

Thoughts on Coming Apart and the
Coming Great Reset



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

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September 22, 2023

Real Diversity

We'd rather risk societal collapse than face the sacrifices and challenges of revolutionizing our unsustainably neofeudal economy and broken gears of governance. - Charles Hugh Smith

Once we get past this painful transition of tightening, we may find higher rates are better for growth by creating more discipline in capital allocation. - Shiela Blair

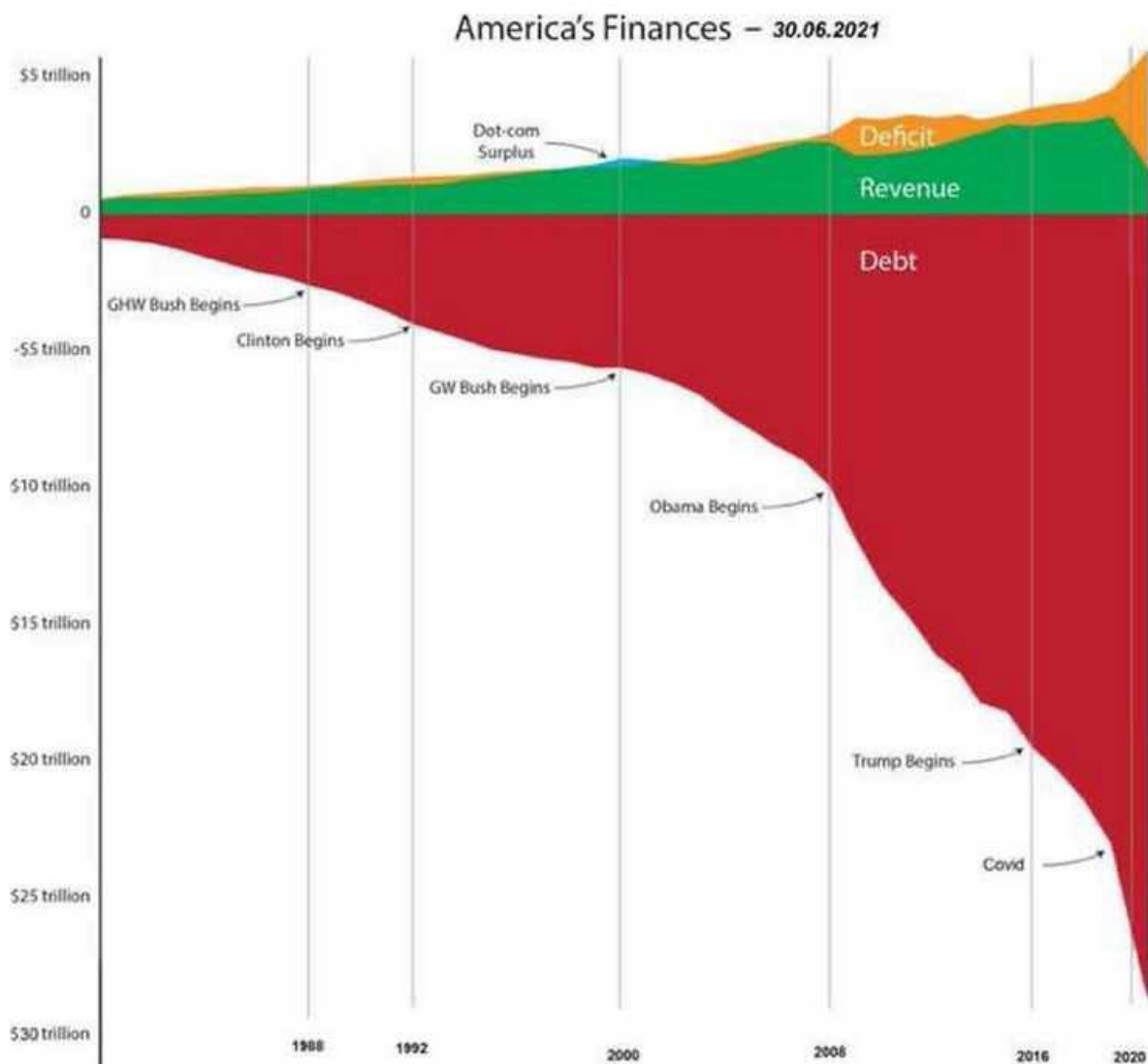
Markets and the Economy

Updated Charts

No change in market outlook. Indications remain that the stock market has topped, without confirmation. The dollar and crude remain at interesting

junctures. I'm still waffling on bitcoin and have put the alternative bearish case on the chart, along with the bullish case.

