when they went along with their budget of last year in which they predicted an increase of 32 cents per gallon for gasoline by January 1, 1981. In fact, their budget ensured this 32-cent increase by a date approximately two months from now. It is a far cry from the increase of 13.3 cents evidenced by the budget of last Tuesday night.

May I call it ten o'clock?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

INDUSTRY—APPLICATION TO FIRA BY FINNISH TIRE COMPANY—REASON FOR GOVERNMENT APPROVAL

Mr. Walter McLean (Waterloo): Thank you, Mr. Speaker. This evening I am hoping to receive some assurance from the Minister of Industry, Trade and Commerce (Mr. Gray) or from the government that it is truly committed to the protection of jobs in the Canadian rubber industry. I asked the minister, on both June 25 and July 3, about the decision of the Foreign Investment Review Agency, announced on March 28, 1980, concerning OY Nokia AB of Finland, and its advisability at a time when the government had announced a $50 million DREE grant to the Michelin Tire Company. Since that time Uniroyal Limited has asked its Canadian employees to accept pay and benefit cutbacks as a result of market conditions.

Since then I have received from the minister one written outline of the circumstances surrounding the FIRA decision. As well, the minister has written to Stuart Smith, the leader of the opposition in the province of Ontario. The common strain in the two responses is that with the decision of FIRA the government was afforded a bargaining position that it had not previously enjoyed. I quote from the minister's letter to me dated August 29, in which he stated:

> You may not be aware that Nokia tires have been sold in Canada for several years through existing distributors and dealers and that ... had the Nokia application to establish a new enterprise in Canada been disallowed, it is virtually certain that the importation of Nokia tires would have continued, and also that no compensating benefits for Canadians would have been obtainable.

This assertion, repeated in the minister's response to his colleague at Queen's Park, opens a number of extremely serious avenues for interrogation. In my canvass of tire manufacturers, dealers and distributors, most of whom are doing business across the country, not one has seen more than one instance of a Nokia tire being sold in Canada. That instance was a ship container of Nokia radial tires that sat in a Montreal warehouse for two years until early in 1979 when it was bought and marketed by Treadway Exports Limited of Waterloo, Ontario. No new shipment is anticipated or will be sought. If this is what the minister is referring to as an instance of the distribution of Nokia products, then will he tell this House why this valuable container sat and gathered dust for two years.

In fact, this constitutes no mere matter of bureaucratic overkill. What is far more important, and the reason I am pursuing this matter here tonight, is that the terms of the FIRA decision are exactly those given by the minister's Liberal predecessor to the Michelin application. This same innocuous form of reference gave Michelin, in effect, a duty-free holiday, unrestrained by either time or amounts. Nokia seems to be just as free as Michelin to build up its share of the domestic market for years, before actually building a manufacturing plant in Canada.

This is the case, Mr. Speaker, despite the written assurances given by the minister to both Mr. Smith and myself that there is nothing in the FIRA decision which would lead Nokia to believe that the federal government would at any time offer some sort of abnormal tariff break. What, besides a unilateral tariff exemption would possibly induce Nokia to enter an extremely competitive and hungry industry, one which by any account is running well below manufacturing potential?

Furthermore, I cannot comprehend why the minister feels that Nokia does not qualify as a foreign multinational. The FIRA decision refers to Nokia's undertaking to seek a joint venture for tire manufacturing. It is instructed to offer equity participation to Canadians of not less than 50 per cent. However, if no joint venture with Canadian participation is possible, Nokia is permitted to construct a manufacturing facility for car and truck tires which would be 100 per cent Finnish-owned. How can this possibly be construed as anything but a foreign multinational?

• (2205)

In conclusion, Mr. Speaker, in his response to my questions on this matter in June and July, the minister hoped out loud that "the House will be supporting me before too long in legislation which, among other things, will enable the FIRA Act to operate with more openness." Should I presume that the minister was referring to the recently announced freedom of information legislation? Is this House to be presented with some proposed amendment to the Foreign Investment Review Act itself? In either case, I call upon the minister, through the parliamentary secretary, to take this well-documented opportunity to provide an example of openness. Will he shed a little light on a decision that seems to fly right in the face of the written purpose of the Foreign Investment Review Act? How, Mr. Speaker, is this decision concerning OY Nokia AB of Finland,—likely to be of significant benefit to Canada?"

How many jobs will it create for rubber workers across our land?

[*Translation*]

Mr. Gérald Laniel (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am pleased to