

Private Members' Business

reduced by 10 to 20 per cent. This will be possible because of the company's plan to reduce transportation costs and because its purchasing power will enable it to negotiate lower prices and to pass the savings on to the customers.

• (1840)

This company expects to save on transportation costs by regrouping products and chartering aircraft that would carry up to \$75,000 worth of merchandise per flight. While its plan initially is to be a food wholesaler, the company estimates that it can receive 88 per cent of the market share in two years by supplying perishable food products and other consumer merchandise needed by northern residents but not currently available at reasonable prices.

The overall cost to inaugurate the service is estimated to be some \$1.65 million. Without going into too much of the financing it is safe to say that the company would probably need some government loan guarantee in order to get started. I think the operative word here is "loan". As was also mentioned by the mover of the motion, this company would create jobs for some people in the north and they also all are shareholders of this particular company.

What benefit is this for the Canadian government? The company's prospectus predicts initial savings for the government of up to \$3.6 million. It expects to train and employ, as was mentioned before, about 55 local people.

Now as you know we in the Reform Party are strong believers in the free enterprise system. I am personally pleased to see that this group has taken the initiative to provide a better service to at least some of the isolated northern communities. It sounds like an excellent viable alternative.

If this group is successful, it is likely that other entrepreneurs will follow its lead. Then there would be no need for the Government of Canada to provide so much subsidy to Canada Post for the food mail program.

If this had been a votable motion, I would have asked that it be referred to committee. I would encourage our party to support this motion and refer it to a committee for further examination. Since it is not a votable motion, I would like to encourage the government.

I was very pleased to hear the member opposite say that the government has plans to review this whole program and, I hope, these proposals. Certainly what I would encourage is that the government look at every possible proposal to make the food distribution in the north far more efficient and effective as well as improving the quality of the food and ultimately the diet of the people who live in the north.

Mr. Morris Bodnar (Saskatoon—Dundurn): Madam Speaker, I rise to address the House on the motion put forward by the hon. member for Saint-Jean.

As my hon. colleague has explained, the northern air stage program is critical to the good health of many thousands of people living in remote northern communities. It is also a federal initiative that is not well known to many Canadians or to their representatives in this House. I would like to take this opportunity to provide some background on the program so that hon. members can fully appreciate its importance.

The principal objective of the northern air stage program is to achieve food security in isolated northern communities. Food security is defined as a condition in which all people at all times have access to safe, nutritiously adequate and personally acceptable foods in a manner which maintains human dignity. Food security poses special challenges in northern Canada, where southern food is very expensive and retail competition is extremely limited.

There are also increasing pressures on traditional food sources as well as concern about contaminants in the food chain. Hunting itself is expensive, especially for people who are already in low-paying jobs or are receiving social assistance.

Under the northern air stage program the Department of Indian Affairs and Northern Development makes payments to Canada Post to subsidize the cost of providing air parcel service to communities that are not accessible by year round surface transportation. This payment covers between 50 and 60 per cent of the cost of sending these parcels, most of which are food items. This is why the program is more commonly referred to as the northern food mail program.

• (1845)

This program has become a vital element of the northern food distribution system. It ensures that supplies of nutritious, perishable food are delivered to about 45 Inuit communities in the Northwest Territories, northern Quebec and Labrador. It also serves about 60 isolated First Nation communities in the James Bay region of Quebec, in Ontario, Manitoba, Saskatchewan, and the Northwest Territories, and about 20 mainly non-aboriginal communities in Labrador and the north shore region of Quebec. In total, some 86,000 Canadians depend on the program.

In 1989 the previous government announced that the food mail program would be phased out after more than two decades of existence. As might be expected, this announcement was met with a great deal of opposition both in the north and in the House, and the government decided instead to undertake a major review of the program.

As a result of this review steps have been taken to make the program more equitable in terms of the subsidization rates paid