

build the house. This might seem to be rather simplistic but this is really what happens. The contractor therefore hires five, ten, 15 or 20 people, something he would not do if he did not have a contract. In addition, when he buys building materials, this causes the building supplies retailer to hire more people. There is also the tradesmen involved in the construction itself, such as the people who lay the foundations, as well as the people in the various trades, who are very important. In this industry, especially in Quebec, workers need certification cards. However, many of them are available and willing to work. They are just waiting for such an opportunity.

The document lists the main advantages of this provision. If I may, Mr. Speaker, I would like to enumerate them very briefly. First, there will be protection and security against excessive increases in mortgage rates. Second, borrowers' rights will be strengthened. Third, a wider choice of mortgage instruments. Fourth, a more flexible mortgage market. Fifth, greater stability in mortgage costs, and finally, fewer risks in taking out a mortgage.

Equally important, these proposals have not been restricted to one type of housing. We have tried to cover the entire industry so that more Canadians can take advantage of this program. Consequently, more construction workers will find jobs in their own field and earn good wages. We know that in the construction area, wages are rather attractive and that workers in that sector can do well.

To what group of individuals would that protection apply? We are told that it would apply to the principal residence including single and semi-detached houses, condominiums, mobile homes, the unit occupied by the owner in a duplex or an apartment building.

Mr. Speaker, we wanted to address the whole housing situation. I think that this series of opportunities is really extraordinary for people who say: "I cannot afford a \$45,000 or \$50,000 house, but I would like to buy a mobile home. I have just begun to work. I may get satisfactory wages for my one year of experience but I cannot borrow to build such a house." Many Canadians are in that situation or could say: "Well, I would rather buy a duplex or part of a duplex or a mobile home." Mr. Speaker, there is a great deal of mobile home construction in the Beauce area. Companies who make those units are large and thriving. They will benefit from this program and so will the constituency of Bellechasse where a lot of household electrical appliances are manufactured. There have been many programs aimed at taking over appliance firms to keep them in business. They will now reap the spin-off benefits in various ridings. I would like to say a few words about the houses in Schefferville, although it may be a somewhat peculiar problem. As my colleague has said, the federal Government is paying to have those houses move so that they can be used by others.

In fact, what I would like to point out, Mr. Speaker, is that we cover the whole range of possibilities in the construction

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sector. Hence, we cover the low income earners. Mr. Speaker, one could argue that as far as mobile homes are concerned, some models can be quite sophisticated and command stiff prices. Indeed, Mr. Speaker, if people need or want houses of this type in a wide range of sizes and prices, that's fine. Mobile homes are factory made and are one kind of very decent housing. This means that low income earners can actually buy them and benefit from this guaranteed protection, which does not apply only to new houses. For these reasons, I believe we really help home owners, we help people who are facing tough times and cannot meet increases. This applies to everybody since first mortgages will be eligible. As for second mortgages . . . Of course, lower ranking mortgages and so-called vendor take-back mortgages will not be eligible, except that it will be possible for people renegotiating their mortgage. What it says is how to proceed to secure this mortgage protection; the fee will be 1½ per cent of the amount of the mortgage to be protected up to a maximum of \$1,050. And how will the program work? Well, the booklet fully describes the situation. What is important also is that, as mentioned in this very useful booklet, the program will pay three-quarters of any increases in monthly payments resulting from a rise of more than 2 percentage points in the mortgage rate. In effect, there will be a 2 per cent deductible.

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Therefore, what is important—some figures are quoted—is the relevant amounts. What is also important in connection with job creation and the homeowners whose situation has changed and who want to make prepayments . . . There existed perhaps some problems resulting from the legislation dealing with interests and some adjustments were needed. And some mortgage contracts had a variety of prepayment penalty provisions which was also a source of problems. It is a well known fact that due to inflationary pressures and the economic crisis, interest rates had increased significantly—

Canadians who, at one time, had taken out a mortgage for a number of years found themselves compelled to renew their mortgage and were faced with increases in interest rates as high as 16, 16½, 17 or even 20 per cent. To some of them, this situation caused real hardship. Now, the interest rate situation has considerably improved, although prepayment problems still exist. If we had not made any change, these homeowners would have been unable to prepay their mortgage without paying exorbitant penalties.

I suggest that what we intend to do about the mortgage guarantee plan is important, Mr. Speaker, for the small wage earner, the worker, and also the builder who will create jobs, as he is a very important source of employment in that industry.

In the little time I have left, Mr. Speaker, I would like to deal with a subject matter of particular interest to my constituency, namely the subject of tax assistance to farmers, the roll-over of farm capital gains. We know that over the years,