

million will be undertaken. The objectives of the program will be to demonstrate large-scale deployment of solar domestic water heating systems, to establish the preliminary economies of scale, to identify more precisely the reliability and durability of solar heating systems. The minister also amplified the April announcement by the Minister of Finance (Mr. MacEachen), to which the hon. member opposite referred, of changes in income tax regulations which will make solar energy equipment a more attractive investment for industry by allowing fast write-offs for a wide range of active solar heating equipment. These two measures will further promote the demonstration and commercialization of solar heating. Additional measures will be announced on October 28 or shortly thereafter as part of the national energy program. Hence there is indeed a co-ordinated federal strategy for the development of solar energy, and the government plans to publish this strategy once the consultative process has been completed. We believe there is a great opportunity to build a Canadian solar industry, partly so that Canadians do not need to buy foreign-designed solar equipment from foreign-controlled corporations.

● (1730)

We realize we cannot look for dramatic immediate pay-offs from our investment in an emerging technology such as solar heating or in the demonstration programs sponsored under the federal-provincial agreements on conservation and renewable energy. It would be wrong to embark on such pioneering programs without a realistic sense of the time required to see the results or the difficulties they are likely to experience. But it would be equally wrong to under-estimate the specific contribution they can make over time to our efforts to substitute away from oil.

We believe there may well be good opportunities to make early use of renewable energy forms in remote locations. The urgency of the national effort to substitute away from oil is such that we do not believe any opportunity should be neglected. Some renewable energy forms will be particularly attractive in areas not now serviced by natural gas or hydro electricity.

These are important developments. However, before solar can be commercialized it must be shown to be credible. The public must be convinced that the systems we are developing are reliable. We must remember that solar projects must compete with other technologies such as wind, biomass, energy conservation technologies, geothermal and so on. Before solar heating can be acceptable to the public, there needs to be adequate consumer confidence, a subject the hon. member touched upon. The government is continuing to work with the Canadian Standards Association to develop a standard for domestic water packages. But the public will require tangible evidence when they are in the market for solar heating products. That is why a warranty program is so important, and that is why the government is encouraging the Canadian Solar Industries Association to play the lead role in formulating an industry-wide warranty program.

Renewable Energy

The government is determined to ensure that the solar industry remains a Canadian industry. In the case of solar, there is rapid technological change. Today's technologies may be superseded by second and by third generation technologies. It will be up to Canadian industry to adapt to change and to seek new ideas and new markets in the face of this world-wide search for ways to capture efficiently the sun's energy.

The bill before us proposes to establish a new institution. One of the objectives is to publish information relating to renewable energy. However, there are already a variety of publications readily available which describe these policies and programs of the federal government. One is called "Energy Update". It provides an overview of the energy situation and government activity in renewable energy. Another, called "New Energy, New Opportunities", describes new government programs in renewable energy in considerable detail.

I would like to touch upon some of the objectives of the new corporation which the hon. member opposite has proposed in his bill. On standards, objective (a) in his bill, the proposal is made for increased standards development. As I have already noted, energy, mines and resources is already working very closely with the Canadian Standards Association and the National Research Council on the development of standards for solar heating equipment. Energy, mines and resources is already collaborating with Canadian Solar Industries Association on the development of warranties for solar heaters.

On testing of new energy technologies, objective (b), energy, mines and resources is sponsoring work by a number of agencies, for example, the Ontario Research Foundation on the use of alcohol fuels in diesel engines, and research work by CANMET, the Canadian Centre for Mineral and Energy Technology, on the testing of wood appliances. Also, the National Research Council has recently funded a new solar test facility at the Ontario Research Foundation.

There are a number of other points in the hon. member's bill which either duplicate activities already being conducted by the federal government or anticipate tasks which will be undertaken by the new alternate energy corporation. I remind the hon. member that in the Speech from the Throne he will find a clear commitment to the creation of an alternate energy corporation. He is probably aware that since the Speech from the Throne, some \$20 million has been allocated for the start-up of the new corporation. In the initial period, support for its activities will be provided by Petro-Canada, pending the stage at which the new alternate energy corporation will be able to stand on its own feet.

This new corporation will have a mandate to provide the essential support needed to move renewable energy technologies beyond the demonstration stage into wider commercial use. It will reinforce private sector purchase activity by joint ventures, share purchase and by offering other assistance in the commercialization and marketing of renewable energy technologies.

Of course, there will be some scope for a direct role in research and development and production of renewable energy, but the main emphasis will be on support and encouragement