

Thoughts on Coming Apart and the Coming Great Reset



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

Kit Webster

November 25, 2022

Is there a risk of inflation? I think there is a small risk and I think that it is manageable. - Janet Yellen, March 2021

Beware those in whom the will to punish is strong. – Nietzsche

A Fair Amount Of Homework For You

Markets

At the risk of being repetitious, my outlook on the markets has not changed for quite a while.

I do want to draw attention to the US dollar.

I think it has (at least) one more high left in it. If that becomes THE high, then that will be the point at which the world changes into a new financial regime.



Here's the deal. We have made the "November" high and are making the "December" low. The next high does not occur until July, more or less. That's a long time for a strong dollar to wreak havoc on the global economy.

Oops



Worth Reading / Watching

Nuclear missiles, SBF and missiles landing in Poland looked at from a different perspective by Pippa Malmgren [here](#).

FTX and SBF by Ben Hunt [here](#).

RealVision interview with the great Juliette Declerq [here](#). She is in the deflation camp and thinks the US will have a soft landing.

Magnificent presentation by Grant Williams that echoes my theses much better than I can [here](#).

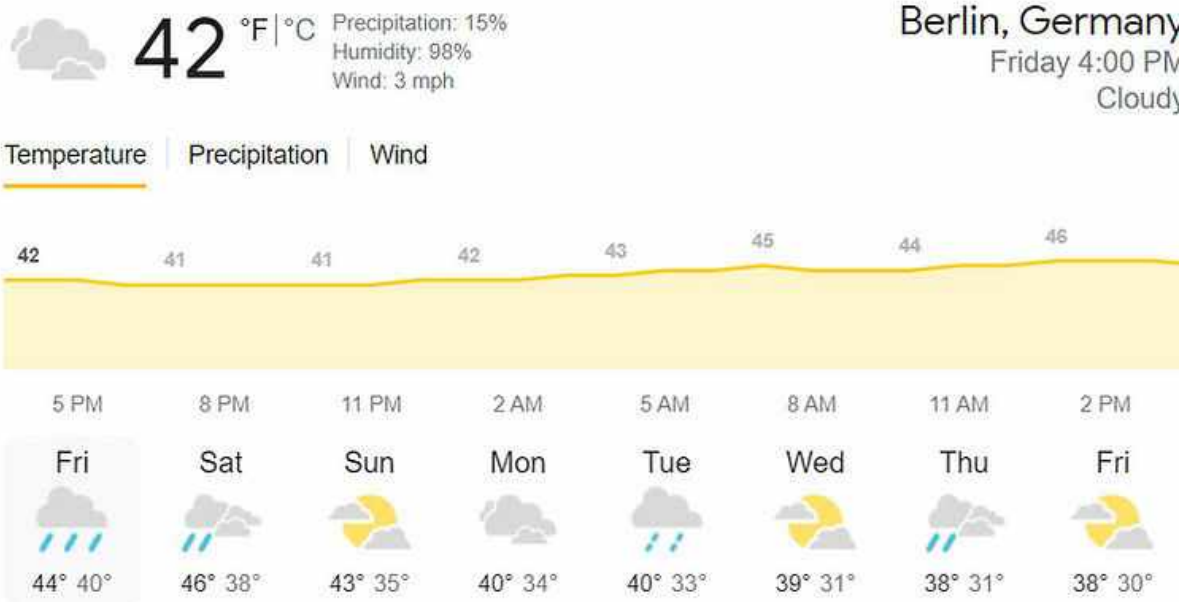
War, Energy and Food

European refiners now seem to have more crude oil than they need - with the early panic about Russia's dwindling oil exports - and the world's subsequent oil shortage - proving to be overblown.

Crude oil traders have pointed to Europe's ability to source crude oil from Latin America, the Middle East, and the United States as the main cause for European refiners breathing a sigh of relief.

The EU unveiled its first-ever cap on natural gas prices to curb rising costs due in part to Russia's war in Ukraine. But it'll only kick in if the benchmark price of

Dutch futures reaches 275 euros (\$282.4) per megawatt-hour for two weeks or is 58 euros higher than the gas market reference for 10 consecutive trading days.



Et tu, *WSJ*?

