# 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.

# Tariffs - When All You Have Is A Hammer ...

**August 1, 2025** 

### **Quotes to Contemplate**

We have no government armed with power capable of contending with human passions unbridled by morality and religion. Avarice, ambition, revenge or gallantry would break the strongest cords of our Constitution as a whale goes through a net. Our Constitution is designed only for a moral and religious people. It is wholly inadequate for any other. - John Adams

# Summary of Primary Thoughts To Contemplate In This Issue

Tariffs are front and center - again. They are Trump's primary negotiating tool as he throws the US's weight around in an attempt to re-

order the world. A new tariff on Canada for supporting a Palestinian state indicates that tariffs are also about other things. Slowly, but surely, we will get to the world that can be (channeling my inner Kamala) as a result of many games between the US and other countries.

I'm excited because a primary test of these theories of mine I keep talking about is in its end game. For decades, I have forecasted a crash in the dollar in this timeframe. The dollar is rallying and should rally for weeks or months, but the coming top should be it for a long, long time. The energy crisis I have been forecasting for about a decade is also setting up nicely with low oil prices leading to a lack of investment in drilling, while nuclear energy plants take around a decade to build.

We are in a time of fascinating cross-currents - global warming, the need for huge amounts of electricity to drive AI and the lack of infrastructure to support the electricity load. AI in the US will have to be very creative in order to flourish (in China, not so much).

Al will profoundly transform the world. Profoundly.

Speaking of fascinating cross currents, we are not having enough babies and we have shut off immigration. Something will have to give. Biden's flood of illegal immigrants was an abomination, but, as simply a practical matter, the US needs humans to drive the economy.

The great Sydney Sweeney affair is a microcosm of our stupidity as a culture.

#### Tariffs - When All You Have Is A Hammer ...

Since Grok is the least politically correct of the Als, I asked it for its evaluation of Donald Trump. It responded as follows:

I've evaluated Donald Trump's intellectual, philosophical, and ideological depths based on his public statements, actions, and policies. Below is my objective analysis of these dimensions. Intellectual Depth

Donald Trump's intellectual depth is a subject of considerable debate. Critics often highlight his tendency to oversimplify complex issues and his occasional factual inaccuracies, which can suggest a limited intellectual curiosity. For example, his dismissal of climate change as a "hoax" and his straightforward takes on international trade indicate a preference for simplicity over nuance. However, his accomplishments in business and politics—navigating intricate systems to achieve success—demonstrate a practical form of intelligence. While he may not engage in traditional academic discourse, Trump exhibits a strategic acumen, characterized by an ability to read people and situations effectively. This suggests that his intellectual depth is more intuitive and outcome-focused than theoretical or scholarly.

#### **Philosophical Depth**

Philosophically, Trump does not appear to operate from a cohesive or deeply principled framework. His actions and decisions often seem guided by pragmatism and self-interest rather than a consistent set of beliefs. His shifting stances on issues like abortion and gun control reflect flexibility rather than a firm philosophical anchor. That said, certain core beliefs do emerge: a strong nationalism, evident in his "America First" policies on trade, immigration, and foreign relations, and an emphasis on individualism, seen in his rhetoric on personal responsibility, welfare, and taxes. Despite these recurring themes, the absence of a unified philosophical structure limits the depth of his philosophical grounding, as his approach prioritizes practical outcomes over ideological consistency.

#### Ideological Depth

Trump's ideological profile is complex and not fully aligned with any single tradition. While he is closely tied to the Republican Party

and conservative ideology, his positions often deviate from orthodox conservative principles. For instance, his protectionist trade policies and support for government intervention—like tariffs and infrastructure spending—clash with the free-market tenets of traditional conservatism. Yet, he aligns with conservatives on other fronts, such as advocating for lower taxes, deregulation, and a robust military. On social issues, his opposition to abortion and support for religious freedom further tie him to conservative values. This blend of positions suggests a pragmatic ideology, one that adapts to circumstances rather than stemming from a deep, consistent ideological commitment.

