

Thoughts on Coming Apart and the  
Coming Great Reset



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

Kit Webster

**October 6, 2023**

## Golden Calves

**If Jay Powell had watched President Biden joining the UAW picket line that doubtlessly would have hit him hard that POTUS had the joined the opposite side in his battle against inflation - Harald Malmgren (Kit-Biden is actually in a very bad spot, having to be pro-labor and anti-inflation at the same time)**

**Whenever you find yourself getting angry about a difference of opinion, be on your guard; you will probably find, on examination, that your belief is going beyond what the evidence warrants. - Bertrand Russell**

**If federal spending doesn't come down we could see 14% treasuries. - Rick Santelli**

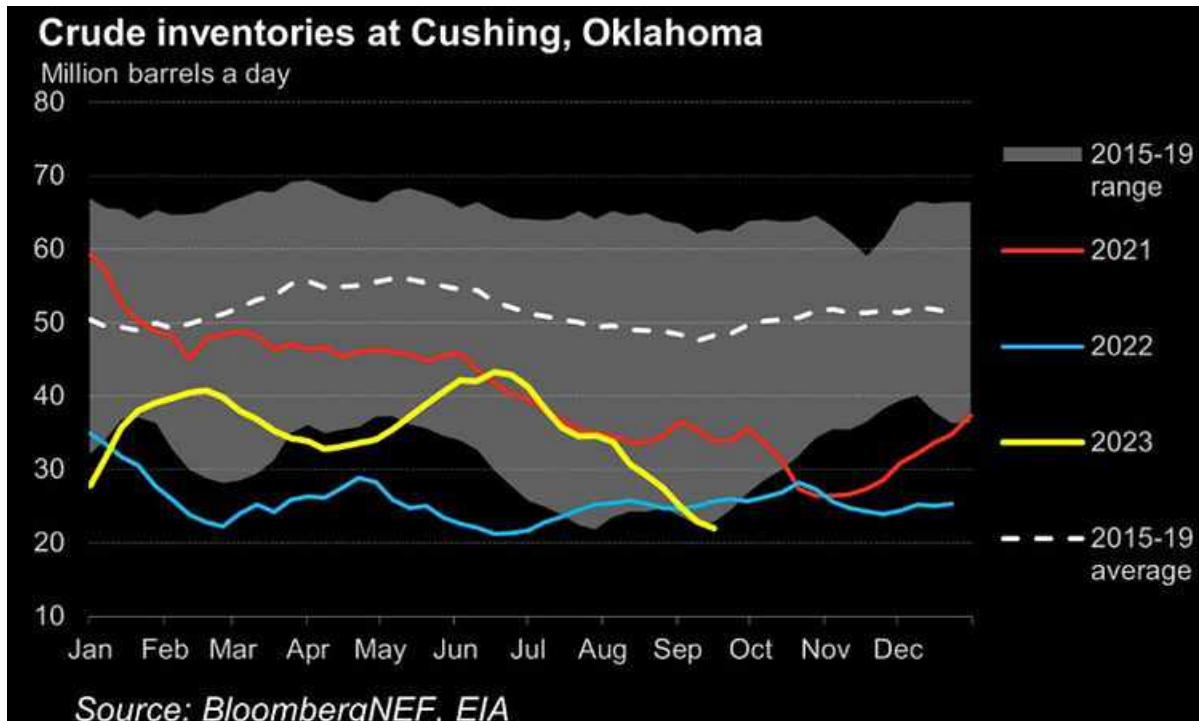
**Rising bond rates now driven by fiscal policy: ballooning Treasury borrowing needs - Harald Malmgren**

# Markets and the Economy


## Updated Charts

No change in outlook - critical stages for oil and the dollar. I have changed the charts to reflect how ugly I think it is going to get.

