

Thoughts on Coming Apart and the Coming Great Reset



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

Kit Webster

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The China Conundrum

Why should we feel anger at the world? As if the world would notice. - Marcus Aurelius

The fact that the U.S. industrial base has gone sideways for nearly two decades is a pretty big contributor to domestic populism and US/China geopolitical issues. ... And

importantly, as the industrial base goes sideways, people learn not to go into industrial sectors, which erodes the human capital (expertise) in those sectors. So when you go back to finally build the industrial base again, it takes a whole generation of time to do so. – Lyn Alden

Your friends are not a representative sample of public opinion. - Nate Silver

Markets

Updated Charts

> It looks like the top is not in for at least several of our stock markets. At least one more leg up.

>> Luke Gromen (and I strongly endorse) -

In our view, China's strategy is not to buy gold to get ready to invade Taiwan; it is to buy gold instead of USTs which, given time, will win Cold War 2.0 v. the US the same way the US won Cold War 1.0 v. the USSR: Without a shot being fired, by effectively bankrupting the US.

> Great video explaining money by Lyn

Alden https://www.youtube.com/watch?v=jk_HWmmwiAs

> Worthwhile interview with Doomberg [here](#) and [here](#)

> The China Conundrum

Here's the deal-

Comparative advantage is a real thing.

We really were more productive and incurred lower costs by moving manufacturing to China.

Globalism is good for the economy in multiple ways.

So long as nobody becomes enemies of the other.

And so long as you do not have the reserve currency so that you are incurring increasing debt loads.

And so long as you don't cripple your economy by taking on even larger debt loads without a plan for paying it back.

And so long as you do not depend on faulty assumptions, like, China will adopt Western attitudes when it joins the World Trade Organization and everybody is trading with everybody.

There are several paradoxes at the heart of the US's relationship with China. China's population has begun a steep decline. It will, over a few decades, become a shadow of its former self.

While it may not yet be at its absolute peak of power and influence, you can see it from here. That incentivizes China to construct a world order for the future now. The US is in decline and will, probably within the next decade, become an economic shadow of its former self. Beyond what that means for standards of living, the US will not be able to afford its current military - it can't afford it now, and that is only going to get worse.

I have mentioned SS before, who sends me many thoughtful emails. A recent one basically concluded that the only way we could effectively engage China over Taiwan would be to make a first nuclear strike. He makes a good argument.

An additional complication is that we continue to lose the battle of the drones. Have you noticed that we are not attacking the Houthis anymore? Forget Afghanistan. Our carriers are losing limited wars to their drones and a strategic passage has been effectively shut down to Western shipping by a small group of third-world rebels. This is a metaphor, folks.

China is overwhelming the future with just its size. Ignoring the sorry state of US education in its race to the bottom, China graduates 600,000 engineers a year, compared with the US's 70,000. Our engineers are still "better" on average, but the top of their class is better than all of our classes. The relentless difference, year by year, will provide China with an increasing advantage.

The primary problem is that we rely on China for things we need to survive, much less prosper, including many military parts we need to fight China. The situation is straight out of *Alice in Wonderland*. Rare earths, solar panels, critical medicines ... In the end, China can dictate, and probably is dictating behind the scenes, what we can and cannot do.

It is fascinating that they are taking actions like Biden's tariffs in stride. 100% tariffs on EVs?

China is supporting Russia in Ukraine with impunity.

Something is going on that we are not seeing.

But, make no mistake. The US is not driving anything. We are a participant in a high-stakes game of poker, and we have recently been losing chips. Bluffing seems to be our primary strategy.

Can all of this be fixed?

If there were time and world enough - and money. But it will require decades to reconstruct infrastructure and retrain specialists to get the missing sectors of the economy up and running.

In the meantime, we are ridiculously vulnerable.

Although we will be vulnerable to China for maybe decades, I have said in the past and still believe that they will not invade Taiwan. The reason is that they don't have

to. They are creating a thousand ties with Taiwan and Taiwan and China are becoming increasingly interconnected.

Also, it will be almost impossible for us to defend Taiwan - I agree with SS that we would have to use nuclear weapons. If China provides reasonable assurances that we will continue to have access to semiconductors, there would actually not be much to fight over.

My only reservation with this line of thought is that Xi wants to be the guy to unite China and Taiwan, and Xi is 70 years old.

