

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.

The Times They Are A Changin' - Donald Trump And All Of That

January 30, 2026

Quotes to Contemplate

None this week

Summary of Primary Thoughts To Contemplate In This Issue

The dilemma that is Trump.

We have taken welfare to the point that it is often disadvantageous monetarily to get a job.

Trump/Noem and Walz/Frey took Minneapolis too far in what was a partisan pissing contest.

Iran is becoming critical, again.

The competition for minerals is one of the primary themes of the next decade.

The bottom of this post includes the summary of an article on what I think is going to be one of the most important themes of the next decade - the competition for critical materials.

The Times, They Are A Changin' - Donald Trump And All Of That

This is fascinating - simply fascinating.

I said the international order would go. The US cannot afford to be the world's hegemon any longer.

I said our institutions had to be rebuilt, and therefore be taken apart first. They are terminally corrupt and dysfunctional.

I never dreamed the agent of the beginning of the change would be a corrupt, transaction-driven, authoritarian-wanna-be, bull-in-a-china-shop narcissist.

And I really did not anticipate that Congress would abandon their duties, leaving the playing field open and our democracy and institutions unguarded. That is a betrayal of all that is holy to the American experiment of a magnitude that is difficult to fathom.

(I did not care much for Nancy Pelosi, but I respected her. I cannot begin to express my contempt for Mike Johnson.)

I anticipated periods of disruption; even revolution.

But I did not imagine Trump.

The media has been taking stock on the one-year anniversary of his inauguration, and we will get into some of that - quoting from the liberal New York Times and the conservative Telegraph.

But from my perspective, it has been an incredible whirlwind, for better and for worse, and the devil take the hindmost.

First, the Telegraph, "... in the same way that Roman emperors had a mixed legacy, Trump can be brilliantly right (as with his bombing of Islamist Iran's nuclear sites, his support of Israel, his elimination of illegal immigration through Mexico, his energy policy and his war on woke) or hideously wrong (as with Canada, Greenland, Ukraine and his ludicrously naive approach towards Vladimir Putin). There isn't much of a system, or a coherent set of principles: it's often random.

Yet there is a central truth at the heart of Trump's madness, as demonstrated in Davos: he knows that America is in relative decline

despite Silicon Valley. Its twin deficits and debt are too high; its massive military needs modernising; America relies heavily on its control of the dollar; its heartlands are hollowed out."

And now the Times, "The past year has arguably been the most disruptive and consequential period for the United States government in many of our lifetimes. That is the story of 2025, Jonathan Swan said on "The Daily" recently: "Donald Trump aggressively asserting power and largely succeeding."

During his first 365 days back in office, Trump did not simply smash norms and ignore laws meant to ensure the balance of power in the government. He placed punishing tariffs on dozens of countries (friends and foes alike), undermined the independence of the Federal Reserve and the Department of Justice, cut funding to universities and slashed the federal work force.

He dropped out of the Paris Climate Agreement, opened nearly a million square miles of ocean floor to drilling and tried to stop new wind power projects.

He sent the National Guard into some American cities to police the citizenry. He sent ICE and the Border Patrol into others to round up immigrants. He had more than 100 people killed who he said were smuggling drugs in the Caribbean. He removed Venezuela's leader from office and said the United States would take that country's oil. He threatened to grab Greenland by force."

From my perspective, both publications are analyzing the surface - the first-order effects. They both miss the second- and third- order effects, which are even more profound.

The Times says, "Economists across the political spectrum warned that Trump "is setting the country on a path that will, in the long run, leave the economy less dynamic, the financial system less stable and Americans less prosperous in the decades ahead."

(Kit) They are missing cause and effect.

America is in the process of crashing. Trump didn't do it. He is reordering it; trying to direct it.

I categorically do not believe he is playing 3-D chess, or chess of any kind.

He is undisciplined, and, while not strictly ADD, he does move toward the latest bright, shiny object.

There is chaos in his madness.

But, he is not dumb.

There is also a layer or two of reality that very few, much less the Times and the Telegraph, are contemplating.

I have made clear that I have a love-hate relationship with Pippa Malmgren, but I am fascinated by her views of the method in the madness - of the geopolitical and power-based actions that are being taken with the long term in mind. She weaves a good tale.

Greenland really is important, but Trump has alienated allies in his approach.

Luke Gromen also posits next-level thinking with regard to our need to on-shore manufacturing capabilities.

Niall Ferguson, perhaps the most reputable historian of our times, says, speaking of Davos, that, "I have never before seen a single individual so completely dominate this vast bazaar of the powerful, the wealthy, the famous, and the self-important."

