

The false budgets of states

When we examine the values of national budgets, we are used to valuing in proportion to the annual budget deficit and to the national public debt.

According to the governmental accountancies, the public deficit is equal to the annual total amount of the outlays for current expenditure, investments and interests on debt minus the annual total amount of tax revenues, while the national public debt is equal to the total amount of the debts registered in the budget, inclusive the public securities.

But, reality is very different.

Among the annual outlays, from which the deficit results, there aren't the increments in costs foreseen in the previous years and the commitments decided for the following years, but which are within the annual budget.

Among the annual debts there isn't the current value of social and healthcare security benefits, for which premiums were collected in the previous years and which should be paid out in the following years.

Considering these postings not registered in the annual budgets, the real annual deficit and the real public debt are much higher than the official ones.

For example, in the United States, the official deficit foreseen for 2009 is of about 1,800 billion dollars, to which we must add costs not registered in the annual budget for about other 4,500 billion, while we should add at least 23,000 billion of social security to the public debt foreseen for about 12,000 billion dollars, about 32,000 billion of health service and about 1,200 billion for other commitments and responsibilities to be paid out in the years following 2009.

So, the real public deficit of the United States for 2009 will be 6,300 (and not 1,800) billion dollars and the real public debt at the end of the year will be of 67,200 (and not 12,000) billion dollars, five times the GDP of 2009.

The difference is enormous. If it seemed already impossible to bear the deficit and the official debts, it's unthinkable to bear the deficit and the real debt. The consequence is that in the future the citizens will receive neither pensions nor public health service. But, citizens don't know it yet.

Also for this reason, we must absolutely change.

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