This is a little distorting, because debt/GDP is a better measure, but it does get your attention.



Please watch a great presentation on regulatory capture.

Early on in my contemplations about how the world works vs how it should work, I realized that power, greed and sex get in the way of the best rational plans, all the time. My poster child for this is the failure of EVERY utopia. It is the fatal flaw of big government.

Anyway, this is a long, complicated discussion for another time.

Watch the presentation [here](#).

**WE DID IT! We surpassed \$33 trillion in government debt! I literally never thought we could achieve such heights.
Go team!**

Judy Shelton - The conversation below between Janet Yellen and Hillary Clinton praises the Biden administration for its embrace of what Yellen calls “modern” supply side economics, which calls for expanded government involvement in directing financial investment toward its favored projects. This is the ultimate “trickle-down” approach, substituting bureaucratic dictate for free market innovation. It empowers and funds the growth of government at the expense of private enterprise. And meanwhile, the Fed fights the inflation unleashed by massive deficit funding of such projects by raising the cost of capital. This hurts private individuals who cannot afford higher mortgages, squeezes out small business and penalizes all borrowers (except the government).

America has officially accumulated 3,000% inflation since the Fed's creation in 1913.

The odds of a government shutdown the first part of next month are increasing.

Foreign holdings of U.S. Treasuries rose in July - rising for a second straight month, overseas holdings were up 2.2% YoY (even as China sells to defend sinking yuan) There’s still huge global demand for treasuries Why? Because all that excess savings has to flow somewhere.

**Would you call a soft landing expectation plausible? (not sure who asked this)
Powell: No**

Luis Vincent-Gave is always worth listening to. He is on [MacroVoices](#) this week. Of particular interest is his opinion that Putin will weaponize energy this winter. That would be a really, really big deal.

Short Takes

Retail businesses are being shoplifted out of existence. The mayor of Chicago has a solution:

All Chicagoans deserve to live near convenient, affordable, healthy grocery options. We know access to grocery stores is already a challenge for many residents, especially on the South and West sides. A better, stronger, safer

future is one where our youth and our communities have access to the tools and resources they need to thrive. My administration is committed to advancing innovative, whole-of-government approaches to address these inequities.

Government-owned grocery stores and drug stores.

Absurdity is coming back! Two people broke into rapper DDG's, house, slapped him while he was sleeping, and left without taking anything.

Awkward - Trump said that it's a "terrible thing" to sign a heartbeat abortion bill such as the ones passed in FL, IA, OH, GA etc. However, he did not state his position.

Losing our minds - slowly then suddenly - In the same week Lauren Boebert was filmed giving a hand job to her (first) date in a movie theater while being felt up, a Democrat candidate for Virginia's House of Delegates was revealed to have performed sex acts for money with her husband on a streaming channel. Looks like normalization is heading in a new direction.

Ah, we finally got to the bottom of it - Lauren Boebert just blamed the fact her date was a Democrat for her antics at the Beetlejuice show.

Not that I support Vivek, but it is impossible to find an education metric that has improved since the Department of Education was created. Maybe they slowed the fall ...

Truth from an email from subscriber, SS: The intellectual riches of the West, accumulated over the last 400 years, have now been transferred FREE OF CHARGE, to China and China now has little need to further raid the intellectual riches of the West so it can begin to divorce itself from the West.

China is now the largest auto exporter in the world, and with a strong upward trend.

Civilization is clawing its way back - Prostitution tents and a bar were set up at Denver homeless camp.

Not sure where to put this - Vassar faculty members accused the college, one of America's first for women, of paying female professors less than their male colleagues.

The acquittal of Ken Paxton in his impeachment from his position as Attorney General for the State of Texas was both a travesty and probably politically inevitable.

Jim Rickards makes a point - Presidents Xi and Putin skipped a G20 meeting in India. Presidents Xi, Putin, Macron, and Prime Ministers Sunak and Modi are skipping the UN General Assembly. You can taste the irrelevance of vintage multilateral institutions. The one rising is BRICS 11.

Remember my "law" that humans take every trend to the extreme? - Seriously divisive article in the *New Yorker*

that cities should get rid of anything relating to colonial past, whether street signs, buildings, architectural styles... entire streets.

