

WHO KILLED THE PANDA

By: Kerry Morris - August 24, 2015

One of the phrases my parents always used on me was 'Stick to your knitting', or put in better terms, 'Stay with what you know.' I know the oil and oil distribution business. Here is what I know. Canada's economic woes stem from two fundamental problems.

1. Our economy is tied to Oil, as well as other raw materials exports, and
2. We're in a turf war for oil clientele with OPEC, and our biggest export markets are showing significant signs of weakness.

The problem with 1 and 2 above are made worse by the fact that we're not alone in our reliance on petrol-dollars.



Item 1 is fully document in my story titled 'Guns or Butter' which I wrote back in January, and which predicts the current disastrous price for oil staying right where it is for the next three years. <http://kerrymorris.ca/wp-content/uploads/2015/03/Guns-or-Butter.pdf> This also means that our Canadian currency will remain weak. This currency weakness will continue till US 'Fracking' production declines, and US dependence on foreign (Canadian) oil returns. This is the economic lesson the Saudis are teaching us, and they're doing a dam fine job of it. They won't be driven from their client base because Canada has oil export aspirations. Have you ever thought about how much of this is being caused by Canada's desire to get Alberta Oil to tidewater, which gives it access to global markets? If the Saudis can stop these projects, they can insulate their oil from Canadian supply, not entirely, but to a significant degree, which in their estimation, may be enough.

The second more troubling issue is the Chinese economy. Their sudden and sharp decline in economic strength, I believe, will (has already) manifest itself in a massive reduction in raw material demand, and so everything from coal to grain, sulphur, potash, aluminum, lumber, etc., will drop like a stone in both price and volume sold or required. Not just because they won't need it, but also because they won't be able to afford it, even if they do need it. This is not going to be a short term issue. This is going to be big, profound, and long lasting.

I have just returned from Edmonton, a sprawling disaster of a City that you couldn't give me for free. There are hundreds of brand-new warehouses and industrial parks, which were built a short time ago, fully in use, and now completely empty. They are everywhere. The oil problem is huge, but the problem is going to become a real-estate problem shortly, then a banking problem, in addition to a jobs problem, and then an increasing problem for homelessness as people get turfed out of their homes. This morning's news also discussed the fact that food banks are now being affected by the demise of donors. Where food supply becomes an issue, laws start to be broken, and the social fabric of our society begins to come apart.

I've been predicting bad-news for some time. My timing has been wrong, but I think it may now have arrived. Worse yet, the common solution for narcissist political leaders the world over is to draw the electors mind away from their lot in life by starting a war. Harper has been trying this age-old mechanism in what the other contenders have called the ; "The politics of fear".

COLUMNISTS



Harper prepares Canada for another war

BY DUNCAN CAMERON | SEPTEMBER 30, 2014

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Following a cabinet meeting later this week, Stephen Harper will announce Canada taking an active combat role in the American-led coalition currently bombing the Islamic State (IS) group-held territory in Syria and Iraq. Until now, the Canadian military role has been limited to providing advisory personnel to Iraq Kurdish forces. In addition, Canada has been supplying humanitarian

Then there is America. If elected, Trump, the leading Republican contender for the presidency in 2016, is dumb enough to follow a similar war type strategy. He wants to make the US military so big and strong everyone will do what he says, "...and like it." Military's are not good for much unless you pull them out from time to time and use them. Trump is just that kind of guy.

