

Mr. E. C. Manning

Interview #6

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July 16, 1979

LS: During the first session, Mr. Manning, in 1937, there were several amending Bills passed concerning certain areas of social concern. These included an Act to Amend the Sexual Sterilization Act, an Act to Amend the Mental Defectives Act, and an Act to Amend the Mental Diseases Act.

I'd like to get a sense of the situation in 1937 regarding these general areas, and a little bit about the provisions of the Acts.

ECM: At that particular period, the attention of the Government was centred almost entirely on trying to get effective legislation developed in the areas of Social Credit monetary reform. The Ministers of the various Departments including those areas touching on social matters of course were looking at existing legislation and making recommendations for certain changes. But these matters, at that stage, were not matters on which the Government, or the Legislature, or for that matter, the public, were focusing any particular attention.

The major social legislation of the Social Credit Government came along in later years after these other questions had been cleared away.

As to the three particular Acts you mentioned: The Amendment to the Sexual Sterilization Act amended an Act which had been brought in by the Farmers' Government back in 1928. The amendment provided that the Medical Superintendent could require any patient in a mental hospital whom it was proposed to discharge to be examined by a Medical Review Board. That really was the only provision in that Act of any significance. The same power was also given to a medical practitioner who was in charge of mental hygiene clinics throughout the Province.

The Mental Defectives Act had been passed by the Farmers' Government in 1922, just a year after they came into office. All the Amendment Act did was clarify the meaning of a "mental defective". The new definition said

"A mental defective person shall mean any person in whom there is a condition of arrested or incomplete development of mind existing before the age of 18 years, whether arising from inherent causes or induced by disease or injury."

The third one was the amendment to the Mental Diseases Act which also had been passed in 1922. All it did was strike out the words "or is addicted", in other words eliminated its application addicts.

Those amendments really were quite minor and there was no significant discussion either in the Government or the Legislature about them. They were merely housekeeping bills clarifying definitions in the old legislation of the Farmers' Government.

LS: They were not major social issues in the Province at that time?

ECM: No. That's true.

LS: I'd like to move on and talk about some of the other major legislation of this period and the sessions in 1937.

To start with, the Credit of Alberta Regulation Act, which I believe was passed in the Second Session. What were its provisions, and what were the reasons for that kind of legislation?

ECM: That was perhaps one of the most drastic pieces of legislation passed by the Government. What it did was impose provincial legislation on banks operating in the Province. It required all banks operating in Alberta to obtain provincial licences within 21 days after the Act came into effect. These licences were to be obtained from what was known as the Provincial Credit Commission which was set up in conjunction with the Alberta Social Credit Board.

There was a fee of \$100 a branch for each bank branch in the Province. The employees of the banks also were required to have licences that cost \$5 per

01 licence. The Commission was given authority to suspend or revoke any of
02 these licences.

03
04 The other very important and drastic provision in the Credit of Alberta
05 Regulation Act was that it provided for the appointment of local
06 directorates for Banks. These were local directorates who would have
07 control of bank policy. Each of the directorates was to consist of five
08 members, and three of the five members were appointed by the Social Credit
09 Board.

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11 It's important to look behind this a bit, for the reasons behind this kind
12 of legislation. While the Farmers' Government was still in office, they
13 had brought Major Douglas to Alberta to give evidence before the
14 Agriculture Committee of the House on Social Credit proposals, and they had
15 also entered into an agreement with Major Douglas under which he became an
16 Advisor to the Farmers' Government on these monetary matters. He prepared
17 for them an interim report which was very widely discussed. This had come
18 out prior to the election of 1935. In this report Douglas stressed what he
19 also later stressed to the Social Credit Government following its election,
20 and in his public statements--that what Social Credit was trying to do was
21 institute a new system altogether, for the control and use of the credit of
22 the Province. That it would be reasonable to expect that the banking
23 institutions, which under Federal charters were the institutions that
24 controlled credit throughout the nation, would be strongly opposed to this
25 encroachment into the field in which they had enjoyed a monopoly.

