

Thoughts on Coming Apart and the Coming Great Reset



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

Kit Webster

May 31, 2024

It's All Over But The Shouting

They are normal, not in what may be called the absolute sense of the word; they are normal only in relation to a profoundly abnormal society. Their perfect adjustment to that abnormal society is a measure of their mental sickness. - Aldous Huxley

The sad truth of the matter is that most evil is done by people who never made up their minds to be or do either evil or good. - Hannah Arendt

You will learn at your own expense that in the long journey of life you will encounter many masks and few faces. —Luigi Pirandello

Markets

[Updated Charts](#)

- > Another excellent interview with Louis-Vincent Gave - part 1 [here](#) and part 2 [here](#).
- > The quiet part out loud -
 - And now, fresh comments from Andrey Kostin, CEO of Russia's second-largest bank, have emerged.
 - Russian state-owned news agency TASS cited Kostin's interview with the Fontanka publication, who warned if it wasn't for the dollar's status as the world's reserve currency, a sovereign debt crisis would've already been underway in the US. No matter what, he warned the US economy is on the verge of an economic crisis.
 - "I am thoroughly convinced that America is inevitably headed for a serious economic crisis. The amount of debt currently held by the US today has reached inconceivable, astronomical levels. And the dollar's monopoly on the global stage is the only thing enabling the Americans to maintain such a level of debt. If the Chinese or the Arabs took their money out of the US, a complete collapse would ensue for the financial sector and the government," he said.
 - Kostin added:
"If the West fails to revise its policy I think that the move toward the collapse of the colonial system will only accelerate."
- > Failing to learn from history -
 - Home buyers will be able to buy a home without putting any money down under a new program launched by United Wholesale Mortgage, one of the largest U.S. mortgage lenders.
- > The man has a point - Pablo Hill on Substack
 - People speak like as if America does not have wealth taxes. I wonder what taxation on inflationary gains are then?
- > So, the way to bet is stagflation with an inflationary increase in asset prices. However, I wonder when the "all at once" part of "slowly, then all at once" happens.
- > An exaggeration, but a definite kernel of truth - this is the way fiscal stimulus, particularly the last payments from Biden, work -

And now for my next trick, I will give you three \$600 checks and then next year I will crash your 401k and you will pay \$2000 more in property taxes or rent, \$800 more for gas, and \$3000 more for groceries

> **It's All Over, But The Shouting**

When I began my intellectual journey concerning the future of the US in the early 90s, there were still opportunities to right the ship - to do the right thing. However, one of my theses is that humans will not do the right thing, therefore we were doomed to a multi-decade, slow-motion train wreck.

The train wreck will be more spectacular than I imagined, but a train wreck, nonetheless.

Remember:

Humans take all trends to their extremes.

Sex, drugs and rock and roll win every time.

The second law of thermodynamics is true (very loosely - it takes a lot of energy to keep a system from decaying).

Self-discipline is the primary requirement to stave off the forces of civilizational decay.

We have less self-discipline every day.

As time went by, I noted every fork in the road that foreclosed future options. The Great Financial Crisis was the last fork, the last opportunity to begin to reverse the damage. We did the predictable thing, even behaved perversely with the Trump tax cuts and during the pandemic. Now we are down to two choices, one of which cannot be made - the one that requires a lot of effort, and therefore will be made for us.

The choices are inflation and austerity. Austerity will never fly, until it must, so we have a wild ride ahead of us that leads to what is now all but inevitable.

I have spilled billions of electrons exploring the ins and outs of the path we have taken and how they relate to my theses. There will be more to be said, but, really, it is now an inevitable, slow-motion train wreck - slowly and then suddenly. A wonderful commentary on the perversity of human nature.

Maybe, just maybe, we will get our Marcus Aurelius.

But our current choices are Biden and Trump - neither has a scintilla, not a trace, of Marcus Aurelius in them.

A future Shakespeare or Euripides will find this fascinating.

As have I.

Marx said that history repeats itself, first as tragedy, then as farce. We have the opportunity to experience both at the same time. The tragedy will be the result of farcical behavior.

Grab some popcorn - or, since the metaphor is the theater, some ice cream.

We are in the middle of the third act.

