

through, may I ask the minister what steps the government is taking to equip itself with the power to force a roll-back either of these prices or any other prices which in the view of the board are not justified and which the retailers and wholesalers are unprepared to roll back?

Mr. Gray: The Prime Minister stated last September and in August, if I am not mistaken, that the government would be prepared to take further action where there were unwarranted price increases, as determined by the Food Prices Review Board, which the parties were unwilling to correct voluntarily. I think the important thing to do is to see the results of this effort that has just been announced. Certainly this is not the time to announce a further policy in this regard, not until we have seen the results of these efforts.

POSSIBILITY OF VIOLATION OF COMBINES ACT BY
BAKERIES—LEGISLATION TO PROTECT CONSUMERS AGAINST
FURTHER INCREASES IN BREAD AND MILK PRICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the minister if during the course of his discussions with the Bakery Council on Friday he discussed with them the implications of the Combines Investigation Act? I ask that question in view of the reference made to this by the Food Prices Review Board in its report. May I also ask the minister why he did not contact the Bakery Council when the Food Prices Review Board first reported on February 18?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, first of all, the Food Prices Review Board report of February 18 was stated to be a preliminary one. I personally thought it advisable to consider what further action should be taken in light of their more complete report, and promptly on its receipt action was taken.

With respect to the first part of the question, I certainly did not think it proper to go into the type of area my hon. friend has mentioned. I said in the House on Friday that that aspect of the Food Prices Review Board report has been drawn to the attention of the director and certainly he is in a position to carry out his responsibilities under the law.

Mr. McGrath: In view of the fact the minister has not received a total commitment from the Bakery Council and in view of the anticipated increases that can be expected not only in bread but in milk as well, I ask the minister what immediate steps the government proposes to take in a legislative way to protect the consumers of this country from any further increases in these two very basic staple foodstuffs?

Mr. Gray: The government will be prepared to take appropriate action where necessary as it has demonstrated its commitment and ability to do over the past months.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We should try to complete the first round of questioning. If hon. members have more supplementaries on this subject we might return to it later.

Oral Questions

TRADE

CUBAN ORDER FOR LOCOMOTIVES PLACED WITH MONTREAL
FIRM—RESULTS OF REPRESENTATIONS TO UNITED STATES
GOVERNMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Last week I asked the minister if the government had been attempting to facilitate the sale of locomotives to the government of Cuba and he informed the House that some communication had taken place between our government and the government of the United States. Is he now in a position to inform the House what the results of that communication were?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have no further word at the present time.

APPLICATION OF CANADIAN RATHER THAN U.S. LAW TO
SUBSIDIARIES OF AMERICAN COMPANIES OPERATING IN
CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Would the minister follow the example of Argentina which declared unilaterally that corporations operating within its borders, whether they are subsidiaries of United States companies or not, must operate according to Argentinian law, which led to American subsidiaries in Argentina going to Cuba last week on their own without consulting the United States and obtaining rather substantial orders for their products?

● (1120)

Hon. Mitchell Sharp (Secretary of State for External Affairs): So far as I know, Mr. Speaker, corporations in Canada do obey Canadian law. If the hon. member has some evidence that they do not obey Canadian law, I would like to have it.

Mr. Speaker: The hon. member will be recognized for a second supplementary, following which the Chair will see the hon. member for Roberval.

Mr. Broadbent: In view of the fact the firm in question in Montreal did exactly what firms now operating in Argentina no longer do, namely, consult its parent body in the United States before proceeding to sign a contract, would the minister assure the House that this is not in fact the general operating procedure for firms within Canada?

Mr. Sharp: Mr. Speaker, that, of course, is a different question. I can assure you that the government of Canada, at all levels, has been making representations to the United States government. My colleague, the Minister of Finance, has been in touch with his counterpart in the United States. My department has been in touch with the State Department. Dr. Kissinger has been away. The matter has now been brought to his attention, and we hope it will have a good outcome.