Italian Money Making Magic

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Italy and soon France are caught up by their public debts. The last currency swing to simulate bankruptcy is "tax money".

"*We are reporting on an important conference on the future of Italian debt held yesterday in Rome and made line news this morning* ".Eurointelligence, 4th July

In this note, Eurointelligence asks whether Italy is moving towards restructuring its debt.

It is a first for a European Parliament to hold a debate on this subject and on the compatibility with the euro of a too heavy public debt.

Among other themes debated, that of a "fiscal currency": coupons issued by the Italian state that people could use in payment of their taxes. It is a measure on which Yanis Varoufakis worked in his time.

I know that many people consider Yanis Varoufakis to be a genius of finance and mourn his writings. For my part, I consider him - for having studied his actions - as a manipulator.

The "fiscal currency" is not a solution to the debt but it allows to smoke a little longer. Recall that the only solution, when one spends too much and the debts accumulate, is to spend less.

As we are likely to hear more and more talk about "fiscal currency", here are the principles of this new monetary panacea.

First a definition by the promoters of the tax currency:

"Any claim, whether private or public, which the State accepts from holders to relieve them of their tax obligations, either in the form of a remission of tax or to settle (pay) the State.

The fiscal currency is not a legal tender and may not be converted as a legal tender by the State. However, it is negotiable, *transferable to third parties and traded on the market. "*"Fiscal Money" to End the Unending Crisis, Biagio Bossone and Marco Cattaneo *

Perplexed, dear reader? I understand you. Me too.

To understand better, you must adopt the dominant mentality of the advocates of this kind of idea: money can only be credit (debt).

Money is never commodity, or, horror and abomination, gold or silver. That would be far too restrictive. For you see, the debt can be emitted in unlimited quantities; As long as people believe that it will one day be repaid, they will accept it.

Money is ONLY debt and the best currency is that issued by the State. The recognition of a State's debt is superior to any other currency for the simple reason that the State has as guarantor the taxpayers and that it can make use of "legal violence" to make them pay.

If you wanted to issue unlimited debts, you would have to find unlimited sources of income and admit that it is difficult ... But for the State (which only wants our property) it is not problem.

The "fiscal currency" is therefore a currency that the State issues for the settlement of taxes in parallel with the current currency, the euro.

You see in this definition that the State "accepts" this currency of "holders" who have to pay taxes.

But it is the State that has issued this currency! How did the holders get it in the first place?

If you reformulate, the scam becomes clearer: the state pays in "tax money" but you also have the right to pay it (or pay someone else) in "fiscal currency."

Let:

When the State has to pay something to someone, it*Currency*

For example, your company that has provided a service to the state receives*Currency*Rather than a euro settlement. Then, if your company has to pay the state, or URSSAF, or employee health insurance ... it settles it with this*Currency*

Another example: you receive a social benefit (your retirement pension or an unemployment*Currency*And you will pay your income taxes with this*Currency.*

As you can see, this solves a thorny problem:*Currency*Is left to the discretion of the issuing government. Let's bet, then, that *Currency*circulate. People will want to get rid of it as quickly as possible.

Practical exercise to simplify everything: replace in the paragraph above*Currency*by*Monkey currency*

Today, Italy, or Greece are in Europe like Illinois or Puerto Rico in the United States: states without possibility of unlimited monetary creation, states to which bankruptcy by hyperinflation is prohibited.

But tax money makes it possible. Youpiiii.[Editor's note: Cyber-currencies not controlled by the state are promoted to a bright future with these nonsense. To know everything about the bitcoin, how it can be useful to you and how to obtain it,it's here!]

Today :

- The Italian banking system is insolvent;
- The unemployment rate for young people is 37%;
- The debt of the Italian State represents 130% of Italy's GDP;
- The "growth" of the Italian economy is 1.2% (phony growth by unfunded public spending);
- The European Central Bank buys Italian state debt.

As you can see the "tax money" elegantly solves the last point!

But I do not want to give the impression of being Europhobic or shooting red on Italy or Varoufakis.

In France too, the debt will catch up with us despite our president walker-speaker.

Unless we are destined to become a communist country, the state does not have the GDP of a country.

Expressing public debt as a function of GDP is therefore a deception.

The State has tax revenues (our taxes).

The deficit must therefore be expressed in proportion to the tax revenue.

In our sweet France,*???*Country of the art of living to the social model that the world envies us but that no copies*???*, The figures are as follows for 2016:

Net tax revenue (2016): € 284.1 billionDeficit (2016): € 75.9 billion **Deficit: 26.7%**

For 2017, the figures have not yet been finalized.

Net tax revenue (forecast): € 292.3 billionDeficit (reviewed by the Court of Auditors): € 78.3 billion **Deficit: 26.8%**

Attention ... Breathe a good shot ... On!

This more honest presentation shows that we should increase our taxes by more than 26% in order to have a balanced budget.

The other solution would obviously be to have an in-depth debate on public spending, their justification, their merits and what to saber first.

For the moment we have only fine words on the improvement of the efficiency of the State concerning this or that by crafts.

* Biagio Bossone is an international financial consultant and chairman of the Lecce Group on Global Financial Governance. Marco Cattaneo, President of CPI Private Equity, works in the*Private equity*And structured credit transactions, as an adviser and principal investor.