

to meet what has become a critical situation in the publishing trade because of supply shortages and high costs?

**Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce):** We have met with representatives of the industry. I have met with the presidents of the leading companies and I believe the problem of supply has been largely settled in favour of the Canadian user.

**Mr. Fairweather:** Has the minister's attention been drawn to a report this morning to the effect that there is to be a 12 per cent increase in April in the cost of quality paper? If so, how does this fit in with the minister's somewhat optimistic reply?

**Mr. Gillespie:** That is a separate question, the question of price.

**Mr. Fairweather:** I asked about both.

**Mr. Gillespie:** The paper industry, like every other industry, has been faced with increasing costs, increased pulp costs especially in the case of the fine paper industry. This industry, historically, has operated on a very low profit level. One would hope that with a return to reasonable profit levels new investment will go forward.

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#### TRANSPORT

##### STUDY OF FEASIBILITY OF ARCTIC RAILWAY—AVAILABILITY TO MEMBERS AND PEOPLE OF NORTHERN TERRITORIES

**Miss Flora MacDonald (Kingston and the Islands):** Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Is it the intention of the government to have the result of the CN-CP study showing the feasibility of an Arctic railway referred to northerners through their elected members and also to the Standing Committee on Indian Affairs and Northern Development so that hon. members may assess the full implications of this proposal?

[Translation]

**Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development):** Mr. Speaker, I have not studied the report yet. I do not know if it has already been submitted. This report was asked by the Minister of Transport. I will discuss this matter with him and report to the hon. member.

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#### ENERGY

##### NATIONALIZATION OF BRINCO—FEDERAL GOVERNMENT POSITION

**Mr. René Matte (Champlain):** Mr. Speaker, I wish to ask a question of the right hon. Prime Minister.

Answering a question I asked him recently, the Prime Minister told me that the nationalization project of BRINCO by the government of Newfoundland was of no interest to the federal government. But yesterday, spokes-

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men for Newfoundland stated that the federal government was very interested indeed in this nationalization and that meetings have taken place between both levels of government on this subject. Therefore, I would like to ask the Prime Minister if he did meet the officials concerned on this matter and what the government position is regarding that project.

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, both versions are acceptable, according to me. As far as I am concerned, I never tackled the subject with the premier of Newfoundland. I still maintain that such political decisions are to be taken by the provincial governments, whether we do or do not agree with them. On the other hand, there would be many consequences for the province if it acted that way, consequences of a financial, constitutional or other nature regarding federal-provincial relations and there may be some discussions on this subject. I even see some ministers who agree with me.

There have probably been discussions between the officials concerned, but certainly not at the government leaders level, and obviously not to ask for our consent or our veto.

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[English]

#### HOUSING

##### INCREASE IN MORTGAGE INTEREST RATES—GOVERNMENT ACTION TO COMBAT

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my question is for the Prime Minister. As Canadian shelter costs have risen 42 per cent since the present government gained power, the highest increase in six years ever recorded, and in view of information from Statistics Canada that the index for shelter moved up .9 per cent in February due mainly to higher mortgage interest rates, would the Prime Minister reconsider his refusal in the House on September 11 last to order a roll-back of mortgage rates or at least prevent any increase in mortgage rates that may be forthcoming?

**Right Hon. P. E. Trudeau (Prime Minister):** If the question was seriously put, as I am sure it was, I have no doubt the questioner would wish to add words to his preamble to indicate that since our government came to power more houses have been started and built in Canada than in any other period of our history.

##### SUGGESTED RAISING OF CEILING ON NATIONAL HOUSING ACT LOANS—GOVERNMENT POSITION

**Mr. Sinclair Stevens (York-Simcoe):** Perhaps I might direct my supplementary question to the Minister of State for Urban Affairs. Inasmuch as the aggregate sale value of homes in the Toronto area has jumped by \$10 billion since the Trudeau government came to power, an 80 per cent increase, would the minister tell us whether he intends to raise the \$30,000 ceiling on NHA loans so that such financing may become more meaningful in our urban centres and thereby hopefully trigger lower interest rates, bearing