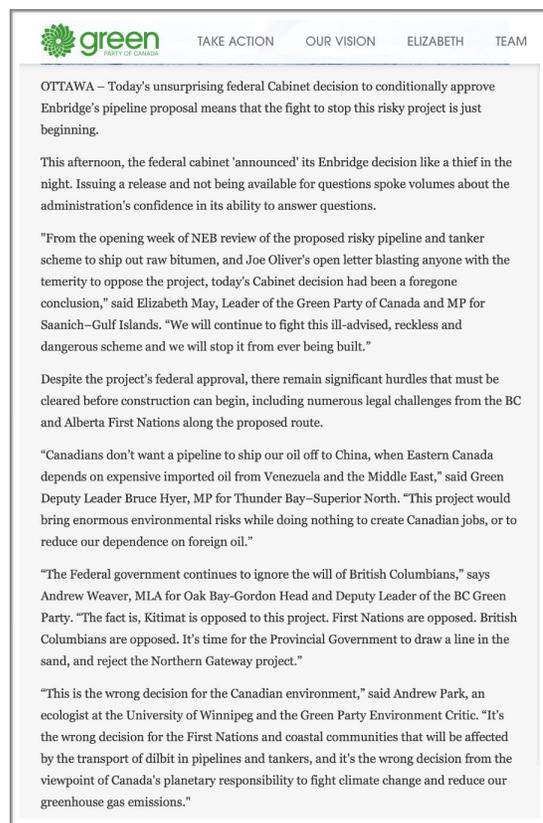
"We have tremendous potential," he said, addressing America's position in the world, saying strength must be returned now or else it will be too far gone.
Trump said he would "build up the military so strong and so powerful" so that "we'll never have to use it" because no one will mess with the United States.

All I know is that I can't remember a scarier time than this in my adult life. While I was alive during the Cuban missile crises, and that was pretty scary so they say, I was only about 4, so not much sticks from that time. At least then even the bad guys had fear, fear of annihilation. Today, we seem to have disconnected with fear of annihilation and Politicians are willing to say and do anything to get, or hang on to, power. Harper is one example, Trump another, Putin, etc.. Hell, you can even draw a parallel to little Darrell's campaign strategy of; 'Win at any cost, truth be damned!'

If the banks start to get jittery in this crisis, and the developer frenzy wanes, we can all prepare for a really, really, bumpy ride. I'm reminded of an age old saying often used to describe a proper course of action in these circumstances; "Cash-is-King". Stay liquid. The problem is that doing so causes the economy to stagnate.

World markets still jittery following massive tumble Monday

Investors will be looking for signs of stabilization on Wall Street today. China's main market, the Shanghai Index, struggled to gain ground this morning closing the day down 7.6 percent. Jill Wagner has the latest from the New York Stock Exchange.



The screenshot shows a webpage for the Green Party of Canada. The header includes the party logo and navigation links: TAKE ACTION, OUR VISION, ELIZABETH, and TEAM. The main content is a news article titled "OTTAWA – Today's unsurprising federal Cabinet decision to conditionally approve Enbridge's pipeline proposal means that the fight to stop this risky project is just beginning." The article contains several paragraphs of text, including quotes from Elizabeth May, Andrew Weaver, and Andrew Park, discussing the federal approval, environmental concerns, and the impact on First Nations and coastal communities.

Elizabeth May may just get what she has been advocating for, "less oil". The problem is that we haven't chosen the timing for "less Oil", and the timing requires that our economy be ready for "...less reliance on oil." Edmonton proves the point. We're not ready, but we're going to have to get ready, and that means we are going to have to spend our children's future to invest out of this disaster.

The timing of this latest global financial meltdown and instability could not be worse for the Harper government. They have long argued that they are the bellwether of the country's financial management options going forward, based on their prior performance over the last 10 years of the Conservative's often less than unanimous mandate.

Harper does not explain how digging the countries national debt \$150,000,000,000 (that's Billion with a 'B') deeper into debt can be called prudent or even reasonable performance, but then again, maybe no one read that section of the budgets. It's long and complex, and if you're not in the habit of reading the last lines of short emails sent between the shakers and movers, then however are you going to get to the difficult sections of the national debt calculations?

Canada's economy has become akin to a one-legged stool. It's difficult to keep in balance, and when it loses balance, the rate of negative acceleration is exponential. Once again my mother would say; 'We've got all our eggs in a single basket.' While that's not

entirely true, it's mostly true. Between China and the US, Canada is literally 'Between a rock and a hard place'. Our past partner (the US) has a cool relationship with Mr. Harper, never good when you're a dependant. Our chosen future (China) has a looming crisis which is arguably out of control and China's leadership seems to be running from pillar to post on a weekly if not daily basis trying to find the illusive solution.

Any illusion you have that the Federal budget is or will remain in balance is so completely false that there are simply not words to describe how untruthful these claims are. But let me try; "DuffyBudgetGate", or put another way, 'A liars budget'. <http://howestreet.com/2015/08/playing-the-chinese-trump-card/>