

Oral Questions

of the ability of multinational corporations to divert funds from one subsidiary to another in a different country in order to take advantage of tax laws. Given this ability to manipulate profit and loss statements does the minister still maintain that the Anti-Inflation Board is capable of monitoring, let alone controlling the profit and pricing policies of multinational corporations?

Hon. Donald S. Macdonald (Minister of Finance): Those operations in Canada, Mr. Speaker, yes.

Mr. Saltsman: Mr. Speaker, I congratulate the minister more on his faith than on his facts. We had a chance to speak to some of the people from the monitoring board, the AIB, and I asked a question of Mr. John Hague at the seminar held for MP's on the anti-inflation program. He told me that the National Revenue people had lots of experience in handling such attempts at diverting funds. Given the fact that 60 per cent of our manufacturing sector is foreign controlled, that petroleum is 95 per cent and the Minister of National Revenue has admitted that he really cannot control—

Mr. Speaker: Order, please. If the hon. member has a supplementary question would he put it.

Mr. Saltsman: Yes, Mr. Speaker. In the face of this admission on the part of the Minister of National Revenue that he had no way of really monitoring the foreign multinational corporations can the Minister of Finance say how he intends to do the monitoring.

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. member would check the record I think he will find he has not correctly stated what the Minister of National Revenue has said. The minister has pointed out that, of course, there is difficulty in monitoring transnational transactions and indeed there is the possibility in some cases that revenue has been lost. Notwithstanding that, the Department of National Revenue over the years has had some success in monitoring the transfer payment problems.

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INCOME TAX**POSSIBILITY OF AGREEMENT WITH UNITED STATES ON MONITORING PROFITS OF MULTINATIONAL CORPORATIONS**

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of National Revenue in this case. The other day in response to a question of mine, the minister said that people in his department were meeting with their counterparts in the United States to arrange some kind of a method to monitor the profits and transfer payments of multinational corporations. Can the minister say how those meetings are proceeding and whether he has reached agreement with the United States government on monitoring multinational corporations?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, once again we have the hon. member looking at a glass that is nine-tenths full and seeing that it is one-tenth empty when he interprets the wording I used. We are

[Mr. Saltsman.]

working on a close, almost daily, co-operation with the Internal Revenue Service in areas in which we have mutual concerns, because tax laws are bound by boundaries and what we have to do is work across these boundaries. I must say we have had first class, 100 per cent, co-operation from the Internal Revenue Service of the United States in the hope that we will get other countries to join with us and embark upon simultaneous monitoring which will make us not only effective as we are now but more effective in the future.

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[Translation]

THE CANADIAN CONSTITUTION**REQUEST THAT PRIME MINISTER DEFINE "AMENDMENT" AND "REPATRIATION"**

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the right hon. Prime Minister.

Last weekend, the Prime Minister spoke about the repatriation of the constitution from England to Canada. If I understood the Prime Minister correctly, I commend him because he had the courage to say how he would proceed with the repatriation of the constitution. Either some people did not understand anything or I misunderstood. Could the Prime Minister say clearly and as firmly as he did last weekend that the purpose of the repatriation of the constitution is not to amend the constitution in England but to repatriate it to amend it here in Canada? Can the Prime Minister repeat if this is what he said namely that we do not need England to legislate on a constitution which properly belongs to us Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems the leader of the Social Credit Party of Canada understood, certainly better than some other hon. members opposite. I indicated very clearly in Quebec City and in this House yesterday, and on several occasions before and after, that it was a matter of putting an end to the last trace of colonialism which enables England to pass legislation which is valid and applicable in Canada. We are the only independent country in the world which is in this situation where its laws, and in particular its constitutional laws, can be made by another country; this is precisely what we want to put an end to. Once the constitution is repatriated, Mr. Speaker, the federal government will not get any new power whatsoever.

Mr. Caouette (Témiscamingue): A supplementary, Mr. Speaker.

In my supplementary, I put aside the statements made by the Prime Minister of Canada about Premier Bourassa. That is none of my business and I do not want to talk about it. But referring to the Canadian constitution, the Prime Minister also stated that pretty soon he would proceed to its repatriation and that if he has not the support of the provinces, he will act unilaterally. I also approve of that, because there is no need to beg here and there for repatriating what belongs to us. Here is what I want to know. The Prime Minister said that pretty soon we would initiate proceedings or will proceed to such a repatriation. When does the Prime Minister intend to begin or did he