In my view, Sam Bankman-Fried created the biggest fraud since Bernie Madoff. Untold billions lost in Ponzi schemes and theft.

Our media have become partisan and fast and loose with the truth, but there have been some which have been less bad than the others - *The Wall Street Journal*, for example. I subscribe to the *WSJ*, along with the *New York Times* and a couple of British newspapers - *The Guardian* and *The Telegraph*. The editorial page of the *WSJ* is particularly conservative for this era, but the reporting is generally centrist-to-slightly liberal.

Friday, on the front page, was a real head-scratcher: "FTX's Collapse Wiped Out Founder's Philanthropic Aims."

SBF got away with billions. No telling where it all went - we know about Bahamian real estate, including a multimillion dollar house for his parents (charity begins at home, you know) - but one of his persona was as an ethical investor - running around giving money to good causes, including being the second biggest donor to Democrats after Soros.

If you are cynical, as I have been known to be, that can be viewed as buying protection.

This reminds me of Tammany Hall or mafia godfathers who took care of their people.

So, it is a pity that billions in stolen money will not be available for good deeds.

The really fascinating thing is why this spin was taken and given front-page exposure. The reporters had to write it that way, but upper management had to have given the green light.

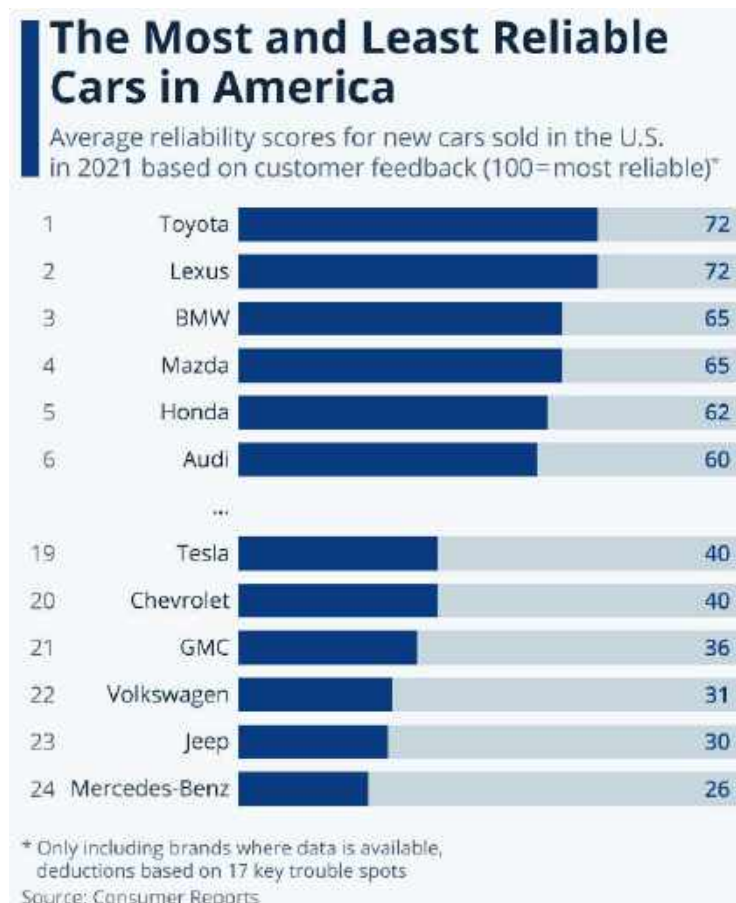
Tidbits

The Massachusetts Health Department secretly installed surveillance software on New Englanders' smart phones without their consent, a lawsuit filed Monday in U.S. District Court of Massachusetts alleges.

The lawsuit alleges that the Commonwealth of Massachusetts worked with Google to develop a contact tracing application for residents' smartphones near the end of the COVID-19 epidemic.

But when few residents voluntarily downloaded the app, Massachusetts' caused the surveillance app to be downloaded on the smart phones of Mass. residents — and even New Hampshire residents who worked in the state — without users permission or knowledge.

