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December 4, 1978

LS: At the dissolution of the 7th Legislature of Alberta on July 22nd, 1935, the U.F.A. held 36 seats out of 63 in the House, with no Social Credit Members. After the election on August 22nd, 1935, Social Credit held 56 seats. They had been swept into office.

At that point in time, Ernest Manning was elected from a Calgary constituency, and on the 29th of August he, Mr. Aberhart, and Mr. Hugill drove up from Calgary to Edmonton.

Mr. Manning, what was that journey like? What sort of discussion went on during that journey from Calgary to Edmonton?

ECM: Mr. Aberhart had received a call from Lieutenant-Governor Walsh saying that he proposed to call on him to form the Government. As you know, Mr. Aberhart was not elected, didn't run in that first election. But as the recognized leader, the Lieutenant-Governor said he was recognizing him and was calling on him to form the Government.

We had held a Caucus of the elected Social Credit members just prior to coming to Edmonton, at which we'd had a general discussion of the results of the election and the hopes and plans of the Party, and the trip to Edmonton by Mr. Aberhart, Mr. Hugill and myself was to see the Lieutenant-Governor and also to see the retiring Premier to make the arrangements for the transition from the old Government to the new.

Most of our conversations during the trip were of course on the results of the election and the plans that were necessary in order to put a new Government together, the hopes of what could be accomplished. Rather generalities because we were feeling our way, and no one knew precisely what the situation would be from day to day. But that was the atmosphere; that was the tenor of the conversation.

LS: Were you surprised?

ECM: We knew sometime before the election, or at least we were confident some time before the election, that Social Credit was going to win a majority. We were surprised at the magnitude of the sweep. We expected a good working majority, but not the complete obliteration of the Government. There were no members of the former Government re-elected at all.

LS: That's right. Can you recall any of the reactions, internationally, nationally, and in Western Canada, to the sweep that year?

ECM: There had been tremendous public interest and voiced in the news media, not only throughout Canada but in the old country and many places. In the campaign of that election (because it was an entirely different situation than an ordinary election) the media generally - certainly the media in Alberta - right up until the last were still assuming that the Social Credit movement would not make any significant progress.

So when the Province was swept with 56 out of 63 seats, it had a very dramatic effect. The media all over Canada and beyond were phoning and there was a great deal of excitement and interest. And a great deal of speculation. None of these people knew anything about what the new Government had in mind other than broad generalities. There were all kinds of speculations and assumptions. On the whole, the assumption was that the Social Credit Government were a bunch of pretty wild-eyed monetary reformers and there was a great deal of speculation as to what they had in mind. All of this made sensational press coverage. It certainly underscored the very widespread not only national but international interest that there was.

LS: When you talk about reactions, I would like to get a little more detail about that in terms of favourable and unfavourable. Where people frightened about what it could possibly mean that Social Credit had been elected here? What sort of things happened in England in terms of reactions?

ECM: I don't think there was any of what you could call fear in those places. There was nothing that the Social Credit Government here would do that would have the slightest significant impact on them. The speculation was more on, What would this proposed experiment amount to? What would come of it? Would it be able to do the things that they thought the Social Credit Government intended to do?

In Canada, and certainly in Alberta, the media (which had been almost completely opposed to the Social Credit Movement during the campaign period) were predicting some pretty dire results. That this was going to destroy the credit of Alberta, and goodness knows what was going to happen. But they were in a different position. They were here where the action would take place. The others had more an interest, but rather an academic interest because it had no real bearing on them, whatever the Government here did.

LS: I understand that Hargreaves in London marched around banks and all sorts of things. Do you recall any of that?

ECM: I recall hearing of that. John Hargreaves was the head of an outfit called the Green Shirts in England. He was a supporter of Douglas and rather a militant type of supporter. He used to occasionally put on these demonstrations and marches. This was his way, of course, of publicizing that here was a great breakthrough of this economic monetary philosophy that he had been espousing for some considerable time.

As you know, he came out to Alberta later on, and that's a rather interesting chapter in itself.

LS: Right; we'll have to get to that.

Within the Party, in terms of reaction, you were saying were not overly surprised at the sweep. Candidates, workers, were not surprised at the result?

ECM: On the whole I would say that is true. Up until the last, as I've said, the media were still predicting - their attitude was that the people would come to their senses when they got to the polling booths. But those who were in touch with the sentiment and feeling around the Province hadn't any doubt but what Social Credit would elect a substantial number of Members. The only question was how large the sweep would be.

Just to give you an indication of the evidence that was available to anybody that was alert to what was going on: In the last part of the campaign, crusade meetings, campaign meetings, the interest and enthusiasm of the people was tremendous. You couldn't get halls in these small places large enough to hold the crowds who would come. The Government members would go out and have a handful of people turn up. It was very obvious where the public interest was.

There were some rather amusing little incidents came out of it after the election. There were actually polls where there wasn't a single vote for anybody except the Social Credit candidate. Which means that even the scrutineers and the election people of the other parties ended up voting for the Social Credit candidate. With that type of atmosphere around, it was quite evident that the Movement was going to elect a lot of members.

LS: Why did Aberhart himself not run in a particular constituency?

ECM: I think there are several answers to that. In the first place, Mr. Aberhart was not a man who was anxious to go into political life. He was a teacher by profession; he loved his profession; he was very happy to stay with teaching. That was his life's work. It's significant that when he launched the Social Credit Movement it was not launched as a political movement. It was launched as an educational movement. And it only became political when there was no success in persuading the government of the day or the other political parties to take at least a long hard look at the possibility of implementing some of the Social Credit proposals.

In other words, he only agreed to lead the Movement into the political arena as a result of those circumstances. It wasn't by choice. And he was anxious to retain his position as an educator and a leader just as long as he possibly could. When the election took place, he had no choice, because as I've said, as the recognized leader of the educational work and the Movement he was called on by the Lieutenant-Governor to form a Government. So he had to move into the active political arena.

LS: I find it interesting though. When the Party decided to put up candidates in the various constituencies, obviously already a decision had been made to enter that political arena. But still he did not himself personally run as a candidate. I'm curious to find out why even after apparently a decision is made to enter that political arena, and candidates in fact run in all the constituencies, Mr. Aberhart still decides at that point in time not to put his name forward.

