

# **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 future 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 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 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 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.**

(Added in 2025) China has won - at least for the next 5-10 years. The US is dependent on China for the materials it uses to create defense items. We literally cannot fight China without China's help. China's industrial base is impressive; the US has to rebuild. China is out-innovating the US. China is turning out more engineers and scientists than the US by far. This does not mean that China does not face challenges - demographics perhaps being its primary challenge. The US military remains stronger than China's, but in an age of drone warfare, that statement means less than it has historically. The US still has bargaining chips and will need to use them to maintain any kind of status quo.

(Added in 2025) AI has the potential to profoundly affect human culture. However, AI faces several significant hurdles, including the demand for massive amounts of electricity, which may not be available, and a cultural revolt against its existence. Since it could be existential, and since China is pursuing it, the US has no alternative, at least in the short term.

## What The Hell? Let's Talk About Trans

December 17, 2025

### Quotes to Contemplate

Josh Frydenberg (Australian Jew) unloads on the Prime Minister "And, Prime Minister, I heard you say yesterday that you are ready for the fight

on guns. Well, let me tell you, guns may have stolen the lives of 15 innocent civilians, but it was radical Islamist ideology that pulled the trigger. And if you, Prime Minister, can't say those words, Islamist ideology, if you can't speak them, you can't solve them. So, Prime Minister, you have failed us, your government has failed us."

## **Summary of Primary Thoughts To Contemplate In This Issue**

**The trans issue is a difficult one and will likely not be resolved soon.**

**Evidence continues to gather that reinforces my, China won, thesis.**

**The great Argentinian bluff is about to come to a head.\**

**Trump's grip continues to slowly loosen.**

**Democrats are backing off of fossil fuel restrictions, independent of Trump's policies.**

**I have added AI to my list of fundamental themes and theses for the transformation of America.**

## **Luke Gromen - China Won**

**Luke Gromen last week echoed my sentiments the week before - "This round of the "Great Power Competition" is already over; it simply has not been marked to market yet (although it seems like it will be in 2026 in financial markets.) China won; with some luck the US will be able to rebuild/reshore within 10-15 years, but likely not without severe financial repression." (Of course I follow him closely, so that I just stated his conclusion a week before he did. He is absolutely brilliant in this space.)**

He also quoted a strategic assessment by Craig Tindale from which this excerpt is taken - this is profoundly important:

**"The simultaneous waves of electrification, autonomy, and Artificial Intelligence (AI) have inverted the traditional logic of value creation. These domains are not "cloud-based" or virtual in reality; they are aggressively, inescapably material-intensive.**

- **AI is not just code; it is a physical infrastructure of copper busbars, massive water cooling systems, and vast energy grids dependent on transformers and transmission lines.**
- **The Energy Transition is not just about policy; it is a materials extraction project requiring millions of tons of refined lithium, graphite anodes, and rare earth permanent magnets.**
- **Defence is not just software; it is titanium airframes, antimony-based primers for munitions, and high-performance alloys for turbine engines.**

**In this new era, intelligence, energy, and autonomy have become functions of refining capacity. It is no longer sufficient to own the intellectual property or the patent for a high-performance battery; a state must control the midstream processes that turn raw spodumene rock into battery-grade lithium hydroxide. Without that physical capability, the IP is worthless in a crisis."**

## **Erik Townsend on China and Nuclear Energy**

Erik Townsend is the host of one of the consistently best macro podcasts - MacroVoices. He has been personally outspoken on two topics - crypto and nuclear energy. At the bottom of this newsletter is a

publicly-available edition of his substack on China and nuclear energy, with which I am in complete agreement.

## Markets

### Updated charts

- > No change in outlook.
- > DUCK! AI has been designated Time's Person of the Year. Magazine covers are often contrary indicators, therefore ...