Short Takes

> Alexander Hamilton, an immigrant to the US, on immigration -

“The consequences that must result from a too unqualified admission of foreigners... The safety of the republic depends essentially on the energy of a common National sentiment; on a uniformity of principles and habits; on the exemption of the citizens from foreign bias, and prejudice; and on that love of country which will almost invariably be found to be closely connected with birth, education and family. The opinion advanced in the Notes on Virginia is undoubtedly correct... that foreigners will generally be apt to bring with them attachments to the persons they have left behind; to the country of their nativity, and to its particular customs and manners. They will also entertain opinions on government congenial with those under which they have lived. How extremely unlikely is it that they will bring with them that temperate love of liberty, so essential to real republicanism? There may as to particular individuals, and at particular times, be occasional exceptions to these remarks, yet such is the general rule. The mass influx of foreigners must, therefore, tend to produce a heterogeneous compound; to change and corrupt the national spirit; to complicate and confound public opinion; to introduce foreign propensities. In the composition of society, the harmony of the ingredients is all important, and whatever tends to a discordant intermixture must have an injurious tendency. The United States have already felt the evils of incorporating a large number of foreigners into their national mass; it has served very much to divide the community and to distract our councils, by promoting in different classes different predilections in favor of particular foreign nations, and antipathies against others. It has been often likely to compromit the interests of our own country in favor of another. In times of great public danger there is always a numerous body of men, of whom there may be just grounds of distrust; the suspicion alone weakens the strength of the nation, but their force may be actually employed in assisting an invader. To admit mass foreigners indiscriminately to the rights of citizens, the moment they put foot in our

country, would be nothing less, than to admit the Trojan Horse into the Citadel of our Liberty and Sovereignty.”

> Buying votes with economic stupidity – again



President Biden ✓
@POTUS

...

My dad always used to say that the way you build wealth is by building equity in your home.

My housing plan would help Americans achieve homeownership by giving households \$400 a month for two years when they buy their first home.

> The City of San Francisco is providing free beer and vodka shots to homeless alcoholics at taxpayer expense under a little-known pilot program. The "Managed Alcohol Program" operated by San Francisco's Department of Public Health serves regimented doses of alcohol to voluntary participants with alcohol addiction in an effort to keep the homeless off the streets and relieve the city's emergency services.

> Niel Postman = Huxley vs Orwell

What Orwell feared were those who would ban books. What Huxley feared was that there would be no reason to ban a book, for there would be no one who wanted to read one. Orwell feared those who would deprive us of information. Huxley feared those who would give us so much that we would be reduced to passivity and egoism. Orwell feared that the truth would be concealed from us. Huxley feared the truth would be drowned in a sea of irrelevance. Orwell feared we would become a captive culture. Huxley feared we would become a trivial culture, preoccupied with some equivalent of the feelies, the orgy porgy, and the centrifugal bumblepuppy. As Huxley remarked in *Brave New World Revisited*, the civil libertarians and rationalists who are ever on the alert to oppose tyranny "failed to take into account man's almost infinite appetite for distractions." In 1984, Huxley added, people are controlled by inflicting pain. In *Brave New World*, they are controlled by inflicting pleasure. In short, Orwell feared that what we hate will ruin us. Huxley feared that what we love will ruin us.

> "In the near future you could be talking to your AI dating concierge... There is a world where your dating concierge could go and date for you with other dating concierges... and then you don't have to talk to 600 people." Whitney Wolfe Herd

> Robert McFarlane - (sigh)

I asked Microsoft's Copilot why I was so fat. It answered that overweight people should have good self images too. I responded that it was because I ate too damn much. It responded that it was sorry if it upset me and maybe I should seek counseling.

> Not sure what to make of this bird flu thing. You may recall that in January 2020 I said that (what became) Covid was coming and it would be ugly. Bird flu has jumped to humans (via cows?), but it is not clear what its characteristics are in humans.

> As DEI and quota doctors become more numerous, it will become critical to understand which ones are actually competent. I have been in the hospital with my life on the line and, because it was an emergency, I had the doctor that was on call at the time. My strongest wish at the time was that he knew what he was doing. In effect, I bet my life on the reputation of the institution.