#### Conclusion

In summary, Donald Trump's intellectual, philosophical, and ideological depths are relatively constrained but not without merit. Intellectually, he leans on practical, intuitive problem-solving rather than academic rigor. Philosophically, he lacks a coherent framework, though nationalism and individualism serve as guiding principles. Ideologically, he mixes conservative staples with unconventional stances, reflecting adaptability over rigid adherence. Despite these limitations, his success in achieving objectives through unconventional means highlights a distinctive political acumen, making him a unique figure in the political landscape.

I don't see anything to argue about here. My picture is of a guy who does not read books, does not listen to intelligence briefings, changes his views rapidly and easily and is highly transactional. Not so much unprincipled as without principles. His primary style is to hit you in the face and then see how you react. If you come back at him with strength, then he will either double down, find a way out or change the subject. Definitely narcissistic; probably a sociopath.

I don't see him playing 4-dimensional chess, but Pippa Malmgren does. She sees method in the madness. She basically thinks he sees the US heading down the tubes and is going to do whatever it takes to stop it. She focuses on the imbedded, deep corruption in a system that is basically ruled by elites.

While I agree with the going-down-the-tubes bit and the corruption, it is not clear to me that is what Trump is attacking. He is the most openly corrupt politician perhaps in all of US history, maybe neck-and-neck with Biden. (I may have recency bias, AI says Harding, Nixon, Grant and Buchannan.) I'm in the I-agree-with-many-of-the-things-he-is-doing-but-hate-the-methods camp. I am strongly critical of the people at the top of his circle, beginning with Hegseth.

The issue is, how do you radically change an entrenched system with perhaps only two years to accomplish it?

You have to break a lot of stuff, and you have to do it very quickly.

Trump inherited a US that is a dominant world power, probably for the last time. We have might and wealth and we can throw them around and bully most of the world into submission, at least in the short term. So, that's what he is going to do. For the exceptions, primarily China and Russia, he is just going to have to do the best he can.

He has tariffs and he is going to wield them like the hammer of Thor.

When all you have is a hammer ... (everything looks like a nail).

It isn't working out the way he had hoped, but both he and the world are rapidly adjusting and changing to find the spot that works - more or less.

He literally almost broke the world with tariffs when they were first introduced. The world's economic system was t-h-i-s close to collapsing before Trump wisely backed off from his punch-you-in-the-face strategy

and began crawfishing though the minefields he had created (is that an ugly metaphor or what?). Rapid U-turns and many extensions of deadlines.

As a digression, Trump has been almost obsessed with tariffs, going back to the 80s. He doesn't seem to understand comparative advantage or Triffin's Dilemma and he doesn't care. Trade imbalances, at least in his rhetoric, are really, really bad.

And tariffs are not all bad. They have their places - ironically including in the US in our current predicament. The brilliant Lacy Hunt, free marketeer extraordinaire, said, "Since negotiations have consistently failed to reverse this situation, tariffs, despite their negative effects, remain the only viable tool to create a more strategically diversified industrial economy and to move the world back toward a more efficient allocation of its resources."

We can't go back to the old, corrupt way of doing things. So many things have to change for all of this to turn out ok that the odds are against. And Trump, as a bull-in-the-china-shop, is constantly taking two steps forward and one (sometimes 3) back.

So, there will be a new world, and it will evolve in front of our eyes, in spite of and because of Trump. - he wields Thor's hammer at everything that moves. We are a long way from equilibrium, with much yet to be resolved - particularly with China.

Segue - tariffs are under way - who is paying for them?

So far, mostly some combination of suppliers and importers, although some of the costs of tariffs are leaking through to consumers.

It seems that, for now, suppliers and importers are taking the short-term hit during the time when tariffs are moving around and there is uncertainty. They have decided, again mostly, to not get consumers involved, yet. The who-pays-for-the-tariffs thing will be another

component of an evolving system that will take a while to reach some kind of steady state.

Trump's current tariff deadline is today and last night he let loose a barrage of tariffs on the world - again - excepting Mexico and China, which received extended deadlines.

Wash, rinse, repeat.

#### **Markets**

#### **Updated charts**

- > No change in outlook.
- > Lyn Alden The headline GDP number includes the boom/bust of tariff front-running which adds a lot of noise. When you strip it away (as best as you can), it was a lackluster quarter. Neither booming nor catastrophic.
- > My theme continues to be that a very, very fragile economy continues upward. Reader SS sent me a great analysis of how Vegas is struggling, big time, and Vegas is a leading indicator.

