

Thoughts on Coming Apart and the  
Coming Great Reset



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

Kit Webster

**January 13, 2023**

## **Not With A Bang, But A Whimper**

**The current environment reminds us a bit of January 2008: Everyone knew things were deteriorating rapidly, everyone was generally negative, but virtually no one was nearly negative enough. Unless and until the Fed resumes USD liquidity injections via QE or its equivalent, investors may be negative, but they likely are not nearly negative enough. - Luke Gromen**

**More than any other time in history, mankind faces a crossroads. One path leads to despair and utter hopelessness. The other, to total extinction. Let us pray we have the wisdom to choose correctly. - Woody Allen**

# Markets

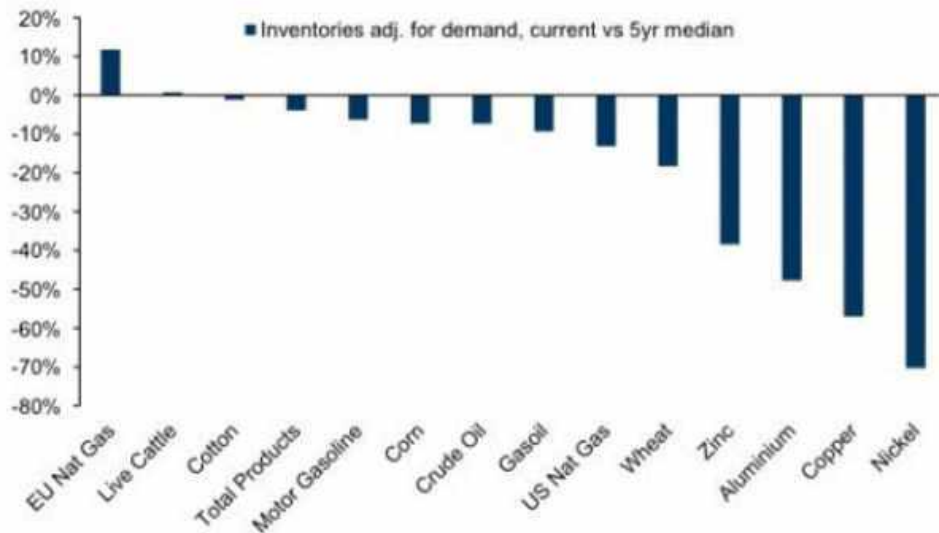
(Graphs updated)

Things are starting to get interesting. We have been discussing a possible top in the dollar, and therefore bottom in gold and silver. Now, there might be a bottom in bitcoin.

Although I still prefer that the dollar has another run up left in it, and bitcoin has a new low, nothing is confirmed and anything is possible.

