the nation today. Unemployment was deliberately encouraged by this government last year in an effort to fight inflation and it has taken its toll of Canadian society in the misery and hopelessness which it has created among Canadians, both young and old.

Just as the government failed to deal adequately with unemployment, we find in the tax measures before us another example of its failure to meet the challenge of setting up a just and equitable tax structure in Canada. If we are ever to reach the goal of the just society, it must certainly be based on a system of taxation which is just and equitable. The legislation before us proposes some needed changes, but cannot possibly be classed as a tax reform measure. It can never be the foundation upon which a just society can be based.

The Carter report dealt in detail with the privileged resource industries, and showed how they were avoiding paying their just share of the tax load in Canada. The report called for a redistribution of the tax burden so that wealthy individuals and corporations would pay their fair share. The result would have been that in 1966, $523 million more in corporation taxes would have been paid to the federal government, and $271 million of this would have come from foreign investors.

It was not only Carter who drew to the attention of the government the inequities in our Canadian tax system. This was also done in an excellent speech by the hon. member for Duvernay (Mr. Kierans) to the Canadian Economics Association last June. He was a Liberal cabinet minister in this administration until he resigned his portfolio just over four months ago, apparently because the government had no intention of changing either its economic policies or its taxation policies as announced in the recent budget last June. An examination of some of the tables which the hon. member for Duvernay used in his speech will give a very clear indication of the unjust system of taxation which currently exists in Canada. This should be a clear warning to Canadians that present government policies have been designed to benefit big business and that measures must be adopted to rectify this situation. We do not find these changes in the legislation currently before us.

The following figures come from a comparison of "book profits" before taxes and taxable income, and the hon. member for Duvernay indicates that it is aggregated for the 1965 to 1968 period. We find that over this period those industries in the mineral-fuels business showed book profits of $795 million. But of this total amount only $45 million was classed as taxable income. This means that taxes were levied on only 5.7 per cent of the total book profits of those companies engaged in the mineral-fuels industry, which includes, of course, our gas and oil resources.

In the metal mining industry we find that the book profits amounted to $1,707 million. Of this amount only $222 million was classed as taxable income. Again this shows that only 13 per cent of the total book profit were taxable, and in this particular case $1,485 million of book profits were tax free. I must point out in passing that over two-thirds of the metal mining industry and the mineral-fuels industry, is foreign-owned and controlled.

In other types of mining the table shows there were book profits of $374 million. Of this amount some $120 million was classed as taxable income, amounting to 32 per cent of the total book profits shown.

In the manufacturing industry there was some $12,745 million in book profits. Of this amount some $8,052 million was classed as taxable income. Here we find 63 per cent of the total book profits being taxed by the government.

In the construction industry there was some $993 million of book profits, and of this total some $643 million was classed as taxable income. This works out to 65 per cent of the total book profits shown by the construction industry.

In the wholesale trade there was some $2,066 million of book profits. Here we find that the taxable income amounted to $1,082 million. This means that 87 per cent of the book profits listed in the wholesale trade industry was taxable.

In the retail trade there was $1,620 million of book profits. Here the taxable income amounted to $1,445 million, which was 90 per cent of the total. It is interesting to note that in the retail trade most of the business belongs to Canadians.

We have every right to question this government's taxation policies when the major inequities which I have just outlined exist in our tax structure. It is ridiculous for the retail trade to be paying on 90 per cent of their book profits when the mineral-fuels industry, which is dominated almost completely by foreign interests, pays on only 5.7 per cent of its book profits. I should like to quote a paragraph of the speech by the hon. member for Duvernay which sums up the situation very concisely:

• (4:40 p.m.)

> If foreign ownership dominates the mining and petroleum industries, our tax system has clearly invited this concentration. We have not only extended a warm invitation to foreign capital—but we have told it where to go. If you invest in the service industries, we say, you will have to pay taxes on 87 per cent or 90 per cent of your profits. On the other hand, in metal mining you will only have to pay on 13 per cent and in petroleum on 5.7 per cent of your profits. The invitation says in effect—"Come and gut us".

There was another interesting section of the speech by the hon. member for Duvernay last June which I intend to read. It deals with investment incentives. Again, I intend to quote from the speech so there will be no misunderstanding. The part I wish to quote will be found at page 11:

> Investment incentives (depreciation, depletion, 3 year exempt mining income) apply precisely in those industries where foreign ownership is most concentrated, i.e. mining, petroleum and manufacturing. The sources of funds for American subsidiaries in Canada in 1968 amounted to $2,611 million (U.S. Survey of Current Business). Funds from the United States amounted to $127 million or less than 5 per cent. Within Canada was provided $1,027 million in net income, $864 million in depreciation and $539 million from Canadian financial institutions. Legislation to inhibit further inflows would be useless. Our tax laws are such that increasing ownership, takeovers and control of Canadian firms can be entirely financed from within our own economy.

There was another interesting table used by the hon. member for Duvernay last June which I feel bears repetition. In this particular table he was dealing with book