

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, March 10, 1977 2:30 p.m.**

[The House met at 2:30 p.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

MR. SPEAKER: I would like, if I may, to table the annual report of *Alberta Hansard* for 1976.

**head: INTRODUCTION OF BILLS****Bill 228****An Act to Regulate Holiday Closings  
for Retail Businesses**

MR. PURDY: Mr. Speaker, I beg leave to introduce Bill 228. This is an act to regulate holiday closing for retail businesses. It would make it mandatory that stores close on all declared holidays.

There are exemptions for stores that carry only food [and] newspapers, and any pharmacy which is within the meaning of The Pharmaceutical Association Act. The bill also exempts educational and recreational facilities. The bill would carry a fine of \$1,000 for first offence and \$5,000 for second offence. The bill is supported by 95 per cent of the retail merchants of Alberta.

[Leave granted; Bill 228 read a first time]

**Bill 230****The Matrimonial Property Act**

MR. CLARK: Mr. Speaker, I beg leave to introduce Bill 230, The Matrimonial Property Act. This legislation, Mr. Speaker, would ensure that all property acquired after the marriage would be considered to be owned jointly by the partners to the marriage. If a divorce were to occur, all property would be divided equally between the couple. Couples now married would have until January 1, 1979, to withdraw from the provisions of this bill. After that date, couples would be required to settle in writing before the marriage if they chose not to participate in the equal sharing of all property.

[Leave granted; Bill 230 read a first time]

**head: INTRODUCTION OF VISITORS**

MR. FARRAN: Mr. Speaker, I would like to introduce through you to the Assembly a distinguished visitor who is sitting in your gallery, Brigadier General Leslie, D.S.O. He is a distinguished Canadian, soldier who served with distinction in World War II and in Korea. He served as Chief of Staff of the United Nations Forces in Cyprus and [as] a senior Canadian officer in Cyprus. He's the son of another famous

Canadian soldier. General Andrew McNaughton. General Leslie is Colonel Commandant of the Royal Regiment of Canadian Artillery and is visiting militia artillery units in the province.

I would ask him now to rise and be recognized by the House.

MR. HARLE: Mr. Speaker, I'm pleased today to introduce to you and to all hon. members two young Albertans who have distinguished themselves in a consumer awareness contest conducted by the Department of Consumer and Corporate Affairs in co-operation with the Department of Education, the library services division of Alberta Culture, teachers, and school librarians. These two young Albertans are in your gallery.

As part of the program the department's resource centre and library conducted a poster contest. Some 800 students entered, and there are nine prize winners. The prize winners will be receiving book prizes from the department, as will their school libraries.

The elementary prize winner is Dwayne Sweany of Calgary. The first prize winners in the junior high and high school are both from Edmonton. I will ask them to stand as I call their names. They are in your gallery, Mr. Speaker. The first is Miss Rowena Limber of the Edith Rogers Junior High School, and Miss Angela Van Ryk of the Edmonton Christian High School. The first contest winner is a resident of the Wetaskiwin-Leduc constituency, and the second of the Edmonton Belmont constituency.

DR. WARRACK: Mr. Speaker, I'm very pleased today to have the opportunity of introducing a class from Dr. Elliott school in Linden, Alberta, in my constituency. I'd like to congratulate them, as will all members of the Legislature, on their interest in public affairs and their coming to take part in and observe the proceedings of this Assembly. Some 30 students are involved, accompanied by their teacher Mr. Heidebrecht and their school bus driver Bruce Baerg. They're in the public gallery. I'd like them to stand and be recognized by members of the Legislature.

MR. PEACOCK: Mr. Speaker, may I introduce to you and the members of this Assembly 16 bright and intelligent students from grades 10, 11, and 12 of Bishop Carroll High School in the constituency of Calgary Currie. They are accompanied by their teacher Mr. Maquire. They're sitting in the public gallery. Would they kindly rise now and be recognized.

**head: TABLING RETURNS AND REPORTS**

MR. LEITCH: Mr. Speaker, I would like to table a number of documents. The first is the Public Accounts for the fiscal year ending March 31, 1976. The second is the Provincial Auditor's report with respect to the pledging of securities for the fiscal year ending March 31, 1976. The third is the Provincial Auditor's statement of remissions for the fiscal year ending March 31, 1976. The fourth is the Provincial Auditor's report of temporary loans during the fiscal year ending March 31, 1976. The next is the Provincial Auditor's report that no special warrants, cheques, or orders were issued without the Provincial

Auditor's certificate during the fiscal year ending March 31, 1976. The next is the Provincial Auditor's report under The Alberta Investment Fund Act containing the audited financial statements of that fund as of December 31, 1976. The next is the order in council dated September 21, 1976, with respect to regulations made under The Alberta Municipal Financing Corporation Act. Lastly is the Provincial Auditor's report of loans under The Municipal Capital Expenditure Loans Act, being Chapter 213 of the *Statutes of Alberta*.

MR. HYNDMAN: Mr. Speaker, I wish to file two copies of a letter dated March 7 from the Premier to the Prime Minister, supplementary to the Premier's previous letter to the Prime Minister of February 21 on matters relating to the constitution.

MR. RUSSELL: Mr. Speaker, because of their nature, I wish to file two rather bulky reports with the Legislature Library. The first is a feasibility study for the Dunvegan Hydro Power site done by Alberta. The second is a summary report of a joint Alberta-British Columbia study on the Peace River Power Development.

MR. KOZIAK: Mr. Speaker, I have the honor to table the third annual report of the Alberta Educational Communications Corporation, known as ACCESS.

DR. HOHOL: Mr. Speaker, I have the honor to table the fifth annual report of the Alberta Advanced Education and Manpower Department, 1976.

#### head: **ORAL QUESTION PERIOD**

##### **Petrochemical Development**

MR. CLARK: Mr. Speaker, we will get away from the past and back to the present. The first question flows from the announcement this morning from the Energy Resources Conservation Board with regard to their recommendations to the provincial cabinet on the benzine plant at Fort Saskatchewan. The question to the Premier is: when will the cabinet decide which consortium will receive permission to build a benzine plant near Fort Saskatchewan?

MR. LOUGHEED: Mr. Speaker, I'd refer that question to the Minister of Energy and Natural Resources.

MR. GETTY: Mr. Speaker, as the hon. Leader of the Opposition pointed out, the report was released today at 9:30 a.m. in Calgary by the Energy Resources Conservation Board. The report makes a recommendation to cabinet as to one of the applicants. I have received it and only had a chance to scan it briefly. It is a very detailed and interesting report.

The procedure now would be for it to go to the economic planning committee of cabinet, and with certain additional information from various departments a decision would be made whether to approve the recommendation the board has made; not to choose between two applicants.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is there an application before the

ERCB from Turbo Resources regarding the construction of a benzine plant? If so, is it the intention of the government to await the hearing on Turbo Resources' proposition prior to dealing with this recommendation from the ERCB?

MR. GETTY: Mr. Speaker, it is my recollection that Turbo Resources filed an application before the Energy Resources Conservation Board for a project that may be referred to as a type of refinery operation. I'm not aware of an application for a benzine plant, the term the hon. Leader of the Opposition used; in other words, the same as the two that are considered in the board's report released today. Now there may be another application I'm not aware of.

The one application I did refer to that's before the board, I understand the board had sent the company a deficiency letter requiring additional information. I'm not sure whether that information is in to the board. I would imagine when it is received, the board would consider the matter, perhaps hold public hearings, then make a subsequent report to the Executive Council.

MR. CLARK: Mr. Speaker, a supplementary question to the minister, perhaps to rephrase the question. In light of the application before the ERCB by Turbo Resources, a portion of which project is in the area of benzine and a portion in the area of actual refining, is it the intention of the government to await the recommendations of the ERCB before a final decision is made as far as the one benzine plant going ahead is concerned, if in fact that is the final decision?

MR. GETTY: Mr. Speaker, I'd have to consider that with my colleagues. I'm not sure of the implications that would have for applicants who have already been before the board and who have received a positive recommendation that we could in some way suspend their application and hold it on the possibility that another one would be coming. I would want to consider that, Mr. Speaker.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Have there been discussions between the minister and his department with producers of condensate in the province? I ask the question because of the comment made in the ERCB report this morning that in fact some steps would have to be taken to guarantee sufficient condensate for this one benzine plant to go ahead.

MR. GETTY: Mr. Speaker, if the hon. Leader of the Opposition will recall, in last year's fall session we introduced to the Legislature Bill 82, which was a bill that would control the orderly marketing of condensate. Prior and subsequent to introducing that bill, we had numerous discussions with condensate producers in the province. When I introduced that bill I advised the House that it was going to sit over until this spring, while we received additional input from the producers. I also mentioned that one of the reasons for the bill would be to ensure a supply of condensate as a feedstock for a liquid-based petrochemical industry in our province.

MR. CLARK: Mr. Speaker, to the minister. Is it the intention of the government to reintroduce that legislation or similar legislation at this spring session?

MR. GETTY: Mr. Speaker, if it's possible to conclude the consultations with the industry, it would be my hope that we could reintroduce the legislation, or amended legislation, during the spring session.

MR. CLARK: Mr. Speaker, one further question to the minister. In the course of the discussion the minister has had with the producers of condensate, has the minister given any type of commitment to them dealing with a pricing factor? I raise the question because in the course of the submission to the ERCB, the applicant's economics are based on the assumption that pentanes-plus, or condensate, will be priced in Edmonton no higher than the reference crude oil price throughout the life of the project, which basically calls for a guarantee of price.

MR. GETTY: Mr. Speaker, I think the hon. Leader of the Opposition is drawing a conclusion that I don't necessarily share.

MR. CLARK: Mr. Speaker, then in light of the minister's reluctance to share that conclusion, would the minister be in a position to indicate to the House what discussions there have been with the suppliers of condensate on the question of a guaranteed price for the length of the project?

MR. GETTY: Mr. Speaker, I haven't had discussions on the question of a guaranteed price.

MR. CLARK: Have there been any discussions as far as price is concerned with the producers of condensate and the minister or his officials?

MR. GETTY: I'm not sure whether the question has come up with people in the department, Mr. Speaker, but in terms of guaranteeing a price for condensate over any period of time, I have not had those discussions.

#### **Hospital Planning**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Hospitals and Medical Care and ask if he plans to undertake any disciplinary action against the Red Deer hospital board, since it has violated his directive that no local board should make press statements with regard to project costs.

MR. MINIELY: Mr. Speaker, the hon. leader is making an assumption there. There has never been any directive from my office in that regard.

MR. CLARK: Mr. Speaker, a supplementary to the minister. When the minister says, no directive from his office, would the minister care to give the Assembly the same kind of assurance that no directive went from the Alberta Hospital Services Commission to board members that they should make comments about projects or costs?

MR. MINIELY: Mr. Speaker, the hon. leader would, I hope, realize that in discussions of plans for hospital

facilities that are to be built in the future in any city or community in Alberta, there would be discussions of detail, plan, and design as it proceeds through the various stages of planning and decision-making. During these various stages, cost estimates would be discussed between the board and the administration of any hospital in the province [and] with officials.

But the hon. leader unfortunately, in choosing the word "directive" as far as the board's communication . . . The boards sit autonomously. I've indicated to them that I think it's important that the province and any individual hospital board work closely together to resolve any difficulties that may arise in the various stages, and that once we have a final plan and decision, full communication of agreement between the province and individual boards can be made to the community and the citizens who are concerned.

MR. CLARK: Mr. Speaker, perhaps the minister didn't understand the question. The question was: could the minister assure the Assembly that no directive went out from the hospitals commission to local hospital boards telling them they were to make no public comments about construction plans prior to an announcement by the minister?

MR. MINIELY: Mr. Speaker, I'll certainly check that, but I have to make it clear to the hon. leader and to the House that if — and I say "if" — there was any, it was not on my request. It was on the initiative of a particular official, and I'll check that matter.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Can the minister indicate to the House the original cost estimate for the Red Deer hospital project?

AN HON. MEMBER: Order Paper.

MR. SPEAKER: This question would appear to be quite suitable for the Order Paper.

MR. CLARK: I recognize that, Mr. Speaker. I thought the minister would like to clarify the situation.

Mr. Speaker, a supplementary question then to the minister . . .

MR. SPEAKER: It would appear that the minister happens to have the information and, since it isn't a lengthy list of statistics, perhaps it might be answered now.

MR. MINIELY: Mr. Speaker, many hospital developments are over a period of years. The hon. leader knows very well that planning of hospital facilities must be for longer term needs, not just immediate needs. So it's not a short-term thing.

Also, Mr. Speaker, during various stages of planning, figures both by the hospital board and by the province, in the case . . .

