

Oral Questions

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ENERGY**DEDUCTIBILITY OF ROYALTIES FOR TAX PURPOSES—
REQUEST FOR RECONSIDERATION OF FEDERAL POSITION**

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Prime Minister. I am sure the Prime Minister is aware of the serious energy shortage that is facing Canadians in the near future and that activity in the exploration field is not in high gear, despite the progressive steps taken by the premier of Alberta last week. I am sure the Prime Minister is also aware of the statement in committee a year ago by the minister of energy that he was glad a higher royalty was proposed by the province of Alberta. In view of the Prime Minister's indication to me in the House two weeks ago that deductibility for tax purposes of a reasonable amount of royalty was an interesting suggestion, would the Prime Minister be prepared to consider resource taxation that would permit deductibility at least up to the level that the minister considered to be too low a royalty just one year ago?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure whether the hon. member is simply repeating a suggestion, in which case I thank him for it. If he is negotiating on behalf of the premier of Alberta, I find the avenue rather strange indeed. The fact is that the premier of Alberta made it very clear, as far as I understood him, that he did not accept our position on royalties at all. It was not a question of saying that you can disallow some and allow the rest.

● (1510)

The hon. member is now making a completely new type of proposal, saying it is okay to disallow some provincial royalties, as I understand him, providing you do not disallow them all. I repeat, this is not the position the Alberta government has taken. Therefore, I cannot think the hon. member is speaking on anybody's behalf but his own.

Mr. Bawden: Mr. Speaker, I am sure the Prime Minister is well aware that steps have been taken by the province of Alberta. The question I am asking the Prime Minister is whether the door is closed, is he not prepared to open this, and is he not prepared to take some initiative as the chief executive of this country to enable the energy objectives of this country to be met? I think it behooves him to tell the House and the country what is the position. He said he would be reasonable. Is there a position of compromise which he would offer now to get this whole important matter of energy search going again in Canada?

Mr. Trudeau: Mr. Speaker, in the government's view a great step toward compromise was taken by the federal government in its budget. A great step toward compromise was taken by the Alberta government in its recent announcement. Our position is that, subject to further analysis of the figures and discussions with the industry, the industry is in a pretty good position to continue its

[Mr. Danson.]

explorations. Therefore, I take it that the representations made by the hon. member must be on behalf of the industry. They are not on behalf of the Alberta government.

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PUBLISHING**FOREIGN OWNERSHIP IN BOOK PUBLISHING SECTOR—
GOVERNMENT POSITION ON CANADIAN OWNERSHIP**

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in view of the alarming growth of foreign ownership in the Canadian book publishing industry and the Secretary of State's own statement that he believes Canadian ownership of the industry is vital, does the minister intend to introduce legislation which would designate book publishing a key sector and force foreign subsidiaries either to sell to Canadians, return to operating through Canadian agents, or withdraw and sell into Canada directly from the United States?

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker. As I have indicated before, and did so during the campaign, the approach we will be taking is through the Foreign Investments Review Act. We feel that the screening agency can effectively perform this role, and this legislation is already in place. We feel that is the proper vehicle, and that position has been supported by the I.P.A. and the Canadian Book Publishing Council as well. I would also point out to the hon. member that there are approximately 132 publishers in Canada, 80 per cent of which are Canadian owned.

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VETERANS AFFAIRS**STE. ANNE DE BELLEVUE HOSPITAL—GOVERNMENT
INTENTIONS WITH REGARD TO RETENTION OR TRANSFER OF
OWNERSHIP**

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, will the Minister of Veterans Affairs advise the House of his intentions regarding the Ste. Anne de Bellevue veterans' hospital? Does the cessation of renovations which were being carried on mean that the whole plan for the hospital is to be scrapped; is it to be turned over? Why is there limited occupation and what is the situation with regard to staff?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in answer to the hon. member I would point out that negotiations are presently being carried on between the province and the federal government. My understanding in respect of negotiations is that no decision has been reached as yet. The reason it is not fully occupied is that there are some renovations taking place so we are not filling the place up with patients only to have to move them out at a later date.

Mr. Lambert (Edmonton West): Mr. Speaker, is it the government's intention to turn the hospital over to the Quebec Hospital Commission for administration for veter-