**Uh-oh**

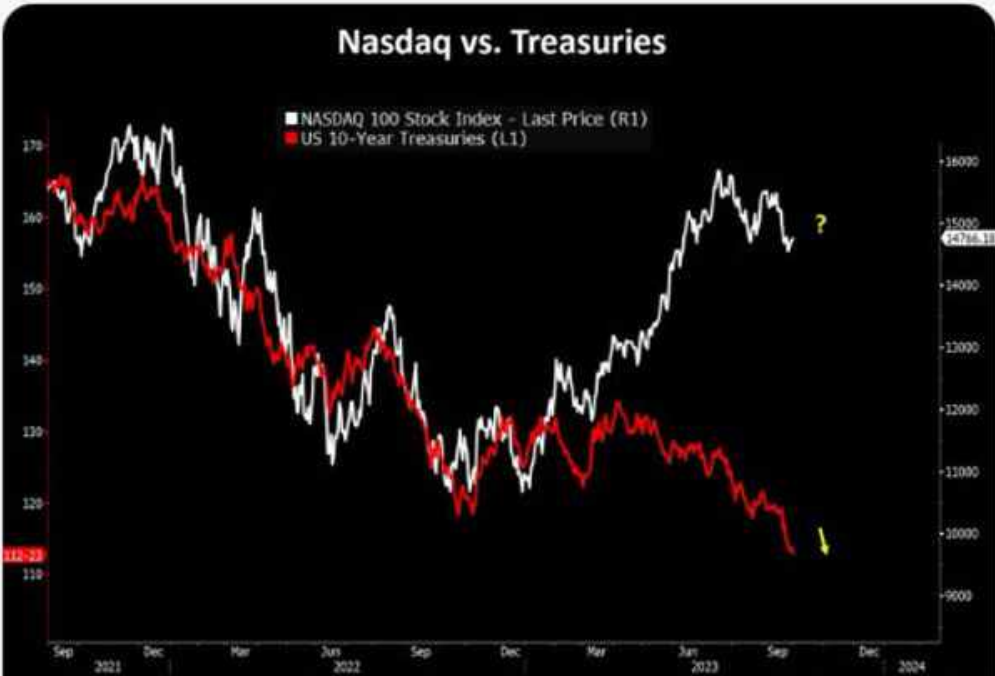


Uh-oh

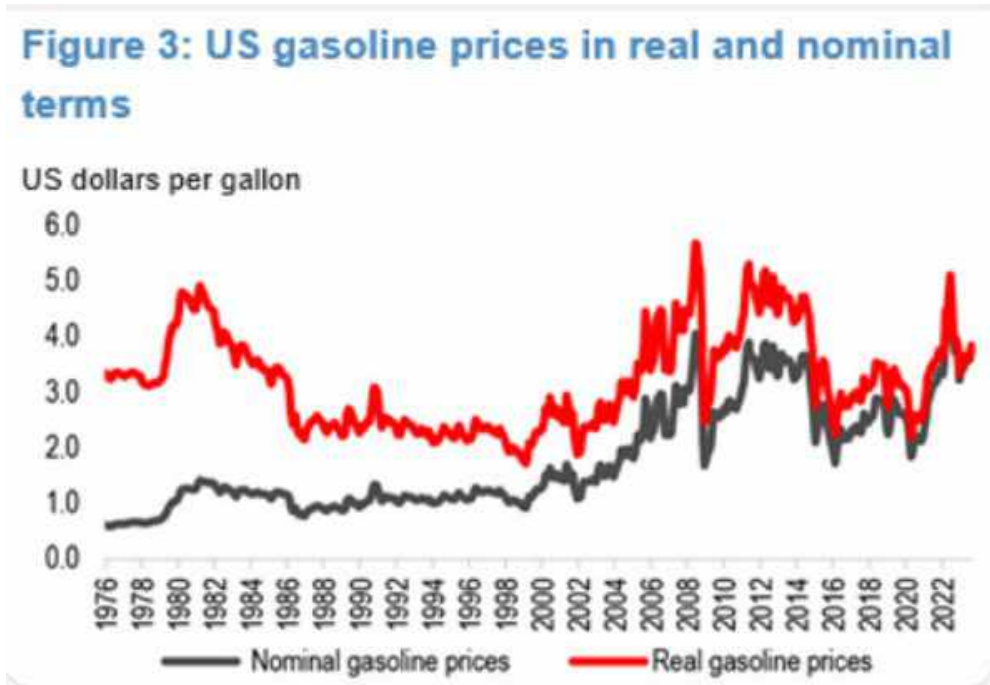
**Otavio (Tavi) Costa**  @TaviCosta · 6h ...