MR. SPEAKER: Order please. I thought the minister's willingness to stand reflected his having the figures in his possession. But if he hasn't got them, then perhaps this is not the time for a gratuitous addition to the information already given.

MR. CLARK: Mr. Speaker, then I'd like to move on and recall to the minister that on March 2 he indicated the Attorney General had informed him that the cost of the Red Deer hospital had doubled. Has the minister taken the opportunity to check with the Red Deer hospital board whether the comments made by the Attorney General to the minister responsible are a fact?

MR. MINIELY: Mr. Speaker, I'm sure the hon. Leader of the Opposition has access to a communication that's been made locally on different stages of the planning of the hospital. If he doesn't, I'll have for his information a figure which was public on October 4, 1974, related to the hospital.

MR. CLARK: Mr. Speaker, apparently there's some difficulty in the minister's understanding the question. The question simply was: in light of the minister's statement in the House on March 2 that he'd been informed by the Attorney General, who is the MLA, that the cost of the hospital has doubled, has the minister checked with the Red Deer hospital board to see if in fact that's the case?

MR. MINIELY: Well the most recent cost estimates we have are estimates which the people in the Hospital Services Commission have indicated to me have been costed by the hospital board and provided to us. It's the boards that do the costing at this stage of planning.

MR. CLARK: Why don't you just say no and sit down? [interjections]

MR. KOZIAK: Mr. Taylor was right.

DR. HOHOL: Mr. Speaker, I wish to ask for consent to revert to Introduction of Visitors.

HON. MEMBERS: Agreed.

#### head: **INTRODUCTION OF VISITORS** (reversion)

DR. HOHOL: Mr. Speaker, I have the honor to introduce on your behalf, sir, a class from Rio Terrace, one of your schools in the constituency of Edmonton Meadowlark, accompanied by their senior teacher and vice-principal, Mr. Charchuk. I should like them to rise in the members gallery and receive the recognition of the Assembly.

MR. SPEAKER: And there through an oversight we have a bad precedent established in favor of the Speaker. Hon. members know we don't ordinarily introduce visitors during the question period, because it would throw out our calculation of the time. Nevertheless, I appreciate the gesture of the hon. minister.

#### head: **ORAL QUESTION PERIOD** (continued)

##### **Coal Sales to Ontario**

MR. TAYLOR: Mr. Speaker, my question is to the hon.

Minister of Energy and Natural Resources. Is Alberta coal now moving into the Ontario market?

MR. GETTY: Mr. Speaker, not in any major amount. I should say we're aware of intents to ship a great deal of coal from the Luscar operation, which is presently under construction, to Ontario Hydro.

MR. TAYLOR: A supplementary to the hon. minister. Is the mix of various grades of Alberta coal still the program of the government in shipping coal to Ontario?

MR. GETTY: Whenever it's possible, yes, Mr. Speaker. In the case of this coal shipment, in addition to the Luscar coal, Ontario Hydro will be purchasing coal from the Drumheller area to blend with the Luscar coal in their operations.

#### **Development Funds — Slave Lake**

MR. SHABEN: Mr. Speaker, my question is for the Minister of Federal and Intergovernmental Affairs. In the meetings held this week between the provincial minister and the federal minister responsible for the Department of Regional Economic Expansion, the Hon. Marcel Lessard, was there a commitment by the federal government to provide massive funds for northern Alberta, specifically Slave Lake, to support the ailing lumber industry?

MR. HYNDMAN: Mr. Speaker, no, there was no commitment at all by the federal minister Mr. Lessard to provide funds of that nature. In fact there was every indication that the moneys available to the federal Department of Regional Economic Expansion would be very, very limited over the course of the year ahead.

At the meeting which I held with him on Tuesday, no suggestions were made by the federal government or by the minister or his officials that the DREE program in Slave Lake should be reactivated. In fact Slave Lake was not specifically mentioned at all during the meetings. I think the news reports to which the hon. member refers were made pursuant to a meeting of the federal minister and the media on Monday, prior to the meeting I had with him.

MR. SHABEN: Mr. Speaker, to the minister. Has the extension to the Alberta North Agreement been renegotiated? If so, is there a possibility of including this kind of provision in the Alberta North Agreement?

MR. HYNDMAN: Mr. Speaker, the federal government did give a commitment to enter into an extension of the interim agreement before March 31, 1977. We asked for and secured a commitment that both governments would work toward a permanent Alberta North Agreement of a duration of, we would suggest, five years to be signed by the end of September of this year. It would be perhaps possible during the course of negotiations over the next five months to include the submissions made by the hon. Member for Lesser Slave Lake as one of the items for discussion. But it would be premature at this time to have any expectations raised in that area.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Federal and Intergovernmental Affairs. Can the minister advise the Assembly what position the Alberta government took vis-a-vis this matter of DREE funding in the Slave Lake area, in view of the fact that the three plants are not presently operating and a large number of people are unemployed? Did we make any specific suggestions to the federal minister on this matter when he was in Edmonton?

MR. HYNDMAN: Well, it was discussed only peripherally, Mr. Speaker. But we did indicate that the previous initiatives taken by the federal government in that area, under the designated area program — which concept we do not favor — had some significant difficulties. I think one of the reasons was that there was very little provincial input when the program was first devised in the late '60s and early '70s. So we would lean toward something that operates [on] a project-by-project emphasis and not a designated area approach.

We don't know at this stage. With the negotiations not yet having started, it would be premature to know whether the Slave Lake area would be involved. That would be a possibility. But we haven't yet firmed up the direct submissions we will be making in negotiations for the long-term Alberta agreement, which negotiations should start within a number of weeks.

MR. NOTLEY: Mr. Speaker, could the minister advise the Assembly whether or not the federal government favors at this stage the proposition of a project-by-project assessment?

MR. HYNDMAN: I think the federal government will have found the interim Alberta North Agreement project-by-project approach to be a useful one. They gave some indication they would like to reintroduce or restart a designated area concept. We would be prepared to consider that and only look at it, provided there is maximum provincial input in the decision-making under the general development agreement which was concluded by this government in March of 1974.

#### **Auditor's Interim Statement**

DR. BUCK: Mr. Speaker, I'd like to address my question to the hon. Provincial Treasurer. The Provincial Treasurer tabled many reports, but he seems to have missed a very important one. In light of the fact that the Auditor's nine-month interim statement is about three weeks late, can the Provincial Treasurer indicate if we will have that statement before the budget comes down?

MR. LEITCH: Mr. Speaker, I'm not in a position to give that assurance, although I can assure members of the Assembly it will be available shortly.

DR. BUCK: Mr. Speaker, can the Provincial Treasurer indicate why the report is so late?

MR. LEITCH: Mr. Speaker, without accepting the implication in the hon. member's question that it is "so late", I'll check on it.

#### **Farm Homes Taxation**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Municipal Affairs. Could the minister indicate what consideration is being given to taxation of farm dwellings?

MR. JOHNSTON: Mr. Speaker, the question of taxation of farm homes is always in front of caucus and in front of us. In the last two months we have had a presentation from Unifarm in support of the resolution. We will now be taking it to various levels of cabinet for discussion.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Could the minister indicate whether methods of assessment other than the proposed method of adding the dwelling assessment to the land assessment are being considered?

MR. JOHNSTON: Mr. Speaker, the Alberta Association of Municipal Districts and Counties presented a very detailed and comprehensive report to us on what they describe as the either/or process, which looks at not only the value of the land but the value of the dwelling, and has an option as to which is larger for taxation purposes.

MR. MANDEVILLE: A further supplementary question, Mr. Speaker. Will any further studies of the nature of the rural study on property assessment and taxation in the county of Wetaskiwin be done before a decision is made?

MR. JOHNSTON: Mr. Speaker, I wouldn't think so. That was a case study to examine the incidence of tax, which I thought was necessary before we could deal with the question. But we did manage to generate information both for our own purposes and for the purposes of the AAMDC study. So I think that study in itself was worth while.

#### **Old Age Security Act**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Federal and Intergovernmental Affairs with regard to amendments to the Old Age Security Act. I wonder what representations the minister or the government has made with regard to this act to make it possible for people who are handicapped to a degree, and unable to earn a living because of that fact, to receive a full pension, as pensioners over 65.

MR. HYNDMAN: Mr. Speaker, I'd have to check the details of the question just posed, but perhaps the Minister of Social Services and Community Health might have something to offer at this time.

MISS HUNLEY: I can speak only in a general way, Mr. Speaker, because it's part of the negotiations with the federal minister which have been going on among officials in my department as well as ministers of social services during past years, not only months. That is one we have asked be examined. So far the results have not been very tangible. I think it is still a question that can be discussed further as our discussions continue.

MR. R. SPEAKER: Mr. Speaker, supplementary to the Minister of Federal and Intergovernmental Affairs. On June 17, 1975, a resolution was passed by the Assembly. As the minister with responsibility to transfer motions such as this to the federal government, could the minister table in the Assembly any correspondence he has had with regard to the Old Age Security Act and this resolution? Or has any correspondence taken place?

MR. HYNDMAN: I don't have that detail present at the moment, Mr. Speaker. But I think if the honorable gentleman would set forth with precision on the Order Paper exactly what information he wants, I'd be happy to respond to it.

#### **Vehicle Safety**

MR. KUSHNER: Mr. Speaker, I would like to direct my question to the hon. Minister of Transportation. Has the minister had any discussions on instituting the old Taylor plan, the vehicle testing centre, in the cities of Calgary and Edmonton?

DR. HORNER: Mr. Speaker, the short answer is no.

AN HON. MEMBER: What's the long answer?

MR. KUSHNER: Supplementary question to the minister. Is the minister at all considering restricting recapped tires used on big semitrailer trucks, or large trucks, on a highway?

DR. HORNER: I'm sorry, Mr. Speaker, I didn't get the end part of the question.

MR. KUSHNER: May I rephrase it? Is the minister considering restricting recapped tire use on big semitrailer trucks, or large trucks, on Alberta highways?

DR. HORNER: Mr. Speaker, if there is representation that these particular tires are unsafe in any way, we'd certainly have a look at it. My information is that in fact we have a very progressive tire industry in this province and that it does a very good job in the retread business.

#### **Automotive Retailers**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Business Development and Tourism. It flows from answers given during last spring's study of the estimates concerning the position of the Alberta Automotive Retailers' Association and possible compensation by the major companies when individuals are forced out of business. Mr. Speaker, my question to the minister is: what action has been taken to investigate complaints of the Alberta Automotive Retailers' Association that in fact the oil companies are not living up to the commitment of some form of compensation for those retailers who are forced out of business?

MR. DOWLING: It's not a fact, Mr. Speaker, that the oil companies are not living up to any form of compensation. We did have contact with the major companies — there are probably five or six that can be named — and each one indicated they would make

an adjustment to their severance arrangements when a company or a manager is forced out of business because of change in company policy. That has been accommodated.

The companies also indicated they would have additional meetings with their managers or franchisees to acquaint them with what was occurring in the market place relative to self-serves. That has been accommodated. There was a further indication that the severance itself would be upgraded by each of these companies for their franchisees. In the main that has been accommodated, except that we have had a further contact with one company in the last few months. I'm not able to report on the findings of our discussions with that company.

MR. NOTLEY: Supplementary question to the hon. minister. Is the government monitoring the situation with respect to the number of independent retailers in Edmonton and Calgary who in fact have been forced out of business since last May?

MR. DOWLING: Yes, I would suspect we could obtain those figures from the companies themselves, Mr. Speaker. I don't have them at hand at the moment. We do keep a watching brief on what is transpiring in the market place. I'd be willing to find those figures for the hon. member if he wishes.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. As a matter of course does the department independently obtain those statistics I cited in my previous question, or does it obtain them second-hand through the companies?

MR. DOWLING: We normally obtain them from the companies. We found the statistics they present are, in fact, factual and we rely on what they've been saying. There've been occasions when we've been asked to check their figures, and we found them substantially correct.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Has the government assessed the concerns expressed by the Alberta Automotive Retailers' Association that wholesale profits of oil companies have doubled while retailers' profit margins have been cut in half since last May?

MR. DOWLING: Well I think it's significant, Mr. Speaker, to re-examine the pricing structure in Alberta before you make that kind of comparison. First of all we do still have in Alberta the lowest provincial taxation on gasoline at the pumps. We have the lowest wholesale price in all of Canada. We have in fact on the average generally the lowest retail price. I will admit there has been some fluctuation in the profit margin for retailers, but it is mainly larger at the regular type pumps than it is in most provinces.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government assessed the concern expressed on these two matters: that since May the wholesale profits of oil companies have doubled and the profit margin of retailers has been cut in half? My question very directly to the hon. minister is: has that particular concern been

evaluated by the Alberta government and, if so, what is the result of that evaluation?