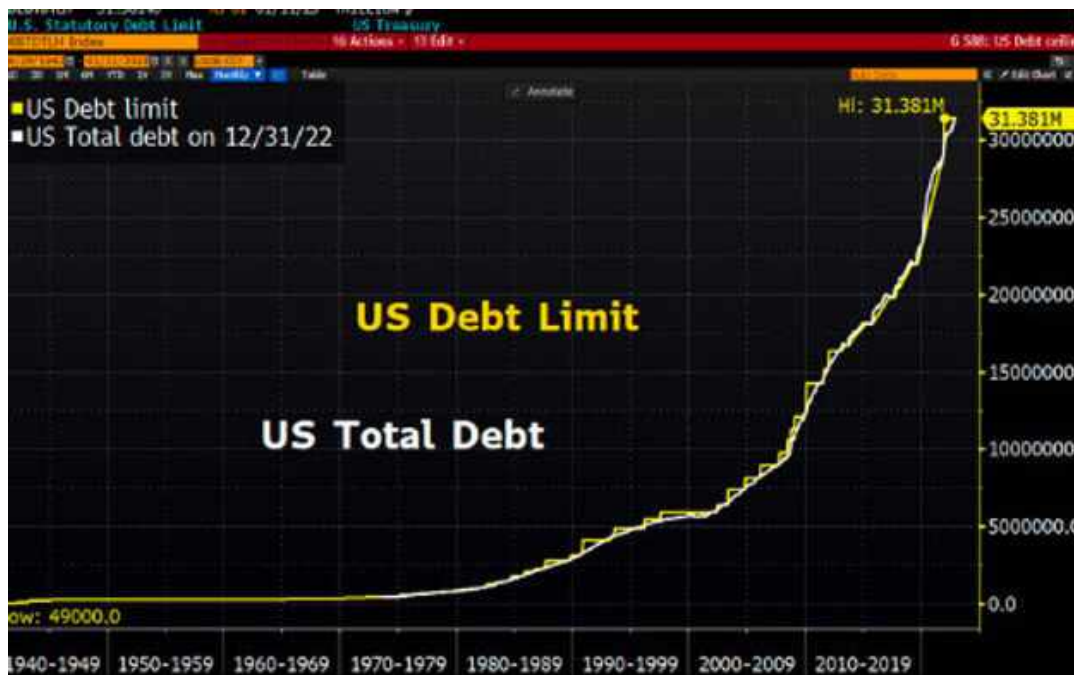
# Perilous

**Exhibit 12: Inventories in almost all markets are significantly below the 5-year median and at risk of depletion**



Source: Bloomberg, USDA, EIA, Wind, Goldman Sachs Global Investment Research

## Here Comes The Debt Limit - And The Republicans Are Out For Blood



Personally, I don't see the problem.

### Edging Toward Recession

Recently, I argued that the coming recession probably could not occur because EVERYONE is expecting it. Well, here are the kinds of thoughts that would put a recession back in the frame. From *Barron's*:

Take heart from JPMorgan Chase CEO Jamie Dimon. He clarified Tuesday that maybe he shouldn't have said last year that an "economic hurricane" is coming. There are clouds for sure, but he didn't mean to predict widespread collapse. His bank is still hiring. A morning briefing on what you need to know in the day ahead, including exclusive commentary from *Barron's* and MarketWatch writers. Nobel Prize-winning economist Paul Krugman said maybe his worries about the outlook were overblown as well. A soft landing is more likely than it seemed just a few months ago, he wrote in his New York Times column Tuesday.

**Outside the U.S., things don't seem as bad as they could have been. China's reopening after three years of strict Covid-19 lockdowns will be bumpy, but most experts see it as a net positive for the world's second-biggest economy. In Europe, gas supplies are holding up largely due to a milder winter and consumers have yet to buckle under the weight of oppressive energy bills. Economists at Goldman Sachs no longer predict the euro area will fall into recession this year and now suggest output in the region will rise in the first quarter.**

## **Please Listen to Peter Zeihan on China**

[Here](#)

## **Grinding Down - Quality Of Life (Necessarily) Deteriorates (may be a new continuing feature - see commentary at bottom of page)**

**Saxo Bank market strategist Charu Chanana stated in Saxo's end of the year predictions that Sweden or Denmark "may decide to heavily tax meat from 2025 and could ban all domestically produced live animal-sourced meat entirely by 2030." Charu added: "I wouldn't be surprised to see schools in Denmark and Sweden banning meat altogether. It's definitely going that way."**

**The next trend - replacing natural gas heaters with heat pumps. Attacks on natural gas stoves. (EVERYBODY JUMPED on this one, making cases pro and con. In the end, the federal government stated it was considering no such thing. But this clip is not about the federal government - and the federal government actually just backed away when it saw it had a losing hand.)**

 **Bloomberg**  @business · 6h

**NEW: Governor Kathy Hochul is proposing to make New York the first US state to ban natural gas heating and appliances in new buildings** [trib.al/6RXe4Dc](https://trib.al/6RXe4Dc)

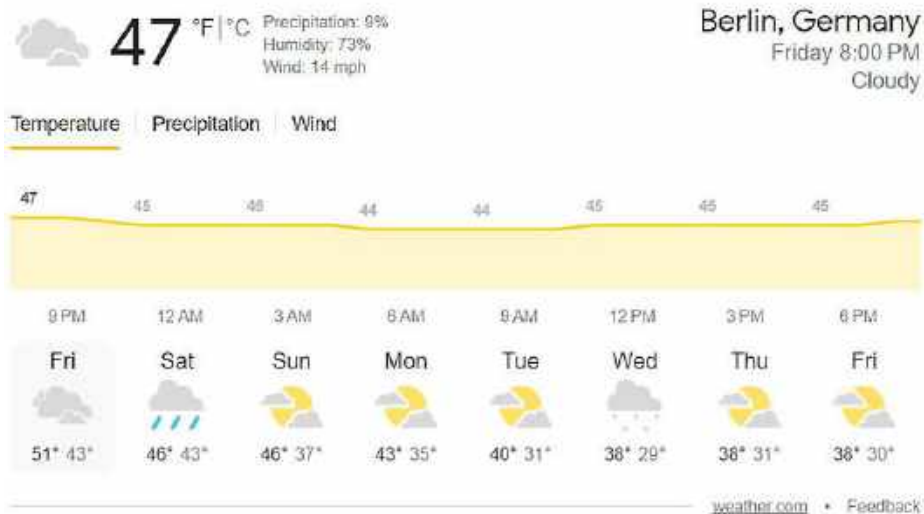
**Future food shortages could be alleviated by encouraging the culinary use of edible insects, researchers argue in a new paper.**