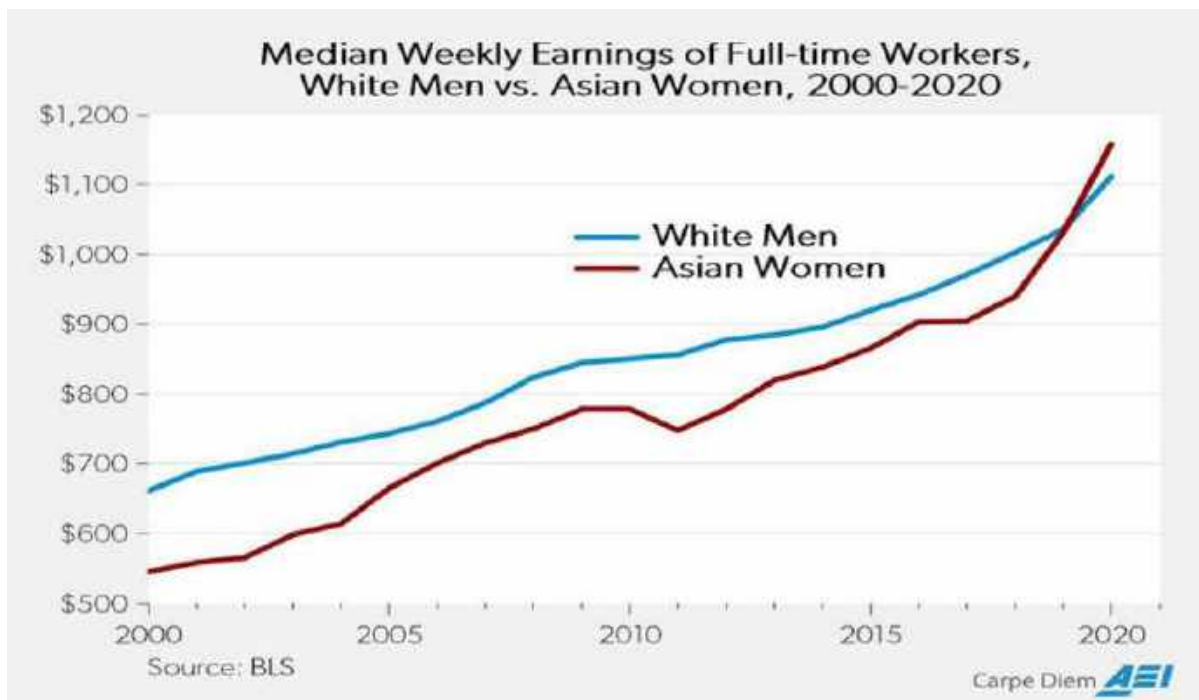
And, I'm pretty sure how the third act ends. Oedipus will be blind; Hamlet will be dead; but the world will continue to turn.

In the end, Marx was wrong - history doesn't care.

And whatever or whomever created human nature was either perverse or a jokester - maybe an omnipotent Loki.

Short Takes

I demand a recount



> Actually makes sense when you think about it - two things Biden is clearly obsessed about: student loans and gasoline prices.

In a Macrovoices interview, oil expert, Dr. Anas Alhajji, says that Biden is not enforcing sanctions on Iranian oil in order to keep oil prices down.

> There's a metaphor in here, somewhere (you do understand that this was primarily a political stunt, right?) - the dock itself later broke apart.

I am incredibly sad that we decided to do this, and that, once committed, in front of the entire world, we failed miserably. *The Bee* captioned a piece, "To save time, Biden to drop next \$320 million cash directly into ocean." That's clever, but for me, this is not even about the money.

US ships used to deliver aid to Gaza pier have run aground on beach



> Pawn to queen's pawn 4 -

Poland's FM Sikorski: "The Americans have told the Russians that if you explode a nuke, even if it doesn't kill anybody, we will hit all your targets [positions] in Ukraine with conventional weapons, we'll destroy all of them."
via *Guardian*

> DE is another reader that has responded with considered thoughts over the years. He sent a lengthy response to my Covid article last week. Following are some excerpts and my responses:

"his system provides a blank check rather than a considered roadmap. Kit, read that sentence again. You support the opposite position." Actually, that is my position. It was all politics and extrapolations from one point. Small minds as far as the eye could see.

"The only purpose of a mask mandate was to instill fear and that fear was for the sole purpose of control. Masks are a utility of the government having nothing to do with health. The system would not see that masking was as terrible an abuse as one could find." A large number of people agree with you, it is not an unreasonable assertion, and I do not know. However, masking makes sense and you do symbolic things to, maybe you can call it control, but I call it having a rag tag bunch of individuals developing habits, including washing, for example. I really like Occam's razor, and

the aphorism that you should never come up with a conspiracy theory for anything that can be explained by pure stupidity.

I said that the "vaccine" was not a vaccine, was not particularly effective and was dangerous.

