

Private Members' Business

The review may tell us in the end that the essential structure of the program is solid but that some fine tuning is needed. It may tell us that a completely new approach is needed, or that the program should be developed and looked after by another level of government, or indeed by an independent organization.

In the meantime, hon. members have the government's assurance that funding for the program in its current format will continue. In 1994-95 a total of \$14.1 million will be available for the food mail program. The bulk of this, some \$13.6 million, will come from the Department of Indian Affairs and Northern Development. The remaining \$500,000 will be contributed by Health Canada. This level of funding should be sufficient to maintain the postage rates at the current levels until March 31, 1995.

In closing, I want to say that I of course am not an expert on this subject. I have had some experience as I have indicated in the course of my remarks, but I am not an expert. The remarks I am alluding to and am in part reading have been prepared for the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development who is tied up at a committee meeting tonight and is unable to be here to deliver this particular speech. I am pleased to have the opportunity to contribute to the debate on his behalf and on behalf of the government.

In conclusion, this House must acknowledge that the northern food mail program has proven to be an effective and efficient way of making food and other essential goods more affordable in isolated northern communities. As a member who travels there occasionally I am pleased to support it. I am confident that if any improvements can be made either in the short term or in the long term, they will be identified in the course of the review which the government has under way and which will be reporting in due course.

I thank the hon. member for raising this issue in the House.

• (1835)

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, I am pleased to participate in this debate on the motion presented by my colleague, the hon. member for Saint-Jean. The motion asks the government to make food distribution in Canada's north more effective and more economical.

I could not help but notice that the member who spoke just before me must have done his research from exactly the same material that I did mine. His speech sounded a lot like the one I am about to deliver.

We in the Reform Party are always looking for ways to improve on existing programs. I commend the hon. member for his initiative in bringing this motion forward.

Since the 1960s the federal government in conjunction with the post office has made an effort to supply isolated northern communities with affordable fresh produce. Under the northern air stage program the Department of Indian Affairs and Northern Development pays Canada Post a subsidy to cover a portion of the cost of bringing nutritious and mostly perishable food to communities that have no year round road or rail access. Approximately 125 communities serving about 86,000 people are eligible under this program.

As has been referred to previously, in the 1994 fiscal year this food mail subsidy will amount to some \$14.1 million. Of this, \$13.6 million will be coming from the Department of Indian Affairs and Northern Development, with about half a million dollars coming from the Department of Health.

The residents of Canada's north face not only higher retail prices than we southerners but they also have a critical employment program. Most work in that area is, at best, seasonal in nature. The 1986 census showed that only 35 per cent of the aboriginal population 15 years of age or older were employed, compared to 60 per cent for all of Canada in the same age category. Of course a high unemployment rate means a lower annual wage and ultimately less purchasing power.

The high cost of transporting goods in the north, even with the government subsidized food mail program, results in higher consumer prices. As was also alluded to earlier, a family of four in these isolated communities in the Northwest Territories would have to spend between \$260 and \$280 per week just for a basic diet. That is at least twice as much as we would have to spend in southern Canada for the same diet.

A study by the Department of Indian Affairs and Northern Development conducted in 1990 concluded that by reducing the merchant's transportation costs, the air strategy subsidy has been an effective means of keeping the prices of food and other goods in remote areas lower than they otherwise would be. The study also found that an elimination of the subsidy would likely result in higher social assistance costs, higher health care costs and an increase in isolated post allowances for government employees.

When the Department of Indian Affairs and Northern Development launched this study in 1990 there were no apparent alternatives. Today, as was indicated by my hon. friend, there may be a practical cost-effective solution for at least part of this problem.

As was also alluded to by the mover of this motion there is a corporation which is prepared to establish a food distribution network. I certainly do not want to propose one corporation over another but where there is one, there are likely to be others.

This corporation plans to supply food from a central distribution centre in Iqaluit which at the outset would serve some 38 northern communities. This unique Canadian enterprise predicts that the price of food products in the north could be