

Press release
By
The International Institute of Monetary Transformation
Home of the Tierra Solution



(www.timun.net)

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SOLVING THE ECONOMIC CRISIS THROUGH SOLVING THE CLIMATE CRISIS

On March 2 the two world famous economists Joseph Stiglitz and Nicolas Stern made the following statement: “We face two crises: a deep global financial crisis, caused by inadequate management of risk in the financial sector, and even deeper climate crisis, the effects of which may seem more distant but will be determined by the actions we take now.” They continued in their Financial Times Opinion Column: “The scale of risk from climate change is altogether of a different and greater magnitude, as are the consequences of mismanaging or ignoring it...”

We cannot solve the economic crisis without at the same time dealing with the climate crisis. As a matter of fact, as the two economists argue, the latter is “altogether of a different and greater magnitude” and therefore we have to solve the economic crisis through solving the climate crisis.

How can that be done? The most obvious way is using the present financial meltdown as the background for massive investments in a green economy as president Obama and a couple of other world leaders are doing. However, there is also another, less obvious, but equally effective way to reduce carbon emissions, in the process of which funds are being generated to fund development and mitigation and adjustment measures in the global south. Stated IIMT’s president, Dr. Frans C. Verhagen, a sustainability sociologist: “Basing the new non-national international reserve currency which I have called the Tierra, on carbon emissions and having them become part of the carbon account in a nation’s balance of payments, we have institutionally linked the economic and climatological crises together. The main consequence is not only that people with high carbon footprints pay for their emissions, but, perhaps more importantly, this institutional arrangement will justly and sustainably transfer funds in the form of Tierras from ecological debtor countries in the global North to ecological creditor countries in the global South.”

The IIMT has developed the Tierra International Monetary Union (TIMU) architecture around this emission-based international reserve currency, including a World Central Bank that administers the Tierra currency and its Tierra Administrative Boards. It has

similar functions as the European Monetary Union has for its 16 countries. Its structure and process is quite different from the IMF. Its six essential components, including the bioregional economic focus and its frugal trade component, can be found on www.timun.net.

In this pivotal year of 2009 with its four major summits and conferences global leaders supported by their business and civil society sectors should not use the IMF as a crutch instead of transforming the international monetary system which is the glue that binds the financial system together. They will have to be convinced that no stability in monetary, financial, economic systems is possible without equity and sustainability. Solving the economic crisis through solving the climate crisis using the cap and share methodology, we not only have a third carbon reduction methodology besides cap-and-trade and carbon tax, but one that is superior, because it is global and it is fair to all those people and countries who have minimally contributed to the climate crisis but are suffering most by it.

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