

CHAPTER TWELVE

It is normal during a four-year term of office to hold four sessions of the Legislature, or five at the most, if the government remains in office for a five-year term. However, during the first term of the Aberhart administration, nine sessions were held altogether.

Before the arrival in Edmonton of the Douglas appointees, special sessions had been held as aforementioned as a result of the insurgency. Shortly after the arrival of Powell and Byrne, recommendations were made to the government by the Social Credit Board that legislation be passed which would have the effect of challenging entrenched finance. Special sessions were called for the purpose of enacting such legislation and these, together with the regular sessions up to and including the Session of 1940, witnessed what no doubt was one of the greatest battles ever undertaken by a provincial government.

During these years Alberta's legislation was subjected to the most careful scrutiny by those whose powers were being challenged. Political opponents ridiculed, high-priced lawyers argued, banking institutions sponsored broadcasts and newspaper advertising, all designed to destroy the confidence the people of the Province had placed in William Aberhart and his followers on August 22nd, 1935. Some of the provocative legislation did not get beyond the Legislature, as the Lieutenant Governor of the day, the Honourable J. C. Bowen, refused assent. Other legislation was rejected by the Courts. In some cases the Federal government of the Honourable Mackenzie King exercised the power of disallowance. This despite the oft-repeated promises made by Mr. King that his policy would always be "hands off Alberta." In order that my readers will better understand the nature of the battle in which the Alberta Government was involved, I shall outline briefly some of the legislation and indicate its fate. The Bureau of Information and News, which had been established by the government in order that accurate information could

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be given to public from time to time, summarized these legislative enactments under three headings: "Why Passed"; "What Happened" and "What it would have done." Their summary is as follows:

1. CREDIT OF ALBERTA REGULATION ACT.

Why Passed

1. Because there was widespread poverty and distress throughout Alberta.
2. Because Alberta, one of the richest provinces in the Dominion, could produce abundance for her people.
3. Because the only reason why Albertans were living in poverty was lack of purchasing power.
4. Because such purchasing power should be made available to the people by using their own credit, as would enable them to obtain, at all times, what they wanted.
5. Because this could be done by a scientific balancing between money and goods produced.
6. Because control of Credit being, in the words of Hon. Mackenzie King 'A public matter, not of interest to bankers alone, but of direct concern to every citizen', credit policy should be vested in an authority responsible to the representatives of the people.
7. Because banks, being manufacturers of credit and functioning as public utility concerns, supplying a service of primary and vital importance to the lives of the citizens of Alberta should be licensed and subjected to supervision only in regard to policy—i.e., the results they provide, and unless the people of Alberta can use the resources of their own Province as they desire, and determine the results which shall accrue to them they have no property and civil rights in the full sense. (Banking administration being under Federal jurisdiction was in no manner affected by the Act.)

What happened

Disallowed by Federal government, August 17, 1937.

What it would have done

1. Would have secured the results demanded by the People—a lower cost to live and monthly dividends.
2. Would have provided markets for Alberta manufacturers and traders.
3. Would have led to tremendous industrial development in manufacturing Alberta goods by processing Alberta produce.

4. Would have resulted in rapidly absorbing every unemployed person into useful employment and relieved the aged and infirm of the necessity of working for a living.
5. Would have led to increased business activity in which industrialists, wholesalers, retailers and banks would all have benefited.
6. Would have enabled taxation to be reduced drastically.
7. Would have made it possible to deal with the debt problems.

2. BANK TAXATION ACT

Why Passed

1. Because under the present system, the Government has one source of revenue only—Taxation.
2. Because the People of Alberta are already taxed beyond their ability to pay.
3. Because the banks are the only concerns who pay taxes without it costing them anything.
4. Because banks are the only institutions claiming the legal right to monetize the credit of The People to such an extent that they create and issue monetary credits many times in excess of the legal tender money they hold.
5. Because the present method of taxation of individuals is confiscatory and unnecessary.

What happened

Assent withheld by Lieutenant Governor.

Declared unconstitutional by Supreme Court of Canada.

Appeal by the Province from Supreme Court decision to Privy Council dismissed.

What it would have done

1. Would have placed over two million dollars of new money in circulation.
2. Would have permitted an equal amount, otherwise paid in taxes, to remain in the ordinary channels of industry, thus adding employment and acting as a tremendous impetus to business generally, or
3. Would have enabled the Government to embark on a six million dollar highway and market roads program under the three-way Dominion-Provincial-Municipal plan, or
4. Would have provided a hospital and medical service in districts where those are not available, or
5. Would have set up a fund for Crop Insurance, or
6. Would have decreased School Taxes.
7. Would have provided increased purchasing power for the people of Alberta.

