The Davos Scramble To Replace the Collapsing Institutions of the West

by Dennis Small

Jan. 24—It's hard to find a major national or international institution that isn't already in shambles, or that isn't about to collapse like buildings struck by a Richter 9 major earthquake. Few are willing to admit that fact; fewer still understand its cause. Lyndon LaRouche published a lengthy article on February 25, 1994, "The Science of Physical Economy as the Platonic Epistemological Basis for All Branches of Human Knowledge," in which he addressed the global crisis that he saw coming with scientific foresight:

> The succession of changes in economic policy introduced to the world's economy as a whole about 30 years ago, has set into motion a systemic disorder in the entire world's economy: a spiralling collapse of physical economy, a physical collapse caused by the insatiable appetites of an already vast, rapidly growing bubble of financial speculation, a systemic collapse-process comparable to a parasitical cancer feeding upon its dying victim.
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> Today, the only important economic policy-question confronting really intelligent thinkers in any other part of the world is: This financial system is doomed; can we put a new, healthy economic system into place in time to prevent the political disintegration of our nations which must tend to occur in the wake of the financial avalanche about to crush the world as a whole?
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> What confronts us thus is not one of your famous boom-bust, cyclical crises in financial markets; this is a systemic crisis, in which case, either the relevant economic policies are destroyed, or the economy is destroyed….
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> Any economic recovery will depend upon the creation and unleashing of large-scale state-credit mechanisms which operate in freedom from an old system which will then exist only in the repose of bankruptcy reorganization….
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> The presently ongoing collapse of the post-Yalta economic order of the Anglo-Saxon alliance has been brought about through a quarter-century of wrongheaded choices of economic policy and science policy generally, wrong policies of virtually every government and other relevant institution of this planet. Bad policy, not nature, is to blame for this. If one jumps from the roof of a two-story building and breaks one's leg, please have the decency not to file a tort claim against the law of gravity; it was the bad policies which have been defended, or tolerated up to this time by most among the putatively educated citizens of the United States and other nations, which are directly the cause for the holocaust of misery consuming this planet today.

EDITORIAL

At Davos [Switzerland, World Economic Forum 2026], the world's liberal establishment met earlier this week to discuss how they could continue to defy the law of gravity. They did this by ignoring the elephant in the room—the $2.4 quadrillion speculative bubble that has blown out the trans-Atlantic financial system. And they anointed Canadian Prime Minister Mark Carney to be their standard-bearer for a reorganization of their system, under the guise of an anti-[U.S. President Donald] Trump alliance of forces, which he called the "middle powers."

Why Carney? Because Carney had been one of the architects of the systemic bail-out operation carried out after the 2008 financial crash, first in his capacity of head of the Bank of Canada, then as governor of the Bank of England, and then for seven years as head of the Financial Stability Board (FSB), which coordinated the activities of the bankrupt Western central banks. It was that policy that allowed the speculative bubble to grow from $1.5 quadrillion in 2007 to $2.4 quadrillion today—a 60% increase—based on endless wars, deadly looting and genocide, and the growing suppression of free speech and the right to dissent.

But can today's $2.4 quadrillion cancerous bubble be bailed out in the same fashion, without unleashing thermonuclear war on the planet?

That seems to be the gamble that the Davos gang is prepared to take.

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