This chart has to be the big elephant in the room.

The recent collapse in Treasuries is yet to impact equity markets that continue to defy gravity at historically inflated valuations, particularly the big tech companies.



Source: Bloomberg; Tavi Costa © 2023 Crescat Capital LLC



**US Treasury Secretary Janet Yellen says the US has developed a huge over-dependence on China for critical supply chains**

## Short Takes

**Truth in humor from the Bee**



**Biden Deploys Troops To Border To Stop Texas From Securing Border**

**Interesting ... and inevitable - 8th Circuit reverses lower court decision, rules 3-0 in PDE v Linn Mar Community School District (Iowa) that a school may not compel its students to use gender identity-based language as doing so likely violates the 1st and 14th Amendments.**

**I don't see a problem here, do you? - US Border Patrol just reported the highest number of recorded illegal immigrants in history at over 260,000 this month. The full number, including unrecorded, may be over half a million per month, which is the population of Wyoming.**

The prime minister of Sweden announced they will look at deploying the military to assist police in fighting the gangs. He also said they will deport foreigners involved in gangs even if they haven't been convicted of a crime.

These are the people who will be coming into power in 20 years and who are beginning to vote now - A new poll by Yale University has found that 51% of US students support "speech codes to regulate speech for students and faculty" — a 10% increase from last year, and the first time in the history of the survey that a majority has favored speech codes.

National Institutes of Health grant (2019) Amount: \$7,085,602 Recipient: Johns Hopkins University, The Purpose: Lite connect: addressing testing gaps and epidemiologic disparities of COVID-19 among transgender people in the United States

ALRIGHT!!!! UK to ban cell phones in schools.

Very big deal - the Trump business fraud trial is under way. If it goes against Trump, he could lose some of his major assets.

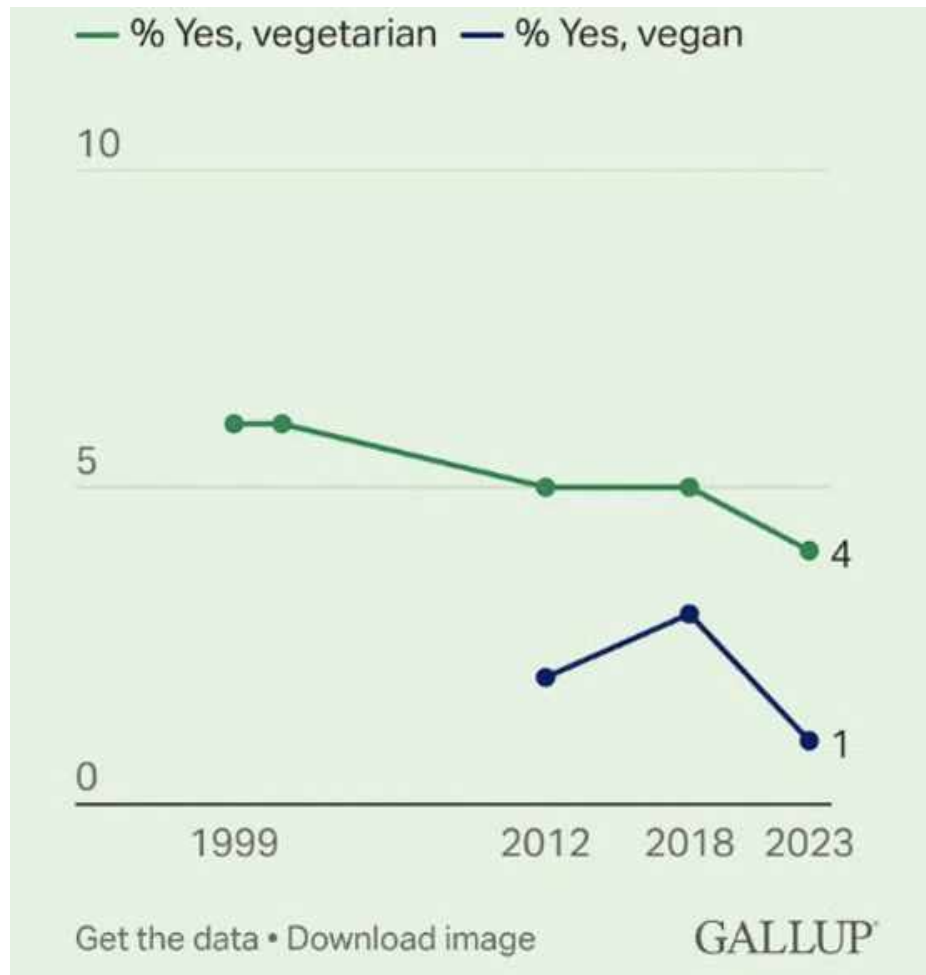
Not such a big deal, but a remarkable, fascinating story for the ages. Sam Bankman-Fried's trial is underway for a literally historic grift centered around crypto.

