

● (1452)

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I invite the hon. member to look at the joint communiqué, the first three paragraphs of which were agreed to by the Western Five and the government of South Africa. In that communiqué, it was indicated quite clearly that the South African government agrees to pursue a United Nations' solution to the Namibian problem. I think that is, at least on the surface, the assurance the hon. member has been asking about.

I would be less than candid if I did not say to him that, of course, we continue to have some reservations about the bonafides of South Africa regarding this. This is why we hope Mr. Ahtisaari, from the United Nations, will go to Namibia shortly. Then, within a matter of two or three weeks, it will be clear as to whether or not South Africa is genuine in its wish to have a United Nations' supervised peace settlement in Namibia.

Mr. Roche: Mr. Speaker, because this issue is very complex and has serious consequences for the international community—as have other recent major developments in the world news, such as the Middle East peace talks and the genocide in Cambodia—can the minister now assure the House that we will have a two-day debate on external affairs, such as we had last year, which gave members a full opportunity for airing Canada's foreign policy?

Mr. Jamieson: Mr. Speaker, yes, personally I would welcome this. Of course, it is not for me to decide on the business of the House. However, if the House leaders find that there is an appropriate time between now and the Christmas break—when I think it occurred last year—I will be glad to do it. May I also refer—and I do not think the hon. member will object to my saying it publicly—to the fact that I offered him an in-camera briefing, if he and other members of the House would wish, on the outcome of our discussions in South Africa. Barring an in-camera briefing, then I would be glad to meet with members of the committee in public and go as far as is considered appropriate in terms of the current developments at the United Nations.

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FINANCE

PROPOSED POLICY ON TRANSFER AND EQUALIZATION PAYMENTS TO PROVINCES

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I should like to direct a question to either the President of the Treasury Board or the Minister of Finance: it relates to the reallocation package of which they gave some information in a joint statement dated September 8. I am referring to the reallocation package, not to the items which make up the \$2.5 billion cut.

The main thrust of the reallocation package was a reallocation of income in the country. Some \$220 million was to come from transfer payments including equalization payments.

Oral Questions

Given that it is rather strange that one should go after equalization payments, which go to the poorer provinces, as well as reallocating income in the country, can either minister tell me how much the government proposes to ask the provinces to reduce the equalization payments?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, at that time we listed the transfer programs from which we wanted to have some money. In the case of transfer payments to the provinces in terms of equalization, of course, from time to time we have to review the formula because there is variation in the actual situation from year to year.

It is possible that we will review it at this time to make sure some of the developed problems are not disturbing the process of equalization payments. But there is no question of cutting down equalization payments; it is just making the necessary adjustments from time to time.

Mr. Stanfield: Mr. Speaker, is the minister prepared to give me the assurance this afternoon that it was not the intention of the government, when it indicated that it was going to save part of the \$220 million from equalization payments, to ask the provinces at this time to modify in any respect the equalization formula?

[Translation]

Mr. Chrétien: Mr. Speaker, we regularly review our programs with the provinces, and we intend to discuss this problem with them at the finance ministers' meeting which will be held next Thursday, because some aspects of the formula have created problems. But I wish to reiterate that next year's equalization payments to the provinces will be increased over this year's. As for the exact amount of the increase, that is what we will discuss with the provinces.

[English]

Mr. Stanfield: Mr. Speaker, will the minister be a little forthcoming and indicate to the House in what manner the government intends to propose a change in the equalization formula? Never mind all the hocus-pocus and the vagueness: this is a program which has been established in this country for some 30 years and has been changed by agreement from time to time. What changes does the Minister of Finance intend to propose at this time?

[Translation]

Mr. Chrétien: Mr. Speaker, it is not my intention to discuss that problem at this time. I have already consulted a few finance ministers on that issue. I will be meeting others early next week. We are now studying the problem. I trust that we will arrive at a simple solution when we meet with the finance ministers next week because, as I said, we do not intend to reduce the equalization payments. They must simply be adjusted, there will in effect be an increase in the amounts paid next year over this year's payments.