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# Alberta's Fight For Freedom

Part 1 A History

Part 2 Public and Private Debt

Part 3 Sovereignty and Constitution

Part 4 The Road To Reconstruction

Part 5 For Economic Democracy

This is a series of five booklets, compiled from the archives of the Alberta Social Credit League, giving a factual account of how the people of Alberta fought the money monopoly.

H. E. NICHOLS

1963

A Publication of the  
ALBERTA SOCIAL CREDIT LEAGUE

ALBERTA'S FIGHT FOR FREEDOM... Nichols



H. E. Nichols, the compiler of this history, first homesteaded in Alberta in 1907, and has therefore had a close, personal experience of many of the events recorded herein. To supplement this knowledge, he has also made use of appropriate extracts from authoritative documents in the archives of the Alberta Social Credit League. Although retired, he is still very actively interested in Social Credit, and carries on research work for the League.

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# ALBERTA'S FIGHT FOR FREEDOM

## *Sovereignty and Constitution*

This is the third of a series of five booklets giving a factual account of how the people of Alberta fought the Money Monopoly, compiled from the archives of the Alberta Social Credit League,

by H. E. Nichols.

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### PART 3

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The next two booklets will continue the history, which will be completed in five handy pocket-size editions.



To the Reader:

This factual history tells of the beginning and growth of the Social Credit political movement in Alberta.

It has never before been published, but the facts have been compiled by those who were eye-witnesses and participants in the events related.

These events are the roots of a movement that is now due to grow, and bear flower and fruit.

The extent to which it does so, will now depend upon the response made to this call, by the people living in the other provinces of Canada.

The succeeding two parts of this history will complete the basis for the call, which now goes out to ALL THE PEOPLE OF CANADA.

“Join with us and live, freely and  
democratically, or

“Serve the enemy and die, a slave  
under a Financial Dictatorship.”

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It is hoped at a later date to incorporate the five parts into one volume, and amplify it considerably. The effort will be made to give an historical introduction to the philosophy and policy of a movement, the mechanics of which must be developed and implemented before mankind can realize in full, the fruit of his human efforts to attain a prosperous and leisured economy—world-wide—with freedom and dignity for all.



## FOREWORD

At this vital stage in the progress of Social Credit in Canada, more and more people want to know about the beginning of the movement in Alberta. The question is often asked, why was Alberta the only province to endorse it at first, and why were the people of the neighboring province of Saskatchewan not energized at the same time, or stirred as deeply as were the people of Alberta.

Both of these questions will be answered in the following pages.

It is hoped that a recital of these historic facts will impel the people in the other provinces of Canada to realize the mighty issues that are now at stake—issues that are now, not only nation-wide, but world-wide—and that all the people of Canada will become imbued with the same enthusiasm that inspired the early Social Crediters in Alberta 40 years ago.

The need is greater now and the opportunities are also greater, because like the cultural heritage of Social Credit, this generation is heir to the experience and knowledge gained by the early pioneers in the Social Credit movement and they can, if they will, profit by the mistakes of their forerunners as well as by their accomplishments.

“There is a tide in the affairs of men,  
Which, taken at the flood, leads on to fortune,  
Omitted, all the voyage of their life  
Is bound in shallows and in miseries.  
On such a full sea are we now afloat  
And we must take the current when it serves  
Or lose our ventures.”

Wm. Shakespeare.

The contents of this short work have been gleaned from the records of the Social Credit Board,



and those who were in touch with the very genesis of the movement even before it was known as Social Credit.

These facts—for such they are—have been compiled in this small book to acquaint people even in Alberta, of an earlier manifestation of the philosophy of Social Credit—which is really as old as the human race itself—in the hope that their recital will inspire the people in every Canadian province to emulate what was accomplished in Alberta in 1935, so that Canada may, in the near future, have a Social Credit government at Ottawa.

R. N. THOMPSON,  
National Leader.

## PREFACE

The penetrating message of Democracy in Alberta must of its very nature find recognition and response in the minds of freedom-loving people in all lands. The dynamic action of Albertans in the field of social and financial reform is the manifestation of the greatest social force known to man. It is Social Credit; the belief that, in association with his fellows, man can obtain and secure the results of that association.

