

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.

Mamdani, Inflation and Social Unrest

November 7, 2025

Quotes to Contemplate

We will prove that there is no problem too large for government to solve and no concern too small for it to care about. - Mamdani

The nine most terrifying words in the English language are: I'm from the government, and I'm here to help. - Reagan

There seems to be a pretty straightforward answer to me, namely, that when one has too much student debt or if housing is too unaffordable, then one will have negative capital for a long time, and if one has no stake in the capitalist system, then one may well turn against it. - Peter Thiel



"Those who don't study history are doomed to repeat it.
Yet those who *do* study history are doomed to stand by
helplessly while everyone else repeats it."

Summary of Primary Thoughts To Contemplate In This Issue

Slow week.

Mamdani, like Trump, is an emergent property of our descent into the Fourth Turning - a result of magical thinking by an increasingly stressed population.

The party not in power almost always gains in interim elections. It is not clear that there is any "message" in the most recent elections. However, this trend is the primary reason Trump wants to redraw all of those election maps.

The Supreme Court appears likely to overturn some of Trump's tariffs, but not all. They are ruling on his reliance on one law. He is also relying on other laws for other tariffs.

Mamdani, Inflation and Social Unrest

It wasn't a landslide - Mamdani received right at 50% of the vote - still it was a landmark victory.

As always, while I think the victory itself is interesting, I want to better understand how we got here - a young, inexperienced, Muslim socialist who majored in African Studies is now the mayor of New York City.

Yes, he is smooth. Yes, he uses social media well. Yes, Cuomo is not very appealing. Yes, people fall for populists promises, in this case calling for the formation of state-operated grocery stores, a rent freeze, free buses, and universal child care, among other affordability promises. All of those things helped. But what's going on under the covers?

(The Morning Dispatch discusses the practical barriers Mamdani faces in a column I have included at the bottom of this post.)

I think contemplation begins with this quote from X: "Our generation is clear: we're done with corrupt politicians who take orders from their billionaire donors. We demand a livable and affordable future."

First, it's kinda quaint -"demanding" something.

That just reeks of entitlement, and total ignorance of the way the world works.

Since communication is two-way, it also means that society is not making its own case. First by not teaching civics and history, but also by actually becoming corrupt, beyond the normal degrees of corruption.

The speaker is not entirely wrong.

It is also ironic that one image on X today was of Mamdani with one of Soros' sons.

But the other significant point s/he is missing is that Mamdani cannot - is not able to - provide a livable and affordable future. He has neither the status nor the power.

Actually, no one does.

There are two dynamics that get in the way.

The first is supply and demand. People want to live in New York, LA and San Francisco. Peoria, not so much. Also, there is a lot of wealth in New York City competing for, say, apartments. This is the free market at work.

The only way to mitigate it is to yell, stop!, which Mamdani is proposing with rent control. If a market price is unacceptable, simply force it to be a different price. A discussion of price controls - and wage controls, since increasing wages also increases demand - is beyond the scope of this article. Politically very popular, those who benefit benefit mightily, and over the long term unsustainable. As a homework assignment, picture yourself as a landlord facing increasing prices but unable to increase rent.

Also, young New Yorkers simply picked the wrong time to be born. I had the extraordinarily good fortune to have been born at the end of World War II and to have lived during a time of unprecedented material and technological prosperity. The speaker on X has the misfortune to be living during a time of debt, deficits and entitlements, ironically, some of which s/he is demanding. Larger forces are at work here. Forces much larger than Mamdani. S/he is demanding a "livable and affordable future," and there is not one of those available - at least for now.

The die has been cast. Although the path will be complicated, inflation and social unrest will be prominent.

Mamdani is a symptom of the pushback against the decay and chaos of society. There will be increasing pressure to fix inflation and the social disorder that are the results of our past economic practices.

In desperation, we will turn to whoever will promise relief.

First, Trump.

Second Mamdani.

Ultimately, I posit, a (man) on a white horse.

Ironically, if Mamdani gets his way, things will get worse.

There is no path to not-worse, only varying degrees of stupid on the way. One of my failures of imagination when I was contemplating our future was that I hugely underestimated the degree of stupid we would continually achieve.

Until the climax, after which things will begin to get better - say, 5-10 years from now.

Mamdani is an emergent property of our decay and of our increasing desperation.

There will be others.

Markets

Updated charts

> The downturn in the stock markets may have (finally) begun. There is room for one more uptick. It will be a while before we know whether this is a retracement (my current preference) or a change in trend.

> I'm with him - the head of the World Economic Forum has warned of three potentially crippling financial market bubbles: in crypto, in AI, and

in public debt. The fact that everyone is talking about the AI bubble means that it may have farther to go. The fact that few are talking about the crypto and public debt bubbles gives me pause.

> The national debt just hit \$38 trillion. 2 months after we crossed \$37 trillion.