Definitely a trend - 10 thousand military-age immigrants storm an Italian island in a span of 3 days, outnumbering the 6 thousand who live there

It's a metaphor - Senator Chuck Schumer, the majority leader, will no longer enforce the informal dress code for the chamber, which for decades has dictated that members wear business attire.

Very 2023 - one person, John Fetterman, who is disabled by a stroke, chooses to wear a hoodie and sandals, so the whole organization will lower its standards.



Unintended consequences - An essay [here](#) on how the new customizable AI girlfriends, marketed to men, will affect women. It's not just the customizable bodies and faces; its also the emotions and personalities that will warp real relationships. AI boyfriends are also available.

Do you laugh or cry?

Salt Lake City high schools will begin staffing weapon detectors after fall break. But some worry the technology may have an outsized impact on students of color.

Sigh - The IRS will “substantially” decrease audits on refundable tax credits that benefit low-income taxpayers in an effort to reduce racial disparities, the agency said.

The problem we refuse to fix just keeps rolling on - from *The Morning Dispatch* - U.S. border agents made more than 130,000 arrests along the southern border in July and 182,000 in August, according to preliminary data. This past Sunday alone, Border Patrol officials apprehended 7,500 migrants—up from a daily average of about 4,300 in July. In August, 91,000 migrants crossed the border as families, setting the one-month record—the previous high was 84,486 in May 2019. ... Between March 2021 and August 2022, more than 1 million migrants were released to await their immigration hearings.

When Gareth Edwards, the director of *Rogue One: A Star Wars Story*, was thinking about the soundtrack for his upcoming movie about artificial intelligence, *The Creator*, he decided to try composing it with AI—and was pretty impressed with the result.

Edwards asked an AI music company to use the tech to create a soundtrack in the style of Oscar-winning composer Hans Zimmer, he explained during a LinkedIn Live interview with MIT Technology Review.

There was a superb study of honesty around the world in 2019.

Leave 17,000 wallets (with contact email) containing various sums of money in 355 cities across 40 countries. Would finders email the owner?

The result: rates of honesty vary a LOT.



We are now heading to the next level of absurdity as normalized theft moves up the food chain, and note that it is not the DAs that are the cause of this change - Calvin Ushery assaulted and paralyzed a 68-year-old jewelry store owner. Despite a literal video of the attack, the trial just ended without a conviction.

Othel Wallace, the man accused of murdering a Daytona Beach police officer by shooting him in the head in 2021, was only found guilty of manslaughter, the lesser charge in the case. At trial, Wallace said he did it in self-defense partially because of

BLM being on his mind. He was captured on a black nationalist paramilitary compound near Atlanta & had a cache of weapons. One of his social media posts read: "One day, I will take great pride and honor in getting me some pig's blood on my hands and boots."

Sound familiar? - immigration will continue to be a major story for the West, since there is no real resolution other than forceful exclusion - the demand is literally overwhelming - German President Frank-Walter Steinmeier said during a visit to Italy that both countries had reached the "limits of [their] capacity" to accommodate migrants, and called for "fair distribution" of the burdens of migration across the European Union.

From cell.com, summarized - With only 160 short gene sequences, race can be determined with nearly 100% accuracy for Europeans, Asians, and Africans. I have been reading a lot about these kinds of things over the past few years. One of these days, I will discuss them, but not today.

A sign of the coming Apocalypse. Gannett—the largest newspaper chain in the United States—posted job listings for a full-time reporter on the Taylor Swift beat and another dedicated to covering all things Beyoncé

Electricity generation per person (kWh):

 Norway: 28,000
 Canada: 16,600
 Sweden: 16,000
 US: 13,000
 EU: 6000
 China: 6000
 UK: 4,800
 S. Africa: 3,600
 India: 1,300
 Ghana: 637
 Malawi: 71
 Chad: 18

Real Diversity

I grew up with the view that everyone should think like me - for a number of reasons. First, everyone thinks that everyone else should think like them. Then, I'm smart. I read a lot. I think a lot. I have the ability to distance myself from the fray and see both (or more) sides. I understand the very important issue of tradeoffs. Certainly, I can get close to whatever truth is.

I ultimately came to two revelations.

The one I am not going to talk about here is that truth is mostly, but not entirely, irrelevant to humans. Emotions are much, much more important. Sex, power and money (or sex, drugs and rock and roll) win almost every time. Humans will keep just enough order in their lives to - most of the time - prevent chaos.