MR. DOWLING: The evaluation is, Mr. Speaker, that a great deal is happening in the market place because of the escalating price of energy in a world energy system. People will naturally shop for gasoline at the lowest possible price, and that's really what's happening. Some changes are taking place in the market place. Perhaps there's a fluctuation in mark-up. That is to be expected. I think that's the market place working.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the evaluation of the Alberta government borne out the concern of the Automotive Retailers' Association of Alberta that in actual fact profit margins for retailers have been cut in half since last May, while on the other hand wholesale profits for the companies have doubled? My question is: does the evaluation of the government bear that out?

MR. DOWLING: We have not undertaken that kind of evaluation, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the concern expressed by the Automotive Retailers' Association, will the government undertake that kind of independent assessment?

MR. DOWLING: No, Mr. Speaker.

MR. SPEAKER: Perhaps this might be the hon. member's final supplementary, followed by a supplementary by the hon. Member for Lethbridge West, then one by the hon. Leader of the Opposition.

MR. NOTLEY: Mr. Speaker, in view of the concern expressed by the Automotive Retailers' Association, is the government reconsidering its position with respect to the ARA request for functional divorcement? Has any discussion taken place with the government of British Columbia with respect to that province's legislative plans on the matter?

MR. DOWLING: There's been no discussion, Mr. Speaker, at the ministerial level regarding any legislative measures that might be undertaken in B.C. At the moment we are not considering undertaking any functional divorcement legislation.

MR. GOGO: Supplementary to the hon. minister, Mr. Speaker. Would the minister clarify for me that a number of service stations in Alberta have indeed not been forced out of business, but perhaps have experienced business failure?

MR. DOWLING: Mr. Speaker, that is correct.

MR. CLARK: Mr. Speaker, one further supplementary question to the hon. minister. Has the minister's department been monitoring the price range of gasoline at the pumps in Alberta? Is there a monitoring system within Alberta?

MR. DOWLING: Mr. Speaker, we do have access to figures on posted tank-wagon price, provincial tax, federal tax, markup, and eventual retail at both the conventional station and the self-serve. We do have access to those figures, which we obtain on a monthly basis.

MR. CLARK: Mr. Speaker, I would like to ask if the minister would be prepared to table that information prior to giving the minister's estimates?

MR. LEITCH: Mr. Speaker, perhaps I can offer some assistance to the House by advising that the Treasury department has been doing a survey not only within Alberta but across Canada. We have a report which recently reached my desk. I anticipate being able to table it in the Assembly, probably Monday or Tuesday of next week.

#### **Highway Users' Tax**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Municipal Affairs. Is the government planning to introduce legislation that would give authority to municipalities to levy a highway users' tax.

MR. JOHNSTON: No, Mr. Speaker.

#### **Prisoners' Medication**

DR. BUCK: Mr. Speaker, my question to the hon. Solicitor General deals with an undertaking by the Solicitor General on March 2 to provide a detailed report on the various means by which drugs are supplied to provincial correctional institutes, and the manner in which these medicines are dispensed to the inmates.

MR. FARRAN: Mr. Speaker, I have such a report ready in writing, and I could table it for the information of the House or deliver it to the hon. member direct. What is your wish?

DR. BUCK: Give us a brief summary, then I can read the rest of the information. [interjections]

MR. SPEAKER: Possibly the hon. member should do his own speed-reading.

AN HON. MEMBER: If he can.

DR. BUCK: Mr. Speaker, will the hon. minister table the information, please?

MR. FARRAN: I'll table the information and give a very brief summary, Mr. Speaker.

MR. SPEAKER: In view of what has just transpired, perhaps we should continue with the next question.

#### **Vehicle Insurance**

MR. R. SPEAKER: Mr. Speaker, so the Solicitor General is able to speak, I'll ask the hon. minister a question. It's with regard to vehicle licence renewal. I wonder if the minister could elaborate as to how the department or government reconciles one-year vali-

dation stickers versus six-month car insurance policies. As the minister recognizes, most of the insurance policies given at the present time are for six months, and this has been a new change of policies.

MR. FARRAN: Mr. Speaker, I don't know whether it's accurate that most insurance policies are for six months or for a year. Certainly it is true that some are for six months and some perhaps for less. But there is no attempt by the industry at the moment to make the insurance year coincide with the licensing year. The only requirement we have at the present time is to ask for proof of insurance in the form of a pink card before a vehicle is registered.

We have discussions going on with the industry with a view to their informing us of unusual cancellations of policies or failure to pay premiums of a particular policy in midstream. This would enable us to carry out some spot checks to discover if such people are driving without insurance.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Are the minister and the government satisfied that present measures for ensuring that all drivers are properly indemnified are working satisfactorily and, if not, are any new enforcement methods being contemplated to reduce the number of uninsured drivers in the province?

MR. SPEAKER: With respect to the hon. member, the question as to whether a minister is satisfied is very much a matter of opinion.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Is the minister or his department doing any studies with regard to the number of uninsured drivers in the province?

MR. FARRAN: Mr. Speaker, it would be almost impossible to discover the number of people breaking the law who are not apprehended in the actual act. As far as law enforcement agencies are concerned we have stepped up requests for the production of the pink card whenever a vehicle is stopped, whether it's stopped for some other purpose or not. These instructions have gone to the Mounted Police.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Consumer and Corporate Affairs. Could the minister indicate whether the government is considering an upward adjustment in the mandatory minimum level of liability coverage above the present figure of \$50,000?

MR. HARLE: Yes, Mr. Speaker.

MR. R. SPEAKER: Supplementary to the minister. Could the minister indicate what that new figure would be?

MR. HARLE: Mr. Speaker, we're considering \$100,000.

#### Drivers' Licences

DR. BUCK: A supplementary question to the Solicitor General, Mr. Speaker. This is to do with licensing, but it's driver licensing. Has it been brought to the

minister's attention that there is quite a lag from the time a person's licence expires and he gets the interim certificate? Sometimes that expires before you get a chance to get your little picture in the 'doo-ey'.

MR. SPEAKER: Would the hon. member kindly spell that word for *Hansard*? [laughter]

MR. FARRAN: Mr. Speaker, it's true that we have experienced some administrative problems in the switchover to the computer last year and a very difficult backlog in applications, which were taking more than the normal 90 days to process from the issue of the temporary driving licence to the issue of the permanent plasticized one.

The second trip has also been necessary to get the picture put in the 'doo-ey'. There have been occasions when the Polaroid equipment has failed, has frizzled a picture, or burned the plasticized card, and we've had to go through the routine again. There is now an improvement in the films and equipment. We're working out with the industry a possible way of being able to issue the plasticized card with the picture in one visit, do it all in one go instead of requiring the second visit to have the picture put in the card.

MR. SPEAKER: Might this be the last supplementary on this topic.

DR. BUCK: Mr. Speaker, a supplementary to the minister. Has the minister given any consideration to my suggestion that a local photographer take the picture, have it notarized and sent to the department to have it plasticized?

MR. FARRAN: Yes, but it has to be of such a texture that it doesn't burn up when it's sealed into the plasticized card, and of course it has to fit the window. But this is being given consideration.

#### Vehicle Insurance (continued)

MR. R. SPEAKER: Mr. Speaker, a final supplementary to the Minister of Transportation. Is the government or the minister's department studying means by which insurance premiums and accident benefits could be used as incentive for people to use seat belts?

DR. HORNER: Mr. Speaker, that's one of the considerations that any seat belt program has to take into consideration. Approaches have been made to the insurance industry along those lines. There hasn't been any conclusion from those approaches as yet.

#### Mannville Hospital

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Hospitals and Medical Care. It's with regard to the special audit and examination of the financial operations of the Mannville Municipal Hospital, announced on January 11. Has the minister got the report? When does he plan to make it public?



MR. MINIELY: Mr. Speaker, no I have not received the report. Once I do, I'll make a decision as to public release.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Did I hear the minister correctly? He said he'd make a decision then as to whether or not he'd release the report? The release from the minister's office on January 11 said he would make the report public. The minister is still living up to that commitment, I assume.

MR. MINIELY: Mr. Speaker, the hon. leader obviously misunderstood my response. I said I will then decide the timing of releasing the report publicly. I have committed publicly that the report will be made public.

#### **Pollution Prosecutions**

MR. NOTLEY: I would like to address this question to the hon. Attorney General, and it's further to questions I raised last week concerning the prosecution of Great Canadian Oil Sands and whether or not that would be appealed. Mr. Speaker, my question is: has the Attorney General received recommendations from officials within his department regarding the question of appealing the recent court decisions on charges against Great Canadian Oil Sands?

MR. FOSTER: Mr. Speaker, the matter of the appeal is still under discussion, and no decision has yet been taken. When that decision is taken, I will be happy to notify the House.

MR. NOTLEY: Mr. Speaker, one supplementary question. During the Attorney General's response last week, he indicated that certain weaknesses in provincial law had been examined, but he wasn't in a position at that time to assess whether or not those weaknesses contributed to the province's failure to obtain a conviction. My question, Mr. Speaker, is whether the government or the minister has had an opportunity, to assess those weaknesses in the provincial law and, if so, whether any revision is planned.

MR. FOSTER: Mr. Speaker, I think my remarks last day had to do with the whole question of conducting prosecutions on environmental matters generally. It was not intended that they should be read solely as referring to the GCOS prosecution.

For example, in the GCOS prosecution, several charges occurred under the federal Fisheries Act and not provincial legislation at all. One of the aspects we're considering is that legislation and some of its regulations. We're also looking at environmental legislation generally, as I said.

But I don't want to leave any impression that there may be impediments in Alberta law that are a barrier, in our judgment, to a successful prosecution of GCOS. I don't believe that's the case.

#### **ORDERS OF THE DAY**

MR. TAYLOR: Mr. Speaker, I rise on a point of privilege. Yesterday in the throne debate I used the words

"immature and childish" with reference to the remarks of the Leader of the Opposition as reported in *Hansard* on Monday, February 28, 1977, on having "failed miserably" in the area of national unity, because the Speech from the Throne carried the government's statement on national unity on page 20.

On checking unofficial Hansard today, I note that my remarks in more than one place indicate that the hon. member was immature and childish. These words, used in the heat of debate, I realize are unparliamentary, and I want to maintain the dignity of this Assembly. I therefore apologize and withdraw these words.

MR. CLARK: Mr. Speaker, I certainly accept the apology of the hon. Member for Drumheller. I think we all recognize the hon. member has been in this House since 1940 and indeed has made a real contribution to this province.

#### **head: WRITTEN QUESTIONS**

MR. FOSTER: Mr. Speaker, I move that Question 114 stand and retain its place on the Order Paper.

[Motion carried]

#### **head: MOTIONS FOR RETURNS**

MR. FOSTER: Mr. Speaker, I move that motions for returns 101 and 104 stand and retain their place on the Order Paper.

[Motion carried]

108. Dr. Buck moved that an order of the Assembly do issue for a return showing:

- (1) the total number of full-time female employees hired by the government of Alberta during the period April 1, 1976, to March 31, 1977;
- (2) the total number of full-time female employees released or retired or separated from employment for any other reason by the government of Alberta during the period April 1, 1976, to March 31, 1977;
- (3) the number of full-time female employees referred to in (1) who received salaries:
  - (a) greater than \$10,000 per year,
  - (b) between \$8,000 and \$10,000 per year,
  - (c) between \$6,000 and \$8,000 per year,
  - (d) less than \$6,000 per year;
- (4) the average starting salary of full-time male employees hired by the government of Alberta during the period April 1, 1976, to March 31, 1977;
- (5) the average starting salary of full-time female employees hired by the government of Alberta during the period April 1, 1976, to March 31, 1977.

MR. LEITCH: Mr. Speaker, we are prepared to accept the motion. But in line with the remarks I made yesterday with respect to the dates, I'd suggest question 108 be amended in each case to read "March 10, 1977" rather than "March 31, 1977".

[Motion as amended carried]

### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

1. Moved by Mr. Notley:

Be it resolved that:

- (1) this Assembly adopt and recommend to the government the principle of provincial/municipal revenue sharing with a fixed percentage of overall provincial revenues, excluding money placed in the heritage savings trust fund, to be transferred to municipalities;
- (2) that such percentage of provincial revenue be pooled and allocated unconditionally to municipalities on a formula to be devised with them, based on such factors as isolation, growth, population, and service area;
- (3) that such portion of provincial revenue be set at a level which encourages efficient local administration but which is adequate to carry out the needs of Alberta citizens for local services.