As the bewildered world moves closer to the centre of a social maelstrom, the message of Social Credit is heard by growing numbers everywhere. In that message is the one human promise of hope for the future; a future in which the aspiration of man may, in the light of a Christian concept of society, elevate him to new heights of achievement and a fuller enjoyment of his heritage.

The struggle outlined in the pages that follow is a record of war between policies. But it is more than that; it is a war between philosophies. On the one hand is the growing philosophy of the jungle, manifest in stateism, centralization and a militant materialism. On the other hand is individuality, personality, a militant Christianity. The battle is joined. The message of Social Credit is more than a cry of hope; it is a challenge to all men of good will to heed the call—join with us and live under a real democracy, or continue to serve the enemy under an oppressive financial dictatorship.



## The Christian Concept of Society

The people of Alberta gave William Aberhart and his Government a **clear and uncompromising mandate** to proceed with specific reforms, which, while having a revolutionary appearance even at that time, were really only a return to basic principles of democracy.

In definite terms the mandate called for:—

1. Such economic and financial reforms as would provide for each citizen maximum security with the maximum freedom, **limited only by the efficient use of Alberta's natural resources.**
2. The issuance of monthly dividends for all, representing each citizen's share in the increased production of which Alberta was capable, together with a lower cost of living.
3. Elimination of the Public Debt and consequent reduction of taxation.
4. Administrative reforms designed to raise the efficiency and expand the activities of various social services.
5. The assumption of effective control over **the creation and issue of financial credit** based on the REAL CREDIT of Alberta's people—i.e., their ability to produce goods and services as, when and where required.
6. Reforms aimed at bringing the wages of investment in line with the wages of labour; and at easing the private debt burden of the individual.

Obviously, the fundamental task confronting the Government was to establish the sovereignty of the people, and thus ensure that they obtained the results

they wanted from their social organization. It was, essentially, a task demanding the assertion of the Christian democratic concept of government, in opposition to the un-Christian, un-democratic concept of institutional rule, which had gradually been imposed through usurpation of power, by the privileged monopoly of organized finance.

Mr. Aberhart summed up the above six points in one of his speeches and dealt with them in trenchant language:—

“We must know the basic principles upon which a true democracy must be built. We must be clear in our minds just what relationship should exist between the individual citizen and the State institutions in a real democracy.

“Let us get right down to bed-rock. The kind of political and economic systems we have depends upon the way in which they are organized. If we want these systems to give the people the results they desire from their co-operation as a nation, they must be organized for that purpose. The people will not get the results otherwise.

“If the people of a country are not to be sovereign—that is to say, if their wishes can be overruled by some authority over which they have not complete control—then they cannot and do not have true democracy.”

\* \* \*

To project a clear understanding of the issues involved, it is necessary at this point to outline the Christian, democratic concept of Society, and the function of persons and governments therein. To the people of Alberta and their Government, the following are axiomatic:—



1. The primary association of individuals is the family, and **the family is the basic unit of organized community life.**
2. The primary consideration in any organization is the objective; and the objective of community life is to further the interests of the persons and families comprising the community.
3. The faith or belief that in association, individuals can obtain results which otherwise would be unattainable, is the wellspring of social power—the power which makes possible the continuance and progress of human society.
4. This power-in-association is actually the credit of society, or Social Credit. It is the belief that in association together, mankind can gain its objectives.
5. The form of social organization in which this Social Credit can best be realized is that which has evolved in the Christian era in harmony with Christian teachings. It is democracy, the natural social order.
6. Democracy then, is that form of social organization in which the individuals making up “the people” are **the sovereign or decisive authority** in regard to the results they want from their social system.
7. In modern times, the essential feature of organized social life is specialization. Obviously, all the people cannot be specialists in all fields. Hence it is clear that community organization falls into two distinct spheres. These are (a) the governmental, and (b) the economic.