So, You Say You Want A Revolution?

> I didn't see much to be interested in about the elections this week, except for Mamdani. The way to bet is that the party not in power makes gains between elections. Trump knows this and that is why he is pushing redistricting - he needs to make up for an inherent disadvantage. Democrats should continue to edge forward.

> The Supreme Court on Wednesday seemed skeptical of President Donald Trump's authority to impose sweeping tariffs in a series of executive orders earlier this year.

> Patel is number 1 or 2 on my list of cringe-worthy Trump appointees - Kash Patel has fired FBI Assistant Director Steven Palmer after Patel received extreme backlash for using taxpayer dollars to fly to his girlfriend, Alexis Wilkins', singing performance at a wrestling event. (We are starting to see these kinds of totally corrupt and off the wall actions as normal, and that's a problem.)

> The nuclear testing ordered by Trump will not involve nuclear explosions, U.S. Energy Secretary Chris Wright said.

> The Department of Energy on Friday announced a \$100 million funding package to revamp the nation's existing coal-fired power plants, in a bid to support the US coal industry.

> Administration officials plan to allocate \$4.6 billion for SNAP distribution, which will cover half of recipients' regular benefit amount for November. A judge then ordered them to cover all the benefits.

> Texas governor Greg Abbott Threatens '100% Tariff' On New Yorkers Moving to Texas.

Some days I love Abbott - his bussing illegals to sanctuary cities was a world-class political masterstroke; some days, I'm in strong disagreement. Love him or hate him, he is sharp, shrewd and witty.

(I remember in the 70s when New York City was literally going bankrupt because of mal-governance (increasing goodies without increasing taxes - maybe it's something in the water) and masses of New Yorkers moved to Texas. There were culture clashes galore, but the refugees included Beth's family. That led to our mixed marriage. So, I often give thanks to John Lindsay and others for their mismanagement of the city. Millions suffered so I could be happy.)

> Supreme Court sides with Trump administration on sex designations on passports.

> This probably signals something in the grand scheme of things, but the guy who threw the Subway sandwich at a federal agent was acquitted of assault.

> Nancy Pelosi is retiring. She was magnificent and extraordinarily irritating in a Machiavellian way. Love her or hate her, she was excellent at her job, which was not to be reasonable, kind or principled, but to relentlessly ensure Democrats won. But she also took away the ability for Democrats in the House to propose their own legislation. Everything had to go through her. We are a much weaker republic because of that.

> A Guardian headline with which I agree. Very sadly, a sign of our times and of deep cynicism. Our food stamp program is corrupt and criminally inefficient, but millions depend on it. "The food stamp fight signals an era of unprecedented cruelty in America." Politicians are using air

travelers and food stamp recipients as pawns in their power struggles. We are probably not at new lows, but you can see it from here.

Short Takes

> COP 30, the annual conference on global warming, has begun. Most years nobody cares; this year, there are even fewer.

> Kamala wants to lower the voting age to 16.

If someone died and put me in charge, I think 21 for females and 26 for males would be about right.

Miscellany

Nothing this week.

The Morning Dispatch on Mamdani

... But when Mamdani enters office on January 1, 2026, how much of his ambitious agenda can he plausibly enact?

“The New York City mayor does have a lot of power,” Nicholas Dagen Bloom, a professor of urban policy and planning at Hunter College in Manhattan, told TMD. While the city’s government is a strong mayor

system—with the mayor choosing a broad range of city appointees including police commissioner, fire commissioner, school chancellor, and transportation commissioner—Bloom noted that the mayor’s power is restrained by the 51-member city council in the normal work of things like approving an annual budget.

Not only could that process prove challenging, but Mamdani’s sweeping platform will also need the backing of the New York state government. “The first challenge in reviewing Mamdani’s platform is the extent to which he’s relying [on] pretty expansive permission coming from Albany,” Ken Girardin, a Manhattan Institute fellow and former aide in the New York State Legislature, told TMD.

For example, Mamdani plans to increase both the income tax on the top 1 percent of earners and the corporate tax, which he claims would **raise \$9 billion** to fund his various affordability initiatives. But both tax increases would have to be done at the state level and—as The Dispatch’s David Drucker has **reported**—there’s skepticism that Mamdani can successfully persuade the Legislature to approve the hikes.

Mamdani would pay for the free stuff he’s offering by taxing the so-called rich. But under state law, New York City cannot raise the city income tax without Albany signing off, and Gov. Kathy Hochul, a Democrat up for reelection in 2026, is promising to oppose tax hikes on Big Apple residents regardless of how much money they earn. Her stance is partly a product of not wanting mobile, wealthy professionals to abandon the city for lower tax climes.

