20 Reasons Why the G20 is a Giant Cover-Up

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The G20 has disagreed on the issue of climate change, which makes it possible to avoid the real problem of bankruptcy of pensions and public debt.

There was a G20 this weekend in Hamburg, Germany. Our Speaker-Walker was spotted by the couple Trump-Putin. This is for the frivolous side enamelled with scenes of riot and pillage re-watched by the media.

The subject of climate and the "for" or "against" COP21 brought a happy diversion. It is better to gloss of a great supposed planetary problem than vulgar little cares of money.

Most of the 19 G20 countries (the 20th member of this rich club is the European Union) are no longer a group of truly prosperous countries. They simply live in an illusion of prosperity through abnormally low borrowing rates. The most powerful countries are over-indebted countries and the people are the true guarantors of this debt.

G20 members and their level of indebtedness:

Membres du G20	Dette en% du PIB
Arabie saoudite	13,10
Russie	17,00
Indonésie	27,90
Turquie	28,30
Corée du Sud	38,60
Australie	41,10
Chine	46,20
Mexique	47,90
Afrique du Sud	51,70
Argentine	54,20
Allemagne	68,30
Brésil	69,49
Inde	69,50
Royaume-Uni	89,30
Canada	92,30
France	96,00
Etats-Unis	106,10
Italie	132,60
Japon	250,40
Union européenne	Sans objet

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Contrary to what naive illuminators claim, it is not a zero-sum game. These are "promises to pay" that will not be kept. This liability, instead of reabsorbing, swells from day to day under the effect of downward manipulation of interest rates.

General Motors loan $ 3 billion to pay pension obligations

Let's take a simple example, pensions. On the US side, General Motors, saved from bankruptcy in 2008, announced that it wanted to raise a loan of $ 3,000 billion to pay the pensions of its employees and meet its contractual commitments vis-à-vis them.

You will reply that this is the well-deserved punishment for joining a funded pension system, so unjust and so little solidary. Alas, on the European side and especially French, the situation is certainly different but not better. Pay-as-you-go pension systems are also in a rut.

Some individualist bipeds have realized that the beautiful promises of the welfare state may remain dead letters. They do not hesitate to build themselves a wool stocking for their old days rather than count on the forced solidarity of the next generation. But they are faced with a dilemma: at zero rates, it takes a colossal capital to ensure its old age.

BNP Cardif retirement sent its contractors at the end of June a document modifying unilaterally the conditions to which the contractors of the BNP Cardif pension contract are subject. In the middle of five pages is this:

Cardif peut refuser ou suspendre :
- les demandes d'arbitrage sortant du Fonds en euros, en fonction de l'évolution des marchés, dès lors qu'au moment de la demande, le dernier Taux Moyen des Emprunts d'État français publié est supérieur au taux de rendement net servi l'année précédente au titre du Fonds en euros. Ceci a pour objet de prémunir la collectivité des adhérents restant dans le Fonds en euros contre des arbitrages sortants défavorables en cas de forte chute des marchés financiers ou de hausse des taux.

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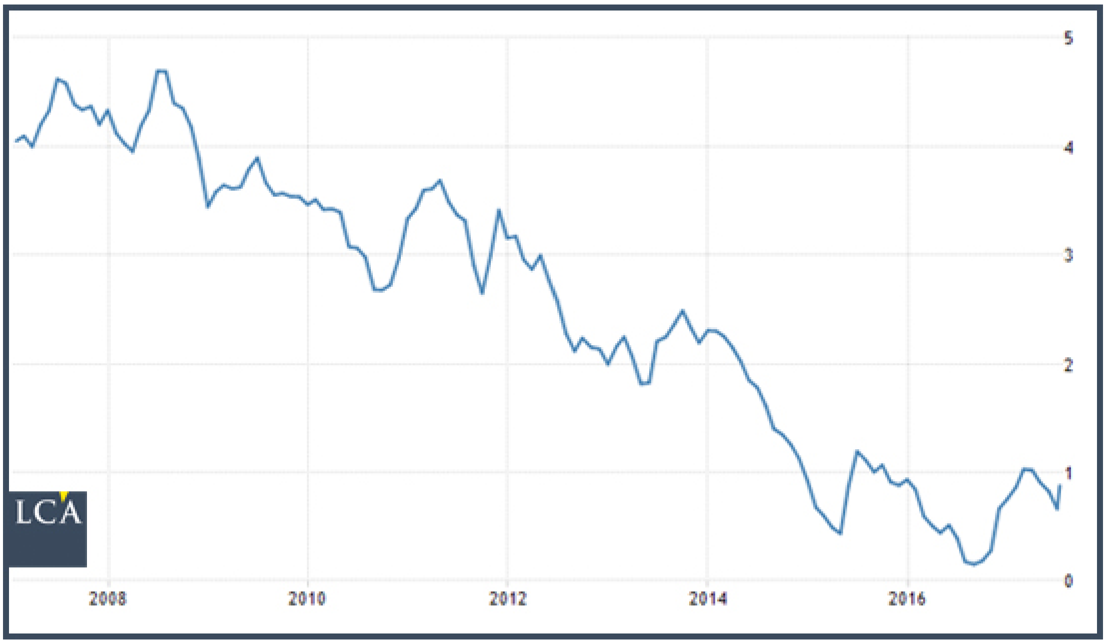
In summary, if rates go up or if markets fall, Cardif will not return your money if you ask. Obviously, it is to better protect all those who would like to stay. You have the "solidary" and "social" fiber, you are not a selfish individualist and you understand Cardif's concern.