3. REDUCTION AND SETTLEMENT OF DEBT ACT

Why Passed

1. Because under the present financial system debt cannot be paid without creating new and larger debts. The people of Alberta possess only about twenty cents for every dollar of debt—this they owe to the banks and they can get no money except as a debt owed to the bankers.
2. Because private debts, largely due to accumulated interest, had increased to such an extent that they were out of all proportion to value received.
3. Because many outstanding debts had been incurred during World War One and immediate post-war years when values were high.
4. Because the original debt had already, in many cases, been paid in interest charges while principal remained unchanged or showed little reduction.
5. Because people could no longer continue to pay interest of eight per cent and ten per cent.
6. Because financial corporations refused to co-operate in any comprehensive debt reduction or to accept reduced interest charges.
7. Because they refused to recognize that the inability of people to meet their obligations, was due to the lack of adequate returns on what they produced.
8. Because no people or country can prosper and progress so long as they labor under a burden of debt and continue to be harassed by those who deal in money as a commodity.

What happened

Declared *ultra vires* of the Province by the Courts.

What it would have done

1. Would have established a basis of settlement for all outstanding debts.
2. Would have reduced all debt incurred previous to July, 1932, by applying all interest paid from that date to the passing of the act on reduction of principal.
3. Would have settled definitely the question involved in debts which had become uncollectable.
4. Would have led to a restoration of confidence and encouraged those who, through no fault of their own, were living in poverty and struggling against odds which they could not possibly overcome.

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4. ACT TO ENSURE PUBLICATION OF ACCURATE NEWS AND INFORMATION

Why Passed

1. Because the control of news and the control of credit are both exercised by the financial interests
2. Because "the freedom of the press" has become licensed to distort news, misrepresent facts and withhold essential information from the public.
3. Because this anti-social aspect of the press, under inspired direction, is being used to thwart the people of Alberta in their struggle against finance.

What happened

Assent withheld by Lieutenant-Governor.

Declared unconstitutional by Supreme Court of Canada.

In the appeal of the Province of Alberta from decision of Supreme Court of Canada, the Privy Council refused to hear Alberta's argument by their counsel.

What it would have done

1. Would have ensured that all newspapers in Alberta would publish all the facts in their news reports of Governmental matters so far as this was possible, and if, for any cause, false statements appeared, equal space would be given for authoritative correction.
2. Would have ensured that the same information which every publisher demands from correspondents to his columns i.e., the names of contributors of articles, would be available to the people when demanded by their representatives.

Note:—This, briefly, is all the Press Act meant. It was widely misrepresented by the press as a "muzzling Act". Actually, it was the reverse. It did not prohibit the press from publishing anything it wanted. It merely provided that the public be told all the facts, not what a particular newspaper thought fit.

5. HOME OWNERS SECURITY ACT

Why Passed

1. Because under stress of world conditions and a falsified financial system, over which individuals had no control, many were forced to mortgage their homes.
2. Because conditions had changed since these loans were received so that commodity and labor prices bore little relation to the continued high price of money.

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3. Because there was grave danger of many Alberta citizens losing their homes.
4. Because in most cases, these homes represented the total life's savings of many people.
5. Because it is just as much the duty of any government to protect the homes of individual members of Society against the confiscatory practices of unscrupulous money-lenders as it is to defend its people against the invasion of a foreign aggressor.

6. Because there can be no sanctity of contract which does not recognize that human life has, at least, as much value as considerations of "money".

What happened

Disallowed by Mackenzie King government, June 15, 1938.

What it would have done

1. Would have prohibited foreclosures or sale under mortgage proceedings of any farm home.
2. Would have prohibited foreclosure or sale under mortgage proceedings of any home in a town, city or village, unless the plaintiff first deposited \$2,000 with the Court which would be paid to the owner if dispossessed to enable him to purchase another home.
3. Would have induced debtor and creditor alike to seek equitable basis of settlement through the medium of the Debt Adjustment Board.
4. Would have enabled home-owners to enter into new contracts commensurate with their ability to pay.

6. SECURITIES TAX ACT - 1938

Why Passed

1. Because the Government required additional revenue for one year to replace the loss of revenue from the Bank Taxation Act before the Privy Council.
2. Because the additional revenue was essential to provide the people with the benefits they needed.
3. Because it was equitable that mortgage companies and similar institutions should make good some of the taxation they have escaped for years.
4. Because the Government is pledged to the people to remove the burden of taxation from individuals and, until we gain control of our credit resources, this can be done only by transferring it to institutions which are better able to bear it.

