

### Supply

Finally, we are all consumers who value a safe and high quality food supply and control of animal and plant diseases that have a human health or economic impact. My constituents want as our first priority to ensure that food safety will not be compromised.

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At the same time, recognizing the need to reduce the deficit, the people of Guelph—Wellington know that costs to the taxpayer must be reduced. Industry must be helped to find ways to keep input costs down so it can offer the best quality product at the best price.

For these reasons Agriculture and Agri-Food Canada has been working closely in the past year with other federal departments and provincial ministries of agriculture and health to develop national standards. We are aiming to establish a nationwide Canadian food inspection system. This will reduce overlap between jurisdictions and will result in a more streamlined and efficient regulatory system. My constituents have asked all governments to work together to reduce overlap and to control spending, something even the Bloc Quebecois can applaud, I would hope.

In addition, we will level the playing field between domestic and imported industries by enhancing inspection of imported products. We will also move to a system of monetary penalties in support of enforcement and compliance.

These are examples of the fairness that has been demanded by the people of Guelph—Wellington and others across this land. This fiscal year in co-operation with the meat industry we will be implementing program efficiencies in the area of meat hygiene.

These initiatives are expected to save \$10 million. Surely all members of this House applaud that initiative. In 1997–98 we will be achieving further savings through initiatives such as privatizing quality assurance and residue testing and implementing hazard analysis and critical control point programs.

We also plan to transfer routine laboratory testing to the private sector. Industry benefits from the food inspection and regulatory system earning high prices for higher quality. We believe industry should pay its fair share of inspection costs.

We are currently negotiating with the private sector to make our inspection and quarantine programs more efficient and more effective and at the same time to meet budget reduction targets. This will be achieved over the next three years through a combination of cost reduction, cost avoidance and cost sharing initiatives.

There will however be no adverse effects on food safety. Let me underline that food safety is this government's top priority and continues to be. The government's goal here is to reduce the cost to taxpayers who live in communities like Guelph—Wellington

by recovering an additional \$46 million of the cost of inspection services by 1997–98.

To keep at the leading edge of technological changes, we must continue to conduct research. As I mentioned earlier, the University of Guelph conducts research in the areas of animal production. For example, it has developed a vaccine that reduces the stress animals suffer during shipping, a saving of millions of dollars to producers.

The university also studies new breeding methods for crops. Its program of agri-food assistance reviews all areas of farming production by bringing together all players, for example environmentalists, to study both the positive and the negative aspects of farming. That is important, the positive and negative aspects.

Agriculture and Agri-Food Canada will continue to be the prime federal source for agricultural research and development in Canada. Research and development accounts for a large portion of departmental expenditures. It will remain a major element of government support to the agri-food sector. We are committed to research and technology transfer efforts which protect the safety and security of our food supply and the sustainability of our resource base.

Value added products, new cost saving technology, non-food products from agricultural commodities and innovative approaches such as biotechnology are all the result of a vibrant and creative research infrastructure. We are committed to maintaining this. However, given the enormity of the task of coming to terms with the federal deficit, all areas must contribute their share.

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Departmental research and development activities will consequently absorb part of the reduction of departmental expenditures outlined in the 1995 budget. Savings of \$50 million will be achieved by 1997–98 primarily through streamlining the research infrastructure and reductions in areas where results are more portable, or the location is not important. Of that, an additional \$3 million will be saved from the capital expenditure budget.

We will be moving toward a network of strong, viable, focused centres of excellence. Seven smaller research facilities will be closed: three in western Canada, two in Ontario, and two in Quebec. The remaining centres will be strategically positioned to better reflect industry strengths and competitive advantages in the regions where they are located, thus creating a critical mass of the most useful expertise. Some of our work is being transferred to and enhanced in the province of Quebec which surely must be appreciated and encouraged by our friends in the official opposition.

In addition to streamlining our research infrastructure, we are also reallocating resources to fund a matching investment initiative. This fund will support industry led joint research projects. Government will match industry contributions dollar for dollar, up to \$35 million. A strong response by industry