



SOCIAL CREDIT IN ALBERTA

PRICE — FOURPENCE

THE SOCIAL CREDIT CO-ORDINATING CENTRE
GORDON HOUSE, CARRINGTON ST., NOTTINGHAM
ENGLAND.

SOCIAL CREDIT IN ALBERTA

THE SOCIAL CREDIT CO-ORDINATING CENTRE
GORDON HOUSE, CARRINGTON ST., NOTTINGHAM
ENGLAND.

“I RE-AFFIRM MY UNSWERVING ALLEGIANCE TO THE PRINCIPLES OF SOCIAL CREDIT, AND I GIVE TO THE CITIZENS OF ALBERTA MY UNQUALIFIED AND UNEQUIVOCAL PLEDGE THAT YOUR SOCIAL CREDIT GOVERNMENT WILL CONTINUE TO WAGE AN UNRELENTING FIGHT TO MAKE SECURE THE RIGHT OF EVERY CITIZEN TO SOCIAL JUSTICE, ECONOMIC SECURITY AND INDIVIDUAL FREEDOM.”

—ERNEST C. MANNING,
in *A Message to all Electors*,
August, 1948.

Social Credit in Alberta

ALBERTA is one of the nine Provinces of the Dominion of Canada. It received Provincial Status in the year 1905, and was named Alberta after Princess Alberta, a descendant of Queen Victoria.

On the West of Alberta lies the maritime Province of British Columbia : to the East lies the prairie Province of Saskatchewan : on the South is one of the United States of America : and to the North lie the North West Territories.

The area of Alberta is more than twice that of the whole of the British Isles ; and its population is about the same as the combined populations of Leeds and Nottingham—900,000 people, of whom more than one-quarter live in the two largest cities, Edmonton, the capital, and Calgary.

About half of the people are of British stock ; but there are about twenty other different European races represented—mainly German, Ukranian and French ; there are also some Asiatics, American Indians, Esquimaux and Negroes.

* * *

Apart from being known as “ the place where Social Credit failed,” Alberta is also known as a Prairie Province : and in fact it does produce vast quantities of wheat, sugar beet, sheep, poultry, hogs and cattle, and the by-products of these crops, flocks and herds.

But it is by no means solely a prairie Province. It has been estimated that there are 59,000 square miles of timber-producing forests ; there is an estimated reserve of a billion tons of coal, of which over 40 million tons are regarded as immediately available ; it has the largest oil-bearing sands in the world ; it produces about 70 per cent. of Canada's total of natural gas ; it has petroleum wells ; a flourishing fur industry ; commercial fisheries ; extensive salt mines, and tremendous natural resources of water power.

In addition, there are hosts of smaller industries ; huge game reserves ; holiday resorts ; national parks—and still some wide open spaces remain.

Alberta is, therefore, a Province very rich in REAL WEALTH.

And by Real Wealth I mean the things which people want to eat, to use and to enjoy.

Yet this province, so rich in **REAL WEALTH**, was, in 1935, when it was 30 years old, overwhelmed in **Financial Debt**. There was literally no money in the Treasury, and the Civil Servants' and teachers' salaries had, in some cases, not been paid for months. And many Albertans were not only not enjoying luxuries, nor even amenities of life, but were actually and acutely lacking necessities. They lacked bread when the granaries of Alberta were bursting with grain.

The official explanation of this tragic absurdity of teeming real wealth side by side with overwhelming financial debt was that "an Economic Blizzard" had struck the Province. But to use the term "blizzard" was misleading, for a blizzard is not man-made, and immediately suggests something quite unavoidable—as if a real physical blizzard had blown in from the North Pole over the North West Territories and paralysed Alberta.

In this year, 1935, a General Election was due. Alberta has a Government of its own, consisting of a Legislative Assembly and a Lieutenant-Governor. It has also representation in the Canadian Federal Parliament at Ottawa, to which it sends 17 Members. At this time the Legislative Assembly totalled 63 Members. The United Farmers' Party had been in office previous to 1935.

The result of the 1935 Election was startling. Fifty-six out of the 63 constituencies elected Social Credit members, and the United Farmers vanished from the scene altogether.

Now this startling result did not happen just because the Albertans were so wearied of the United Farmers that they were willing to vote for anybody else: nor did it happen just because a group of Social Creditors suddenly decided to seek election.

