

Thoughts on Coming Apart and the Coming Great Reset



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

Kit Webster

**We're Caught in a Trap, and
Change is Hard**

March 7, 2025

Themes and Theses - Why I'm Contemplating Out Loud

(Initially formulated in the early 90s, following decades of reading history, philosophy, 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 not yet to the middle 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.

(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.

Quotes to Contemplate

I don't think Trumpism is inherently evil. It's the pursuit of power for power's sake ... good and evil have nothing to do with it. But I absolutely think it's a tragedy for America and humanity, as it transforms all our policies into a protection racket. - Ben Hunt

Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.

—John F. Kennedy

> Primary Ideas in This Week's Post

Changing organizations is a difficult challenge - the bigger the system, the more difficult the challenge. Our system must change, but it will mightily resist change.

We're caught in a financial trap. Both spending and saving money lead to disaster.

There are over 100 lawsuits against Trump's actions. It's early days, but he has won some and lost some. Importantly, he lost a Supreme Court ruling. The really important part will be his reaction to losing cases and whether he defies courts, particularly the Supreme Court.

If I were politically incorrect, I would call Trump's tariff program a Chinese fire drill. This being the 2000s and, given my dedication to political correctness and all, I will rely on technical terms and call it a cluster fuck. Huge changes by the day, and it is still early days. But, it's all good. It's only the global economy that's at stake.

Poor RFK Jr - he starts his tenure with a measles outbreak. He says good nutrition and vitamin A are the trick.

Trump is playing hardball with Ukraine. By withdrawing intelligence coordination, he is now responsible for people dying.

Change is Hard

How many psychologists does it take to change a lightbulb? Only one, but the lightbulb has got to want to change.

I have had the opportunity to try my hand at many things over my life. Relevant to these thoughts are that I have taken on the turn-around of businesses in economic difficulty

(mostly successfully, but sometimes not), and I have taught Business Process Management, essentially change management, at the business school of the University of Texas at Austin as a lecturer. My point being that I have been in hand-to-hand combat, dealing with real-world problems, and also thought about the issues of change from an academic perspective.

So, what do I think of the Trump/Musk approach to changing the US government?

This is yet another time when you have to hold two, contrary thoughts in your head at the same time:

I am horrified, and theirs may be the only approach that has a chance of working.

My basic approach to taking on big changes is analytical - understand the problems, gather data, decide what your objectives are, describe the system you are changing to, and plot a course from here to there. One of your main challenges is recognizing the Chesterton's fence problem - don't tear something down, no matter how ridiculous it looks, until you understand why it is there. The biggest challenge will be people, particularly those with a vested interest in the current system. I developed a rule of thumb - one-third of the people who are affected by the change will embrace it; one-third will be ambivalent; and one-third will resist it. These statistics are almost independent of the "goodness" or "rightness" of the change, and imply that, in most cases, perhaps one-third of the people must go to have successful change.

There was another rule I learned from others - absent a crisis, the difficulty in changing a system is exponentially proportional to the size of the organization. What that means is that the bigger an organization is, the much harder it is to change, to the point that, at some size, it is impossible. You basically have to tear it down and start over.

Some companies, such as IBM, have violated that last rule, but I think it is generally valid. (Other companies, such as Microsoft and Amazon have not changed so much as they have developed additional business models to put on top of their existing businesses.)

During some battle during one of the Crusades, the crusaders could not tell friend from foe. The general responded, "Kill them all and let God sort them out."

I think that general is Musk's muse.

So, you have one of the biggest organizations on Earth. Effective, lasting change, by my second rule, is impossible. You also have a corrupt, deteriorating country that is hemorrhaging debt, deficits and entitlements.

What to do?

You take my approach - analyze, etc.

Only, you do not have time. The enemy will regroup and there is an election in two years where, the odds are, based on nothing but history, you will lose your Congressional majority.

Make no mistake, the Republicans and the Democrats are both bad guys when it comes to the economy. But the Democrats are worse.

So, you take the other approach and start throwing babies out with their bathwaters, and fix it on the fly.

You will make a lot of mistakes, but you will begin to make changes.

Will the changes be lasting?

Of course, we don't know. The way to bet is, no. The way to bet is that the Democrats win some future election and start to put all of these programs, good and bad, back into place.

The only way the changes last is if Democrats agree there is value in them.

And, since we are actually heading over a cliff, unless someone changes something, some time in the next 5-10 years, that cliff will appear in front of us.

