

## Oral Questions

## ORAL QUESTION PERIOD

[English]

## CONSUMER AFFAIRS

## PROPOSED INCREASE IN PRICE OF BREAD—GOVERNMENT ACTION

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, my question is for the right hon. Prime Minister in the absence of the Minister of Consumer and Corporate Affairs. I am sure the matter is of such importance that the Prime Minister will be familiar with it in any event. I should like to ask whether the government has taken appropriate measures to prevent unreasonable increases in bread prices? Can the Prime Minister tell the House what action the government has taken since last Friday?

● (1110)

**Right Hon. P. E. Trudeau (Prime Minister):** Since last Friday?

**Mr. Stanfield:** Since last Friday when the minister spoke.

**Mr. Trudeau:** Yes, Mr. Speaker. The minister has been in communication with many of the important sectors of the baking industry. He has secured assurance from some of them that they would not increase the price by four cents. He is in the process now of trying to nail down this agreement, as it were, and I am certain he will want to report on the good news if indeed it materializes as we hope it will.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs who has now entered the House. I should like to ask him specifically what action he has taken to prevent an unreasonable increase in the price of bread and, more specifically, whether he has told the bakeries what bread price increase the government considers to be appropriate and will permit and, if so, what price increase has been authorized?

**Hon. Herb Gray (Minister of Consumer and Corporate Affairs):** Mr. Speaker, Friday afternoon I asked the Bakery Council to transmit to their members my request that they not increase the price of bread beyond the level considered acceptable by the Food Prices Review Board until they have held further meetings with the board. I have just received a message, which I will attempt to paraphrase, from the Bakery Council of Canada.

"Many bakery companies have agreed to restrain their increases to every extent possible. Other bakeries have already incurred cost increases of such magnitude they are simply unable to agree to any change from their action for even a week. They recognize, however, that competitive market pressures will undoubtedly force restraint. In the Bakery Council's overall assessment of the situation, therefore you can expect the general restraint of one cent per 24-ounce loaf through the month of March. This would indicate a move of two cents per 24-ounce loaf in most

[Mr. Speaker.]

markets and three cents a loaf in some. This would be broadly in line with the Food Prices Review Board recommendation." The council completes its message by saying it "shall proceed to resolve a further meeting with the Food Prices Review Board as quickly as a satisfactory meeting format and date can be arranged."

**Some hon. Members:** Hear, hear!

**Mr. Bell:** Big deal!

**Mr. Stanfield:** Mr. Speaker, in view of the fact that the response seems to be a little vague in some respects with regard to any assurance, can the minister indicate to us what position the government is in fact taking, whether the government is simply leaving it to the further discussions that are to take place in the hope that something satisfactory will happen, or is the minister indicating to the industry what price increase the government considers to be acceptable?

**Mr. Gray:** Mr. Speaker, I think my hon. friend's question is really hypothetical. I can just reiterate the message I have received from the Bakery Council to the effect that "in the bakery council's overall assessment of the situation therefore you can expect the general restraint of one cent per 24-ounce loaf through the month of March." They conclude by saying that they will proceed to have "a further meeting with the Food Prices Review Board as quickly as a satisfactory meeting format and date can be arranged."

## PROPOSED INCREASE IN PRICE OF BREAD—PURPOSE OF FURTHER MEETING BETWEEN BAKERY COUNCIL AND FOOD PRICES REVIEW BOARD

**Mr. Terry Grier (Toronto-Lakeshore):** Mr. Speaker, in view of the fact the Food Prices Review Board had in its possession prior to the publication of its report the confidential financial statements of the bakeries, would the minister indicate to the House what purpose is to be served by a further meeting between the Bakery Council and the Food Prices Review Board unless it is to permit the Bakery Council a further opportunity to bamboozle both the government and the board into permitting an increase which at this point they have publicly stated is not justified?

**Hon. Herb Gray (Minister of Consumer and Corporate Affairs):** Mr. Speaker, the Food Prices Review Board issued a report stating what increase in the price of bread it considers justified. It seems to me there would be good grounds for allowing the Bakery Council a chance to state its position and discuss it with the board so that any further action that would be required would be taken in light of that further discussion. I think the important thing to note is the message I received from the Bakery Council indicating that in its view there would be restraint for the month of March on bread prices to the level considered acceptable by the Food Prices Review Board.

**Mr. Grier:** In view of the fact the assurances from the Bakery Council quoted this morning by the minister have a hole in them large enough to drive a bakery truck