

*Oil Substitution Act*

of Energy, Mines and Resources estimates that 65 per cent of these savings would not have been achieved. Thus CHIP is calculated to have resulted in incremental energy savings of the equivalent of roughly 30,000 barrels of oil per day. That 30,000 barrels of oil per day from CHIP and the 45,000 barrels of oil per day from COSP add up to 75,000 barrels of oil per day saved by these two programs.

The cost figure of \$1.3 billion for these programs is not entirely accurate either. One-third of these grants have flowed back to the provincial and federal Governments in the form of taxes. In fact, the program in part is a transfer program to the provinces as the provincial Governments tax these programs as well. Let us put the real cost to the Government at some \$900 million. This expenditure of \$900 million has produced a saving of some 75,000 barrels of oil per day. Put in another way, that amounts to a reduction in equivalent oil demand of between 25 million and 30 million barrels of oil per year.

In terms of cost per barrel, Dr. Hollbach, appearing before the Senate committee on behalf of Energy, Mines and Resources, noted that for the older, poorly insulated and weather-stripped homes, the energy savings could be had at a cost of \$5 per barrel equivalent. Under some circumstances, the cost could be as low as \$2 to \$3 per barrel of oil equivalent. Many energy savings were possible at a cost which was less than \$20 per barrel. Let us now compare that with the cost of bringing in new energy supplies.

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The cost of bringing new energy supplies into the Canadian energy system is debatable, but the following figures are held to be approximately representative: Venture gas, \$35 per barrel of oil equivalent; Hibernia, \$30 per barrel, and Lepreau II, \$70 per barrel of oil equivalent. Dr. Hollbach of the Department of Energy, Mines and Resources noted in his testimony before the Senate committee that there were a number of conservation measures which could be taken that would cost considerably less than \$20 per barrel of oil equivalent in terms of energy saved. In terms of costs, on the conservation side we have oil which is equivalent to \$5 per barrel. On the supply side it costs \$35, \$40, or \$70 per barrel of oil equivalent. There is no comparison.

We could look at the jobs which are created per \$1 million spent on energy conservation versus increasing the energy supply. These figures come from a Canertech Incorporated study entitled "Market Potential and Economic Impacts of Energy Conservation in the Canadian Residential Commercial Industrial Sectors", which was published in 1983. The number of jobs created per year of direct employment by energy conservation was 20.2, and the number of jobs created by the energy supply sector was 5.8. If we look at the indirect employment, the total indirect employment and the induced employment created on the energy conservation side, we see that for every million dollars spent, some 35.8 jobs were created, whereas in the energy supply sector only 18.9 jobs were created. Again, there is no comparison.

Therefore, reducing demand by conservation as opposed to increasing supply is far less expensive to Governments. It creates twice the number of jobs, the energy savings are permanent and the benefits go directly to the Canadian people rather than to oil companies and banks. There is no comparison. Yet the Government is insisting, with Bill C-24, that the energy conservation side must be destroyed, and it is not lifting a finger on the energy supply side. There is no justification for Bill C-24.

We have heard Government spokesmen claim that Bill C-24 is necessary in order to reduce the deficit. The Government Member who spoke previously used that argument. She said that the deficit had to be reduced in order to get Canada back on its feet financially. Yet the figures which I have presented this morning illustrate that conservation saves the Government money. The National Energy Program is costing the Government billions of dollars, but the Government has refused to touch that program.

I have attempted to obtain figures which would indicate how much the Government has saved in the Oil Substitution Program. That program has cost Canadians hundreds of millions of dollars. The energy savings of the Canadian Home Insulation Program and the off-oil program have saved the Government millions of dollars in oil subsidization payments. Unfortunately, accurate figures are not available to indicate how many millions of dollars the Government has saved. I have placed a question on the Order Paper, and hopefully some time in the future the Government and EMR will be able to provide accurate figures. But to claim as the Government has claimed that Bill C-24 will save the Government money, is false economy. It just does not work that way.

We note as well, in comparing the cost of supply versus the conservation side, that the economics are in favour of conservation. We could look at nuclear energy. Over the years the Government has spent billions of dollars on the nuclear program. Yet that program has produced very little energy. The energy which it has produced has not been cost-effective. In Ontario it is estimated that by 1990 the accumulated deficit in its nuclear program will be close to \$60 billion. The Darlington nuclear reactor has cost \$11.8 billion, and \$4.8 billion of that is in interest charges. Who benefits? Of course, the banks. The number of jobs that Darlington will create is a far cry from what \$11.8 billion would create if that money was put into the conservation area. The total energy which one nuclear reactor produces does not compare with the energy which we would save if we put that same amount of money into conservation. Conservation will save more energy than a nuclear reactor will ever produce. The question is: Why do governments insist on going into megaprojects, off-shore oil projects and tremendously costly nuclear projects which produce energy at the equivalent of as much as \$70 per barrel or per barrel equivalent, and yet ignore the conservation side?

We must ask the question: Who benefits? The home owner benefits from conservation. Home owners save on their utility bills. But if we go the nuclear route, who will benefit? Certainly not the home owners. They will eventually have to pay the