We're Caught in a Trap

(The point of this and many of my posts, and the central point of my contemplations, is that we have spent massive amounts of money that should not have been spent. Each dollar has created a dependency - things which exist and we depend on and think are normal and should continue but which cannot continue. Salaries are higher so we buy things we should not have. We live in houses that are too big. And we provide treatment, care and support to people who otherwise would not get these things. For the last few decades, we have lived in an unsustainable fantasy land. My central thesis is that this cannot continue and will necessarily collapse in favor of a new, sustainable regime. The Great Financial Crisis signaled the beginning of the end, and Trump is signaling the middle of the end. It will be wrenching because the unsustainable amounts will have to go away and there will be extended battles over dividing up the sustainable pie.)

Damned if we do; damned if we don't - literally.

We have these debt, deficits and entitlements that will wreak havoc with our country and our standard of living.

But Musk and Trump are going to fix that, right? All will be ok, right?

Well, putting aside that Musk and Trump do not have any intention of fixing "that," which they don't, some time around 2008, maybe 2010, we lost all alternatives to train wreck, so train wreck it will be.

First, let me dispense with Trump and Musk. Yes, they are going to reduce expenses. But they are also going to increase expenses, cut taxes and send out "dividends." This is clearly not an effort to fix our economic problems and is all but guaranteed to make them worse. This is about power and change. Some of the change is necessary, but it has consequences. Remember, you can't do just one thing.

Again, let's get beyond all of that and assume that it is all sweetness and light - they will take the deficit down.

The next point I want to make is that each dollar the government spends goes to someone. Someone benefits from that dollar. Maybe it is a kid with AIDS, maybe it is a governmental official doing critical work (say, air traffic controller), maybe it is a governmental official who does not work at all. There are a lot of apple carts being overturned and a lot of people being hurt.

A \$2 trillion deficit, not to mention regular government spending, is a lot of money. We are spending a lot of money that should never have been spent in the first place, but since it is being spent, it has consequences. One of the consequences is an unsustainable economy on a sugar high.

Now, to the trap.

Let's take the governmental worker who is doing nothing. Fire him. Good. Very important in the long term to restructure our finances. (Warning - gross simplification ahead.) That money is not spent, the worker does not consume, does not pay taxes, and sales taxes are not paid on the consumption he does not do. He goes on unemployment and begins receiving other government benefits. The stores he does not buy from start to suffer lower sales, lay off people, and the economy starts to wind down.

Then throw tariffs into the mix.

The deficit could actually increase, increasing our Achilles' heel of interest expenses on our debt.

We were in the trap before Trump and Musk appeared. Trump and Musk are probably making things worse, but in any event, will not get us out of the trap.

Luke Gromen puts it this way in his newsletter today: "Mosler is noting that the combination of tariffs and government spending cuts amount to a "full-on attack on GDP, output, and employment" – i.e., the MMT framework tells us a recession is coming if tariffs + government spending cuts continue to be pursued...which with US debt/GDP this high would risk a US and global sovereign debt spiral. This would NOT be "short-term pain", but a new Great Financial Crisis on steroids... except with rising long-term US Treasury yields (after perhaps a brief dip in long-term US Treasury yields.)"

The train continues toward the cliff.

Markets

[Updated Charts](#)

> No change in outlook. The dramatic fall in the dollar this week leads credence to my minority view that the dollar is heading way down. Still no good view of the stock markets, but there is significant exposure to the downside.

> Surging government debt could trigger a "heart attack" for the US financial system - Ray Dalio.

So, You Say You Want A Revolution?

> The empire strikes back - including litigation as far as the eye can see.

- The *New York Times* considered a subject we have been discussing - what happens if Trump ignores courts' rulings, particularly from the Supreme Court. I have included an excerpt from that article at the bottom of this post.

- Supreme Court Rejects Trump's Bid to Freeze Foreign Aid

The justices rejected President Trump's emergency request to freeze nearly \$2 billion in foreign aid as part of his efforts to slash government spending.

- Judge says Trump cannot fire head of independent watchdog agency. The federal judge's decision blocks Trump from removing Hampton Dellinger as head of the Office of Special Counsel and sets up a likely Supreme Court battle over the president's powers.

- Europe is calling Trump's bluff on Ukraine and is threatening a whole new game to which Trump will have to respond.

- There are now 100 active suits in federal court against Trump administration actions.

- A board that handles federal worker disputes ordered the Trump administration to reinstate thousands of employees it fired at the Agriculture Department.

> Health and Human Services Secretary Robert F. Kennedy Jr. on Friday released a policy prohibiting public comments during his department's rulemaking process, ending more than 50 years of the public's involvement in crafting his department's rules.