ECM: I suppose he would be the only one who could have answered that precisely. My own assessment of it was (1) he had a reluctance to go into the political field, and (2) I think he was sincerely anxious that the public would understand that he was not leading this Movement because of a political ambition. It wasn't something that he had launched because he wanted the power of office or wanted to become Premier of Alberta. His concern was to see a solution applied to the social and economic problems of that period.

Probably more than anything else this would be the point that influenced his decision not to stand once the Movement had gone into the political field. It enabled him very truthfully, it enabled his supporters very truthfully, to say, "This is not a movement (and when you spoke of the Movement in those days it all centred on Mr. Aberhart, he was a dynamic leader), this is not the case of a man who's grasping after political office and political power. He isn't even running. His concern is to see the problems of this Province solved." I think that probably was one of the major factors that influenced him.

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LS: On September 3rd, Lieutenant-Governor Walsh swore in the new Cabinet. I'm interested in what Walsh's reaction was like. You drove up in late August. You met him at that point in time. What was the relationship like?

ECM: Mr. Walsh was a very dignified, outstanding man. Well-respected, well-liked. And he treated his position as Lieutenant-Governor entirely apart from any partisan or political considerations at all. He treated Mr. Aberhart and the new group just the same as I am sure he would have treated any new Government elected. They were elected by the people; his task and his responsibility as Lieutenant-Governor was to represent the Crown and do those things which were his responsibility to do because of his office. There was no indication on his part of feeling one way or the other to the Government.

The conversations we had with him, which took place at his residence, were the routine things. He congratulated Mr. Aberhart on his election of course, and they went over the question of dates, when the Government would be sworn in. He asked Mr. Aberhart to let him have the list of the men that he would be submitting for Cabinet Ministers so he'd have it in advance. And the routine about the procedures for the swearing in. It was just the routine thing which I assume would be discussed by any Lieutenant-Governor with any new party taking office.

I mentioned earlier that at that same occasion we also had a conversation with Mr. Reid who was the last Premier of the U.F.A. Government. That again centred entirely on this decision about a date. We were flexible. It was a matter of what was the most convenient date to make the transition. And also to find out from him any information regarding any major unfinished Government business that would need to be carried on or attended to by the new Government quickly.

One item I recall coming up at that conversation: Just shortly before the election, the Farmers Government had commissioned a study on coal resources of Alberta. I believe it was in the form of a Royal Commission. I

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remember Mr. Reid pointing out that that had to be completed, or should be completed, because it was right in the middle of being attended to. There were a number of things of that kind.

LS: Did Mr. Reid give you any other indications? He must have been very surprised too.

ECM: Mr. Reid, I'm sure, was not only surprised, but I think he was bitterly disappointed at the defeat of the Government.

LS: It was not only a defeat but a major defeat.

ECM: Yes. Every member, every Cabinet Minister, completely wiped out. I know he felt it very keenly. He was a controlled man; he was very businesslike in the conversation. But nothing beyond that. It was a bit stilted, because he was obviously controlling his feelings and his disappointment. It was a very short visit. He outlined briefly those things that were pertinent for a new Premier to know coming in. He referred to some key civil servants and their role, men that he felt would be helpful to remain.

LS: Did he at all mention the state of the Treasury at that meeting? Was that one of the subjects discussed?

ECM: As I recall, he mentioned the matter particularly of what were then known as Alberta Savings Certificates. Alberta had a system in those days of issuing Savings Certificates which were somewhat like the guaranteed certificates that you buy from Trust Companies today, but they were issued by the Treasury of the Province. There had been a run on those. When the election took place, the financial people were sure that this monetary reform group was going to wreck the economy and credit of the Province.

The Certificates were cashable on demand, and there had been a run on them. The Farmers Government had had to suspend the payment of them at least temporarily. We suspended it permanently later on because of the run.

LS: Did he refer at all to an issue that I think comes up later when we'll come back to it again - the whole question of being able even to pay the civil servants after the first month in office.

ECM: I don't recall him expressing it that way. He pointed out in general terms the very stringent financial bind that the Treasury was in, but this was no secret in those days. We were in the depths of the Depression where the total revenue of Alberta was less than \$18 million a year.

LS: You were sworn in, in September of that year, as Provincial Secretary as well as Acting Premier. Is that correct?

ECM: Yes. There were eight Ministers in the first Cabinet, including Mr. Aberhart. My portfolio was Provincial Secretary. After the Ministers are sworn into their offices, there are Acting Ministers appointed for various departments. This is done by Order-in-Council after the actual swearing in as a Minister.

LS: But in terms of acting as the Premier of the Province, I'm assuming that was because by this time Mr. Aberhart was going to be looking for a seat to run in.

ECM: No, the Acting Premier really didn't have any bearing on that. He was sworn in as Premier. You do not have to be a Member of the House to be sworn in as a Minister. But you have to be a Member of the House to go into the Legislature. So he had to seek a seat before the House met. But he was Premier from the moment he was sworn in. The only reason for the Acting Premier and Acting Ministers in the different Departments is to have that person present if the Premier or Minister is out of the Province or away if something comes up that the Department has to deal with. The Acting Premier or Minister deals with it in the absence of the Premier or Minister.

LS: He chose to run in a constituency in Southern Alberta in the end?

ECM: Yes. Okotoks-High River about 40 miles south of Calgary.

LS: And there was no problem gaining the seat there?

ECM: No. The man who was the Member there, Social Credit member, offered to resign his seat and make way for Mr. Aberhart. And the other parties gave him an acclamation. There wasn't an election.

LS: He also retained the portfolio of Minister of Education at that point in time. Why was that?

ECM: In the first place, our Cabinet in those days was small. Including the Premier, there were only eight members. So every Minister carried what today would be several Departments. Many of these Departments in Alberta since have been divided, and then some of them divided again. But Mr. Aberhart being an educator and having such a tremendous lifetime interest in education, it was logical that he would take on the portfolio of Education.

