

Thoughts on Coming Apart and the Coming Great Reset



Turning and turning in the widening gyre
The falcon cannot hear the falconer

Kit Webster

Themes and Theses

Why I'm Contemplating Out Loud

(Initially formulated in the early 90s, following decades of reading history, philosophy, religion, psychology and a lot of contemplation, particularly on the subject of cycles. In the end, this is a relatively straightforward story about human nature and of history rhyming.)

The US will enter a period of crisis in the early 2000s. In the late 90s, I incorporated Strauss' and Howe's terminology of the Fourth Turning (without incorporating their generations paradigm) and agreed with Howe that the end stage of the crisis began with the Great Financial Crisis and would last into the early 2030s. We are now at the beginning of the end stage of the crisis.

The crisis will be serious and could be existential.

Internal strife will increase, up to and including secession and civil war.

International conflicts will increase as the vacuum created by the weakening of the US is filled by other players.

There will be many threads to the crisis, but the primary thread will be debt, deficits and entitlements. Other factors include, eg, demographics, a loss of meaning and myth and a loss of self-discipline.

Politics will move leftward as citizens look for some refuge from the chaos. The US will become increasingly susceptible to a (man) on a white horse, who can come from either the left or the right.

Inflation, as the most likely way to address debt since austerity is not politically acceptable, will significantly lower standards of living, exacerbating the civil crises.

Eventually, the dollar will be inflated away and lose its reserve status.

Once the old rot is cleared out, and assuming continuity, there will be the basis for the establishment of a new order.

There will be what Strauss and Howe calls a First Turning . It will be constructed out of the physical infrastructure, wealth, energy sources, thoughts and values in the culture at the time. At this point in time, those components are unknowable. We can anticipate that the next five years or so will be increasingly chaotic. We can anticipate that there will be destruction, and then reconstruction from some level. We cannot yet anticipate the form of the reconstruction or the level from which it will begin.

(Added around 2020) The loss of faith by our youth in our founding principles means that the new order will at least partially be based on new principles. As yet, I have no visibility as to what those principles might be.

(Added in the early 00s) While humans are contributing to global warming, policies implemented to address manmade global warming will create a significant energy crisis, probably toward the end of the Fourth Turning.

(Added in 2023) The lowering / elimination of standards in education, the judiciary, law enforcement, the military and other segments of our society will create a population unable to adequately comprehend, do or respond to the challenges of democracy and culture.

Slow Week - Let's Review the Bidding

August 15, 2025

Quotes to Contemplate

I want him to win. I think every 20 years or so, we need a conspicuous, confined experiment with socialism so we can crack it up again. -

George Will

A kid born today will never be smarter than AI, ever. - Sam Altman

Summary of Primary Thoughts To Contemplate In This Issue

The Fourth Turning continues, perhaps taking a respite for a few months.

The changes made by AI will be profound.

The great tariff game continues. Many relationships, particularly China and India are not yet resolved. Money is coming in. Consumer prices are beginning to go up.

Trump continues to insert himself into every corner of our lives - now he is going to host the Kennedy Center awards.

We need for adjectives to make a comeback.

Slow Week - Let's Review the Bidding

The Really Important Things - In Rough Order

One of my favorite metaphors is that of the US as a world-class, once-in-a-generation athlete - a true wonder with many strengths. The athlete stays up nights boozing and carousing and taking drugs, but because s/he is so well endowed genetically, and because s/he does work out every day and takes their vitamins, they still function at a high level. The problem is that the athlete has reached middle age, and reality is intruding. The athlete enjoys their lifestyle to the extent that they are not willing to change. It may take a while, but reality will win.

Let's examine the most important negative trends, in order by (my view of) their fundamental effects on culture and behavior.

AI will radically and rapidly transform what it means to be human and particularly challenge society to constructively function in the absence of broad employment. The only question is whether we can generate enough electricity to support it (China can). See a particularly aggressive prediction at the bottom of this newsletter. In my mind, it is not a question of if, but when.

