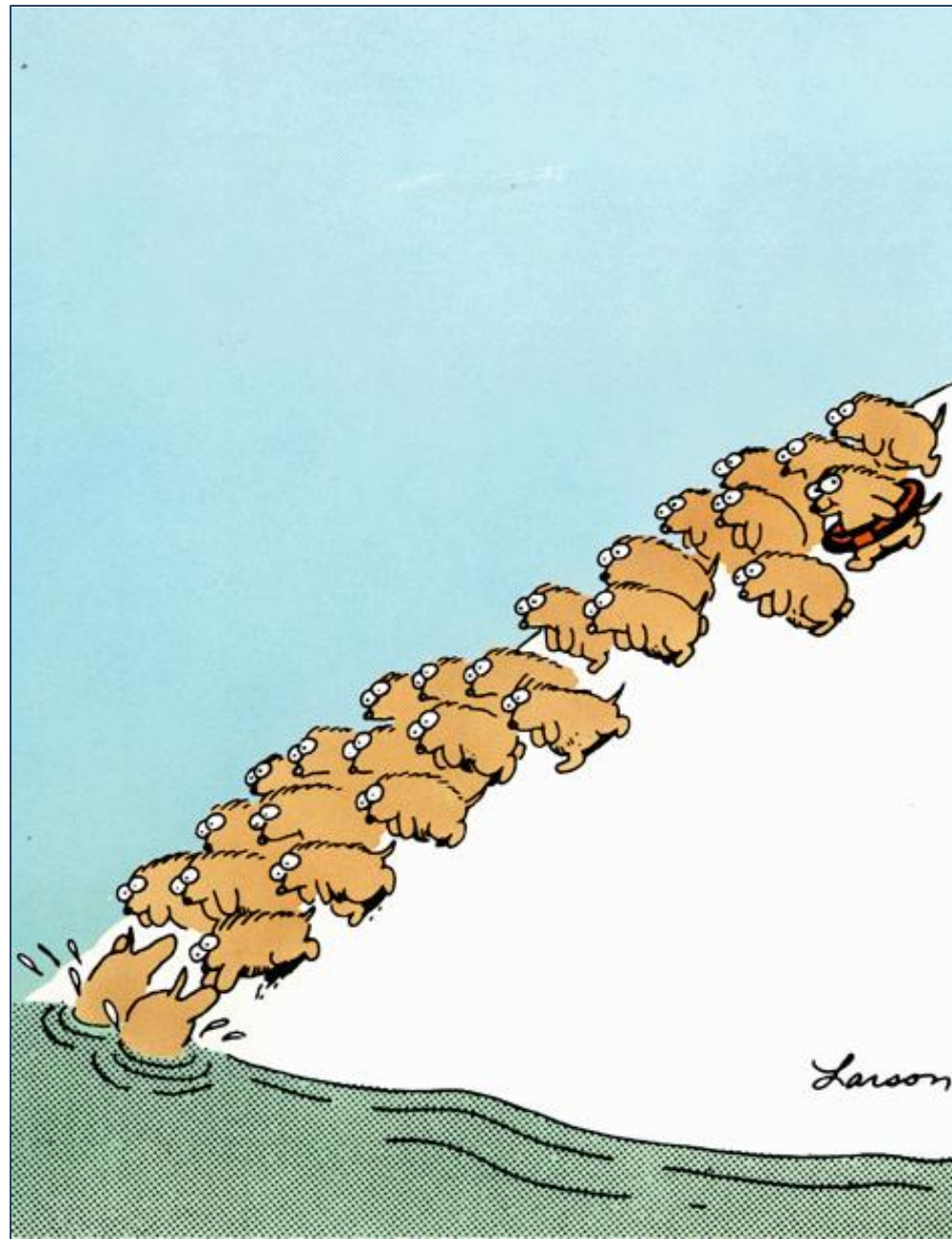




The *Terra* Mechanism

A Systemic Solution to Short-Term Thinking

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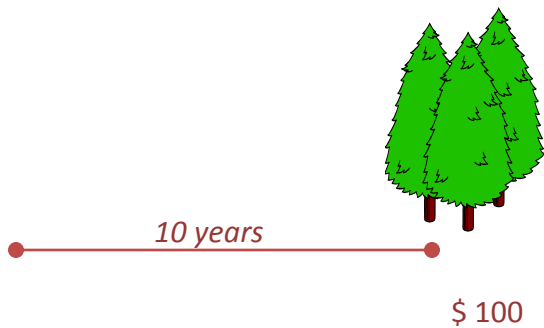


A better way?

