

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%

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.htm>

³ . [Soucy L., 1999, Falszerze](#) pieniędzy [The Counterfeiters], WERS, Poznań, p. 53. Rough values.

⁴ The [National Dividendas](#) 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.htm>