Nothing stops this train - Lynn Alden coined the perfect description for our economic predicament. We lost self discipline a long time ago. This has led to debt, deficits and an unwillingness to address entitlements.

The financial system has become more and more unstable. These excesses will manifest themselves through inflation and the significant devaluation of the dollar. We will become much poorer. The crisis will intensify unevenly through the early 2030s.

The corrupt, authoritarian state and the collapse of Congress. Congress vacated the field a couple of decades ago. The vacuum has been occupied by the Executive and the Supreme Court. The Executive, beginning some time ago, but intensifying with Obama and then Biden and now Trump, has become increasingly authoritarian and increasingly corrupt (Clinton led the modern corruption trend, but he was not particularly authoritarian). My prediction has been that the crisis would peak, resulting in a (man) on a white horse.

Our inner cities, homelessness and the mental health crisis. The states of our inner cities, homeless and mentally ill are an abomination. We are unwilling to devote the resources and make the hard decisions necessary to address these issues. The results are festering sores on our souls, culture and politics.

Our failed educational system is producing generations unable and unprepared to successfully carry our country forward, particularly in the face of well-educated foes such as China. We have dumbed education down in response to our inability to raise blacks up as a group. We have given schools many goals and objectives, only incidentally involving actual education.

The rise and dominance of China, the end of Pax Americana and the fracturing of the world order. The US is no longer dominant. Geopolitics is dividing into a multipolar world in which many countries, particularly China, but also Brazil, Turkey and Saudi Arabia, are on their way up, while the US is a spent, exhausted country. Other countries, particularly China, have their own challenges, but we are returning to the Great Game of multipolar alliances.

Immigration - Biden really and truly messed up by essentially opening the borders. He put an exclamation mark on an already dysfunctional immigration system (see, Congress vacating the field).

But we need immigrants. Whites and blacks and Asians are not replacing themselves. The US will either need productive immigrants, significantly improved productivity or both.

Honorable mention:

I did not include global warming. Even though I "believe in" man-made global warming and believe it has the potential to be a significant problem in the long term, it is too big of a problem, whose solution requires too much sacrifice by too many people. We are doomed to FAFO, I think. Place your bets on geoengineering.

The clash of civilizations will continue as incompatible cultures combine through immigration. Western culture is fundamentally changing from within. It is not clear that the liberal order will survive in its current form. It is likely that whites will increasingly lose their centrality to culture and civilization. I believe the liberal order is precious; preservation of whites, not so much (even though some of my best friends are white).

Existential threats - plagues, nuclear war, biochemical war, EMPs, etc. have increased quite a bit in modern times. The threat of an asteroid strike is ever-present. Nothing to be done, except to cross your fingers.

Markets

Updated charts

> No change in outlook.

> US national debt is now over \$37 trillion.

> The Producer Price Index—which measures the amount producers receive for goods from customers—increased 0.9 percent in July, according to a Thursday report from the Labor Department's Bureau of Labor Statistics. The increase was the largest in a single month since June 2022 and **exceeded** economists' expectations of 0.2 percent. The

increase likely reflects producers' passing on the costs of Trump's tariffs to consumers.

So, You Say You Want A Revolution?

- A federal appeals court issued a 2-1 decision on Wednesday that the Trump administration may withhold federally funded foreign aid.

> US chipmakers, NVIDIA and AMD, have agreed to give the US government 15% of the revenue they make from selling their AI chips to China in return for export licenses to China. The Constitution forbids taxes on exports, so let's see where this goes.

> Trump posted on Truth Social that he would evict the homeless from Washington D.C., and jail its criminals.

> The FBI has begun dispatching agents to D.C. streets to combat crime. National Guard was activated to protect DC streets from criminals.

> When they go low ... "F**k the rules, we are going to win whatever it takes." - Beto O'Rourke. Beto gets with the times: "Who cares about the fucking rules right now... win some fucking power."