> Federal workers received another email asking them to list their accomplishments. The idea seems to be that the email will be sent out weekly.

> The White House has announced that there will be no more aid to Ukraine.

> Trump signed an order designating English as the official language of the U.S. The order ends a requirement for agencies to offer help for people who don't speak English, but allows current policies to continue.

> Stupid and dangerous -

US spies ordered to halt work countering Russian cyber threats. Pete Hegseth's instructions to focus on China and Iran rather than Moscow emerge despite warnings of high risk of attacks.

> Making it up as you go along. Trump implemented his tariffs on Mexico, Canada and China. China responded on Tuesday by implementing 15% tariffs on US imports of meat, fish, and a laundry list of crops, taking aim at America's agricultural industry. It also halted exports to 15 American defense companies. Bloomberg reports that China has stopped the import of American soybeans from three US entities. Canada retaliated with 25% tariffs on \$30 billion worth of goods and promised to extend the measure to \$125 billion in 21 days.

Carmakers will get a month-long reprieve from President Trump's tough tariffs levied this week on goods from Canada, Mexico and China, the administration said Wednesday.

President Donald Trump is likely to defer tariffs on Canada and Mexico for all goods and services covered by the North American trade agreement known as USMCA, Commerce Secretary Howard Lutnick said.

The President is considering a tariff carve-out for certain agricultural products.

Then, he suspended most tariffs on Mexico.

> RFK Jr is focusing on using vitamin A to combat a growing measles outbreak in Texas. However (from The Morning Dispatch) Health and Human Services Secretary Robert F. Kennedy Jr. wrote an op-ed for Fox News Digital on Sunday praising the measles,

mumps, and rubella (MMR) vaccine in what appears to be a partial reversal of his previous vaccine skepticism. Describing the ongoing measles outbreak in West Texas as a “call to action,” Kennedy promised to “work closely with the Texas health authorities to provide comprehensive support,” including vaccines and therapeutic medicines, to the affected communities. But he maintained that the “decision to vaccinate is a personal one” and wrote that “good nutrition” is the “best defense” against the disease.

> All hope is lost - Pam Bondi says “national security” information will be redacted from Epstein files.

> A judge stopped the administration from withholding funds from hospitals that offer gender transition treatments to young people.

> The Trump administration marked hundreds of federal properties for potential sale, including offices for the Social Security Administration and the I.R.S.

> Maxine Waters, my poster child for most mentally challenged in Congress before Margorie Taylor Greene - "Elon Musk with his high-tech ass may have hacked our last election."

> IRS drafting plans to cut up to 50% of its workforce.

> The Trump administration has been holding direct talks with Hamas over the release of U.S. hostages held in Gaza and the possibility of a broader deal to end the war.

> Some measure of sanity - Dr. Jay Bhattacharya testified before the Senate in a confirmation hearing as President Trump’s nominee to lead the National Institutes of Health.

In his opening remarks, Bhattacharya, who was denounced by government health officials during Covid, said that the NIH had overseen “a culture of coverup, obfuscation, and a lack of tolerance for ideas that differed from theirs.” He promised to create an agency that would tolerate and even encourage dissent.

On the subject of vaccines, which his likely future boss—Health and Human Services Secretary Robert F. Kennedy Jr.—has spent much of his career criticizing, [he said](#), “I fully support children being vaccinated for diseases like measles.” As for the debunked theory that vaccines cause autism, which Kennedy has long believed, Bhattacharya said, “I don’t generally believe that there is a link, based on my reading of literature.”

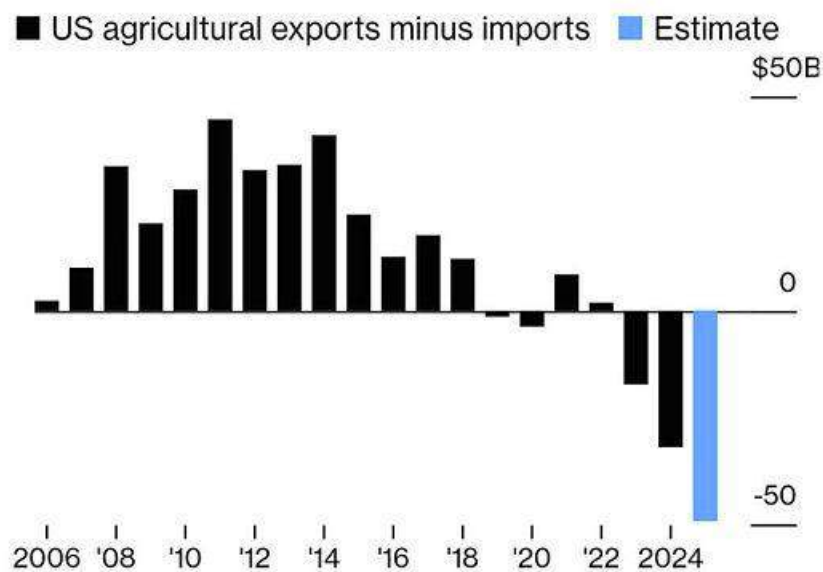
> Shortly after Kamala Harris lost the election, the Environmental Protection Agency rushed \$20 billion out the door to eight nonprofit groups—something a secretly recorded former EPA official said was akin to “tossing gold bars off the Titanic.” Now, The Free Press has learned that the EPA has sent letters to the same eight nonprofits in an effort to track down the money and, perhaps, begin the process of getting it back.