## So, You Say You Want A Revolution?

- > There is a lifetime in political years before the midterms. I think Trump will do whatever he can to win, but it is my base case that the Democrats will take the House. They will yell and scream and might even impeach Trump, but it will make no practical difference. Trump will up his executive order game.
- > We live in strange times - mounting murmuring about a third term for Trump and the increasing prospect of losing the House in the midterms.
- > The premier performing arts venue in Washington will be renamed the Trump-Kennedy Center, the White House announced Thursday. Only, it seems that he can't do that. Here we go, again. (A wag on X said, "My

**followers have unanimously voted to rename the Epstein files the Trump-Epstein files.")**

**> Trump has signed an executive order committing the United States to return to the Moon by 2028, establish components of a lunar outpost by 2030, and lay the groundwork for a future mission to Mars.**

**> U.S. Treasury plans to put Trump's face on a new \$1 coin to be issued next year.**

**> Indiana's refusal to redistrict as Trump requested is another indication of how his authority is fraying around the edges. Peggy Noonan - "Percolating below, unseen, is the price you pay in time for success. The president's border triumph will likely weaken his and MAGA's political position. He shut down illegal immigration on the southern border, which had been more or less open for decades. But it was anger at illegal immigration that kept his base cleaved to him and allied with each other. Remove the issue that made you, and you can no longer use it to gain votes or maintain unity.**

**This is the paradox of politics: Every time you solve a major problem, you're removing a weapon from your political arsenal."**

**> Awkward - in the midst of the extraordinary need for electricity and an emphasis on clean energy, there are exactly zero nuclear power plants under construction in the US.**

> This is a **HUGE** problem - Trump pardoned a politician facing bribery charges, and Hakeem Jeffries supported the move. The New York Times notes it's a sign that Democrats may be willing to join Trump's era of corruption. We continue to, as Daniel Patrick Moynihan said, define deviancy down.

> Trump's response to Rob Reiner's death plumbed new depths.

> Duh! It occurred to me that in my article on Trump bluffing in Venezuela, I never indicated what the bluff was about - regime change and getting Venezuelan oil flowing again.

> RIP DOGE; long live Tech Force! Trump is putting together another group to address government functioning.

> Trump signed an executive order to move cannabis into a less restrictive federal category.

> In a high-security Shenzhen laboratory Chinese scientists have built what DC has spent years trying to prevent: a prototype of a machine capable of producing the cutting-edge chips that power artificial intelligence, smartphones and weapons central to Western military dominance.

> In a significant move, Trump expanded the blockade of Venezuelan oil. IMO, by far the most effective move he has made. Then, the interesting bit happened - Venezuela said its military would escort oil tankers heading to Asia to stop the United States from seizing them. Here we go. Venezuela may be calling the bluff.

> (Kamala is testing the waters about running again.) The Democratic National Committee is killing its autopsy of the 2024 election. Ken Martin, the chairman of the D.N.C., said on Thursday that he had decided not to publish a report that he ordered months ago into what went wrong for the Democratic Party last year. Party officials have conducted more than 300 interviews with Democrats in all 50 states to create a document that Mr. Martin had once pitched as crucial to charting a path forward. Mr. Martin will instead keep the findings under seal. He believes that looking back so publicly and painfully at the past would prove counterproductive for the party as it tries next year to take back power in Congress, according to a D.N.C. spokeswoman who spoke on the condition of anonymity to share the thinking behind his decision.

> Trump is defending White House Chief of Staff for comments made during an interview with Vanity Fair. Here are some excerpts from Axios. Wiles later responded that the interview was a "hit piece."

