

Income Tax Act

energy policy of the government, and put their feet in the shoes of those people out west. I would be interested in their conclusions.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, in participating in this debate I wish to confine my remarks to two elements, if time permits. I am sorry that the Minister of Energy, Mines and Resources and the minister responsible for CMHC are not present. One element to which I would like to refer has been badly neglected in the proposal which is before us. Perhaps neglected is not the right word, but, rather, converted. The approach of the government in terms of inducements is completely upside down.

The area with which I am concerned relates to the conservation of energy. On page 98 of the budget papers there is a paragraph relating to energy conversion grants and their impact on income tax contributions. It is worth reading this entry because it displays very clearly the attitude of the government toward encouraging people to take conservation measures. The paragraph reads as follows:

Grants will be provided under the National Energy Program to assist individuals and small firms in the conversion off-oil.

That is the conversion from oil to another means of home heating.

As is the case with grants under the Canadian Home Insulation Program, an amendment is proposed to the tax law—

And here are the important words:

—to ensure that these energy conversion grants will be included in the income of the beneficiary. In the case of a married person the grant will be taxable to the spouse with the higher income.

A measure of this sort ought not to contain this form of inducement, but I suppose it is a method of extracting more taxes from the Canadian public. Goodness knows, and the Canadian people know as well as 'Goodness', that this government needs all the taxes it can get. Even then it is not doing too well in helping itself in its debt service. Giving with one hand, if you like, and taking it back with the other is very much the philosophy of this government. Whereas I think the matter ought to be done, and I am satisfied in my own mind that it would achieve the end which I like to think the government hopes to achieve, namely, fuel conservation, if it were turned the other way around, if a person were to spend for "conversion off-oil", as the expression is, or if he were to insulate or change the windows in his house to double-paned windows in order to effect heat conservation, and then the expenditure which he makes in this area could be deducted from the taxable amount of his income, not at the end but as a deduction in the course of calculating his income tax. I am speaking in domestic terms but, of course, it does apply in greater measure to industries as well.

● (1650)

The Canadian Home Insulation Program, known as CHIP, is a very strange program. It has its advantages. The \$500 to the individual who insulates his home or installs double-paned windows is to be entered in his income tax return as taxable income, as revenue. But it is not revenue, it is an expenditure,

and a legitimate one. It is legitimate because the home owner has intended to save fuel by involving himself in this particular domestic expenditure. Furthermore, in the industry there are—and I regret to have to say this—a number of fly-by-night organizations which pretend to know about home insulation. These companies do insulate homes, whether it be with fibreglass batts or urea formaldehyde and the dangers that that involves—and we certainly have had our dose of urea formaldehyde in the House this last few weeks.

But there are a great many enterprises which have gone into the business of insulating homes without any training whatsoever. They claim that they know how to perform this service. There is no proof that what they do will save the home owner any money. Therefore I feel there ought to be an additional element to this CHIP program. I see that the minister responsible for CMHC is back in the chamber. I like to think that his organization might very well take this into account.

There ought to be a method of measuring whether the insulation has been properly applied. We might call this a heat audit. There are thermo-metric scanners, infra-red scanners, if you like, which can indicate where heat losses occur. I suggest that it would be most appropriate, in addition to the actual insulation, to have this heat audit component as a requirement to a grant under the CHIP program. Someone mentioned to me that this heat audit would be very expensive, but I suggest it is not all that expensive.

I received an offer to have my house examined with one of these infra-red scanners. The charge was to have been \$40. I asked if there was a special rate being given to me because I happened to be the man's Member of Parliament. He told me that that is what he would charge anyone to perform this service. We are perhaps fortunate in Victoria this year not to have had weather sufficiently cold to have carried out this scanning test. But I warn the House, when the weather does get colder—and it will—I will have this test carried out. I will then determine whether or not I actually need to instal more insulation.

There is one thing the minister responsible for CMHC may or may not know, and I suppose this also involves the Department of Supply and Services. It is that there are a number of these infra-red scanners, which are reputable. Their functions vary from those which will produce a read-out on a television screen, which can be seen at the time the examination takes place, to one which is rather similar to an electro-cardiogram, which fluctuates as the scanner goes across the roof or the front of the house. It indicates where the heat losses are occurring. There are five or six of these particular infra-red scanning machines which are fairly new.

I believe the Department of Supply and Services, in conjunction with the Department of Consumer and Corporate Affairs, has set up a standard for these particular machines. Curiously enough, the specifications for a standard which would be acceptable to the Canadian government are drawn almost entirely from one particular make of infra-red scanner. Furthermore, I am told that one of the government departments has acquired five, six, seven or ten of these scanners.