8. In the governmental sphere, the people must exercise their sovereignty by determining the rules which govern their relations with others and among themselves.
9. In the economic sphere, which is organized to serve the material wants of the people, the people exercise their sovereignty by producing the goods and services required to satisfy the needs of the community.
10. The sovereignty of the group and the individual is exercised through the medium of the voting system. In the sphere of government, the **ballot vote** can be utilized to designate the results demanded of government. In the economic sphere, the consumer uses his purchasing power as a **money vote** to demand what he requires in goods and services from the productive system. If he likes the goods and buys them, that is practically a vote to continue their production; but if he refrains from buying certain goods, that is like a vote against further production of those goods.
11. Obviously, any curtailment of voting power, either in the governmental or economic sphere, is an infringement of the basic rights of a democracy, and an attack on the sovereignty of the people.
12. Three factors enter into this play of social forces:—they are Policy, Administration and Sanctions. Policy is determined by the people. Administration is carried out by selected individuals within the group, as the Civil Service; and the Law Sanctions can be applied by the administrators in the name of the group—(i.e.—by the

enforcement of law) or by the members of the group. Thus, failure to provide the results demanded in the governmental sphere may result in sanctions being applied by the people against the administrators; and at the first opportunity the people would vote for others to replace them. Or, failure to provide the desired standards or types of goods and services in the economic sphere may result in the application of sanctions by the withdrawal of money votes as defined above. In other words, refusal of consumers to buy an unsatisfactory brand of goods. This would force the offender to mend his ways, or go out of business.

13. The essence of democracy is personal responsibility. Given an administration in which the administrators are held personally responsible to produce the results desired by the people, with freedom to devise and utilize methods and techniques, the organization may be called a real democracy. But if the results are **contrary** to the wishes of the people, there is no democracy.
14. From the foregoing it follows that in a real democracy the people must be able to remove or penalize any incompetent or disobedient administrators, **whether in the governmental or the economic spheres**, when the results demanded are denied them.

\* \* \*

Mr. Aberhart made it a point to emphasize this principle of sovereignty very strongly:—

“Again, it is most essential that in a democracy the State and all its institutions should exist to serve



its individual citizens collectively. That is the intended purpose of the State, and that is the direct opposite of a dictatorial or totalitarian system, under which the State and its institutions are supreme, and the individual citizens merely exist to serve the State.

"Now, I claim that you must keep these two principles definitely in mind if you wish to avoid confusion. First, in a democracy the people must be the decisive authority; and secondly, the State and all its institutions must exist primarily to enable the people to obtain the results they desire. From these we must conclude that there should be a minimum of interference with the people by the State, by a Bureaucracy, or by any Private Monopoly. The more regimentation to which people are subjected by State bureaucracies and private institutions, the less democracy it will be possible for the people to have."

\* \* \*

## THE CONSTITUTIONAL POSITION

### **Property and Civil Rights**

The Dominion of Canada is a sovereign democracy with a Parliament and a Queen. Canada is actually a union of ten Provinces, and under the British North America Act, legislative jurisdiction is divided between the Federal Parliament and the Provincial Legislatures.

Thus, in matters within the jurisdiction of the Provincial Legislature the sovereign body is the Provincial electorate; and in matters within the jurisdiction of the Dominion Parliament the National electorate exercises sovereignty. **It is clear that one sovereign body cannot justifiably encroach on the**

rights of another, which operates strictly within its own sphere of jurisdiction. Such action would deny the purpose and intent of the B.N.A. Act.

Under terms of this Act, the provinces were given control of property and civil rights. **Banking and currency may** strictly be considered as **mechanical adjuncts** to the economic life of society. But property and civil rights **are the stuff and substance of society.**

The term "property rights", can only mean that the people have the right to use their own property, which must include their natural resources, and to use that right within their own boundaries as they desire. The term "civil rights", with which property rights are so aptly linked, can mean no less than the full exercise of democratic privileges and responsibilities, so long as the corresponding rights of the people in other provinces, or the Dominion, are not endangered.

It was as pointed out earlier, by the exercise of their property and civil rights that the people of Alberta determined to bring about a real political **and** economic democracy. And this, without infringing in any way on the property and civil rights of others.

As the people of Alberta regarded the existing situation, the utilization of **their real credit** by the banking institutions (which, in practice, regarded it as their own), was actually an infringement of their property and civil rights. The creation, issuance, withdrawal and cancellation of financial credit practiced by these institutions, and used by them as a weapon of control over governments and electorates, was a negation of democracy. To aggravate the situation, the institutions in control—the banks—

were virtually immune to sanctions, since, as in the governmental sphere they were not responsible to the public, and in the economic sphere they themselves controlled the issuance of the money votes—i.e. the tickets, or the tokens which are known as dollars.

Thus there were **two main courses of action open to the Alberta Government**. These were:

1. To order by law that the banks operating within the Province be subject to the demands of the electorate for the results desired of the Provincial economic system, without interference with the rights of other provinces.
2. To organize **a parallel credit structure** to that of the banks, and demonstrate that the necessary reforms could be introduced. This to be preliminary to (1) above.

