eroded. This will remain at the 1982 level of $26,330. Therefore, as people's income rises, the Child Tax Credit will decrease.

Even more obvious is the elimination of the $100 standard deduction. Unfortunately, this has not been replaced by the "give and take" proposals of the voluntary sector and may cost charities a substantial amount in lost donations. Almost certainly it could lead to an increase of the Revenue Canada bureaucracy in order to deal with receipts that Canadians will have to file in order to claim a deduction from a charitable donation. In fact, one budget analyst predicts that the additional manpower cost of this budget change will be approximately equal to the $80 million in revenue the Government expects to gain from it.

In addition, the federal tax cut credit has been restructured. In 1984 it will be reduced by 10 per cent of the amount by which the federal tax payable exceeds $6,000. In 1985 the maximum figure drops to $100 and then to $50 in the following year. In terms of equity, tax credits favour the lower income groups. When a tax credit is reduced, that is who suffers the most. While lower income Canadians are losing under this measure, the Government stands to gain $265 million in 1984 alone.

Similarly, the children's exemption has been frozen. That means that taxpayers with children under the age of 18 will find that the exemption will not rise with inflation. It will not even rise by 6 or 5 per cent. Added to the other tax increases, it means that Canadian families are going to be paying higher taxes in coming years.

Unlike the MacEachen budget, these latest tax measures make no mention of equity. Canadians, particularly those with children and those in the lower income groups, are just told to pay up. There are two other taxes that all Canadians will be paying. I am referring to the continuation of the Canadian ownership charge and the increase in the manufacturers' sales tax.

As you will recall, Mr. Speaker, the Canadian ownership charge was introduced to pay for the Government's takeover of Petrofina. The cost of the takeover has been almost entirely paid off, but we learned last night that this tax is to continue indefinitely. With Petrofina paid off, the Government can use this enormous revenue generator to bail out Dome and the banks. Others grabs by PetroCanada can be financed in this way at a cost to the average energy consumer of about $60 per year.

On top of that, Canadians will be facing a 1 per cent increase in the manufacturers' sales tax next year. Consumers will not begin to feel this until about the time they start their Christmas shopping. All of a sudden they will note increased prices on most of the goods they wish to purchase. The Government is postponing the pain of this tax increase. In the meantime, in all likelihood we will have an election. Our Party will have to implement this tax grab and explain to Canadians why they are feeling the pinch.

• (1530)

The Minister has presented his last chance budget. We will be evaluating his proposals during this budget debate as we pursue the fine print and his background papers to find out how his proposals will be implemented and what their effect will be.

We are very aware in our Party that Canada is on the threshold of our best chance in years to become the kind of country we can become, a country which is productive and competitive and eager for challenge, a country where every Canadian can find useful and interesting work.

We have been through the economic wringer, and in the process we have squeezed out some excesses. Our manufacturing is operating at only 63 per cent of capacity. But some of that capacity is obsolete and must be replaced with new plant and equipment, some of it in new industries. Our hard hit corporations are slowly paying down their strangling debt load. Managers who had become insulated and slow to adapt to change found themselves redundant as their companies struggled to survive. The men and women who replace them will be less complacent.

Some workers who have lost their jobs may never go back to their old tasks. They must face the often painful task of looking for new jobs in different fields and retraining themselves in the process.

As our markets dried up at home, we became more export conscious, aware of the global marketplace where we must be among the best in the world to succeed and where in many fields, such as communications, our success rate shows we are the best in the world.

We have moved into a weak, fragile recovery following the worst recession in 50 years. As our inflation rate has slowed, our wage pressures have moderated. Last year Canada and France shared the reputation for having the worst inflation record of 22 countries.

If we are to sustain that recovery and nurture it into a rolling expansion, we must avoid our past mistakes and change some of our attitudes. For instance, I would like to quote from a survey done by the European Management Forum that ranks 22 countries around the world on such factors as their ability to produce and the way they manage their economic affairs. Canada ranked sixth out of the 22 countries. It is interesting that three of the countries, Japan, Switzerland and The Netherlands, do not have anything like the resource base that we have.

In our ability to compete, we ranked 13 out of 22. That is due to our low productivity where we are in 22nd or last place. In human resources we ranked third due to a well-educated mobile labour force, but that is partly offset by a managerial talent rating of only 10.

In terms of outward orientation or our ability to look to the world for markets, we rank well down the list. One of the problems is the inability or unwillingness of managers to seek overseas postings and to learn another language.