It was due in the main to the personality and leadership of **WILLIAM ABERHART**. William Aberhart's mother was English, his father Canadian, and one of his grandfathers was German. He was a man of immense size, a total abstainer from alcohol and a non-smoker: he liked a quiet and simple life in which he could indulge in the pleasures of chess, mathematics and prolonged reading. He was a very devout Christian—his

Bible Institute was famous throughout Alberta—and he was by profession the principal of a High School in Calgary.

In 1932 a man brought to Aberhart a book called *Economic Nationalism*—which has since been reprinted several times under the title of *The Meaning of Social Credit*—by Maurice Colbourne, an Englishman. Aberhart read this book and became a Social Creditor. Social Credit was to him the practical means of realising Christianity. He forthwith began to teach Social Credit as he continued to preach Christianity.

From 1932 to 1935 he and a young man, Ernest Manning, published the weekly *Social Credit Chronicle*; they talked about Social Credit over the radio, and they travelled up and down the Province holding Social Credit meetings in towns and villages and at isolated outposts. During those years there were literally thousands of Social Credit Study groups formed in this tremendous Province of scattered people, and it was from these groups that the political organisation grew.

It was in April, 1935, that the Social Creditors decided to contest seats at the General Election which was held at the end of August—with the result already mentioned—56 out of the 63 Legislative Members were Social Creditors. But Mr. Aberhart was not one of them. He had not stood for election. He was, however, quite clearly the Leader, and the Lieutenant-Governor called upon him to form **the first Social Credit Government in the world**. At the time he was 57 years of age. With unexpected suddenness he found himself in the highest position of Provincial responsibility and with the eyes of the world upon him.

* * *

What then was the general outlook ?

There was a **Legacy**—from the previous Government—of Debt. Debt everywhere.

There was **Opposition**—from the Press, the Radio, the Banks, the Insurance and Mortgage Companies; and, in fact, the whole of the orthodox financial world sought to discredit both Aberhart and Social Credit almost before he had time to sit down.

There was a **Promise**—made at the time of the Election by Aberhart and his followers—to abolish poverty and issue a National Dividend, although it was stressed at the time that such would be impossible for at least 18 months.

There was a **Problem**—and this is very important to remember. Alberta was not autonomous in financial affairs: financial control over Alberta was—and still is—reserved to the Dominion Government in Ottawa by the British North America Act of 1867.

There were further **Difficulties**—for not one of the 56 Members had ever sat in the Legislative Assembly before, let alone the Cabinet. As was to be expected, the harness of Government creaked; there were some resignations; some dismissals; a minor revolt in the party itself; and one or two Cabinet Ministers succumbed to long illnesses which removed them from office.

At the same time there was a considerable **Drought** which damaged crops and herds with consequent repercussions throughout the Albertan economy.

And lastly, there were the **Bondholders**, owners of the Alberta Debt, who were anxious about their debt holdings, and fearful lest the tribute of interest due to them would not be paid.

The outlook was, therefore, anything but bright.

* * *

Perhaps there was one tiny patch of blue in the sky in the form of Mr. Mackenzie King, who was the Leader of the Liberal Party in Canada. After the Election in Alberta he made this statement:—

“If Social Credit ever gets a chance to prove itself, it will be in Alberta. Mr. Aberhart has the whole Province in his hands, and if a Liberal Government is returned to power at Ottawa, he will be given the fullest opportunity to work out his plans.”

A Liberal Government was returned to power in Ottawa, and Mackenzie King became Prime Minister. But just as Aberhart soon found out that to be in office does not necessarily mean to be in power, so Mackenzie King found that to be in power does not necessitate carrying out a pre-election pledge. And, in fact, he never raised a finger to help either Aberhart or Social Credit in Alberta.

What then happened in this Legislature's life of five years, 1935-1940 ?

First, Alberta defaulted on its payment of interest to the Bondholders. As far as these bondholders were individuals, they were of course hard hit by the default : and although some of us may not have much sympathy with bondholders in the shape of financial institutions and corporations, the fact remains that the contract was broken ; and it was a very serious matter for a Province to do this.

The alternatives before Aberhart were (1) to borrow money to pay the interest to the bondholders—but, of course, it is an impossibility to borrow oneself out of debt : or (2) to depress the standard of living of all Albertans still further, and this Aberhart would not do.

Secondly, Aberhart set about clearing up the chaos left behind by the previous administration. In brief, in these years, conditions of work were improved ; employment increased ; farmers received special benefits ; debtors were assisted ; social services—particularly health and education, in which Aberhart was keenly interested—were extended and improved ; new roads were made and old ones repaired ; communications generally were improved. A measure of confidence was restored and people felt and saw that something was being done for their benefit.