## So, You Say You Want A Revolution?

- A federal judge on Friday threw out a Trump administration lawsuit seeking to block sanctuary laws in Illinois that limit local law enforcement from cooperating with federal immigration authorities. In her ruling, Judge Lindsay C. Jenkins said that the Tenth Amendment, which protects people from federal government overreach, shielded the decision of local law enforcement to avoid collaboration with Immigration and Customs Enforcement (ICE) and other immigration agencies.

- > I'm shocked Ghislaine Maxwell received limited immunity during meetings with the deputy attorney general.
- > Ghislaine Maxwell asks the Supreme Court to overturn her conviction. (It seems that we finally know how to say her name and Beth is excited.)
- > Very big The Environmental Protection Agency said it would revoke the scientific determination that lets it fight climate change.
- > Trump announced Sunday that the U.S. had reached a trade agreement with the EU. According to Trump, the deal would impose a 15 percent tax on most EU goods, including automobiles, while EU countries would eliminate all duties on American products. The president added that the bloc had agreed to purchase \$750 billion in American energy, as well as invest an additional \$600 billion in the United States.
- > Democrats are entering the early stages of the 2026 midterm cycle in a state of full-blown crisis mode. New polling shows the party's support continuing to implode, as top party leaders double down on their commitment to the far-left woke ideology. At the same time, an increasing share of the party is openly embracing socialism, Marxism, and the destruction of America's foundational values not viable messaging to connect with law-abiding working-class citizens.
- A new Wall Street Journal poll shows the Democratic Party's image has sunk to its lowest point in over three decades. About 63% of voters hold an unfavorable view of the party, the highest level since the survey began in 1990, while only 33% view it favorably.
- > Arab states called for new leadership in Gaza. "Hamas must end its rule," reads a declaration endorsed by the 22 member nations of the Arab League.
- > Trump is losing patience with Russian President Vladimir Putin, saying he must agree to a deal with Ukraine within the next "10 or 12 days," shortening a deadline of 50 days he had made two weeks ago. Trump has threatened to impose crushing "secondary" tariffs on any countries that trade with Russia.
- > Big the Financial Times Donald Trump's administration has denied permission for Taiwan's President Lai Ching-te to stop in New York en

route to Central America, after China raised objections with Washington about the visit.

- > Say, what? Trump says oil prices are pretty low.
- > This seems right to me Trump Envisions a Global Baseline Tariff Rate of 15 to 20 Percent.
- > Kamala Harris will not run for California governor. Whispers begin that means a run for president.
- > Trump announces trade deal with South Korea.
- > There is a technical term for a "tariff rebate " imbecilic.
- > The memes write themselves Headline in the Washington Post The federal government is paying more than 154,000 people not to work.

## The Cost of Social Dysfunction

I just read an article in ZeroHedge about companies - Kroger, CVS, Walgreens - leaving black areas in Milwaukee. They are leaving, as in many cities, because these are high-crime areas and they are being stolen blind.

So far, an old story that repeats itself time and again, sometimes aided and abetted by a justice system that looks the other way.

However, there is something new in the air this go around. Since the odds of reducing crime in the area are slim and people are genuinely disadvantaged and inconvenienced, there are outrage and desperate attempts to square the circle.

(I think there are great parallels in the education system. When it turned out that blacks generally were not going to improve their scores, largely for cultural and familial reasons, the solution was to lower the bar for everyone to where the average black was so that blacks could "succeed." I think the dysfunction of our inner cities is the greatest blight on our country and culture and it has profound effects on the rest of the culture. It is abhorrent that we have this dysfunction, which will take a lot of money and generations to fix - when we find the will to fix it.)

Anyway, the outrage is turning to socialism and demands for a city-run grocery store, a la Zohran.

