

we wish to bring about so that equilibrium can be re-established. This is what our party is trying to say, but members opposite just ignore it, and do so most successfully, in their own minds, at least.

I am reminded of some words by H. G. Wells which have always impressed me.

**Mr. Benjamin:** Another socialist.

**Mr. Morgan:** I do not know whether they will impress hon. members to my left or across the way. I would remind them that the true strength of rulers and empires depends not on their armies but on the belief held by all men that they are equal when it comes to their truthfulness and their position before the law. As soon as the government disregards this standard they are as nothing, as a gang with no response and their days are truly numbered. I suggest this is happening to the government now, and its days are truly numbered.

● (0350)

Where is the equality today? There is no equality between the rich and the poor; they are separated more and more. With high interest rates, the poor get poorer and the rich get richer. There is no truthfulness in what the government says because they are bankrupt of ideas. The hon. member for Verdun (Mr. Mackasey) asked, where are our ideas? Had he deigned to sit here and listen tonight he would have heard many ideas that he could have taken back to the Prime Minister (Mr. Trudeau) that he chooses to criticize.

Hon. members talk about legality. They do things that are not in the interests of the public; therefore I say that is illegal and dishonest. The hon. member for Kenora-Rainy River (Mr. Reid), had he sat here tonight would have heard new ideas; but he is not here now. He said we had no new ideas to offer. He could not have heard the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) or, if he did, he did not listen. He could not have listened to the hon. member for Don Valley (Mr. Gillies) who had some new ideas and approaches.

I will tell hon. members what can be done, and I will name them 1, 2, 3, 4 and 5. First, the Canadian dollar must be put up. If you float it down with the U.S. dollar it causes more inflation; there is no way around that. We cannot compete with West Germany and Japan with our dollar floating downward by 40 per cent as it did in the last year. What does putting our Canadian dollar up do?

**Mr. Benjamin:** It will make it go down.

**Mr. Morgan:** Let me tell my economic expert down on the left what will happen. You will then be able to buy more cheaply from other countries in the world. We import most of our manufactured goods and a lot of foods. What we pay for food in this country is where the crunch comes, because most of our food is imported. Put up the price of the Canadian and U.S. dollar and those foodstuffs come down in relative terms.

What is the price we pay on the other side? If my hon. friend down the way wants to ask me something, he can ask me a question in a moment. The price is that it costs us more to export. But what are our exports? We export

### *Cost of Living*

extractive goods basically, and they come back to us as manufactured goods. That is the simple truth of our economy.

**Mr. Benjamin:** Who made it that way?

**Mr. Morgan:** Neither the hon. member nor I was here, so I do not know why he is asking me the question.

**Mr. Benjamin:** Well, what are you going to do about it?

**Mr. Morgan:** I will tell the hon. member, if he chooses to listen. The point is that if your extractive goods are exported at a little higher price, so what? The world needs them. We can use the extra dollars we earn by exporting more of our materials at a higher price on other things. Then when we import these materials back, they will cost us less.

If you ask me how we correct the situation, I will tell you. Do not just give a 9 per cent blanket, off the top corporate tax reduction; you do it on a percentage basis. The more goods you export from secondary industry, the more your taxes come down on a percentage basis. The more you export, the less corporate tax will be paid. This will make the extractive industries set up secondary manufacturing industries in this country and we will gain both ways. Goods will be manufactured here, we will not have to export at high prices and we will have given secondary industry an incentive to manufacture in Canada.

**Mr. Foster:** What is your second point?

**Mr. Morgan:** It is the third one; if you do not mind my arithmetic. The second shot from the same bow is that you do the same thing for employment. You do not do what the people across the way have done, and that is to hope—and it is wishful thinking which has not been realized—that by recapitalizing you cut down employment and therefore reduce the corporate tax structure. I am suggesting that the proper approach should be that by increasing employment, corporate taxation is reduced and you give them incentive to increase not only their exports but employment opportunities. We will then see the economy of this country expanding and we will not have to worry about foreign takeovers.

Some hon. members are always talking about foreign takeovers. I remind hon. members to my left that when they talk about foreign takeovers they are talking about a Canadian sell-out. This is what we have to stop. A foreigner cannot take over unless a Canadian sells out. Fundamentally, this is what we are talking about. What makes a Canadian sell out to a foreigner? It is because the tax structure of this country is so stupid, awkward and ridiculous.

**Mr. Benjamin:** They are out to make a fast buck.

**Mr. Morgan:** The hon. member may think so, but unless we want to nationalize every industry and corporation in this country, this is what we are faced with. I suggest it is impossible to do this. You have to make the economy of the country work in such a way that you encourage Canadians to invest in Canada. Our ratio of savings to