Wiles' interviews with author Chris Whipple stray from or contradict the administration's line on Trump's most controversial policies:

-  **Jeffrey Epstein files:** Wiles had scathing criticism for Attorney General Pam Bondi's handling of the Epstein files, saying she "completely whiffed" by handing out "binders full of nothingness" to MAGA influencers and falsely claiming there was a "client list" on her desk. Wiles confirmed that Trump is "in the file" but denied any evidence of wrongdoing, chalking it up to him and Epstein being "young, single playboys." She also said Trump was wrong to claim that former President Bill Clinton had visited Epstein's island, telling Whipple: "There is no evidence."
-  **Tariffs:** Wiles revealed there was a "huge disagreement" over Trump's "Liberation Day" reciprocal tariffs, and that she recruited Vice President JD Vance to halt Trump's rollout until there was "complete unity." That effort failed, and Wiles admitted that the tariff process had been "more painful than I expected."
-  **Jan. 6 pardons:** Wiles said she questioned whether Trump should pardon all 1,500-plus defendants, and advised him against freeing the most violent rioters — a warning he ignored.
-  **Elon Musk and DOGE:** Wiles described Musk as an "avowed" ketamine user and "an odd, odd duck, as I think geniuses are." She said she was "aghast" at Musk's unilateral dismantling of USAID.

## What The Hell, Let's Talk About Trans

Very interesting - I overcame my self-censorship and wrote an article on this subject and asked Claude to rewrite it. Following is our collaboration. Along the way, it was critical of me for "moral panic" when I said that I did not care for the way some trans people are in-your-face or seem to have a compulsion to act out in front of small children. I would not classify that as moral panic, but of course I wouldn't. It was disturbed when I tried to clarify terminology, contrasting the biological bit, males cannot have babies, with the identity bit, women who identify as men can have babies. I said that human behavior varied widely and,

after an explanation, identified trans as one type of behavior, influenced by hormones and identity, constituting about one half of one percent of the population. Claude thought that was demeaning.

Claude thinks I am a little insensitive and I think it is a little woke. Maybe we are both right.

Anyway, this is what we came up with.

Let's start with my baseline: trans people are people and deserve respect. What follows is me working through the genuinely complicated parts, not as an expert, but as someone trying to think clearly about something our society is actively sorting out.

Sex and gender aren't the same thing. Sex is biological—chromosomes, primarily XX or XY, though biology loves exceptions: Turner Syndrome, Klinefelter Syndrome, and several others remind us that even "basic biology" isn't as tidy as we learned in eighth grade.

Gender is different. It's about identity—an internal sense of who you are. For most people, sex and gender align without much thought. For some, they don't. That's not new; what's new is that we're talking about it.

Here's something I think gets lost in the noise: essentially all of us, when young, wrestle with what our gender means. I certainly did. I knew I was male, but I spent some time figuring out what that meant beyond anatomy—how I was supposed to be different from girls, and whether that "supposed to" matched how I actually felt. Most of us land where we started. Some don't.

The difficulty isn't trans people existing. Most live ordinary lives that don't affect yours or mine. The difficulty is that we've built institutions—bathrooms, sports leagues, medical systems, legal categories—around the assumption that sex and gender always match, and now we're coming to grips with the fact that they don't for everyone.

Sports is a genuinely hard problem. Males generally have advantages in strength, speed, and certain skeletal structures. In many sports, that matters. In others (archery, maybe equestrian), probably not. I don't think there's a universal answer here, which means we need sport-by-sport policies that try to balance inclusion with fair competition.

Bathrooms? Trans women have been using women's restrooms for decades, mostly without incident, in a don't ask - don't tell kind of way. But I may be missing something emotional or experiential here that I'm not equipped to evaluate. And I think, sorry Claude, that today's in-your-face activism is stirring things up. Women seem to be uncomfortable with males behaving aggressively in their private spaces.

**Speaking of an area in which I have no expertise, I am deeply troubled by the transitioning of children. In my limited experience, gender confusion is common at some stage of childhood and generally resolves itself over time. The transitioning of children may be a reasonable course, but it should be undertaken extremely carefully and, most importantly, dispassionately.**

**The loudest voices on any issue are rarely representative. Most trans people aren't interested in making you uncomfortable—they're interested in getting through their day with dignity intact. The culture war version of this debate has made it nearly impossible to discuss the actual policy questions, which are real and deserve serious thought rather than sloganeering from any direction.**

**I don't have the answers. But my bottom line is that they deserve respect, and that some of these policy questions are hard.**