26
27 Douglas had a term he was very fond of using, that the only way to avoid
28 the confusion that would arise would be for the Government to impose
29 whatever sanctions were necessary ("sanctions" was quite a favorite word of
30 Major Douglas) on these institutions. So that they would be prevented by
31 law, or as he said, by "sanctions", from carrying out any financial policy
32 that would neutralize or nullify the new system of control over credit that
33 it was proposed to introduce.

34
35 The Credit of Alberta Regulation Act was a result of those recommendations
36 of Major Douglas. What they did was give the Province very drastic control

over both the policy of the banks within the Province through the local directorates on which three of the five members would be appointed by the Social Credit Board and therefore would be working in conjunction with it.

And if they didn't have a licence, they were prohibited from carrying on the business of banking, and the Commission had the authority to revoke a licence or suspend it if there was any violation of the policies laid down. It certainly was very, very drastic legislation.

It also provided that the Provincial Credit Commission could make regulations prescribing the privileges, terms, conditions, limitations and restrictions conveyed by the licensee. In other words, it gave the Credit Commission and the Social Credit Board, and for that matter the Government of the Province, very complete control over the policy of those banks operating in the Province. As I've stressed, it was done on Douglas' recommendation, based on his argument that unless the Province had that control over the banking institutions which were in charge of the credit arrangements of the Province, they could nullify anything that might be done under the Social Credit Act or other statutes of the Province.

That Bill was redrafted in a later Session because of the legal and constitutional issues that arose.

Along with that, in the second Session of 1937 where two other pieces of legislation along the same line. One of those was the Bank Employees Civil Rights Act. This again was one of the recommended sanctions that Douglas had proposed. This applied to bank employees, employees of all banks that were licenced under the Credit of Alberta Regulation Act. The main feature of the Bank Employees Civil Rights Act was that it prohibited unlicensed employees from bringing any action in Court to enforce any claims in law that they might have. It suspended their civil rights, if they were employees of the bank and had not taken out licences as provided under the Credit of Alberta Regulation Act.

The two Bills were complementary to one another. The one imposed the sanctions directly on the banks by controlling their policy, with the risk

01 of losing their licence if they didn't comply with the policy set out by
 02 the Credit Commission. The other one dealt with employees. It required
 03 them to be licenced and if they weren't licenced they lost their civil
 04 rights in the Courts of the Province.

05
 06 Incidentally, that second Bill was disallowed, at the time.
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08 **LS:** A point of clarification on the civil rights of the bank employees. Did
 09 the Act provided that the individual had to be licenced, or that the Bank
 10 had to be licenced?
 11

12 **ECM:** The individual had to be licenced as well as the bank. Under the Credit of
 13 Alberta Regulation Act it provided for licencing both: \$100 licence for
 14 each branch of a bank, a \$5 licence for each individual employee of the
 15 bank. Then the second one came along and said that if the individual
 16 wasn't licenced, he forfeited all his civil rights in court as long as he
 17 was in default on his licence.
 18

19 **LS:** What general discussion was there in the community at large, about the
 20 provisions of that second piece of legislation.
 21

22 **ECM:** It was naturally a mixed reaction. The media of course were almost
 23 unanimously opposed to it. Cries of infringement of civil rights were
 24 raised, and understandably so. On the other hand, a very strong feeling
 25 had developed throughout the Province during the campaign leading to the
 26 election of the new Province. The public generally supported Douglas'
 27 contention that you couldn't introduce an effective new system of control
 28 over credit in the Province and at the same time permit an existing system
 29 that had control of credit to operate in a manner that could nullify
 30 whatever was attempted under the new system. He had argued that in order
 31 to control them, you had to control both the policy of the banks and the
 32 people who worked for the banks. It was a drastic measure, as I've said,
 33 but it was accepted as a necessity by a very large segment of the
 34 population. Not something that anybody liked, but a necessity.
 35

01 There was a third piece of legislation along the same line at that same
02 Session. That was an Amendment to the Judicature Act which had been passed
03 initially by the Farmers' Government back in 1922. The Amendment in the
04 second Session of 1937 required that permission had to be obtained from the
05 Lieutenant-Governor in Council (what's called a Governor's Fiat) before any
06 action could be commenced in Court challenging the constitutional validity
07 of any Provincial Act.