You mention the dangerous scope of governmental powers once an "emergency" is declared, and I agree. Biden has had several "emergencies" - the Covid emergency seemed like it would never end - and a "climate emergency" would take us into a new, separate universe. Perhaps the biggest user/abuser of emergency powers was Abraham Lincoln.

There were clearly instances of overreaction by both the government and by individual citizens. Hysteria seems to break out in the US about everything (it's getting to be time for a new one - the trans thing seems to be dying down, and the university-protest crowd has gone home for summer vacation). And it became political, as we seem bound to do. Regardless of the effectiveness of masks, they became an ideological symbol. In Texas, those on the right were, by god, not going to wear a mask. I saw a picture of a California woman swimming in the ocean with a mask on. No need to ask her about her politics.

As I said in my article, it will be a long time before the effects of Covid are analyzed correctly, not the least of which is because there was fudging of data by everyone.

You are echoing my thoughts from the beginning of the pandemic when you say, "SARs-Cov-2 is merely another exponentially behaving virus and there is nothing that can be done about it. Economically and environmentally Mankind's greatest failing is the failure to understand the exponential function. A

pandemic (or epidemic) is a classic example of the exponential function of a virus.

They begin quietly slowly, then increase, then blast off only to soon reach a peak.

They then reverse and decline as fast

or very likely faster than they began. Like the flu, it's all over essentially within 3- 4 months. The screaming and hollering will be in the rapid increase phase and by the time policies -- no matter how retarded or ill conceived, can be implemented, it is well on its way down and out. All the state can do is prolong the pandemic and create social and economic havoc; nothing can be done in any event." I led every article in those days with the word, exponential. There was nowhere to hide, only to defer and avoid. If Covid evolved in the direction of most viruses, it would become more infectious and less lethal over time. The game, particularly for older people, would be to delay getting the disease as long as possible.

As I mentioned in my recent article, even if policies had been correct, the emotional, irrational reactions by the population would have been, and were, a big problem.

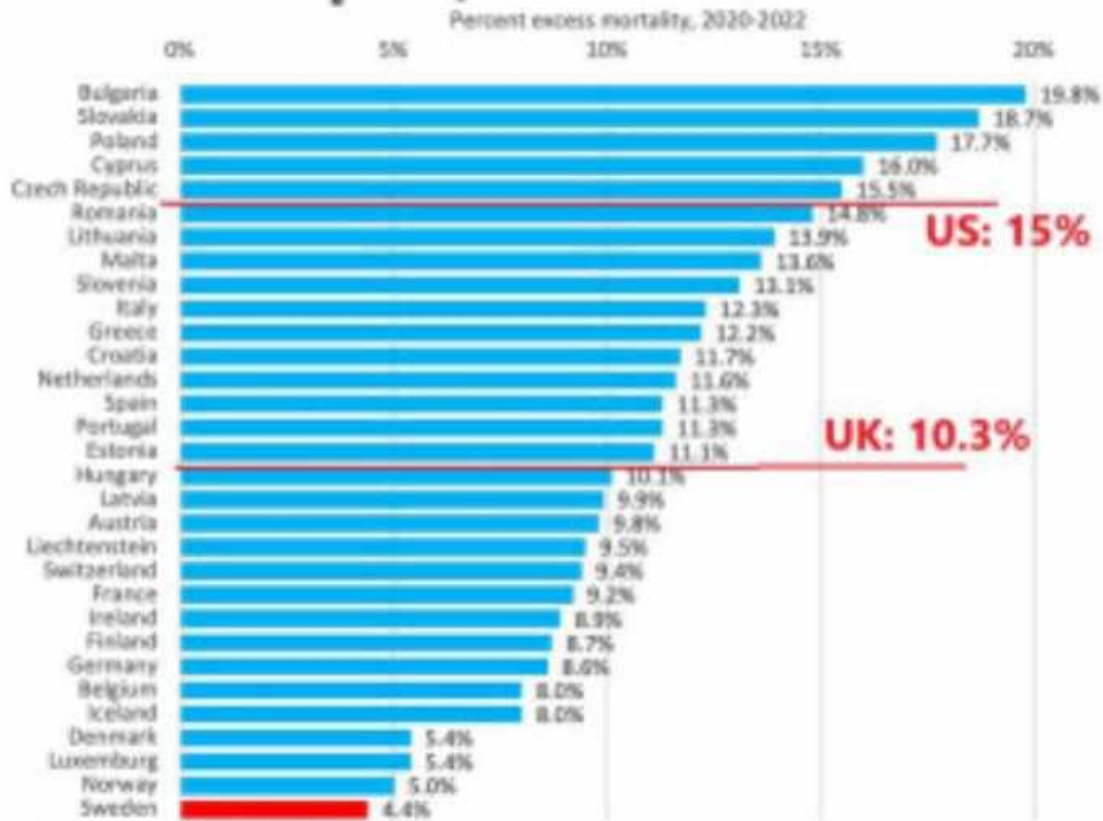
I have never been a big fan of herd immunity wrt Covid - I'm not even sure what that means regarding a disease that you can get multiple times. The problem is that you need something like (estimates vary) 70-90% of the people in the herd, which is pretty much everyone, anyway.

