

Oral Questions

transferred out of the federal treasury to the provinces for the assistance of municipalities before March of 1982, when those payments will cease. The money to which the hon. member referred is part of that allocation to the province of Quebec, which has decided that that was how that money was to be used. The other allocations go to other provinces under the same formula in the present agreement. The hon. member should not be surprised that out of \$400 million there will be allocations from time to time, some receiving more publicity than others.

Mr. Lewis: Madam Speaker, my surprise is at the use of the word "new". I would ask the minister this question. When the province took over Loto Canada, the province of Quebec agreed to assume the cost of the Quebec coliseum using the new Loto Canada funds. Why is the minister paying out funds from this cancelled program which could be used by other municipalities when the province of Quebec has already agreed to fund the coliseum?

Mr. Cosgrove: Madam Speaker, the question raised by the hon. member indicates a part of the problem which the government had to confront when it reviewed that program, that is that the federal government permitted the provinces to designate where the funds under the community services contribution program would be spent. We said to the provinces, as did the government in the early design of that program, that they have the choice where the funds are to be spent. In retrospect we wonder whether that was a wise move, because the question raised by the hon. member indicates that, in a fast changing world where perhaps we cannot afford at any government level to spend money, for example, on soft services, perhaps it is not desirable to lock ourselves into that kind of arrangement.

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[Translation]

INDUSTRY**REQUEST FOR ADDITIONAL INFORMATION ON ASBESTOS USE**

Mr. Alain Tardif (Richmond-Wolfe): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. Asbestos ranks high in our national economy and it is even essential to the well-being of my riding. Can the minister tell the House whether his department intends to set up some kind of mechanism to dispel the cloud of uncertainty over asbestos? As a result of very negative publicity about asbestos we have been witnessing lay-offs which will soon affect over 1,000 workers.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we know that our asbestos exports represent \$600 million for our balance of payments, but at the same time, we need regulations to protect mines and plant workers. My department has therefore set up a federal-provincial task force to develop a reasoned and scientific policy that

will give due consideration to asbestos-related security and health problems, while recognizing the importance of this industry for the province of Quebec and Canada as a whole.

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[English]

NORTHERN PIPELINES**ALASKA HIGHWAY GAS PIPELINE—INQUIRY RESPECTING FINANCING GUARANTEES**

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Energy, Mines and Resources who, I think, will be familiar with reports that President Reagan's transition team recommended support for the northern pipeline on the condition that there would be no government guarantees. The minister would also be familiar with the view in financial circles that that project cannot proceed without financial guarantees.

In his conversation with the U.S. Secretary of Energy, did the Canadian Minister of Energy, Mines and Resources receive an assurance that the Reagan administration would be prepared to contemplate the kind of government guarantees that would allow the financing of the whole project?

[Translation]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this matter was not specifically raised during my discussions with the American Secretary for Energy for the very simple reason that the information I have received from the Northern Pipeline Agency and our contacts within the American private sector responsible for the project seem to indicate that it might not be essential to have a financial guarantee from the government. Discussions are still going on with the private interests involved and it seems that a firm conclusion cannot be reached as yet as to the need for a guarantee from the American government.

[English]

Mr. Clark: Madam Speaker, that answer indicates that, for whatever reason, the Government of Canada at the moment has no undertaking from the government of the United States that there will be the kinds of guarantees which the financial community believes are essential for the completion of the pipeline. Would the minister give the House an undertaking to seek and report such guarantees immediately, and would he give us an undertaking to put in writing either his record of the conversation with the U.S. Secretary of Energy or the commitments which the Government of Canada believes are necessary from the government of the United States for the completion of the whole pipeline project.

Mr. Lalonde: Madam Speaker, I certainly do not intend to request at this time the kinds of guarantees that the Leader of the Opposition has mentioned from the U.S. administration. We have the word of the former president of the United States and we have a joint resolution of the U.S. Congress that they will take every step necessary to ensure the completion of that