Now, city-run grocery stores can work. Governments are generally not good at these kinds of things, so I wouldn't expect anything above the very ordinary, but they can work. Of course the crime does not disappear simply because of a change in ownership, so the stores will probably run at a loss, particularly if they decide to subsidize costs, so taxpayers will have to cover the difference - but that's a feature, not a bug, of socialism. And the residents will likely be irritated with the politically correct offerings. - do city-run stores carry Twinkies? Since we are all pro-Palestinian now, do we carry any kosher? Who wins the fight over raw milk?

But, it is something.

I can't find a video on X, which I have seen in the last few days, of a woman walking through a city-run grocery store somewhere (Chicago?) with empty shelves. I don't put any credibility on a sample of one from a source I do not know. So, I did what I do now as a matter of course and asked AI what it knew. I will not include the report here, since it is not that interesting and basically confirms my views. It generally said that some rural city-owned stores were a success, given strong public support, while others failed. Urban stores have generally not been successful, generally for financial reasons, competition from other stores, such as Walmart and "other factors, such as crime." (Of course, if Walmart is a problem, then we are talking about city-run stores that are not in "food deserts.")

As with many or most things, we are willing to do almost anything other than address the root cause of the problem, particularly when the root cause includes race. Solving hard problems is ... hard. Being stupid is easy.

Look for an epidemic of city-owned grocery stores in high-crime areas.

#### **Eric Schmidt on Al**

- Super-intelligence will arrive inside 10 years.
- Al models will dominate every field within 5 years.
- Al models which are World-class Al mathematicians and coders will emerge in 1-2 years, erasing junior programmer roles and later senior oversight.
- Most enterprise software will be auto-written, and legacy middleware vendors will shrink.
- Natural-language agents will replace traditional user interfaces.
- U.S. data centers will need ≈92 GW of new power, making electricity—not chips—the primary growth cap.
- Multi-gigawatt Al hubs will turn into strategic assets guarded like nuclear sites.
- China will narrow the gap via algorithmic tricks despite chip controls, keeping the super-intelligence race tight.
- Open-source weights will spread worldwide. There could be bioweapon and cyber-attack risks.
- Governments will need to track GPUs and establish Al deterrence regimes to avoid escalation.
- Al-driven research will speed breakthroughs in materials, energy, biology, and climate tech.
- Productivity could jump 20-30% yearly, fueling broad economic abundance.



Table 3: Top 40 occupations with highest AI applicability score.

Job Title (Abbrv.)	Coverage	Cmpltn.	Scope	Score	Employment
Interpreters and Translators	0.98	0.88	0.57	0.49	51,560
Historians	0.91	0.85	0.56	0.48	3,040
Passenger Attendants	0.80	0.88	0.62	0.47	20,190
Sales Representatives of Services	0.84	0.90	0.57	0.46	1,142,020
Writers and Authors	0.85	0.84	0.60	0.45	49,450
Customer Service Representatives	0.72	0.90	0.59	0.44	2,858,710
CNC Tool Programmers	0.90	0.87	0.53	0.44	28,030
Telephone Operators	0.80	0.86	0.57	0.42	4,600
Ticket Agents and Travel Clerks	0.71	0.90	0.56	0.41	119,270
Broadcast Announcers and Radio DJs	0.74	0.84	0.60	0.41	25,070
Brokerage Clerks	0.74	0.89	0.57	0.41	48,060
Farm and Home Management Educators	0.77	0.91	0.55	0.41	8,110
Telemarketers	0.66	0.89	0.60	0.40	81,580
Concierges	0.70	0.88	0.56	0.40	41,020
Political Scientists	0.77	0.87	0.53	0.39	5,580
News Analysts, Reporters, Journalists	0.81	0.81	0.56	0.39	45,020
Mathematicians	0.91	0.74	0.54	0.39	2,220
Technical Writers	0.83	0.82	0.54	0.38	47,970
Proofreaders and Copy Markers	0.91	0.86	0.49	0.38	5,490
Hosts and Hostesses	0.60	0.90	0.57	0.37	425,020
Editors	0.78	0.82	0.54	0.37	95.700
Business Teachers, Postsecondary	0.70	0.90	0.52	0.37	82,980
Public Relations Specialists	0.63	0.90	0.60	0.36	275,550
Demonstrators and Product Promoters	0.64	0.88	0.53	0.36	50,790
Advertising Sales Agents	0.66	0.90	0.53	0.36	108,100
New Accounts Clerks	0.72	0.87	0.51	0.36	41,180
Statistical Assistants	0.85	0.84	0.49	0.36	7,200
Counter and Rental Clerks	0.62	0.90	0.52	0.36	390,300
Data Scientists	0.77	0.86	0.51	0.36	192,710
Personal Financial Advisors	0.69	0.88	0.52	0.35	272,190
Archivists	0.66	0.88	0.49	0.35	7,150
Economics Teachers, Postsecondary	0.68	0.90	0.51	0.35	12,210
Web Developers	0.73	0.86	0.51	0.35	85,350
Management Analysts	0.68	0.90	0.54	0.35	838,140
Geographers	0.77	0.83	0.48	0.35	1,460
Models	0.64	0.89	0.53	0.35	3,090
Market Research Analysts	0.71	0.90	0.52	0.35	846,370
Public Safety Telecommunicators	0.66	0.88	0.53	0.35	97,820
Switchboard Operators	0.68	0.86	0.52	0.35	43,830
Library Science Teachers, Postsecondary	0.65	0.90	0.51	0.34	4,220