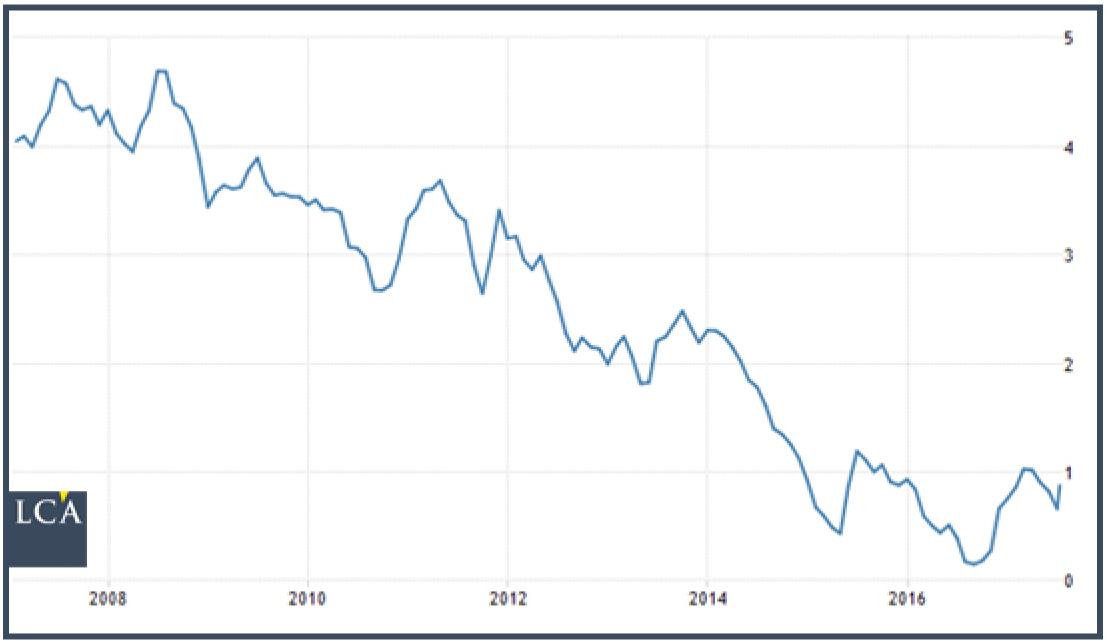
This applies if, for example, the average rate of French government bonds is 2% in 2018, whereas your contract only yielded 1.9% in 2017. In case you have the incongruous idea To see if the grass is greener elsewhere, so it will not be possible.

In fact, Cardif arrogates to himself the right to apply the Loi Sapin without asking the opinion of anyone ...

For your information, you will find the average rate of French government bonds - or TME - on the Banque de France website, in the "statistics" . The MTCT was 0.71% in June 2017.

And here is the evolution of France's 10-year borrowing rate since 2008:





There's a margin, maybe you think, especially since the ECB is doing everything it takes to keep rates from rising ...

However, the margin is not that great. The German elections in the autumn will be decisive. Funded pension systems are undermined and the population is aging.

One day it will be necessary to choose well:

- Continue the "*Extend and pretend*"To rescue weighted banks from doubtful debts and debtor states, renounce capitalism, financially euthanize the pensioners and the previous generation.
- To admit that many debts of the past will not be paid, that promises will not be kept, let go of bankruptcy, reduce public intervention in the economy, let rates rise and start on the right foot. This is what some call "austerity" and which consists simply in not spending more than what one has.

Meanwhile, the elementary caution is to wary you of life insurance contracts in euro and especially retirement contracts based on French government bonds.

These six simple steps are to be taken now to protect your money. To know them,click here