He beats the crap out of them, insults them mercilessly, and comes away with an agreement.

In the short term, if you are an ends-justify-the-means person, which I am not, you have to stand back in awe.

And you also have to understand that in the long term, every insult has been stashed away for a time they now all hope for, when Trump needs something from them.

The midterms are coming and the way to bet is that Republicans will lose the House. However, we are many political years from the elections and there will be dramatic twists and turns between now and then.

Some opposition to Trump is welling up within the Republican party, particularly as a result of the ICE raids. However, the way to bet is that the world will continue at a frenetic, chaotic pace at least until midterms. Norms will be broken, friends insulted, enemies embraced, cringeworthy

behavior - all as the international and national world order continue to change dramatically.

It will feel like being in the middle of a game of 52-pickup.

Under the categories of authoritarianism and narcissism, here are some of the things Trump has had or wanted to have named after him. First from AI and then a few more from the Washington Post:

AI

Already Named/Renamed After Trump:

- **John F. Kennedy Center for the Performing Arts → renamed to "Trump-Kennedy Center" (December 2025)**
- **U.S. Institute of Peace → Trump's name added to the building (December 2025)**
- **Trump-class battleships → a new class of Navy warships announced as part of the "Golden Fleet" initiative (December 2025)**
- **Trump Gold Card → premium visa program costing \$1 million+**
- **Trump Accounts → tax-deferred investment accounts**
- **TrumpRx → government website for direct prescription drug sales**
- **Trump Route for International Peace and Prosperity → transit corridor in Armenia-Azerbaijan deal**
- **President Donald J. Trump Avenue → street in Hialeah, Florida (December 2024)**
- **President Donald J. Trump Boulevard → portion of Southern Boulevard in Palm Beach, Florida (January 2026)**
- **Government-issued Trump coin → U.S. Mint commemorative coin featuring his face on both sides**

Renamed Geographic Features (not after himself, but his initiative):

- **Gulf of Mexico → "Gulf of America" (Executive Order, January 2025)**
- **Denali → reverted to "Mount McKinley" (Executive Order, January 2025)**

Proposed/Under Consideration:

- **Washington Dulles International Airport → legislation introduced to rename it "Donald J. Trump International Airport"**
- **Palm Beach International Airport → Florida legislation in progress to rename it "Donald J. Trump International Airport"**
- **Washington Commanders Stadium → Trump reportedly told owners he'd like his name on it.**
- **White House Ballroom → donor pledge agreements referred to it as "The Donald J. Trump Ballroom," though Trump publicly denied plans to name it after himself, calling reports "fake news"**

Washington Post

- **The president in March revealed plans for the next-generation fighter jet, developed by Boeing. It would be called the F-47 — a nod to his status as the 47th president.**
- **Trump latched on to calling part of his foreign policy strategy the “Donroe Doctrine,” a twist on President James Monroe’s namesake claim of influence in the the Western Hemisphere.**
- **A stretch of Southern Boulevard in Palm Beach, Florida, near Trump’s Mar-a-Lago estate, got a new ceremonial name this month: President Donald J. Trump Boulevard.**
- **The proposed triumphal arch across the Potomac River from the Lincoln Memorial — similar in style to Napoleon’s Arc de Triomphe in Paris — doesn’t have an official name. People online and in the media have jokingly called it the Arc de Trump, but — similar to the names for the proposed White House ballroom — that hasn’t come from the White House.**
- **And we got a new entry this week. During his surprise speech Tuesday in the White House briefing room, Trump bragged about changing the name of the Gulf of Mexico, but added, “I wanted to call it the Gulf of Trump.”**

The Welfare Trap

In my recent discussion of fairness, I mentioned the welfare trap. Just in case you were not familiar, I asked Claude to explain -

The welfare trap—sometimes called the "benefits cliff" or "poverty trap"—describes a situation where welfare recipients face a perverse economic dilemma: accepting employment can actually leave them financially worse off than remaining on public assistance.

Here's how it works:

Most means-tested programs (SNAP, Medicaid, housing assistance, childcare subsidies) phase out as income rises. The problem is that these phase-outs often stack on top of each other and coincide with the loss of benefits that have substantial market value. A single parent earning \$15/hour might lose \$8,000 in SNAP benefits, \$12,000+ in Medicaid coverage, \$6,000 in childcare subsidies, and face new costs like transportation, work clothes, and taxes—all while gaining only \$25,000-30,000 in gross wages.

The result is an effective marginal tax rate that can exceed 80-100% across certain income bands. Someone offered a raise or additional hours might calculate that the extra \$200 in wages costs them \$250 in lost benefits.