Hasn't changed much since the 70s:



Fascinating - in a soap opera, here-we-go-again kind of way (I don't care, actually, but there seems to be an interesting story in here). From ZeroHedge:

The official narrative on the Paul Pelosi attack purported by Democrats and the mainstream media makes zero sense. You don't have to be a "conspiracy theorist" to recognize there were multiple contradictory accounts from the Department of Justice vs. local police and even some reports from journalists.

In fact, NBC suspended one of its own correspondents, Miguel Almaguer, after he reported that on the night of the supposed attack at the Pelosi home in San Francisco that Paul Pelosi actually opened the door when police knocked, seemingly in normal health, and then walked away from the officers to talk to the alleged assailant David Depape, when Depape attacked him. This report led many to suggest that Pelosi and Depape somehow knew each other.

A media firestorm ensued along with denials from the DOJ, which detailed a completely different version of events in which the police officers opened the door themselves and found Pelosi struggling with Depape who had injured him with a hammer. NBC dropped Almaguer after many called his report "bizarre."

As it turns out, Miguel Almaguer was right. NBC now reports that police body cam footage has been made available to some media outlets and the footage clearly shows Paul Pelosi opening the door for police in seemingly perfect health. This contradicts the DOJ report on the attack and suggests a potential cover-up.

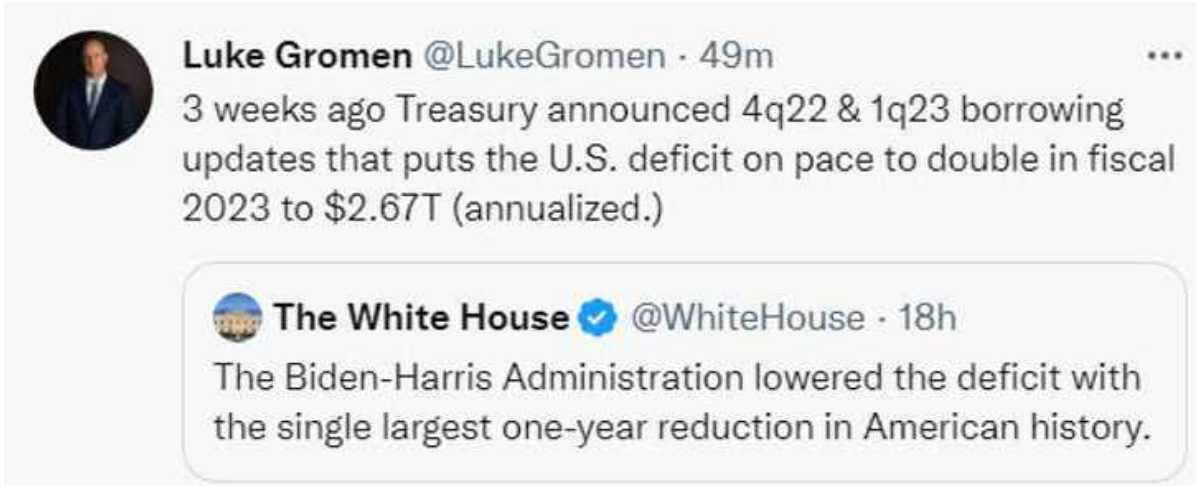
The horrific story of the 25 Los Angeles County Sheriff's Department recruits mowed down by a driver on Wednesday just got worse. After police arrested Nicholas Gutierrez for attempted murder, they let him walk... without bail.

Half of Democratic voters in the latest poll think Biden "should be the nominee and deserves reelection,"