**Threats to food security from climate change and extreme weather can't be met with expanded traditional livestock production, two researchers wrote in a Science "Perspectives" piece on Thursday.**

**Insects can produce animal protein and other nutrients necessary to humans far faster and on less land than traditional agriculture, wrote co-authors Arup Kumar Hazarika and Unmilan Kalita, of India's Cotton University and Barnagar College.**

## **War, Energy and Food**

**Russia has ramped up oil production from the Sakhalin-1 project and expects the field to soon pump at the full level of 220,000 barrels per day (bpd) after the project's previous operator, U.S. supermajor ExxonMobil, quit Russian operations**



## **Tidbits**

**I'm shocked ... shocked that there is gambling going on in this establishment**



**Greg Price** ✓ @greg\_price11 · 21h



Here is an email from White House Digital Director @RFlaherty46 telling Facebook to censor @TuckerCarlson and @TomiLahren.

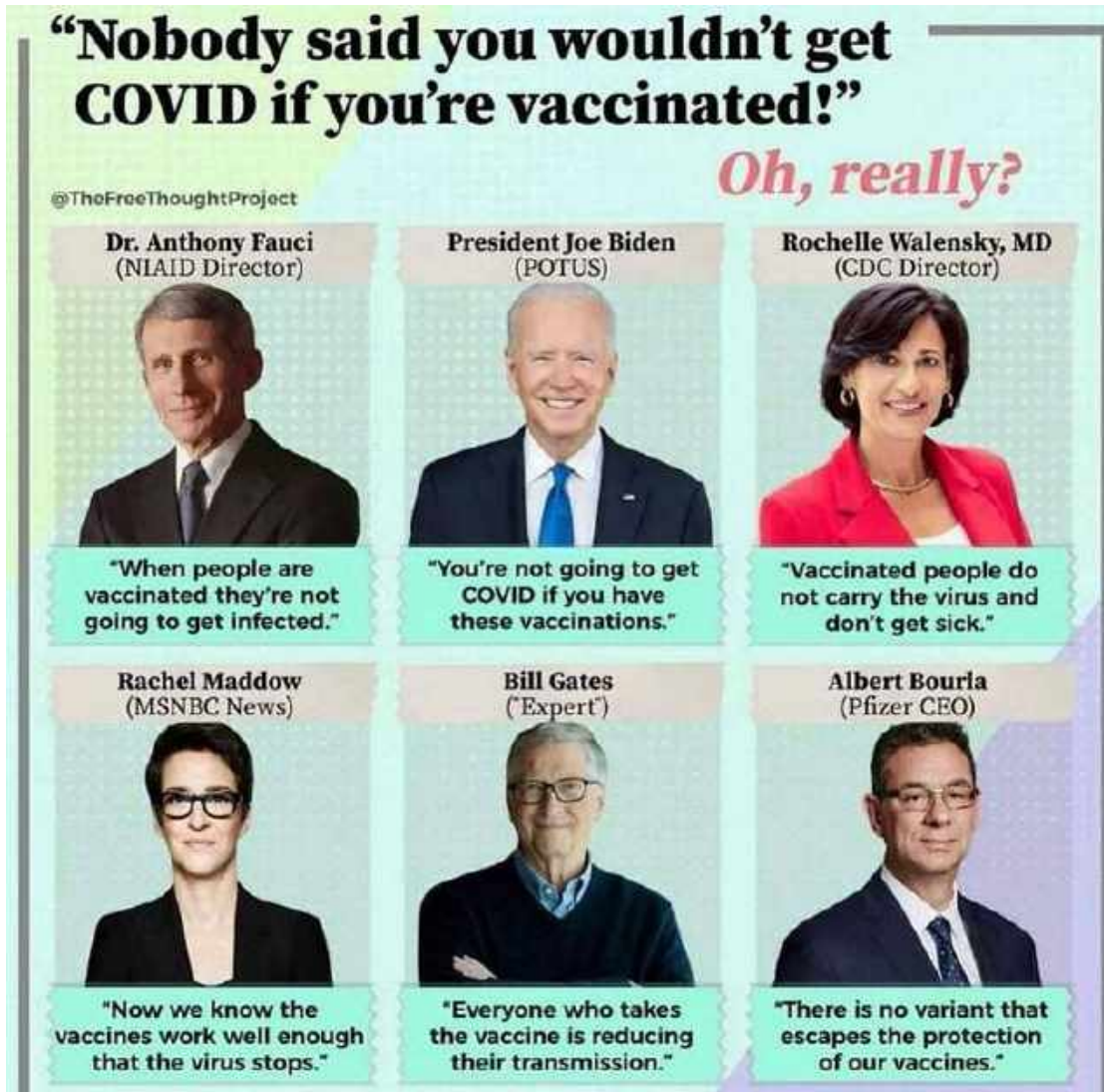
They respond “running this down now.”

