

A PROPOSED NYC DECLARATION  
FOR THE TRANSFORMATION OF THE INTERNATIONAL MONETARY SYSTEM\*

By

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*“As to methods there may be a million and then some, but principles are few. The man who grasps principles can successfully select his own methods. The man, who tries methods, ignoring principles, is sure to have trouble.”*

Ralph Waldo Emerson

Having come together in the City whose financial community was a major cause of the present economic recession, both locally and globally

Recognizing that the Left Forum network of committed scholars and activists has a special role to play in searching for and implementing policies that lead to fair, sustainable, and therefore, stable monetary, financial, economic systems

Believing that the present economic and climatological crises are strongly connected and have, strategically and tactically, to be dealt with simultaneously

Firmly believing that the international monetary system is the glue of international financial system, which, in its turn, keeps the international economic system together and that by transforming the international monetary system we would transform the present international financial and economic systems which still enrich the few, impoverish the many and imperil the planet

Also firmly believing that the national and global economic systems cannot be transformed without transforming its financial and its monetary systems

Theorizing that national monetary, financial and economic crises cannot be resolved without considering them in the global context given the globalization of societies

Further theorizing that the economic crisis can be resolved by the resolution of the climate crisis by basing the new, non-national currency not on gold, a weighted basket of major currencies or commodities or the Consumer Price Index, but on carbon emissions permits which would be come part of the carbon account of a nation's balance of payments

Further theorizing that such international monetary component needs a World Central Bank that would administer the new international currency of the Tierra (Spanish for Earth) as part of the Tierra International Monetary Union (TIMU) architecture

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\* This template can be used in a major event as a summary or as a focus for planning such monetary event. This one was first used at the International Conference of the Left Forum at Pace University in the middle of April and with slight modifications at the UN Commission for Sustainable Development at UN Headquarters in the beginning of May.

Also mindful that such World Central Bank would be the heart and soul of this Tierra based international monetary union or TIMU system in which national central banks are urged to gradually shift their banking system from a privately owned fractional system to a financial services system that does not engage in credit creation

Also mindful that the administration of the Terras on the national level are to be transparent, accountable and representative and that, therefore, national Tierra Administrative Boards are to consist of representatives of government, business and civil society who work with, but are independent of the local government

Also mindful of Emerson's words above and fully aware that without equity and sustainability no stability is possible in any national or international monetary, financial, and economic or trade system

Further mindful that predominantly export oriented economies are not stable and that a bioregional economic approach with frugal trade relations are needed to reduce food, goods and services miles in the face of the ever deepening climate crisis

We, participants of the Left Forum panel "*The International Monetary System: Reform Or Transformation?*" gathered here at Pace University in downtown Manhattan on April 16, 2009  
DECLARE

*First*, that the following components are needed for a transformed international monetary system

1. a new international currency, the Tierra, based upon carbon emission permits, not on a proposed weighted basket of major currencies or other non-emission based pegs
2. a modified balance of payments schedule in which a carbon account line is added to the lines for current account, capital flows and other economic positions
3. a World Central Bank that is to administer, monitor and create credit and liquidity in special circumstances like the 2009-10 recession
4. fixed exchange rates based upon the value of the Tierra, set annually by the world carbon price as determined by the world carbon market
5. Tierra Administrative Boards on national level
6. bioregional approach with a frugal trade policy replacing neoclassical economic theories
7. a process that is guided by effective participatory decision-making in the UN context, based upon the findings of UNGA President's Commission on Monetary and Financial Crises
8. a vision and principles that guides both process and product such as is presented in the integrated social and ecological values of the Earth Charter

*Secondly* we declare that

9. the reforms inside the IMF and World Bank do not measure up to the needs of the present monetary, financial, economic crises and that billions of dollars should not be channeled through them as a short-term solution to those crises
10. experiences and methodologies of the IMF and World Bank, to the extent that they are compatible with the TIMU philosophy, are to be transferred to the new World Central Bank.