

WHOM DOES THE *WELFARE STATE* TAKE CARE OF? ¹

A comment to the debate on the present crisis, National Debt rate, the taxes, the deficit and the hole in the Budget, the Budget cuts and retirement pensions

In his November 1993 report, Canada's Auditor General calculated that of the \$ 423 billion in net debt accumulated from Confederation in 1867 to 1992, only \$37 billion went to make up the shortfall in program spending. The remaining \$386 billion covered what it has cost to 'borrow' [pp. 8,12,13] that 37 billion. In other words, 91% of the debt consisted of interest charges, the Government having spend only \$37 billion (8,75%) of the debt for actual goods and services. In 2003 it was 93% and 7% ²

Canadian Debt 1867 – 1992 \$423 billion



Different economical factors and their nature and share in production ³

- ⤴ Personal work and management – about 10% (private capital contribution)
- ⤴ Industrial investments done with personal belongings – about 2% (private capital contribution)
- ⤴ Natural resources – about 10% (social capital contribution)
- ⤴ Technological progress – about 50% (social capital contribution)
- ⤴ Division and specialization of work thanks to organizational development – about 10% (social capital contribution)
- ⤴ Industrial investments by general public: taxes, long term pensions and allowances savings – about 18% (social capital contribution)

Just economic growth distribution as dividend from capital ⁴

- ⤴ Private capital – about 12%
- ⤴ Social capital – about 88%

Actual economic growth distribution ⁵

- ⤴ Private capital share: banks, great private financial investors – about 90%
- ⤴ General public – about 10%

¹ . Gorski S. Z., 2003, *Kryzys Kapitalizmu* p. 13-15, [The capitalism crisis, [summary](#)].

² . Pilote Alain, 2006, *The Social Credit Proposals* p. 42 and p. 124 <http://www.michaeljournal.org/10lessons.pdf>

³ . Soucy L., 1999, *Falszerze pieniędzy* [The Counterfeiters], WERS, Poznań, p. 15. Rough values.

⁴ The *National dividend* as an interest free money issued by the Central Bank as an expression of the economic growth and not from the taxes increase Pilote Alain, 2006, p.60

⁵ . Pilote Alain, 2006, *The Social Credit Proposals* p. 42 <http://www.michaeljournal.org/10lessons.pdf>