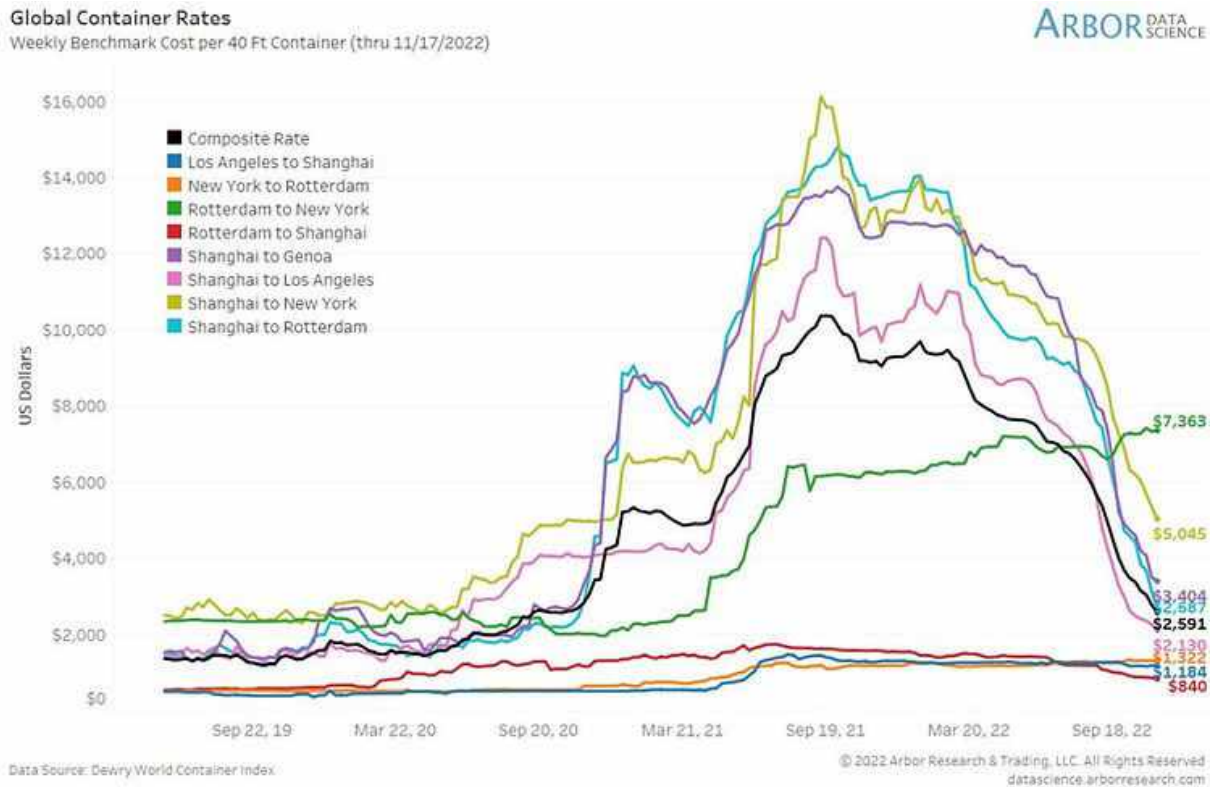
Extreme cold records continue to tumble at the South Pole. Three recent days – November 16th, 17th and 18th – have recorded a daily record, with the 18th plunging to -45.2°C (-49.3 F), compared with -44.7°C on the same day in 1987. The records follow the six-month winter of 2020-21, which was the coldest since records began in 1957.