08
09 This was done because there had been so much discussion that many of the
10 things that Social Credit was proposing to do were unconstitutional, in the
11 view of many legal people. And the media people were saying this
12 consistently. This was an attempt to prevent legislation being upset, by
13 requiring that before anybody could challenge the constitutionality of a
14 Bill in Court they had first to obtain a Governor's Fiat, which means an
15 Order-in-Council. That again was a pretty drastic piece of legislation
16 because it took away the right to challenge constitutionality of
17 legislation. As a result, it also was disallowed.

18
19 Those were the three associated pieces of legislation at that second
20 Session. They were all drastic, and two of them ended up by being
21 disallowed.

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23 **LS:** When we move into the third Session, there are further pieces of
24 legislation directed toward the banking institutions.

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26 **ECM:** In the third Session the major piece of legislation (and it was drastic
27 legislation) was the Bank Taxation Act. What this Bill did was to impose,
28 in addition to all other normal Provincial taxation, an annual tax of 1/2
29 of 1% of the Bank's paid-up capital, plus a tax of 1% on the Reserve Fund
30 and undivided profits of the bank. I remember the estimate that was made
31 at the time - I don't know how accurate it was - that this in the aggregate
32 would have amounted to somewhere between \$2 and \$2 1/4 million dollars of
33 additional taxation on banks within the Province over and above the normal
34 corporation taxes that they paid.

It provided very severe penalties for those who didn't comply, and it enabled the Government to take an action in the name of the Minister on behalf of the Crown in the Supreme Court of Alberta to collect any taxes that were not paid.

LS: What did the Act provide for, if someone didn't comply?

ECM: The clause of the Act that deals with penalties said, "In case default is made in complying with the provisions of the next preceding section [which is the one setting out the conditions I've referred to] in any return, the bank and the person or persons by whom the return should be verified shall each incur a penalty of \$20 for each day during which the default continues, and the bank shall also be liable to pay a tax of double the amount of the tax to which the term relates." In other words, it doubled the tax if there was a refusal to pay, or a default occurred.

I think it's necessary in talking about this kind of legislation again to make a reference to the rationale behind it.

The Douglas concept of banking and the operation of money and credit was that the banks had been given very, very broad powers to create new credit. And because of this power of creation of new credit, a tax on a bank was a different matter altogether than a tax on a business such as a merchant, whose only income was the profit that he made on the turnover on his sales. Douglas' argument was that the banks could meet additional taxation by expanding the credit of the bank, by exercising their credit expansion powers. In other words, it wasn't something that would have to come out of their earnings on loans, but it was another way of indirectly forcing the banks to expand credit.

Again, all of this happened in a period in Canadian history when very severe deflation was the big financial problem that the country faced. It was easy to make a very strong argument in those days for the importance of expanding the overall volume of credit and currency in the country. This was one of Douglas' techniques for forcing the banks to expand credit, in order to have the credit with which to pay the very heavy additional tax that was levied on them.

01 Their defence was that that wasn't the way the banks operated at all, that
 02 they had to pay their taxes out of the earnings on their loans the same as
 03 any other business, and that this was punitive. On those grounds, the
 04 legislation was disallowed.

05
 06 **LS:** To get at a further understanding of the rationale and the relationship
 07 between the banking community and the Government, what kinds of things went
 08 on - meetings, lobby groups, etc. - did any of that go on, with the
 09 introduction of this legislation?

10
 11 **ECM:** There were representations made to the Government - very strong
 12 representations - by the banks and the banking association. In advance of
 13 this legislation there were not any consultations or discussions with the
 14 banks, to my recollection. This whole thing was treated again in
 15 conformity with Major Douglas' general attitude toward these things. He
 16 regarded the entrenched monopoly of credit as the "enemy", and you didn't
 17 discuss with the enemy what you were going to do to the enemy to take away
 18 his powers over you. But of course, once the legislation was introduced
 19 there were very strong representations from the banks to the Government.

20
 21 There was just complete disagreement. The banks argued on the one hand
 22 that it was punitive. "We pay our taxes out of earnings the same as
 23 anybody else." And the argument on the other side being, "You have these
 24 broad powers of expanding credit, under your Charter. If you make a loan
 25 of \$100,000 to somebody, you don't borrow the money first yourself. You
 26 expand your credit to make that loan. You have that flexibility, and you
 27 could exercise that power to meet additional taxation as well as to do
 28 these other things that you do all the time."