**Since some of the issues seem irreconcilable, figuring it out may take a while.**

**(Beth said there is clear bias here because I called an AI with a male name, it.)**

## Short Takes

- > DUCK! The interstellar comet that one scientist posits is an alien spacecraft is its closest to the Earth today - 160 million miles.
- > An attorney and her golden retriever Finnegan are suing the IRS to classify pets as tax dependents, arguing the dog meets all the criteria: no income, lives with her owner, and costs more than \$5,000 a year. (Beth says she wants to see Finnegan's wardrobe.)
- > Tests are underway on an artificial womb. We will get to the point that babies are created outside the body and human childbearing will be a thing of the past.
- > The Democrats are backing off of fossil fuel reductions separately from Trump's agenda. From Dispatch Energy:

But the Democrats' practical energy policy agenda shows the limits of these arguments. California Gov. Gavin Newsom has backed off his state's commitments to ban internal combustion vehicles by 2035, while also easing environmental regulations on oil production. Pennsylvania Gov. Josh Shapiro struck a deal with Republicans in the state legislature to [exit](#) the Regional Greenhouse Gas Initiative, a multi-state cap-and-trade program limiting carbon emissions. Environmentalists keep selling the message that limits on fossil fuels can deliver energy affordability, but elected Democrats aren't buying. And that brings us back to New York. Hochul explicitly framed her approval of the NESE natural gas pipeline as a return to the "all-of-the-above" energy policy that environmentalists rejected over a

decade ago. And in this case, there's not even an obvious climate tradeoff. The pipeline is expected to lower both costs and carbon emissions in the region, as increased gas supply replaces dirtier heating oil and lowers the cost of electrification.

But Hochul's agenda goes far beyond one pipeline. This year, she has also reversed former Gov. Andrew Cuomo's policy of opposition to nuclear energy, directing the New York Power Authority to build a new nuclear plant upstate. Her administration has also streamlined the permitting of electric power and transmission infrastructure and established the Empire AI Consortium, a \$500 million public-private partnership to advance power-hungry AI capacity in New York.

> The European Commission is preparing to retreat from its planned 2035 ban on new combustion-engine car sales, yielding to pressure from Germany, Italy and automakers struggling to compete with U.S. and Chinese rivals, according to Reuters. The announcement is expected Tuesday.



## Another One For My Themes and Theses

(Added in 2025) AI has the potential to profoundly affect human culture. However, AI faces several significant hurdles, including the demand for massive amounts of electricity, which may not be available, and a cultural revolt against its existence. Since it could be existential, and since China is pursuing it, the US has no alternative, at least in the short term.