No one is going to think like me. In fact, I am probably one of the most useless of humans in our current, post-truth society.

I gave up on truth and began a journey of attempting to understand the way the world works. It is not an accident that my personal mascots are Don Quixote and Cassandra.

The one I am going to talk about is diversity.

No, not THAT diversity. We've talked about THAT diversity before. Invention made of necessity around a kernel of truth that became a moral imperative.

THAT diversity actually is a subset of Diversity in that it excludes people having various "undesirable" traits - kind of a cool kids club. THAT diversity, among other things, functions as a primary sorting mechanism and virtue signal.

This diversity is a way to view the world's dynamics - including why problems actually never get solved. A concept with which to help frame thought and observations - to the extent that even matters.

I very much enjoy history. Maybe 7,000 years of civilization. Humans in Mesopotamia, humans in China, humans in the Indus Valley, down to today.

Once writing and books appeared, you can begin to see how humans behaved and thought thousands of years ago, and compare it to today.

My oversimplified view is that, over that span, the same genes expressed themselves in the environment of different cultures and different technologies.

Over that time, power, greed and sex have dominated every different civilization. Racism was generally not so much a thing as was tribalism - like today. But, slavery and sexism were rampant.

Slavery and sexism began to slowly change several hundred years ago - fairly late in the overall scheme of things - enabled in my view by increasing wealth and improvements in technology. The roles assigned to slaves and women became less and less necessary for the stability and survival of the civilization, so they could change. It is interesting to contemplate what kind of world we would create if our wealth was destroyed and we had to take up a 13th century lifestyle. (HIInt,

among other things, toxic males would become very important, for better and for worse.)

But, all of that is just what pundits call throat-clearing.

The point I want to make is that, as far back as one can see, there were liberals and conservatives and populists, and warriors and peaceniks. There were depreciation of the coinage and increasing debt, together with those who warned of the ruin that would bring. There were secret clubs where people went to do illegal and immoral things. Drugs, particularly alcohol, were important when you could find them. Sex, of course, moved the world.

Our wealth and freedom, together with increased population and vastly improved communication, have enabled all manner of human behaviors to come out of the shadows. Drug taking, orgies and theft are now "normalized." They never went away, but they came from the shadows into the mainstream.

This is not a discussion about whether these changes are "good" or "bad." This is a discussion about how persistent human nature is. Neither liberals nor conservatives have "won" over thousands of years because there is a genetic component, more or less, to all human behavior. The best either side can hope for is a period of dominance, which always comes to an end.

Tribalism is not going away.

My poster child for the differences in human behavior is the cereal aisle in the grocery store.

Every foot of grocery store shelf space is precious and must meet financial goals. Grocery stores do not make much money, so every foot counts. There are many other cereals that do not have a large enough market to provide the required return on space. You either never hear of them or you find them on Amazon. In spite of this cornucopia, it is still not sufficient for some - there are even more differences than you can see.

The cereal aisle is not an aberration, but an expression of and metaphor for human diversity. Each different cereal represents a different type of human. And if cereals are one component, think of the hundreds or thousands of different components that exist and interact and lead to diversity.



Ok, what's the "right" kind of cereal? What cereal corresponds to political correctness, ignoring any virtue signaling on the packaging? Bran? Oatmeal? Fortified with vitamins? Locally sourced? Organic? If cereals were a political thing, which ones would be required? Would eating Frosted Flakes result in canceling? Would stocking Fruit Loops result in demonstrations?

The self-righteous attempt to bend diversity to their wills by force and cultural pressure, because they have right on their side - and for your own good, you understand.

Sometimes, as a result, witches get burned; sometimes a Civil Rights Act passes. But the underlying, real diversity of humans does not change. Only the force applied. Sometimes it is law. Sometimes it is religion, Sometimes it is peer pressure. Sometimes it is political correctness.

The symptoms change, but the underlying dynamics change slowly, if at all. Racism is going away in the West, but it will never go away completely, because it is a component of irresolvable tribalism.

Sexism is going away in the West, but it will never go away completely because of the existence of testosterone and estrogen - and tribalism.

Homosexuality is an interesting case. It is increasingly being accepted in the West. Over history, and in some current cultures, such as Afghani, homosexuality between older men and boys was the only type that was generally excepted. Today, in the West, it is the only type that is not becoming acceptable. Real diversity is an expression of the infinite number of different ways genes, culture and technology can interact.

