

Oil Substitution Act

developed and whose industries and taxpayers benefit from their consumption. Wood has become another important alternative which will endure as a primary source of space heating in rural areas where supplies can still be obtained at low cost. Exciting new advances have been made in the efficiency of heating equipment, and this new technology is largely Canadian.

Conversion from oil will be practical and attractive for perhaps a further million homes in Canada. Even without a government grant it will offer savings in operating costs which justify the costs of converting. I think that is an important factor.

The over-all impact of COSP has been beneficial and it has obviously helped bring Canada closer to oil self-sufficiency. However, any massive intervention of this kind brings with it problems and distortions. We have heard that from all sectors. From the start there were areas of Canada where alternatives to oil did not provide cheaper home heating. It was no favour to home owners in these areas to encourage them to go off oil. By offering assistance only toward conversion, COSP discouraged the option of oil furnace retrofit in circumstances where it might make more sense than conversion. COSP has set up oil substitution in a kind of competition with conservation for attention and for the home owners' investment dollar, when home owners should be considering both actions as part of a planned approach to home energy management.

Much more can be done to foster such a total perspective to the household energy bill. It is up to suppliers and governments to provide better information on the full scope of conservation and off-oil measures, the sequence and timing for undertaking them, and the cost and savings involved. Conservation and conversion can be among the best household investments available, yielding savings in heating costs which can pay the investment back rapidly and go on providing savings year after year. They can be significant investments, amounting to several thousands of dollars for some home owners. In present circumstances there is no prospect that governments can afford grants or other incentives large enough to cover investments of this size or to pay for a share large enough to guarantee action by home owners.

Grants are not the answer in future, nor should they be necessary. Better alternatives are at hand. We can help ensure that householders, wherever they live in Canada, enjoy access to objective and comprehensive information on what to do about saving energy and how to do it. The more specific information can be made to individual household needs the better. We can continue to pursue solutions to technical problems, refine and expand work standards, and assist industry to improve insulation techniques and marketing. All these things can be done at far less expense than CHIP and COSP, and all of them can be done in co-operation with industry and provincial governments. This is being done now.

Surely this is the direction we should be taking—away from massive interventions and government hand-outs which can so easily prompt arbitrary decisions and invite abuse, toward better quality of work and better decisions by householders to

reduce the use of energy. This is to what we are committed. I ask the House for its support of Bill C-24.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I thank the Hon. Parliamentary Secretary for his applause. I hope he will listen intently to what I have to say and hang on to every word, so to speak.

I do not think there have been many programs offered by the federal Government which have been of more general help to low-income, unemployed and fixed-income Canadians than CHIP and COSP. They have been of tremendous benefit. These are two of what the Department of Energy, Mines and Resources refers to as direct action programs, and they are in four categories. The first is energy conservation, that is, CHIP. The second is development of renewable resources. The third is the development of alternative fuels; and the fourth is the off-oil substitution program or COSP.

I will say a little more later about the second and third ones, the development of renewable resources and the development of alternative fuels. However, I want to deal first with the two direct action programs and how they are affected by Bill C-24. These programs are aimed directly at the final consumer. In that regard it makes them very special programs. They are aimed at Canadian families and Canadian home owners. When we talk about cancelling programs such as these, we are talking about taking away direct money from the federal Government to the ordinary Canadian family in the ordinary Canadian home.

We have to look at the ramifications of that. What would be the ramifications? First I will refer to CHIP, grants to home owners who invest in residential energy conservation. It provides up to \$500 for home owners who wish to invest in home energy conservation. That is extremely important. As of the summer of 1984 it assisted 1.5 million Canadian householders in making their homes more energy-efficient. In 1983 alone it resulted in a reduction in home heating costs of close to \$500 million. It has been a tremendously successful program.

The other program, COSP, has been encouraging home owners to convert off oil. It is very important as well. Oil was once an extremely expensive fuel. It is still expensive but not as it once was. It has the potential to be every bit as expensive as it was during the dark days of the energy scare or to be much more expensive than it was then. More than 425,000 Canadian families have benefited from grants up to \$800 since the program was introduced in 1980. It has resulted in a redirection of oil consumption of 10 million barrels per year. The number of households heated by oil declined from 42 per cent to 31 per cent in the three years before the summer of 1984.

These two programs along with the Residential Rehabilitation Assistance Program, which was cut by 25 per cent on November 8 in the economic and fiscal statement, have formed the backbone of assistance to Canadian families through funding to households. I think the Government is missing the tremendous importance of these programs. This is