Also, between 1935 and 1938, in an endeavour to implement promises made at the time of the Election, the Albertan Legislature passed at least 15 Acts, all of which were disallowed or declared *ultra vires* by powers outside the Province. The **Alberta Social Credit Act of 1937** was the most important of these Acts.

In 1938 an **Interim Programme** was started. Treasury Branches were set up in different places in the Province, and these, in short, provided a system of accounting for the exchange of goods and services without the use of money. The result was an increased demand in Alberta for Alberta-made goods, and there was a consequent increase in prosperity.

During these five years Aberhart had one great advantage. He had access to the radio ; he had the ear of Alberta. And he and members of his Government repeatedly explained to Albertans exactly what the Government was doing, what it was trying to do, and what it was being prevented from doing because it lacked autonomy in financial affairs. And in this

way Aberhart succeeded in retaining the confidence of the majority of Albertans. So that the five years, although somewhat turbulent and full of difficulties, were years in which most Albertans benefited in one way or another from their Social Credit Government, although NO Social Credit measures had been effected.

There were, of course, the bondholders, who were naturally still dissatisfied.

* * *

In 1940 another General Election was due. The Social Creditors were returned to office with a much smaller, but still sizable, majority—35 out of 57 (This Election followed the passing of a Bill which re-distributed the Legislative seats and reduced their total number from 63 to 57).

It may be of interest to give one example of the type of opposition Aberhart had to cope with. One of the political parties in Alberta was the Independent Party—note the name “Independent.” In 1944, four years later, the *Edmonton Bulletin* reported that “in the 1940 Campaign-to-throw-Aberhart-out”—that was what this Election was known as—the Canadian Bankers’ Association and Mortgage Companies had used “wasteful hit-and-miss methods” **on behalf of the Independents**. So you see, not only was there the straightforward opposition of a political party, but a political party financed to some extent by the Canadian Bankers’ Association and Mortgage Companies.

In 1943 Aberhart died. The orthodox financial world rejoiced, and *The Economist*, along with other omniscient prophets, foretold the end of that extraordinary Social Credit experiment in Alberta.

* * *

Aberhart was succeeded by **Mr. Ernest C. Manning**, the young man who had toured the Province with him in the early 30’s, and who had been his right-hand man ever since. He was at the time 35 years old, the youngest Premier in the British Empire.

One straw in the wind must have caused *The Economist* and its brethren some heart-searchings. In December, 1943, occurred the first by-election since the death of Aberhart. The seat had previously been held by one of the Independents—

in fact, the Leader of the Independents. It was captured by a young Social Creditor.

The years 1940-1944 were, generally speaking, years of extended and new improvements in the social, industrial and agricultural life of Alberta—improvements all made **within** the given framework of orthodox finance, because Alberta was not self-governing in this field. They were also years of war when Alberta became much more concerned with world affairs than ever before ; and to a certain extent, because the war was distant, it increased the general prosperity of the Province.

The bondholders, however, were still awaiting their tribute of interest.

Premier Manning decided to hold an Election in 1944 rather than wait until the term of office expired the following year. This was partly because he felt that the war would be drawing to an end, and that Albertans ought to turn their attention to their own post-war problems and plans ; and partly because the summer of 1944 was a more convenient time for the agricultural population to take an active interest in the Election.

* * *

And so, in August, 1944, the third Social Credit Government was returned to office, with 51 members out of a total of 57. There were three women in this Government ; and three of the total Opposition of six were Independents—presumably assisted into their seats by the Bankers' Association and the Mortgage Companies, who must, on this occasion, have used even more wasteful " hit-and-miss methods."

This result, 51 out of 57, suggests that the majority of Albertans were not too dissatisfied with their Social Credit Government. It was not for lack of opposition that the 51 were elected, for 184 candidates contested. There were 57 Social Creditors, 57 Co-operative Commonwealth Federation (the Socialists), 36 Independents, 30 Labour Progressives, and 4 others. Nor did the Social Creditors profit from a split vote, for Members of the Albertan Legislature are elected by a simplified form of Proportional Representation, except in the two largest cities where full Proportional Representation obtains.

The new Government was ready with its plans for rehabilitation, reconstruction and peace-time development. Late in 1945 the Government and the Bondholders came to an agreement, apparently acceptable to both parties. This agreement followed on a revision of financial arrangements as between the Alberta Government and the Dominion Government.

