The Greek Habit of Robbing Peter to Pay Paul

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Greece is proof that Keynesian public debt and multiplier do not lead to economic paradise but bankruptcy. Yet the experience is prolonged.

Yesterday, Greece managed to borrow 3 billion euros over five years at the rate of 4.625%. It is a success according to the media.

That's right. That a notoriously corrupt country, which traffics its public accountancy, which is unable to balance its budget and whose debt has not been honored three times in six years can find lenders is really a success.

Why does Greece borrow?

To buy back the old debt, tells us*The echoes*:

"Athens wanted to repurchase the bonds issued in 20014 in exchange for new debt securities. Objective: to extend the maturity of its debt by offering securities maturing in 2019 against securities maturing in 2022. And at a lower rate. Three years ago Greece had borrowed in a yield of 4.95% against 4.625% on Tuesday. "

It is the classic cavalry: one borrows to repay a loan. When rates are falling, everything is going well ... and as the central banks are working to bring down rates, everything is going well.

But why, initially, does a state go into debt instead of soliciting its taxpayers?

Ah, there, unfortunate ignorant and unbeliever ... You do not know the miracle of Saint Fisc and the multiplication according to Saint Keynes?

The miracle of Saint Fisc transforms private, ugly and dirty money, acquired by exploiting the poor and the weak, in good public money. Private money is purified when it is taken by the men of the state and becomes public money distributed by the statesmen.

Public money is inevitably good because it is spent in "the common interest".

"*This manipulation of minds brought to the height of a myth is undoubtedly the most successful subversion operation of the last 20 centuries by the men of the State.*

Private money corrupts, public money relieves. It is nevertheless strictly the same, but which has been transformed by improving by the miracle of Saint Fisc."

Theory of fiscal revolt - Issues and interpretation - Or why the tax revolt will not take place, Serge Schweitzer and Loïc Floury

This myth, dear reader, is already, in itself, magisterial. The founding myth of the Hammurabi code - which made the king a god and instituted a class of slaves - is, in comparison, a pear of sphinx.

But this modern myth was still refined by Saint Keynes. Public money creates*more*Wealth than private money. This is called the "Keynesian multiplier".

If the State invests 1 €, its return on investment will be higher than that of private persons.

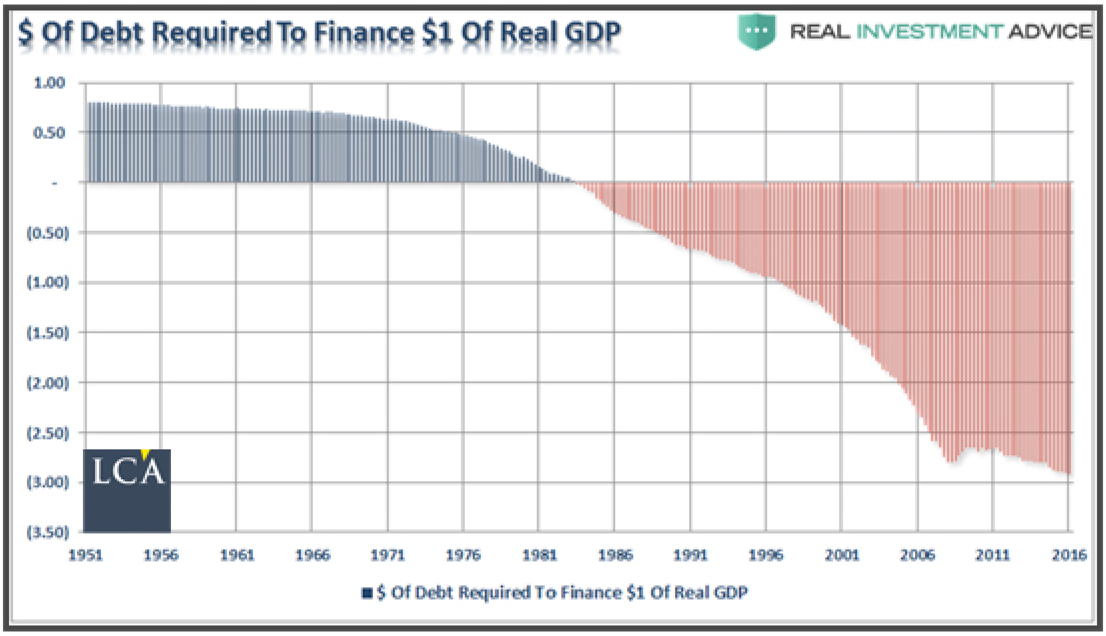
Thus the State is not obliged to violently puncture taxpayers. It can simply borrow because its return on investment will always be positive. While a wretched single entrepreneur, pursuing his guilty selfish interests may be mistaken. It may go bankrupt, its return on investment may be negative.