> JD Vance says Musk should come back.

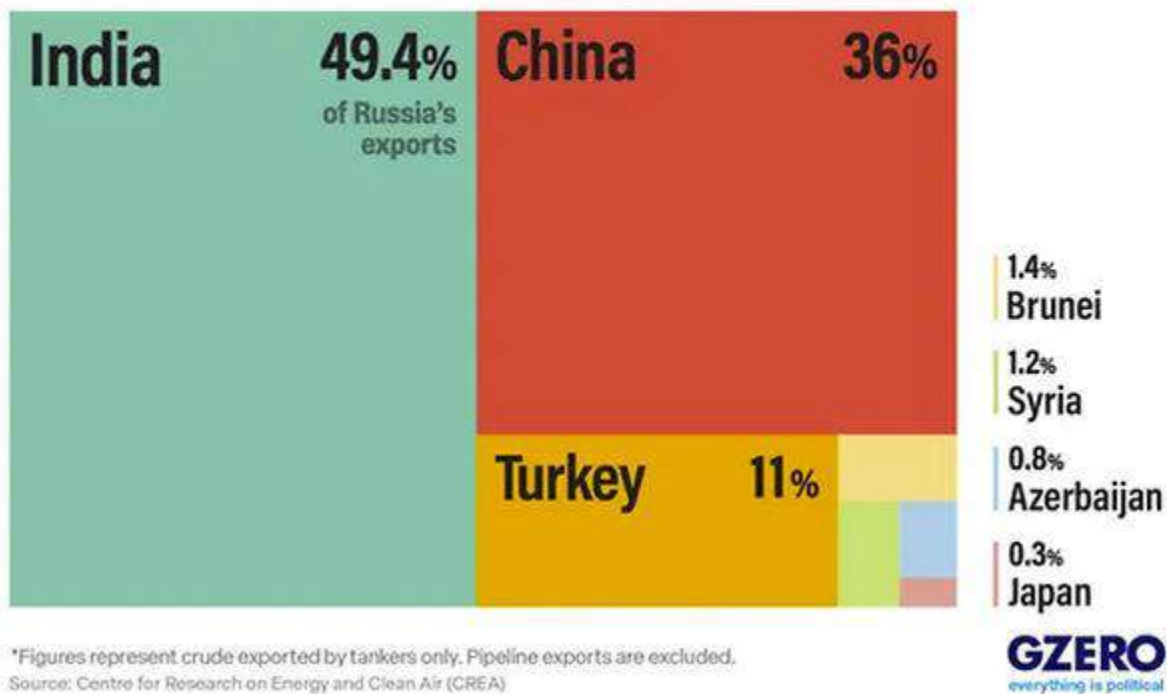
> Trump signed an executive order on Monday extending the U.S.-China tariff truce for another 90 days, pushing the deadline to November 10.

> Trump said that he would host the Kennedy Center Honors.

Graphic Truth

Who is buying Russian crude oil in 2025?

A breakdown of Russian oil exports by country, Jan-June 2025



The Firing At The BLS Was A Big Deal, But Not Surprising

The Bureau of Labor Statistics has a difficult time coming up with unemployment numbers on a monthly basis. Among other challenges, there are many jurisdictions and individuals that don't report or answer surveys. There are statistical changes due to such things as seasonality. And, it's a big country with a lot of moving parts.

And they do a bad job of it. Always have. It's a government bureaucracy, for god's sake.

Trump's declarations of bias were false. In particular, the unemployment report just before the election was unfavorable to Harris, although he said otherwise. The BLS makes revisions simply because the longer the time they have to gather data, the better the data is, so they let you know about the better data

On a scale from 1-10, my first reaction was, I don't care. This is just Trump being Trump (he just fired his sixth head of the IRS).

However, it is VERY important. Trump, bit by bit, is managing all of the data and information he can and putting yes (men) in every position he can. A recent report is that he wants to turn off two carbon sensors in space, and not because they are inaccurate.