MR. NOTLEY: Mr. Speaker, I welcome the opportunity to move Motion No. 1 on the Order Paper. As one travels throughout the province, there is really very little doubt that there is almost a universal feeling that we should move to some kind of revenue-sharing scheme with local governments in Alberta. During the last year I've met with town council members, city council members, mayors, reeves, county councillors throughout the province. Whether one is in the north or in the south, one gets the same message very clearly; that is, the general feeling that conditional grants should be phased out and that a form of revenue sharing which would provide the municipalities with access to a growth tax would be a much better situation for efficient administration of government at the local level in Alberta.

Mr. Speaker, we already know that the Alberta Urban Municipalities [Association] endorsed the idea at its annual convention in Jasper. We had the remarks of the hon. Deputy Premier at the time, which will never go down in the history of diplomacy by any stretch of the imagination. Nevertheless, Mr. Speaker, we have the views of the AUMA, which say very clearly that it supports the principle of revenue sharing.

In addition, Mr. Speaker, as I've talked with local governments throughout the province, they point out that if one looks at the statistics for the last number of years one sees these trends: the growth of federal expenditures has increased, no question about that; the largest growth in Canada, however, has been at the provincial level; but local government has stayed just about the same or, in actual fact, is declining slightly as a percentage of the gross national product. What local administrators and local officials are saying very often, Mr. Speaker, is that many of the programs which are now administered either federally or provincially might well be handled better at the local level. But in addition, Mr. Speaker, they're making the argument that to phase out conditional grants would give the county, the city, the town, or the village the necessary flexibility to plan their own priorities properly, to decide what is best in Myrnam, Fairview, Red Deer, Edmonton, Calgary, or wherever

the case may be.

Mr. Speaker, in examining this question, one has to take a look at where Alberta stands on the question of grants to municipalities. We are certainly spending a fair amount of money, and local levels of government admit that. As I travel the province, no one is saying, look, the province is not making money available. They recognize that on the basis of the most recent statistics, we are providing some \$384.69 per capita to local government in Alberta.

What they are arguing is that a very large part of that, Mr. Speaker, is in the form of conditional grants. When one looks at the issue of unconditional grants, those grants where there are no strings attached to local government, Alberta stands fifth among the provinces. But when it comes to the question of conditional grants, there is really no debate at all. We stand first. As a matter of fact in 1975, 93.4 per cent of provincial transfers to municipalities were in the form of conditional grants, according to Statistics Canada.

Mr. Speaker, as I mentioned, there are some municipalities that are arguing: look, in any sort of sensible redistribution of powers there are certain things we can do better at the local level. They are arguing the case for revenue sharing, which in fact would mean more money being provided both federally and provincially to the local levels.

On the other hand, in fairness I think it should be stated that the official position of the Alberta Urban Municipalities Association is not necessarily one which would lead to more expenditures at all on the part of the provincial government, but would simply take the existing revenues, pool those, and transfer them to local governments.

So to be accurate, I would say there are two schools of thought: those local governments who say, yes we want to expand our jurisdiction, we're going to need more money. The other school of thought is: all right, just provide the money you're already allocating, but for heaven's sake 'deconditionalize' the grants. Take away the strings and give us the option to set our priorities at the local level.

Mr. Speaker, I don't intend to read all this letter, but just formally to place before the Assembly the official position of the Alberta Urban Municipalities Association. I think it's important that this information be made available to the Assembly. The president, Mr. Leger, wrote the Premier on December 21, 1976, and made several important points which should perhaps be the basis for much of the discussion this afternoon. He is pointing out that the AUMA position is:

We are asking the Government to accept in principle revenue sharing and that a distribution formula be devised in consultation with the associations based on the following main factors:

- a. Area — Obviously a Municipality with a large area and small population or with a large service area requires different or more funding than a City.
- b. Growth Areas — Requires different [and] more funding.
- c. Population — This has to be a consideration.

The second major point Mr. Leger makes in his letter of December 21 is:

Although I must re-emphasize a percentage of tax points has been discussed, the Association has not asked for any specific part of revenue but

a percentage of overall revenue. As an example only, I believe a percentage of revenue can be arrived at by the following method, using 1974/75 as a base year.

Then he takes that figure of \$2 billion — the money excluding the heritage fund — and the total transfers to municipalities, excluding schools and hospitals, come to \$124 million. The percentage then would be 6.14 per cent. Mr. Leger goes on to say:

The percentage . . . may need to be increased to provide for any ad hoc funding necessary for any special conditions. Once an agreed [upon] percentage [is] arrived at, it becomes fixed and this should be by contract to prevent cancellation or amendment at the whim of any future government.

So basically the position, Mr. Speaker, is that we would take that portion of the revenue we are now transferring, 'deconditionalize' it, and make it available to the municipalities.

Now, why is this argument being made? Well I've already mentioned the view of many municipalities: look, we can determine our priorities a lot better at the local level than you politicians in the Legislature or the bureaucrats in Edmonton, just as there's an argument that we in Alberta can make decisions that are more closely related to the needs of this province than the politicians in Ottawa.

The argument presented is that too often with the present conditional grants, municipalities are cost-shared to death. To get their share of financing, they have to overreach themselves and get into programs which, quite frankly, are hard to finance. You know, after the MLA or the minister has come and cut the ribbon and everybody is served tea and the skating rink is open, somebody has to pay the janitor. Somebody has to pay the power bill. Somebody has to make sure the maintenance is kept up. To a very large extent those responsibilities are falling on local levels of government.

Mr. Speaker, the letter from Mr. Leger goes on to outline a number of his concerns, basically just confirming and expanding upon the arguments I've presented: that if local government is to have any sort of autonomy at all, there must be access to a growth tax, and that it would be better to 'deconditionalize' grants.

Now, Mr. Speaker, I think perhaps we should take a moment and look at what other provinces are doing. For example, in the province of British Columbia, in 1975, the government committed a portion of the natural gas revenue to local government. It's my understanding that the recent Speech from the Throne brought down in the British Columbia Legislature contained a further commitment that the Social Credit government would move toward revenue sharing with municipalities.

In the province of Saskatchewan, Mr. MacMurchy made the announcement several weeks ago that the government would move toward revenue sharing. I might just point out for the information of the members, Mr. Speaker, that at this juncture Saskatchewan is looking at two options. The first option would be a percentage of specific taxation points or natural resource revenue. The other option would be very similar to the one Mr. Leger cited in his letter of December 21, a percentage of all provincial revenues.

Under either scheme, the Saskatchewan govern-

ment is proposing to eliminate virtually all conditional grant programs. In their thinking at this stage, the only exception would be those special programs which don't apply across the board. An example might be: in northern Saskatchewan you will have special health care clinics in remote areas. That kind of program would be continued. But everything else — library grants, recreation grants, what have you — would be 'deconditionalized' and transferred on a pool basis to the municipalities in question. The funds will be pooled separately for urban and rural M.D.s and disbursed on a formula worked out in accordance with local government.

I want to make one point in dealing with this question of pooling, then taking the money from the pool and sending it back to the municipalities. A very good argument was presented by a number of communities in my tours around Alberta, but I think most forcefully by the town council of Peace River. They are very strongly in favor of revenue sharing. But their argument is that the formula for paying out this money should, as Mr. Leger pointed out, take into account the differences in the various communities; in other words, just a figure of so much per person. You take 6.4 per cent of the total provincial budget, and if that were just paid out on a per capita basis they argue, and I think rightly so, it would lead to some level of discrimination against areas that have a large geographic district and a small population to serve. So allowance would have to be built in to the system of distributing revenue sharing.

Mr. Speaker, I suggest to the members of the House that Saskatchewan is moving ahead on that proposal. In his letter of December 21, Mr. Leger set out for the Premier and the cabinet at least the beginnings of a working basis for a revenue-sharing proposal. In the province of Manitoba, 2 percentage points on personal income tax are transferred to the municipalities, 1 percentage point on corporate tax. Both of these are granted unconditionally. In the province of Ontario since 1973, municipalities have had an increase in revenues tied to the increase in provincial revenues. So as the revenues of the government of Ontario have risen, the municipalities have enjoyed the same sort of increase in their grants that the province as a whole enjoys.

In our situation in Alberta, the tremendous oil revenues would perhaps put the thing in a slightly different context although, as Mr. Leger suggests in his letter, we should exclude the heritage fund in calculating grants to the municipalities. However, in Ontario the cabinet of Mr. Davis has a task force presently working on the specific problem of 'deconditionalizing' provincial grant payments in that province.

So, Mr. Speaker, when one looks at the situation in Canada as a whole, one finds widespread support for revenue sharing among all political parties. It's not really, or shouldn't be considered, a partisan matter. Two NDP governments, a Social Credit government in British Columbia, and a Tory government in Ontario are moving on revenue sharing.

The question then is, what should we be doing in the province of Alberta? We have the arguments, presented very strongly and very forcefully by the municipalities, that they would like revenue sharing. We have the official position by the Alberta Urban Municipalities Association that it favors revenue

sharing.

Mr. Speaker, we had a form of revenue sharing in Alberta. Members will recall that the former government had a system which at one time divided oil royalties: two-thirds to the provincial government and one-third to municipalities. The government at the time changed its mind in the budget of 1971 and decided to eliminate the sharing of oil royalties and substitute instead a fixed grant of \$38 million to local governments in Alberta.

As a matter of fact, Mr. Speaker, there was quite a debate. For the interest of the members, if one looks back to April 24, 1971, the hon. Premier was debating this matter in the Legislature. I'd just like to quote from a newspaper article.

The Tory leader said the ceiling, taken along with other legislation at this session, "is a planned scheme by the Social Credit government to destroy the efficiency of local government in this province."

Very strong language. Then — and I'm sorry the hon. Member for Strathcona West at the time is not in his seat at the moment — Mr. Getty is quoted as saying: "the ceiling was a Social Credit 'money-grabbing' exercise, just as the Edmonton telephones dispute is." Then a former member of the front bench across the way, the hon. Mr. Dickie, had some comments as well:

The Socred government has committed a breach of contract with the Alberta municipalities by imposing a ceiling on royalty grants, Tory Bill Dickie charged Thursday.

Mr. Dickie . . . was speaking during a debate on whether the government . . .

DR. BUCK: A former Liberal.

MR. NOTLEY: Well as a matter of fact, as I mentioned, this was non-partisan. It included everybody. So at that time Mr. Dickie was certainly concerned and said so in the Legislature. I could go on through the clippings from yesterday's discussions. We didn't have *Hansard* at that time, so we have to go on the basis of clippings, Mr. Speaker. Otherwise I would have referred to *Hansard* directly.

However, I think the argument could be made pretty convincingly that in 1971, when the former government attempted to move away from the one-third/two-thirds ratio, the Tory caucus were very eloquent in their arguments against such a move. At that time they were the defenders of municipal autonomy, and now we see a rather disturbing change. We have the attitude conveyed — and I'm sorry the hon. Deputy Premier isn't here, I mentioned it before — the "children of the province" comment. Now I realize the Premier rose in the Legislature several days later and said he didn't quite like the Deputy Premier's choice of words.

Mr. Speaker, what is disturbing the municipalities is not the choice of words but the state of mind. The state of mind here is very much that we're going to do everything from the province, and we're going to run everything centrally. That is what is troubling councillors, many of whom, Mr. Speaker, were so enthused with the Tory attack in 1971 that they were Tories until recently — as a matter of fact until the AUMA convention.

I'd just like to quote several other points Mr. Leger

makes in his letter. It seems to me these points illustrate rather convincingly the need for the government to move on this important issue:

I can not emphasize too strongly the rising concern, even fear, in some quarters that government policy on municipal financing is destroying the effectiveness of local government with decision making and priority setting being transferred to the government and the burgeoning bureaucracy. I, therefore, urge you. Sir, to allay this concern and fear by accepting, in principle, Revenue Sharing and by moving swiftly towards implementing a serious study in conjunction with the associations, towards implementing a formula which will increase the effectiveness of local government to service the needs of the citizens which we are all elected to serve.

Then Mr. Leger goes on to issue a warning which — I know there are 69 Tories, and it makes one feel very comfortable and very confident about the state of public mind. But I would just refer my honorable friends to this last paragraph, "I respectfully submit . . ."

MR. SPEAKER: Order, please. It appears the hon. member is now not offering his own arguments in debate, but is offering the arguments of another elected representative who debates in another forum but not in this one.

MR. NOTLEY: Mr. Speaker, I'm certainly making my own argument here. But to make that argument I want to make reference to a very distinguished person, the president of the AUMA. Therefore I feel I should not let him make the argument, but use his points to illustrate the argument I intend to make in the House.

He goes on to say this move "will tighten its control over local government with increased centralization . . ."

MR. SPEAKER: Order, please. This is opinion. If the hon. member wishes to refer to authorities on matters of fact, he's entitled to do so. But he is now giving someone else's opinion. If that is his opinion, he may state it as his own opinion. But in effect this is a vicarious debate in which someone who is not a member of the Assembly is participating.

