

set in the summer or fall when gas lines can be installed in unfrozen ground that is not covered by snow.

Not only that, during these months the suppliers of furnaces are not making furnaces. They are making air conditioners for the summer season. How are you going to get the gas furnaces that you need to service these applications? You cannot. A lot of the suppliers of furnaces have tried to retool and manufacture furnaces, but there is complete and utter confusion. They still have to make the air conditioners for the summer season. By putting this deadline at the end of March, it completely frustrates the gas suppliers and Canadian home owners who want to take advantage of these programs. Those who could get systems in the summer cannot get them now because of the difficulty in installing these systems at this time.

I would very seriously and strongly request that the Government extend the deadline for the Canadian Oil Substitution Program by six months. This will give people who now want it a chance to have the system put in. It will give the installers and suppliers of gas and equipment the chance to instal this equipment properly at a time of year when it can best be done. If the Government does not do this, it is just twiggging the noses of Canadians. Obviously this matter has not been thought over by the Government. I think this is a tremendously tragic situation. There is going to be a very cruel April Fool's Day joke played on Canadians when they find out that they are not able to benefit from this program.

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Letters are already being drafted by Consumers Gas. Consumers Gas has to be able to notify some of these people beforehand that it cannot possibly service these applications. What will the cry be from Canadians who wish to take advantage of this program when they receive a letter telling them they cannot possibly get this system because it cannot be installed by the end of March of this year? That will be a most unfortunate situation. I think the Government will be hearing a lot more about that from Canadian home owners.

The Government does not seem to be giving any consideration to the average Canadian or to the direction in which the country is going regarding energy policy. The Government has completely laid waste the alternate energy program and the concept of renewable fuels. The Government has laid off 540 people at Atomic Energy of Canada in Mississauga and Montreal and this will effectively mean the end of the Candu reactor program other than sales of reactors to possible clients of which the AECL already has knowledge. There will be no meaningful drive to recruit new markets for these Candu reactors because AECL has only 50 per cent of its staff. It lost 600 people in 1982 and now it is losing another 540.

Mr. McDermid: Your Government laid people off too.

Mr. MacLellan: Sure, we know who laid them off. I have a calendar. However, we must think of the industry.

This is an example of where the attention of the Government is directed. Before the layoffs in 1982 there were 177 managers for 2,500 employees at AECL. In 1985 there are

223 managers for 1,800 people. The workforce has declined by 600 people and the number of managers has risen by about 50. The consideration of the Government is not for the ordinary working Canadian at all but for the big brass in the Crown corporations.

I do not think that any aspect of energy funding suffered more than alternative energy. The entire Energy Division of the National Research Council is to be phased out as rapidly as contracts within industry will allow. Within the National Research Council's Energy Division, 61 person-years, of which two-thirds are professional and one-third are support staff, are involved. In about two years' time there will probably be only five people working in that division. Many of these people being laid off are professional people who have been with the National Research Council for 20 or 25 years.

Much of the alternate energy program is in jeopardy because the Government is saying that the private sector can take it on. The private sector cannot take it on because the private sector is comprised of about 500 small to medium-sized companies which do not have the capital to take on this program. What will happen to the program? It will disappear.

Where is the thinking for the future? I am not saying that we are experiencing an energy scare right now but for heaven's sake, we should take advantage of this time to look at the possibilities for the future. We should take the time to study and make sure that Canadians are well served by this Government. We should take the time to look at the other possibilities.

I can mention a few statistics. I think these are important not for the figures themselves but for the trend that they show. With regard to crude oil, Canada supplies about 1.2 per cent of the world's crude oil but it produces 2.6 per cent of the world's crude oil. The ratio of production to supply in terms of years is about 14 years. I admit that that does not take into consideration frontier oil which does not have a supply and delivery system, nor does it take into consideration the oil sands and heavy oils. As well, it does not take into consideration that other oil supplies will be found. At the same time, this should not give the Government the confidence that it can do away with the possibility of finding competing fuels for the future. We need about 50 years to implement an alternate fuel structure. We need about 50 years to do the work, the studying, the research and the testing. That is a long period of time. That is a tremendously important factor which the Government has disregarded.

The 1985-86 cuts at the National Research Council will mean a reduction of \$20 million in contracts to the industry. Not only will this affect industry cash flow but it is estimated that it could result in a direct loss of about 1,000 jobs in the country. Small firms only have so much available capital. If they are faced with the need to do R and D at this time when interest rates are rising and if they are faced with choosing between doing R and D and dealing with the long-term financial feasibility of their businesses, what option will they take? They must look after the financial strength of their