The Provincial Government decided on the second course, since it was apparent that the banking monopoly was not ready to collaborate, and the erection of a parallel credit structure would remove all doubts regarding the Government's intentions. Success of the course determined upon would, of necessity, depend on the non-intervention of the banks and the Dominion Government. An invitation to co-operate was however, addressed to these institutions.

### **First Social Credit Legislation**

The first enactment aimed at the objective was **"The Alberta Credit House Act"**. Its passage was accompanied by a barrage of propaganda such as had never been unleashed in Canada before. It was obvious that not only the Canadian banks, but their



confreres, the great international banks, were working at full pitch to discredit the Alberta experiment.

Major C. H. Douglas had warned of this, pointing out that no dictatorship ever relinquished control without a struggle. The bitter campaign waged in Alberta was a clear indication of the alarm raised in the camp of the money monopolists by the challenge of democracy in Alberta.

### **Threat To Freedom**

The people, notwithstanding propaganda, were ready to co-operate with the Government in the implementation of the Act's proposals. Sensing this, the banks turned their attention to the businessmen of Alberta. An ultimatum was delivered. In effect, every businessman was threatened with bankruptcy if he collaborated with the people by conducting transactions under terms of the Credit House Act. Virtually, he was told, **"If you attempt to cooperate in this scheme to solve the economic problems of Alberta, your credit facilities will be cut off. You will no longer have access to regular banking facilities."**

The effrontery of this threat, uttered by those who had imposed unwanted conditions on the people, was scarcely lost on the sufferers. But the challenge was real, and rather than permit the whole Province to be thrown into even greater chaos than already existed, the Government decided not to proceed with the Alberta Credit House Act at that time.

However, Premier Aberhart dealt with this threat in a broadcast made to the people:—

"You will recall that I pointed out . . . first, the fact that all our money is issued by a private monopoly composed of a few powerful banking corporations, and for every dollar they issue, one dollar

of debt is created. In other words, they **lend** all our money into circulation, and we owe them every cent in existence **plus** the interest they charge.

"Second: the total amount of money which is issued to the people as purchasing power is never sufficient to buy the total production. So there is always a lag.

"These two facts make it impossible for governments to carry on without going deeper and deeper into debt under the present system. The reason is obvious. If the people have not enough purchasing power to buy the goods produced, governments cannot obtain sufficient revenue through taxation to meet their expenditures. They are forced to borrow the difference. And as the private money monopoly holds the purse strings, we have the humiliating spectacle of democratically elected governments being obligated to cringe before the money lords and acquiesce in their haughty demands, in order to obtain the money with which to carry on.

"Thus, we see there is a controlling power behind our governments—the Hidden Iron Hand of Finance!"

\* \* \*

Meantime, there was much to be done in the ordinary fields of administration. The Provincial Government now proceeded to overhaul its whole administrative machinery, and to draft legislation designed to improve and expand the social services.

Close attention had perforce to be directed to the problem of private debt, since the people were clamoring for protection from foreclosure, to save their farms and homes; and speedy measures were necessary.

The money power had met Alberta's challenge and had turned back the first legislative bid for

democratic control. But Albertans stood firm, confident that success would reward their next efforts, and that their sovereignty would be asserted.

But the monopolists were not idle. The campaign against Social Credit was increased in volume and virulence, and powerful attempts were made to create a demand for diminution of Provincial powers, and a greater centralization of control in Ottawa. That is, the rights of the Provinces under the British North America Act were—in Alberta's case at least—to be curtailed if possible, through the Dominion Government.

Thus, the promise made by the Liberal leader, Mr. Mackenzie King of, "Hands Off Alberta—I hope with all my heart they will be successful", was not honoured. Neither were the two promises he made on behalf of his own party, previous to the Federal election that,

"Canada is faced with a great battle between the money power and the power of the people, a battle which will be waged in the new Parliament. I plead for a sweeping Liberal victory to carry out my policy of public control of currency and credit", and to ... "guarantee the issue of public credit in terms of public need".

And; ... "Until the control of currency and credit is restored to Government, all talk of the sovereignty of Parliament and democracy is idle and futile".

It should be obvious to every elector that no party other than Social Credit, intends to put Social Credit into effect.