I thought this one was very nice. Thanks.



I don't think the final analysis has been done, here, but your chart does make your argument that laissez faire was the best approach. Of course, this is in hindsight, although both you and I (I would have locked down the old folks, and my wife and I did pretty much, voluntarily, lock down) thought that was right from the beginning. (Were we lucky or good?) It is clear that the US's policies resulted in the worst outcomes of all the major Western countries. That was actually pretty hard to do. Our government clearly failed us wrt the pandemic - because pandemics are hard, because cats are difficult to herd and because the room was filled with small minds playing politics.

Excess mortality for Europe, 2020-2022



As always, appreciate your thoughts and comments.

> In related news - from Neil Howe's *Demography Unplugged* -

According to preliminary death data, the US mortality rate was 736.3 deaths per 100K people in 2023, marking a -7.8% YoY decline. While this decline is significant, the figure is still +3.0% above the 2019 rate (715.2). We are three years past the worst of the pandemic, yet the mortality rate is no better than it was in 2012, over a decade ago.

> Most of the world's a stage –



> More than a kernel of truth [here](#).

> I, for one, am shocked -

LGBTQ community felt "betrayal" at Muslim council voting to remove pride flags from city buildings. The Michigan city council voted unanimously to remove pride flags from public property.

Nah –



Boom!

What Orwell failed to predict was that we'd buy cameras ourselves and that our biggest fear would be that NOBODY was watching.

- > French President Emmanuel Macron said on Tuesday that Ukrainian forces could use French-provided weapons, including long-range missiles, to attack targets inside Russian territory, after NATO Secretary-General Jens Stoltenberg last week urged Western countries to lift restrictions on the use of their weapons.
- > Biden gave permission for Ukraine to use US-supplied weapons on limited targets inside Russia.
- > In my opinion, the strongest restraint on Putin's contemplation of tac nuke use is Xi Jinping's warning to him not to go nuclear - Harald Malmgren
- > For *Undark*, Amy Maxmen tracked the puzzling progression of the bird flu in cattle on Texas dairy farms. "In early February, dairy farmers in the Texas Panhandle began to notice sick cattle," she reported. "The buzz soon reached Darren Turley, executive director of the Texas Association of Dairymen: 'They said there is something moving from herd to herd.' Nearly 60 days passed before veterinarians identified the culprit: a highly pathogenic strain of the bird flu virus, H5N1. Had it been detected sooner, the outbreak might have been swiftly contained. Now it has spread to at least eight other states, and it will be hard to eliminate. At the moment, the bird flu hasn't adapted to spread from person to person through the air like the seasonal flu. That's what it would take to give liftoff to another pandemic. This lucky fact could change, however, as the virus mutates within each cow it infects. Those mutations are random, but more cows provide more chances of stumbling on ones that pose a grave risk to humans.
- > Last October, California governor Gavin Newsom signed into law a \$25 minimum wage for healthcare workers due to come into effect on June 1. Now, Newsom and

California Democrats are walking back the proposal. Why? Because the new regulation would lead to higher healthcare costs—with the California taxpayer picking up the tab, exactly what the measure's opponents warned would happen.

Boom (2) !

Ready to change my mortgage to a student loan.

> Beth tells me I should say something about the Trump trials. I don't think they are particularly interesting, except through the lenses of human stupidity and power politics, with a dash of identity politics on the side.

(I do not support Trump.)

I basically think they are part show trial, part soap opera/kabuki and part serious business.

Trump is a scoundrel and has done many questionable things. Morality is definitely not top of his mind.

And, the system is out to get him - convoluted charges; novel interpretations. And the NY DA explicitly promised to do just that during his campaign.

Most of the charges are trumped up and, if serious, the moral equivalent of jaywalking.

The classified-document case is the strongest case; the others run the gamut from eh to well, maybe.