29
 30 **LS:** Were you present at these representations?

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 32 **ECM:** Probably at one or two. Most of the discussions would be between the
 33 banks' representatives and the Provincial Treasurer and financial people.
 34 I was at that time Minister of Trade and Industry so I wasn't directly
 35 involved. But of course these matters all came to Cabinet. They were all
 36 the subject of Cabinet discussions. As I recall, I think the bank

representatives met the entire Cabinet on at least one or two occasions.

LS: What was the tone of the meetings, as far as the bankers were concerned? And secondly, were the banking representatives from the main head offices in Eastern Canada? Who were the individuals? Where did they come from? At what level in the banking community?

ECM: Referring to the tone of the representations: One of the banks in the Province in those days was the banker to the Province. There was a policy adopted much later on of dividing the Provincial banking business among all the chartered banks, but for many years in Alberta one chartered bank was known as the banker to the Province, and handled the Province's banking business. They of course were in a rather unique position. The Province was one of their biggest clients, and they had dealt with the Province and had good relations for many years. They were cooperative in their approach, but of course very emphatic in their presentation that this was punitive, it was wrong, it was beyond their capacity to live with this kind of legislation. But their approach in the discussions was not from the adversary position.

The Bankers' Association (a rather loosely-knit national affiliation of the banks with a central office in the East and their own full-time employees; it continues on to this time) as such took this up, because they felt it was a principle that concerned the banks in general, not just the local situation. Those meetings were not very amicable, and they became that way no matter how amicably they might start out--because of two completely irreconcilable positions. And no give on either side. They usually ended up in rather bitter discussions.

LS: One final question in that area. Did the Bankers' Association then mount a strong lobby in Ottawa on this issue when it went to Ottawa?

ECM: There was very strong pressure brought on Ottawa to disallow the legislation. I couldn't say positively, but I assume (and I think rightly) that the pressure was both from the local banks in Alberta and from the national Bankers' Association. Once they started dealing with Ottawa, the

national Bankers' Association was the logical mouthpiece. They deal with national banking problems, and this of course was taken up as a national banking problem. There were certainly direct representations from the local banks to Ottawa, because they were the ones who were being hurt by this, and they undoubtedly made their position very clear.

LS: There was a second piece of legislation that referred back to one that had been passed in the second Session, the Act to Amend and Consolidate the Credit of Alberta Regulation Act. Was it just that - basically a consolidation? Or were there new and important provisions in it.

ECM: There were very few changes in the Act as far as the powers it conveyed, and its scope. It was primarily an effort to re-draft the Act to get around the points on which the constitutionality of the previous legislation had been questioned. The Bank Taxation Act was another Act on which assent was reserved for the pleasure of the Governor-General in Council. And when the Government re-wrote the Credit of Alberta Regulation Act, again the assent was reserved for the pleasure of the Governor-General. This was because the Lieutenant-Governor of the Province felt, I believe, that while the Act was re-worded in an endeavour to get around questions that had been raised on its constitutionality, it really was the same Bill. It was doing the same things in another way. He said, "If the first one was questionable, you don't make this one less questionable just by phrasing it in a different way," and he reserved assent on that Bill for the pleasure of the Governor-General in Council.

LS: I'd like to talk about the relationship of the Lieutenant-Governor and the Government at that time. I believe the Lieutenant-Governor was John C. Bowen?

ECM: That's right.

LS: On two levels: (1) to clarify the constitutional role of the Lieutenant-Governor and the Governor-General vis-a-vis Alberta legislation, and (2) the more informal relationship between the Lieutenant-Governor and the Government.

01 **ECM:** On the matter of the constitutional aspect. Under the British North
02 America Act, there's no question that certain powers of withholding assent
03 and disallowance of legislation are provided for. These had not been
04 exercised in Canada for many, many years, in fact I think very few times in
05 the whole history of the country. They were exercised more frequently in
06 that one short period of time on this Alberta legislation than in the
07 entire 112 years that Canada has been a nation!