Because his major role was that of Premier, that was the focal point of public attention from that time on. But in the annals of what happened in this Province, Mr. Aberhart as Minister of Education probably did more for education in Alberta up until that time than anybody in the history of Alberta. It was a logical position for him to hold.

LS: There were as you say, member of the Cabinet. I would like to spend a little time talking about some of those people.

First of all, how was it determined who would get what Ministry, and in fact who would become a Cabinet Minister? How was that done?

ECM: The selection of a Cabinet of course is exclusively the prerogative of a Premier or a Prime Minister. After the election, and in fact even before

the election, I know Mr. Aberhart had given a lot of thought to the relative capabilities of different Members or candidates who later became Members, just to formulate in his own mind a general idea of who would be most appropriate for which portfolio. He discussed the selection of Ministers, I know, with various individuals, merely to test their reaction to people he was considering. But that is exclusively a decision of the Premier, and in the last analysis he has a complete free hand to select who he feels is the best person for the position.

LS: Some of their backgrounds are interesting. For instance, if you look at someone like Dr. Cross, who was Minister of Health. Can you recall Dr. Cross and some of the background that he brought to that particular ministry?

ECM: Dr. Cross was a very remarkable man. He was a general practitioner in the Town of Hanna. He had served as a surgeon on board ship during the First World War, and if I recall correctly I think he made something like 40 trips across the Atlantic on hospital ships. He was a man very highly esteemed in his community. In the first place, he was an excellent doctor. In the second place, he was a great humanitarian; he had a great concern for people. He was a quiet man. It was very hard to get Dr. Cross to talk - even in the Legislature.

In fact, one of the rather amusing aspects of Dr. Cross's period in the Legislature - and he was an outstanding Minister - he never used three words if two were sufficient. I can recall occasions where some Opposition Member would get up and ask him a question as Minister of Health. The question would probably take a minute and a half or two minutes to ask, and Dr. Cross would get up on his feet and say, "Yes". Or perhaps, "No". But that was his type.

He was a man who did a great amount of good, and acts of help to a great many people. He never talked about this. He was a self-effacing man. I know from others that when he left his home town of Hanna, he left

thousands of dollars of uncollected medical bills on his books. In the Depression years he was the type who would never pressure anybody to pay. If they were sick and needed him, he was there. If they could pay, fine. if they couldn't, fine. He was that type of man.

Even before the election, when he agreed to run and because he was so well-known and so well-loved in his area, once Dr. Cross said he'd be a candidate, you might as well have said the election was over in that area. I don't know whether he had told Dr. Cross or not, but I know there was no doubt in Mr. Aberhart's mind from that moment that he would be his Minister of Health. He was just the logical man.

LS: What about someone like William Fallow who was Public Works and Railways and Telephones?

ECM: He came from Vermilion. Mr. Fallow had been one of the early active workers in the Social Credit Movement. He was a reformer in his own right. I don't recall the details, but Mr. Fallow was mayor of the Town of Vermilion for quite a few years. They had a local scrip program that they instituted when he was mayor. It was a very limited thing, just for the Town. I mention it only because he was an innovator and a monetary reformer and willing to try experiments to do something to help his people. He had a background of work with the railway which gave him some knowledge of those matters.

LS: He was station master was he not?

ECM: Yes, he was station master at the time he was elected. He'd been with the railway for quite a long time.

LS: Another gentleman, Mr. Hugill, who was the Attorney General, who came up with you from Calgary....

ECM: Mr. Hugill was a lawyer in Calgary. He had a British background, was well versed in the English Parliamentary traditions. He was probably the leading legal man among those who were elected. We did have a couple of other lawyers from smaller rural points. But as a Member elected from the City of Calgary, a well-established lawyer there and a little older man than most of the others, he again was almost the obvious choice for Attorney General.

It was a choice that didn't work out, and Mr. Aberhart ended asking for his resignation some time later.

LS: There were a number of others, but the final person I'd like to ask about is the Lands and Mines Minister, Charles Ross.

ECM: At that period, oil and gas development in Alberta of course were just in their infancy. The only oil and gas development was at Turner Valley, south of Calgary. But there was quite a healthy petroleum industry based primarily in Calgary.

Of the Members elected, who ran for Social Credit, there were no men who had any close association with the petroleum and gas industry. And there were some major problems coming up in that field. Primarily there was the public concern which had been discussed during the election, about the terrible waste of natural gas in Turner Valley.

As you're probably aware, the Turner Valley gas field originally was what they call a naphtha field. It was primarily a gas field. But from that gas you could extract a limited amount of liquid petroleum products. The gas as it came from the wells under its own pressure was run through the separators, and the liquid petroleum products taken out. There was no market for the gas. There were billions of cubic feet of this gas with absolutely no market. There was a pipeline into Calgary, but that was the only market, and it couldn't absorb more than a small portion.

So they simply ran these gas pipes from the separators out into various areas in Turner Valley and set fire to the gas. It flamed day and night, year in, year out. This had gone on for quite a number of years. There was one region in Turner Valley that all the pioneers recall - it was known as Hell's Half-Acre - where about six large discharge pipes from the separators all came into this one place. It was just an inferno.

LS: It was a constant burning off?

ECM: Day and night, 24 hours a day, year in, year out. Trillions of cubic feet of gas were burned. This was going on in 1935, and during the campaign and even apart from the election there was increasing concern that it just wasn't right to waste this fuel. In fairness, there was no market for it. So Mr. Aberhart was convinced that we had to address ourselves to some program of conservation to do something about this wastage. So he wanted a man in that Department who was knowledgeable about the petroleum and gas industry.

We didn't have ^{SUCH} some a man. Charlie Ross was a petroleum man from Calgary. He was a non-political person. He took no interest in politics at all, he had taken no part in the campaign. But Mr. Aberhart went to him and discussed with him the idea of taking on the role of Minister of that Department to deal with these problems. He said he would do it, provided he didn't have to involve himself in the political process - that was not his interest - and provided he could have a free hand in the administration of the Department.

A man in the constituency of Athabasca resigned and made way for a by-election for Mr. Ross, and he ran there.

LS: It will be interesting to talk later about how he handled that portfolio. One specific question now, what was his first reaction to this immediate problem of Turner Valley?

