

Oil Substitution Act

been a remarkable increase in the knowledge of energy conservation. This conservation knowledge has been applied to new construction. Now about 5 per cent of the homes that are lived in have been built since 1977. That is about equal to a quarter of the ones that have been improved under the program. Along with new structures has been the demolition of many of the old structures, the ones that needed insulation and the off-oil program the most. The energy conservation philosophy is firmly in place and the need is declining. CHIP should be terminated; it is no longer needed.

I do not think anyone has spoken about the costs of inflation or what has happened with inflation since 1977. I took the trouble to look the statistics up. The cost of gas has risen 230 per cent and electricity 170 per cent. Perhaps, as the Hon. Member said, we were so over-charged on electricity before that the costs have not changed very much. Oil has increased in price 300 per cent.

At the same time the price of insulation has increased more than 50 per cent. The buying power of the dollar has decreased quite a bit more than 50 per cent. Thus the \$500 grant of 1977 is no longer worth what it was in 1977. At the same time the need to change from oil to other kinds of energy has increased almost three times. The relative value of the grant has decreased to the point that it is almost worthless in the hands of the people using it. Perhaps it is a carrot, but it is not anywhere near the big carrot it was in 1977.

The off-oil program was born when everyone was in the grip of inflation and the great threat of the OPEC oil cartel. This inflation psychology was led by the Government of the day and it led to at least two other unfortunate decisions, namely the National Energy Program that decimated our oil industry and the massive investment by farmers in more land. Let me quote my local farmers. They say "they don't make any more land".

This massive investment encouraged by government and by banks set the scene for the tremendous agricultural problems we have today. I do not want to suggest that COSP was equally bad, only that it was born then in the same type of psychology when the situation was different. We had just realized the energy crisis was at hand. The economy was not yet putting its crushing hand on our affairs. I realize now that I wasted too much time up front, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Brightwell: Much has changed. These two programs have been successful. They are no longer needed. The new technology, particularly in the high-efficiency furnaces, and also in alternate sources of energy, will be of greater assistance to our personal economics, our environment and our energy reserves. I am sure this conservation attitude will continue not only because of economic pressures but by choice of responsible Canadians exercising their right to free enterprise.

For the reasons I have outlined, Mr. Speaker, I am pleased to support Bill C-24.

● (1520)

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. These two programs relate to the substitution of conventional fuels with natural gas as well as to the conservation of energy in the construction of homes. In fact, the entire energy conservation program of the former Government was one of the most successful ever put before any country. International observers, such as OECD and other international bodies, judged that energy conservation program to be one of the most progressive, enlightened and effective ever to be put in place.

We live in a world today in which the price of oil is dropping from something below \$29 American per barrel to as low as \$22 to \$23 in the next three or four years, according to the estimates of the Department of Energy, Mines and Resources. Also according to the estimates of EMR, Canada will be self-sufficient in oil on a net basis through to the end of the century. We have been able to increase Canadian ownership of the petroleum and gas energy field to some 40 per cent.

However, let us think back to the autumn of 1980 and throughout the year 1981. It was a very different world then. It was a world in which our best hope was to be self-sufficient in energy, even on a net basis, by 1995. In fact, that was achieved by 1983 which in itself is a miracle. At that time we talked in terms of reaching 50 per cent Canadian ownership by 1990, and in fact we have come from 28 per cent in 1980 to about 40 per cent today.

We have achieved many of the goals of the National Energy Program as a result of massive exploration and development projects in the Beaufort and on the offshore East Coast. They have been stimulated by the Petroleum Incentives Program and other programs of the federal Government. Equally important, and perhaps more important, is the entire energy conservation program of which COSP and CHIP were valuable parts. There were programs such as oil upgraders to take residual oil in places like Sarnia and Montreal and upgrade it into fuels, gasoline and so on for use in the country and to back out more and more barrels of oil on the East Coast from the fragile Middle East situation and to bring in oil from Mexico and Venezuela. Not only should we look at those plants which were used to upgrade residual oil and to convert it. We should also look at the programs of enhancement and those to upgrade the heavy oils of Lloydminster, the western sedimentary basin, the Syncrude project and other projects in the Fort McMurray area. Certainly we have tremendous reserves in the Fort McMurray area, but I do not think the Government can go at it in the same way as did the Government in 1979 and 1980. Rather than massive projects, we can have smaller ones to bring on stream the tremendous reserves of heavy oil in that area.

To average home owners in northern Ontario a suggestion such as that is rather abstract. It is important and they know about it, but the substitution program is more important to them. In my own constituency bulldozers are at work today on