This creates rational but unfortunate incentives: people may turn down promotions, limit their hours, or avoid marriage (which combines household income for eligibility purposes). The trap is most severe for those with young children, given the high cost of childcare and value of Medicaid for families.

Policy responses have included the Earned Income Tax Credit (which phases in with work), gradual benefit reductions rather than hard cutoffs, and transitional benefits that extend coverage for a period after employment begins—though the cliffs remain significant in many states.

Markets

Updated charts

Charts not updated this week. No change in thoughts. The market downturn today may or may not be of any significance. Too soon to tell.

> One of my primary forecasts over the decades has been the collapse of the dollar as inflation from debt and deficits takes its value away. Also over the decades, I have found Jim Rickards to be one of the most astute commentators on the financial scene. Jim disagrees with me, and you should always listen to him and not me. Jim frames his view of the dollar in terms of gold, which I do also. Gold should continue to increase in price over time, which means the dollar is losing its purchasing power. We differ in that I also believe we have to inflate the debt away. Jim believes we will handle the debt through nominal growth. A must-listen interview with Jim can be found [here](#). Listen and contemplate and learn.

> If you're not watching Japan, that's where the next crisis could originate. It's complicated - I will get into the details if it becomes serious - but it involves the sale of dollar-denominated assets, with implications for all markets, including the bond market and the dollar.

> Interest rates on some Swiss bonds have turned negative.

Brilliant Article on Our Current State of Play and What Comes Next

Brilliant article in the Atlantic - ht to reader CH. I canceled my subscription to the Atlantic because there was too much chaff and not

enough wheat. This article is the perfect basis for a lot of thought. Find it [here](#).

So, You Say You Want A Revolution?

- > Mamdani confirms that all NY illegals qualify for his free childcare.**
- > Keep an eye on China. Evidently, Xi just purged his friend and armed forces leader for spying for the US. No telling where this is going, but it could be the start of something big.**
- > In my mind, criminal, and tragic - In a break with decades of science, the head of the federal panel that recommends vaccines for Americans said shots against polio and measles should be optional.**
- > UK Keir Starmer says he wants to build a "consistent, long-term, comprehensive and strategic relationship with China."**
- > Makes sense to me - George Friedman thinks 2026 will be the year when the US and China set aside their economic and military rivalries. In his view, the two governments really have no choice. They need each other too much to let the current disputes fester.**
- > Uh-oh - Thailand has begun tightening health screening at major international airports after India confirmed 5 cases of Nipah virus, a disease with a mortality rate of up to 75%.**
- > Very important, varied opinions on the subject. In my view, they are all correct. Technology can compensate for the need for immigration, but that technology is not quite ready, yet.**



Ramez Naam  @ramez · 57m



Given the demographic crisis, Fink is being absolutely boneheaded here.



Yuri Bezmenov's Ghost  @Ne_pas_couvrir · 7h

Larry Fink of Blackrock now says countries that avoided mass immigration will be better positioned for the future.

Mass immigration was always a scam to destabilize the West, it's why China admits almost zero refugees.



Lyn Alden  @LynAldenContact · 42m



Trying to solve a demographics crisis with high levels of immigration (especially if not integrated well) is recipe for populism and pushback.

The only realistic hope for bad demographics is technology that reduces the cost of caring for an aged society.

> **The inevitable result when ideology trumps reality - in this case, the ideology is climate change (I "believe" in climate change, which is different than holding my breath until I turn blue) - from X - "The Northeast is burning oil and coal to keep the lights on during this winter storm. Why? Because they don't have enough natural gas pipeline capacity. And they don't have pipeline capacity because they spent a decade blocking every proposal."**

> **Xiaomi has launched a new fully automated "dark factory" in Beijing's Changping District, designed to run 24/7 without human workers on the production line. The 81,000-square-meter facility can produce one smartphone per second, adding up to around 10 million devices a year, including high-end models like the MIX Fold 4 and MIX Flip. Robots and AI manage the entire process using Xiaomi's Hyper Intelligent**

Manufacturing Platform, which monitors production, checks quality, and fixes issues in real time.

> So, we have another possible government shutdown this weekend. Things have been going well in that regard and it looked like some kind of bipartisan stopgap was going to pass to defer the issue yet again. Then the latest shooting in Minneapolis took place and the Democrats are saying they will not pass legislation that does not defund the Department of Homeland Security. Last time, the Democrats wanted to make a political point about healthcare affordability by shutting down the government; this time it may be about ICE. News flash - the government will be funded until September, except for the Department of Homeland Security, which will be funded for two weeks while Congress tries to sort things out. (Technically, the government will be shut down over the weekend until Congress can reconvene on Monday.)

