Helmut Rohe

Debt-free states
by only two sentences

Suggestions to the United Nations

It lacks any logic that states are in debt
It lacks any logic that states lend their own money

I can not submit my suggestions directly to the United Nations

The United Nations only accepts proposals from Member States

I therefore need support from the Member States of the United Nations

For this I need the help of the
Readers: Convince your government,
so that you get a debt-free country

Over-indebtedness of states is threatening
Debt can not be combated with debt

Proposals by Helmut Rohe
to the United Nations

First part: level of Member States

- To the debt relief of states and
- to finance the state budget without lending money

the General Assembly recommends to all Member States to amend its Central Bank Law as follows:

a. the central bank will buy back all outstanding government bonds on the market definitively and with full compensation to the creditors,

b. the central bank transfers all funds laid down by the budget law directly to the bank account of the state with the central bank, **free of charge, without interest and without repayment**.

The Member States are free to decide whether they wish to follow this recommendation.

The General Assembly would welcome a broad acceptance of the proposal.

Second part: United Nations financing

a. The General Assembly of the United Nations decides
to establish its own **Central Bank of the United Nations**
for the United Nations and all its UN organizations.

b. The General Assembly of the United Nations decides
- either to establish a separate **Currency of the United Nations (UN-currency - UNC)**

- or to use the currency of one of the Member States.

A UN's own currency would best meet the needs of the United Nations.

A UN currency would avoid any influence on other currencies.

c. The budget of the United Nations and all its UN agencies will continue to be defined by the United Nations General Assembly.

The impact of these decisions:

a. the decisions continue to be taken by the General Meeting,
b. the budget no longer needs to be payed in by the Member States,
c. the United Nations is always open to action.

United Nations, UNHCR, WFP, UNICEF, UNESCO, WTO can thus combat more effective global catastrophes.

Third part: Global economy: Central bank processing

This part will remove the negative impact of cross-border money transfer for the global economy.

The General Assembly of the United Nations should decide on the cross-border money transfer between central banks in globalized business (WTO business) as follows:

a. The central bank of the importer (buyer) receives the money from the importer's bank,
b. the central bank of the exporter (seller) transfers the money to the exporter through his bank.

The core of this part:
- **There is no payment settlement between the participating central banks.**
- There is only a close out of "central bank money" between the central banks.
- This will not result in any loss, damage or disadvantage for both the central banks.

If the United Nations General Assembly does not take a decision on this point,
it shall recommend to the Member States
a. to make accordingly direct arrangements between central banks

b. or ask for a decision of the Bank for International Settlements (BIS), the "Bank of Central Banks" in Basel.

ATTACHMENT

Basics for understanding how a currency really works:

Money, the currency, has no value of its own, no value in itself, no intrinsic value. It represents only a value.

A currency is created by a law. It is only a sentence in a law that this currency is the only legal means of payment in the country.

The owner of the currency is the state, not the central bank. The central bank is an authority or agency of the state with the task **to manage the currency on behalf of the state**. The profit of the central bank is entitled to the state.

All money is created by the central bank on behalf of the state
- control of the amount of money, issue of banknotes and coins.

No state has the right to make the financing of the state budget, and thus the state's ability to act, dependent on decisions by private investors.

It is without logic that states lend their own money.

Basics for understanding the difference between
- Central bank money and
- money in the economic cycle:

All money is created by the central bank on behalf of the state. It controls the amount of money and issues banknotes and coins.

Central bank money is the amount of money that is still or again in the account of the central bank.

The central bank can freely increase or reduce the amount of money. The impact of the amount of money is only achieved when it enters the money cycle of the banks.

Money in the economic cycle is money that
the central bank has lent to the banking system.

When a bank loses money, the bank incurs real loss.
But not the central bank, if it does not get this money back. The reduced amount of money can be replaced at any time by an increase in the amount of money by the central bank.

That means:
a. Balances between central banks are central bank money.
b. It is not necessary to transfer them in cross-border business between central banks.
c. That does not harm anybody
- not the states,
- not the central banks,
- not the global economy.

About the author

Helmut Rohe

Born in Dessau in 1943
Law study in Marburg

Several years as a lawyer
Then active in the economy

Pensioner, **independent**

My knowledge:

Many problems of our country are easier to solve than we believe.

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