

other reasonable option in this field that Canadians may have. This Bill debates the ending of a government program which has served a useful purpose.

• (1230)

As the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) indicated, it has contributed something by encouraging a change from dependency on oil to other sources of energy. At this point in time it has a limited function. By this time many people, if not most, have had an opportunity to take advantage of the program. For reasons that have been well described in terms of our financial position and disposition as a Government attempting to get the country going again, this Bill must be passed in order to wind down this particular plan.

There have been a number of useful interventions, most particularly by the Parliamentary Secretary and others on this side of the House, discussing the actual program and what it has accomplished so far. The Government's intention to make the changes were announced by the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret) last November 8. I think that all Members will recall the broad and well defined program described by the Minister of Finance at that time in an effort to achieve restoration of government management and expenditures that will serve the long-term needs of the country. This was one of the significant parts of that program described by the Minister of Finance. This Bill represents the legislation required to achieve that prescribed end.

We have all had an opportunity to assess the reaction to the plan of November 8. I think it is quite clear that the people of Canada, including those involved in providing materials, equipment, and services for this particular program in residential oil substitution and energy conservation, acknowledge that outright consumer grants for these purposes are something that the Government of Canada can no longer afford. A large potential exists for further oil substitution and energy conservation in the residential sector. The pursuit of that potential remains an important priority for Canada. In a time of restraint the Government must find less costly ways to support those objectives. I will return to this subject later in my remarks, Mr. Speaker.

Having been Opposition Members of Parliament for too long, we on this side of the House have had an opportunity to look into efforts and initiatives that have been taken by previous governments. In the conservation area particularly it has always been clear that any efforts that have been made have fallen far short of the real potential which exists. We have had an opportunity to study in some detail the magnificent opportunities which occur in conservation across the country. This is a very finite section of the implementation of conservation opportunities. There are many that have been taken in industry, for example, which is not affected by this Bill at all, which have achieved magnificent results because they were reasonable and cost effective things for them to do.

#### *Oil Substitution Act*

I cite that only as an example that many of us had an opportunity to become familiar with as we were sitting in Opposition. We are now in Government and therefore in a position to build on those opportunities. While this specific program has served a useful function, it has now reached the point where, comparatively speaking, it will probably not fulfil much of that additional potential.

The Member for Vancouver-Kingsway has mentioned specific instances where there are some difficulties. However, I believe that if this program were to be wound down in four years from now the Member for Vancouver-Kingsway would probably give the same speech he gave today. There will never be a perfect time to start or stop. There will always be people who might have become involved in a particular government program in a particular way. No one is claiming that this is the perfect time, but it would not be perfect in five years from now either. We must do the best that we can. The adjustments which the Minister has already indicated will be made will help, in a large part, to overcome some of the difficulties that may have been faced.

The two programs that we are talking about are the COSP and CHIP programs. COSP is the off-oil program which was introduced in 1980. It has provided taxable contributions of up to \$800 toward the cost of converting oil heating systems to natural gas, electricity and propane, as well as to wood and other renewable energy resources. The existing legislation provided the termination date of December 31, 1990 for this program. The amending Bill will change that date to March 31 of this year. Again, I would emphasize that since November 8 of last year most Canadians understood that this Bill would be forthcoming and that the program would terminate on March 31 of this year.

A limited exception has been provided to allow applicants a further three months, until June 30, to complete conversions if they had signed contracts prior to the November 8 announcement, and if they face difficulties in getting the work done by March 31. The need for inspections to be completed by March 31 has also been waived in recognition that backlogs of inspection requests may occur in some areas.

A number of representations have been received proposing that three, four or five extra months be allowed to complete conversions in respect of commitments signed by applicants before March 31. It has been argued that it is impossible to convert to natural gas between November and April or, in any event, more costly to do so than during warm weather months. Both gas and electric utilities have also expressed concern that the pressure to get work done by March 31 may adversely affect the quality of the work. In some cases, because of limited inventories of equipment, less than optimum systems may in fact be installed.

We are all sympathetic to these concerns, Mr. Speaker. Consideration was given to an extension until summer for the period for eligible conversions. However, a general extension could not be permitted in view of the additional program costs that would have been involved. For example, a minimal useful extension of three months up to June 30 would increase