

the grant was reduced to a reimbursement of only 33½ per cent, although the maximum grant of \$500 will remain. Applicants who registered for the program before December 31, and who complete the work by the end of March, will receive 60 per cent, and the lower rate will go into effect for the short period which remains after that date.

The Parliamentary Secretary commented on the positive evaluation which CHIP received from the Department of Energy, Mines and Resources. I would like to comment on that positive evaluation. Originally, the program had very ambitious goals set for it. There was the hope of reducing by a full 30 per cent the consumption of energy used for space heating of existing dwellings in Canada, as well as the goal of upgrading the housing stock of the country by 70 per cent. In fact, the target which was set for CHIP was to improve the insulation of 4.9 million residences in Canada. The evaluation, which the Department of Energy, Mines and Resources carried out indicated that the first goal had been unrealistic. Hoping to reduce heat consumption by 30 per cent could not be achieved, although it is significant that energy consumption for these purposes has been reduced by 17 per cent in the homes which were insulated with the help of CHIP. Of course, the result has been a significant saving to those Canadians who participated in the program.

The Parliamentary Secretary has stated that it is a good investment. The key point is whether people will continue to make this investment without encouragement from the Government. I am by no means as certain as the Parliamentary Secretary is on that point. There is a substantial reduction, although the reduction did not meet the targeted reduction for energy consumption.

What about the other target, the goal of reaching 4.9 million residences by 1987? It is significant to note that by the end of 1984—which is over halfway through the tenure of the program—approximately 2.5 million homes had taken advantage of CHIP. Given that the program is being axed at an early date, that particular goal of having 4.9 million Canadian homes better insulated will not be achieved. But the program was moving along not too far below the target which was set.

● (1230)

It is very significant to appreciate, as against the argument which some Hon. Members have made, that it is middle and upper-income Canadians who were the prime beneficiaries of this program. They were persons who could in fact come up with the money to carry it through and to reap the savings in fuel consumption. The evaluation by the Department of Energy, Mines and Resources contradicted that particular assessment of the situation because in fact 24.3 per cent of the CHIP dollars went to 21.1 per cent of eligible home owners who were earning less than \$15,000 annually. One could say, therefore, that there was quite appropriately a somewhat more than proportionate use of the program by home owners who had quite limited incomes and were hard pressed in their household budgets from week to week. They were able to take advantage of the program and make good use of it.

Oil Substitution Act

Mr. McDermid: That was five years ago.

Mr. Epp (Thunder Bay-Nipigon): Over the length of the program, not just five years ago.

Mr. McDermid: If it was the survey you were talking about, it was done five years ago.

Mr. Epp (Thunder Bay-Nipigon): A further question which faces us on this issue, Mr. Speaker, is whether in fact the private sector will continue with this program once the encouragement of the Department of Energy, Mines and Resources has been removed. The evaluation which was carried out at the time suggested that that was not going to be the case. Over the period from 1977 to 1982, 43 per cent of all the retrofitting of homes which was being done was carried out under the CHIP program. It was stated by those persons surveyed that almost two-thirds of the insulating activities which CHIP encouraged would not in fact have occurred had the program not been in place, which means that only 35 per cent of those Canadians who took advantage of insulating programs for their homes would in fact have done so if there had been no CHIP program.

That particular fact leaves one intensely suspicious and anxious about the assertions made by the Parliamentary Secretary on behalf of the Minister of Energy, Mines and Resources (Miss Carney) about the way in which Canadian home owners and the private sector will carry on without this program. No fewer than 37 per cent of those who took advantage of the CHIP program said that they would not in fact have insulated their homes if the program had not existed. Of course, that meant that 75 per cent of all dollars spent by CHIP users would not have been spent without the program. All of this, of course, relates to an encouragement to industry and to the creation of employment in this country which is of significance to us.

Before I get to those particular consequences of the program, I would like to say something about the Canadian Oil Substitution Program, which is being ended very early in the program, this spring, according to the Government. I should say precisely that it will finish before the end of this winter. The program has been in operation only five years. It had an expected life of a decade but here we have an obviously shortsighted termination of the program.

The program was designed, as has been recognized by others, to provide financial assistance for the conversion of heating systems in residences and commercial and industrial buildings. It was designed to encourage conversion from oil to various types of heating, whether natural gas, electricity, propane, wood, wind, or solar power. Among those possibilities, of course, one can readily select natural gas. On a relatively short time frame it is a sensible choice for many people and certainly in my constituency the conversion to natural gas has been a popular decision. Conversion to electricity is perhaps a good choice in some circumstances, although as we reach the end of our hydro resource possibilities and as we become, particularly in the Province of Ontario,