There was a special investment tax credit. It was a 30 per cent tax credit for eligible investments in machinery, buildings, and new equipment for manufacturing and production purposes. This tax credit has been eliminated. Another tax credit is also affected. It is the Atlantic/Gaspé tax credit. It was a tax credit of 15 per cent, again for buildings, machinery, and equipment to be used in resource development. This tax credit has been reduced from 15 per cent to 10 per cent. The third tax credit affected is the scientific research and experimental development investment tax credit. It is a 30 per cent tax credit, again in the Atlantic region and the Gaspé, and has been reduced to 20 per cent, the level for all the other regions. This means that the Atlantic region and the Gaspé have lost the benefits they enjoyed under the last budget.

● (1025)

These measures affecting tax credits will mean a saving of $90 million for the government in 1995–96 and of $95 million in 1996–97. The most ironic part of all of this is the reason given by the finance minister in his budget plan of last February and in the budget document entitled "Tax measures: Supplementary Information". His budget plan indicates, and I quote, "These credits have not been effective in attracting new investments to designated regions or reducing economic disparity". The document entitled "Supplementary Information" states in regard to the budget: "Regional investment tax credits have not generally been considered to be cost effective".

Basically, it says that these tax credits did not have a very high level of effectiveness and are not an effective means of attracting investments. So we would have expected the minister to completely eliminate these tax credits because they are not effective, but this has not happened. One tax credit has been eliminated, the tax credit for investment in the Atlantic region, and the tax credit for investment in scientific research has simply been reduced. In other words, the minister admits that he will still offer tax credits in certain regions of Canada. The minister is aware of their lack of effectiveness, but goes ahead all the same.

The Bloc Quebecois has denounced this measure and has asked that moneys earmarked for regional investment be redistributed to the provinces instead as a tax percentage. Why? It is because in Quebec, we think that decision making and regional investments should be decentralized so that local decision makers and people in the regions can identify their needs and take measures suited to their regions.

The Canadian government does not do this. It refused to redistribute these amounts among the provinces and maintained national standards, giving the credit to everyone while admitting that all this is inefficient. This is yet another illustration of the Canadian problem, that is, putting everyone, every citizen and every province on the same footing and ensuring uniform distribution everywhere before realizing that this is very costly and inefficient but continuing to do so anyway. One does not have to look very far to see that this is the reason why Canada does not work.

The third reason why we oppose this bill is the measures designed to counteract some tax avoidance strategies. This bill proposes measures to ensure that some individuals and corporations can no longer avoid taxes. These measures are quite timid. There are measures intended to eliminate preferential tax rates for large corporations, to make corporate taxes more equitable, to provide special rules for taxing foreign corporation shareholders.

Looking at all this, we ask ourselves are they trying to catch those who do not pay taxes in Canada, who establish phoney companies abroad and who, through various tax schemes, manage to avoid taxes. Reading this, we might think that such is the case, but we would be mistaken. These measures do not affect family trusts or the use of tax havens and are not designed in any way to institute a minimum corporate tax.

A lot has been said about family trusts. What are they exactly? A family trust is a tax measure allowing great wealthy families to avoid paying taxes on capital gains on assets.

● (1030)

It is money on which no taxes are collected because it was put in a trust. And this remains the case for a long time. An amendment to that provision was proposed in 1992 by the Conservative government. Under that legislation, the money in a trust was exempt from taxes until the death of the last beneficiary of that trust. In some cases, that could take up to 80 years.

The Bloc Quebecois pledged to fight for the elimination of that provision, which allows tax avoidance. We discussed the issue at length in this House. We do not see, in the current budget, any step to abolish that tax loophole.

We are talking about hundreds of millions every year. We do not know exactly how much money is involved. To find that out, we would need a special bill to allow Revenue Canada officials to tell us exactly how much money is involved. What is the government waiting for to pass such legislation and to abolish that provision in the Income Tax Act?

Let us now look at tax havens. We have an idea of what goes on. The auditor general raised that issue in 1992. This is not a figment of the imagination of a demagogic opposition party. The auditor general himself told us that several major Canadian corporations somehow manage to avoid paying taxes in Canada. The losses in tax revenues are said to be in the hundreds of millions.