

science because we want to encourage more and more of our young people to get into the sciences. His proposal on national standards and testing is an interesting one that should be pursued.

However, I will warn him about this because we have run into the same problem. The provinces are responsible for education and the provinces balk at this. They do not like the federal government horning in on their sphere of responsibility. There have been objections from the provinces on that issue.

I am not saying whether they are legitimate or not. I believe that a standard across Canada in a myriad of areas would help the economy. It would help apprentices because in some areas apprentices in Ontario do not qualify in Alberta or do not qualify in other provinces. A national standard there would be very good. National testing could also be all right. Again, it must be done in co-operation with our partners in Confederation, the provinces, because it is their responsibility. I agree with my hon. friend that it is an area we should co-operatively look at with the provinces.

The member also talked about literacy. The Liberal government cut out all literacy training many years ago, again because it felt that education was a provincial responsibility which it is. However I believe illiteracy is a national problem; I agree with my friend from Willowdale. It is hurting us in the work place and it is hurting us economically across this country. The federal government does have a role to play in literacy and is playing it.

The hon. member says we are not spending enough money on literacy in this country. I agree wholeheartedly that we are not spending enough money on that. We are not spending enough money on a lot of things. However, at the same time there is one person that money comes from, and that is the taxpayer of the country. One taxpayer pays these taxes at all levels of government. In some areas there are five levels of government, in many there are four and in most there are three.

The taxpayers of Canada are saying to us: "Do not raise taxes, we have enough taxes". The opposition is saying the same thing. We are listening to the taxpayers. We did not raise any taxes in this budget nor did we create any new taxes. They are also saying: "Cut back on your spending".

### *Supply*

Federal government spending is primarily a transfer of funds to other levels of government or to people. Therefore, when we examine the type of spending we do and the cuts that have to be made I believe that the Minister of Finance made a very responsible move both in his December financial statement and in the budget of 1993, which was a continuation of that statement. He made very, very difficult but necessary cuts in the expenditures of the Government of Canada.

Those cuts included cuts to the operating budgets of departments and cuts in defence spending. International assistance will be held to 1.5 per cent annual growth. Most grants and contributions to the myriad of organizations will be cut. Regional development funding has to be cut. Certain economic and regional development agreements will not be renewed. Operating subsidies to CBC and VIA will be reduced and so on.

• (1100)

**Mr. Milliken:** All next year.

**Mr. McDermid:** No, no, this year, next year and the years following. The hon. member is saying next year. In the financial statement of December the Minister of Finance cut for this fiscal year. The hon. member has a good memory, but it is short. My friend from Kingston rolls in here every morning and sits and rants and raves all the time, but he never listens to the facts. I am just asking him to sit still while I give him the facts.

The two major areas of federal government spending have been exempted. We felt we had to do this. They have been exempted from cuts.

**An hon. member:** Exempt.

**Mr. McDermid:** Exempted, do you want me to spell it for you? I will speak a little slower. Maybe then you will understand.

**Mr. Milliken:** You are not saying anything anyhow. You may as well speak slowly.

**Mr. McDermid:** The provincial governments are having trouble with their budgets as we are seeing from all the provincial budgets that are being brought down. They are having trouble with their rising deficits, so we are not restraining the transfer payments to the provincial governments in this budget. In the second grouping we have exempted old age and veterans pensions, job training measures, which we feel are very important, and we are