

Mr. Speaker: Order, please. May we have order, please. The hon. member has the floor.

Mr. Lawrence: Mr. Speaker, we are entitled to ask the minister if it is still the government's view, as enunciated by him, that a four cent increase in the price of bread is unjustified today?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, all I said previously about the matter was that the government would view any increase in the price of bread in a most serious manner if it came about through increases in costs which were not justified. This is why I contacted the members of the Bakery Council through their association, to ask them not to make any increase beyond that considered acceptable by the Food Prices Review Board until they had a chance to meet with the board. Second, there was not only a report on February 15 saying that a two cent increase would be justified; there was another report just on February 28 saying that further studies indicated that a further one cent increase might be justified or would be justified under certain circumstances. Finally, I should like to say that we should note the interesting conversion, equal in importance to that of Saul on the road to Damascus, when it comes to the Food Prices Review Board on the part of the Conservative Party.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

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TRADE

REQUEST THAT DIRECTIVE BE ISSUED UNDER CANADIAN COMMERCIAL CORPORATION ACT TO ENSURE SALE OF LOCOMOTIVES TO CUBA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that section 4 of the Canadian Commercial Corporation Act gives the minister or the cabinet specific authority to issue a "special direction" to ensure that the trade objectives of the government are carried out through the Canadian Commercial Corporation, will the minister assure the House that he or some other minister or the cabinet will issue such a directive to ensure that the discussed sale of locomotives to be produced in Montreal to the government of Cuba will be proceeded with?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, a very few minutes ago I was talking to the president of the Canadian company with respect to this transaction. I asked him what the status of the application for waiver was. He told me it had not yet been acted upon. I expressed the view to him that if the problem, essentially a United States problem involving United States law and United States citizens—

Some hon. Members: Oh, oh!

Oral Questions

Mr. Gillespie: Just a moment—could be resolved by the resignation of those directors, I would expect that resignation to take place forthwith.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, with regard to the more specific aspect of the member's question, he has raised the possibility of the Canadian Commercial Corporation being used. I am not the minister responsible for the Canadian Commercial Corporation and I suggest that he direct his question to that minister.

GOVERNMENT POLICY RESPECTING OPERATIONS OF SUBSIDIARIES OF FOREIGN CORPORATIONS IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the answer just given to the House by the Minister of Industry, Trade and Commerce and its implications, I would ask the Prime Minister to make clear to the House what I understood to be the force of the answer. Is it now government policy that if any American or other foreign subsidiary located in Canada does not conduct trading policies that are in accord with the general wishes of the government, the government expects the directors, in this relevant case the American directors, of such corporations to resign?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member has indicated one course, resignation. We hope to obtain the same results by option, by a series of approaches to this matter. It may not be by resignation. It may be by moral suasion; it may be by talking to the American government. The important thing for the House and the Canadian public to know is that the Canadian government has means to make sure that this kind of deal which is to the profit of Canadian companies does go through. We have the means to do it and we will exercise those means.

● (1130)

Some hon. Members: Hear, hear!

PROPOSED SALE OF LOCOMOTIVES TO CUBA— REPRESENTATIONS BY EXTERNAL AFFAIRS MINISTER TO UNITED STATES TO SECURE REMOVAL OF RESTRICTIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Has the minister been in touch with the Secretary of State of the United States in the past day or so to ensure the removal of any restrictions imposed by the United States government on the sale to Cuba of locomotives to be built in Canada by the MLW-Worthington Company, a subsidiary of a United States parent company, which has received \$50 million in export development loans from the Canadian government?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the Prime Minister said, Mr. Speaker, the Canadian government has a number of options. The most desirable one would be to get a waiver of this particular rule applied to MLW-Worthington. Representations along