

● (2215)

Concurrently, any remuneration received by the spouse, who is generally the wife in her capacity as an employee of her husband, is also excluded from the spouse's income. Similarly, where a taxpayer is a member of a partnership which employs his spouse, a proportional part of his spouse's remuneration relative to his share of the partnership business is deemed to be received by him and is not included in the spouse's income. That is the current situation under the existing law.

These rules were meant to prevent income splitting between spouses so that the total income between them would effectively be subject to lower income taxes than if received by only one. However, because the recipient spouse is usually the woman who, through the rules, is denied income and the attendant Canada Pension Plan coverage, various women's groups made strong representations for the removal of these provisions.

The December 11, 1979, budget of the former government included a proposal to remove the rules applicable to the remuneration paid to the spouse of a taxpayer who is an employee in his or her unincorporated business or partnership. This proposal was reintroduced in the April 21, 1980, financial statement by the current Minister of Finance (Mr. MacEachen), and the ways and means motions were presented to this House. The related draft legislation was released to the public in August, and proposed consequential amendments to the Canada Pension Plan, which would allow the spouse to receive income coverage under the plan, have also been prepared.

Amendments to both the Income Tax Act and the Canada Pension Plan are intended to be effective retroactively to January 1, 1980, and await enactment into law. The bill including these amendments will be introduced in Parliament shortly. As previously mentioned by the Minister of National Revenue (Mr. Rompkey), taxpayers have been advised to govern themselves by the proposed amended legislation, and the Department of National Revenue will be accepting the source deductions in anticipation of the enactment of the legislative amendments which will be applicable to the 1980 taxation year.

I think the points raised by the hon. member with regard to whether this legislation will be introduced in time for this tax year and whether it will apply retroactively to January 1, 1980, have both been responded to. In fact, the answer is yes to both those questions.

NORTHERN PIPELINES—EXPROPRIATION OF LAND IN BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise tonight to discuss a problem related to the expropriation of lands by Foothills Pipe Lines to build a pipeline to carry natural gas to the United States. On November 21 I posed a question to the Minister of Energy, Mines and Resources (Mr. Lalonde), and the following was his answer:

It was not possible to find time, but nonetheless we have succeeded in reaching a situation whereby the private companies building the pipeline agree to be bound

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by the particular bill introduced by Senator Olson in the Senate. So in effect, the people concerned can benefit from the provisions of the bill which unfortunately has not yet been passed by the House.

The land has already been expropriated under the Railway Act. If the recommendations of Senator Olson's bill were to be followed as the minister indicated, the next procedure would have been to allow public hearings so that the people's voices could be heard. That was not done.

Second, the minister would have appointed a negotiator to negotiate a settlement between the company and the owners. This also has not been done. Third, if that could not be carried out according to the senator's bill which was passed in the Senate but not in the House, arbitration would have been the next step, which would have called for three arbitrators to be appointed to hear the case and make the final decisions. That also has not been done. Instead, an injunction was arbitrarily obtained and police force was used to carry out that injunction. These people were told that an arbitrator would be appointed and their case would be heard. What happened is altogether contrary to what the minister said in this House on November 21. I ask that the minister carry out the procedures laid down in the senator's bill.

● (2220)

Also I want to express a few more concerns because I asked personally, before the Alberta natural gas company was allowed a permit to export natural gas to the United States, that public hearings be held in my portion of the riding.

I want to speak for a moment, Mr. Speaker, about some of the people whose land may not be expropriated but who could be affected along with other people. I should like to comment very briefly on what was said by Senator Olson when the bill was being discussed in the other place. He said:

At the committee hearings one of the senators advised us that there were certain mortgage companies—and I think he mentioned CMHC in particular—which would not favour advancing a mortgage on a dwelling that was less than 600 feet from a high pressure gas line—and that, of course, would be 600 feet on each side. There are regional planning boards in certain parts of the country which have rules as to what they will approve, and give a building permit for, with respect to distances from high pressure gas lines.

I want to say that 107 miles of this pipeline will go through my riding and many people could be affected, even though their land will not be expropriated. They might find, a year from now, that they do not qualify for a CMHC loan because they live within a certain distance of that line. I think it is imperative that hearings be held now to give an opportunity for these people to express their concerns.

I want to criticize my fellow members from Alberta who are faced with the same problem because this pipeline will cross through Alberta properties. I want to say that if we are going to start using the 1919 Railway Act in order to build a gas pipeline to export natural gas to the United States at the expense of Canadians, then it is time this government started to realize that there are some serious problems out there and they had better deal with them.

I think it is indicative of something that four small land owners in Yakh, British Columbia should be the ones to bring