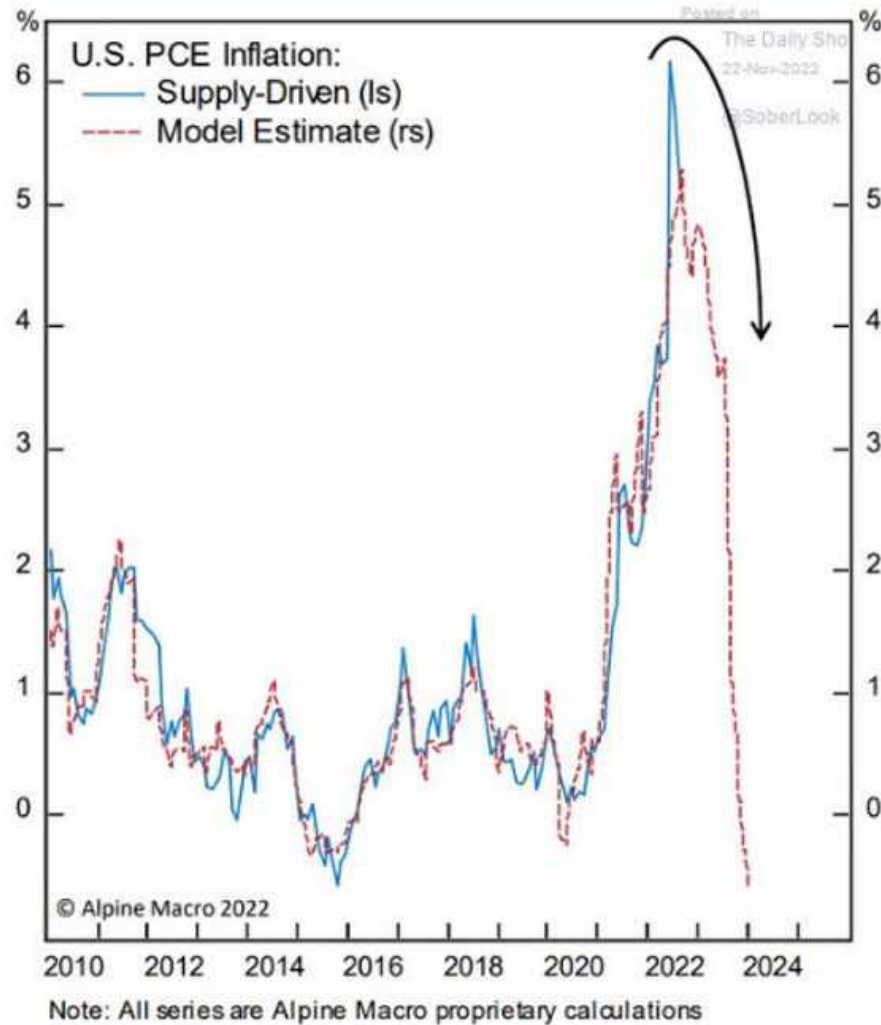
I think the Hunter Biden story could be interesting. Much more interesting have been the efforts to suppress the story in the first place.

CBS 'confirms' Hunter Biden laptop is real 769 days after Post broke story



Canada plans to welcome half a million new legal immigrants annually until 2025 to fill a labor shortage left by retiring Baby Boomers. That's four times as many green cards as its more populous southern neighbor, the United States, issues per year.





(Oh, shit) Google is working on a tool that uses machine learning to train code to write, fix, and update itself.

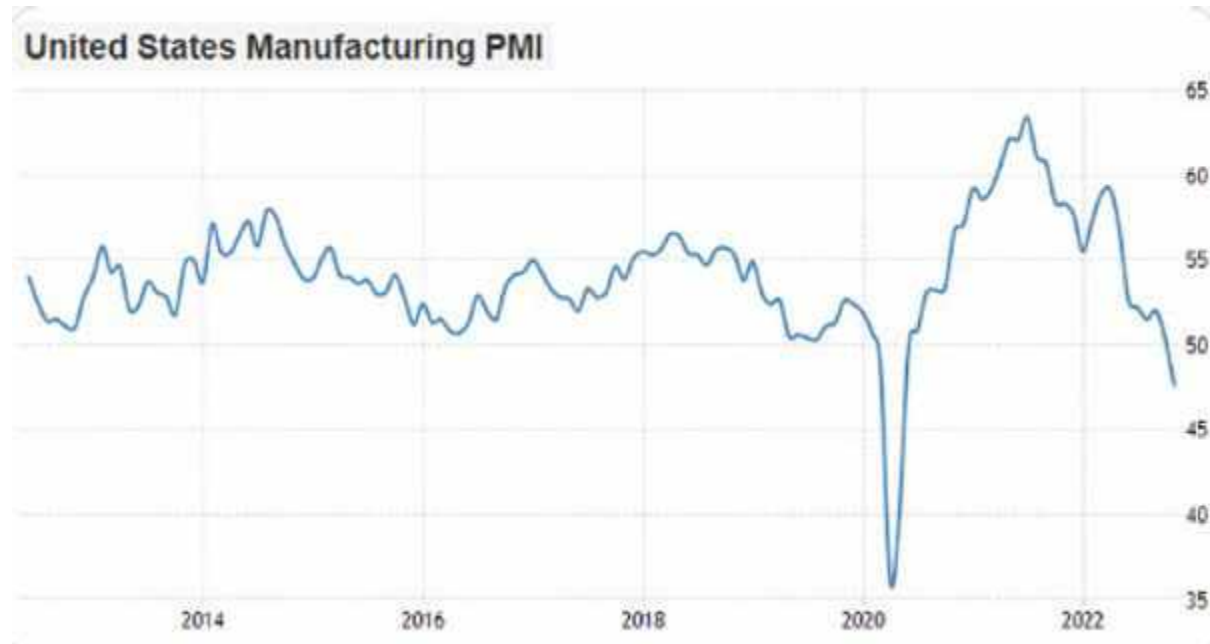
San Francisco Mayor London Breed announced the launch of the Guaranteed Income for Transgender People (GIFT) program on Nov. 16 to provide “economically marginalized transgender people with unrestricted monthly guaranteed income as a way to combat poverty.”