A new study has found that patients of newly trained doctors tend to have higher survival rates if the doctor scored highly on board certification exams. Tests, it turns out, might not be racist, but actually quite good predictors of competence. (Harvard Medical School)

One way to wrap your mind around the scale of the budget deficit -

A billion seconds ago was 1993 (31 years ago). A trillion seconds ago was 30,000 B.C.

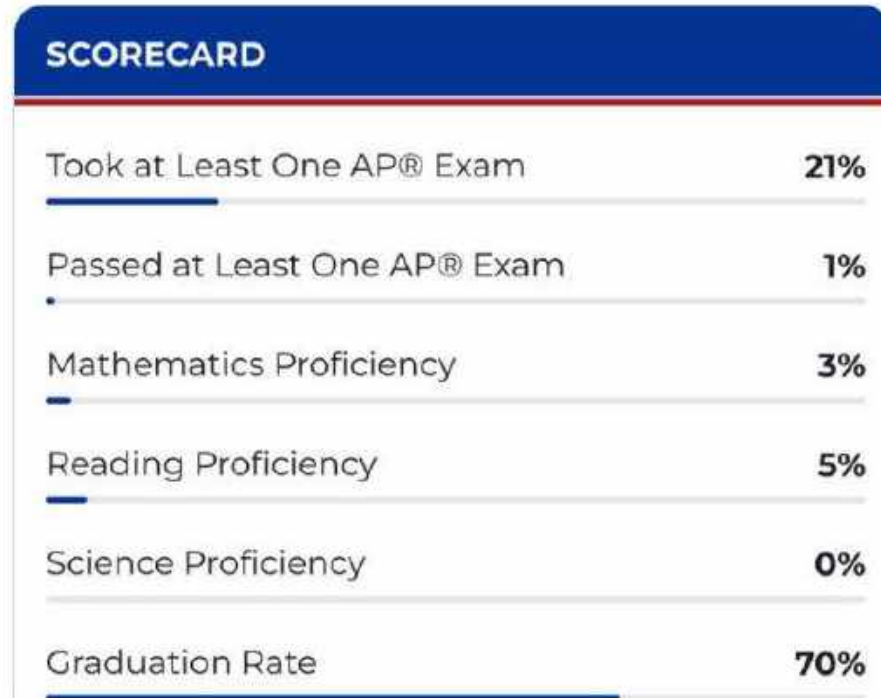
Are tacos and burritos sandwiches? A judge in Indiana ruled yes.

For those of you out there who think government is the answer - Ontario authorities suggest suspending licenses of thieves to solve carjacking crisis.

> Seems fair

At Ballou High School in DC, only 3% of students are math proficient and only 5% reading proficient, and yet 70% graduate.

Annual cost: \$25,412 per pupil.



Statue-destroying has a long history -

Egyptian pharaohs chiseled out the hieroglyphs representing their predecessors

Incas destroyed the writing of their enemies

The first emperor of China decreed that all books written prior to his reign be destroyed.

Then, there was ISIS and the huge statue of the Buddha.

Too harsh?

If you ever feel useless,
just remember the USA took 4
Presidents, thousands of lives,
trillions of dollar and 20 years
to replace Taliban with Taliban.

> Another example of my "law" that 20% of people will do, say or believe pretty much anything -

