

Oil Substitution Act

has is of some benefit to someone to some extent. That is the case with these two programs we are dealing with here today. There is no question that somewhere along the line people receive something from government. The Hon. Member for Egmont (Mr. Henderson) said that people bought a skidoo and went off in the bush and hauled in wood. I suppose that was good for their health. It certainly gave me the thought that perhaps I could expense a skidoo as part of the cost of my heating. Perhaps I should go into the wood business as a means of writing off my skidoo. Perhaps that is what we can get from these debates as to how government expenditure can be used as a justification for all sorts of fun and games. But rather than fun and games I think we ought to talk seriously about where we should be going in this country.

One of the problems which has bedevilled us, Mr. Speaker, is the Bill which comes before this House all too frequently, the Borrowing Authority Bill. You will recall the impassioned speeches we heard on the Borrowing Authority Bill when it was before this House just a very short time ago. I have not looked up the record but when the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) spoke eloquently about the burden of debt, how we were running up the national debt and what we should be doing, I am sure he did not speak in favour of more borrowing. Indeed, his Party negotiated vigorously and insisted the Bill be cut back. They said we were spending far beyond all reason. He did not say we should not spend it because, of course, he wants money spent in his own riding. He thinks it is important we spend the money there, but he thought the borrowing was beyond all reason.

Well, Sir, the borrowing is beyond all reason. We must come to grips with government programs. Therefore, I am very delighted that we have finally decided to come to grips with these programs. If these programs could be justified at all, they have now well outlived their usefulness.

When these programs were first initiated, Mr. Speaker, world oil prices were spiralling upwards. There was considerable concern that we would be looking at oil at \$60 or \$65 U.S. a barrel in 1985. It was absolutely necessary that people be assisted in converting their furnaces to burn something other than oil. In was absolutely essential that people be encouraged to do whatever they could to cut down their consumption of fuels. Hence the CHIP Program.

But, Sir, this is 1985 and Texas light crude is selling in world markets at something between \$25.60 and \$25.80 U.S. a barrel. That is a bench-mark price for top quality petroleum, but this country pays in excess of \$29 U.S. a barrel for top quality petroleum. Indeed, I am told that certain Canadian oil companies with oil production in western Canada have decided that it is profitable for them not to sell in the Chicago market but to ship their crude to Vancouver, load it on a boat, send it around the Panama Canal, and sell it in Montreal at \$29 and change a barrel.

Mr. McKnight: Same as we pay the Mexicans.

Mr. Blenkarn: They make a lot more money that way. Same as we pay the Mexicans, says the Minister.

Sir, the whole system has got out of hand. Indeed, we must revise the National Energy Program completely. The first stage is getting rid of these subsidized programs which are no longer valid. The price of oil is decreasing. Indeed, if we were to get rid of the subsidized programs today we would lower the price of gasoline and home heating fuels dramatically in this country. I do hope that the Minister, in her next effort, will be introducing Bills to terminate the programs whereby we pay those who import crude oil into this country more than world prices as part of some sort of national oil policy.

The situation is that we can no longer afford a program which subsidizes people, no matter their wealth, status, quality and kind of living accommodation, to convert their homes to something other than oil heating. For example, they buy a heat pump for \$3,000 to \$5,000 which enables them not only to save oil but has the added benefit of giving them air conditioning. That is the kind of thing which has taken place time after time in grants under the COSP Program. It was a fine program, but when we wind up with a program which is used to help the relatively affluent to enjoy a better quality of life which air conditioning might provide, or to save them a few dollars on their oil bill which means they might do the conversion anyway because it would save them money, we are in a sense misusing the borrowing, taxing and spending capacity of the country. We transfer money to the relatively affluent in the country, money which they have no call to receive.

It has been suggested by the Hon. Member for Glengarry-Prescott-Russell that his constituents were relatively poor. Even his poorer constituents lived in homes and they needed some assistance in acquiring new heating equipment. Well, that perhaps is so. There is every indication that the cost of the heating units that were promoted in some instances as a result of this program were bonused up to include part of the grant. We should all question to what extent improved heating units have been available because of the grant and to what extent contractors and producers have taken advantage of the grant for promotion purposes. I submit that if the grant had not been available, the number of conversions from oil to other forms of heating would have been very much the same. There is no evidence produced by the Ministry, or any other source, that indicates that some, a good part, or all of this work might not have been done without the expenditure of public funds.

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When the program was brought forth there was an implicit worry that things must be accomplished in a hurry because of the worry of rapidly increasing petroleum prices. That has not turned out to be the case. Consequently, we do not have to continue with programs just because they were put in place at one time. Times have changed.

I will deal for a moment with the CHIP Program. That program has been in existence since 1977. It originally started off with relatively old homes. It was extended dramatically during the 1979 election campaign as the then Minister of Energy, Mines and Resources tried to ensure for himself his own seat. He unfortunately could not do that; he is no longer