Council of Canada estimates that adding insulation to one million existing homes would produce 27,000 person years of employment, at a cost of 7,000 person years in the oil industry or, in other words, a net gain of 20,000 person years in jobs. Estimates are that it cost nearly $1 million to create a job in the tar sands, as an extreme example, while it costs $50,000 to $100,000 in conservation or the renewables. Further, the jobs are created where they are needed; that is, where people are living. They do not require the disruption of families or starting up new, single industry towns in trailer parks. Conservation programs minimize environmental destruction. Fixing up old houses where people already live is greatly to be preferred to disrupting native communities and risking serious environmental destruction by oil spills, for which we have as yet no technological solution.

It is true that there are problems in existing CHIP programs, quite apart from the urea formaldehyde scandal. There have been abuses, as the Government was warned. It was urged to establish proper inspection procedures. The answer now is not to abandon that Program but to correct the flaw in it and to institute proper inspection procedures.

The National Energy Program, as originally set out, had some laudable principles; self-sufficiency in energy and a move to conservation and the renewables being most notable amongst them. There was a recognition of the basic facts of life in energy, that we could not achieve self-sufficiency in Canada without substantial reliance on the renewables and conservation. But what happened then, Mr. Speaker? The highminded principles were relegated to the low budget area of the Program.

Petroleum Incentives Program grants are measured in the billions, but conservation is measured in the millions. What is wrong with the Petroleum Incentives Program grants? They are give-aways to corporations which pay no taxes, or less than their fair share. They mean that the public pays for exploration and gets no equity for it, while the companies talk about risk taking. They deplete the heritage which we have been given and which we have some obligation to pass on to future generations. Petroleum Incentives Program grants mean that expensive oil will be pursued, dug out and sent south at enormous cost in money and in social terms. People will pump more gas into their gas guzzlers and let heat seep out of their non-airtight houses. The Petroleum Incentives Program grants are a slow route to Canadianization. More fundamentally, they do not address our need for long-term energy security. They are directed at a non-renewable resource and, at best, postpone the day of reckoning. Eventually, and not all that far aheard, we are going to have to switch to renewable resources. The less we use now of the non-renewables, the easier it will to be make the switch.

The Petroleum Incentives Program is also inflationary, a factor that should count nowadays. It means pursuing ever more expensive forms of energy. The same money invested in conservation measures means savings in the here and now and in the long run, for with conservation you save year after year after year. Conservation means finding cheap oil again, the equivalent of oil at $5, $10 or $20 a barrel, depending on the particular measures used. That is far less than the oil that the Petroleum Incentives Program grants are directed toward.

Conservation and the renewables happen to be matters in which we can have our cake and eat it too. We can pursue a number of worthy objectives at the same time, instead of having to play one off against the other. We can create far more jobs than would be created from conventional non-renewables. We can promote environmental protection instead of risking serious damage. We can respect native concerns and give them time to develop their priorities instead of imposing ours, from the south. We can maintain our standard of living, for alternative energy resources are rich and the technology is available. The lack has been in implementation, not in knowledge of what needs to be done. That is where the serious gap is. Meanwhile, we subsidize conventional energy sources and make the new ones "pay their own way", as they say, and make them compete unfairly.

● (2225)

The Minister of Energy, Mines and Resources referred to maintaining the CHIP and off-oil programs, and wanting to use them more efficiently. Naturally I would want to commend him for any greater efficiency he can manage, but I would like to hear more. What does he mean by cutting? Does he mean to cut those, and if he does not cut those two particular programs, which programs will he cut?

Finally, I would like to challenge the Government to consider the real potential of the National Energy Program, especially its job-creation aspects. If it did the necessary calculations and took a critical look, I think it would find that its priorities would be reversed.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the subject matter of the question and of the comments of the Hon. Member is not only of concern to her Party but to my Party as well.

Let me state quite clearly that the Government of Canada has no plans to abandon the Canadian Home Insulation Program and the Canada Oil Substitution Program. On the contrary, the Government is looking forward to maintaining strong support for energy conservation and substitution in the residential sector.

With respect to the Canada Oil Substitution Program, it is heartening to note that off-oil conversion activity has continued rather strongly during 1982, at a time when generally consumer spending is weak. Conversions from oil to electricity and renewable energy sources are on target. Conversions to natural gas are below target, as they were last year. From the time the Canada Oil Substitution Program was launched late in 1980 to the end of September 1982, it paid approximately 270,000 grants for a total of $183 million.

On the subject of CHIP, there existed some concern that the Program was not as effective as it might have been in helping to achieve potential saving available from home energy conser-