I just can't find the energy to get worked up about it. Trump is Trump, regardless of whether he is convicted of something.

And, he really did not help his case with all of his cheap theatrics.

It is also not clear as to how a conviction affects his chances.

So, eh.

Ok, the verdict just came in - guilty on all 34 counts!

Wow! Just, wow!

The likelihood of 34 unanimous verdicts is arbitrarily close to zero. This is some combination of overwhelming evidence, and an emotional reaction.

Anyway, here we are.

We now have the opportunity to have a convicted felon as president.

Or an elderly man in decline, and ultimately the first female (black) president that nobody likes and is not all that competent.

It's what happens when you fall down rabbit holes.

One wag on X said that Trump should be sentenced to 4 years of community service.

> Me, too

On X, @stevebugge to Harald Malmgren: "You're probably the only person I interact with who has met Putin hopefully you could help. I often tell my friends I think Putin is probably the best Geopolitical operator heading a nation currently and extremely adept at playing a relatively weak hand strongly. Do you agree?"

Malmgren: "I do agree with your assessment of Putin, relative to other world leaders today. I might add his obsession with restoration of "Imperial Russia" is the framework of his personal strategizing, which commentators around the world continue to fail to comprehend."

It Ain't Easy Being Green

> Finally, finally some rationality appears! The Biden administration is formally supporting nuclear fission. Maybe, finally, they understand. Not holding my breath, but ... hope.

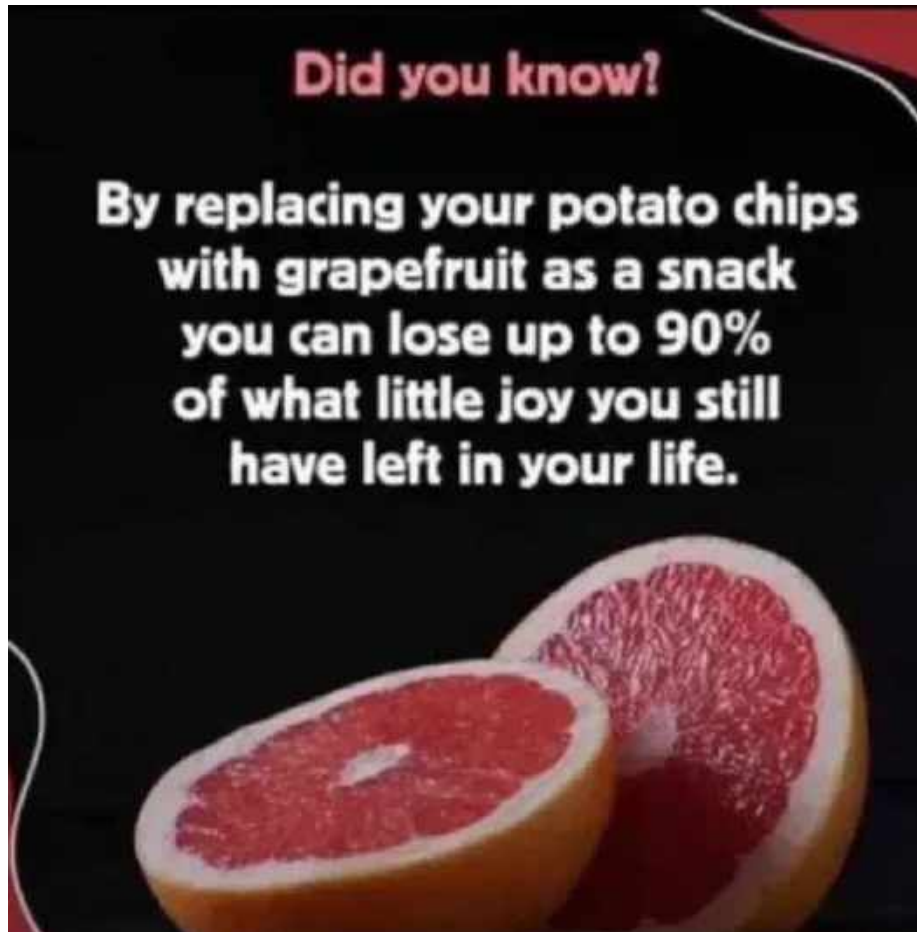
Miscellany

There were quite a few of these - these were the worst of the lot –





Fact check – true



This is actually inside baseball, so don't be upset if you don't get it (I actually don't follow baseball that much, either) - from the *Bee*



Retired Angel Hernandez Gets New Job
Inspecting Planes For Boeing