

Private Members' Business

al excellence. We encourage them by stressing there is nothing they cannot achieve if they just try.

We know young people must be given the opportunity to learn to take responsibility for their own lives. Only then can they acquire the self-confidence and pride in their own accomplishments that everyone needs for self-esteem. Without self-esteem it is pretty hard to gain entry into the mainstream of society and virtually impossible to become the leaders we will need in the future.

Our youth are the future of our nation and our world. They will decide our destiny. The choices made by the young people of today will eventually define the world in which we all live.

There is little in this life more fulfilling than saving for a goal and reaching that goal through conscious effort and sacrifice. I can think of no better or more satisfying way to take control of one's own life and destiny.

Our government should do whatever it can to encourage our young people to be responsible citizens and consumers. Among young people age 25 to 29, 406,660 or 55 per cent included bank interest as a source of income in 1992. So it is already a significant means of saving, ready to increase with some encouragement. Young people who may be saving for a down payment on a house or for a new couch or refrigerator are not making much interest on their savings. They should not be penalized on what little they do earn.

• (1800)

An exemption would act as an incentive and would make more money available for banks to loan out as well. Many of the big ticket items like appliances have been purchased on credit cards in the past few years. Instead of the dirty word it was to our seniors, credit and the amount of credit available somehow became a status symbol.

Credit is incredibly easy to get. Everyone has heard of reports of children and even the family dog being offered credit cards. But credit card purchases cost consumers much more than waiting until one can pay cash. It is very easy to be sucked into the maelstrom of spending more than one actually earns.

In the first seven months of this year 36,118 consumer bankruptcies were filed across Canada. That is 16 per cent more than in the same span last year and one per cent more than in the first seven months of 1991, when the 12-month toll reached an unprecedented 62,277. According to some analysts, much of the cause of these consumer bankruptcies is credit card borrowing.

Saving is clearly a better way to go. For those with relatively modest incomes, an investment in a savings account is one of the few investment opportunities readily available.

There are plenty of tax breaks for those with large amounts of money to invest. An exemption on the payment of income tax on the first \$1,000 of interest from savings accounts would give a break to the little guy and help our senior citizens as well.

[Translation]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, I too rise to speak to the motion by the member for Bramalea—Gore—Malton concerning the tax exemption of interest income from saving accounts generating interest of less than \$1,000.

I am convinced that this motion, in its present form, as the member explained in his speech, is aimed at helping people with low incomes, people who are not well off. However, it creates a huge void, because, of course, a motion is not a bill, it is not very precise. The motion provides:

That, in the opinion of this House, the government should amend the Income Tax Act to eliminate the payment of income tax on interest from personal savings accounts when the amount of interest is \$1,000 or less.

Let us look at it in today's context. Someone with \$10,000 in an account earning 9 per cent would make \$900. This means that this \$900 would be tax deductible. It might be a commendable goal. However, if I had \$50,000, I could make five \$10,000 term deposits in five different accounts and earn \$4,500 in interest, \$900 on each account, and pay no income tax. But in truth, I would not belong to the group the motion is aimed at. I am not convinced that he is not trying to help people with a high income or large savings to evade income tax.

For this reason, I find it difficult to support a motion whose present wording would create such an unprecedented tax loophole. Even if there is a precedent, it would still be a horrendous loophole.

• (1805)

If you put this debate in a larger perspective, you can see that the goal of the motion is to help lower income people. I am pleased that we are showing concern for people with a low income and few savings.

In politics we are very often influenced by the richest lobbies, we also go to bat for the neediest, but in between there are all the workers, all the wage earners, that we very often forget and that are probably the least organized. They very often belong to professional corporations or trade unions, but it is very seldom that we show concern in our speeches or political actions for the lower middle class. They maybe the least organized and this would explain the fact that they are the target of all government measures: they are not a political force.

If you look at this motion in the larger perspective, it shows a desire for equity. In the area of taxation everything is a matter of equity. However, I do not think that the solution is to increase the deductions we now have. With our deficit at around 32 billion dollars, such a proposal does not seem like a good idea at