> Newsom announced Friday that California will remain a part of the World Health Organization's network, even though the Trump administration just completed the United States' withdrawal from the WHO.

> So, I opined that a recent ICE shooting in Minneapolis was both legal and wrong. Guess I need to come out on the lasted ICE shooting in Minneapolis - illegal and wrong. Egregious, even.

(It is absurd that I am writing the words, "the latest ICE shooting in Minneapolis.")

Take time to delve into what is going on in Minneapolis. It's getting uglier and uglier - on both sides.

The Washington Post framed it as "ICU nurse ... who cared for veterans." Noem framed it as, "he came armed to do significant damage." This is indicative of the level of our conversation. Both statements are true and both are irrelevant. Both are intending to mislead. MSNBC photoshopped the victim's picture to make him look more handsome.

Was he an ICU nurse? Yes.

Did he put himself in harm's way? Yes.

Did he scream and spit at agents and kick in rear lights on their vehicles? Yes. (Episode prior to the one in which he was shot.)

Did he have a gun? Yes, with a legal permit and a couple of magazines of ammo.

Did he draw his gun or even touch it? No.

Was he disarmed before being shot? Yes.

Somebody needs to turn the temperature down, but unfortunately, Trump/Noem and Walz/Frey took it too far in what is a partisan pissing contest.

Everybody is playing to the peanut gallery.

Undisciplined chaos.

Trump has indicated that, at some point, ICE will leave Minneapolis.

Maybe this is a first step ...

> From X - "A lot of what is happening now is Kristi Noem marginalized Tom Homan and the head of Border Patrol because those two prioritized deportations of criminals and gang members. Noem and Corey Lewandowski wanted broad, public round-ups without prioritizing the illegal aliens. They have bypassed Homan and the head of Border Patrol and elevated Greg Bovino because they want the public confrontations and displays. And that's not the progressive press reporting this. That's the conservative Fox News, New York Post, and Washington Examiner: <https://foxnews.com/us/ice-leadership-shakeup-exposes-growing-dhs-friction-over-deportation-tactics-priorities> <https://nypost.com/2025/12/11/us-news/trump-border-czar-homan-dhs-chief-noem-barely-speaking-or-meeting/> <https://washingtonexaminer.com/news/investigations/4423912/noem-lewandowski-campaign-oust-trump-border-leader-sources/> It is not just Tim Walz and Jacob Frey driving tensions. It is a policy choice made by the Secretary of Homeland Security and those around her because they thought it would make for great coverage."

> From the Morning Dispatch - "The White House is reshaping the Department of Homeland Security, and its Minneapolis immigration operation, in the aftermath of federal agents shooting and killing 37-year-old Alex Pretti on Saturday. Outlets reported Monday that Border Patrol commander-at-large Gregory Bovino will leave Minnesota and return to his regional duties in El Centro, California, and that he has been locked out of his social media accounts. Meanwhile, border czar Tom Homan will now oversee federal operations in Minneapolis, reporting directly to the president. In a Truth Social post on Monday, Trump said he spoke with Democratic Gov. Tim Walz of Minnesota in what he described as a "very good call." In a separate social media message, Trump said he called Minneapolis Mayor Jacob Frey, stating that Homan will meet with him today and that "[l]ots of progress is being made!"

> Much like Dante's circles of hell, I have assigned various levels of incompetence to Trump's advisors. In the last circle are Lutnick and Kennedy. In the eighth circle, among others, are Noem, Patel, and Bondi. One doesn't necessarily look for competence in politicians - that may actually be an oxymoron - but this is next-level stuff. Kennedy's saving grace is he says good and worthy, god-and-apple-pie things. And then he does very counterproductive things.

> Volkswagen CEO Oliver Blume said that the company is not moving forward with constructing a U.S.-based Audi manufacturing plant at this time, citing an "unchanged tariff burden."

> On Tuesday, the world's largest trading bloc and the world's most populous country cinched a deal that will slash or reduce tariffs on the vast majority of the products they trade. If approved by the European Parliament and the Indian cabinet, the deal will cut duties on nearly 97% of EU exports to India, while the EU will grant preferential access to 99% of Indian exports.

The deal is huge. European Commission President Ursula von der Leyen dubbed it the “mother of all trade deals.” Aside from the scale of the two parties involved, it marks yet another trade agreement since US President Donald Trump returned to office that has been struck between two “middle powers” – a term that appears to be gaining popularity. The latest agreement follows the EU’s deal with the South American trading bloc Mercosur, reached a few weeks ago, as well as India’s recent pacts with the UK, Oman, and New Zealand.

