and labour, in the theoretical sense, because capital is labour; and we cannot say that capital and labour must co-operate, although those words are often used, because as a matter of fact there is no capital apart from labour.

All capital was created by labour and is being created by labour every day. There is no other form of capital. The difference today is that capital which is being produced currently by labour, and which has been produced by labour for the last half century, is no longer in the hands of those who have produced it. They have become separated from the tools of their production and also have become separated from the very capital which they themselves have created. And having done that they are left in a position of helplessness where, once they lose their jobs, they have nothing else to fall back upon. That is the situation which must be faced and recognized.

Let me quote again from the same book, this time from page 35, where it says:

Labour alone therefore, never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price. Money is their nominal price only.

There again, what is the situation? The real price of a commodity that has been produced or a service performed is the amount of labour which has been put into the production of that commodity or the performance of that service. That is its only real price; there can be no other. But under our present economic system that is not the price tag attached to it. Those who are the owners or the inheritors of that capital which has been created by labour are now in a position to place their own price tag on it, and that tag is padded with what we call surplus profit.

As a result of that combination of circumstances, the separation of the labourer from the tools of his trade and the separation of labour from the capital it has created but no longer controls, and the fact that he who contributes the labour in the production of a commodity or the performance of a service is not the one who puts the price tag on it—all these things have contributed to what we call a lack of purchasing power.

I would like to go behind the scenes on this question of lack of purchasing power, because it is on that question that a great deal of our debate has centred. Hon. members to my left, those who belong to the Social Credit party, have referred to it in every speech they have made, and have pointed to this lack of purchasing power as the root of our difficulties today. As a matter of fact it is not the root of our difficulties; it is the result of the process of the separation of labour from its production.

What are some of the ways in which the lack of purchasing power can be emphasized or made clear? I hold in my hand a report which came to me recently concerning small loans companies and money-lenders. This report is issued by the superintendent of insurance for Canada and covers the period for the year ended December 31, 1953.

Normally if the price charged for goods and services were equal to the amount of labour put into them, then you would expect there would be a balance between the consumption and the production of goods. But we know there is no such balance. We know people are forced to borrow money to make up for that lack of purchasing power that has come about. This is only a small example, because it involves only one company. I am not picking out this company for any particular reason, but I believe it is a good illustration.

The company reported upon in this instance is Household Finance Corporation of Canada, which deals chiefly in small loans. This company was incorporated in 1928 with an authorized capital of $5 million and a subscribed capital of only $3,700,000. Its assets today are valued at $56,687,123. It is pointed out that its earned income on the loans outstanding, which in the last year amounted to $54 million, was $12,615,980.

This points up the fantastic way in which interest can draw away the purchasing power of the people. Here is a company that, on an investment of about $3 million, makes an interest profit in one year of $12,615,980. Even after all expenses, including operation expenses, taxes and the like are deducted, they have left a profit of $6,677,066. That is their net income. It represents a net interest profit of over $6 million in one year on an investment of $3 million and that is only one example by which the disappearance of purchasing power can be brought home. Recently I read an article in *Maclean's* magazine about one of the Asiatic countries—I believe it was Indonesia—in which it was stated that the money-lenders in that country were charging interest rates as high as 25 per cent. I was astonished, thinking this was surely fantastic and unbelievable, that no one would charge an interest rate of 25 per cent. But if we do some mathematical calculations we find that right here in Canada this company charges an interest rate of 22 per cent on small loans.

This means that every time a borrowed dollar is turned over four and a half times,