This is completely insane and a total violation of the first amendment.





Why I am both a cynic and a skeptic in one graphic (but not an anti-vaxer)



### Perspective

The weekly Covid report in Australia! 1,770 hospitalized: No unvaxed. But 810 with 4 or more doses. 140 in ICU: No unvaxed. 58 with 4 or more doses. 95 deaths: 53 with 4 or more doses.

My view was that this was much ado about not much. I am including it here just to put a bow on it and to reemphasize that if something smells like propaganda, it probably is. From the *Washington Post*



Siri - show me the graphic definition of irony



(and they found a second location - you can't make this stuff up. Then, it actually gets interesting - CNN: "The discovery occurred in November, days before the midterm elections, but Biden's team kept the matter under wraps and didn't publicly acknowledge anything until it came out in the press." I initially thought this would just be another round of stupid politics, but it might actually have legs. Special counsel appointed.)

Hungary addresses falling birthrates by exempting moms under 30 from income tax for life

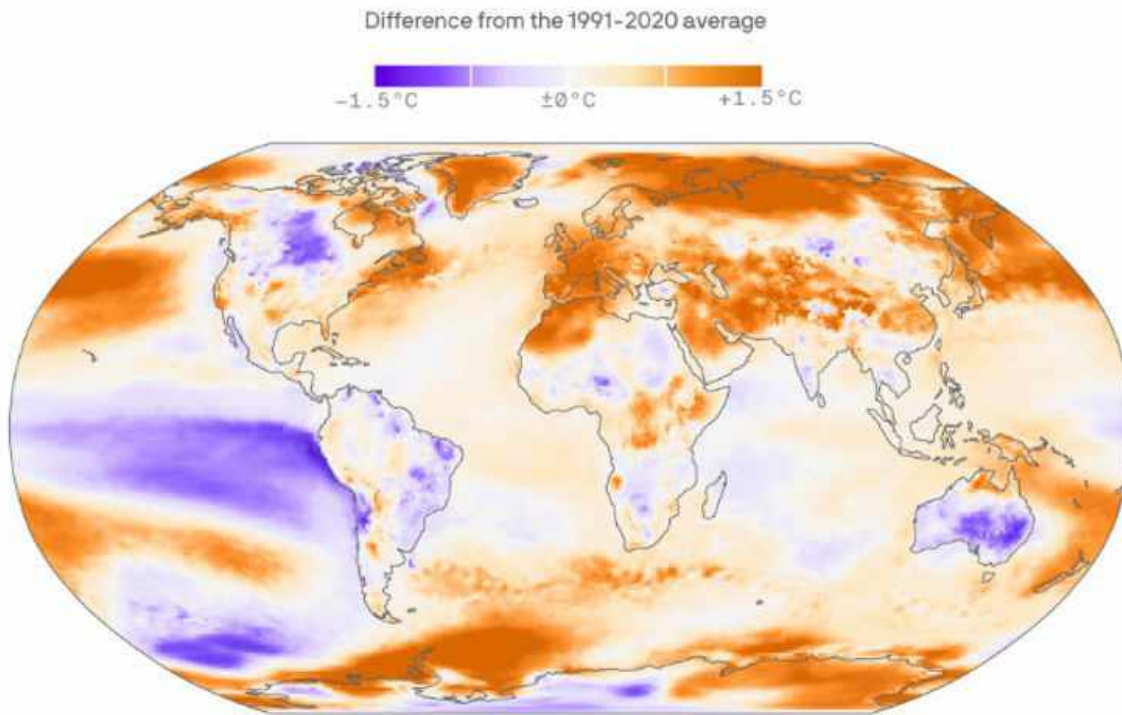
M&Ms is releasing an all-female candy packages that will only contain the brown, green, and purple M&Ms because the animated M&Ms of those colors are feminine

It looks like we have hit an inflection point - Microsoft's new AI can simulate voices from just three seconds of audio. Spookily, VALL-E is reportedly adept at preserving the speaker's tone.