“With this, India now has got all of its major trading areas sealed up, except for China and the United States,” said Eurasia Group’s South Asia expert Pramit Pal Chaudhuri. He added that the deal opens India up to more European investment, boosts Indian textile firms, and theoretically gives them – and Europe – more leverage when dealing with the United States. ...

For Europe, this marks yet another step away from the United States, according to Eurasia Group’s managing director of Europe, Mujtaba Rahman. The trading bloc suspended approval of its deal with the US after Trump upped his threats to take Greenland. The two sides have grown increasingly distant in their stance on Ukraine. The Board of Peace, initially formed to oversee the future governance of Gaza, now includes Russian President Vladimir Putin but not the US’s longstanding allies in Western Europe.

Instead, the EU is looking elsewhere for trade: on Thursday, it upgraded its relationship with Vietnam, its fourth-largest trading partner.

“Last year, the EU clearly made a conscious decision to de-risk itself from its dependence on American security,” said Rahman. “An effort is now underway to better bolster its trading relations [elsewhere] as well.”

> I support - There is a great piece in the Wall Street Journal today, written by Sian Leah Beilock, president of Dartmouth College. She acknowledges that our university system has become corrupt, and she proposes commonsense solutions. First, make a university education more affordable. Tuition and costs have become just ridiculous, especially at schools that boast massive endowments. Second, make

the investment worth it. Do more to guarantee that graduates actually get jobs. Third , "re-center education on learning rather than political posturing." And fourth, "emphasize equal opportunity, not equal outcomes."

> More work to do - On a year-over-year basis, the deficit through November stood at \$839.5 billion, or about 4% higher than the same period in 2024.

The increase in the deficit counters Trump's efforts to use tariffs to reduce imbalances around the globe.

> Curiouser and curiouser - Trump sues the IRS for >\$10 billion for his tax return leak.

> American warplanes and aircraft carriers are nearing the Persian Gulf. Things are lining up for an attack this weekend. The Ayatollah has said he is ready to make a deal. Interesting times.

> The Israeli military retrieved the remains of Ran Gvili, the last captive held in Gaza after the Oct. 7, 2023, attacks.

> The world is being carved up -



Pippa Malmgren  @DrPippaM · 2h



A Digital Iron Curtain begins to descend...



Emmanuel Pernot-Leplay  @PernotLeplay · 7h

 France announced today it's phasing out Teams, Zoom, etc. to be replaced with a French/European solution called Visio.

Anyone Seen Joe Biden?

You have already watched the last video you will be confident is real.

Short Takes

> Crime rates continued to fall in 2025, with homicide rates expected to drop to about 4.0 per 100,000 residents, “the lowest rate recorded in law enforcement or public health data going back to 1900,” according to a new report published by the Council on Criminal Justice (CCJ) on Jan. 22.

> Nature is healing - Oscar Mayer’s Wienermobile Race Is Coming Back to the Indy 500.

> BINGO! - In a book published late last year, UC Davis professor Jemma Decristo refers to academia as “a fascist-zionist, racist, transphobic, ableist career path in a glorified settler-colonial real estate hedge fund known as a university.”

> If only she were LBGTQ - One of the positive sides to radical feminist historical scholarship is the opportunity to learn about revelations that might otherwise have gone unnoticed. The latest is that William Shakespeare was a “black Jewish woman” according to a new book covered in the Telegraph.

> “Rage knitting” is in vogue - knitting things with anti-ICE themes. Next, full contact tiddlywinks.

> Very confusing - man sprays apple cider vinegar on Omar. Apple cider vinegar?

A wag on X responded that it should have been banana cider vinegar.

(There is a meme circulating where a Somali woman says that Somali is "banana and rice." No, it makes no sense, but she said it, and here we go.)