ECM: He was agreed that it was necessary to have a program of conservation. Maybe this is running ahead of ourselves a bit. It was on this point that the disagreement developed between himself and Mr. Aberhart. Not on conservation - they were both of one mind on that. But Mr. Ross's program which he did implement and which had to be adjusted a bit after, was that at a certain date they'd just shut the whole thing in. Period.

Mr. Aberhart's concern, while he wanted to see the conservation program, was for the smaller Alberta producers because the effect on them was, he felt, disastrous. He wanted to phase this thing in as far as the smaller producers particularly were concerned. Mr. Ross's belief was, Do the whole thing at one swoop. It was on that point of disagreement that Mr. Ross resigned.

LS: We'll have to come back to that.

On November 1st of that year, you were appointed Minister of Trade and Industry, and I'd like to spend a little bit of time talking about that particular Department. What were the terms of reference for the Department? It was fairly new, I understand. Had been formed, I believe, under the previous Government in 1934, but really had not had a chance to become operational. How did you see that Department operating?

ECM: As you've said, the Act establishing the Department had been passed by the U.F.A. Government in 1934. The Act was little more than an enabling act. It simply set up a Department of Trade and Industry with broad general powers but very little in the way of specific powers. Their thinking, as I understood it, that led to the passage of the Act, was that Alberta was moving from a wholly or almost entirely agriculture-based economy of the earlier years, with the growth of the cities and towns. Very small compared with today, but growth. And trade and the development of industries in the Province required much more Government attention than they had had in the agricultural period before. This was the thinking behind it.

They had not put together anything with regard to the Department. There were only one or two men appointed. There was a lawyer by the name of Mr. Gaunt, who had been named Secretary to the Department, but this was just to look after the routine matters of pulling together material on which a departmental program could be based.

When I was asked to become Minister of Trade and Industry, Mr. Gaunt (who was a lawyer) and I spent a great deal of time in examining the areas where we felt there was need to move first. And at the first session of the Legislature of the new Government in 1936 there was an amendment to the Trade and Industry Act which became more specific.

It sounds perhaps a little strange in the light of trade and industry today, but in those Depression years when there was so little purchasing power the competition between small businesses particularly was a very important thing. There just wasn't enough money to go around. If one went ahead, the other one went behind and quite often went broke. There had been a lot of pressure brought to bear on the Government by trade organizations and groups - groups like the service station operators, barbers, and the like - that unless there could be some minimum floor price for their goods and services they couldn't survive.

So in the new legislation we took the power to establish both minimum and maximum prices, not only for commodities but for services. One of the first things we did in the Trade and Industry Department was the development of what were known as Codes. These codes were a rather unique type of price control. They didn't fix prices, but they set floor prices - you could not charge a lower rate - and maximum prices. The idea of the maximum price was for the consumer protection at the other end.

I think we developed about 10 of these altogether, largely among the smaller trades. The service station people for example had one. There was a minimum charge they had to charge for types of services.

LS: Just to clarify this. You would take a particular group, say service station operators, and you would establish a code for that function. You would say there was a minimum, in order to protect the service station operator, and a maximum in order to protect the customer.

ECM: That's right. And these two ends were kept far enough apart, we felt, that there was maneuverability for efficiency and competition between them.

LS: What were the particular functions that your Department chose?

ECM: As I recall, in the service end of it, the barbers had a code at one time. It was more the smaller merchants that we were concerned with. These were opposed, almost from the beginning, by the larger trade organizations. And they lasted a fairly short period of time, but for a different reason altogether, which I can enlarge on.

I should perhaps interject at this place: I had just nicely gotten this type of thing established when I had a bit of a health breakdown and had to be totally away for nearly five months, just after many of these had been established.

LS: This was in 1936?

ECM: Yes. Dr. Cross was Acting Minister of Trade and Industry, and this fell back on him during the time that I was away, though he used to confer with me. I was in Edmonton even though I was laid up.

But the type of thing that led to the abolition of the trades was what we felt was a rather unfair action on the part of, not all, but some of the tradespeople themselves. For example, if someone would go into a service station for a service and they were charged so much, and the fellow said, "That's more than I paid before" the garageman never explained to him, "This is because we've asked the government to put a floor price and a

ceiling." What he usually said was, "I'd be happy to do this for less, but this blinkety-blank government insists that I must charge you this amount."

The Government felt that we were being unfairly used. They wanted the benefit of a minimum on one hand, but they passed all the blame on to the Government. I was not personally involved too much in this because I was away at the time. The Members had quite a lot of adverse reaction from their constituents - somebody complained that the price had gone up for the service he got in a store or service station - and the Government were blamed for it. Their attitude was, "Why should we be blamed for it? These people said they wanted this, they said it was a necessity. If they're not prepared to defend it, why should we take all this abuse?"

So the codes were rather short-lived. They were abolished about six months after they started.

LS: What kind of other programs did you initiate?

ECM: Along with the amendment to the Trade and Industry Act, there was some other legislation that came in at that time. In those days, all labour matters were under the Trade and Industry Department, and we started out developing minimum wage laws. I think there was one very limited minimum wage law in Alberta when the Government was elected. None of the minimums applied outside the cities, in the small towns or rural areas. They were purely urban-oriented, and very limited.

I put the first labour legislation through for our Government, and we started looking at minimum wages. Workmen were taking an awful beating in those days, even recognizing the conditions of the Depression, which meant that certainly nobody could afford to pay very much for anything. But nevertheless, workmen were being exploited.

Another statute that we put through at the same time was called the Tradesman's Qualification Act. This applied primarily to auto mechanics,

motion picture projector operators, certain types of electrician work. Courses were established, of training for these people, some of them in-service training (apprenticeship type of training - there was also an Apprenticeship Act in conjunction with this). Prescribed courses were developed, and upon the successful completion of these courses the tradesman was issued what was called a Tradesman's Qualification Certificate. This became rather valuable to the person, when there were so many unemployed. If a mechanic could turn up at a garage with a tradesman's qualification certificate showing that he was proficient in a certain type of auto mechanics, he had better qualifications. And it was also a certain measure of protection to the public. In those areas you would find garages that advertised that "Our mechanics all have Tradesman's Qualification Certificates."

