.

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