THAT diversity is a mechanism for defining acceptable segments of real diversity. Republicans, the religious and right-to-lifers need not apply. Real diversity is what democracy attempts to address. It is the answer to the eternal question, who died and put you in charge? Argue about bran and salt and sugar and vote and then move on.

Real diversity requires the humility to let the other side win.

There's a thought.

Real diversity.

Let a thousand flowers bloom and then vote on any necessary restrictions.

Sometimes you win; sometimes you lose.

C'est la vie.

Ok, that was fun. Now, we will go back to our regularly-scheduled program and continue forcing those ignorant bastards to do the right thing.

Hundreds of "Canine Beings" gather at Berlin train station to advocate for the rights of people who identify as dogs



War, Energy and Food



(ht CH)

The National Marine Fisheries Service (NMFS) struck a consequential voluntary agreement with activist organizations, locking away millions of highly prospective acres in the Gulf of Mexico from oil and gas development and imposing wide-ranging vessel restrictions.

The Biden administration claims to be concerned about protecting Rice's whales, a species safeguarded by the Endangered Species Act and the Marine Mammal Protection Act. ... As noted by the NMFS on its own website, only "a single Rice's whale was observed in the western Gulf of Mexico off the coast of Texas."

Solidarity can last only so long - "Poland will no longer arm Ukraine to focus on its own defense," Polish prime minister Mateusz Morawiecki announced just hours after Warsaw summoned Ukraine's ambassador related to a fresh war of words and spat over blocked grain, according to the AFP. Warsaw has throughout more than a year-and-a-half of the Ukraine-Russia war been Kiev's staunchest and most outspoken supporter. This is about grain and Polish elections. The probability is that things will ultimately calm down. At least for this spat.

PUTIN WIELDS ENERGY WEAPON AGAIN: Cutting off diesel exports is a scalpel targeting the jugular of the global economy Russia is one of the world's biggest exporters of the fuel, so this could hurt.

It Ain't Easy Being Green

Beyond imbecilic - RFK, Jr. - I will ban fracking, which provides the feedstock for most of the plastics produced in the U.S.

EV cars require around 20% less labor to build than internal-combustion-engine cars.

Insects can furnish the same amount of protein as livestock with as little as 1 percent of the emissions. To slow climate change, the EU has eased regulations around bug-based food.

The old, executive order trick - After being thwarted by Congress, President Joe Biden will use his executive authority to create a New Deal-style American Climate Corps that will serve as a major green jobs training program.

In an announcement Wednesday, the White House said the program will employ more than 20,000 young adults who will build trails, plant trees, help install solar panels and do other work to boost conservation and help prevent catastrophic wildfires. ...

The White House declined to say how much the program will cost or how it will be paid for, but Democrats proposed \$10 billion for the climate corps in the climate bill before the provision was removed.

Absent severe recession or depression, good luck with that - Presidential candidate and Florida Gov. Ron DeSantis (R) unveiled a plan Wednesday that he said aims to deliver gasoline at \$2 per gallon in 2025.

Former New York City Mayor Michael Bloomberg announced on Wednesday he will pump \$500 million into the next phase of his energy transition campaign, aiming to shut down "every last" coal plant in the United States and slash gas-fired capacity in half by 2030. The \$500 million infusion into his decade-long Beyond Carbon initiative aims to "finish the job on coal" by working with state and local organizations to force the closure of the roughly 150 coal plants that have not yet retired, slash current gas generation in half and block the construction of new gas-fired plants. -Reuters

A new word - solastalgia - for the grief or longing you have for the time before the "climate crisis."

At a climate summit, the secretary general said he would give speaking slots only to countries taking action on the issue seriously. The U.S. and China didn't qualify.

Miscellany

Two from the *Bee*. The first is a demonstration of truth in humor. The second follows on to last week's Miscellany article.



Auto CEOs Struggling With Whether To Replace Striking Workers With Robots Or Mexicans



Man Who Hasn't Thought About The Roman Empire In Over A Week Worried He Might Be Trans

I just somehow thought this might explain a lot.



I bet he's
thinking
about the
Roman
Empire

How the
fuck do
you lose
an F35?



Last one, I promise - from *The New Yorker*



"Sorry, I was just thinking about the Macedonian Empire."