MR. NOTLEY: Well, Mr. Speaker, I'll certainly present the opinion, but I think I have a right to cite Mr. Leger as a person . . .

DR. BUCK: He may be an authority.

MR. NOTLEY: . . . as an authority to back up that opinion. The opinion very clearly, Mr. Speaker, is this — I'll state the opinion so there's no misunderstanding of that, because I agree with Mr. Leger — the present situation is leading to centralization of authority, and not enough autonomy is left in the hands of local government. That's the opinion very clearly, Mr. Speaker, that Mr. Leger is making. I simply cite his comments not only because he's a person who's well informed in this regard but also, Mr. Speaker, because he is issuing a warning to the government that if they don't recognize the importance of this, there's going to be some problem down

the road.

So, Mr. Speaker, I simply say to the members of the Legislature that if one looks at the issue is there an argument for revenue sharing? Wherever you go through the province, the people who are dealing day by day with local problems are saying yes, we would like revenue sharing. Can it be justified on the basis of what other provinces are doing? The answer is very clearly yes, it can be justified on what the other provinces are doing. British Columbia, Manitoba, Saskatchewan, and Ontario are all moving in that direction. Is it going to be that costly a burden on the taxpayers of Alberta? Again the answer, when one looks at the specific proposal of the Alberta Urban Municipalities Association, is not an increase at all but simply a 'deconditionalizing', a doing away with the Big Brother syndrome which for too long has been dominating the relations between the province and local governments.

Therefore, Mr. Speaker, I would argue that this resolution is a step we should take. It's a little difficult to understand a provincial government — and this was a statement made to me I don't know how many times as I travelled the province — that goes down to Ottawa, and has since 1971, and says we don't want to be in cost-shared programs. Give us the money instead so we can develop our own programs in Alberta. Don't tie us into medicare, don't tie us into hospitalization, change the Canada Assistance Plan. We've heard the whole debate so many times before: we want to determine our priorities here. These people say, that's the rhetoric we get from the Tories vis-a-vis Ottawa. But when it comes to the municipalities, it's a different story. Then it's over 90 per cent of the grants being conditional grants. Then it's a case of getting into projects where part of the money is there.

I remember being in this House in 1972 and 1973 and listening to the former Premier, the hon. Mr. Strom, talk about 50 cent dollars and the impact of 50 cent dollars on the priorities of Alberta. What I hear from local politicians, Mr. Speaker, is that 50 cent dollars or 40 cent dollars, or whatever the equation is, are completely altering and in some cases distorting the priorities of local government.

So, Mr. Speaker, I think the final summary is that this is not a partisan issue but basically a question of the role we see for local government in Alberta, since all political parties at various levels throughout the country are looking at it. It is a question of whether we see local governments having the muscle, the latitude, and flexibility to be able to do the job, or whether we see local governments as "children of the province". I prefer to see the municipalities as partners in the job of delivering services to the people of Alberta. As such, I think they have to have the flexibility and the wherewithal, and to do that we need to 'deconditionalize' the grants presently handed out.

MR. McCRAE: Mr. Speaker, I welcome the opportunity to participate in this discussion on revenue sharing. I'd like to congratulate the Member for Spirit River-Fairview for bringing a motion forward. That would be as far as I would go in agreeing with him. I have the usual difficulty aligning my thoughts and expressions with his. I don't know whether it's a philosophical thing or not, but in any event I cannot

support his motion.

Mr. Speaker, I think there is an area here that is certainly topical right now; it's current and we should be discussing it. Particularly, we can expect to hear more on the subject in the next several months with the municipal elections coming up. I think it's significant that the hon. member was able to point out that the AUMA, the association of urban municipalities, did in fact go on record as supporting some kind of revenue sharing. However, it's equally significant that the rural counterpart, the AAMDC I believe it is, did not go on record as supporting revenue sharing.

In my estimation, Mr. Speaker, there's an inherent fallacy or error in the concept of revenue sharing; that is, that the creations of the province — the municipalities, towns, and villages — not children as the member opposite would call them, but creations, autonomous bodies as they are [interjections] must surely be more interested in the amount of dollars, the amount of revenues they get, than the particular source. Granted there's an area between conditional and unconditional that has to concern them. If I heard him correctly, the member opposite made the statement that 90 per cent of the grants, the transfers to the provinces, were of a conditional nature. I think the figures tell a different story. In fact the number is much closer to 60 or 65 per cent.

In any event the main assistance provided to local governments by the provinces is by way of transfers of funds from provincial general revenues. It is not possible accurately to compare the extent of direct provincial assistance to municipalities between provinces, because municipal expenditure responsibilities do in fact vary from province to province.

The hon. member related the Manitoba situation. I came from Manitoba a number of years back, and the situation there right now is that the municipalities are entitled to 1 per cent of the corporation tax and 2 per cent of the personal tax, with an extra ability to levy other taxes in all areas where the province is constitutionally able to levy taxes. Having come from there, I'm often in contact with people back there. I can assure the hon. member there's no feeling at the municipal level or other level that the particular government down there is doing a good thing for the municipalities. I think there's much more unrest down there, Mr. Speaker, than there is in Alberta.

Again, I said it's a topical thing, we have an election year coming up . . .

MR. NOTLEY: In five or six months.

MR. McCRAE: . . . so we can expect to hear an awful lot more on it. As the minister for Calgary, I hear a lot and have a lot of contacts with the aldermen and, occasionally, the mayor down there. Certainly they're discussing it. They express a concern over it, but in actual fact many of them will agree that here in Alberta they're treated as generously, or more generously, than elsewhere in Canada. Often it's with a smile that they'll quip and talk about autonomy and revenue sharing and so on.

I think the member opposite misses a point. He talks about revenue sharing. I would suggest to him that a better approach would perhaps be a relationship of expenditures to sharing; that is, it might be considered that matching the annual transfer payments to the total cost of provincial and municipal

services in the province would be a much better approach. That way, the Municipal Finance Advisory Council, which I'm sure my honorable friend for Calgary McKnight opposite — I shouldn't say opposite, but on our side — will speak on very shortly, is discussing which services should be provided by the provincial government and which by the municipal government. When their recommendations are brought in so we know which of the two levels of government should provide a particular service, I'm sure we will be able to consider relating the transfer payments to the level of service provided and perhaps have some percentage increase there, Mr. Speaker. But I think tying it to revenue sharing is inherently in error.

[Dr. McCrimmon in the Chair]

What are some of the problems with tying municipal transfer payments or grants to revenue sharings?

DR. BUCK: Losing power.

MR. McCRAE: No, it isn't a question of losing power. The municipalities are autonomous in their own areas. [interjections] I'll tell you what it does.

We in Alberta are in a unique situation. We have revenues, through the province and the municipalities, that provide a level of service second to none in all Canada. It's the envy of municipalities, school boards, and other provinces across Canada. What is the situation? We have a heritage trust fund, the lowest personal income tax, no sales tax. We are talking about a corporation incentive tax program.

If we were committed to revenue sharing and the municipalities to providing a certain level of service, and we were then to decide as a provincial government, as is part of our responsibility and authority, that as an incentive to corporations to establish new business here we should give consideration to lowering the corporate tax, what impact would that have on municipalities? In fact, it would be telling them that their level of revenues for that particular year and the years thereafter would go downward in proportion to the amount of the reduction in corporation tax geared to the tax incentive program. Surely the province could not be constrained by that kind of commitment to the provinces.

In Alberta we have the lowest level of personal income tax provincially in Canada, something the average citizen of Alberta is pleased and proud about. If municipal revenues were geared to a share of the personal income tax, how could we, without serious injury to them, make a determination at the provincial level that we would reduce the personal income tax?

We have no sales tax in Alberta, and that is a very happy thing. People from all across Canada remark on it. In fact many people come here and establish themselves, creating new businesses and new job opportunities for young Albertans, because of the fact there is no sales tax. Also no inheritance tax. If, by virtue of this resolution, the province is committed to sharing all forms of taxes with the municipalities, surely there would be great pressure to impose a sales tax whenever the municipalities get into a bit of a problem, to impose an increase in personal income tax, or to throw our plans for corporate incentive programs out the window.

Let's talk a moment about another area, the heritage trust fund. The hon. member opposite says we should not share the revenues that go into the heritage savings trust fund. Fair enough. But only 30 per cent of the resource revenues go into the heritage trust fund. If we were committed to sharing all the remainder of the other revenues with the municipalities, what would be the level of their transfer payments? It would be a tremendously munificent sum.

For instance, if we had set the per centum back in '71, '72, or prior to the escalation in oil and gas prices, it might have been set rather high if it was equated or related to the level of social service provided by the municipalities. Let's assume an arbitrary percentage of those revenues. Oil and gas prices have increased severalfold. Now we would have the situation that instead of those revenues coming into the provincial Treasury, with the possibility of establishing a heritage trust fund, a large part would be going to the municipalities based on the earlier percentage determination. What would the municipalities do with it?

I'm not suggesting there is any irresponsibility down there. But the heritage trust fund concept was unique. It's the only one of its kind in the world, certainly in North America. It was thought out, determined by this government as an adequate response to a situation. We had levels of social service as high or higher than any in Canada. We have these extra dollars, what should we do with them? They are derived from a depleting resource that is being produced at an extraordinary rate to take care of the North American energy problem. The determination was to put it into a heritage trust fund, to invest it. And here's where we come a cropper with some of the members opposite. Apparently they do not understand the difference between an investment and an expenditure.

DR. BUCK: So you think we're so much smarter than the guys at the local level.

MR. McCRAE: No, I'm not saying that. I'm saying the concept for the heritage trust fund was determined up here. If the moneys were down there, do you imagine there would be 78 heritage trust funds or 98 or whatever number? Frankly, considering the ambitions . . .

DR. BUCK: It might be better. Look at Newfoundland, \$50 million . . .

MR. McCRAE: . . . of so many of our people to spend the money that is going in the heritage trust fund — I say spend, Mr. Speaker, [interjections] because I reflect on what the Member for Clover Bar was saying a couple of days back, about taking moneys and spending them on this and that. Frankly, he doesn't understand the difference between investment and spending.

So I'm saying if we did not have the heritage trust fund moneys consolidated in one place, I think frankly they would be open to expenditure, development of program with the additional costs that would mean. In a few years, when those revenues had [been] reduced or disappeared perhaps, we would have an extra demand for increasing personal income taxes, corporation taxes, a demand or need for a sales tax,

and so on.

One other factor, Mr. Speaker: if in fact the municipalities were assured a percentage share of, say, oil and gas revenues, they would then have a vested interest in the pricing arrangements, not only as Albertans but as direct recipients of a portion of those revenues.

As an ancillary to the proposition that they should have a fixed share of those revenues, would the hon. member be suggesting they should also be invited with the Premier, the energy minister, the ministers and premiers of the other provinces and of Canada to the negotiations at which the price is fixed for the months ahead? Surely not.

Surely also, he wouldn't be suggesting that because of their vested interest in a fixed share of the oil and gas revenues, our commitment to Confederation, our commitment to Canada, our agreement to phase the price increase toward world price — and I say toward world price — to phase it in slowly as a gesture to the rest of Canada of our vote of confidence in the future of this country — we would have the municipalities out there, perhaps in time of financial duress or strain, saying, look we need extra revenues; let's get the price up to here right now. That would have foreclosed the [option] the province had to agree to a reasonable phasing in of those prices.

Mr. Speaker, talking about local autonomy and sharing revenues at the local level, what about the school boards? Did the hon. member opposite intend that they should participate in the fixed revenue sharing? They are a large component of municipal spending. What did he have in mind for them? I would surely have been interested in a bit of expansion in that area. I don't know whether he just frankly forgot about them, Mr. Speaker, or doesn't care about them [interjections] or has some other plans for them in the future. Perhaps by the time he is finished with revenue sharing he may have shared everything. There may be nothing left for the provincial Treasury. [interjections]

I also get a kick out of him when he talks about local autonomy at the level down here and then he talks about central Canada and our commitment down there, that we shouldn't do certain things because it offends people down there. That isn't quite a direct quote. He was talking about oil and gas revenues a few years back, and I think his thought then was that we should leave the entire export tax to be taken by the federal government and used for the benefit of the eastern consumers. [interjections]

Mr. Speaker, another area of surprise in this whole question was the tripartite discussion a few weeks back in Edmonton, when we heard the municipal and provincial representatives, and indeed a representative of the federal government. I was frankly surprised to see a release of a letter the hon. member had written, I believe, to the municipalities suggesting that he would arbitrate the whole thing, that he was somehow on their side and thought there was a good deal of equity in their case. I was shocked by that intervention. If he did have anything to say, I think it should have been said privately rather than by a press release.