Very 2023. California Governor Newsome replaced Dianne Feinstein with a black, lesbian, who lives in Maryland, and who is the head of the pro-abortion group, Emily's List.

Symbolism in multiple dimensions - a Democrat pulled a fire alarm in Congress to delay a vote on government funding.

McCarthy had a very rough time as speaker. But it's nothing compared to whoever goes next. - Peter Zeihan

I did not realize that the number of (vegan + vegetarians) roughly equals the number of homosexuals (pre the gender-fluid era). I wonder what a Venn diagram would look like.



The de-throning of Kevin McCarthy as House Speaker means that the United States has taken a step toward being ungovernable. The twists and turns between now and mid-November, when the next appropriations bill will have to be passed, should be interesting, dismaying and terrifying.

Then ... wait for it ... Donald Trump confirms from the New York courthouse that he has been asked about becoming the House Speaker, says he would do it. You can't make this stuff up.

Satoshi Nakamoto, the uber-reclusive inventor of bitcoin, is back, promising more words of wisdom.

When you have lost The View, you have lost the liberal mainstream - the co-hosts of The View say migrants need to be kicked out of New York City

(GZero Daily) the Biden administration is set to build 20 miles of wall at the US southern border. The White House, and most Democrats, had long opposed and even ridiculed former president Trump's calls to "build the wall." But faced with soaring numbers of undocumented migrants, the administration said Tuesday there is now an "acute and immediate need" for a wall.

(Kit) The Biden administration waived 26 federal laws, including environmental restrictions, in South Texas to allow for border-wall construction. And, this comes several months after having sold \$300 million of wall material for \$2 million. They have to do something. This has been way, way, way out of hand for a long time. Now, even liberal Democrats are demanding a solution. It's difficult to tell reality from kabuki, here. Biden is saying he has no choice, which is definitely disingenuous - he defies the law almost as much as Trump did - but I have no idea what is really going on.

(The New York Times)

Imagine if you were a foreign leader surveying the political chaos in the United States:

- For the first time in history, a party has just fired its own speaker of the House in the middle of a term.
- In the Senate, one of the two party leaders, who's 81 years old, has twice recently frozen in public, unable to speak.
- A Supreme Court justice has allowed wealthy political donors to finance a lavish lifestyle for him and his wife (and that same justice's wife urged officials to overturn the 2020 presidential election result based on lies).
- A likely nominee in the upcoming presidential election is facing four criminal trials and regularly speaks in apocalyptic terms about the country's future.
- That nominee is essentially tied in the polls with an 80-year-old president who many voters worry is too old to serve a second term.

If you were an ally of the U.S., you'd have to be worried. If you were an enemy, you'd have to be pleased.

"To many watching at home and abroad, the American way no longer seems to offer a case study in effective representative democracy," Peter Baker of The Times writes.

"Instead, it has become an example of disarray and discord, one that rewards extremism, challenges norms and threatens to divide a polarized country even further."

More than half of Massachusetts' third graders can't read proficiently. Massachusetts, folks. Not Baltimore; not Mississippi - Massachusetts.

The % of young adults who said that a college degree is very important has dropped to 41% from 74% over the last 10 years, per the NYT.