The city and county will provide \$1,200 a month in guaranteed income for 18 months to 55 transgender residents at a cost of about \$1.2 million.

England fans have been banned from dressing as Christian crusaders by Qatari authorities.

California has eliminated jaywalking. Jaywalking laws are "arbitrarily enforced and tickets are disproportionately given to people of color and in low-income communities."

An estimated 6 million American adults carried a loaded handgun with them daily in 2019, double the number who said they carried a gun every day in 2015, according to a new study published in the American Journal of Public Health.



The Triumph Of Reality - Or Not

(Scott Fitzgerald famously wrote: "The test of a first-rate intelligence is the ability to hold two opposing ideas in mind at the same time and still retain the ability to function.")

My quest to understand our future was based almost entirely on desperately trying to grasp human nature.

Capitalism, democracy, war, unions, religion ... are actually not basic things, much like an atom is not a basic thing. Capitalism, etc., are expressions of human nature, just as an atom consists of protons, neutrons and electrons. (Protons are not basic, either, consisting of quarks. Human nature is an expression of nature and nurture, but that will be a topic for discussion for another time.)

Humans are emotional animals having a thin layer of rationality. One can only understand humans by embracing the irrational and the insane - hence the article I wrote last week about Lies We Tell Ourselves. The proverbial man/thing from Mars, looking at humans, would conclude that sex, power and drugs, particularly alcohol, are humans' primary motivators. (He) would look at war, religion, politics, behavior in crowds and love and understand that we are fundamentally unhinged - really unhinged - at our core. Then, he would see science and philosophy and understand that humans live in two universes, simultaneously - the rational bit holding together, sometimes more effectively than others, the very volatile bit.

In my youth, I struggled mightily with two concepts before accepting them: emotions trump rationality; and that's the way it is, has been and always will be. The layer of rationality changes, but the underlying animal does not.

IMO, in order to construct a future, you have to decide what the emotions will do, perhaps an impossible task, and also understand the evolution of the rational structure, which often is influenced by the emotions. Jonathan Haight, a wonderfully perceptive author, described this as a rational man riding and trying to control an emotional elephant. (If you have not done so, run, do not walk, to purchase Haight's *The Righteous Mind*.)

For example, my coming to the conclusion that the world would be coming apart quickly led to the conclusions that the electorate would shift leftward and there would be increased authoritarianism. People want to be protected from chaos, so that desires for freedom and privacy tend to yield to threats to one's well-being. (Much more complicated is understanding cycles and the missile-antimissile dynamics of behavior. The shift left (any trend) will go "too far" and will meet resistance from those both on the right and on the left. Strife occurs both in the shift left and the resistance to that shift.) The greater the threat, the greater the emotional response and the greater the tendency to extremes in behavior.

The really interesting part is that reality has to win. No matter what the emotion, no matter how loud the protest, any movement that is contrary to reality and the laws of nature will lose. In the long run. In the short term, all matter of damage can be done, including extinction of the human species.

Doomberg says it best (referring to our bonkers, reality-defying energy policy), "In the war between platitudes and physics, physics is undefeated."

So, once the emotional trend is identified, you'll have to watch the battle between assertions and reality and see what the state of play is.

Figuring out the trend is difficult enough, but the real trick is contemplating second-order and third-order effects.

And, particularly in a 30-year forecast, which is insane in the first place, you have to keep up with twists and turns you did not anticipate.

I did not anticipate that everyone - Republicans, Democrats, the executive and the Fed - would give up, totally give up, on any fiscal restraints. The problem we faced was lack of fiscal discipline and our response was not to fix it, but to double down, and then double down, again.