So those were the area where we were most active in the early days of Trade and Industry.

LS: I'd like to refer back to the legislation in terms of minimum wages that you talked about. Can you recall what sort of minimum wages were established at that point? And did they cover also people in rural occupations as well as those in urban, and did they cover men and women?

ECM: The first changes still applied only in the larger urban centres. But over a period of a number of years, the coverage was extended to the towns and villages and then ultimately became province-wide, which was quite a lot later. Initially, I do not recall whether there was any minimum wage for women. I rather doubt it. We brought those in too.

The big areas of concern in the urban centres were places like restaurants, hotels, where there is quite a large staff often, but no minimum wages. And there were undoubtedly people being exploited. So it was a fluid thing because it was being changed constantly, and always with the pressure to cover more people, and to raise the amount of minimum wages, although we

were cautious not to jump the minimums excessively because the effect of this was to deny people work.

In those days when conditions were so tight economically, a slight increase in the minimum wage could be the difference between somebody hiring a person and not hiring them. They would say, "I'm sorry, I just can't afford to pay it."

I might just digress here a for moment to mention one area which bears on wages and is also indicative of the terrible economic conditions of the times. In 1935 when our Government was first elected, there was a minimum wage for teachers, not under minimum wage legislation, of \$600 a year, or \$50 a month. At the time of our election there were several millions of dollars of unpaid teachers' salaries, many of which were on the books at the minimum wage but even then were not getting their wages because the school boards could not afford to pay them.

The other thing that made the \$600 minimum wage almost a mockery in many cases was that in the rural, one-room schools, a school board would say, "We can't pay you \$600 a year. We haven't got it. We'll pay you \$400 if you'll do the janitor work." Or even if they paid the \$600, they would have it include the caretaking of the school. They saved the caretaker, and paid the few extra dollars to the teacher.

I sometimes think today, when I see the attitude of teachers as compared to what it was then, that it's an area where there's been a fantastic change.

LS: To get back to wages and that kind of thing, it's interesting I think to note also that the Cabinet Ministers were receiving obviously a certain wage, but there was such a thing as a voluntary contribution. Could you explain how that worked?

ECM: This had been instituted in about the last year of the Farmer's Government, and it applied not only to Cabinet Ministers but the entire civil service. The money was getting to the place where they couldn't carry the payroll, and they imposed what they called a "voluntary" reduction. I think they had discussed it quite thoroughly with the civil service, but it was voluntary in the sense that there wasn't any choice! They agreed to this 10% voluntary reduction.

A Cabinet Minister's salary in those days was \$6,000, and that was less the \$600 (10%), so a Cabinet Minister's salary was \$5,400. The sessional indemnity in the last years of the U.F.A. was \$2,000 a year, and the 10% applied there, so the indemnity was \$1,800. So the Cabinet Minister's combined salary and indemnity was \$600 a month or \$7,200.

LS: And Social Credit continued that?

ECM: Yes.

LS: Just before leaving this discussion of the Ministry of Trade and Industry, who was your Deputy Minister?

ECM: There was no Deputy in the Department when we came in. When we came in, the man I obtained for Deputy was a Mr. W. D. King. Mr. King had been a bank manager, with a bank in Calgary, for years. He had left the bank - Mr. King was quite a humanitarian chap, and the story was that the bank felt he was a little too liberal with his loans in those tough days when they couldn't always collect them after they made them. That led to some disagreement and he left the bank. He had ended up with a temporary position as the head of the Alberta Bakers' Association which wanted a business manager.

I was able to get him to take on the work of Deputy. He was a very excellent man. He was a knowledgeable man, with his banking training. He had been with the bank for years and was a good business man. He also

fitted in very well with our philosophy towards things because he was a humanitarian type of person. He was there for many years, until he died in fact.

LS: It's interesting that he came from a banking background and that you chose him as your Deputy. Were there any comments made about that, or any kind of reactions?

ECM: I don't recall specifically. There would have been a few tongue-in-cheek remarks in the media, but as far as the people who knew Mr. King, they knew he'd left the bank because of his great concern for people. He was not considered a banker's banker, to put it that way.

LS: There was some dissatisfaction with banking, from his end of things.

The next general area that I'd like to talk about because I think it's important in terms of understanding Social Credit and perhaps some of the later issues that come up as we go through this, there were a number of issues and principles that had to be dealt with during these early years. I think it may have come to the fore in some of the discussions between Mr. Aberhart and Major Douglas in England. The kind of things that I'm referring to here are basically three general political philosophy ideas.

One is the whole question of the general will. The other is the question of evoking that general will by emphasizing that the people demand results, a result-orientation. And the third area is the reliance on experts to determine the methods and the technical areas.

As I understand it, there was a lot of discussion and thought on how "pure" Mr. Aberhart was in terms of keeping with these kinds of principles within the Social Credit philosophy as pronounced by Major Douglas, and how Mr. Aberhart had to take those and apply them specifically to an Alberta situation.

I think it would be interesting to talk about those things, because I think they're very important in understanding Mr. Aberhart's Social Credit approach in Alberta.

ECM: Major Douglas, as you know, was a theorist. I say that in a good sense. I think Major Douglas had a remarkable mind. He developed some concepts which had a great deal of merit. But Major Douglas in his own activities never went beyond the stage of expounding theory. I stress this because this was one of the major reasons for the breakdown in the relationship between Major Douglas and Mr. Aberhart and the new Government.

Major Douglas advocated that monetary reform and matters of this kind were not necessarily political. That any government or party that would commit itself to implement certain monetary or financial principles could do it. It didn't matter too much what the political philosophy outside of that party was. And that the role of the public was to make known its will to governments, to bring pressure to bear on Governments that it wished a certain result.

There was a great deal of emphasis put on this, that the public should learn to specify the results they wanted from the management of their affairs. They didn't have to be in detail, in fact he was strongly against lay people getting into the technical aspects of policy and policy implementation. The public, he said, should decide what results it wanted from the management of its affairs. And applied to the Depression years, it didn't want poverty in the midst of plenty. It wanted an economy where, if the people could produce X amount of goods, there should be a distribution system that would enable that amount of goods to be distributed.