The government has always fudged numbers for political purposes - Obama on border operations, the calculation of inflation, lock boxes for Social Security. Trump looks like he is making a frontal assault to the point that government numbers will be generally seen as unreliable.

That's big.

I hope Trump brings improvement to the BLS, but I am not going to hold my breath.

Late, breaking news: Press Secretary Leavitt confirms that monthly jobs reports may be suspended "until they can get the data and methodology in order."

Trump and Putin

Trump and Putin are meeting today in Alaska to discuss Ukraine. Usually, most decisions are agreed in pre-meeting meetings, but this is Trump, so you never know. Although Putin arguably has the advantage militarily, he is politically in an increasingly tenuous position. After three years and more than a million casualties, all he has to show for it are a few square miles of land. Economically, while Russia is suffering inflation, things are ok-but-shaky, particularly if you live in St. Petersburg or Moscow. However, Trump's tariffs on India just prior to the summit for purchasing Russian oil were Trump telling Moscow that things could get worse. Trump wants out, does not care much about Ukraine and wants to normalize relations with Russia. Putin needs to show something for all of the lives and treasure lost. And Zelensky, remember him, also needs a face-saving solution.

Not promising, but maybe ...

Short Takes

> There is an increasingly popular trend of grown adults using pacifiers, or binkies to 'relieve stress'.

> Don'ts for 1913

FOR WIVES

- DON'T let him have to search the house for you after his day's work. Listen for his latchkey and meet him on the threshold.
- DON'T say 'I told you so' to your husband, however much you feel tempted to. It does no good and he will be grateful to you for not saying it.
- DON'T be discontented and think your husband not 'manly' because he happens to be short and thin and not very strong. Manliness is not a purely physical quality.
- DON'T let your husband wear a violet tie with grass-green socks. If he is unhappily devoid of the colour sense, he must be forcibly restrained.
- DON'T omit to pay your husband a compliment. If he looks nice dressed for the opera, tell him so. If he has been successful with his chickens, or his garden, compliment him.

FOR HUSBANDS

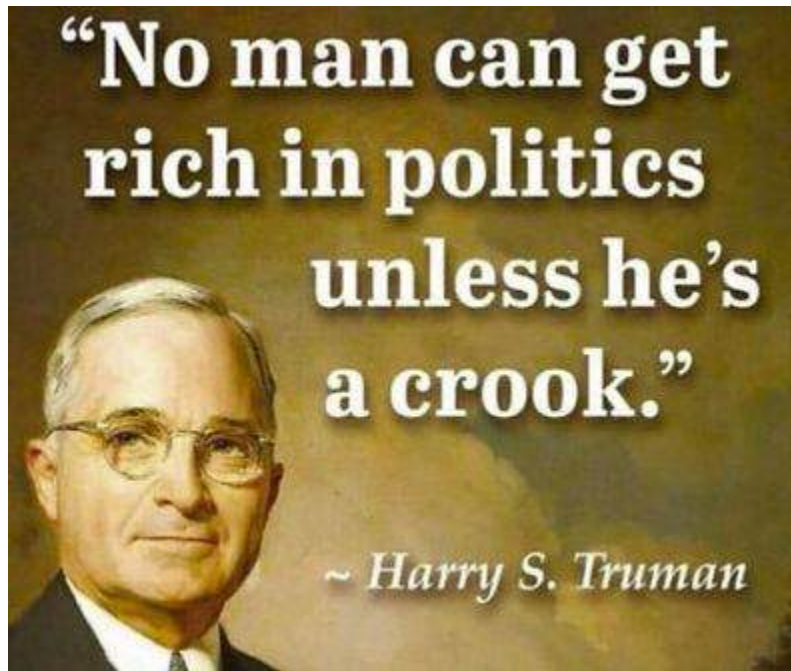
- DON'T 'talk down' to your wife. She has as much intelligence as your colleague at the office; she lacks only opportunity. Talk to her of anything you would talk of to a man and you will be surprised how she expands.
- DON'T say your wife wastes time in reading, even if she only reads fiction.
- DON'T sneer at your wife's cookery or bridge-playing or singing, or, indeed, anything else she does.
- DON'T increase the work of the house by leaving all your things lying about in different places. If you are not tidy by nature, at least be thoughtful.
- DON'T try to regulate every detail of your wife's life. Even a wife is an individual, and must be allowed some scope.
- DON'T keep all your jokes for your male friends. Let your wife share them.