08
09 This brought to the forefront of public interest and political interest the
10 whole question of whether a Governor-General or a Lieutenant-Governor
11 should have the right to withhold assent. And whether the national
12 Government should have the right to disallow legislation passed by a
13 Provincial Legislature. It really brought that issue to a head. Prior to
14 that, any discussions on that matter had been rather academic discussions,
15 and very few of those.

16
17 The general opinion that emerged at that time - and this was expressed by
18 many who were not sympathetic at all to the Alberta legislation - was that
19 it was highly questionable if under our form of government the
20 Governor-General or Lieutenant-Governor should have the right to withhold
21 assent or the Federal Government should have the right to disallow. We
22 must remember that there is another course open to people who feel they are
23 aggrieved.

24
25 As long as they could go to court and challenge the constitutional validity
26 of a bill, the general feeling developing at that time was that that was
27 the appropriate course to follow. The fact that the Judicature Act which
28 would have prohibited that without the consent of the Government of Alberta
29 was disallowed meant that the path was still wide open for that type of
30 redress if a bill was considered to be punitive or unconstitutional.

31
32 In a sense, it marked a turning-point in Canadian history. From that time
33 on there was strong sentiment against the whole question of disallowance
34 and withholding of assent. I don't think it's been done since. And I'm
35 quite sure that no government today would ever do it. As you're aware, in
36 the more recent Federal-Provincial conferences on constitutional

amendments, the idea of taking out of the BNA Act any power to disallow legislation has received almost unanimous consent.

The situation in Alberta at that time brought the whole thing to a head.

On the other question of the relationship between the then Lieutenant-Governor and the Government, particularly the Premier, Mr. Aberhart, the relationship was not good. It's hard to assess the reasoning of another person. I think Governor Bowen was very conscientious in his duties as a Lieutenant-Governor. I believe he felt he had an obligation to have every piece of legislation examined very thoroughly from a question of legality and constitutionality. The general feeling at the time, and I think with some reason, was that he exceeded his responsibility in that regard. That he took unto himself a responsibility which in the last analysis rested with the Legislature of the Province who were the elected representatives of the people. Or at least with the Government of Canada as the elected representatives, who at that time had the power of disallowance.

But the idea of a Lieutenant-Governor in a Province taking on his own responsibility the decision whether he should refuse assent to a Bill was in the opinion of the Government, and I think quite a few other people, going beyond what he was really responsible to do. But he had the legal right to do it, under the BNA Act.

All these things, of course, created a very strained relationship between the Lieutenant-Governor and the Government, particularly the Premier. They just simply did not get along, period.

Another unfortunate thing that happened at that time has been written up, and misinterpreted I know in many ways. I don't suppose that anything that's said on it is going to alter any minds - it's history anyway. But it was at that same general period that the Province closed Government House. The interpretation put on this by the then-Lieutenant-Governor and his friends, and the media to a large extent, was that this was a spite act on the part of the Government to get even with him to disallowing legislation.

I, as you know, was a member of the Government at that time and was in on the discussions, and I can say without the slightest hesitation that that was not the reason that the Government closed Government House. As I've stressed in our talks, the Province was in absolutely desperate financial circumstances, and we frankly felt that the early Governments, in the early days of the Province's growth, had been excessive in the money they'd spent on Government House and all the things that went with it. A young province, even in the earlier times, found this a great strain. Then when the Depression came, our feeling was that we couldn't justify that kind of expenditure to keep one family in that position when we had thousands and thousands of families around the Province living in absolute poverty.

It was for that reason that the Government decided that they would close Government House. An allowance was made to the Lieutenant-Governor for accommodation, and Mr. Bowen, then Lieutenant-Governor, lived in a suite in a hotel for some years. But of course, coming at that particular time, the interpretation put on it was that this was an act of vindictiveness. While it wasn't true, it was an impression that was widely accepted.

On the other hand, this happening along with all the other things, didn't enhance the feelings between the Lieutenant-Governor and the Government of the Province. It created real problems. There needs to be a close liaison between the Premier of the Government and the Queen's representative (or the King's representative as it was then).

LS: Is there not a need for an informal sounding-board, consultative relationship generally between those two offices?

