There are two other groups looking into the feasibility of producing ethanol. One group has access to natural gas which is being flared off from producing oil wells, but that gas is not in sufficient quantities to be of commercial value. But this gas is available in amounts sufficient to provide heat for the distillation process extracting ethanol from corn. These two farmers own beef feedlots and will be feeding the residue to their cattle. There is no waste, and this corn will be recycled to produce both food and fuel. I am delighted that the budget papers and notices of ways and means motions contain provisions to lower the bonding and licencing requirements, allowing such entrepreneurs to do their part to relieve the energy problems of this nation.

The other group to which I referred is made up of members of a co-operative which processes vegetables and potatoes. They too realize the potential fuel contained in that 20 per cent of a potato crop which normally ends up as culls and is left to rot, and are looking forward to utilizing this energy by converting it to ethanol.

I read just last night in the Ottawa *Citizen* that the National Alcohol Fuels Commission in the United States issued a report showing that a gallon of ethanol can actually save .83 gallons of crude oil under certain conditions. This fuel is widely used in the midwest United States and some countries in South America.

This forward-looking budget is responsible in its pricing formula. It is responsible because it does not begin with a harsh excise tax on fuels, and it is responsible because it recognizes the needs of our citizens and the generation to come by not only ensuring our energy supplies but by also providing the incentives for industry to become established in regions not ordinarily recognized as regions of potential. I would further stress that this budget ensures our industrial competitiveness across Canada yet maintains our enviable standard of living, which is among the best in the world.

I refer specifically to the made-in-Canada price which will never be allowed to exceed 85 per cent of the imported oil price or the U.S. oil price, whichever is the lower. This budget will cost the consumer $40 billion less than the budget of December, 1979, yet we are maintaining our competitive edge, ensuring our supplies for the future, bringing our industry under Canadian control and encouraging the use of alternative energy and renewable energy. Above all, this budget and energy policy will not trigger another inflationary spiral, which we all fear, because the increases will be implemented in a planned and responsible manner over a six-year period.

In comparison with the budget of December, 1979, the impact of this budget will be far less inflationary. Perhaps I should place on record the differences in relation to gasoline and diesel fuel costs to consumers. To the commuter the 1979 budget would have meant a gasoline price of about $1.56 per gallon in 1981 compared with $1.50 per gallon in our budget. By 1984 the December budget would have resulted in a price of $2.63 per gallon, while this budget will provide a price of $2.10 per gallon, or 53 cents per gallon less. This is important to a commuter, for example, if he is driving 12,000 miles per year. Our budget would result in savings of over $200 per year in 1984 based on an automobile operating at about 30 miles to the gallon.

But there is a more important comparison to be made, and that comparison is in the area of food production. In this instance we will use the differences in the costs of diesel fuel. For the purpose of comparison we will assume that a particular farm uses about 6,000 gallons of diesel fuel per year, or about 27,300 litres. In 1981, under the December budget this would cost $7,140 for the year. The cost in the budget under debate here today would be about $6,360 for that same year. By 1984 under the previous December budget, the price would amount to an annual cost of $13,620. In our budget here today the cost would be $9,780, a saving to that particular farmer of $3,840. In that four-year span the budget we are discussing tonight would result in a saving of over $8,220 over the December, 1979, budget. Just imagine the impact of this on farmers and food producers; just imagine the impact of this comparison on a small family-owned trucking firm in my own constituency which uses over 100,000 gallons of diesel fuel per year.

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Even more significant is the difference in natural gas prices as they will impact upon the fertilizer industry. Natural gas is one of the main ingredients in the formulation of some nitrogen fertilizers. In this context, when we compare these two budgets, natural gas prices in the Crosbie budget would have been about 71 per cent higher in 1984 than those under the government budget we are discussing tonight. Such a drastic increase would be reflected in food prices, and this item alone would have meant a devastating increase in food production costs. I submit that the impact of our budget, as it relates to farm input costs across this nation, is far more realistic than those cruel, harsh measures presented in the House last December.

The reduction of excise tax from $3 per gallon to $1.25 per gallon on fortified wines is welcome news to the grape industry of Canada and will allow the wine industry to continue to upgrade their vineyards and products which in recent years have been recognized as among the best in the world.

This budget not only provides for Canadians to invest in their own future, but also allows a tax reduction of $248 for a family of four earning $15,000 per year, or a reduction of nearly 20 per cent. This tax saving is a result of the continuation of indexing for 1981. We can be proud that Canada is one of the few countries in the world which provides such automatic indexing adjustments.

While they may place a small additional burden on workers and employers, the changes to the unemployment insurance fund contributions are necessary if the present trend continues of increasing numbers of men and women entering the labour force. While the increase in these contributions may seem to be large, the combined contributions amount to 4.32 per cent of the insurable earnings. We must remember that only those who are working and their employers make the contributions,