

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.

**AI and robotics remain
fundamentally incompatible with our
debt based monetary system**

November 14, 2025

Quotes to Contemplate

None this week

Summary of Primary Thoughts To Contemplate In This Issue

AI is complicated. It has the potential to have the greatest effect on humanity since the Industrial Revolution. Its promise may not be achieved due to its need for gargantuan amounts of energy and to pushback by humans as their lives are changed. In addition, we have created a financial system based on debt. Because of its deflationary nature, AI is incompatible with that financial system.

The dollar is showing signs of decline earlier than I anticipated. If so, we have entered into a new phase of the Fourth Turning.

Trump's "tariff dividend" is an absurd travesty.

The BBC has fallen. There may be no one left in the major media that is not willing to sell its soul.

The government shutdown was primarily a Democrat stunt to gin up healthcare cost as an issue for the midterms. I have said in the past that I lack the imagination to think about how low we will go, and we continue to plumb new depths. This last week, the tariff dividend and the shutdown leave me deeply sad.

Seattle is electing a socialist mayor. We may have a trend.

**AI and robotics remain fundamentally incompatible
with our debt based monetary system**

Nobody thinks much about money. It's just there.

But, the plumbing of the system is incredibly complex - fractional reserves, TGF, repo facilities, currency swaps, Rstar. There is a lot going on under the covers - a lot.



The first thought I want to throw out there (and all of the following thoughts I will be simplistic) is that in a debt-based economy, the economy must grow.

Think about a snapshot of the economy at any one point in time. The economy can produce the income it can produce. But if you have debt, next year the economy has to produce all the income it can produce, plus interest on that debt. The only way you get that interest is to either grow or not pay something else.

AI and robotics are fundamentally incompatible with our debt-based monetary system.

Start off with an economy that has jobs that support everyone and also debt service. Add AI and robots such that workers become unemployed. They can no longer service their debts, much less support themselves. Debt defaults increase and financial institutions begin to get into trouble. Social Security and Medicare rely on younger generations to pay for older generations. As the younger generations lose jobs, Social Security and Medicare become even more unaffordable. Similarly, if fewer people have jobs, they will not be able to pay taxes, making our ridiculous deficit system even worse. And, out-of-work people demand more governmental benefits, in turn increasing the deficit.

This is the extreme, and whatever happens will happen over time. Governments and others will take actions such as implementing Universal Basic Income, also making financial matters worse.

And this will unfold over time - although not that much time. Five years, maybe, for the process to get firmly underway.

There is a long discussion to be had, and I am continually having it, about the amount of debt and leverage in the system. We have simultaneously taken debt to absurd levels while unleashing the significant deflationary pressure from AI and robotics.

Something has to give.

And it will.

Markets

Updated charts

> No change in outlook in the markets. The dollar is showing signs of decline earlier than I anticipated. If so, we have entered into a new phase of the Fourth Turning. Markets are at a critical position.

> All of this Trump conversation about stablecoins and digital currencies indicates that he will be trying to set up a parallel system while the dollar system declines.

So, You Say You Want A Revolution?

> Trump is declaring a \$2,000 "tariff dividend" to everyone except high-earning individuals.

A travesty.

In spite of the tariffs, our deficit continues to run about \$2 trillion a year. This will massively increase government debt.

Some of his tariffs look like they are about to be overturned by the Supreme Court.

Trump is grandstanding, declaring victory in the midst of debacle, and trying to bring pressure on the Supreme Court.

A travesty - along the same lines as Biden's similar travesties.

Awkwardly, the dividend might cost about \$350 billion and tariffs, assuming none are refunded, have raised about \$195 billion so far. Treasury Secretary Scott Bessent clarified that the dividend could take forms like tax relief on tips, overtime, and Social Security benefits rather than direct checks.

> The BBC has fallen - there is no one left. I don't mean they are liberal. Of course they are. However, they crossed a line no one wishing to maintain credibility should cross. They were found doctoring a Trump video. The head of the BBC and the head of their news organization have resigned. Very sad - but inevitable. Quillette: "For years, Quillette has covered the gradual transformation of university departments from centres of empirical, open-ended inquiry to hotbeds of dogma and activism. To see a similar shift unfold inside the BBC reminds us that this wasn't an isolated academic trend, but a widespread cultural realignment."

> The Supreme Court has declined to revisit same-sex marriage.

> "Defining deviancy down" - Trump pardons Giuliani and others.

> If I don't use my \$2,000 Tariff Rebate before the Supreme Court bans tariffs, do I lose it?

> The shutdown is over - until January 30. I was never able to quite figure out what that was all about. It turns out, according to the Morning Dispatch, it was basically campaigning for the midterms. All of that sturm und drang was basically a campaign stunt.

Sigh.

"The shutdown's main benefits for Democrats are in the realm of politics, not policy. They might have given their voters more energy in the off-year elections last week. Their base wanted to see them oppose Trump with more vigor, and Democratic diehards were disappointed back in March when several Democratic senators folded and refused to shut the government down after Republicans dared them to block an

earlier (continuing resolution). The congressional effort in the fall may have increased turnout on Election Day—but they were expected to do well anyway, so it's not as though the shutdown was a pivotal element of their victory.

Still, even if the immediate electoral benefit was marginal, the shutdown made Trump sweat. As he hosted Republican senators at the White House the morning after the election, he partially blamed the shutdown for the poor showing by the GOP. “If you read the pollsters, the shutdown was a big factor, negative for the Republicans,” he **said**, pressuring the senators to kill the filibuster to open the government. The biggest silver lining for Democrats is that they may have put themselves on a solid footing for the midterms next year. Health care affordability will be a major issue during the elections.”

> It's the trend these days. Seattle is ready to elect a socialist mayor.

She says that we cannot allow grocery stores to close if they want to.

> Remembering that tariffs do not increase prices - The New York Times reported on Thursday that the Trump administration is considering exemptions to the president's “reciprocal tariffs,” including for certain beef and citrus imports, in an effort to lower food prices.

Short Takes

> US Mint ends production of the penny, its lowest denomination coin, in cost-saving move. In 1900, a penny could buy a variety of small items, such as a piece of penny candy, a newspaper, or a cup of hot coffee.

> Iran may have to evacuate its capital Tehran – home to 10 million people – if it doesn't rain by December, according to President Masoud

Pezeshkian. The water crisis is due to decades of mismanagement and inefficient agriculture practices, compounded by a lack of access to new technology because of international sanctions. It comes as Iranians are also enduring frequent electricity and gas shortages, heightening the risk that civil unrest could destabilize the regime.

Profound Wisdom

I just celebrated a major birthday.

I have spent a lifetime in my head - thinking, studying history, philosophy, religion, psychology.

I have traveled the world, observing different cultures.

I have come to a significant conclusion as to the secret of life - how to live life.

I haven't got a clue.

Miscellany

Nothing this week.