

Thoughts on Coming Apart and the Coming Great Reset



**Turning and turning in the widening gyre
The falcon cannot hear the falconer**

Kit Webster

The Pause That Refreshes - The 30,000- Foot View

April 4, 2025

**Themes and Theses - Why I'm Contemplating Out
Loud**

(Initially formulated in the early 90s, following decades of reading history, philosophy, 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 not yet to the middle 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.

(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.

Quotes to Contemplate

“Truth” is disappearing into complexity. - George Ure

When I was younger, I thought that the day an AI passed the Turing test would be momentous event in human history. It's now happened and no one batted an eye. - Peter Berezin

It's essentially Critical Trade Theory. Any trade imbalance between two countries is de facto evidence of systemic unfair trade practices. - A Ham on X
(I really like this one - Bee worthy)

> Primary Ideas in This Week's Post

The tariff game is still in early innings. Keys to the future are how other countries react and how Trump reacts to the reactions. Remember that tariffs are both a negotiating tool and an economic tool. Trump is trying to accomplish two goals at the same time and you have to try to separate them in your mind.

President Trump says almost every country has called to negotiate deals after yesterday's tariffs: “Every country's called us. That's the beauty of what we do. We put ourselves in the driver's seat.”

My long-anticipated, significant decline in the dollar has just now begun, and it will have profound consequences.

The Pause That Refreshes - The 30,000-Foot View

Usually, following some contemplation, I have something I want to work out and therefore have something to say, at least to myself, in this space.

Not this week.

Nothing new, much less interesting or worth pursuing popped up.

Gaza and Ukraine are what they are.

I've explored tariffs, perhaps ad nauseum.

Trump continues his frenetic pace in a march toward potential/probable confrontation with the Supreme Court.

China is rising and the US does not have the materials, people or money to effectively compete. Since China has its own problems, things will get increasingly messy.

Russia is a voracious predator with huge amounts of oil and gas. It will not be sated in the longer term, no matter what the outcome in Ukraine.

Countries like Turkey, Brazil and Saudi Arabia will increasingly assert their presence.

People on both sides continue to say the stupidest things and the 24/7 "news" machine gives them space.

Democrats will win and lose and really need to completely reorganize.

Republicans will win and lose and will begin to have to think about what a post-Trump era looks like. A party without ideology is a very strange beast.

The world order has been shaken - but I have been talking about that for 30 years.

The day of financial reckoning is coming ever closer - but I have been talking about that for 30 years. The move of the dollar downward , which has likely begun, will signal the beginning of the end of the endgame.

It looks like the major trends have been established.

The world is so unstable that something will likely come up soon.

If so, I will have something to say then.





Markets

Updated Charts

> No change in outlook. I forecasted this decline, so there is nothing particularly interesting, so far. However, you remember that I keep saying that the system is very stable and can at least crash, if not collapse, at any time. There is one ray of hope - Jim Cramer hates tariffs.

> Definitely worthwhile **podcast** - Julian Brigdon on The Market Huddle. It is Julian's view, with which I agree, that Bessent and the Trump administration see the US economy sailing over a cliff, essentially my 30-year thesis, and they are throwing a Hail Mary. High risk, probably won't work, but it is a reasonable alternative to all-but-certain doom.

So, You Say You Want A Revolution?

> The Empire strikes back - with litigation as far as the eye can see.
- Two federal judges issued temporary restraining orders halting the implementation of parts of Trump's orders singling out the firms Jenner & Block and WilmerHale. Earlier this month, a federal judge temporarily barred Trump from executing parts of a separate order targeting the Perkins Coie law firm.

