

introduced in 1977. The CHIP Act provided for its termination at the end of 1987. The amending Bill provides for a two stage phase-out under which the Government's share of eligible costs is reduced to 33 per cent from 60 per cent, effective January 1, 1985. The program comes to an end on March 31, 1986. One would also like to stress, as the Parliamentary Secretary did this morning, that in the final 15 months of the CHIP program, the maximum contribution shall remain unchanged in the amount of \$500.

The end of the program, therefore, has been anticipated by all sectors of Canadian society, by industry and by Government for quite some time. Homes have been admitted to the program on a sequential basis related to the date of their construction. That process has been for some time in its final stage. The last group to become eligible, the 1.3 million homes built between 1971 and 1977, will have had two years to have taken advantage of the program by the time the program is phased out or concludes next year.

Over the past seven and a half years, the period in which CHIP has been in place, more than \$855 million in grants for insulation measures in approximately 2.5 million homes or housing units, representing about one-third of the eligible housing stock built before 1977, have had the insulation or draught-proofing capabilities improved. Approximately \$200 million has flowed back to the federal and provincial Governments in the form of taxes. The energy savings attributed to work carried out under the program are estimated to be the equivalent of 28,500 barrels of oil per day.

Significant energy savings averaging 17 per cent had been achieved in homes that used CHIP. An evaluation of the program has established that CHIP played an important part in achieving those savings. It is good for this House to understand that CHIP has been used in a very even way all across Canada, equally in Nova Scotia, Manitoba, and British Columbia. At the same time, the other great advantage of CHIP was that it was widely used by all income groups, in particular by the lower-income groups.

As with oil substitution, the benefits of energy conservation and reduced heating bills, and increased home comfort, are now much more fully understood by Canadians than they were seven or eight years ago. Insulation specialists must now as well certify their work. During its period of operation, the program has twice been significantly restructured by changes to the contribution formula. The original formula, which called for grant payments toward the cost of materials only, was amended in April, 1979 to include contributions toward labour. In November, 1982, the contribution towards material costs was reduced to 60 per cent. As part of that decision to phase out CHIP by March 1986, the contribution was further reduced to 33.33 per cent of total eligible costs.

Policy changes to the program reflect the strong concern of the Department of Energy, Mines and Resources about the quality of retrofit in Canada. Prescribed standards of workmanship and materials ensure that the energy savings achieved will last throughout the life of the household unit in which the insulation moves had been taken. Programs of research, stand-

ards of development, technology transfer, industry support and education, quality control area all directed by the conservation group within Energy, Mines and Resources toward the total home energy program that exists.

Most CHIP applications, however, only used the grant for installing insulation in attics. While helpful and while probably the easiest and the first step in home insulation, this single conservation measure is not enough to realize the full potential of energy conservation in the typical or average Canadian home. Current home programs in the area of home owner awareness and education are directed towards the encouragement of total home refit and total home energy conservation.

Reducing the use of oil and energy in Canada remains a priority for this Government. Very large potentials for savings exist not only in the present housing stock, but in other sectors as well. In the existing housing stock, the potential for savings for cost-effective conservation measures have been estimated at 30 per cent, still quite a remarkable figure. For millions of Canadian householders, it will be a very attractive investment with a rapid return on dollars spent to insulate, draught-proof and improve or convert their heating units. A balanced role for government is most desirable as is one sensitive to the information needs of home owners and the needs for improving the efficiency of oil burners, gas burners and various other types of utilities.

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Since the mid-1970s when we slowly started to realize that we had limited petroleum resources in Canada, there we were consuming more oil than we were producing and that we were probably faced with ever-increasing petroleum costs to OPEC, those realizations, together with the decisions of the Government of Canada and almost every provincial Government, to add additional taxes to the consumer of petroleum products forced all Canadians to enter slowly what I like to call the conserver society. In that period of time, we became aware of the importance of our non-renewable energy resources. At the same time, we became aware of other environmental effects that were related thereto.

In responding to our entry into the conserver society, we built much lighter and more efficient automobiles. We created much more efficient gas-conversion units and efficient oil-conversion burners. As well, we made our homes more energy efficient. Collectively, all of these things have added up.

In the period since the mid-1970s, on a relative basis, we have cut our consumption of petroleum products by about 25 per cent. This is an ongoing activity. It is also an ongoing activity throughout much of the world and most noticeably in western Europe and the United States. As a result of these collective developments, OPEC lost control of the marketing of petroleum products throughout the world to a considerable degree and petroleum prices started to fall.

There is no question that COSP and CHIP contributed to our entry into the conserver society. We became more informed and took advantage of the programs. I am convinced