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What happened

Disallowed by Mackenzie-King Government, June 15, 1938.

What it would have done

1. Would have realized \$1,500,000—sufficient revenue to balance the Provincial budget.
2. Would have helped the Government considerably to give tax relief, to provide additional relief projects, increase school grants, and undertake many other benefits planned for the people.

7. CREDIT OF ALBERTA REGULATION ACT (1937) ADMENDMENT

Why Passed

1. Because Credit of Alberta Regulation Act had been disallowed by the Dominion Government.

What happened

Assent withheld by Lieutenant-Governor.

Declared unconstitutional by Supreme Court of Canada.

In the appeal of the Province of Alberta from decision of Supreme Court of Canada, the Privy Council refused to hear Alberta's argument by their Counsel.

What it would have done

1. Would have brought all the benefits of the Credit of Alberta Regulation Act which it supplanted.

As though these disappointments with his legislation were not sufficient, Mr. Aberhart was plagued by a Royal Commission and the Powell and Unwin lawsuit. Rumors were prevalent that the Department of Public Works was

playing fast and loose with public money in the business of highway construction. Spearheading the attack against the government was the Liberal leader, J. J. Bowlen, M.L.A., later to become Lieutenant Governor. The Royal Commission which followed proved that none of the charges which had been made was true; nevertheless, the pressures of such an ordeal were most disturbing to Mr. Aberhart, as well as to his Minister of Public Works, the Honourable Mr. Fallow.

Shortly after the arrival of Mr. G. F. Powell and Mr. L. D. Byrne, I chanced one day to visit the Members' cloakroom where Mr. Powell was sitting chatting with a group of members of the Legislative Assembly. Among them was Joe Unwin, M.L.A. for Edson and Government Whip, who had been gathering information for the purpose of preparing pamphlets and leaflets which were published under the name

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of the United Democrats, 10534 - 83rd Avenue, Edmonton, this being the residence of Mr. Unwin.

During the course of what appeared to be a rather lighthearted session, Mr. Powell told a story of a little boy who had heard the expression "bankers' toadies" and had asked his mother what "bankers' toadies" are, her reply being: "My child, you should never say hard or unkind things about bankers' toadies. God made bankers' toadies just as he made snakes, slugs, snails and other creepy, crawly, treacherous and poisonous things. Never, therefore, abuse them. Just exterminate them."

This story was told in the same way as other humorous stories being told by other members, with no thought in mind whatever by Mr. Powell, Mr. Unwin or anyone else of doing anyone any harm. However, it seems that the committee, headed by Mr. Unwin, believed that the story fitted in with the government's attempt to reform the money system and some time later a single page leaflet appeared during the time of the fall session of the Legislature in 1937. The leaflet, entitled "Bankers' Toadies" simply gave the mother's reply to the child and then added a sentence advising the general public to demand the results they wanted from their government—in this case, \$25.00 a month and lower living costs. On the reverse side of this little leaflet, however, under the heading "Bankers' Toadies" appeared the names of nine prominent Edmontonians, seven of whom were lawyers representing various banks and trust companies. The other two were investment brokers, one being Mr. D. M. Duggan, M.L.A., Leader of the Progressive Conservative party.

As I have mentioned before, various organizations came into being with great frequency, all with the intention of fighting the Aberhart government. One such organization was known as the People's League and some of those named in the "Bankers' Toadies" leaflet had been reported to be associated with this organization. A leaflet issued by the United Democrats entitled "At Last" carried the same nine names on the reverse side under the heading "Bankers' Dummies." This leaflet apparently was innocuous, as none of the nine individuals had made any public mention of it. However, the words "exterminate them" on the "Bankers' Toadies" leaflet raised a storm of protest and indignation, led by Mr. Duggan in the Legislature, the result being that charges were laid against Mr. Unwin, who was responsible for issuing the leaflet, and Mr. Powell, who had told the story. Seditious libel, defamatory libel and counselling to murder constituted

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the charges. Both men were convicted on the charge of defamatory libel, the other two charges being dropped, and were sentenced to imprisonment in Fort Saskatchewan Jail, Unwin for three months and Powell for six.

Dissension in the Cabinet had also added to Mr. Aberhart's problems and undoubtedly had taken more of a toll upon his health than even he knew. Four Ministers, altogether—Cockroft, Ross, Hugill and Chant, had resigned voluntarily or had been requested to resign, while N. E. Tanner, S. E. Low and D. B. Mullen had become the new incumbents. Mr. Aberhart did not replace Mr. Hugill, but, in addition to the Education portfolio, assumed the Attorney Generalship himself.