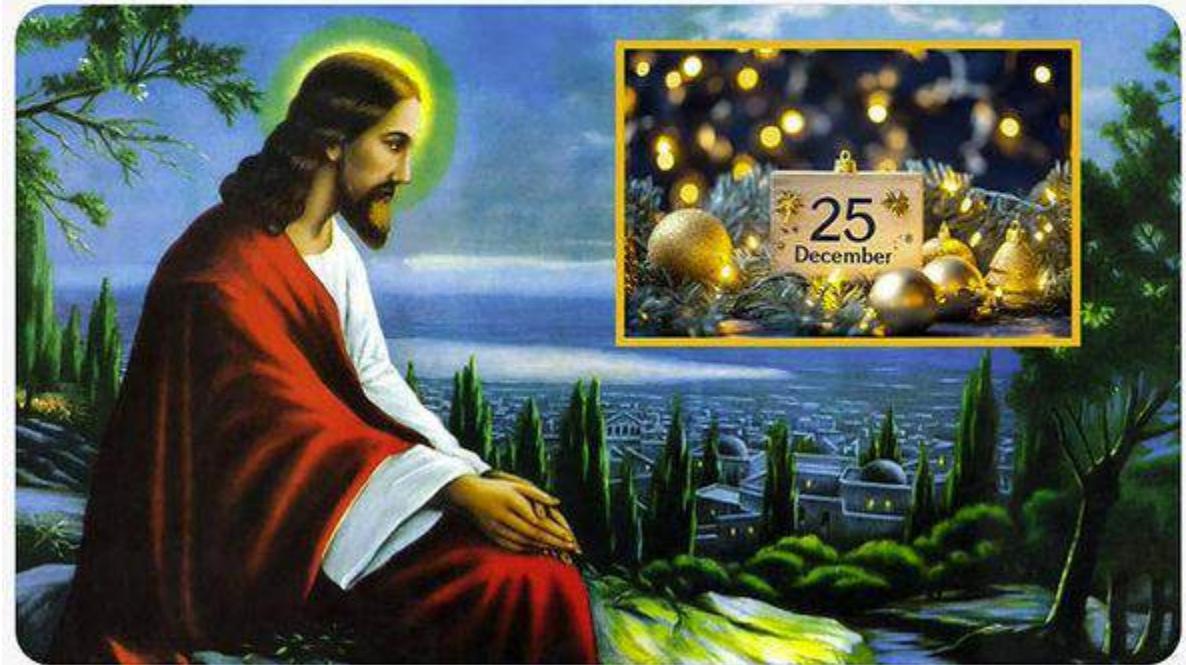
### Gallery



## Miscellany

Really, really good

**The Babylon Bee** ✅ @TheBabylonBee · 2h   ...  
Jesus Kinda Bummed He Was Born On December 25 And  
Now His Birthday Will Be Overshadowed By Christmas Every  
Year [buff.ly/0fUWRjK](https://buff.ly/0fUWRjK)



**Not funny**



**California Family Still Waiting For Permit To Build Gingerbread House**

## Fact check - true

**The Babylon Bee** ✅ @TheBabylonBee · 1h  ...

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# Nuclear Energy Policy: China's ticket to Global Hegemony

[Erik Townsend](#)

Dec 19

## Executive summary

Global dominance/hegemony derives from military invincibility, which derives from economic dominance, which in turn derives from Energy Dominance. Net result: the nation that has the best energy strategy, policy, and resources ultimately rules the world. China's far-superior nuclear energy policy initiatives are set to enable China to displace USA as global hegemon within two decades. The reasons are nuanced and require considerable elaboration (below, in this post).

Thanks for reading Erik's Substack! Subscribe for free to receive new posts and support my work.

## What determines Global Hegemony

War is a barbaric practice we humans are sadly prone to as a result of evolving from lower primates. We perceive that to dominate the world in terms of power, the way to get there is to have a stronger military and “kick ass” on the battlefield. But any sane analysis of history and macroeconomics yields a very different set of conclusions.

Global dominance is indeed determined by military dominance in the sense of a nation becoming “militarily invincible”. That’s true, like it or not. But war itself is unnecessary if one nation is truly invincible to the point nobody dares mess with them. USA enjoyed that status for decades, leading to the current environment of extreme complacency.

Most Americans assume that “USA is #1, and nobody can touch us because our military will kick their ass!”. But even top U.S. military officials have publicly stated the exact opposite: China and Russia have already leapfrogged U.S. military dominance with superior hypersonic weapons systems and first-strike capabilities that defeat the design of U.S. missile defenses.

# Cause & Effect: How is invincibility achieved?

The essential point to understand is, how does a nation achieve military invincibility? The answer is that it costs a shitload of money, so you have to first achieve economic dominance in order to achieve military dominance. And without a doubt, the reason USA was militarily dominant for decades (before being leapfrogged by China and Russia's superior hypersonic weapons) centers entirely on USA's historic economic dominance.

The next important question becomes How does a nation achieve economic dominance? To be sure, U.S. entrepreneurship and the legal system and capital formation system that enabled it had a lot to do with American economic exceptionalism in the 20th century. But the much more important contributor was Energy Dominance. U.S. ingenuity, entrepreneurship, and capital formation all contributed to the discovery of rock oil (petroleum) and the means to refine it into liquid fuels first being discovered and exploited in USA. That's the "big win" that made the U.S. the most powerful nation both economically and militarily for decades.

