

ries of professionals to whom I have just referred. Such people are going to be able to attend up to two conventions a year, which many of them do, and claim their expenses. They will be able to have a meal and spend a night in Montreal entertaining clients. They will be able to spend, not \$150 spread over the course of a year but \$150 in one night, at the same time, of course, enjoying themselves immensely. And they will be able to claim every bit of that expense as a tax deductible item. I suggest it is sheer hypocrisy for a government to say to the working people of Canada that they can claim up to \$150 a year for expenses while those who want to work for corporations or professionals who regularly attend conventions will be able to claim almost unlimited expenses that they incur. This is the effect of this legislation and I challenge any member opposite to get up and deny it.

Let us look at a third example of the glaring and grotesque inequality that is found in these taxation proposals. One of the fascinating things about the Liberal party of Canada is that they are always talking about equality of opportunity, never about equality of condition. In every little village and town in the countryside you find members of that party saying that what we want in Canada is equality of opportunity. They espouse a great new society that has a wonderful class ladder. As long as all kids start at the bottom in supposedly equal position, it is all right to have this class division. I reject this whole concept of class but I would like to apply to the members of the Liberal party their own wonderful principle of equality of opportunity.

Let me deal with their wonderful estate tax proposal. As of the end of this year, Mr. Speaker, as the *Financial Post* of all papers, points out, it will be Christmas for the relatives of the wealthy of this country, not on December 25, 1971 but on January 1, 1972. Because as of that date all of the millionaires of this country will be able to pass on to others, without paying any federal tax whatsoever, their property and wealth. Think what it means in a democratic society. Think what it means in the city of Toronto where there are thousands of poor kids who will never inherit one cent. They are going to be born into poverty, as are some 20 per cent of the population in Canada today. Yet this great Liberal party, under its leader, Mr. Trudeau the reformer, is going to abolish estate taxes. There is real equality of opportunity! Many people in Westmount, Montreal, in Rosedale, Toronto and their equivalents in other big cities of this country, in the wealthy areas of the land, are going to be very happy indeed with this budget, because they are going to be able to pass on to their poor sons and daughters millions of dollars—and that figure is no exaggeration.

• (4:30 p.m.)

I would recommend that members of the Liberal party get John Porter's book "The Vertical Mosaic", because I suspect some of them are interested in reading, on occasion. In that book you will discover that the wealth and power of 85 of the 100 most wealthy and powerful families currently existing in this country are the result of long established family patterns. The party which governs this country is the one which talks about equality of opportunity. This is the same party that is abolishing estate taxes. So much for justice in that area.

Income Tax Act

An hon. Member: Tell us about yourself.

Mr. Broadbent: Now that is a relevant question, a real gem, a profound bit of insight on the part of one of the government members. It is not bad enough that we do not have better tax proposals which remove tax burdens entirely from the poor—they are still going to be paying taxes—but if you apply the Economic Council of Canada concept of poverty in Canada, even with these proposed tax changes, the poor, whether they are single or married, are going to continue living in poverty and paying taxes while the rich can pass on their estates without paying a cent of tax on them.

In addition to improving the tax position of the poor, maintaining or increasing estate taxes, which the government has not done, other steps are necessary. We cannot just redistribute the tax burden and expect there is going to be a real and final redistribution of income. If we simply redistribute taxes so the poor and average have a bit more and do nothing about corporate power or price-making decisions by companies in this country, what is gained one day through serious tax reform can be lost in a matter of days and weeks as a result of automatic increases in prices. If we are really concerned, as opposed to Liberal party propaganda, what we need is an innovation in the power structure which would take some of the price decision-making authority away from some of the major corporations, and specifically in certain key areas.

What is needed to complement serious reform is a prices review board, or whatever you want to call it. We need some public agency with the determining authority in respect of price making policies of companies in essential areas like medicine, dentistry and the legal profession. We need such an agency to regulate the price of milk, bread, transportation and gasoline. Such an agency could fix prices in other areas of effective monopoly positions in the economic market place. I have in mind the automotive, steel and mining industries.

In all these areas in Canada what we need is a prices review board which would have, not a continuing and nagging bureaucratic function but a negative legal power enabling it to say to all those companies in essential or monopolistic areas, you cannot automatically pass on an increase in corporation tax to the average citizen. If they have a price increase that can be justified by a real increase in the cost of production, of course, this will have to be considered. The point is they should not have the right any longer to pass on automatically an increase to the average and poor people of our country. It is time we subjected those with corporate powers to the democratic test of responsibility. The only way this can be done is by setting up some kind of effective prices review board. To summarize, it is senseless to increase corporate taxes and decrease the tax on the average and poor people, and then allow such gains to the public to be wiped out by increased prices and profits.

Let me now deal with the question of tax reform and unemployment. It used to be part of the Liberal convention wisdom that 3 per cent was the highest level of unemployment a civilized, industrial society could permit. We now have a level of 6.5 per cent unemployment. There are some 650,000 Canadians out of work, not for a month, two months or three months but for one, two or three