action is the set of relations among physical-economic, monetary, and financial aggregates, measured per-capita and per-square-kilometer of surface area of the process. Pay special attention to the fact, that this triple-curve characteristic is an entropic characteristic. It represents the characteristic feature of a process of entropic degeneration of the U.S. and world economy, since the middle to late 1960s, as opposed to the actually anti-entropic characteristic of the U.S. economy in an earlier time, and as opposed to the ostensibly anti-entropic characteristic of increasing the energy-flux-density of water.

This Triple-Curve Function is the characteristic of the present, and recent movements within the world's economy taken as a whole, the U.S.A. and Europe most notably. This impacts every region of the world, both directly, and through effects radiated from other regions. The specific quality of entropic change which this characteristic imposes upon the structures of every process it impacts, results in a series of phase-changes in those localities. These phase-changes in those localities then interact in turn. Thus, it is the interactions among the phase-changes which become the primary factor of change in relations among regions of the world.

These phase-shifts occur in a manner which resembles the transitions from ice to water, and so on. A constant rate of change will generate a sequence of different physical states. So, there is no statistical projection of the sort used by economists now, which could predict the changes in state generated within this process as a whole. The process is inherently a comprehensible one, but an entirely non-linear one.

So, the era for sane strategists' reliance upon "sand-box" strategic planning has been "suspended for the duration." Lame-brained bunglers such as Gore, Cohen, Shelton, Albright, et al., have no idea what sand-box they might actually be playing in, or no notion of how to calculate what the actual result of their acting out of those childish strategic fantasies might be. Meanwhile, Vice-President Gore has been caught in a financial scandal which has all of the earmarks of what might turn out to have been a classical case for his impeachment. Meanwhile, Gore's Wall Street cronies have turned a four-alarm global financial fire into the preconditions for a global, nucleated financial and economic fire-storm.

Now, in the light of those considerations, look again at the Gore-LTCM tangle, and its relationship to the hyperinflationary lunacies of Chairman Alan Greenspan's Federal Reserve System.

Gore is an inside asset of the British "Windsor" monarchy's BAC establishment—perhaps not exactly "recyclable," but certainly eminently "disposable" by them. He hangs—perhaps by night, perhaps by his feet, on a significantly lower rung of the British Commonwealth-run hierarchy than Canada's Maurice Strong. He is like the bullet coming directly at you; nothing otherwise important about him. Like Prince Charles in that respect, he is not the son for which you might envy his father, but he is there.

In this function as an asset of both Elizabeth "Lady Macbeth" II's British monarchy directly, and also an asset of the Wall Street BAC gang, Gore is lodged in the middle of the Cabal gathered around the LTCM project, the same Cabal whose attitudes toward President Clinton's prospective impeachment are reflected in the ***Wall Street Journal*** and the Murdoch and Hollinger syndicates' British Commonwealth press empires. Barring Elizabeth II herself, there is nothing esoteric in the existence of such clubby connections. It is simply a fancier version of Old Fagin and his boys dipping as they might; it is, so to speak, the way things just happen to be.

Now, it also happens, that in these times, no honest money can be made in Wall Street. Therefore, Wall Street gains its money in any way it can. Don't call Wall Street bankers "pirates;" they carry British "letters of marque." LTCM is a prize case of how that is done. The big swindle on Wall Street, and in kindred precincts around the world, is "financial derivatives." Therefore, bankers and other vultures of the Wall Street mainstream, set up operations, called "hedge funds," as investment syndicates used for raiding and looting some targetted region of the planet. LTCM was one of the big ones. Hedge-fund speculations against Russia's debt were one of the major swindles on which the Wall Street crowd relied. Vice-President Gore was in the middle of that; his role was to receive financial and other forms of backing for his political ambitions from Wall Street, in return for such favors as helping Wall Street to rig the Russian debt-situation to the advantage of the Wall Street gangs involved in LTCM.

So, when reality caught up with the financial derivatives tied to Russia's debt-situation, Al Gore and his Wall Street backers were in deep trouble. A phase-change had occurred in the situation. Wall Street's reaction to that phase-change, was to deploy Gore, to attempt to fix the LTCM situation from the Russia side. That fix blew up. LTCM blew up. President Clinton lost his nerve. Alan Greenspan propelled himself into a hyperinflationary orbit, and a lot of financial things are going to be splattered around the world's landscape during the early weeks and months of 1999.

That, is the type of situation which now urgently demands radically new approaches to U.S. national policy-making. Consider the available leading strategic options.