**Global warming has not (yet) significantly affected the US**

## 2022 global temperature anomalies



Data: Copernicus Climate Change Service; Map: Erin Davis/Axios Visuals

**Another word bites the dust - add this one to your list**



**PRACTICUM EDUCATION**

**DATE:** January 9, 2023

**TO:** USC Suzanne Dworak-Peck Practicum Education Community, Faculty, Staff, and Students

**FROM:** Practicum Education Department

**RE:** Department Name Change

As we enter 2023, we would like to share a change we are making at the Suzanne-Dworak-Peck School of Social Work to ensure our use of inclusive language and practice. Specifically, we have decided to remove the term "field" from our curriculum and practice and replace it with "practicum." This change supports anti-racist social work practice by replacing language that could be considered anti-Black or anti-immigrant in favor of inclusive language. Language can be powerful, and phrases such as "going into the field" or "field work" may have connotations for descendants of slavery and immigrant workers that are not benign.

**So, Practicum of Dreams, Practicum trips and Sally Practicum it is.**

**I'm shocked - recent analyses indicate that the US is not going to reach its carbon dioxide emission goals for either 2025 or 2030.**

**Most lingering health issues after mild Covid are resolved within a year, according to a study of Israeli data in the British Medical Journal. The ONS said that 30% of those with self-reported long Covid reported symptoms for more than two years.**

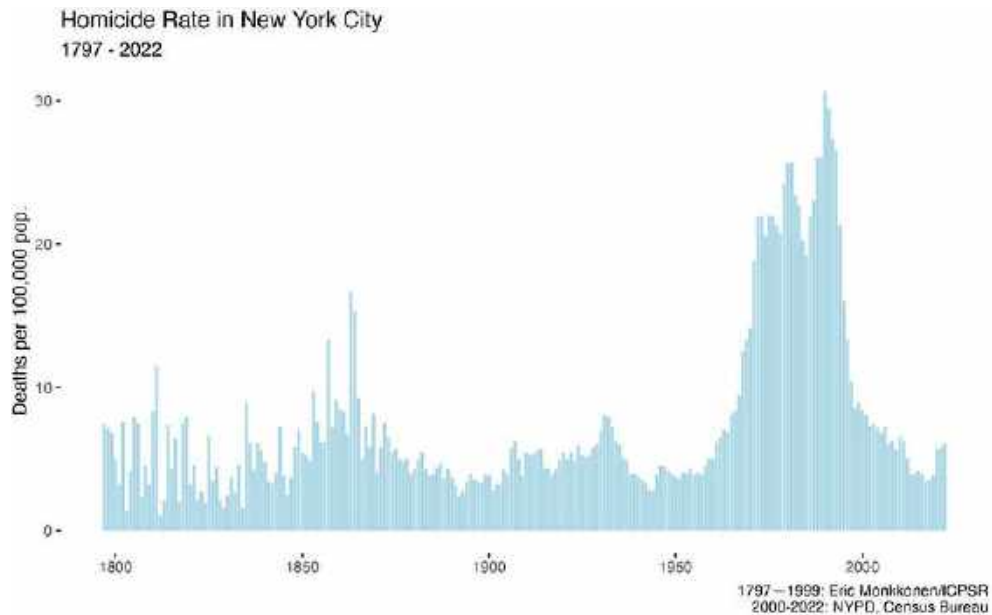
**The BMJ study also found that vaccinated individuals were not more protected against long Covid symptoms (other than breathing difficulty) when compared with non-vaccinated individuals.**

**Gallup - Americans' party preferences were evenly divided in 2022, with 45% of U.S. adults identifying as Republican or saying they were Republican-leaning independents, and 44% identifying as Democrats or saying they were Democratic-leaning independents. The last time preferences were this closely divided was in 2011, with Democrats holding at least a three-percentage-point advantage in each year of the past decade.**