Gallery

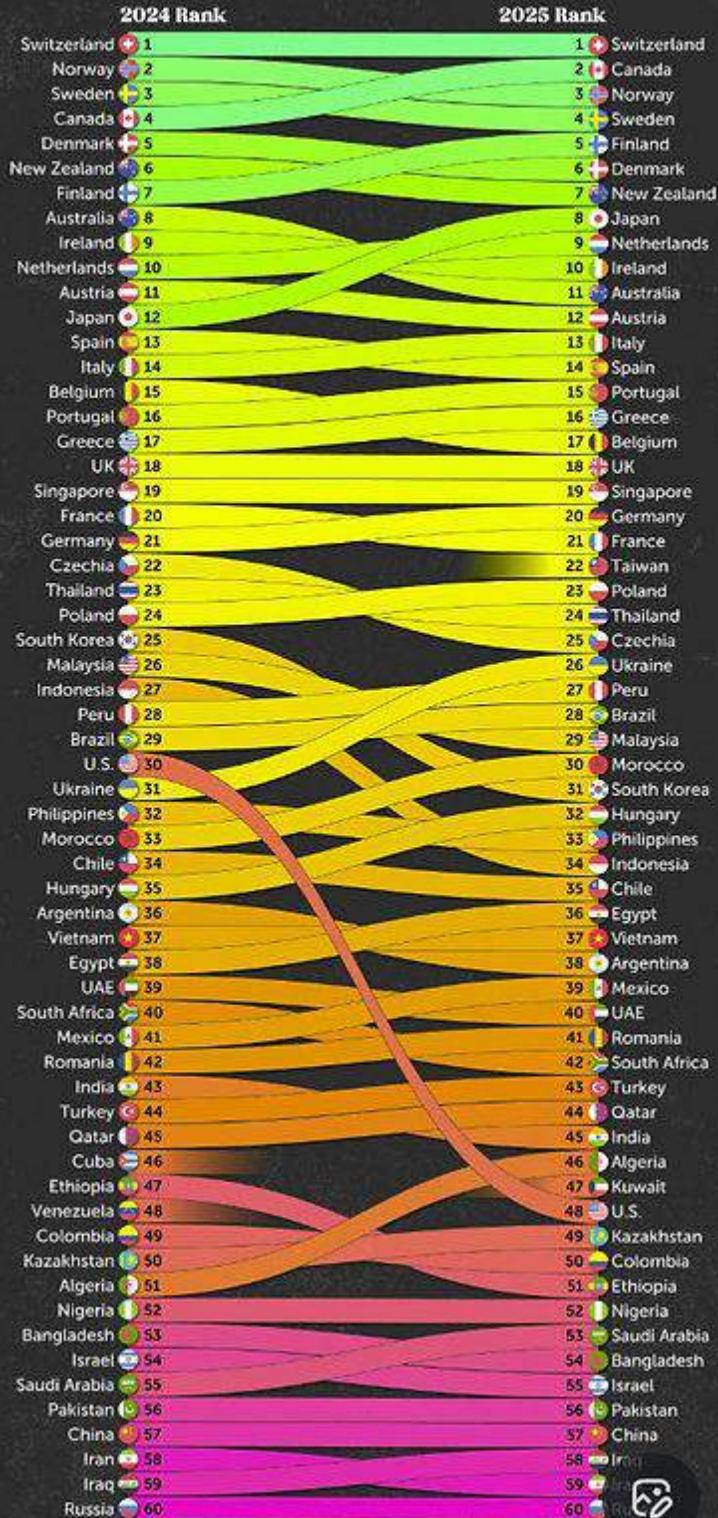
Population identifying as LGBT

	Netherlands: 6%
	Canada: 5.3%
	US: 4.5%
	Germany: 3.9%
	France: 3.7%
	Brazil: 3.5%
	Australia: 3.2%
	Argentina: 3%
	Spain: 2.8%
	NZ: 2.7%
	Sweden: 2.6%
	Ireland: 2.6%
	Denmark: 2.3%
	UK: 2.2%

(Various national sources)

COUNTRIES WITH THE Best Reputations IN 2025

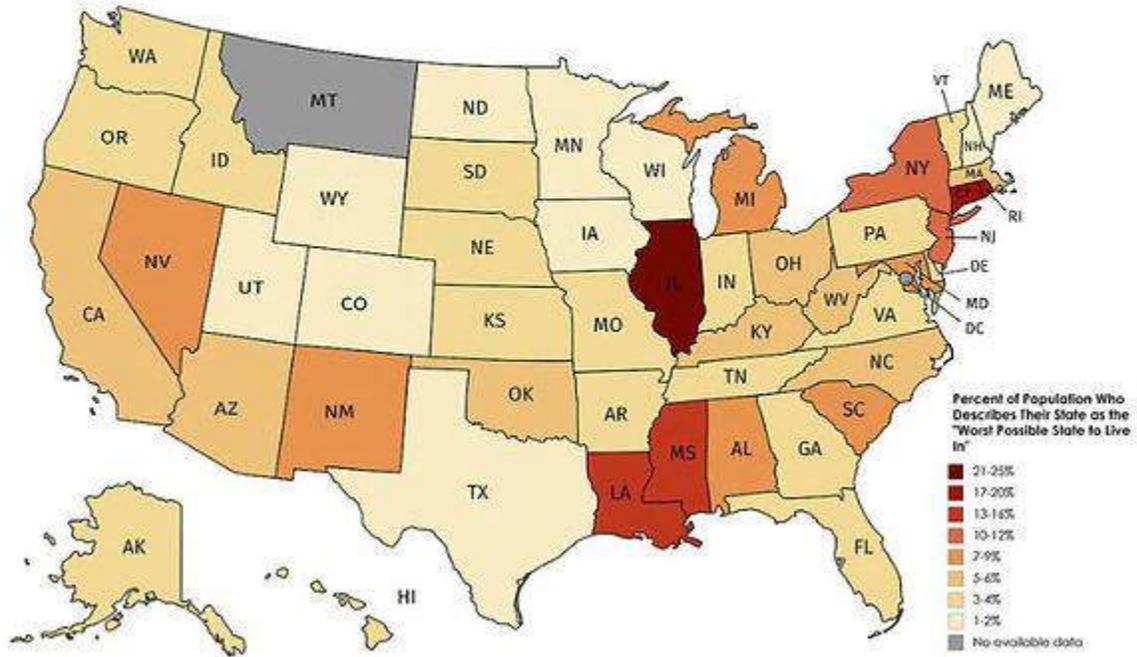
Reputation Lab ranked the reputations of 60 leading economies in 2025, shedding light on their international standing.





