

*Oral Questions*

Some hon. Members: Hear, hear!

**Mr. Marshall:** Was consideration also given to war veterans allowance recipients who are getting a partial disability pension, and will the recent increase in the disability pension be exempt from war veterans allowance cheques?

**Mr. MacDonald (Cardigan):** Mr. Speaker, this is something I am working on for the next time parliament sits.

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**INDUSTRY****SHORTAGE OF PAPER PRODUCTS—GOVERNMENT ACTION**

**Mr. Ian Arrol (York East):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that paper products for Canada's domestic and export markets were in low supply even before the railway strike and before the strikes in the paper mills themselves, would the minister inform the House what action is planned for what appears to be a serious long-term situation? For how many years can we expect shortages before Canada's abundant forests can be utilized to meet the demand?

**Hon. Herb Gray (Minister of Consumer and Corporate Affairs):** Mr. Speaker, the hon. member has raised an important question but I think it comes more closely under the jurisdiction of the Minister of Industry, Trade and Commerce and the Minister of the Environment.

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**VETERANS AFFAIRS****DURATION OF EXEMPTION FROM CEILING IN WAR VETERANS ALLOWANCE ACT OF INCREASES IN OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT**

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, my question has in fact been put by the hon. member for Humber-St. George's-St. Barbe and I welcome the answer, but may I ask the Minister of Veterans Affairs a supplementary question. Does the order in council which will exempt from the ceiling in the War Veterans Allowance Act the increase in old age security and the guaranteed income supplement which will take place in October apply only to October, or does it apply to all of the quarterly increases that will take place in the future?

**Hon. Daniel J. MacDonald (Minister of Veterans Affairs):** Mr. Speaker, it will apply to the quarterly increases that take place in the future.

[Mr. MacDonald (Cardigan).]

**TRANSPORT****ALLEGED EVASION OF RESPONSIBILITY BY RAILWAYS RESPECTING MAINTENANCE OF RIGHTS OF WAY IN RURAL AREAS**

**Mr. Bill Jarvis (Perth-Wilmot):** Mr. Speaker, in the absence of the Minister of Transport I will direct this question to the Minister of Agriculture. I may say I am sorry that the Minister of Labour is not getting equal time today. In light of the fact there is ample evidence that Canadian railways are deliberately avoiding their responsibility in connection with the maintenance of their rights of way through rural areas, and in light of the fact the Canadian Transport Commission has so far evaded its responsibility to direct the railways to fulfil their obligations in such matters as weed spraying and fence repairing, is the minister willing to intervene or will he undertake to urge his colleague, the Minister of Transport, to intervene, provided, of course, that I and other members of the House supply him with information on specific breaches of this responsibility?

**Hon. E. F. Whelan (Minister of Agriculture):** Mr. Speaker, the question covered far more than railway rights of way. If I were to answer it in detail it would take quite a while. I will look into the problems he has brought to my attention and discuss them with the Minister of Transport and the CTC.

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**FINANCE****STEPS TO PREVENT OUTFLOW OF SHORT-TERM FUNDS**

**Hon. Marcel Lambert (Edmonton West):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs who is deputizing for the Minister of Finance. Since last week's increases in the prime rate and in the bank rate were designed to stop the outflow of short-term funds, and since there has been a continued heavy outflow of funds, will the minister advise what other steps the government is contemplating to prevent such an outflow, or can we anticipate a further rise in interest rates in a week or ten days' time?

● (1200)

**Hon. Mitchell Sharp (Acting Minister of Finance):** Mr. Speaker, obviously this is one of those questions that should be reserved for the minister who has the day to day responsibility. I will put the question to him, but I am sure my hon. friend would not advocate a further increase in interest rates—or perhaps I misunderstood.

**Mr. Lambert (Edmonton West):** No, Mr. Speaker. I am just wondering if we are to have a further instalment in a bankrupt government policy.