

The Welfare State is Killing French Wealth

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The deficit will be higher than expected and probably above the fateful limit of 3% in 2017. The Banque de France already estimates it at 3.1%.

The pension system flows slowly but surely: the balance is "delayed" from 2020 to "not before 2040", or even Saint Glinglin according to the projected scenarios. I let you enjoy the seriousness of such communication.

The CSG will be raised in the autumn.

The Audit of Public Finances is to be handed in early July by the Court of Auditors.

It is a good bet that Emmanuel Macron and his government will feign surprise at the decay of the state's finances and complain of having to assume the legacy of the previous government.

False.

It is not only the previous government, it is the legacy of 43 years of imperialism. For more than four decades, governments of all stripes financed their largesse not by tax but by public debt, that is, deferred tax. The right and the left have a common program: statism.

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Still more welfare state, always more interventionism, always more debts.

This vicious circle will not be broken anytime soon: more than 100 economists, from the academic world and not only French, have pledged the economic program of Jean-Luc Mélenchon. This program provided for an additional 100 billion euros of expenditure in sectors "not very or little subject to international competition" and advocates state policy as "employer of last resort".

Debt is no longer a problem because with rates at zero, it can theoretically become infinite.

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There is, however, a bone.

If rates remain indefinitely zero, savings are killed. It is found that apart from our gentle France, in some countries populated by beer drinkers practicing a demonic austerity, saving finances not only private investments but also pension systems. In France itself, life insurance is in reality most often a retirement savings by capitalization. Killing savings with zero rates is pushing the cursor even further towards collectivism. Not everyone is ready in the Eurozone yet.[Editor's note: It's not too late to make the right decisions about your life insurance and avoid euthanasia of your savings by zero rates.[Click here to know what to do.](#)]

Wine drinkers tend to believe that the more you drink the wine from the cellar, the more you get rich. This is what our learned economists call the "policy of demand".

These scholars, pure spirits hovering above the vile contingencies of materiality, never wonder how the cellar was filled, or how to make it as full as possible.

In beer drinkers, it is thought better to pile the barrels before opening the Gasthaus. This is called "supply policy". The stock is monitored. It avoids stuffing the brewers or putting sticks in the wheels.

The German federal elections will take place on 24 September 2017 and will be crucial for the monetary union.

As it stands, this union is unnatural. The convergence criteria for GDP are idiotic and do not cover anything. To fine an already spending country is inept. He will borrow to pay the fine!

The meaning of the word "GDP" in a country like France, where the State directly or indirectly controls more than 56% of the economy is not the same as in countries where the private sector has remained the majority. This collectivization of the economy explains that in France one creates many jobs but little wealth. The private sector, the one that fills the cellar, has lost its hand for too long.

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The only criterion that is worth is the inion of the budgetary "golden rule": any public expenditure must be financed by tax.

In France, with the tax pressure already infernal, the "golden rule" would mean an immediate return to sobriety. There is a good chance that abstention would decline and civic political consciousness would wake up.

Today, we are not yet bankrupt because the debt interest - which is still growing - is constantly decreasing. Imagine for a second that steam is reversing and that interest on debt is rising again ...

The government will wave gadgets and rattles, promising that the cellar will be filled again. But it will be too late. We shall drink the cup to the dregs.