Sustainability: The Monetary Engine

What do we invest in?

Physical Reality (Tree Metaphor)



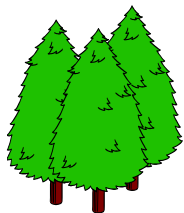
100 years



Currency with Positive Interest
@ 5%/year

\$ 61.39

Value discounted to today:



Financial Viewpoint

\$7.60

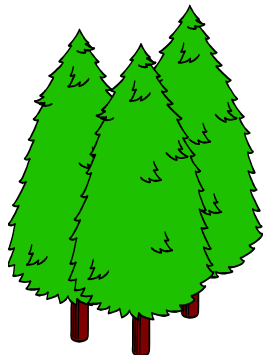


\$ 167.02

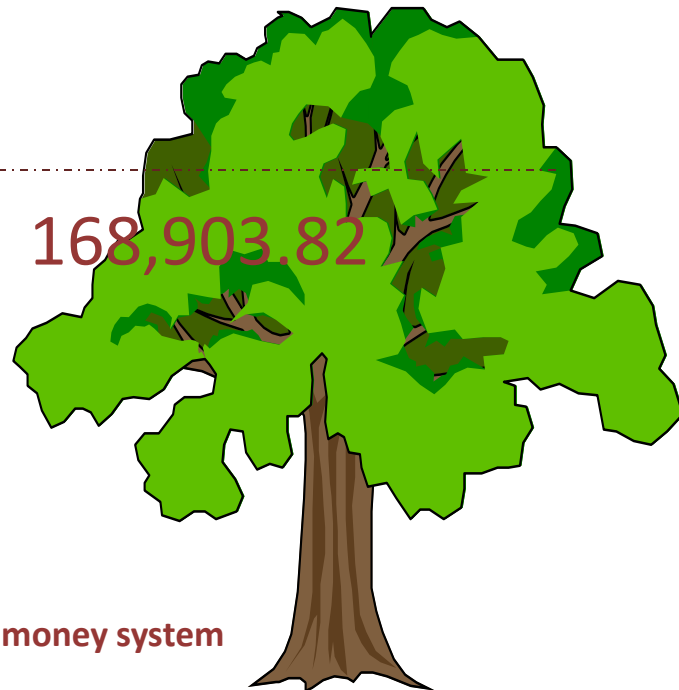
Currency with **Demurrage** @
5%/year

Demurrage = time-related
charge (opposite of interest)

Value discounted to today:



\$ 168,903.82



⇒ Short-term thinking is *not* intrinsic to human nature, but created by today's money system

⇒ NB: Historical Precedents: Dynastic Egypt, "Age of Cathedrals"