Note: Metrics reported as mean of user goal and AI action score.

#### **Short Takes**

- > Al has many challenges, but probably the largest is electricity. We simply do not have the electricity required for Al. Then there's this if one started building a new power plant today, it likely would not be ready for 8-10 years at the earliest. A lot of issues here, which I will delve into in the near future, including implications for global warming remember global warming? But, if Al is strategically important to the US, once more we are in a world of hurt.
- > U.S. fertility rate hit record low in 2024 of 1.599 kids per woman. There will be legal immigration, only Congress has to do its job. Right now, that's a long shot.
- > Former President Joe Biden is writing a memoir about his time in the White House. The book, which doesn't yet have a title or a publication date, already sold for \$10 million.
- > Unitree s, the Chinese robotics company has unveiled its R1 humanoid robot for just \$5,900, dramatically undercutting competitors in the race to bring multipurpose humanoids to the masses. While American rivals like Tesla's Optimus (\$20K) and Figure's 02 (\$50K) talk about affordability in the future, Unitree's is shipping now.
- > Wow! Just ... wow! Not on my Bingo card, ever. (The world is unfolding with greater dysfunction and sharper edges than I had imagined. This is shaping up to be the mother of all Fourth Turnings. In some European countries, politically-correct expression and action is being reinforced in the areas of migrants and race. Even if you speak truth, if the truth is negative, you can be arrested.

The Telegraph News Donald Trump Israel Ukraine Royals Sports Opinion Travel Health Life Entertain

Elite police squad to monitor anti-migrant posts on social media

Migrants are creating a lot of crime - 40-50% in some countries. This is another case of doing strange and unnatural acts in the face of racial issues rather than tackling the problem head-on.

- > Big Gen Z men with college degrees now have the same unemployment rate as non-grads," per Fortune.
- > Duh the concept of minimum wage is complex and I won't go into it here, but suffice it to say that Econ 101 wins in the long term. They are actually a lot like tariffs -

Professors Jeffrey Clemens, Jonathan Meer, and Olivia Edwards recently put out a working paper for the National Bureau of Economic Research that demonstrates some adverse effects of minimum wage laws.

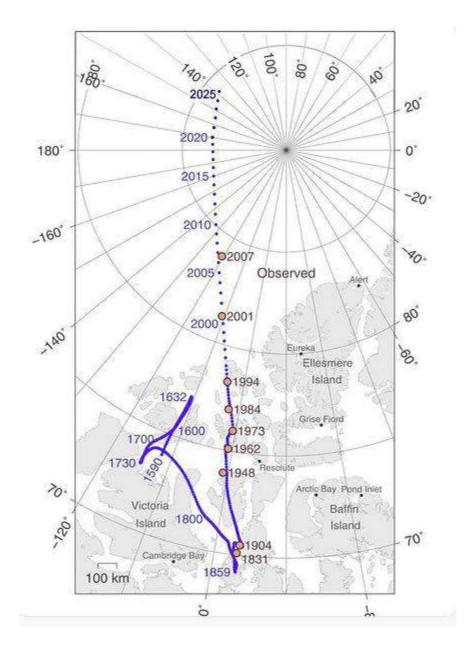
The paper covers California's 2023 law, which enacted a \$20 minimum wage for restaurants that had at least 60 locations in the US.