- Supreme Court lets Trump suspend grants to teachers over D.E.I. initiatives.
- > Article from The Economist on the Trump tariffs at the bottom of this post.
- > The wife of the US defense secretary Pete Hegseth attended two meetings with foreign defense officials during which sensitive information was discussed, according to a new report from the Wall Street Journal.
- > A senior health official in the US, who was seen as a guardrail against any future politicization of the Food and Drug Administration's approval of life-saving vaccines, has resigned abruptly, citing the health secretary Robert F Kennedy Jr's "misinformation and lies". Dr Peter Marks served as the FDA's top vaccine official. He had been lauded by Donald Trump during the US president's first term for his role in Operation Warp Speed, the initiative that developed, manufactured and helped distribute the Covid-19 vaccines. He was told he could quit or be fired.
- > Trump did not rule out the possibility of seeking a third term in the White House, which is prohibited by the Constitution under the 22nd Amendment, saying in an exclusive interview with NBC News that there were methods for doing so and clarifying that he was "not joking."
- > Last week Trump warned auto execs not to increase prices due to tariffs; then he said that raising prices was ok with him. Goldman Sachs estimates a bump of between \$5,000 and \$15,000 per vehicle, depending on the brand and model.
- > Trump took Putin to task over Russia's foot-dragging on a ceasefire in Ukraine and threatened to tariff Russian oil and impose more sanctions on the country.
- > Trump announced that Skadden, Arps, Slate, Meagher & Flom—a prominent New York-based law firm—had agreed to provide more than \$100 million in pro bono legal services in support of several Trump administration initiatives. The move, which Trump described as "essentially a settlement," allowed Skadden to sidestep the president's campaign of executive orders targeting five other top law firms so far.
- > The incompetence is breathtaking - Members of Trump's National Security Council have used personal Gmail accounts to handle sensitive government matters.
- > Accounts of the FBI misinformation and coverup of the Hunter Biden laptop episode just get worse and worse.

- > The facts behind Biden's decline are starting to come out and they are uglier than I imagined, even though I expressed my doubts during the 2020 campaign.
- > Trump announced his overall tariff program.
- > The U.S. government has banned American government personnel in China, as well as family members and contractors with security clearances, from any romantic or sexual relationships with Chinese citizens.
- > China announced a 34 percent tariff on American imports, matching Trump's 34 percent tariff.

Short Takes

- > "The hardship cannot adequately be described with a pen." Muragaki Norimasa, Lord of Awaji, who in 1860 was one of 77 samurai travelling as part of Japan's first embassy to the United States, on American food. - Tom Holland on X
- > Wait, what? Golden State Warriors point guard Stephen Curry is entering the competitive sports drink market by teaming up with former First Lady Michelle Obama's brand, PLEZi. Together, they are launching PLEZi Hydration, a new sports drink designed to offer a healthier alternative in the \$25 billion market, which already includes major players like Coca-Cola's BodyArmor and PepsiCo's Gatorade.
- > A French court on Monday found National Rally leader Marine Le Pen guilty of misappropriating European funds to her far-right party, a decision that could leave the three-time presidential candidate barred from running for a third time in 2027.
- > Juxtapose this. Two news items from the same morning:
The parents of a nine year old British girl were arrested by police who came to their home after they complained about their child's school in a WhatsApp chat group.
South Africa's highest court denied on March 27 a bid to have the song "Kill the Boer" be deemed hateful speech.
Separately, in Britain, a toddler (2-4 years old) was suspended from a nursery after being accused of being transphobic.
- > The world is fast approaching temperature levels where insurers will no longer be able to offer coverage for many climate risks, said Günther

Thallinger, on the board of Allianz SE, one of the world's biggest insurance companies. He said that without insurance, which is already being pulled in some places, many other financial services become unviable, from mortgages to investments.

> New York City Mayor Eric Adams has confirmed that he will seek re-election as an independent rather than a Democrat.

Miscellany

Actual Nazi Struggling To Stand Out Now That Everyone Is A Nazi

CULTURE - Apr 1, 2025 - BabylonBee.com



Merriam-Webster Updates Definition Of 'Fascism' To 'Anything One Disagrees With'

INTERNET - Apr 21, 2017 - BabylonBee.com

 SINCE 1828 MENU 

Popularity: Top 1% of lookups

Definition of FASCISM

- often capitalized*: a political philosophy, movement, or regime (as that of the Fascisti), or anyone or anything else, really, that one disagrees with in any way

President Trump's mindless tariffs will cause economic havoc

But the rest of the world can limit the damage

image: Alberto Miranda

Apr 3rd 2025

IF YOU failed to spot America being “looted, pillaged, raped and plundered by nations near and far” or it being cruelly denied a “turn to prosper”, then congratulations: you have a firmer grip on reality than the president of the United States. It’s hard to know which is more unsettling: that the leader of the free world could spout complete drivel about its most successful and admired economy. Or the fact that on April 2nd, spurred on by his delusions, Donald Trump announced the biggest break in America’s trade policy in over a century—and committed the most profound, harmful and unnecessary economic error in the modern era.

