

enacted as part of the law a reasonable time before they are to come into effect. I think that is a very worthy recommendation.

I agree with my good friend, the Member for Vancouver—Kingsway (Mr. Waddell), who says that this committee has been expanded by the Conservative Government to ensure fairness to the citizens of Canada by the Government. Governments are going to make mistakes, and I think they can learn from their mistakes. That is very important. My friend, the Member for York Centre (Mr. Kaplan) has pointed out that this was done in a nonpartisan manner. However, I think the CHIP phase-out was done with fairness to the applicants and in accordance with the rules and procedures of Government and Parliament. I am going to, I think and hope, convince the House that in fact all the deadlines were announced by the Minister, the public was communicated with, and the grants were made according to law.

● (1150)

The report suggests that Canadian homeowners were denied grants at the level of 60 per cent of eligible costs because they were unaware of the Government's intention to reduce that level to 33-1/3 per cent. It also suggests that if the Government had acted in accordance with proper procedures, that would not have happened.

My hon. friend from Vancouver—Kingsway (Mr. Waddell) made it very clear that the public do not sit down and read the *Gazette*, which can be voluminous and very complicated at times. The Minister mentioned the other day that the facts were not well presented to the committee. I would like to lay them out for the House today. We feel the Government acted fairly and generously. It phased out CHIP in an orderly manner. It announced its intentions clearly and provided Canadians with enough time to adjust to the lower level of funding. Moreover, the phase-out process provided Canadians with additional benefits which would not have been available if another approach had been used.

Before I explain why the phase-out process was entirely appropriate, let me review the facts. They are easily misinterpreted and I believe that is why the committee was critical of the Government. These are the facts.

On November 8, 1984, the President of the Treasury Board (Mr. de Cotret) announced that CHIP would be phased out by March 31, 1986. That announcement was one aspect of a broader Government program to restrain expenditures and reduce the crippling debt left us and all Canadians by the previous Government. On November 9 the Minister of Energy, Mines and Resources (Miss Carney) announced that CHIP grants would be reduced from 60 per cent to 33-1/3 per cent beginning January 1, 1985, as part of the phase-out program.

Following this announcement the Government, in consultation with the insulation industry, realized there was a shortage of both materials and insulators to do the work before the December 31 deadline. It was clear that some flexibility was

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needed to avoid applicants missing out on the 60 per cent grants through no fault of their own. Therefore, the Minister announced on November 16 that applicants had until December 31 to register their commitment to have insulation work done. If they completed the work by March 31, 1985, they would receive the 60 per cent funding. This generous provision ensured that applicants were not denied grants at the 60 per cent level because of a shortage of material and contractors.

On January 17, 1985—and these dates are very important—the Order in Council was passed enacting the change to the regulations. I think everyone is in agreement so far. The Order in Council was delayed for a very simple reason. The generous phase-out process required the rewriting of regulations. If the Government had simply announced the grant reduction to take effect on January 1, 1985 with no special provisions, the regulations would have been approved earlier. However, the Government was more concerned with being fair to Canadians than writing regulations quickly. It took care that those regulations were drafted properly to the benefit of CHIP applicants. It is important to understand that at no time was it ever intended that the reduction in the level of grants would be retroactive.

The Government could have decided to reduce the grants to 33-1/3 per cent of eligible costs beginning January 17, the date of the Order in Council, regardless of any commitment by homeowners to complete the work by March 31 of that year. Yet what of those homeowners who, through no fault of their own, were not able to get work done in time to receive the 60 per cent grants? The Government would have been acting in accordance with proper procedure if it had taken this approach but Canadians would have been the losers. Instead, we decided to act in a way that was both proper and fair. The Government allowed applicants to receive the 60 per cent grants until March 31, 1985. It allowed them to apply for this level of funding until January 17, 1985. This provision actually gave homeowners a longer period in which to qualify for the higher grants than they would have been allowed under other, less generous phase-out approaches. This was an extraordinary measure in the history of CHIP. Homeowners had never been entitled to guarantees of payment at a certain level for a certain length of time. Under previous regulations a home owner received a grant in accordance with the regulation at the time his or her application was received. The regulations dealing with the grant levels, as everyone in this House knows, changed many times during the life of the program.

It has been said that some unspecified number of homeowners were denied grants at the 60 per cent level because of the phase-out process. The facts show the exact opposite to be true. Every homeowner who qualified for the grants and who applied between November 8, 1984 and January 17—I want that date, the day that the regulations came into force, impressed upon the House, January 17, 1985—received grants at the 60 per cent level. So the comment that my friend from Vancouver—Kingsway made regarding all the applications which came in after December 31, 1984, for 60 per cent were