These were results. Never mind the detail. This was Douglas' position. And Douglas himself strongly favoured the advocates of that type of social, monetary, and economic change not being in the political field. He did not favour Social Credit, as such, becoming a political party. He said Social

Credit has nothing to do with politics in that sense. It's a philosophy of economic and monetary principles and proposals; it's not a political party.

The advocates should therefore organize themselves to enable them to bring the maximum pressure to bear on existing governments, for the results that they wanted from the management of their affairs.

There's a lot of merit in that. There are problems, but there's a lot of merit in that in a broad general sense. It's really a pretty practical application of the democratic process. The rank and file of people cannot be expected to know the details of economics and finance, and so on, but they do know the conditions that they want to see developed in their country or province.

To a considerable degree, Mr. Aberhart subscribed to this same thing. And this is partly why, when he became interested in the Social Credit philosophy and concepts, he developed it as an educational movement, not a political movement. And he followed this procedure in encouraging the people of the Province to bring pressure to bear on the Government of the day. A large part of the Social Credit work in the early educational period was the forming of economic study groups, the forming of resolutions and petitions which went to the Government, pressuring the Government, saying, "These are the results we want from the management of our affairs."

I recall that one time there was a Province-wide petition developed, along these general social and economic reform lines.

LS: Coming out of the study groups?

ECM: They were used to circulate and get names; it went far beyond the study groups. We had thousands and thousands of names on this petition. It was presented to the Government in Edmonton.

This was the concept. Douglas then went on to hold that it was the responsibility of governments to give the people the results they wanted from the management of their affairs. This was his idea of the flow of the democratic process. But governments themselves, as elected people, are not experts. They may have experts among them, but there's nothing that makes a man an expert merely because he's elected to office although quite a lot of politicians have missed that point.

The logical outflow of this was that the Government (1) was responsible to give the results that the people had demanded and voiced, and (2) in order to give it, the government procedure should be to obtain the best experts obtainable to take care of the technical aspects involved in developing policy or implementing programs to give those results.

As I say, there's a lot of logic in that. It has weaknesses. In a sense, the talk we've heard in recent years of participatory democracy has some element of this in it, except I'm inclined to think that this approach is probably a little more realistic even than participatory democracy. In participatory democracy we have tended, I think, to ask people to make decisions which they are not in a position to make for the simple reason that they haven't the technical knowledge or background, or information, to make that decision.

This process that Douglas emphasized got around that. He said the rank and file of the public doesn't need to worry about the "how". What they need to worry about is the result that they want. The Government's job is to respect that expression of the public will, and to assume the responsibility of obtaining the technical experts - whether it be financial experts or whatever - to develop programs which will give the results that the people want.

And Douglas was always opposed to the Social Credit Movement becoming a political party, and this was one thing that cooled him towards Alberta.

LS: Mr. Aberhart, however, at one point said the time had come to move from being very concerned with the educators to having campaigners. Around this period, 1935, we start to see references to that kind of shift. It would be interesting to know how Aberhart then took Major Douglas' philosophy and how he thought through and started applying it to the very specific situation in Alberta.

ECM: In the first place - and I think this was one of the fundamental differences between the approaches of Major Douglas and Mr. Aberhart - Major Douglas, as I've said, was a theorist. He confined his writings and his lectures to expounding a theory. But he made little or no attempt to reduce this to specific programs that could be implemented.

This is where Mr. Aberhart felt it wasn't going far enough. If you're going to go to the public and ask them to elect a government, they need to know something more. They need to know, at least in broad general terms, what's going to be done, and even how it's going to be done, as far as it's possible to convey that. In part, this stemmed from Mr. Aberhart's profession as a teacher. He was a marvelous teacher. Even his most vehement political critics, almost without exception, would agree that he was probably one of the most outstanding teachers this part of Canada at least ever produced.

Even today, I still meet people around Canada who are graduates of the old Crescent Heights High School. While they may have disagreed with everything Mr. Aberhart stood for in politics and economics, they swear by the quality of education that they obtained there.

His method (and this stemmed from his teaching ability and experience) was to take the theoretical proposals and reduce them to examples and illustrations and proposals that could be understood by the rank and file of people. Really the long-drawn-out debate that's raged on for years over the \$25-a-month dividends stemmed to a large degree from this point.

Douglas would say, in his broad, theoretical way, was, "What you must do is equate the buying power in the hands of the consumers with the value of the goods that the country can produce." Mr. Aberhart would say, "That's very nice, but it's away up, academic, theoretical. It doesn't mean much to the man in the street. The way to do this is to monetize the value of these goods, and distribute that credit or money or whatever you want to call it, to the people. And this could be done by paying a dividend directly to the citizen."

Now, Douglas had the concept of dividends, but it was always general. But somebody said, "How much would this be?" This was the logical question. So Mr. Aberhart said, "Well, under present conditions (and this was based on what they paid people in welfare and such in these days) it takes about \$25 a month for a person to live. The purpose of this is to assure the citizen at least the basic requirements of food, clothing, and shelter. That would cost today about \$25 a month, so say \$25 a month."

Of course, this became headlines immediately and away it went. So it's an illustration of his method of taking what Douglas would discuss as a broad, general theory, and saying, "We'll do this by paying directly to citizens in the amount of so much."

LS: In terms of getting a feel for the general will of the people, did Mr. Aberhart see that coming through the elected people in the Assembly? Or how did he feel that he could get that sense of the general will?

ECM: To begin with, he probably had a better feeling of the general will of the people of the Province than anyone in the political arena in those days because of the results of the three years of education work that had gone before. During that time, he had travelled the Province from one end to the other. He'd held hundreds of meetings; he had up to three broadcasts a week on economic studies; he had thousands of letters from people all over. He was probably in closer touch with the rank and file of the people

than anybody in the political arena, certainly in the Government of the day.

On top of that, we had organized by the time of the election hundreds of economic study groups all over the Province. The aggregate membership of these would be in the thousands of people. These people were meeting maybe once a week or twice a week, some of them less frequently. In our organization in Calgary we used to supply them with study material on economic issues. At one time we had two half-hour broadcasts during the week which were geared to the time these groups were encouraged to meet - often in a home there'd be a group of a dozen or twenty people.