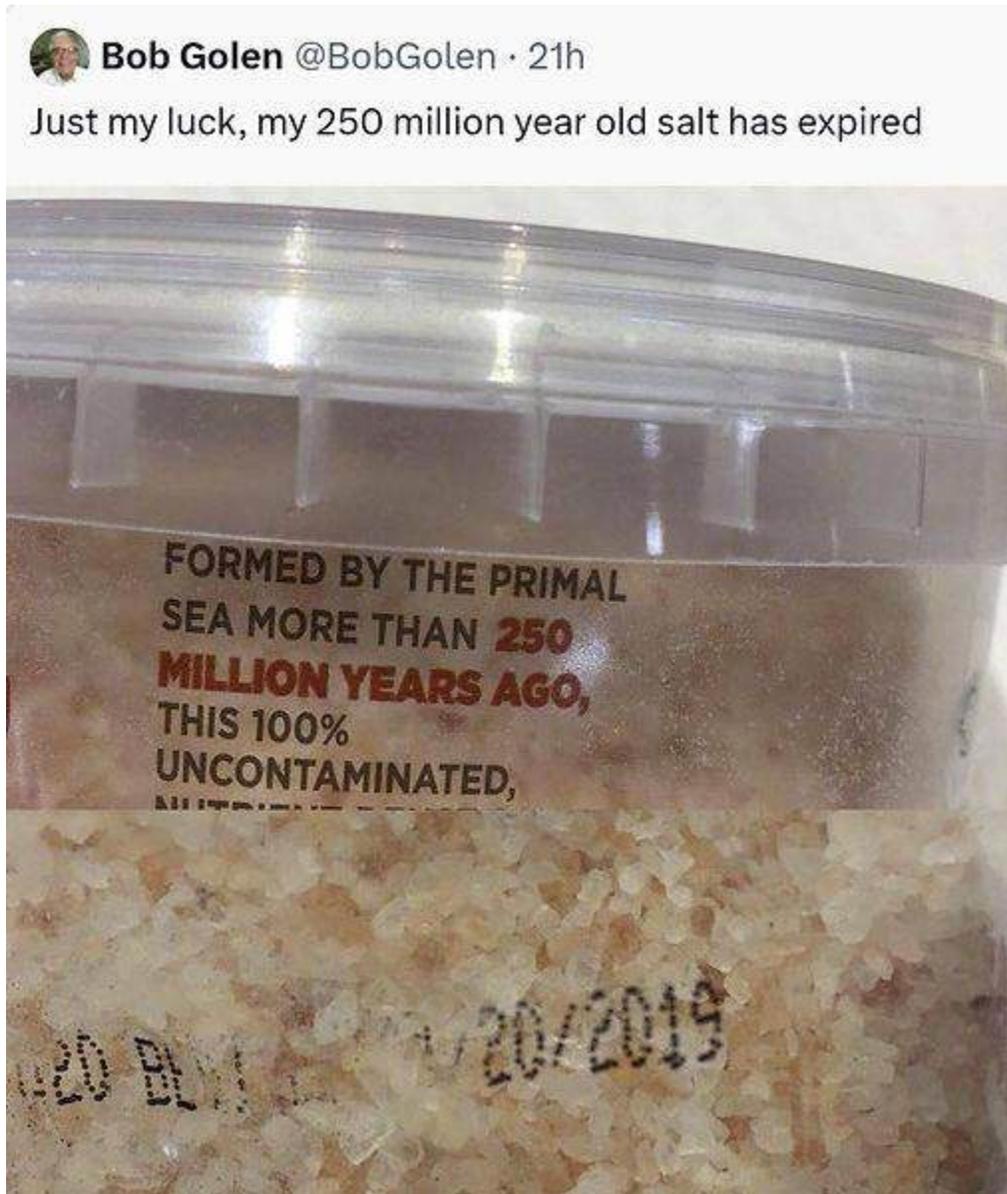
Vintage Maps @vintagemapstore · Jan 28

Percent of population who describes their state as the “Worst possible state to live in”.