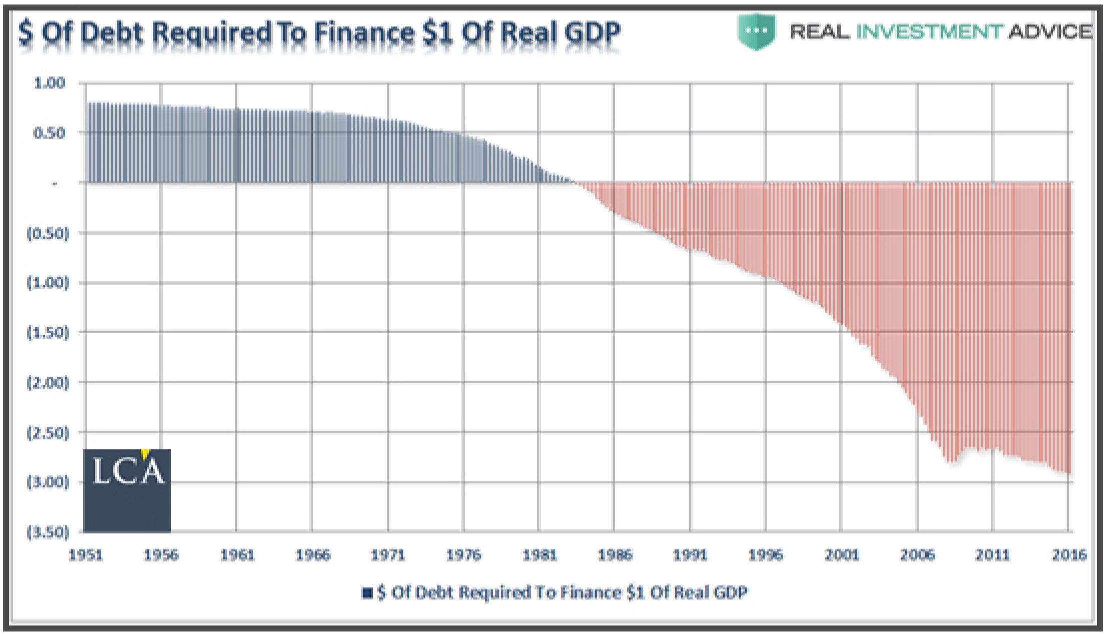
Keynesians define the multiplier coefficient as the ratio between a change in public expenditure and the consequent change in total income. This is what justifies the "stimulus policies" financed by the loan.

The Keynesian multiplier also relies on the strange belief that "consumption enriches". If people do not consume enough, just distribute them money (created from nothing, taken from others, borrowed, whatever ...) which will combat economic depression and unemployment.

Alas, alas, the facts are stubborn even if the statistical tinkering can be illusory for some time.

This shows you how many dollars of public debt must spend to get $ 1 increase in the GDP of the US economy.





In 2016, $ 3 of public debt is producing only $ 1 of growth ...

After 65 years of experimentation one might conclude that the concept of Keynesian multiplier isSwindle, a scam,wrong.

But such conclusions hinder many interests. Those of the Parasitocracy. In France, housing policy, energy policy, TGV, industrial policy ... How do you want to finance all this if you doubt the miracles of Saint Fisc and the multiplier of Keynes?[Editor's note: In parallel to these economic and financial elucubrations, entrepreneurs are seeking to finance viable projects. Companies with products, customers and profits are looking for savings to grow. Discover how to finance these projects of the real economy, garnering capital gains and collecting interests far superior to those offered by Greece.Everything is explained here.]