Short Takes

- > Marlean Ames of Ohio wants the Supreme Court to reject rulings that make it harder to prove discrimination if you are straight, white or male.
- > Seems important

America Has Been Importing More Food Than It Exports

Farm trade deficit seen at a record \$49 billion in 2025



Source: US Department of Agriculture
Note: Data reflects trade in fiscal year ending Sept. 30

Bloomberg

Thinking about Gen Z and their horror at capital letters - all nouns in German are capitalized. German Gen Zers must be catatonic.

- > Honors student sues Connecticut school district for not teaching her to read and write.
- > If all else fails - As Beijing works to increase birthrates, Chinese companies are instructing their employees to start families or lose their jobs.
- > Anybody remember global warming? - Sea ice across polar regions reached an all-time minimum for February, researchers found, fueled by warm oceans and above-average air temperatures.

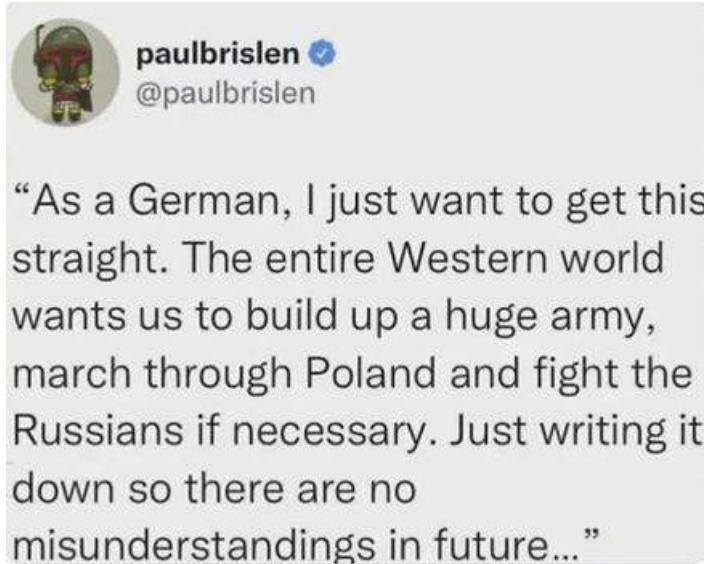
Here's An Interesting Take

George Friedman of Geopolitical Futures put out a YouTube [here](#) discussing how Putin has lost the war in Ukraine. Interesting take.

Miscellany

Fair





From The New York Times

Scholars argue about whether the country is in the midst of a constitutional crisis. But most experts, both liberal and conservative, agree that one thing will cross a line: if Trump ignores a Supreme Court ruling. At that point, the checks and balances that the constitutional system relies on could collapse.

The administration has already failed to comply with some lower court orders, such as one revoking a broad federal funding freeze. And some of Trump's supporters, including Vice President JD Vance, argue that the president should not listen to orders that constrain him. "Judges aren't allowed to control the executive's legitimate power," Vance posted on social media. Vance has also adapted an apocryphal Andrew Jackson line: "The chief justice has made his ruling; now let him enforce it."

The implication is that courts have power only if people obey them. Judges don't have police officers or soldiers they can dispatch to enforce their rulings.

Trump so far has not written off judicial authority. In the instances when the administration hasn't followed court orders, it has pointed to alternate legal justifications for its actions. Previous presidents did similar things, such as when Joe Biden cited other legal avenues for student loan forgiveness after the Supreme Court ruled against his initial attempt.

Still, Trump doesn't like being told no. He has already stretched the powers of the presidency. He might believe that, in defying the courts, he can do it again.