5.3 The New Bretton Woods option

In the present circumstance, there exists no sane policy for the President of the U.S.A., other than exactly the design for a New Bretton Woods which I have repeatedly set forth during the recent months. This is not merely a better solution than any other proposed; it is the only alternative to Hell on Earth about now. Any contrary approach will ensure the worst financial catastrophe this planet has experienced since the Fourteenth-Century "New Dark Age."

There are, admittedly, other approaches under consideration, but like Wall Street's, they incorporate the same axiomatically fatal features responsible for the bankruptcy of the presently existing global system. Thus, speaking in terms of formal-logical systems, both the present system and the modifications proposed by Britain's Prime Minister Tony Blair and others, are functionally insane. The kernel of the matter is, that Wall Street chooses to remain insane, and thus far, the U.S. government lacks the courage and will to buck what Wall Street views as its own higher authority than the government itself. So, in the contrary actions, such as those of the IMF, proposed thus far, that lemming-like lunacy of Wall Street is imposed on much of the world at large.

The reason that my proposal is the only sane choice of alternative to doom available, is that it is the only proposal which could conceivably lead to an economic recovery under the specific set of circumstances presently existing. That is to say, that the design is shaped not by any whim of my own, but, purely and simply, my acknowledging, as few governments, and, speaking quite literally, no damned economists, have done so far: the nature of the crisis, and the specific kinds of options which a crisis of this type, degree, and immediacy permits.

Match the relevant statistics with the curves on my Triple-Curve diagram. The resulting evidence is elementary and conclusive: the entirety of the world's present financial monetary system is hopelessly bankrupt. The present system is as bankrupt as Weimar Germany's Reichsmark had become by the Autumn of 1923, and for analogous causes. The difference is, there is no longer a mighty U.S. dollar, as for Germany of 1923-1924, to step in with a "Dawes Plan" to rescue the globalized financial system of virtually the entirety of today's world.

The essence of the present, potentially fatal, *political* crisis of the U.S.A. in particular, and the G-7 as a whole, as distinct from the financial crisis itself, is the hysterical delusion of the leading G-7 bankers, and the U.S. government, which blinds them to that elementary, inescapable reality. Once the simple truth of the present situation were accepted by the U.S. government itself, the solution for this crisis is elementary, and obvious: *End "globalization" immediately. Put the entire system into reorganization in bankruptcy, under the supervision of the relevant sovereign governments.*

Any contrary policy has more or less global, and fatal consequences. The authority for what must be done, is the authority derived from the consideration of *force majeure,* that unless this form of emergency action is taken, civilization will cease to exist on most or even all of this planet, that more or less immediately.

The challenge of global bankruptcy reorganization must be addressed on two levels. More narrowly, much of the reorganization must be left to the individual sovereign states. More broadly, by new treaty and related agreements among sovereign states, especially as these pertain to establishing a new, viable monetary order among the treaty-partners, or as other forms of understanding respecting the immediate institution of desperately needed protectionist measures of tariffs and trade. Turn to the simpler issues of national bankruptcy-reorganization first.

By bankruptcy reorganization, one must understand, that no existing financial claims, or so-called "financial assets" are self-evidently sacrosanct merely by virtue of some actually contracted or implied former contractual obligation. We are confronted, both within most of the affected nations, and within the present international financial system taken as a whole, with a hopeless bankruptcy. Not only is the system bankrupt, it is hopelessly bankrupt; worse, any attempt to evade putting the system into bankruptcy reorganization under supervision of the relevant sovereign national states, will lead to an early disintegration of the financial system, and probably the relevant nation-states as well. That defines a "hopeless bankruptcy."

Thus, any effort to match claims with assets, must result in an unavoidable write-off of most of the aggregated claims. To pretend that the aggregated claims, or even a large portion of them, could ever be met, under the terms of the present system, would be an act of fraud. Therefore, for that and related reasons: At the instant a bankruptcy of this severity is acknowledged, every financial claim virtually ceases to exist, and could be revived, in whole or part, solely at the pleasure of the national sovereign state.

The state of affairs so implied demands that I supply here some indication as to how I approach this problem, as either a prospective President, or, in the alternative, someone who may be expected to influence the judgment of a new President. I step to one side at this point, to provide some indications of my thinking on this matter.

Sorting out the paper-work

Some claims will survive the processing of claims more or less intact, others partially, others conditionally; most of the total balance of claims, as measured in U.S. dollar-denominated, or equivalent former—i.e., pre-bankruptcy—valuation, will not survive at all. In other words, to honor some claims, most of the claims must be summarily nullified. Either the balance of all the claims will evaporate like the 1923 Reichsmark, and Confederate dollars, or, in the alternative, state action will ensure that only some of the claims will evaporate so.