ECM: It's very, very desirable. And apart from that one unfortunate period I think that has certainly always been the case in this Province. Those relations have been very good. But there are so many situations - apart altogether from the matters of consultation as it might bear on Throne Speeches, legislation, and so on - where the Lieutenant-Governor and the head of the Government are thrown together, in all kinds of official functions, and it's a very awkward and embarrassing situation when the two of them aren't speaking to each other.

01 LS: Yes, I think that would be slightly difficult!

02
03 Just to finish off about the legislation. You have referred to the fact
04 that it was later disallowed. I think it's interesting to note that,
05 according to the Edmonton Journal of March of the following year - 1938 -
06 it was recorded that Mr. Caldwell, a CCF representative from
07 Rosetown-Biggar in Saskatchewan, requested copies of instructions that had
08 apparently been sent to Mr. Bowen along with petitions and any kind of
09 correspondence, regarding the disallowance of Alberta legislation. Why
10 would he have been interested? What kind of national reaction was there,
11 especially in terms of a CCF representative in a neighboring province?
12

13 ECM: I can only surmise, but at that time Mr. Caldwell was the national leader
14 of the CCF which later became the NDP. And I assume that his interest
15 probably arose from what I've said earlier, that this series of
16 disallowances and withholdings of assent did engender a great deal of
17 concern across the country on the whole principle of whether the Federal
18 Government should have these powers of disallowance, and whether they
19 should be exercised. It was the beginning of quite a vocal expression in
20 Legislatures and Parliament that this power was obsolete, it should never
21 be exercised, in fact it should be taken out of the BNA Act altogether.
22

23 I think it quite probable that as a national leader, Mr. Caldwell was
24 gathering information to develop his position on what was ultimately going
25 to have to be discussed at the Federal level. Any amendments to the BNA
26 Act that took away the powers of disallowance would be matters of
27 consultation between the national government and the Provinces.
28

29 LS: Do you recall any discussions between Mr. Caldwell and the Government
30 here? Or with other national leaders? Any informal discussions?
31

32 ECM: I have no recollection or knowledge of any discussions with national
33 leaders by the Government of the Province at that time, no.
34

35 LS: There is one other piece of legislation that is of interest at this time,
and that is an Act to repeal the Recall Act. Can you tell us about the

01 provisions of that Act?

03 **ECM:** The Recall Act was passed at the first Session of the Social Credit
04 Government, and as its name implies it made provision whereby the people of
06 a constituency, through the signing of a petition, could recall their local
07 Member if they felt that they wanted to recall him. There was no
08 particular reason given. They could put whatever reason they felt was
09 appropriate.

10 The only action taken under that legislation was in Okotoks-High River
11 which was Mr. Aberhart's constituency. I think we've mentioned this
12 before. Mr. Aberhart did not contest the election in 1935, but when the
13 Social Credit Movement swept the Province the Lieutenant-Governor of the
14 day called on him to for the Government because he was the recognized
15 leader of the Movement. One of the Social Credit Members resigned - the
16 Member for Okotoks-High River, and Mr. Aberhart was elected there in a
17 by-election.

18 The action to recall him was taken - and I think I'm quite factual in
19 saying this - not because of any particular local issue that had arisen at
21 all, but as part of the concerted opposition to the Government and against
22 Mr. Aberhart particularly as the leader of the Government. Those who were
23 so vehement in their opposition saw in this recall legislation a golden
24 opportunity to zero in on the head of the Government.

25
26 They started circulating the petitions required under the Act, in the
27 riding, and it gave rise to all kinds of problems. The political opponents
28 of the Government would never accept any explanation for the repeal of the
29 Act other than the fact that the Government was not going to let their
30 leader be recalled. And of course that was one of the strong factors with
31 the Members of the Legislature. They saw in this just deliberate political
32 maneuvering. It wasn't a case where the Member had done something locally
33 which made the people want to get rid of him. It was sponsored by the
34 political opponents of the Social Credit Government, and they picked on
35 Okotoks-High River because the Premier just happened to be the Member.

01 However, there were other reasons that were of greater influence than that
 02 in the decision to repeal the legislation. Mr. Aberhart himself was
 03 opposed to the repeal. He said, "No. We've passed the legislation. Now
 04 let's fight it out." But the problems that certainly worried the
 05 Government were the representations that came in from the riding once this
 06 thing got under way, of what it was doing to the local people.