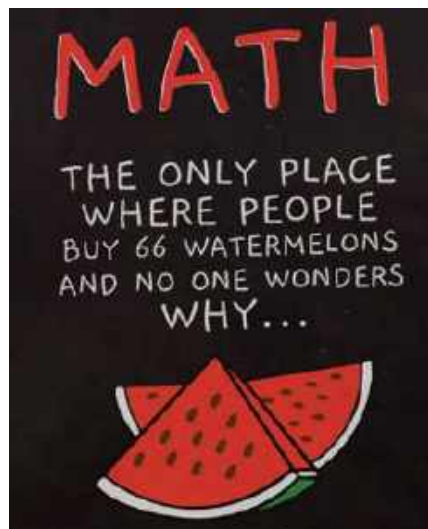
More generally, stretching back to 1991, when Gallup began regularly measuring party identification and leaning, Democrats have held an edge in most years.

After several months of contentious debate and pressure from Muslim residents, Hamtramck City Council voted Tuesday night to allow the religious sacrifice of animals on residential property.

Awkward - candles and incense have ten times the emissions of natural gas stoves.



**I Actually Never Thought Of It That Way**



**Really?**



**United Nations**

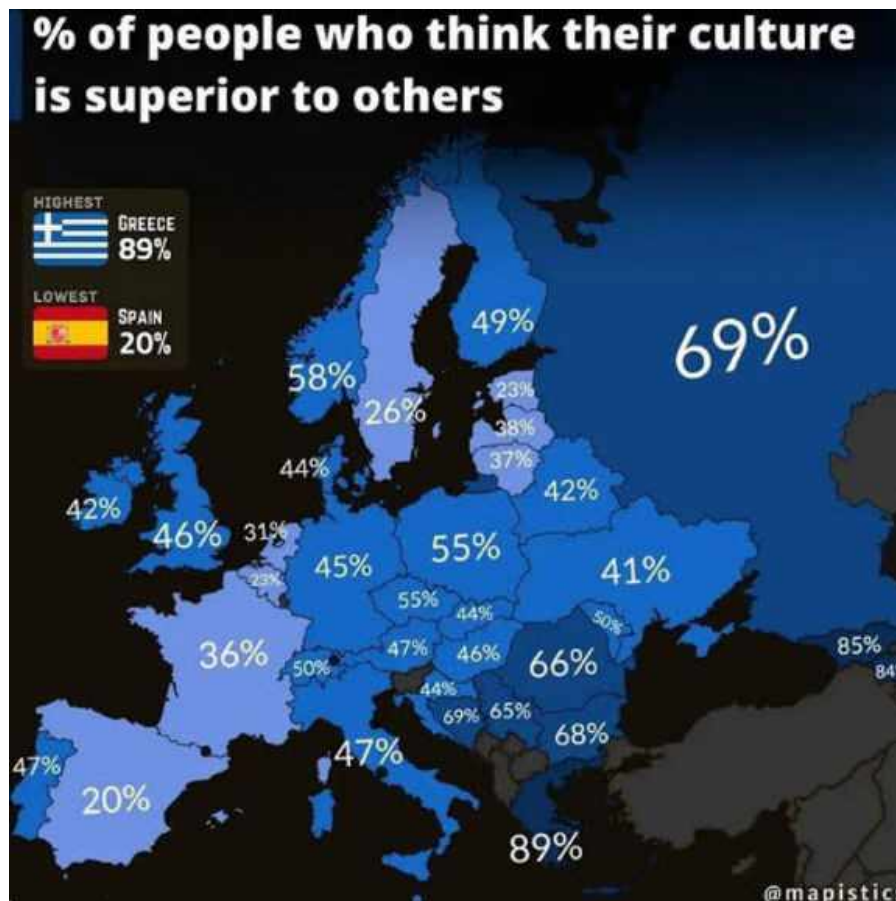
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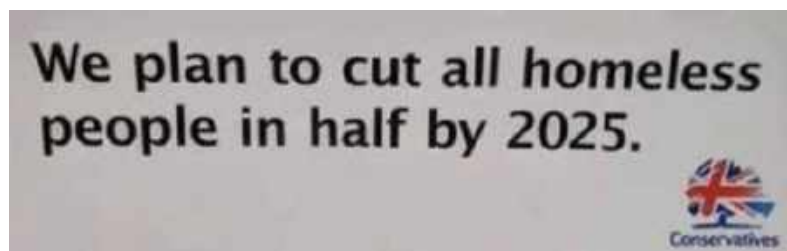


## **The Benefits of World Hunger**

## Greece? Well, Maybe 2,500 Years Ago - Great Islands, Though



## I Wonder How It's Going



## This is the Way the World Ends: Not With a Bang but a Whimper – TS Eliot

(Trigger warning – this essay is a downer without much uplifting balance. It is an attempt to summarize the longer-term trends we are facing. It will not be pretty.)