As I've said, Mr. Speaker, I think the member opposite has got himself a very topical motion here. I think it deserves discussion. I think there is some

merit to looking at the whole question of what level of service will be provided by the provincial government and what level will be provided by the municipality, also to examine the whole question of the conditional/unconditional grant structure. That's the commitment we have made to the AUMA when they made their presentation to the government. On revenue sharing we indicated that there are more disadvantages than advantages, and I certainly support this view. In fact the prime concern with the municipalities should be the amount of dollars they get and what strings, if any, are attached to them.

Through caucus, governmental, and cabinet discussions with the municipal finance council, we are examining this question very thoroughly. I think the question of the conditional/unconditional nature of the grant can be examined, but surely not the proposition that a share of all the provincial revenues, short of the heritage trust fund, should be committed to.

Our friend opposite has also gone into the situation in British Columbia where they are apparently committing to a share of the natural gas revenues. He has also talked about the Saskatchewan situation. I understand they made a very preliminary commitment to some form of revenue sharing, but certainly have not worked out the details of it. So it's in doubt just how far or in what direction they are in fact going.

One more comment on the suggestion by the member opposite: that we are not treating the municipalities with enough generosity. I think you might look at the situation in Calgary right now, where they have a surplus of somewhere between \$10 and \$12 million carry-over from last year. Considerable debate is going on down there in the aldermanic chambers as to whether they should carry that surplus forward or use that to reduce the tax rate this present year.

That's the kind of problem they would get into if they had a fixed share of revenues. Our corporate income taxes have gone up dramatically since our present government came to office. I believe the personal income tax levels have gone down because of our commitment to the citizens of Alberta to try to keep them the lowest taxed people in Canada.

Our oil and gas revenues have gone up dramatically. When we came to office, oil and gas revenues were on a sharp decline. Had the municipalities been tied into a fixed share of revenues, Mr. Speaker, I think they'd be in the problem of pushing us as a provincial government to impose sales taxes at times when they did not have sufficient funds, and then perhaps going the other way — the problem they are faced with in Calgary right now, and that is what to do with this year's surplus.

Mr. Speaker, I'm looking forward to extremely good participation in this debate. As I said, I think the member opposite deserves some credit at least for putting the question on the table, even though I can't agree with him. I would suggest to all members that they very seriously reflect on voting the motion down.

Thank you, Mr. Speaker.

MR. MUSGREAVE: Mr. Speaker, I too would like to join in this debate. I'd like to thank the hon. Member for Spirit River-Fairview for bringing it up. I'm going to agree with him in part, but I would like to clarify a few points that he did make.

First of all, starting with British Columbia, he mentioned the gas rebate program. He suggested it might be a grant that is not conditional in nature. However, I'd like to point out to the House that one-half of the grant must be placed in a capital reserve fund, and that all expenditures from the fund require the approval of the provincial minister.

Similarly he mentioned the sharing of income tax in the province of Manitoba. But at last report I understand they are having difficulty trying to determine a formula. So while they've got the flexibility, they haven't yet determined how to take advantage of it.

Finally, in the case of Saskatchewan, I think every member of the House owes a vote of thanks to the former Social Credit government, because they did take away the sharing of the oil revenues with the municipalities. As a result of that, after OPEC raised its prices on crude oil, huge amounts of money flowed to the provincial treasury and has resulted in our heritage fund. So I think we all owe them a vote of thanks which they probably don't appreciate. [interjections]

Mr. Speaker, what does concern me though — and I wanted to look at this problem from an entirely different point of view — granted, when I talk to aldermen in the city of Calgary I certainly get the rhetoric that they want the shared income, they want it now, and they want lots of it, but the rhetoric I get from people on the street is that they are sick and tired of government spending at all levels, there's too much of it, and they want it reduced.

Hopefully someday the socialists in our country, or those who have lived off the government all their lives, the bureaucrats, those people who have consulted for the government, will learn that money doesn't grow on trees.

MR. NOTLEY: Are you one of the consultants?

MR. MUSGREAVE: Yes, I am. I'd like to point out to the hon. Member for Spirit River-Fairview that these people are not producers, they've never in their lives contributed to the wealth of our country. They want it shared, divided, diluted, even wasted. Have any of them ever thought to try to increase our national wealth? How many of our socialist friends or those who live on the government trough have ever invested in common stocks or bonds of companies that produce products, provide jobs and pay taxes?

Someday, Mr. Speaker, I hope somebody really brave will say, let's eliminate all grants to communities that are in any way a frill or a luxury that local citizens could pay for themselves. In the same way, I would urge the elimination of grants, bonuses, or special favors to businesses. I think the citizen should decide what he wants and do it in the market place. I think our country, our province and our cities should be responsible for their financial needs, and I think that we should all get off the gravy train of governments trying to spend somebody else's money whether they request it or not. I think it's time we returned to the old-fashioned virtues of giving value for a dollar, of honesty, and of rewarding savers and investors. Let's return to the old-fashioned idea of giving the most to those who produce the most.

Mr. Speaker, in the period 1950 to 1974, governments at all levels in Canada raised enough money to look after the needs of all governments. Granted, in

this period the federal government had a surplus of \$4.2 billion, the provinces had a surplus of \$1.9 [billion], and the cities had a deficit of \$7.3 [billion], slightly more than the combined surplus of the two senior governments. Now, included in this deficit of the cities could be such things as Expo, which I support and think was an excellent investment. But what about expensive ballparks and football stadiums for professional football? Are these legitimate civic expenditures?

AN HON. MEMBER: No.

MR. MUSGREAVE: What about the huge citizen investment in exhibition grounds and their facilities that pay no tax? One way to tighten the tax burden on city property home-owners would be to tax wealth, no matter who owns it. For example, Mr. Speaker, what about religious buildings and the land on which they are built? What about community buildings, particularly where they are worth millions of dollars? What about government office buildings? What about technical and university facilities? They all have to be serviced by police, by fire, they have to have roads. These are a few things that the urban municipalities have to provide.

Mr. Speaker, to make the burden fair for everyone, why don't we tax all farm buildings? How can we justify \$40 an acre for assessment on land which commands hundreds or even thousands of dollars per acre higher in the market place?

There are other areas in which cities could improve their income stream. How about the user-pay concept for services such as sidewalks? Or let's take the city of Calgary. It has one of the highest water consumptions in North America on a per capita basis. But the majority of the city have no meters. In terms of world needs for fresh clean water, Calgarians' actions are in serious question.

Once we have achieved some fairness in assessment, both rural and urban, then perhaps tax dollars would be raised in a fairer way. On the urban scene, we should have more current assessments. We should have assessments close to market value. Any exceptions, such as I mentioned earlier, should be removed — provincial buildings, churches, these kinds of things.

Mr. Speaker, another way we could look at helping cities is to transfer those kinds of services or facilities that serve a large number of people and are subject to the economies of scale and production from the cities to the provinces — for example, airports. Or another example, freeway construction and maintenance.

In southern Alberta or in a large region like Edmonton the province could take over the supply of water and sewerage on a regional basis. This, Mr. Speaker, would have two desirable effects. It would reduce the growth of large cities, and it would provide a uniform service for the smaller communities. If they knew that they could get good water and good sewerage at prices that the people pay in the large areas, we would then have the pressures on the large communities reduced and a better way of life for everyone.

Mr. Speaker, one danger in our present plan to just provide money for expressways to, say, the cities of Calgary and Edmonton is that it encourages people to move to the cities because only those centres can afford or need those large facilities. If you give the



money to Calgary and Edmonton to build these facilities, that gives them more money to put into other programs that make life more attractive in the cities and encourages more people to move there.

I agree with the hon. Member for Spirit River-Fairview that to transfer some of these programs from the cities to the province does weaken the importance and the autonomy of local government. One way of offsetting the dependence of local government on property tax could be by taxes that are non-conditional — I'm talking now of smaller centres. Then we could eliminate some that we see in this red book. There are hundreds of them. We could see that the local government could generate the money to do the things it wants to do.

How could they do this, Mr. Speaker? I would suggest that many of us who own homes in large cities appreciate the fact that in the last three or four years our homes have at least doubled in value. I would suggest that municipal taxes have nowhere near kept [pace]. I would suggest that if taxes had kept pace with the value of the property, people — and particularly the elected representatives — would have more money than they knew how to handle. I think the citizens would then have to say to their elected representatives, you have to base the tax rates on need and not on greed.

At the present time in the cities, as the hon. Member for Calgary Foothills mentioned, we find they have \$10 million in tax. The obvious thing to do if you have a \$10 million surplus is lower the tax burden.

But to get back to my suggestion of taxing wealth, Mr. Speaker. If we had well-trained assessors, and many of them are well trained now; if we had 100 per cent market value of assessment; if we reassessed on an annual or semi-annual basis using technology such as computer services; if we had exemption of charitable, religious, and government property: all these would increase the yield of the property tax substantially. Property is a form of wealth. Everyone seems to accept an increasing average rate of income tax as real income increases. Why not an increase in wealth tax as wealth increases?

The regressive argument is applied because with respect to income, particularly farmers and the elderly who own their homes have little income. But what happens in cities is that rather than tax home ownership, local councils increase the tax rates on utilities at exorbitant rates. This hurts everyone, particularly young people living alone, one-parent families, and the elderly.

Now, Mr. Speaker, I agree that if we brought more sanity to property taxing, we could also consider an additional tax, if the cities want: income tax, but not tied to the provincial. In the United States several thousand cities have an income tax. It is set and collected by the cities; it has nothing to do with the state or federal. If the cities want to collect a 10 per cent tax, that's up to them. If they want to make it 100 per cent, that's up to them. But then the local citizens know who to tie the responsibility to. I think if we go any way at all, it should be that way.

But I support the view that we should try to eliminate some of these share programs. I support our trying to do anything that will clarify the responsibilities of the provincial government vis-a-vis the municipal government, and that they will be able to look

after the responsibilities. The important thing though, Mr. Speaker, is that when these communities have their areas of responsibility clearly delineated, we don't do as we have in the past: when they get poor or get themselves into a jam, suddenly they suggest, we'll run to Edmonton to the provincial government and have them bail [us] out. Mr. Speaker, I suggest this is the kind of situation we want to avoid in the future.

Therefore, Mr. Speaker, in view of the remarks made by the Member for Calgary Foothills about the studies and ongoing examinations being done by the Provincial-Municipal Finance Council, I think this is a broad problem. I think it can be addressed with care. I think we can work out solutions to it. I agree with the hon. members here; perhaps when members of our government were in opposition they said all these fine things. But that points out to me, Mr. Speaker, the wisdom of this government. They've got enough skill, competence, and integrity that when they get into government, they become wise enough to know what has to be done in the interests of the people of Alberta.

DR. BUCK: Mr. Speaker, in view of the time I beg leave to adjourn the debate.

Seeing the Minister of Municipal Affairs is never going to say anything.

MR. DEPUTY SPEAKER: Are you agreed?

HON. MEMBERS: Agreed.

head: **PUBLIC BILLS AND ORDERS  
OTHER THAN  
GOVERNMENT BILLS AND ORDERS**  
(Second Reading)

**Bill 201  
An Act Respecting  
Body-Rub Parlours and Nude Parlours**

MR. TAYLOR: Mr. Speaker, I have pleasure in moving second reading of Bill No. 201, An Act Respecting Body-Rub Parlours and Nude Parlours.

The first thought that comes to one's mind in regard to a bill like this is: why is it necessary? Well, I would like to say that I have no apologies for introducing a bill of this nature. When I look at the history of the great civilizations of the past, the first sign of decay was in the morals of the people. When the morals of the people dissipate and become very, very loose, it's just the forerunner of the disappearance of that civilization. I believe we see today a loosening of morals to a very great degree in our country and in other countries. If we are prepared simply to accept this and say, nothing can be done about it, it's inevitable, then this type of bill is not required.

When I walked down the streets of Toronto three or four years ago and saw some 50 establishments of this nature within two blocks on Yonge Street, and saw and heard the advertising coming over the loud-speakers audible to every child, every woman, and everybody on the street; when I saw the literature being passed out to everybody, even to small children and teen-age boys and girls: I thought, this is a

forerunner of some real trouble if this type of thing continues. The people of Toronto apparently thought the same way, and some controls were taken to try to control this particular thing.

The first item I'd like to mention is that all massage parlors are not illegitimate or undesirable. The massage of the human body is a good thing in many respects. I know of many coal miners who, after having their backs or their muscles injured, are required to have massage. This massage helps them to regain health, go back to their jobs, and do their work.

I was interested in the rehabilitation clinic operated by our Workers' Compensation Board when serving on the committee headed by the hon. Member for Calgary Millikan, Mr. Donnelly. There I saw nurses massaging the leg of a patient. The patient said, yes, it is helping a great deal; when I first came here I could barely walk. So I don't want to put all massage parlors in a category that makes them sound undesirable. Many are desirable.