The Fed attacking capitalism?

Congress has abdicated its responsibilities?

Trillion-dollar deficits as far as the eye can see?

Conscious destruction of our energy infrastructure?

The woke gaining traction, destroying the foundations of our country?

For some reason, while emphasizing emotionality, I did not think we would be that incredibly stupid. I was simply not cynical enough.

And, even though I contemplated pandemics and wars as possibilities (actually, war as a probability), I did not forecast Covid or Russia's invasion of Ukraine, which is a different kind of war than I anticipated.

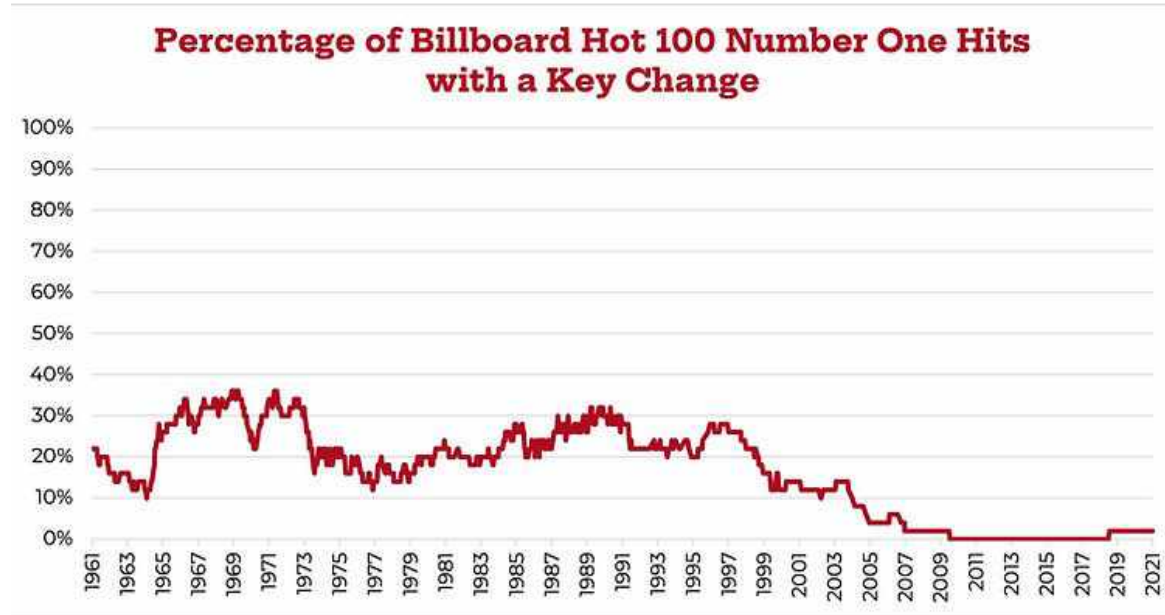
So, I adjust my thoughts as reality intrudes.

I think my primary adjustment, so far, is the one I mentioned above. As cynical as I am, I woefully underestimated our capacity for stupidity and self-destruction.

Start with a firm foundation in history. Look through an emotional lens to find trends. Look for cycles and push-back. Watch for rationality or imposed reality to seep in and ultimately, after a long, ugly, destructive stretch, win.

Wash, rinse, repeat.

Rap / HipHop Has a Key?



Clearly A False, Sexist Smear And Clear Misuse of Gender

From the *Bee*

Study Finds 100% Of Men Would Eat Any Fruit Given To Them By A Naked Woman

THEOLOGY | Mar 7, 2022 | BabyfanBee.com



Incredibly Valuable Road Signs

I am eternally grateful for "Drive Carefully" signs, because I would not remember to do that, otherwise.

However, I have not been able to figure out what purpose "Guard Rail Damage Ahead" does. Is it shaming me for someone else's actions? Is it warning me that hitting this guard rail, just in case I was planning on it, is a bad idea and I should move on to the next one because this one is already damaged? Or maybe if I am going to have an accident, I should do it somewhere else?

The Product Of A Truly Sick Mind



Bee-Level Quality



Rod B 🐝🐣🐤
@barranr



I've been standing here for 30 minutes. Nothing!!