This will go over well - Hillary Clinton on CNN calls for Trump Supporters to be reeducated: "At some point maybe there needs to be a formal deprogramming of the cult members."

## **Golden Calves**

**I have been fascinated all of my adult life with humans' relationship with their gods.**

**Their gods are all powerful and hold the keys to eternal life, and we both worship them and ignore them.**

**As Western humanity has evolved its own moral code, often in direct opposition to the words of their gods, the contrast has become ever more stark.**

**I guess the first time I thought about this was during my Christian era (I am now agnostic), and when I was a teenager. As the Biblical story goes, Moses led the Children of Israel out of enslavement in Egypt to the Promised Land. Along the way, the group encamped at Mt. Sinai, and Moses went up the mountain, where Yahweh presented him with the Ten Commandments. Now, these soon-to-be Israelis had just witnessed the ten plagues cast by Yahweh against the Egyptians, including the killing of the Egyptian first-born, and the parting of the Red Sea. Yahweh was not some abstract concept, but a deity who had, right before their eyes, saved them and performed multiple miracles. If you are these people, and you are going to believe in a god, it would be this one. However, when Moses came down the mountain, he found the group partying and worshipping a golden calf, which they had fashioned out of their jewelry.**

**The story goes on, but I was flabbergasted that people would give up on Yahweh so quickly and easily. He had just sprung them from slavery, for god's sake. It was an early lesson in human nature. My modern parable is the UK's turning away from Churchill, an extraordinary, world-class leader, for the golden calf of socialism.**

**I then went on to understand that the Seven Deadly Sins, pride, greed, wrath, envy, lust, gluttony and sloth, were simply shorthand for human nature.**

**These thoughts were rekindled when I read about Pope Francis (great name) and "modernizing" the Roman Catholic Church, including women.**



**Now, women have pretty much been left out of most things in most societies over the centuries and millennia, and, although the *Koran* generally gives women more rights than the *Bible* does, women are far from equal.**

**Let's stick with the *Bible* and see what Yahweh and God (the god of the *New Testament*, who seems to be a kinder, gentler version of Yahweh) have to say about women.**

**There are some strong women in the *Old Testament*, but only a few. Following is a summary of the role of women in the *Old Testament* from the *World History Encyclopedia*:**

The easiest way to think of the social roles of women and men in the Jewish Scriptures is through analogies of property or contract laws. A woman at birth was the property of her father who then completed a marriage contract for her. She was handed over to her husband, with details of goods transferred in a dowry. There were also betrothal contracts. Puberty was recognized as the time when boys and girls were ready to move into the adult world and bear children. Women married at the ages of 12-16, while boys used their teenage years for military training. The age for marriage for boys varied from culture to culture, anywhere from 18 to 30. The age difference meant that there are numerous stories of widows in the Bible.

Then as now, some marriages went wrong. In that case, another contract was required to undo the original; a contract of divorce. Among the reasons for divorce were infertility and the renegotiation of marriage partners with changing political dynasties. Most ancient cultures had harsh punishments for adultery. Adultery meant the violation of another man's property. In an age of no DNA tests, paternity had to be assured to maintain the correct bloodlines. This led to the sheltering and protection of women against other males. Veiling was required when women went out in public as a deterrent against the straying eyes of other men.

For the most part, the Jewish Scriptures incorporated the dominant gender roles of ancient society, including the details of marriage and divorce in the Law of Moses. Among the founders of the nation of Israel, we have named matriarchs as well as patriarchs. They are often set in pairs: Adam and Eve, Abraham and Sarah, Isaac and Rebecca, Jacob and (his two wives) Leah and Rachel. The first commandment of God in Genesis was "Be fruitful and multiply" (Genesis 1:22).

Although Jesus' mother, Mary, is literally worshipped by Roman Catholics, women in the *New Testament* were of low status. The killer quote is from Paul's first letter to the Corinthians, verse 14:26-40: "The women should keep silent in the churches. For they are not permitted to speak, but should be in submission, as the Law also says. If there is anything they desire to learn, let them ask their husbands at home. For it is shameful for a woman to speak in church."

So, here we are, some 2,000 years after Paul wrote that letter. Over the past several hundred years, the roles of women in the West have changed dramatically, and they have achieved full (at least legal) equality with men, and are surpassing men in many areas.

