

*Oil Substitution Act*

every \$1 million that was spent. Between 1981 and 1985, the COSP program provided some 16,750 jobs or 30.5 person-years per \$1 million that was spent.

We should be looking at the economics of the situation in terms of the best use of a finite resource. We all know that oil reserves will not last forever. We face declining reserves of conventional crude, the cheapest kind of oil we have in Canada. The National Energy Board estimates that by the year 2005, production of conventional crude will have declined to approximately 28 per cent of its present level. Other sources of energy are very expensive and cost anywhere between \$30 and \$70 per barrel equivalent. The COSP program has been able to save oil at a cost of between \$3 and \$5 per barrel. Obviously conservation creates the cheapest oil we will ever get.

There are different ways of looking at statistics. The Library of Parliament has compiled a summary which indicates the following:

Total energy savings in building units which have used CHIP and COSP are estimated to be at least 115,000 barrels per day of oil equivalent. Of this saving, a rough EMR estimate is that 40,000 barrels per day would have been achieved if CHIP and COSP had never been introduced, suggesting that the incremental energy savings which have resulted from CHIP and COSP amount to some 75,000 barrels per day of oil equivalent. This is a reduction in equivalent oil demand of 25 to 30 million barrels per year.

The kind of savings that we have been able to achieve because of these two programs is something the Government appears to be putting to one side. Government Members speak as though the private sector will take up the slack. That is simply not so. A study that was done by Energy, Mines and Resources a few years ago found that in the period 1977 to 1982, CHIP insulation activities constituted 43 per cent of all retro-fitting work done in the market-place; 65 per cent of CHIP insulation activities would not have occurred had it not been for CHIP; 37 per cent of CHIP users would not have insulated at all had the program not been in place, and 75 per cent of all the dollars spent by CHIP users would not have been spent without the program.

It becomes very obvious that the private sector is not going to be taking up the slack when these programs are terminated. We are going to lose jobs and we are going to lose the energy savings that would have resulted. We are going to lose the financial savings that home owners would have gained as a result of these programs.

I would like to remind Hon. Members opposite that any money saved by home owners through these programs will be spent in other sectors of the economy and will result in stimulus to the economy. The last thing the Government should want to see is any further depression of our economy unless Government Members are totally dedicated to following the horrendous example of the Social Credit Government of British Columbia.

We need to emphasize that the private sector is not going to take up the slack. The other thing that needs to be emphasized is that the people who have benefited from this program are not simply the well to do. In fact, a higher proportion of

low-income home owners have drawn from the program than have home owners from other income groups.

● (1540)

I urge the Government to consider the motion to delay the Bill for six months. That would allow more people to take advantage of these good programs. In fact, we would prefer it if the Government scrapped the Bill altogether, but a delay would be second best. It is false economy for the Government to pretend that it is attacking the deficit by destroying two good programs which have benefited ordinary Canadians, saved energy, and provided jobs and savings both for the people of Canada and the Government.

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, I would like to speak on the motion which was moved by the Hon. Member for Ottawa Centre (Mr. Cassidy). I think the motion deserves a great deal of support as it is in the best interests of Canadians.

In Bill C-24, the Government has brought forward a proposal which will mean that those people who applied for the Canadian Oil Substitution Program before November 8 will be able to follow through with that program even if the work is not completed by the March 31 deadline. However, the work must be completed by the end of June of this year. For those people who did not apply prior to November 8, there is no assurance, if the work is not completed by March 31, that they will be able to receive the benefit. In fact, the Bill states emphatically that if the work is not completed by March 31, the \$800 benefit will not be forthcoming. I believe that is extremely difficult for and also hard on a great many Canadians.

The Government has said that if the applicants are able to complete the work by March 31, regardless of whether they applied for the grant before November 8, the inspection could be done after March 31. That is a help. There is no question that that will be of assistance. But what about the many Canadians who applied after November 8? Anyone could say that the reason so many people applied after November 8 was that they either knew or felt that the program was coming to an end. Of course, that would account for the great deal of interest which has been shown since November 8. From October 1, 1984 to February 26, 1985 over 17,900 applications were submitted to Consumers' Gas, in southern Ontario, to convert from oil to gas. However, from October 1, 1983 to the end of February, 1984 approximately 4,500 applications were submitted. There were almost 18,000 applications this year, as opposed to 4,500 applications last year.

With regard to the installation of electric and gas heating systems, there is a tremendous demand to have those systems installed prior to March 31. It is extremely difficult to instal those systems. Of course, some people will not be able to have the work completed and, therefore, they will not receive the benefit of the program.

Difficulties originate in different forms. First and most obvious, too many people have applied for conversion. Second,