* * *

The most important piece of legislation in this third period was the **Alberta Bill of Rights**. In a radio address in April, 1946, this is how Mr. Manning summed up this Bill :

“ It is a simple Statute which has as its purpose the establishing of every man in his own right and making him secure in that position by assuring him as a right of citizenship an opportunity to obtain a fair share of the abundant production which our vast resources make possible.”

The Bill received assent in the Legislative Assembly. But instead of being put into force at once, it was referred to the Supreme Court of Alberta in order that its constitutional validity might be tested. This step was taken in order to avoid any uncertainty and confusion which might have resulted if the Bill had become law and later had been found to be invalid.

The Supreme Court held that the Bill as a whole could not be regarded as valid. The Government then took the appeal to the Privy Council in London, and this body, in July, 1947, also held that the Bill as a whole was not valid. The Supreme Court and the Privy Council were not, of course, deciding whether the Bill was necessary or desirable for Alberta. Both bodies were merely interpreting the law, and though they interpreted it in a slightly different way, the conclusion they both came to was that Alberta had not, according to law, the powers necessary to implement the Bill.

The Government of Alberta was therefore driven back from one more of its many attempts to ensure for Albertans the use and enjoyment of all the good things their own wealthy Province is able to provide. Still working within the accepted framework of orthodox finance, the Government continued to administer affairs with common sense, honesty and efficiency. Whether its achievements met with approval in the Province was, of course, a matter for the Albertan electors to confirm or deny.

Rather than continue in any doubt or initiate new policies and developments without recourse to public opinion, Premier Manning decided to hold a General Election in August, 1948.

* * *

The record of the Social Credit Government over the previous 13 years and a new 10 point Programme were therefore put before the people on August 17th, and **the fourth Social Credit Government was returned to office with 51 Members out of 57**, Mr. Manning polling a record-breaking number of first preference votes in one of the Edmonton constituencies.

The continued and increased popularity of the Social Credit Government is, I think, very largely due to the fact that its members still retain their Social Credit ideals, keeping before them the vision of the economic freedom and security of the individual: and the legislation they have enacted has been directed, as far as circumstances have allowed, to this end.

Let it be clear that the introduction of Social Credit measures attempted by the three previous Governments was prevented by powers quite beyond their control. Let it also be clear that Alberta is, then, not the place in which the world has seen those strange Social Credit theories fail. It is much more likely to be the place where the common sense of Social Credit will prevail.

MURIEL STEWART.

Social Credit in Brief

Social Creditors proclaim the supreme importance of the individual. They believe that people enter into association only to obtain some desired end, and that the humblest group or the mightiest State has a right to exist only so long and so far as it contributes to the happiness and well being of those who compose it.

They believe that leisure and freedom of action and choice are among the chief blessings of civilisation; that so far as consistent with the rights of others, individual freedom should be unrestricted; that control from without should be replaced by the self-discipline of a free and adult-minded people.

They hold that it is incompatible and absurd to replace human energy by solar and atomic power and still to assume that human work provides the only rightful title to goods and services.

Accordingly, Social Creditors assert that in this age of power an unsupplemented wage system is an anachronism. Social Creditors stand for a state of society which they know to be not only attainable, but well worth the effort of attaining.

Human freedom and ideals can only be realised to the extent that people are released from economic pressure. Social and industrial reforms are needed, but neither can accomplish anything really effective unless preceded or accompanied by reform in our money system.

Under normal conditions, the amount of money distributed to people in the course of industrial production is insufficient to achieve a proper distribution of the goods produced, and from that insufficiency spring almost all the material ills of this industrial civilisation.

Social Credit therefore proposes :

The setting up of a National Credit Office to prepare and present an annual National Balance Sheet and to assess the relation between what the nation grows, makes or imports, and what it uses up or exports. If production is found to exceed consumption, an appropriate amount of new money will be authorised and distributed in one or both of two forms :

- (a) A National Dividend.
- (b) A Retail Price Discount.

The effect of the former will be to make people conscious that they are shareholders in Great Britain.

The effect of the latter will be eventually to stimulate public demand for goods of quality.

• A SOCIAL CREDIT ECONOMY will enable full use to be made of every kind of non-human power, with an equivalent reduction of working hours and drudgery, and increased opportunity for cultural pursuits.

SOCIAL CREDIT SOLVES THE ECONOMIC RIDDLE
OF THE MODERN WORLD.