But not in the Roman Catholic Church. Several Protestant denominations have women pastors and elders, and now Pope Francis is considering it.

So, infinite God says women should be subservient (and is not too keen on homosexuality or divorce, among other things) and puny little humans disagree.

That's the definition of hubris.

If God wants women to be subservient, then what we mere mortals think is irrelevant. God makes the rules for getting into heaven. The fact that we disagree is only mildly interesting. (Ignoring for now the whole faith/works thing), you either believe in God/Jesus and follow his rules or you don't get into heaven. Having you or the Pope come up with different rules or disregarding old rules is a lot like, say, Patrick Malone's declaring that he has had it with 4 downs to get a first down - from now on it is 5. Or TJ Watt's saying that roughing the passer is no longer a thing.

That is a complete division and disagreement.

Since we disagree with God, what we are doing is reinventing Christianity in our own image to include our cultural biases and ignore what we consider the awkward bits.

Nice hymns - good to see the gang on Sunday. A social club, say, the Rotary, with better stained glass and an organ.

That's fine, as far as it goes, although there are many articles to be written exploring why we are creating our own golden calf.

The implication is that we do not believe in God and that there is no eternal life, but we need our social organizations and our golden calves.

Right now, our golden calves are race and gender.

The *New Testament* had little to say about race - love your neighbor as yourself, and the parable of the Good Samaritan - tribes, not race, were the big deal back then. As for gender - men and women are it. Homosexuals bad. Transsexuals not on the radar.

The *Old Testament* says, in Deuteronomy 22:5, "A woman shall not wear a man's apparel, nor shall a man put on a woman's garment; for whoever does such things is abhorrent to the LORD your God."

But, a few years from now, there will be new golden calves.

People are infinitely fascinating.

## **War, Energy and Food**

**Think about it - It took 18 years from plans filed until full operation on 2 new units at Vogtle Nuclear. The 2.2 GW of power from these nukes is only equivalent to the demand from the new TSMC chip plant (1.2 GW) & 2 AI data centers (0.5 GW each).**

### **George Friedman summarizes the state of play in Ukraine:**

...As a result, the Russians moved into formidable defensive positions. They continued to launch offensive operations, but these lacked the power to achieve their ends. The true end became defensive. The Ukrainians attempted offensive operations, always holding back troops in the event of an unexpected Russian offensive. Both spoke of offenses and launched them, but held back power sufficient to maintain their own defenses. So, we have seen a sort of frozen war, in which the need to hold positions makes it impossible to commit enough force to achieve the initial goals. These types of wars become primarily political morasses, where both sides fear that any movement would have political consequences for the opening of peace talks.

Zelenskyy believed that if American intervention did not cause the Russians to abort, then it would at least allow Ukraine to counterattack on a vast scale. But the United States is engaged in a different conflict: keeping Russia away from NATO. It would provide sufficient force to keep the Russians at a distance but not enough to crush them.

Russia has kept the U.S. away from its border but little else. Ukraine has retained sovereignty over a good deal of the country. And the U.S. has made a Russian penetration beyond Ukraine highly unlikely.

The U.S. reached its goal, while Russia and Ukraine have not and will not. However, neither have they been crushed. Ukraine is now a divided country but enough of it is intact to claim victory, and Russia has pushed past its old border enough to claim a small victory. Both could claim humanitarian reasons for ending the war.

But now the dead creep. They gave their lives for nothing but the pretense of victory, as no rational person will think of the outcome as contempt for the dead. So having fought and defended for coming on two years, how the war ends is reasonably clear. How long will it take for the leaders to admit what is obvious? Everyone lost this war, and in due course so will the leaders. And that is what will delay the inevitable peace.

Peter Zeihan - Most of Europe has been working to reduce dependency on Russian natural gas, and boy, did they deliver. Russia's natural gas state monopoly, Gazprom, has just reported its lowest output levels since 1978.

Sanctions targeting piped natural gas have effectively cut off supply to Europe, and the existing infrastructure cannot be easily redirected. While Russia has alternative natural gas sources and facilities, the limited workforce and technical challenges make these options difficult to maintain.