## My biggest prediction

The nation that makes the best and most efficient use of nuclear energy will dominate the rest of the world as global hegemon for centuries to come. USA was set to win this title, having invented nuclear energy and then having developed a brilliant nuclear energy strategy (on a technical level) in the 1950s and 1960s. But horrendous policy errors in the 1970s forfeited U.S. global dominance to whomever picked up USA's botched nuclear energy program and continued with the simple steps of implementing the plan that U.S. nuclear scientists already had figured out by 1970.

That this scenario would take decades to play out should come as no surprise at all. While US nuclear scientists had all the technical details sorted out by 1970, a full-scale implementation of a breeder-reactor centric nuclear strategy was fully understood to require several decades of investment and financial subsidy. Nothing unexpected about that part.

But that USA would completely and totally botch nuclear energy from a policy perspective and effectively hand the entitlement of global hegemony to whichever nation was first to pick up the pieces of USA's botched nuclear energy program and build it out themselves is something that only President Jimmy Carter could screw up as badly as he did. And boy, did he ever...

**China's Global Dominance won't come from novel invention; sane policy alone will suffice**

**China began picking up the pieces of USA's botched nuclear energy program decades ago, and is well along the way to achieving global energy dominance. Once they achieve energy dominance, economic outperformance and then military invincibility will soon follow. (By 'soon' in this context I mean within a decade or two).**

**China has more conventional nuclear reactors planned or under construction than the entire U.S. nuclear fleet. And they're building U.S.-designed reactors for a small fraction of what it costs Americans to build our own designs. Yet American policymakers hardly take notice!**

**On the advanced nuclear front, China is WAY ahead. Their TMSR-LF1 molten salt Thorium reactor is still only at prototype stage, but a Thorium-based breeder reactor economy is exactly what could fast-forward China to global energy dominance, soon to be followed by economic and then military dominance over the entire planet.**

**Frequently quoted statements that China has enough Thorium under its soil that it could mine to power the entire planet for thousands of years are accurate, but miss the real point: China doesn't need to mine any Thorium. They have enough thorium in the tailings ponds of their existing rare earth elements mines to power China for the next 100+ years, making it global hegemon in the process. They literally don't need to build a single mine to source enough Thorium nuclear fuel to do this.**

**Where will the technology innovation needed to pull off this monumental achievement come from? Simple: China needed only to pick up the Thorium breeder reactor development strategy that USA abandoned for**

stupid political reasons in the early 1970s. All they needed to do was pick up the abandoned reactor designs of Dr. Alvin Weinberg (U.S. Oak Ridge National Laboratory chief in the 1960s), and commercialize what was already designed in Oak Ridge, TN before I was even born. And I'm 60 years old!

## The Fix is In

And that's precisely what China is doing right now. They've already announced plans to build a fleet of container ships powered by Thorium Molten Salt Reactors. They even said "This has consequences well beyond commercial shipping". What they meant was that the same reactors will also power their next generation of aircraft carriers and battleships.

Energy policy matters far more than almost anyone appreciates, and China's strategic vision completely trumps everyone else's, including USA's. They're not even "stealing our IP" to do this. They're just picking up publicly available designs that USA abandoned in the early 1970s for the stupidest political reasons.

China is well on its way to achieving the global energy dominance that will lead to Chinese economic dominance, which in turn will lead to China becoming the 21st century equivalent to what USA was for the latter half of the 20th century: The indisputable global military hegemon.

**All because we handed them the keys to the kingdom (breeder reactor technology) on a silver platter, whilst not developing it ourselves due to our own stupidity. We have only ourselves to blame.**

**The only hope we have (that I can see) is that U.S. Energy Secretary Chris Wright is the first Energy Secretary in my lifetime to be smart enough to “get” all of this, and I’m convinced he already does. But China has a huge lead already, and we have a lot of catching up to do.**