It must be kept always clearly in view, that money has no intrinsic value. It is merely a political fiction, a fiction whose existence in modern civilized states, is allowed only by consent of the sovereign nation-state. It is the process of generation of physical wealth which is the location of intrinsic economic value, not the mere possession of objects. The modern state employs the convenient political fiction of money, but it must always act to ensure that the general use of money conforms in effect to the purpose for which the state ought to have issued it. When it is evident that the state must choose between the claims presented on behalf of the political fiction, and the real interests represented by the general welfare, the state must act to annul the excess of money-claims to the purpose of defending the general welfare.

Aspects of these issues were addressed in reports to the U.S. Congress by U.S. Treasury Secretary Alexander Hamilton, under the rubrics of national credit and a national bank. The national government must honor its honorably contracted debt, by some reasonable means available to it. It must do so, not because money has any intrinsic rights, but because the sovereign has the obligation to maintain its own honor, an obligation it incurs not only on its own account, but on the account of its obligation to continue to serve the nation effectively. If claims are presented which have their origin in unlawful or immoral practices, outside of the agreement of the sovereign, such claims have no standing and may be rightly nullified on that account alone.

Some claims must be honored in full, either in the form of immediate payment, or some discountable new asset issued under the sovereign state's trustees in bankruptcy. What will survive, and what will not, will be decided under the magical U.S. constitutional rule of "the general welfare."

The obvious cases for full, and virtually automatic reconstitution of former financial assets, are those claims which pertain to the path of least-effort for ensuring, as much as possible, the self-sufficiency of all ordinary family households and continuity of operation of small and medium-sized essential businesses and professional services. Small personal financial savings, pension rights, health-care rights, and kindred claims, fall into such categories. Mass evictions and other forms of potentially homicidal chaos are simply not to be permitted, wherever rights and interests of family households in their self-sufficient continued functioning, in as customary a manner as possible, are to be considered.

For the latter classes of cases, prompt and clear blanket resolutions are preferable, so that those conducting the bankruptcy reorganization have their hands free to deal with other, more hotly contested, larger-denomination claims presented.

In respect to the contestable larger claims, there are two broadly defined issues which will guide those directing the sovereign authority's reorganization in bankruptcy. These are considerations of a principled nature, which therefore spill over automatically into the domain of revisions to be effected within the domain of international relations.

As in any competent approach to reorganization of a bankrupt institution, two general considerations are primary, and must be referred to once again, each time an audit of the progress of the reorganization is appropriate:

1. The axiomatic error which caused the system to become bankrupt, must be defined, and its continued influence extirpated from the system and eradicated from the environment of the system.

2. Rapid, healthy growth of the economy must be effected, and the national economy subjected to bankruptcy reorganization restored to a self-stable condition of physical-economic profitability as soon as possible.

In the interpretation of those two guiding principles, the constitutional standard of "the general welfare clause" of the U.S. Constitution, as I have defined those implications earlier in this campaign statement, must be enforced in all matters touching the U.S.A. and its relations with other sovereigns.

An informed study of my Triple-Curve Function figure points directly to the outstanding features of the first of these two considerations, and points implicitly toward the required reading of the second.

For that application, my Triple-Curve Function must be regarded as defining a specific pathology, entropic in effect, which is characteristic of the trends toward decay of the U.S. and world economy during the recent thirty-odd years. It thus depicts a perverse kind of pathological characteristic inhering within the policy-shaping and related practices of those governments and highly influential private institutions which have introduced and maintained the behavioral characteristics reflected in that Triple-Curve Function. Those activities which are peculiar to this pathological element in the system, must themselves be uprooted, their claims nullified.

Conversely, that entropic form of Triple-Curve Function implies a contrary, anti-entropic Triple-Curve Function, in which the relations among the physical-economic, monetary, and financial curves are directly opposite to the one depicting the pathological transformation-function. In this, the curve of growth of the per-capita and per-square-kilometer physical-economic aggregate proceeds at the relatively highest rate, with the financial curve always expanding at a lesser rate, and the monetary curve at a still lesser rate. In the honoring of claims, and in the issuance of new credit, and in defining the relative terms of that issued credit, it is the factor of anti-entropy in the organized recovery of the economy which must enjoy preferential treatment.

These two considerations, imply the imposition, under terms of regulation by the sovereign, which have the effect of not only nullifying the kinds of financial and monetary practices associated with the Triple-Curve Function's picture for the recent decades, but of channelling transactions toward producing the contrary effect.

Such are the broad principles of financial reorganization which should guide the sovereign in administering the reorganization in bankruptcy of the national economy as a whole.