But the ones I'm speaking about are those that are questionable indeed. Even some that are questionable may not be as bad as we who never go there think they might be. But certainly the evidence of what is going on in some of these parlors, from people who have been there, indicates something should be done — not to stop those who want to go if they are of a proper age, but certainly not to have it become an open-faced invitation for loose morals among the young people of this country.

I look at what happened in Toronto when they brought in somewhat similar legislation. Now, two or three years later, I find that according to *The Globe and Mail* there were only six applications this year instead of the 50 there were before. I have to say there has been a tremendous improvement.

I think there are still loopholes in their legislation, and I think they'll probably close those loopholes. But certainly there has been a tremendous improvement because this type of legislation has come in. No longer do you hear the loudspeakers on the street inviting everybody into nude body rubs or nude meditation or nude ping-pong. No longer do you have questionable literature being handed to all and sundry as they walk down the street, including boys, girls, and women as well as men. So there is a need for it, in my view.

We might also say, well, that's Toronto. What about Alberta? When we look at Alberta today and see what's happening in our major cities, it makes me begin to think that those who are now being ousted from Ontario are finding their way into places in the west. The papers for the last year and a half are becoming examples of what's going on in this particular field.

I'm not going to read a lot of advertisements, but I'd suggest the hon. members just look at the Personal columns of our daily papers from Calgary and Edmonton to see the type of ads appearing in those papers. I'm just going to read one: "Rent a nude. Dancers, waitresses, and novelty acts ...", and they give their name. That appears to me to be a very questionable type of place. Now I may be misjudging. Maybe it's quite legitimate, and maybe everything's on the up and up. But it certainly doesn't sound like it. Another one in one of our daily papers indicates something similar: "Abandon yourself to true luxury. Open 24

hours a day. First-class visiting service to hotels and motels." Another one: "If you want one of our European massages by a beautiful girl at a reasonable price, call or drop in. She will be at your door in minutes." That isn't the only place the advertising goes on. Right on the street in the city of Edmonton, we see some of the advertising which in my view, is questionable, certainly when it's read by young people. I think there's a need for the legislation.

Then there's another need too, because someone may say, why isn't enforcement being carried out under the Criminal Code of Canada? That is a good question. I think our police forces are endeavoring to carry out enforcement. But they're handicapped in connection with this type of operation. They're handicapped to the point where they're almost handcuffed in regard to this thing. They could probably prosecute for nudity under sections 170 and 171, for indecent exposure, indecent assault, or gross indecency — all sections under the Criminal Code.

But in this type of operation the police have to secure a warrant. If a prosecution is going to be carried out in this type of operation, it has to be done as soon as the police know that there are underage people or something illegitimate going on in that place. If you have to go to the trouble of getting a warrant, I suppose the police figure, well, what's the use, it will all be over by the time we get back.

The Criminal Code provisions are in my view not adequate to deal with this particular problem. Certainly the Criminal Code was in vogue in Toronto when they had their 50 establishments within two blocks, and it wasn't controlled under the sections of the Criminal Code.

Another reason this is so, too, is that nudity is not adequately defined. Consequently the police are again handicapped. If a girl is giving a man a bath and she's wearing a band-aid on her elbow, she's partially clothed. This is a ridiculous type of definition. Nudity has never been defined under the Criminal Code, I suppose, because it's difficult to define for this type of operation. But our Legislative Counsel was able to define it to my satisfaction, and it is in this bill. So there will be a definite definition.

Another point that makes this necessary is the location of these parlors. Today, with some exceptions, they can locate in almost any part of the downtown in which they wish to locate. And they want to locate in the most desirable spots for their business. I think there has to be very definite control of where these places are permitted, if they are permitted.

Then the very serious thing in today's legislation is that this type of business is not limited to the premises which are licensed. You notice that in the advertisements. Practically all of them are advertising that they will send the girls out — many times, it's mentioned, between 1 a.m. and 4 a.m. Now if these girls are going out to people's homes, who knows what young people may be in that particular home? Is that good for their morals? If they're going to motels, who knows what is going on in the motel or who is in that room? There may be very young children there. There may be people who object and who don't have control of the particular room. So the business is not limited.

For these reasons, a bill of this nature is required to help our municipalities, our councillors, our alder-

men, to give them enough muscle to deal with this particular problem so they can adequately control it to the satisfaction of their ratepayers and their electors.

I think there's another loophole that has to be closed too. I mention this because I notice this is now taking place in Toronto. According to a *Globe and Mail* news story as late as March 1977, one gentleman is withdrawing from the nude parlor business. He says the licence is too much. Ontario now charges \$3,300 for an annual licence. He says the licence is too high and he has to charge very high fees because of the legislation now in effect. So he's withdrawing from the body-rub business and opening up a bath in which he has one bathtub. He's now advertising that for \$20 a completely nude girl will bathe a man for half an hour. Is this better or worse than what we had before?

Maybe the thing is quite legitimate. But why the girl has to be completely nude to bathe the man, and why he wants to have his back scratched, are other good questions that have to be answered. The legislation apparently has a loophole where they can do in a bathtub what they formerly did in a nude parlor. This, I think, is a loophole that has to be filled in too.

I think I've given enough reasons why I think the legislation should be discussed and passed. But the other point I'd like to [make]: what are the alternatives? Which other way can we handle this? [In] the debate on this bill at one other time — I realize I'm breaking the rule by referring to it, so I'll attack it in a little different way. It might be said that the bill should prohibit nude parlors completely. Well that will be possible, in the wisdom of the municipality, if they feel that is the thing their people want.

Right now in Red Deer and Lethbridge there is some concern about this type of thing. I had a telephone call the other day from a young man from Lethbridge who is worried because he is afraid this will get going in that very beautiful city to the south. He wants every help he can get, to stop it before it gets started at all. This bill would give the authority to prohibit or to locate. I want to deal with those provisions in a few moments.

But many people might say, leave it the way it is, what harm is it doing? I had one chap come up and visit me who told me that twice a week he paid \$40 to go to one of these nude parlors. He found it very relaxing. He didn't seem to worry. I said, don't you find it expensive? Well, he said, it's my relaxation money. He doesn't want any interference at all. Well, that's a point in our modern lives. We can't tell other people how to live. But I think we can do something to try to guide young people and keep them away from this type of endeavor. That is one major object of this bill.

Now what will the bill do? I think that is the important item we have to answer and carry your judgment. In the first place, it will give the municipality the authority to issue or not to issue a licence, as they in their wisdom think their people want them to administer the city. If they decide to license it, it gives them the authority to charge a licence fee up to \$4,000. Now that fee in itself may not solve the problem. It may simply say, only the rich can go to this type of place because the fees have to be so high. Or it may provide the operator with an idea like the chap in Toronto had, where he'll convert it from a nude parlor into a nude bath. But the authority is

there, to license or not to license.

And the authority is in the municipality's hands to cancel a licence after it's issued if people are found there under the age of majority. The licence can be cancelled immediately, and in my view properly so. If they're employing or dealing with young people in their teens, below majority age, their licence can be cancelled immediately.

One of the strong points of this legislation is that it gives peace officers or health inspectors, the officials of the city, authority to go into these places without a warrant, to go in immediately they want to apprehend. It won't be necessary, as in Calgary recently, according to the press, two police officers had to go and pay their fee and get right to the point where things were going to happen. Then they pulled — well, I don't know where they pulled their badges out of — but they showed they were policemen and charged the place. Under this bill it won't be necessary to do that. They can go in without a warrant. It will give the municipality the authority to limit the number of licences and to stipulate the location of the licences.

Another important thing is that the only business that can be carried on, in accordance with this bill, is the business for which it's licensed, not a whole lot of other entertainment. I notice in the bathtub deal in Toronto that the operator is going to provide more than just a bathtub, with a nude girl bathing the man. He's going to provide other things too. He offers "nude encounter sessions". Now what is that? "Nude encounter sessions, private striptease performances, nude dancing and nude readings." I don't know why people have to be nude to meditate and I don't know how they meditate when they are in the nude, in circumstances like that. But apparently some are doing it.

Under this bill the municipal council will have the authority to license exactly what goes on in that establishment. I think that is what we want, in the interests of those who operate legitimate massage parlors. Some in this city operate excellent massage parlors. They shouldn't be included in this particular category. The bill would certainly permit those. We have no difficulty with those at all. The bill would not include therapeutic treatment given by a qualified, licensed, or registered person.

In regard to the definition of nudity, the hon. members can read the definition. There is no doubt about nudity and the definition in this bill. I think that is one of the weaknesses found in the Criminal Code of Canada in trying to enforce that.

Another point in the bill is that the municipal council may take into consideration past convictions for moral offences of persons who want to operate this type of business. Many feel this type of business has a very close connection with the underworld, with the Mafia. If that's so, it is even more important that the municipality have the authority to take into account the character of the people who are going to work in that establishment. Now I'm not saying someone who may have committed an offence may not reform. The council can take that into consideration, because certainly that takes place in many cases.

The licence fees may be up to \$4,000 — a high licence fee. One thing I fear about that, is that it may simply cater to the rich and not do the job we want it

to do. I wouldn't like to see that happen. But it would certainly limit the number of parlors, and that would be an advantage.

It prohibits the distribution of advertising material. As I've said before it makes [possible] the inspection by a medical health officer or police at any time without a warrant, which is presently not in the Criminal Code of Canada.

Another very important section of the bill is that it prohibits the operation of this business on any place except the premises. I think that's one of the strongest points of this particular bill.

I'm going to ask the hon. members to consider the bill. Not in a facetious way, because when we see what's happening in our major cities today, I think we have to realize that something is going to have to be done. If this isn't the right kind of bill, let's have the government or somebody else introduce a better bill. I'll be glad to withdraw it. But I do know some control has to be exercised, or someplace down the road we are all going to be very, very sorry.

DR. PAPROSKI: Mr. Speaker, I have no hesitation in being the seconder of this particular bill. Mr. Speaker, Bill 201, An Act Respecting Body-Rub Parlours and Nude Parlours, states clearly it restricts and/or will allow to abolish such body-rub and nude parlors which are illegitimate.

Mr. Speaker, Bill 201 deals with something very, very important. I think the members of the Legislature recognize this in spite of the fact that we laugh at certain items with respect to speeches on items such as this. And rightly so, because human beings have a sense of humor and we should laugh. If we didn't laugh, I can assure you a lot of us wouldn't be here. From time to time, anyway.

But dealing with nude body-rub parlors, this bill is an example of an effort to counterbalance one variety of the many varieties of immorality and aberrations that have proliferated in our society in recent years. The hon. member should be congratulated for bringing this type of bill to the floor of the Legislative Assembly. I would hope that more of this type, dealing with broader areas, will be brought to the floor of the House in the next one, two, or three years.

Mr. Speaker, from the outset there's been no doubt in my mind that this private members' bill should be passed. I suggest if it isn't passed, as the hon. member has just mentioned, another type of bill like this should be brought in, maybe dealing with an even broader area. I'm afraid seeing this bill go down in defeat would really reflect in a most inappropriate way on the judgment of every member in this House. Because we're dealing with a central point: the community, traditional, and religious standards we have in our society and what we know very clearly in our homes, families, churches, and communities. Mr. Speaker, as I've indicated, these standards are traditional, historical, and religious. I suggest this bill gives these traditions and standards the strength necessary to exercise and maintain them in our society.

I applaud the hon. member again. I think he deserves that applause because he has indicated his direction unequivocally. It takes a little more guts than usual to stand up and be counted when we talk about community standards with respect to obscenity, pornography, nude parlors, and so forth.

Mr. Speaker, as legislators we all too often and from time to time lose sight of the fact of what activities such as illegitimate nude parlors and body-rub parlors, and the advertisements surrounding them, really do in our community. We turn our heads the other way, we walk the other way and say it doesn't matter. Either the members don't care if they do not support this bill or else they do not know. I suggest, Mr. Speaker, maybe they don't know. If they don't know, I would recommend they ask any cabbie in any town what nude parlors and body-rub parlors are all about. You don't even have to visit them.

In this broader area we're really talking about excess in sexual activities, excess in perverted sex, and the advertisement of these areas. In fact, in the broader area we're talking about excess in violence. We're talking about pornography in the broadest sense in movies, television, and the media in general.

Mr. Speaker, we're really talking about the direct effect and the direction this effect has on the psyche, our thinking, our attitudes, and our society, which I suggest, based on recent studies from authorities around the world, is truly harmful, particularly for the younger people. It's even harmful for the older people if the excess is there.

