

The Budget

If it were not for this \$200 billion debt that we inherited from the previous government, we would have an operating surplus. In other words, the taxes that we collect from Canadians would more than pay for the services that we provide to them. In fact, the \$25 billion operating surplus that we have generated since 1984-85 would have enabled us to improve our government programs even more. But this is only a matter of time. We first had to put order in the management of public affairs, and this task is almost completed. As early as 1994, we will no longer borrow to pay the interest on the accumulated debt and we will at last be able to start paying off this infamous debt. We have reasons to be pleased.

We remain committed to supporting the private sector by limiting state intervention as much as possible, while protecting individuals who need help. In other words, we continue to believe that the government must intervene only when necessary.

Members from Quebec have shown that responsible, sustained action does more to promote and protect Quebecers' interests in Ottawa than loud bragging and boasting.

[English]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to say to the member that I listened attentively to her speech and for the most part I agreed with what she was saying. However I want to ask her a couple of questions.

She mentioned that last week she was in the riding and that was where we come into contact with reality. I share that. She also mentioned that the budget met with favour.

I think that there were some aspects of the budget that were okay, but I have heard on numerous occasions from the retailers in my riding. I have heard on numerous occasions from the people in the tourism sector. The restaurants in my riding are in some ways similar to those in many parts of Quebec. I have over 300 of the nicest restaurants in all of Canada located along the Danforth and along Gerrard in Broadview—Greenwood, especially Greek restaurants.

These restaurants that count on the tourist trade are saying that consumer confidence is low, that the GST is a disincentive to tourism operators or to tourists even though they get a rebate, and that this ultimately affects the reason why we have so much unemployment.

In the province of Quebec tourism is counted on probably more than in any other province in Canada. I am not trying to make noise here, but does the member not think that this budget really did little to stimulate confidence in the tourism sector and the retail sector, which ultimately affects the jobs in this country?

[Translation]

Mrs. Gibeau: Mr. Speaker, I want to thank the hon. member for his questions.

I would like to start by putting into perspective the whole issue of the GST, the goods and services tax. Perhaps I may recall that for most of last year, before the GST came into effect, opposition members were blowing up this whole issue to ridiculous proportions and referring to the GST as a tax that would have a disastrous impact on inflation and the economy and would have all kinds of horrendous consequences.

I will admit this was not necessarily a popular measure, but even the opposition agreed that the whole federal tax system had to be revised. Furthermore, I may remind the hon. member, that one year after coming into force the GST has not really had an impact on inflation. In fact, inflation is now below 2 per cent, a record among the world's major industrial countries.

This, together with the fact that interest rates have also dropped very substantially, has created a degree of confidence in the business community, so that people will start investing again. I would like to refer to what was said by the president of the Canadian Manufacturers' Association, Mr. Richard Le Hir, who is not exactly a fan of all our policies. In any case, Mr. Le Hir said in *Le Journal de Montréal* on February 28, 1992, that three measures in the budget were important for stimulating the economy. The increase in the capital cost allowance rate for machinery, the reduction in the manufacturing tax, and the \$230 million earmarked for research and