07
 08 For example, somebody promoting this recall would take a petition into a
 09 store or service station and say, "We want to leave this petition here to
 10 get names, as people come into your store." If the man said, "Fine, leave
 11 it here," next thing he knew, he was being boycotted by all the Social
 12 Crediters in the area who said, "This fellow's collaborating with these
 13 people who are trying to pull the rug out from under the Premier." On the
 14 other hand, if he said, "No, I won't permit it in my store," then the ones
 15 that wanted the recall said, "Boycott that fellow because he won't assist
 16 in doing this noble deed."

17
 18 A lot of innocent people who shouldn't have been brought into the fight
 19 were being hurt by it. The Recall Act also provided that the signatures
 20 had to be witnessed, so when they'd ask the people in a service station or
 21 store to have the petition there, they also wanted them to witness the
 22 signatures. So then somebody could get hold of them and run around saying,
 23 "Look, did you see who witnessed this signature to recall Aberhart? It was
 24 the merchant down the street", or the service station fellow, or whoever.
 25 Whatever he did, he was wrong. If he went along, he was criticized and
 26 attacked, and if he didn't go along, he was attacked. It created all kinds
 27 of local feuds that were never anticipated when the Act went through.

28
 29 It was a combination of all those things. The Legislature said, "The
 30 simplest thing is just to acknowledge we made a mistake with this kind of
 31 legislation in the first place. We didn't anticipate this kind of usage.
 32 With these problems arising, let's repeal it." So the Act was repealed.

33
 34 **LS:** I'd like to discuss two resignations from the Cabinet during this time.
 35 One was Mr. Chant, Minister of Agriculture, and the second was Mr. Hugill,
 36 Attorney General. Can you give us some background?
 37

02 ECM: I haven't any significant personal knowledge of the disagreements between
03 Mr. Chant and Mr. Aberhart, that led to Chant's resignation. He was
04 Minister of Agriculture. He was from the constituency of Camrose. He was
05 a very successful farmer near Camrose. But the disagreements arose out of
06 the endless discussions that were going on at that time on the whole
07 approach to implementing the Social Credit programs.

08 Within the Cabinet and the Legislature itself, there were a lot of
09 reservations on much of the legislation we've talked about. "Is this the
10 best way of doing it? Is this too drastic? Should we take some other
11 approach?" And Mr. Chant was a man who was quite outspoken on issues of
12 that kind. I don't recall any single, specific thing. He was quite often
13 in the position of a critic of the procedures that were ultimately decided
14 on after these lengthy discussions. And it went on to the place where
15 finally Mr. Aberhart asked Mr. Chant for his resignation. Mr. Chant
16 refused to resign, so Mr. Aberhart simply passed an Order-in-Council
17 effecting his resignation. It created rather an unhappy atmosphere.

19 LS: Why do you think Mr. Chant refused to resign, when there were these basic
20 disagreements?

21
22 ECM: I really don't know. I don't know whether he felt that his position was
23 one he was quite proper in taking, and that he shouldn't be asked to resign
24 because he disagreed, and the way he disagreed. I can only assume that
25 that was the thing. I had no close association with that because I was
26 running another Department. While this thing ultimately came to Cabinet,
27 the discussions were between him and Mr. Aberhart. But Mr. Chant's
28 background was that way; he was quite a capable man, but he was quite firm
29 in his opinions.

30
31 I think there was just an increasing number of things - not big things but
32 points of procedure - on which he was not in agreement. Mr. Aberhart
33 wasn't the type to tolerate disagreement, particularly with a position that
34 had been decided upon. Once it was decided, fine. We don't argue about it
35 any more. So he asked for the resignation, and when it was refused, he
36 forced it.