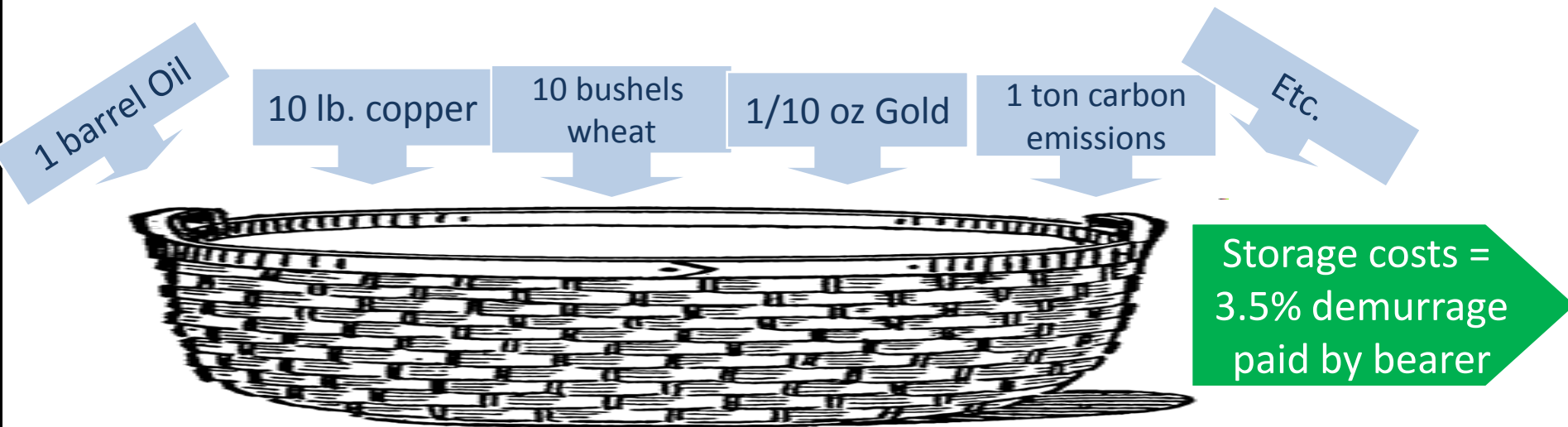


“Never, ever, think outside the box.”

Structural Solution



Terra = standardized basket of dozen key internationally traded commodities & services



4 x less volatility than US\$

Inflation resistant

Fully backed => Robust



Structural Solution (2)

Issuing Mechanism (Example)

- ◆ **Terra Alliance** (“a virtual coalition of the willing”) issues electronic Terra as inventory receipts for goods sold to it by producers.
 - Example: oil company sells 1 million barrels to Terra Alliance, gets credited with Terras at market prices, and can use Terras to pay suppliers...

Win/win Solution

Benefits to the Financial Sector



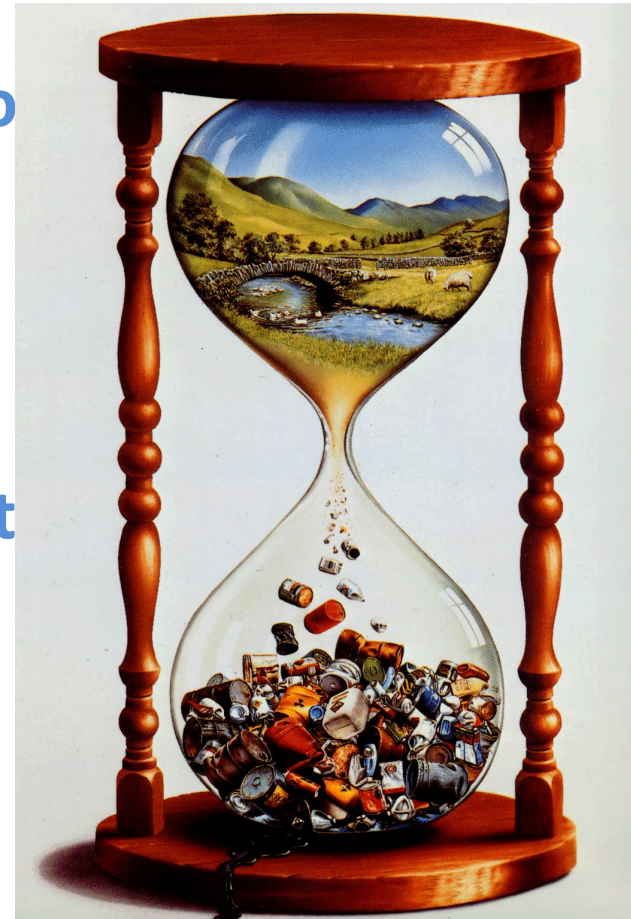
- Terra makes countertrade bankable
- Terra is only contractual and planning instrument, Terra is countercyclical
=> stabilizes world economy
- More stable and predictable international currency that is nobody's national money
- Systemically less Short-termism

Win/win Solution

Benefits for everybody



- ◆ Use of Terra as reference currency makes it profitable to think long-term...
=> Makes *Sustainability* a realistic global objective
- ◆ Realigns shareholder's interest with society's
=> Reversing the hourglass?



Follow up



- ◆ Terra Executive Summary paper in your folder
- ◆ www.terratrc.org Terra White Paper with technical details
- ◆ www.lietaer.com Supporting Documentation
- ◆ Email contact: blietaer@earthlink.net