

Oil Substitution Act

On the other hand, if you look at the extent to which CHIP and COSP expenditures produced spending by Canadians, for every dollar the Government contributed under CHIP, an additional 80 cents of expenditure by home owners was created, whereas under COSP, \$1 of Government expenditure produced \$2 of private expenditure. So on that particular score there was an advantage on the side of the COSP program.

What we have seen, then, in CHIP and COSP, is significant activity in energy conservation for Canadians and significant generation of employment all across the country, particularly in areas of slower economic activity. The CHIP program is obviously of very great interest to people in the Atlantic Provinces where heating costs run so very high. In this public encouragement of investment we see dramatically the way in which government can create employment. It is that kind of real investment which needs to be underscored. To axe these programs as the Government has done so early in its mandate, before it has had adequate time to consider the whole matter, suggests quite a false understanding of the program. In fact, I think there is a division in the Conservative Party on these things which one can illustrate quite nicely in terms of an older wisdom and perhaps newer ideology creeping in.

The COSP Bill came before the House in 1981. Speaking for the Conservatives was the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton). He has a venerable place in the formulation of national development programs for the Conservative Party in years past and for the Government particularly between 1957 and 1963. What did this Member have to say about COSP? Speaking on June 30, 1981, as reported at page 11099 of *Hansard*, he said:

I do not think there is any question that the House in general understands and supports the purpose of the oil substitution program—

It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil.

It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

At the end of his comments he added:

I want to conclude by congratulating the minister again for bringing this legislation forward . . . I hope he will consider the suggestion that I have made to improve the legislation and make it available to all Canadians. If so, we could achieve this conversion from oil to other energies more rapidly than this bill can by itself.

That is an example of good sense prevailing, free of the kind of ideological convictions and pious hopes which characterize the economic policies of the present Government.

● (1250)

What do we have in contrast to that? When the House was barely in session back in November and the fiscal and economic statement had not even been presented, the Hon. Member for Mississauga South (Mr. Blenkarn) said the following:

Mr. Speaker, under the National Energy Program there are in existence two expensive and, in my view, totally redundant programs which represent a serious drain on the treasury and in reality are a transfer from government to the relatively affluent.

I might say that the information on the CHIP program contradicts that kind of judgment. It was not only the relatively affluent but all Canadians who took advantage of the CHIP

program. He said that he was speaking about COSP and CHIP. In his concluding observations on November 7 he said:

All forms of energy in Canada, Mr. Speaker, are now in surplus. World oil prices are falling, and producers are being directed not to produce. Indeed, they are being pro-rated. Why then spill out literally millions of taxpayers' dollars to those well enough off to own their own homes in order to encourage them to do what they ought to have done in the first place, to insulate; or to bribe them to buy new furnaces, heat pumps, and such devices. Surely there can be no justification for these programs.

I submit, Mr. Speaker, that there are good justifications for those programs. The most incredibly shortsighted thing for anyone to assert is that out of this short-term surplus of natural gas and crude oil around the world there is any basis for drawing optimistic conclusions. At the moment, due to a serious world recession from which very few parts of the world have dramatically recovered, consumption is down and OPEC finds itself under pressure to control output in order to keep its prices up. Surely there is no basis there for any kind of optimism about the 1990s and the twenty-first century. It is incredibly shortsighted for anyone to forget the fact that oil and natural gas will disappear one of these days.

As one particular gadfly in the industry suggested before a committee not many days ago, we may in fact face oil and gas rationing within the next decade, particularly with crude oil. The declines in production which are likely to come, even in the Middle East, make it incredibly stupid to end the Canadian Oil Substitution Program in the middle of the 1980s and to not take advantage of every opportunity to reduce our consumption of oil in the country which serves so many purposes other than home heating. We should ensure that we have as much crude oil as possible as a petrochemical feed stock for the driving of vehicles.

I would like to speak about a particular aspect of the early termination of the Canadian Oil Substitution Program which applies to my constituents in Thunder Bay-Nipigon as well as to many people in northern Canada. Winter conditions in Canada present a problem in trying to act on this program by March 31. Gas service cannot be installed in the north during the winter months, primarily because the ground is frozen. Many contracts entered into after the November 8 announcement of the program's termination cannot be completed by the deadline of March 31. This restriction effectively precludes many northerners from taking advantage of the program during the last five months of its effect.

I have written the Minister about that expressing concern and asking for a possible extension. I listened with care to the Parliamentary Secretary when he was responding to my and other communications on this issue. I gathered that the answer was negative. That is simply not satisfactory to my constituents, particularly if the concern is only to avoid an outflow and to somewhat reduce the deficit on the budget. I do not accept that answer. I will continue to exert pressure on this matter.

My main concern, Mr. Speaker, is that the Government's cancellation of COSP is done with openness and forthrightness. I would not like to think that the March cut-off date was