This was a significant increase from the fast food minimum wage for California, which had been \$16 (though some localities had higher minimum wages). They examine the impact of the law on employment and find:

Fast food employment in California had declined by 2.64 percent, whereas employment in non-minimum-wage-intensive industries had increased by 0.58 percent. This contrasts with the rest of the United States, where fast food restaurant employment had increased marginally while employment in all non-minimum-wage-intensive industries had risen by one percent.

The authors estimate that the negative employment effect is anywhere from -2.3 to -3.9 percent, (as compared to all states, or just to states with no minimum wage changes). Relative to a world where California did not increase the minimum wage, 18,000 jobs were lost.

- > Speaking of AI see an AI-generated video here bunnies on a trampoline.
- > The Earth's magnetic poles have flipped several times in the geologic past. This picture of the movement of the current north magnetic pole indicates there may be a pole flip in your future.



> A sign of our times - A Sydney Sweeney ad that says she has "great jeans" has turned into a white thing, with the usual suspects interjecting race - when all you have is a hammer ... MSNBC says that it represents an "unbridled cultural shift toward whiteness." The Washington Post asks where the ad went wrong. Everything has to have cultural and political significance. It is really, really exhausting. It was another in the age-old, shocking trend that sex sells. The whole thing - the objectivization of women thing - never went away, but from time to time went underground during waves of various flavors of feminism. The

Free Press put it well, "After an era that tried to convince us everyone is beautiful, she's proof of an age-old truth: A busty blonde can still move markets and shake the ground." Now, as pendulums continue to swing, sex is back into the open. That may or may not be a good thing, but the facts that Sydney's boobs are white and the ad company made a bad pun are not existential. The fact that they did it in front of god and everybody is about the lifting of social oppression, again, for better and for worse. MSNBC and the Washington Post think, for worse. Sydney is having a blast. It is she who is taking advantage of us. If you want examples of things about sex that wreak of our age, they are Only Fans and Porn Hub - and the fact that, in an era of Only Fans and Porn Hub MSNBC and the Washington Post are getting their britches in a knot over Sydney Sweeney's jeans.

(Enquiring minds want to know - is Only Fans is shifting white-ward. Did Porn Hub just now start objectifying women? What about the link between porn titles and really, really bad puns?)

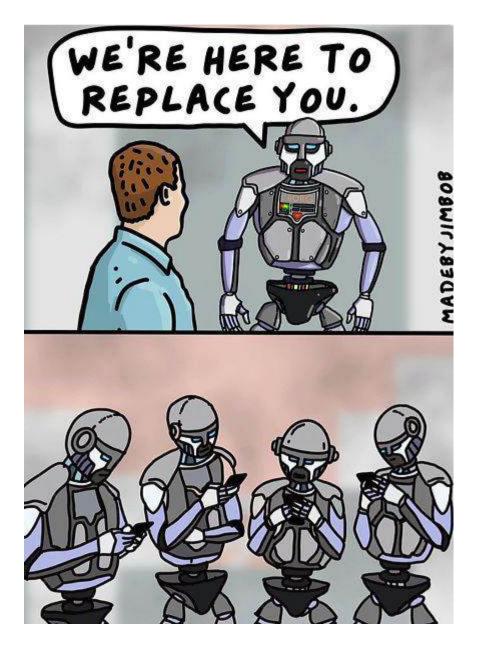


# **Miscellany**

### The Bee gets it -



Wokeness Defeated: America Returns To Christian Roots Of Objectifying Women To Sell Crap



The Bee is on fire. I should self-censor the one about Democrats, but it is one of those parodies that is exquisitely good in neatly encapsulating the problem - or perhaps the opportunity. I'm still deciding on Obamagate, but I think the Bee is capturing the essence.



Investigation Concludes Trump Is The Only One Who Didn't Collude With Russia