It’s a commitment the Hochul administration highlighted Monday,

responding to an inquiry from The Dispatch by pointing to the governor's remarks during a late June news conference. "I have said that I will not raise income taxes on the people of our state. I'm focused on affordability, and raising taxes on anyone does not accomplish that. I'm just making sure that people who create jobs will stay here so we can have good-paying jobs," Hochul said.

Richard Briffault, a state and local government expert at Columbia Law School, told TMD that though the tax increases would only apply to city residents, they would have "a broader impact" on the state at large. In 2023, New York City accounted for nearly **60 percent** of the state's gross domestic product, and if "businesses leave, some of the employees are non-city residents ... it affects the overall economic climate of the state."

Without increasing tax revenue, Mamdani will struggle to fund his wide-ranging proposals—and the state and city are already facing financial pressure.

"Imagine you are a senior official at the New York State Department of Tax and Finance," Girardin said. "The dashboard you're looking at now has some indicators that are already blinking yellow, if not red."

According to the New York Citizens Budget Commission—a nonpartisan, nonprofit fiscal watchdog—the share of American millionaires living in New York state **declined from** 12.7 to 8.7 percent between 2010 and 2022, and the share in New York City fell from **6.5 percent** to 4.2 percent. "This is a real problem of lost potential revenue," Citizens Budget Commission President Andrew Rein told TMD. Had the share stayed constant, the state and city governments would have collected an

estimated \$13 billion combined in additional tax revenue.

New York also **taxes capital gains** as ordinary income, and according to an **October report** from New York state Comptroller Thomas DiNapoli, business and personal income taxes on securities contributed \$22 billion to the state's 2024-25 annual budget and \$6.7 billion to New York City's fiscal year 2025 budget. That reliance comes with risks. "If there's a major downturn in financial markets or a recession, you could see city [tax] receipts not just fail to grow, but fall," Girardin said.

Additionally, federal dollars fund a sizable share of the city's government programs. The city's proposed operating budget for fiscal year 2026 "relies on \$7.4 billion in federal government funding," or about 6.4 percent of the city government's total spending, DiNapoli's office said in an April **press release**. On October 1, at the start of the federal government shutdown, President Donald Trump's administration **suspended \$18 billion** in funds for two New York City infrastructure projects. In a Monday Truth Social post, Trump **wrote that**, if Mamdani were to win, "it is highly unlikely that I will be contributing Federal Funds, other than the very minimum as required."

If revenue were to drop too far, the city government would not be able to afford current expenditures, much less the mayor-elect's various campaign proposals. "[Mamdani] walks into a budget that already has a pre-existing budget gap," Rein explained. "He will have to take action to close that gap," adding that the mayor-elect's team will look to "identify where he can shrink lower-impact programs, [and] where he can preserve programs that are actually helping people and run them more efficiently."

“Both the city and the state have to think about how to pay for the old initiatives if there’s going to be a reduction in federal funding,” Briffault said. Mamdani will have to cut costs.

In June, New York City adopted a [\\$115 billion budget](#) for the fiscal year 2026. A quarter of that is for education spending. The next largest categories are human services, public safety and the judicial system, city employee pension funds, and debt service payments. “You can’t just sort of wave a magic wand in terms of funding, right?” Bloom said. “You have to identify sources of funding, either new ones or reallocate.” He added, “And that’s politically very difficult, because everybody believes that their ... current funding is probably not enough.”

Briffault noted that Mamdani could look to implement his proposals by funding them on a “phased-in basis, so you don’t have to pay for the whole thing at once.” For example, he pointed to Mamdani’s [plan](#) to provide free child care for every child between 6 weeks and 5 years old. Briffault explained that planning a program and certifying various child care providers would take at least one year to implement, but that could give Mamdani additional time to find funding options.

Mamdani could also proceed with a more narrow, limited version of his plans and expand them later if the money becomes available. Mamdani’s platform [promises](#) “he’ll permanently eliminate the fare on every city bus.” But if that proves too costly, Briffault suggested that the city could begin by gutting bus fares for low-income riders or for specific routes. That may also help him gain approval from the Metropolitan Transportation Authority’s leadership, the [23-member board](#) that oversees the city’s bus system, of which the mayor can only make four appointee recommendations to the governor.

According to Bruce Berg, a political science professor at Fordham University, Mamdani's most valuable bargaining chip with political opponents is "his coalition and his bully pulpit."

"It's a large coalition," he told TMD. State and local officials, especially those in elected positions, likely know that if Mamdani "goes out and mobilizes them, he can use them to support me, [or] he can use them to oppose me."

Bloom believes that Mamdani's robust online presence and support base could provide him with the necessary boost as he seeks to rally support for his ambitious executive agenda. "If he continues to kind of talk directly to people through social media," Bloom said, "I think he could actually be very successful."

"That might be the biggest determination [of] whether he's able to kind of move things is" Bloom added. "Does he preserve that outlet?"