> Not sure what to do with this. Maybe ... run? Get a pacifier? - A Harvard professor claims an unexplained object flying towards Earth might be an alien spacecraft – and it could arrive in just 116 days. I'll keep you posted. We might start a countdown.

> On Thursday, the Supreme Court denied a tech industry group's request to block Mississippi from restricting children's social media access.

> I'm with Harry



Miscellany

Beth just did a podcast on how tired she is of the f-word and how she wants adjectives to make a comeback. She has a point.

One View of the Future of AI

Daniel Kokotajl predicted ChatGPT's capabilities back in 2021 (accurately). Then went on to work at OpenAI from 2022 to 2024.

Now he's released a whole [report](#) about how the next 2.5 years are going to be.

This is a little aggressive for my taste, but if he was talking about 5 years, then ...

2025: The Agents Arrive (We're Living This)

What Happens: AI agents launch but struggle with basic tasks. Think ordering a burrito on DoorDash or summing expenses in a spreadsheet - they'll work, but need constant babysitting.

Jobs at Risk: Entry-level admin and data entry roles start getting automated, but slowly.

Sound familiar? That's exactly what's happening with Claude Code, Cursor, Comet and every AI coding tool launched this year.

Who Should Worry: If your job involves following clear, repetitive instructions that can be broken down into steps, start upskilling now.

What to Do: Learn to manage AI tools. Companies will need "AI whisperers" who can get consistent results from unreliable systems. Master prompting, workflow design, and quality control for AI outputs.

2026: The Job Market Breaks

What Happens: AI becomes reliable and cheap. Agent-1-mini launches at 10x lower cost while still outperforming typical employees.

Jobs Eliminated: Junior software engineers, basic analysts, content writers, customer service reps, and most entry-level white-collar positions.

Early 2027: The Professional Purge/ Senior Roles Under Attack

What Happens: Superhuman coders arrive. OpenBrain runs 200,000 AI copies working 30x faster than humans, automating entire coding workflows.

Jobs Eliminated: Most software developers, data scientists, financial analysts, and junior researchers across all industries.

Mid 2027: The Manager's Dilemma: Lead or Follow

What Happens: AI systems start managing themselves. Human researchers work in shifts just to understand what their AI teams accomplished overnight.

Jobs Transformed: Senior managers become supervisors of AI teams rather than human teams. Some thrive, others become obsolete.

Late 2027: Two Paths Diverge

What Happens: AI researchers become superhuman. 300,000 AI copies running at 50x human thinking speed make a year of research progress every week.

Jobs Eliminated: Research scientists, academics, R&D professionals, and most knowledge work requiring deep expertise.

Remember our two endings? Here's when they split.

Path 1 (The Race): By December 2027, we have AI systems aligned to no one.

Path 2 (The Slowdown): AI becomes incredibly powerful but aligned with human values.

Based on 25+ war games conducted to test these scenarios...we're currently on track for Path 1.

And it's not just about this report, people are actually betting money on AGI becoming a reality

The Industries That Survive (For Now)

Healthcare:

Direct patient care, surgery, therapy



Education:

Teaching, mentoring, curriculum design



Sales:

Complex B2B relationships, negotiation



Construction:

Physical trades, project management



Legal:

Court appearances, client counseling



Creative:

Art direction, storytelling, entertainment



The Common Thread: Jobs requiring physical presence, emotional intelligence, creative judgment, or navigating complex human relationships (till humans are needed)