LS: And the broadcasts were on economic issues?

ECM: Oh yes, entirely on the expounding of the Social Credit proposals, economic conditions, and so on.

The people were encouraged to meet at the time when the broadcast was on. They listened to the broadcast for half an hour, and then they were encouraged to stay on afterward and discuss what they'd heard on the broadcast for another hour, write their impressions, and so on. This gave him a feel for how the people were thinking. And this was something I'm sure his political opponents never realized - the degree to which he was in touch with the feeling of the rank and file of people.

LS: As the years progressed, say for the first two or three years, he was obviously busier now with the affairs of Government, and didn't have this kind of outreach. Do you have any sense of how he felt he was getting that feeling from the general will?

ECM: Once you're in government, of course, in addition to the input which you get from the public generally (which comes by way of communications from individuals, communications from groups, organizations, and so on) you have

which in the aggregate represented a very large part of the population of the whole Province. And of course in Government you have a fourth one which is the input from the civil service, the people who are administering the legislation, who encounter the practical problems of administration and as a result come up with recommended changes.

LS: Did Mr. Aberhart see his Cabinet as experts or not?

ECM: No.

LS: How did you who were members of that Cabinet find your experts? Now that we've talked about the general will, how did you find your experts to interpret or bring that to bear?

ECM: You start out, of course, to define your purpose. That indicates to you the general area where you will start looking for him. For example, a little ironically, one of the first experts the Government hired got them into considerable criticism. That was a man by the name of R. J. Magor. He was a financial expert and recognized as such, who had done some rather outstanding work years before in Newfoundland, in the days of the Newfoundland Commission Government. He was with the Canadian Car and Foundry Company of Montreal, and he was highly recommended as a man who had had a lot of experience in organizing and re-organizing both corporate and government structures that had financial problems.

He was an expert, and a good expert. But because of his connection with the so-called "orthodox" financial community, Douglas particularly took great umbrage to his man being hired. And some of Douglas' supporters and some of the MLA's took umbrage to it. It was one of things that led to what was known as the period of insurgency. But in that case - the finances of the Province were in desperate conditions - one of the things that had to be done in just the day-to-day administration was to get ourselves in a position where at least we could pay the civil servants and

reorganize our revenues and expenditures.

So to do that, he went out and got a man who was considered one of the outstanding men in Canada in that field.

In the purely Social Credit end, we ended up with the two experts that Major Douglas selected and sent over to Canada, Mr. Powell and Mr. Byrne.

LS: Tell us about that.

ECM: That came about later on, and it really ties in with the sequence of events. We had two Sessions in 1936, the regular Session and a second Session, and what would ordinarily have been the next regular Session, in the following year (1937) was actually the third Session. In the budget in the 1937 Session, partly as a result of some of Magor's recommendations among other things, we had increased personal income tax, corporation income tax, and we had imposed a sales tax of 2%. There was no way of paying the bills unless we had more revenue.

A group of the Social Credit Members, who became known as the "Insurgents", were critical that Mr. Aberhart wasn't moving fast enough, the Social Credit program wasn't being implemented, took violent exception to this Budget. They said this was an orthodox Budget, the second one, and it not only wasn't a Social Credit Budget, it raised taxes even worse than the one before and it imposed the sales tax. They refused to pass it. I suppose on that Session we'll can go into some of the details of the insurgency aspect, but that's when it reached its crisis.

Out of that came a piece of legislation that set up what was known as the Alberta Social Credit Board. This was, I think, a five-man board, chaired by an MLA by the name of Glen MacLachlan, and the Board was empowered to obtain experts. It was empowered to develop programs and plans for the implementation of Social Credit. As soon as this legislation was passed,

the House voted interim supply (they wouldn't pass the Budget), the Budget debate was deferred for 90 days, the House adjourned, and the Chairman of this Social Credit Board went over to England to meet with Major Douglas - still hoping to persuade Major Douglas to come over as the super-expert.

But Douglas wouldn't come, and instead he sent two men that he knew in England, one a man by the name of Mr. Powell, and the second a man by the name of Mr. Byrne. These were selected by Major Douglas in his place, as his emissaries or agents. That's how those experts were obtained. When they came they straightened out some of the dissensions that had developed between the Government and the insurgency group. And the sales tax was repealed or dropped, and the Budget was passed.

LS: Just in conclusion, I would like to speak a short while about what you recall about the discussions between Mr. Aberhart and Major Douglas. Very early on, I remember there was a very brief, victorious telegram or cablegram sent to Major Douglas saying something to the effect, "Victorious. When can you come?" And after that there ensued a long series of correspondence and cablegrams back and forth about whether he could come or not. What do you recall about that?

ECM: That was a climax of quite a long series. A disagreement between Major Douglas and Mr. Aberhart developed way before the election. It wasn't something that developed afterward.

Major Douglas was over here twice before the election, over a period of some years before. He appeared before the Agriculture Committee which is a Committee of the Whole House of the Alberta Legislature, along with Mr. Aberhart and a man from Calgary by the name of Mr. Larkham Collins, when the U.F.A. Government had a Legislative Committee examination of the Social Credit proposals as a result of the public interest Mr. Aberhart generated around the Province.

When he came over, Mr. Aberhart hoped that he could get Major Douglas to give a few lectures, and so on. But ahead of that time, there had been a division developed between Mr. Aberhart and a group based in Calgary who argued that Mr. Aberhart was technically unsound in his understanding and exposition of Social Credit, that he wasn't pure Social Credit.

LS: Who were this group?

ECM: It was called the New Age Club. They were a small group, one man was a Chartered Accountant by the name of Larkham Collins (the man I mentioned appeared before the Legislative Assembly). Another was a man by the name of Palmer. It was a relatively small group. Some of these men had been meeting, discussing Social Credit even before Mr. Aberhart got interested. It was purely an academic study group. And quite frankly, I don't say this in any recriminating way, but I think there was probably a little bit of resentment on their part. They had bandied this thing around for a number of years, and I don't think had ever tried to interest the public, and along comes this man out of the blue, and next thing you know he's got thousands of people all over the Province talking about Social Credit. And they're still sitting off here in a little club room discussing theory.

