

*Oil Substitution Act*

businesses. They cannot afford to take on an additional financial burden.

In addition, what about the possibilities of alternate energy systems for underdeveloped nations? Some countries in the world have to start thinking about the problems of underdeveloped nations. With the hunger that is being experienced in these countries, how can they continue to pay the price of oil indefinitely? We should be thinking about them. There are certain alternate energy systems that are adaptable to these countries and those that are not now adaptable will be adaptable within a few years if attention is paid to this program. However, we are completely ignoring this option.

As well, we in this country are going to lose very valuable technology. Without R and D, the experimentation will not be done in Canada but in other countries. We will fall drastically behind in our knowledge of these alternate fuels and the renewable resource aspect of energy.

The economic returns in the solar sector exist in the flat plate solar collection systems. This is an industry in which, prior to 1980, the majority of the small Canadian solar thermal market was served by imported equipment. As a result of the determined effort of the former Liberal Government, not only has a solar industry been created in Canada which supplies close to 100 per cent of its own growing domestic market, but this industry had export sales in 1984 of \$6.8 million. That will be completely thrown away.

**Mr. McDermid:** Why?

**Mr. MacLellan:** Because the Government just does not care. It says it is trying to create jobs. It will lose more jobs through these cuts and it does not have any kind of programs designed to save jobs in the country. This industry has about 500 small and medium-sized companies, employs 9,000 people, and had sales in 1984 of \$530 million; \$30 million of which was in the export field.

● (1220)

I would like to return to the Canadian Oil Substitution Program and the Canadian Home Insulation Program. I think it will be tremendously difficult for Canadians to accept the scrapping of these programs. I do not think the Government has given proper consideration to the needs of Canadians. I do not think the Government understand that Canadians had a great deal of confidence in these programs and that that confidence went well beyond the grants which were issued. Once again, it is the low-income, the unemployed and the fixed-income Canadian who will suffer.

What is the reason? It is to reduce the deficit. There is no doubt that the deficit is a serious question, but why are these cuts taking place at the expense of the people? Action was taken almost immediately. It was the easiest thing the Government could do. It is a tremendously unfortunate situation because these are two programs which are delivered directly to the homes and the consumers of Canada.

Again, I would ask the Government to extend the Canadian Oil Substitution Program for a period of six months to allow the people of Canada who want to take advantage of the program to be able to do so. The program should be extended so that Canadians will not be hindered by the difficulties of trying to instal equipment in the winter when the ground is frozen, and to allow them to buy furnaces at a time when furnaces are being produced in the summer and fall, not at a time when air conditioners are being produced by the suppliers. I think the extension of this program is extremely important.

The Government says that Canadians will be able to conserve without these programs. I believe the Government will create a lot of problems as a result of the scrapping of these programs. In taking away these programs, and in reducing RRAP, the Government will find that there will be a very severe backlash. It is tragic because it did not have to happen. The Government should have given attention to cuts which would not affect the Canadians who are in most need of assistance.

**Mr. Ernie Epp (Thunder Bay-Nipigon):** Mr. Speaker, I appreciate the opportunity of being the first speaker on this Bill for the New Democratic Party. At the outset I would like to make our position clear. I regard Bill C-24 as being a short-sighted, ill-advised and unfair piece of legislation. In exploring the Bill and its implications, in considering what these programs have meant to Canadians in the past and what the continuation of these programs could mean for the future, I want to demonstrate why I think it is a mistake for us to consider the passage of Bill C-24.

In a couple of short pages the Bill proposes the early termination of two energy conservation programs. The Canadian Home Insulation Program was established in 1977 and it was expected to run until the end of 1987. However, it will now be ended a year and nine months early, on March 31, 1986.

The Canadian Oil Substitution Program was established in 1980, although the legislation did not pass until 1981, and it was expected to run until the end of the decade. That program will now terminate on March 31, 1985, which will be five years and nine months early. Indeed, for COSP that is a very early termination. The Parliamentary Secretary indicated earlier that that program was of very real importance to Canadians. In my later comments I want to question whether the hopes which have been placed on the continuation of industries that have been encouraged by these programs will be justified.

I would like to examine these programs. First, I would like to talk about CHIP, which was established in 1977. CHIP was to pay 60 per cent of the eligible costs of labour and materials involved in insulating or draught-proofing homes, up to a maximum grant of \$500. Of course, the eligible homes were those which were constructed prior to September 1, 1977. Under government policy, the grants which are now available have already been reduced. In the past the reimbursement was up to 60 per cent, but because of a change in regulation which was made by this Government and not debated in the House,