Miscellany

I hate when that happens.



Perhaps THE Story Of The Next Decade - The Competition For Minerals

Craig Tindale appeared on MacroVoices and discussed a recent paper he had written about critical materials. This topic is extraordinarily important, so I asked Claude to summarize it for you.

Summary: The Return of Matter — Western Democracies' Material Impairment

Core Thesis

The West has ceded control of critical mineral processing (the "midstream") to China over three decades, creating a strategic vulnerability that threatens military capability, energy transition, AI infrastructure, and ultimately political sovereignty.

Primary Points

The Feedstock Paradox

- Western nations own significant raw mineral deposits but have outsourced refining, smelting, and processing to China
- Owning a mine means nothing without processing capacity—"We dig the holes; China makes the batteries"
- Contractual arrangements often lock "sovereign" Western mines into Chinese refineries through offtake agreements and debt covenants

China's Midstream Monopoly

- China controls overwhelming shares of global processing: 98% of gallium, 90%+ of rare earth separation and magnets, 90%+ of

graphite anodes, 80% of antimony, 50-70% of copper/lithium/cobalt refining

- **The "Separation Wall": China dominates the toxic, complex chemical processes that separate rare earth elements—capacity the West regulated out of existence**
- **The "Derivative Mineral Trap": Critical byproduct metals (tellurium, selenium, indium, rhenium) are recovered at smelters, so whoever controls base metal processing controls these exotic materials**

Sector-Level Impairments

- **Munitions: Antimony shortages threaten primer supply; tungsten restrictions impair armor-piercing rounds; TNT production was offshored decades ago**
- **Aerospace: F-35 and other platforms depend on Chinese rare earth magnets; substituting ferrite adds 30% weight and degrades performance**
- **Energy/AI: Copper deficits force aluminum substitution in data center cooling (60% less thermal conductivity); silver faces "cannibalization" between solar panels and missiles**
- **Autonomy: Drones and humanoid robots at scale will create unprecedented demand for the same constrained materials**

Geoeconomic Warfare

- **China has systematically imposed export controls on gallium, germanium, antimony, rare earths, and tungsten since 2023**
- **A "Validated End-User" system may allow civilian exports while blocking military use—forcing the US to cannibalize consumer goods for defense**
- **Processing gives China intelligence on Western military specifications through metallurgical orders**

Why the West Can't Easily Rebuild

- **Financial mismatch: Fed rate policy makes 10-year industrial projects "unbankable" at 12-15% cost of capital; China offers 2% strategic financing**

- **Skills void:** Three decades of deindustrialization eliminated the workers, institutional knowledge, and machine tool ecosystems needed to run smelters
- **Environmental veto:** Western permitting regimes function as a domestic kill switch on new "dirty" facilities
- **Contractual lock-in:** Chinese offtake contracts are enforced in Western courts; breaking them would damage rule-of-law credibility

The "Precision vs. Mass" Standoff

- The West retains leverage in ultra-high-purity quartz, lithography, and chip design tools—but these are mutual hostages, not clean trump cards
- ASML, Zeiss, and EDA firms depend on Asian revenue and Chinese-sourced inputs; weaponizing them risks symmetric retaliation

Proposed Solutions

- **Decouple strategic finance from Fed rates—create 2% capital mechanisms for critical infrastructure**
- **Rebuild midstream capacity with integrated byproduct recovery**
- **Scale disruptive technologies:** Flash Joule Heating (rare earths from coal ash), HAMR titanium, Direct Lithium Extraction
- **Mine the urban ore body:** Industrial waste (fly ash, red mud) contains centuries of rare earth supply
- **Stockpile intermediates, not just raw ore—magnets, ingots, refined metals**
- **Establish demand governance:** priority allocation boards, export controls on refined forms, design-for-reclamation standards
- **Anticipate Chinese counter-moves:** price dumping, IP theft, supply flooding—and pre-commit to defensive responses

Bottom Line

"A central bank can set the price of money. It cannot set the price of matter."

The West faces a "clash of time horizons"—financial quarters versus industrial decades versus wartime months. Without rebuilding physical processing capacity, Western nations risk becoming materially dependent clients of an adversary, with monetary and political sovereignty constrained by someone else'