[New York Times](#): 17 Percent of Voters Blame Biden for the End of Roe

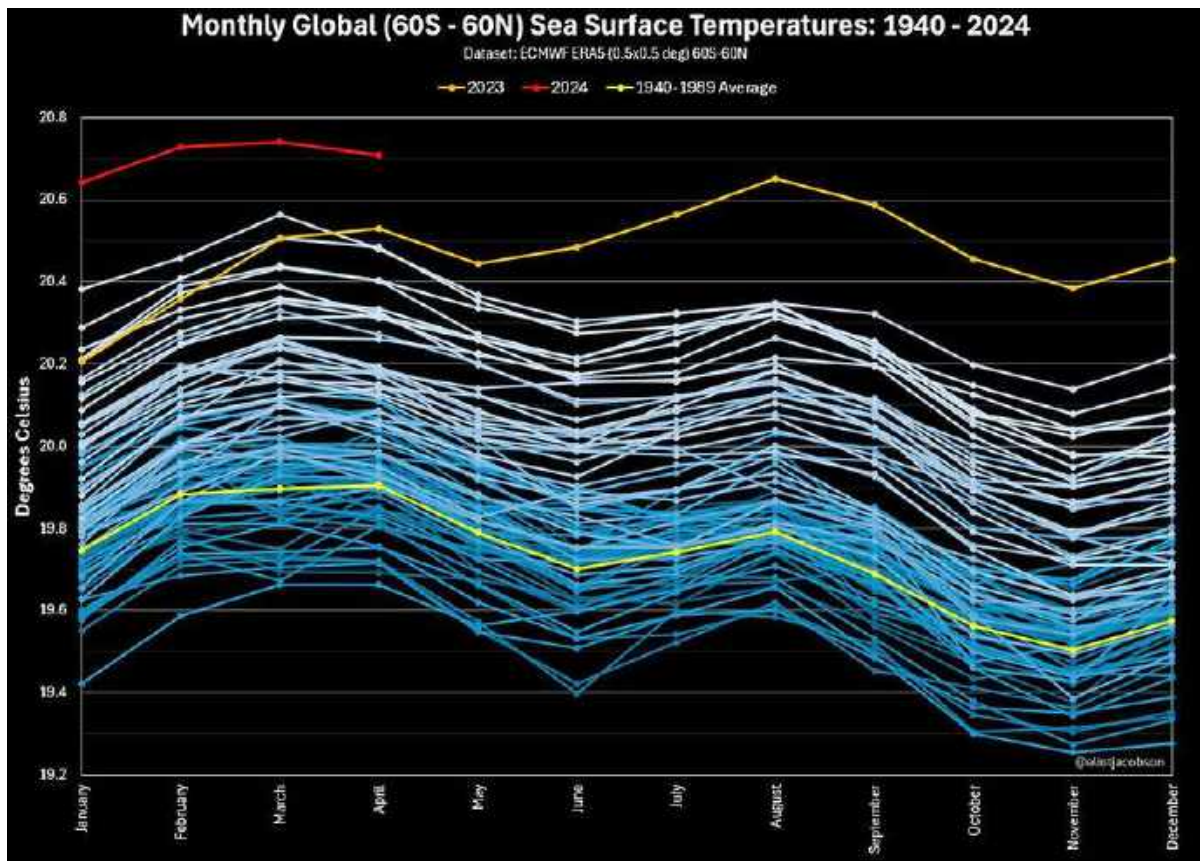
> Platitude with a kernel of truth -

If you can question it, it's science

If you can't question it, it's propaganda

It Ain't Easy Being Green

> Most global warming stuff is shaped to fit the narrative, so you can just ignore essentially all of it. This is genuinely frightening. Something, maybe La Nina, needs to fix this.



> I'm so confused - China dominates the solar cell market - why are we making green more expensive? China makes the world's least expensive EVs, so we are going to make them harder to own? Mixed messages from Biden - politics trumps green

White House announces new anti-China tariffs:

Electric vehicles: from 25% to 100%

EVs batteries: from 7.5% to 25%
Solar cells: from 25% to 50%
Steel and aluminum: from 0%-7.5% to 25%



> *The Guardian* -

There is currently “no realistic or scalable alternative” to standard kerosene-based jet fuels, and touted “sustainable aviation fuels” are well off track to replace them in a timeframe needed to avert dangerous climate change, despite public subsidies, the report by the Institute for Policy Studies, a progressive thinktank, found.

“While there are kernels of possibility, we should bring a high level of skepticism to the claims that alternative fuels will be a timely substitute for kerosene-based jet fuels,” the report said.

Miscellany

(I wound up marrying a Catholic.)

When I was a kid, even though Catholics went to their own schools and I did not know many Catholics, I had anti-Catholic tendencies because my school served fish every Friday. And I am not a big fish fan. Although the tradition has more or less died out since the Pope scaled it back to only during Lent, eating fish on Friday was a Catholic thing related to abstaining from meat. I did not like suffering for their sins. From *The Bee*.



Diary Entry Reveals Luther Started
Reformation Just Cause He Got Sick Of Filet
o' Fish Every Friday

Helpful tips - you are strongly encouraged to refrain from either of these actions -

It is illegal to carry ice cream in your back pocket in Kentucky

It is illegal to hunt camels in Arizona

If you feel rebellious, go to Kentucky and hunt camels, and go to Arizona with ice cream in your back pocket.