**This is a copy of my essay that was first published in my newsletter, *Green Growth is an Oxymoron*. This essay does not incorporate one other major thread of disruption, which will be the collapse of the dollar - a topic for another time, but a significant contributor to your future discomfort.)**

**The good news is that we are at the top of human, material existence.**

**The bad news is that when you are on the top, there is nowhere to go but down.**

**A slow, never-ending, grinding process. That's where we are and where we are heading.**

**There may be a nuclear war, but the way to bet is just continued, increasing discomfort and loss of quality of life.**

**For a while, we might not even notice. The old, boiling frogs, thing. You know - you throw a frog into boiling water and he will jump out. You put him in tepid water and slowly turn up the heat and the frog happily boils.**

**And, with wealth, you can insulate yourself from a lot of reality for some period of time.**

**Education, healthcare, crime, homelessness, feces on the sidewalk. No matter what your age, think back 20 years and compare society then and now. And that is before we get into our culture of perpetual outrage and anger and loathing of our neighbors. Before we think about a debt-to-GDP of more than 100% and trillion-dollar deficits that have mortgaged our future. Before we think about the government's energy policy that will undermine essentially everything. Before we think about central bank digital currencies that will be the ultimate tool for authoritarianism and social control. Before we think about the rise of AI and the rise of the robots.**

**Whether we are talking global warming or sustainability, your life will consist of a never-ending series of laws, peer pressures and lack of availability of resources that will make your life increasingly uncomfortable, inconvenient and expensive. Arguably, your convenient, prosperous life, on average, peaked just before the Great Financial Crisis - when you could find things on grocery shelves, get good service at a restaurant, were not threatened by lack of water or brownouts, did not have human feces in the street, were able to go downtown without being accosted, could get police to respond quickly, and if you were a business owner, not be subject to wholesale, punishment-less theft.**



**Or be canceled for misgendering somebody.**

**Of course, a significant amount of this good life was a result of spending too much money – essentially borrowing it from the future. A great deal of our privileged behavior comes from being spoiled.**

**But it was a hell of a ride.**

**However, as I described in my book, things have, on net, been going downhill for decades.**

**Some researchers have tried to quantify quality of life. They came up with the Genuine Progress Indicator, which measures the good things (eg, wealth) and the bad things (eg, pollution, crime) and nets them out to see how quality of life is doing. The result was that quality of life in the US peaked in 1977.**

**Researchers also attempt to measure happiness. By one indicator, happiness in the US peaked in the late 1950s.**

**Trust in government peaked in the middle 60s and is now some 20% of its peak.**

**In my book, I placed the peaking of capitalism as a process that began with LBJ's guns and butter, was confirmed by Nixon's taking the US off the gold standard, and sealed into place by the orgy of debt and deficits over the past few decades.**

**And we are just at the beginning of our descent to sustainability from an unnatural peak of irresponsible consumption.**

**As an increasing number of people have to sacrifice in an increasing number of dimensions, they will become surly. Arguments over pronouns will morph into arguments about safety and sanitation. People will look for solutions wherever they can find them.**

**Alas, although there are many incompetent political clowns in the mix, the underlying problems are real.**

**Global warming is real.**

**Unsustainability is real.**

**Your life necessarily has to become more difficult, less prosperous and more expensive.**

**And, we will inevitably make things more difficult than they have to be.**

**Let's back up and gain some perspective by looking at the big picture.**

**Whether you are talking about the Paris Accords for global warming or my book's discussion on sustainability, the cure is to reduce either greenhouse gasses in the first case or consumption x population in the second case by some 70-90% in the US. Since I assert that global warming is a symptom of unsustainability, we are ultimately talking about the same thing. However, given that there is a mass movement devoted to stopping global warming and only a few discussing sustainability, I will continue to talk about the two as if they are separate, when, in fact, they are joined at the hip.**

**Don't just read past that statement. Stop and think about it. 70-90%! I once estimated that this was the equivalent of the carbon dioxide emissions / standard of living in the 1890s. You would use your entire annual allotment of greenhouse gas consumption by taking one of today's flights cross country. Just one flight. If we don't take action, the Earth's atmosphere will continue to warm (global warming) or nature will be unable to supply the resources we need, slowly taking away the energy and material bases for our quality of life (sustainability).**

