

The Budget—Mr. Dubois

[Translation]

Mr. Deputy Speaker: Order! Questions, comments, debate. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dubois).

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to be taking part in the debate on the Budget today and to have this opportunity of making a few comments on the Budget that was brought down last week—last Wednesday, to be exact.

Mr. Speaker, there have been many comments to the effect that the Budget did not do enough for job creation, and that it did absolutely nothing for the low-wage earner. My colleague from Beauce (Mr. Lapointe) does not share that view, and in fact, he was one of those who praised the Budget ever since it was brought down here in the House, and he has done so in his riding and elsewhere.

Mr. Speaker, I would like to speak to two specific items in the Budget today. I see that my colleague from Manicouagan was listening, and I am sure that all his constituents will benefit from the information I will be giving, which the Hon. Member can include in his parliamentary bulletin, with quotes from other Members here in the House today. Mr. Speaker, the proposal offering improved security for homeowners is the one described in the Budget Papers on page 20 and also in a small brochure published under the title "Improved Security for Homeowners—Proposals for a fairer and more flexible mortgage market."

Mr. Speaker, as far as the job creation situation is concerned, there is an expression in French: "Quand la construction va, tout va", which translates quite well in English: "When the construction industry is OK, everything is OK". The construction industry does provide an extraordinary number of jobs in Canada and Quebec. If we look at what the situation was in 1981 and 1982, the construction industry was affected by fluctuating interest rates. We must not forget this fact, Mr. Speaker, which is also emphasized in the brochure I referred to earlier. The brochure is very informative and is available on request. Hon. Members will recall that, in 1981 and 1982, 20 and even 21 per cent of young couples anxious to build a house would come to us and say: "Listen, is there anything the Canadian Government can do to improve the current situation? Do you think there might be a way so that the high interest rates . . ." That was the only thing we heard about. That is why we launched a program in 1982 to spur new home construction and sales of existing housing units. That amount of \$3,000 was seen as a boon by contractors in Quebec and in the rest of Canada, and people who had always been renters before were able to buy a house, even an older one, thanks to that \$3,000 grant. Indeed, new home buyers were also eligible for that \$3,000 grant.

The program covering existing housing units ended in December 1982, but the other one for new houses was extended. There were a good many applications, to the point that the extension of the program had been announced in the Budget Speech of October 27, 1982 when the House resumed.

• (1730)

Perhaps I should explain why I am describing that situation. At the time, new housing starts increased dramatically and the real estate market was very active. Of course, the Canadian Mortgage and Housing Corporation did its best to process grant applications as quickly as possible. I would suggest that the home building boom had a significant impact on job creation. Now then, why can I say in the House that keeping interest rates in check is a source of new jobs?

Obviously, Mr. Speaker, mortgage rates can vary from 10, 10.5 and even 11 per cent over a one-year term. Slight adjustments can probably be made for three or five-year terms. However, those interest rates—Is it possible to have an increase in interest rates? Could there be ups and downs as we had in 1981, unfortunately, when the Government had to intervene through assistance programs for prospective homeowners, again with \$3,000 grants? In the Budget and the budgetary Bills, which will follow, we are telling present homeowners, this is quite important—as well as future homeowners that they will be provided with some sort of mortgage insurance or guarantee and that their mortgage rates will be protected. This means that any individual or young couple who wants to build a house and get a mortgage will be assured of some stability in his mortgage payments on the condition that he pays 1.5 per cent of the mortgage up to a maximum of \$1,050 for this protection. Accordingly, contractors can promote new residential construction by telling these future homeowners: "With the program implemented by the Canadian Government, you get protection as you will be sure of the amount of your mortgage payments." Some years ago, Mr. Speaker, you could borrow for 25 or 30 years at 6 per cent. What a security this gave homeowners! There are still some of them around today, although not too many. Of course, the economic situation was not the same and interest rates were not what they are today. There have been many changes and fluctuations in our economic system. What kind of security did these homeowners have, these people who may have been our parents or our friends and who had their homes built in 1965 or in 1968 and who were able to borrow for such long periods?

People who are now provided with this protection will be able to say: "Then, let us build our house!" The construction industry is a great producer of jobs, as it was recognized by the Canadian Government in its June 1982 Budget, as it was recognized in its April 1983 Budget and as it is recognized once again in the Budget brought down last week. This is a job-creating industry. Thanks to the protection given to homeowners, we will be witnessing a remarkable sequence of events. First, the builder gets a contract and he then hires people to