In all seriousness, as the hon. member mentioned, if there is really a need for such activities — and we're speaking now specifically regarding body-rub and nude parlors — and there might be, for the massage that the hon. Member for Drumheller indicates, or for some sexual or sensual pleasure, be it what it is, then the least we can do as legislators not only in Alberta but across the country is to offer counterbalancing legislation and rules so we're not overrun by this type of activity.

Mr. Speaker, as I've indicated, those involved in the operation of nude parlors and body-rub parlors are really carrying out the exploitation of our psyches. Those involved in obscenity and pornography, in making movies in this area, and in the excess in violence, sexual and perverted sexual activities in the media in general, are doing the same thing. They have one central thought in mind. We all know that. That central thought is dollars.

AN HON. MEMBER: And sex.

DR. PAPROSKI: I suggest the morality and standards of our community are of no consequence to them whatsoever, for they are the promoters and the hungry wolves that really feed on the avails of our society.

Mr. Speaker, it's time we as legislators tipped that scale. We have an opportunity with this bill. As humble a bill as it is, it certainly has muscle, as the hon. Member for Drumheller has indicated. Sure, it's going to rub some people the wrong way. And I say that seriously. Let them be rubbed the wrong way, for it's just about time they were rubbed too.

AN HON. MEMBER: What's the right way?

AN HON. MEMBER: You're sure of the facts are you?

DR. PAPROSKI: Mr. Speaker, we know very well what this bill will do. It will allow municipalities the extra weight and strength to counteract these activities. I support the bill. There should be more bills such as

this to help maintain what we know is right and restrict what we know is wrong, unacceptable, and deleterious to our community.

I've repeated myself a number of times. I've done that deliberately because these items merit underlining. The community value systems we know and recognize, that we discuss in every household, recreation room, and living room, are known very well. If any member took this bill to his home and discussed with his wife and family whether we should in fact support this, I have no doubt what the answer would be.

Mr. Speaker, there are those people in our society who would immediately argue for freedom of expression and freedom of activity. Well, Mr. Speaker, I've said it before and I'll say it again: they can still carry out their activities, but with restraint, with counterbalancing measures, and monitored and restricted by legislation such as this. It's one aspect of our society that we're talking about that brought [about] the problems of obscenity, pornography, excessive violence and sex, and undue exploitation of sex in the media and in this area: this is an attempt to deal with it.

The whole issue, though, is the redefinition of our law. Unfortunately, Mr. Speaker, when I asked the question of the hon. Attorney General the other day, he responded with respect to the definition of the federal law dealing with the undue exploitation of sex. Mr. Speaker, what is undue exploitation of sex, as the hon. Member for Drumheller asked? What are due exploitation and undue exploitation? What are they? What is the definition? It's not clear. It's a perception, I suggest. Who perceives it? The prosecutor, the judge, or the community? In this particular case I suggest the prosecutor is the one who perceives it, rightly or wrongly. We have to accept it. Why? Because as this law would apply to nude parlors and body-rub parlors, we must be clear in our definition. It must be clearly defined with respect to all these areas if we're going to bring in legislation.

If the community wants a counterbalancing action to this broad problem — we're dealing specifically with the nude and body-rub parlors — then I suggest individuals and families in our communities, church groups, religious leaders, and everyone who cares, must make their wishes clearly known. They must make them known clearly, calmly, and decisively in order that the federal and provincial parliamentarians, wherever they are, may translate that clear knowledge and definition into clear action as we're attempting to do here today.

However, Mr. Speaker, not for one minute will I allow the members here to get off easily by saying, wait for the community to define it for us. Because we have a responsibility too. It's easy to sit back and say, we'll just wait for the community or the judicial system or law courts to define it. That's not good enough. It hasn't worked. The hon. member opposite has cited cases in Toronto. We can cite cases in the United States regarding pornography. We can go to any newspaper right now and look at the number of family movies versus the number of restricted movies, and it's a difficult proposition to take your family to a family movie. So we have that responsibility and duty, Mr. Speaker. I think it's just about time some of our attention was taken away from the economic areas and brought back to the social areas, and that we dealt with this with some vigor and

serious regard.

In summary, I suggest that to stand back and allow our traditional standards and values to be overrun without any counterbalancing action is sad, to sit and passively be eaten up by these exploiters.

As we are dealing with this, recognizing this has been international prayer week, and tomorrow some of us will be attending the leadership prayer breakfast, maybe it would be wise — I don't want to speak as a moralist in any way, shape, or form, Mr. Speaker, I'm just the same as everyone else here — to spend a few moments tomorrow morning at the prayer breakfast and mentally do a little bit of soul-searching and ask ourselves, are we doing enough in this area or are we just allowing that other side to exploit us without any hesitation whatsoever.

Mr. Speaker, clearly freedom of activities, expression, et cetera, should not be jeopardized. But when such activities harm the individual and family in our society then the least that should be done is to counterbalance such activities. In essence we're saying, define the law clearly, let the law know what we want, let's reflect our community standards in that area.

Mr. Speaker, when I raised the question of the showing of nudes I indicated there was very, very much confusion with respect to the Attorney General's statement with respect to how the definition would be taken. Maybe there wasn't confusion on how it would be taken. The simple fact is there is perception of what is, in fact, undue exploitation, and that concerns me very seriously.

I conclude my comments, Mr. Speaker, by asking the members to support the bill and urge the members to ask their families how they would vote, if they don't have a chance to vote on the bill today. I'm asking [members] to rally seriously behind really tough legislation, not only in this area but across the board in a broad area that I indicated before.

Concluding, I would like just to read a couple of lines from an article, "Pornography flourishes as obscenity undefined" from November 29, 1974, New York Times Service. It's very brief, Mr. Speaker. This article, which was quite good in coverage, states, "The chief problem is that local communities, including their judges, cannot decide either". The definition is not clear. "In most places residents appear to be apathetic." Well, if they are apathetic, Mr. Speaker, I suggest we've had it. The Supreme Court came down with guidelines in a five-to-four decision: "The court said material that described or depicted sexual conduct was obscene." What a useless definition. If you read that again . . . I just can't believe it. I don't think anyone here could actually define what that meant, as obscene. The court said, "material that described or depicted sexual conduct was obscene." Sexual conduct.

Mr. Speaker, finally the average person applying community standards must decide for himself. In Seattle, Robert G. DeForest of the vice squad said, "I defy anyone . . . to see Deep Throat and not to decide that it is [pornographic]."

Thank you, Mr. Speaker.

DR. WALKER: Mr. Speaker, in debating this act on body-rub and nude parlors, one has to admit it is a somewhat touchy subject. The first thing we have to decide — and the hon. Member for Drumheller has

given some good definitions. I looked up some definitions too and the definition I got in Webster's dictionary on massage was the "manipulation of tissues . . . [as by rubbing, stroking, kneading, or tapping] with the hand or . . . instrument". The important part: "... for a remedial or hygienic purposes". I think that was the essential thing, the original definition in the days before Webster's dictionary had heard about body-rub parlors. "Nude" was described as, lacking something essential. Some people can call that wearing nothing but a frozen frown.

[Mr. Speaker in the Chair]

What sort of people go to these body-rub parlors? What is their clientele like? A study was done in 1976 by a professor from the University of Southern Illinois. The findings were published in May 1976, and I quote some of the things from it: Men who go to massage parlors seeking more than a regular rub-down aren't necessarily perverted or undesirable. In fact, they tend to be well adjusted and somewhat average. They found that more than half the customers were married and almost half of them had been drinking. Based on their study, they tentatively conclude that "massage parlors may not be as serious a threat nor as therapeutic as many people now seem to believe". They told the Midwestern Psychological Association "Results appear to refute the allegations of those who have warned that the parlors attract the young, the perverted and the undesirable".

What is the profile of the massage parlor client:

He is a 35-year-old white male from out of town, but from the immediate area.

That excludes some of us.

He attended college but is employed in a lower- or middle-class job, such as a coal mine employee or salesman.

He goes to church on Sundays, takes the initiative in sexual activity, has had a variety of sexual experiences, and went to the massage parlor because of a lack of a sexual partner at the time or out of curiosity.

He achieved orgasm and found the sexual genital massage sexually satisfying.

So it may not be all bad.

The city of Calgary has, I believe, 40 licensed health parlors. Eighteen of these are *bona fide* health clubs. A few years ago they all were *bonafide*. They were all used for therapeutic purposes. But then the seamer people in our society saw that service was a means of setting up an essentially legal facade to a grossly illegal business. These parlors became very little more than bawdy houses which were more or less legalized and considered by some as outlets for the criminal underground fraternity. These are very, very different from the massages that were given to many of us when we played football or rowed, and so on, and had a massage afterwards.

I can see two points of view in dealing with it. We can ban them altogether in the same way we set up censorship in some places. A few years back, one of the universities in the United States ran a pornography test on medical students. They were locked up in a room with nothing but pornographic pictures, pornographic films, pornographic books, you name it. After four days of this they were so fed up with pornography that they just wanted to read or hear anything else.

The second way we can deal with it is to pass an act prohibiting the practice or encouraging the municipalities to prohibit their activities, as this has done. There was some doubt about the by-laws in both the city of Edmonton and Calgary. Mr. Justice Milvain some years ago suggested that a council could not discriminate between different classes of stores. Because of that, the Minister of Municipal Affairs introduced an amendment to The Municipal Act in our last session making it easier for municipalities to enact by-laws to control massage parlors. I believe both Edmonton and Calgary have introduced this type of legislation.

The only trouble with this is that we're giving them a licence and are, in legislation, then tantamount to recognizing these services because of the granting of the licence. The present requirement of police approval of applicants in the city of Calgary assists in eliminating known prostitutes, but it doesn't do anything to guarantee continuing acceptable behavior. The fact remains that many of these parlors are nothing more than a cover for the operations of members of our very oldest profession.

There are other reports on the Calgary situation. Last October a research job was done by the *Albertan*, and they went to police. They quote some of it here:

The constable testified he paid for a massage and told the girl he wanted extras. The officer said she told him: "You should have said something earlier. I can't solicit you, you have to solicit me."

She then told him about fees for various sexual acts.

Which is all apparently perfectly legal.

Many policemen argue that legalization of the oldest profession is one viable answer to the problem. Spokesmen say legalization would help control the spread of social diseases and reduce some of the grisly side effects. But a simple solution to a complex social problem is difficult, if not impossible to achieve.

At the same time in the city of Edmonton, lawyers were appearing before city council on behalf of all sorts of firms like Gentlemen's Adventures, and so on. The lawyer there

... assailed the by-law as completely "prohibitory". He charged it would violate "individual liberty and freedom and a person's right to employment in any calling that he or she pleases".

A few days later he said the by-law would be difficult, if not impossible, to enforce, saying: "We're wasting our policemen's time . . . we're making peeping toms out of our policemen. Some of the other alderman went on . . .

MR. SPEAKER: Order, please. Possibly the hon. member would prefer to give his own views in the debate.

DR. WALKER: Sorry, Mr. Speaker. The hon. Member for Drumheller states that criminal charges should be laid against many of these people. Despite criminal charges in other cities and other legislatures, body-rub parlors have mushroomed in our two major cities in the past few years. The once great opponents of body-rub parlors, the churches and the antivice groups, have hardly been heard from. Despite occasional prosecutions and the growing sense of un-

ease among many Canadians about the gross new world in which we find ourselves, the law against these parlors and against prostitutes is poorly defined and full of loopholes. The average law enforcement officer has little heart to wage war on operations which seem to be becoming more and more socially acceptable.

By legislating against these parlors are we not, in essence, giving them an aura of respectability, which I don't believe they deserve. I believe the legislation passed in our last session, allowing city councils to pass by-laws regulating massage parlors, is suitable. It allows each city to do its own legislating. I think we should give it a chance and see how it works. Further legislation at the moment doesn't seem to be necessary and it may be superfluous. But I think we should keep a very open mind on possible future trends. We should be able to stop the spread of these houses of ill repute in our province despite municipal law.

Thank you very much, Mr. Speaker.

MR. APPLEBY: Mr. Speaker, I intended to enter this debate this afternoon. But after listening to the three preceding speakers, I have to agree with some of the remarks they made when they spoke about various things. The Member for Edmonton Kingsway referred to the fact that it covers a very broad subject, and the Member for Macleod referred to the fact that it's a very touchy subject. I thought very seriously about

this, Mr. Speaker, and before I make a speech I think I should do some more personal research into the subject. So I'd like to have leave to adjourn debate. [laughter]

MR. SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: I move we call it 5:30, Mr. Speaker.

MR. SPEAKER: Do hon. members agree with the proposal of the hon. Government House Leader?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, I move the Assembly adjourn until tomorrow morning at 10 o'clock.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow morning at 10 o'clock.

[The House adjourned at 5:20 p.m.]