01 Mr. Hugill was Attorney General, and it was a little different situation.
02 The pieces of legislation we've been talking about - the Bank Taxation Act
03 and the ones affecting the civil rights of bank employees - were passed by
04 the Legislature and given Third Reading. Before the Lieutenant-Governor
05 gave assent he called Mr. Aberhart and Mr. Hugill to his office. The
06 Lieutenant-Governor has a right to call on the Attorney General for his
07 opinion on legal matters.
08

09 The Lieutenant-Governor at this meeting asked Mr. Hugill, "As a lawyer, can
10 you give me absolute assurance that these pieces of legislation which I'm
11 being asked to assent to are within the constitutional powers of the
12 Province?" And Mr. Hugill (who was rather a blustery type of man, a very
13 delightful man in many respects) blustered around and finally said, "No, I
14 couldn't say with certainty that these things are within the legislative
15 competence. Some lawyers will think they are, others will think they're
16 not."
17

18 Mr. Aberhart, who was present at the meeting, turned to Mr. Hugill and
19 said, "Mr. Hugill, you can send me your resignation." So that was the end
20 of Mr. Hugill's association with the Cabinet.
21

22 LS: Had the relationship between Mr. Aberhart and Mr. Hugill been fairly good
23 up until that point?
24

25 ECM: Oh yes.
26

27 LS: And lots of consultation?
28

29 ECM: Well, I think it was deteriorating. Maybe this was an understandable
30 situation. Mr. Aberhart was not a lawyer; Mr. Hugill was. Mr. Aberhart's
31 approach to things was, "If a thing is desirable, if it's right morally,
32 then let's do it." A lawyer's approach, particularly in constitutional
33 matters, is naturally to point out (just as in private practice he points
34 out to a client), "You're vulnerable here, and here, and here." And of
35 course that showed in Mr. Hugill's advice to the Cabinet and to the Premier
36 in all this legislation.
37
38

01 He would say, "I think we're vulnerable here." Mr. Aberhart's reaction to
 02 that was, "Well, find a way of doing it then where we're not vulnerable.
 03 Let's not argue whether we're going to do it or not. We're going to do
 04 it. That's what we have you lawyers for, to tell us how to do it so that
 05 it can't be challenged." And this of course was quite foreign to the legal
 06 approach to things: "In the last analysis we'll have to let it go to court
 07 and the judge will decide whether it's legal or not." Mr. Aberhart would
 08 say, "I don't want to do that. I want to do it, and I want to be sure it's
 09 sound."

10
 11 So the two quite different attitudes to getting the thing done - the one
 12 the legal mind, the other the "doer" - brought them into repeated --
 13 clashes is maybe too strong a word, but situations where they weren't on
 14 the same wavelength. Mr. Aberhart, I'm sure, was getting more and more
 15 frustrated by encountering this, so when finally in the presence of the
 16 Lieutenant-Governor Hugill's advice almost amounted to saying to the
 17 Lieutenant-Governor, "Well certainly, if you don't give your assent it's
 18 quite understandable," Mr. Aberhart said, "Whose side are you on?" And
 19 that was the end of it.

20
 21 LS: It must have been a very frustrating time though, for people like Mr.
 22 Aberhart. It must have been a very difficult time.

23
 24 ECM: Oh, it was. It comes back to the whole thing we discussed earlier in the
 25 "insurgency". On the one hand, the Government was facing rising discontent
 26 on the part of the Members. "Why aren't you getting a Social Credit
 27 program implemented? Why aren't you moving more quickly?" But on the
 28 other hand, every piece of legislation, every course of action that was
 29 proposed, you were encountering withholding of assent, or disallowance, or
 30 references to the Courts on the constitutionality, or legal arguments -
 31 "Maybe you can, maybe you can't" - and all of that. To people who are
 32 "doers", that type of thing is very frustrating, and it certainly was in
 33 Mr. Aberhart's case.

34
 35 LS: It must have had quite an effect on the daily administration. You would go
 ahead, seeing that you had legislation that would provide for things, but

01 until it was actually put into practice you were in a limbo in the
02 administration in those areas.

03
04 **ECM:** That's true. It eliminated certainty. It left you constantly in a state
05 of uncertainty as to what the outcome would be, of a course that you'd
06 thought through and weighed against maybe half-a-dozen others. You'd
07 decided, "This is the best course. This is the soundest course." And then
08 having done all that, you found that even so, you still had this hazard,
09 and this risk, and so on.

10
11 **LS:** Altogether a difficult time.

12
13 Thank you very much.
14
15