**President Biden, by shutting down fossil fuels before replacing them with green energy (which can't be done, unless you include nuclear fission in the mix, and even then, it will be difficult) is creating significant inconvenience and expense through a coming, (at least) decade-long energy crisis.**

**However, everyone is getting in on the act, wanting to address global warming. Several examples of what will be an intensifying trend:**

- The Oxfordshire (England) County Council approved plans to lock residents into one of six zones to 'save the planet' from global warming. The latest stage in the '15 minute city' agenda is to place electronic gates on key roads in and out of the city, confining residents to their own neighbourhoods. Under the new scheme if residents want to leave their zone they will need permission from the Council who gets to decide who is worthy of freedom and who isn't. Under the new scheme residents will be allowed to leave their zone a maximum of 100 days per year, but in order to even gain this every resident will have to register their car details with the council who will then track their movements via smart cameras round the city.**

- **The European Commission (EC) has given French officials the green light to ban select domestic flights if the route in question can be completed via train in under two and a half hours. The plan was first proposed in 2021 as a means to reduce carbon emissions. It originally called for a ban on eight short-haul flights, but the EC has only agreed to nix three that have quick, easy rail alternatives with several direct connections each way every day.**
- **Dutch farmers protesting for months over the government's radical 'green' plan to slash nitrogen emissions by 50% - 95% could soon face forced buyouts of their land. The Dutch government plans to purchase 3,000 "peak polluter" farms via a €24.3 billion (\$25.6 billion) fund. Van der Wal said farmers would be offered 100% value for their land, but if voluntary efforts fail, farmers will face forced buyouts.**
- **California regulators voted unanimously last week to develop new rules that would effectively ban the sale of natural gas-powered heating and hot water systems, a first-in-the-nation commitment. The California Air Resources Board, or CARB, an agency that oversees the state's climate targets and regulates pollution, passed the measure on Thursday as part of a larger plan to cut greenhouse gas emissions and comply with federal air quality targets. There are about a hundred and forty million homes in the United States. Two-thirds, or about eighty-five million, of them are detached single-family houses; the rest are apartment units or trailer homes. That's what American prosperity looks like: since the end of the Second World War, our extraordinary wealth has been devoted, above all, to the project of building bigger houses farther apart from one another. The great majority of them are heated with natural gas or oil, and parked in their garages and driveways or on nearby streets are some two hundred and ninety million vehicles, an estimated ninety-nine per cent of which, as of August, run on gasoline. It took centuries to build all those homes from wood and brick and steel and concrete, but, if we're to seriously address the climate crisis, we have only a few years to remake them."**
- **The final rule in a set of regulations adopted 15 years ago takes effect this week, banning some 70,000 big rigs from California roads. A set of clean air regulations implemented by the California Air Resources Board (CARB) in 2008, and later signed into law as Senate Bill 1, states that any diesel vehicles weighing over 14,000 pounds and built before 2010 are banned from operating on California roads as of Jan. 1, 2023. The agency estimates that around 200,000 vehicles, including 70,000 big rig trucks, do not comply with the rule and will be prohibited from operating in the state, according to KCRA. Exceptions to the rule will be made for vehicles that have replaced their engine with one manufactured after 2010, and vehicles that travel less than 1,000 miles a year. The law will be enforced by DMV denying**

**registrations to non-compliant trucks and buses, and CARB's enforcement unit will conduct audits of commercial fleets that may result in citations.**

**These laws are not necessarily wrong or stupid, but are only the beginning of a tidal wave of laws and regulations that will increasingly restrict the way you, or the businesses that serve you, can do things and get things done.**

**Peer pressure will increase.**

**If you thought word usage was a challenge, wait until we have a culture that watches everybody, all the time, for any infraction of consumption and recycling rules.**

**Much more effectively, digital currency will watch everything you do and will be able to judge whether it is within allowed limits – whether those limits concern acceptable behavior, supporting acceptable vendors, consuming an acceptable amount of calories or causing the emission of an acceptable amount of greenhouse gas.**

**Again, although we will do unnecessary things and make things worse, this future is all but inevitable, given global warming and unsustainability. Just like the hangover from a night of bingeing is inevitable. But just because they are the correct things to do or just because they are inevitable, just like the hangover, they will not be fun.**

**It was a great, great ride.**

**We are all frogs, now.**