So there was probably a little feeling. But their argument was that Mr. Aberhart was not technically sound, that he didn't understand the technical aspects of Social Credit. So when Douglas was coming over, these fellows got hold of Douglas. They had always kept a close correspondence. They persuaded Douglas to address a rally in Calgary under their auspices. And I think Douglas, in fairness to him, didn't have any idea of what the situation was out here. In Alberta, Mr. Aberhart's name and Social Credit were synonymous in those days, whereas this other group was unheard of outside of a handful of people.

Douglas ended up addressing a rally under the auspices of this little New Age Club. I always remember this because it was held in the Armories in

Calgary, and they had a big crowd. They weren't even going to invite Mr. Aberhart to begin with; they thought they were going to just bring Douglas. But when this became known, the public reaction was violent. Those were pretty aggressive days in the Depression - people had nothing else to do. I know some of the more aggressive Social Credit groups, and a lot of labour groups were identified with Social Credit, just quite frankly said, "If Mr. Aberhart isn't there and doesn't take part, there'll be no meeting." I don't know whether they meant it, but this is the kind of talk that was going around.

So they ended up by inviting Mr. Aberhart as a platform guest. When the meeting opened, they had a band and some preliminaries. And the crowd started chanting, "We want Aberhart. We want Aberhart." The Chairman got up, I guess he was trying to prevent trouble. He said, "All in good time. You'll hear from Mr. Aberhart. All in good time. But our guest tonight is Major Douglas."

This was fine; everybody settled down. And Major Douglas talked. He talked for about an hour. It was a rather disappointing talk; he was a very dry speaker, very uninteresting type of presentation. And on top of that he spoke of the whole Social Credit concept in the most elementary terms as if he was talking to an audience who for the first time had heard the words. He didn't seem to realize that the people he was talking to had been reading books on Social Credit, debating it, arguing it, and crusading for it, for three years. You could see the disappointment. They figured they were going to get the real, inside meat now, and they ended up disappointed. So their mood wasn't good; they were getting very restless with this boring kind of speech.

Anyway, when he sat down they started again, "We want Aberhart. We want Aberhart." But the Chairman got up and called for "The Queen", and the great big band struck up "The Queen", and they cut him off. And there was a lot of hard feeling.

LS: So Mr. Aberhart didn't speak to that meeting?

ECM: No, he didn't get to speak at all. He was sitting on the platform the whole time.

LS: So they just cut him off.

ECM: Oh, it was deliberate. They didn't intend to let him speak because I think probably what they were worried about was that if they'd ever let him get up to speak, the 3,000 people there would have cheered him to the rafters. He'd have had a 5-minute standing ovation while Douglas had been putting them to sleep. It was academic and theoretical, it wasn't the kind of thing to inspire anybody.

Anyway, Major Douglas and Mr. Aberhart met afterwards out in a waiting room or somewhere, and I guess they got into quite a heated argument. I wasn't there at the time. I mention this because it was way before the election.

LS: If you were to pick a central reason for the disagreement, was it because of the specific Albertan conditions that Douglas did not understand?

ECM: In fairness to Douglas, he was a long way away, and I suppose he couldn't be expected to understand the conditions. He was in an urban centre in England and we were talking about a rural-oriented part of the world out here in Western Canada. But Major Douglas was a theorist. My own belief was that when the Social Credit Government was elected, a time when it was going to move out of the realm of theory into practical application, I think he was fearful that it couldn't be applied in the jurisdiction here. I think that was one of his reservations - he thought it should be national. And therefore the theory would be discredited because it had not worked for reasons which were not the fault of the theory.

He seemed so intent on protecting the purity of this theory so it wouldn't be discredited, that he almost seemed to shy away from any all-out attempt

at implementation. That perhaps in part was why he would not come himself. As long as he was just sending emissaries, and any failure could be blamed on what happened here, it still preserved the purity of this position that he seemed to attach a great deal of importance to.

There were some amusing things, little incidents attached to this. I remember when the Social Credit Board Act was passed and the Board was set up and the Chairman (all this was in the Legislature) was to leave for England, we had a member of the Opposition, a Liberal, who was quite a witty chap. Of course it was public knowledge that they had tried and tried to get Douglas and he wouldn't come. I remember this fellow painting a very amusing picture in a speech in the House, of this man McLochlin going over to England with a bag of oatmeal under his arm, and sprinkling this on the gangplank to get this Scotchman to come up the gangplank onto a boat to get him to Canada!

LS: And this he said in the House?

ECM: Yes, this was part of his speech.

LS: For Mr. Aberhart's part, from the cablegrams and correspondence he was obviously quite willing to have Major Douglas come, and wanted him very much.

ECM: Oh yes.

LS: But at some point he must have realized that it just wasn't going to work. Do you remember him talking about that?

ECM: I don't know the exact time, but it became more and more apparent as these communications went back and forth, first that the prospect of Douglas coming was almost nil, and secondly that Douglas was not in sympathy with the Government and what they were trying to do. To appreciate this you

have to recognize the terrible condition of the Province: Treasury empty, not enough money to pay the civil servants; bonds coming due with no money to pay them; interest payments coming due with no money to pay them. These were matters that had to be attended to.

But everything the Government did (such as bringing this man Magor for some reorganization which really as far as the Government was concerned had nothing to do with its approach to the broader implementation of the Social Credit program) was to meet an immediate emergency, and everything like this was interpreted by Major Douglas as having something sinister about it. That it was undercutting the prospects of doing something in the Social Credit field. And every communication added something more of this kind. Some of the things that he proposed in some letters were obviously impractical; you couldn't do them.

LS: What sort of things?

ECM: You could get hold of the copies of that correspondence, but an example of recommendations of the experts that he sent over that were converted into legislation was the very, very excessive taxation on banks and the regulation of bank employees' civil rights. They did try to do this. It was extreme, but it was mild compared with some of the suggestions he made.

It became obvious that what he was talking about was utterly impractical under the circumstances that we had to live with in this Province and this country.

Mr. Aberhart felt there was no good going on any further, so the correspondence ended.