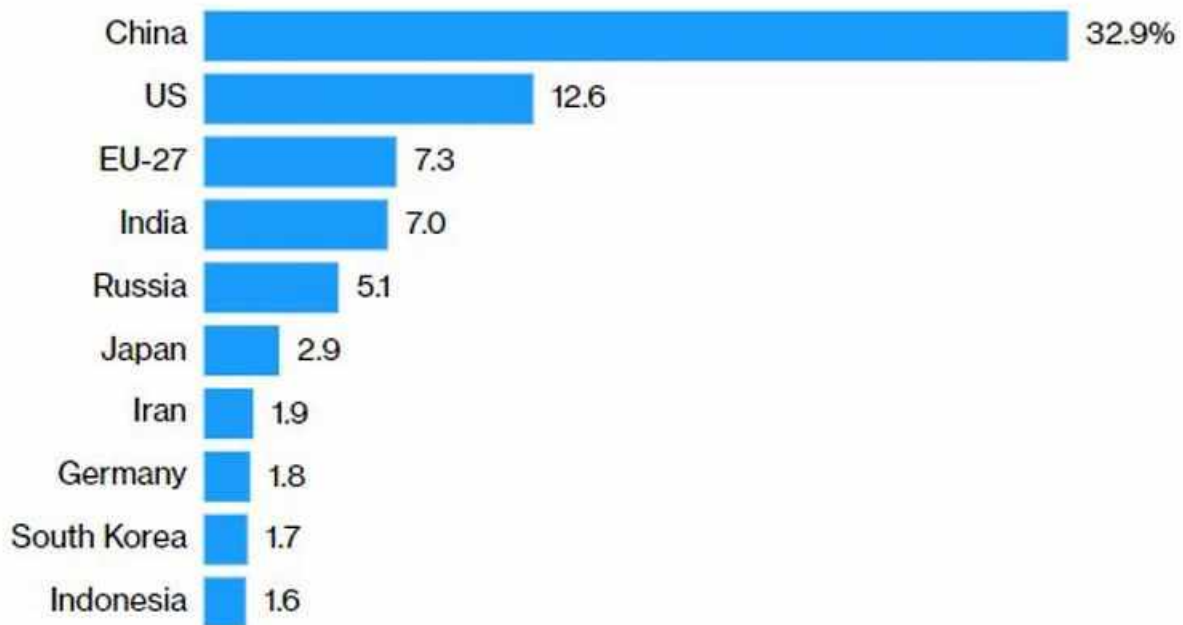
European sanctions are working well, and these efforts may permanently sever ties to Russian natural gas with little impact on their own systems. The Russian natural gas industry is facing an unprecedented fall from grace, but not all industries have been impacted equally... Oil is a different story.

## It Ain't Easy Being Green

True - Bad news for the "climate activists" blocking roads in Berlin and Frankfurt. Even if we deindustrialized Germany back to Middle Ages it wouldn't change anything for global warming.

### The World's Top 10 Biggest Polluters

China accounted for about a third of global CO2 emissions in 2021



Irony abounds - (Kansas) EV Battery Factory Will Require So Much Energy It Needs A Coal Plant To Power It

Irony abounds -



Indonesia burned 60% more coal in 2022 than in 2021 (1216 TWh compared to 763 TWh).

This one-year increase almost corresponds to the entire coal consumption of Germany in 2020 !

One of the reasons is the high demand of Nickel: “Indonesia is the world’s largest producer of nickel, a key element in the lithium-ion batteries used in EVs and renewable energy storage.”

And Nickel is energy-intensive.

