

*Oil Substitution Act*

the north shore of Lake Huron, building the north shore natural gas pipeline. This \$51 million or \$52 million pipeline will carry gas from Sault Ste. Marie to Blind River, to Elliot Lake and ultimately, if I have my way, to every community along the north shore.

There is complete chaos on the other side of the House. The Government is spending some \$33 million under DSEP to build a pipeline to provide natural gas to that area. At the very same time money is being spent and bulldozers are moving earth on that project, the Government is cutting out COSP so that home owners in Blind River and Elliot Lake, especially those with low incomes, will be denied \$800 grants to instal natural gas in their homes. For persons in the upper income brackets, this will probably not make any difference. They will spend the money and, since they are in high income brackets, they would probably lose half the grant anyway. However, working mothers, widowers and pensioners spending \$1,100 or \$1,200 per year on heating oil would like to take advantage of COSP. Instead of spending some \$2,300, they could have a saving of \$800 and spend some \$1,500. Over the course of approximately three years they would have enough savings from the cost of natural gas and from the benefits and efficiencies of a new furnace to pay for the original cost of the furnace.

The Government is building this natural gas pipeline and is providing two-thirds of its cost, yet it is cutting the grants which assist low-income families in taking advantage of it. I have indicated to the Minister that it would look better if the Government spent some \$33 million on the construction of that pipeline and extended COSP to this coming autumn or perhaps longer, so that people who will have natural gas made available to them in October and November of this year could take advantage of the program. I do not hesitate to call upon the Government to set aside the Bill and to leave the programs in place.

If we look at the Estimates of the Government of Canada which came out a couple of weeks ago, we see a commitment to spend \$1.6 billion for Petroleum Incentives Program grants. These grants will be very beneficial to the East Coast offshore, the high Arctic and the Beaufort Sea exploration activities which are taking place and will be particularly beneficial to Canadian-owned companies.

● (1530)

If we have money for the supply side of the energy equation, it seems to me that we should have \$160 million or \$170 million available for the COSP and CHIP programs. The CHIP program saves us energy and the COSP program saves us oil by converting oil-burning furnaces and industries to natural gas. Those were the objectives of those programs which have been so successful and, in my opinion, should be maintained.

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, I am very pleased to have seconded the motion put by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), that this Bill be given a six-month hoist. While we

on this side of the House recognize that the best thing would be for this Bill to be withdrawn, we also recognize that a six-month extension of the program would be helpful to those people who wish to take advantage of both the COSP and CHIP programs.

It is interesting to see that my colleague, the Hon. Member for Esquimalt-Saanich (Mr. Crofton), is present in the House today. I am sure that he received, as did I, a request from the electrical contractors of the area asking that there be a special extension of the program for Vancouver Island. Those on Vancouver Island were unable to take advantage of the COSP program until 1983 because a few years ago there was election talk about the possibility of building a natural gas pipeline to Vancouver Island. Because of that, residents of Vancouver Island were unable to take advantage of the oil substitution program except by putting in very expensive heat exchange pumps. It was not until 1983 that they were able to take advantage of the program by converting to electricity or wood-burning stoves. An appeal has been made on behalf of the residents of Vancouver Island that the program be extended.

It makes sense to me that the two programs should be extended for all Canadians. These programs have served a useful purpose in the past. They are only half way through the objectives which were stated for them at the time they were introduced and I think they should be allowed to run their natural course. Instead of having COSP terminated in 1990 as was planned, it should be able to continue.

According to the Tory Government, these programs are being terminated because Government Members want to attack the deficit. This seems to be the Tory philosophy. However, I question whether or not that is the case. Can it really be that Government Members are that interested in attacking the deficit? If they looked at the economics of the situation, they would realize that the economics simply do not add up.

We can ask about the origin of the word "economy". It means the laws of the household; and another meaning of the word "economy", aside from its abstract meaning, is to effect savings. To eliminate these two programs is to eliminate some very economical measures.

In the speech he made yesterday, the Hon. Member for Regina East (Mr. de Jong) outlined some of the economics of the situation. If the Government were really interested in the economy, it would pay attention to what he and some of the other Opposition Members have been saying.

By encouraging Canadians to move off oil, the COSP program has saved some 15.3 million barrels of oil a year. This is enough to heat some 650,000 homes. A great deal of this saving has occurred in eastern Canada where, as we all know, we have been involved in some very expensive subsidization programs because of the cost of bringing in imported oil.

We can look at the economics of the situation in terms of jobs. Between 1977 and 1982, the CHIP program provided some 44,000 person-years of work, 53 person-years of work for