Speaking in the Rose Garden of the White House, the president announced new “reciprocal” tariffs on almost all America’s trading partners. There will be levies of 34% on China, 27% on India, 24% on Japan and 20% on the European Union. Many small economies face swingeing rates; all targets face a tariff of at least 10%. Including existing duties, the total levy on China will now be 65%. Canada and Mexico were spared additional tariffs, and the new levies will not be added to industry-specific measures, such as a 25%

tariff on cars, or a promised tariff on semiconductors. But America's overall tariff rate will soar above its Depression-era level back to the 19th century. Mr Trump called it one of the most important days in American history. He is almost right. His "Liberation Day" heralds America's total abandonment of the world trading order and embrace of protectionism. The question for countries reeling from the president's mindless vandalism is how to limit the damage. Almost everything Mr Trump said this week—on history, economics and the technicalities of trade—was utterly deluded. His reading of history is upside down. He has long glorified the high-tariff, low-income-tax era of the late-19th century. In fact, the best scholarship shows that tariffs impeded the economy back then. He has now added the bizarre claim that lifting tariffs caused the Depression of the 1930s and that the Smoot-Hawley tariffs were too late to rescue the situation. The reality is that tariffs made the Depression much worse, just as they will harm all economies today. It was the painstaking rounds of trade talks in the subsequent 80 years that lowered tariffs and helped increase prosperity.

On economics Mr Trump's assertions are flat-out nonsense. The president says tariffs are needed to close America's trade deficit, which he sees as a transfer of wealth to foreigners. Yet as any of the president's economists could have told him, this overall deficit arises because Americans choose to save less than their country invests—and, crucially, this long-running reality has not stopped its economy from outpacing the rest of the G7 for over three decades. There is no reason why his extra tariffs should eliminate the deficit. Insisting on balanced trade with every trading partner individually is bonkers—like suggesting that Texas would be richer if it insisted on balanced trade with each of the other 49 states, or asking a company to ensure that each of its suppliers is also a customer.

And Mr Trump's grasp of the technicalities was pathetic. He suggested that the new tariffs were based on an assessment of a country's tariffs against America, plus currency manipulation and other supposed distortions, such as value-added tax. But it looks as if officials set the tariffs using a formula that takes America's bilateral trade deficit as a share of goods imported from each country and halves it—which is almost as random as taxing you on the number of vowels in your name.

This catalogue of foolishness will bring needless harm to America.

Consumers will pay more and have less choice. Raising the price of parts for America's manufacturers while relieving them of the discipline of foreign

competition will make them flabby. As stockmarket futures tumbled, shares in Nike, which has factories in Vietnam (tariff: 46%) fell by 7%. Does Mr Trump really think Americans would be better off if only they sewed their own running shoes?

The rest of the world will share in the disaster—and must decide what to do. One question is whether to retaliate. Politicians should be cautious. Pace Mr Trump, trade barriers harm those who put them up. Because they are more likely to cause Mr Trump to double down than retreat, they risk making things worse—possibly catastrophically so, as in the 1930s.

Instead, governments should focus on increasing trade flows among themselves, especially in the services that power the 21st-century economy. With a share of final demand for imports of only 15%, America does not dominate global trade the way it does global finance or military spending. Even if it halted imports entirely, on current trends 100 of its trading partners would have recovered all their lost exports within just five years, calculates Global Trade Alert, a think-tank. The eu, the 12 members of the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP), South Korea and small open economies like Norway account for 34% of global demand for imports.

Should this effort include China? Many in the West think that China's state-owned enterprises violate the spirit of global trading rules, and they have in the past used exports to soak up surplus capacity. Those worries will worsen if more Chinese goods are redirected away from America. Building a trading system with China is desirable, but will be viable only if it rebalances its economy towards domestic demand to ease worries about dumping. Also, China could be required to transfer technology and invest in production in Europe in exchange for lower tariffs. The EU should centralise its investment rules so that it can strike deals covering FDI and it should overcome its aversion to big trade pacts and sign up to the CPTPP, which has ways of resolving some disputes.

The madness of King Donald

If this seems gruelling and slow, that is because integration always is. Throwing up barriers is easier and faster. There is no avoiding the havoc Mr Trump has wrought, but that does not mean his foolishness is destined to triumph.