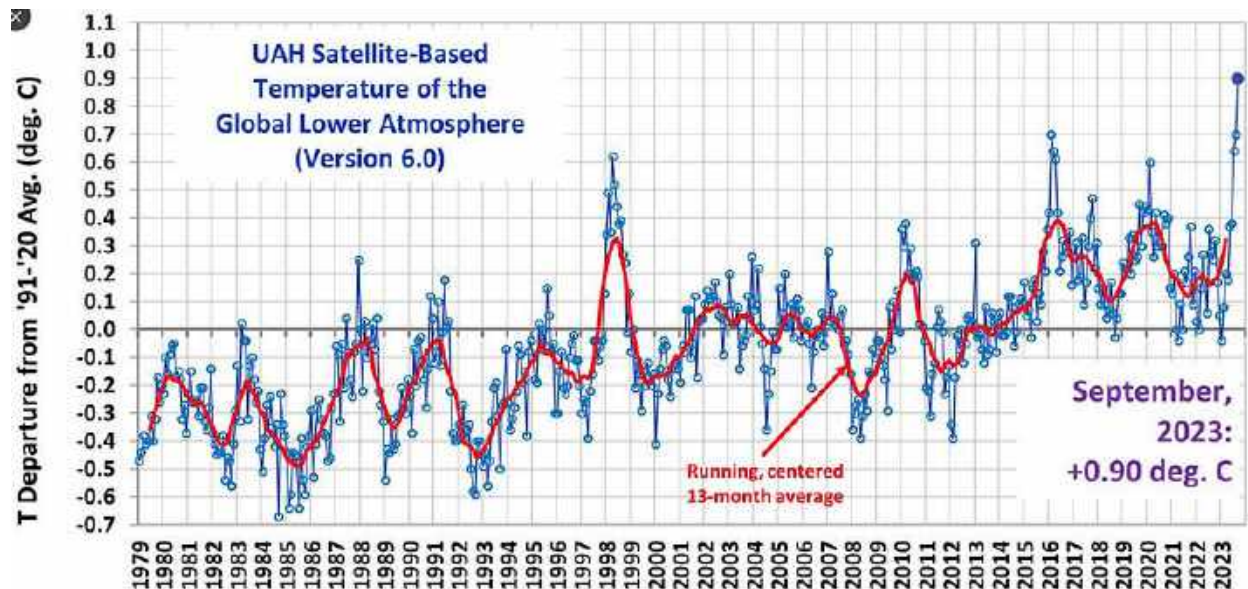
Pope Francis has said the rich world must make profound changes to tackle the climate crisis, while defending climate protesters and urging governments to make the forthcoming Cop28 climate summit a turning point.

He called for “a decisive acceleration of energy transition” from fossil fuels to renewables, but cautioned against relying on new technology such as carbon capture and storage, which he said was “like pushing a snowball up a hill”.

Without decisive action, the world would face “the point of no return”, he said. “Our responses have not been adequate, while the world in which we live is collapsing and may be nearing the breaking point.”

## FORD SAYS ELECTRIC F-150 LIGHTNING SALES FELL 45.8% IN 3Q SALES

It was a hell of a summer, including for those of us living in Austin. It broke many, but not all, records for heat around here. The graph, below, puts into context just how warm it was - everywhere.



What is the best way to think of this?

Well, there is no good news.

Anomalies happen.

There is an El Nino.

Generalizing the graph:

There was a relatively cool spell that was about 0.3 degrees Centigrade below the 1991-2020 average that lasted from the beginning of the graph, until ...

the El Nino spike in the late 1990s,

which seemed to kick off an increase to the average on the graph until

around 2015, when temperatures increased to around 0.25 degrees Centigrade above the average

And then, the recent spike. “September was, in my professional opinion as a climate scientist, absolutely gobsmackingly bananas.”— Zeke Hausfather

As context, this is an incredibly short timeframe for a climate graph. Decades are the minimum unit of time and centuries work even better. Using years is the equivalent of

going outside to measure the temperature every hour. We humans tend to be very short-sighted.

As context, the top of the spike corresponds to the dreaded-but-mostly-arbitrary 1.5 degree increase in temperatures since pre-industrial times.

As I have noted previously, we are toward the end of an ice age cycle and temperatures should be increasing, humans or no humans.

It could take a decade to understand what is going on, however, this is a signal, it does exist, it is real, it is disturbing.

It is going the wrong way.

## Miscellany

The *Bee*, again



**The Babylon Bee** ✓ @TheBabylonBee · 23h



Rep. Bowman Pulls Fire Alarm Again While Trying To Flush Urinal [buff.ly/46sFRlo](https://buff.ly/46sFRlo)

