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FOR POLITICAL AND ECONOMIC REALISM

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Alberta, 1935 - 1970

By T. N. MORRIS

"While it might at first sight appear that anything which could take place in a single Province of Canada must be of less importance than movements involving great world powers, I venture to suggest that history will not endorse such a conclusion."—C. H. DOUGLAS.

There are now two books concerning the Social Credit movement in Canada and the activities of the Social Credit Government of Alberta. The first of these is *The Alberta Experiment* by C. H. Douglas* which deals with the initial critical days from August 1935 to March 1936; the second is by Mr. A. J. Hooke under the reassuring title *30 plus 5, I Know, I Was There*.†

In *The Alberta Experiment* Major Douglas tells us that he paid visits to Canada during the 1920's making valuable contacts and giving evidence before a Canadian Parliamentary Committee on Banking and Commerce.‡ In 1929 he created a sensation by predicting the financial collapse which initiated the Great Depression about a month before it happened and, in 1934, when passing through Canada on his way home from New Zealand, he was invited to address the Provincial Legislature of Alberta and to confer with members of the United Farmers of Alberta whose Party had been in power since 1921 and which was then in what proved to be its last term of office.

In 1934 the Province was in dire distress and, as a result of his visit, Douglas was offered and accepted the position of Reconstruction Adviser on a two-year contract. This meant that he would be called on to advise on all questions and problems arising in Alberta in relation to its financial and economic conditions. The chief problem, apart from actual physical hardship, was debt, because, even before 1929, the western provinces had not shared the prosperity of the industrial East owing to the low prices of agricultural products and to the fact that farming was, to a very great extent, financed by borrowing at high rates of interest from financial institutions.

In his capacity as Reconstruction Adviser, Douglas prepared an Interim Report (see *The Alberta Experiment*, Appendix I) and sent it to Mr. Reid the then Premier, together with a covering letter. Unfortunately the United Farmers of Alberta Government resigned without incorporating Social Credit policy into its programme for the ensuing election, although a good many of its members were well-informed on the subject and favourable to it. Consequently, it was left to Mr. William Aberhart, the headmaster

of a leading High School in Calgary, and a well-known evangelist and broadcaster, to form a Social Credit Party* and win the election of August 1935 by the astounding majority of 57 seats to 6 in the legislature. Aberhart had become convinced, partly through his own observations and partly through reading Social Credit literature, of the "sheer lunacy of enduring grinding poverty in a Province of abounding riches"—poverty in the midst of plenty—and it was by his skill in developing this theme and proclaiming that there was a remedy that he won the election.

Unfortunately, Mr. Aberhart's political wisdom and his understanding of the technical basis of Social Credit economics did not match his exceptional eloquence and his ability to win an election. This is shown by defects in his too detailed election programme and in the agonising exchanges with Douglas which followed his victory (*The Alberta Experiment*, Appendix III).

In his Interim Report Douglas had examined the position and powers of the Province under its Constitution. He made it quite plain that, as a matter of priority, it would be necessary for the Government to establish direct access to the public credit as of right and without borrowing from financial institutions. In other words, the power to create effective demand, at the time a monopoly of the banking system, must first be obtained before formulating detailed plans to utilise it and place it at the disposal of the population. Douglas considered that there was a good chance of obtaining this power if the matter were handled correctly, but that there would be intense opposition.

In Douglas's view the battle for direct access to credit should have been joined at once while Aberhart was enjoying much sympathy and support throughout the whole of Canada. But Aberhart, faced with an empty Treasury, preferred a conciliatory attitude. Instead of standing on his clear mandate, an important feature of which was the provision of 25 dollars a month for each adult citizen (Douglas considered this feasible) and instead of taking immediate action on the Interim Report (made, be it noted, to the *Government*, before Aberhart took office), and on advice received by letter from Douglas, Aberhart proceeded to Ottawa where he was entertained with a great show of goodwill and quickly succumbed to the persuasion and advice of the Federal and financial authorities. Hardly a month had passed from the date of the election before he had appointed Mr. Robert J. Magor, a man who had acted for the

(continued on page 4)

*Eyre & Spottiswoode, London 1937.

†Edmonton, Alberta, 1971.

‡House of Commons, Ottawa, March 8, 1923.

*Hooke tells us that Aberhart did his best to persuade U.F.A. to adopt a Social Credit programme and was averse to forming a Party.

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Saturday, June 24, 1972

FROM WEEK TO WEEK

Speaking at the Grotius Dinner of the British Institute of International and Comparative Law on May 18, 1972, Lord Hailsham, the Lord Chancellor said the conceptions introduced by the Rome Treaty were not destructive of sovereignty and would not become so unless the individual members sought to enforce the terms of the treaty or the decrees of the European Court, by force of arms."

This seems rather like saying that being in prison is no infringement of the liberty of the individual unless the warders seek to take action to prevent an escape.

In a letter to the City Editor of the *Daily Telegraph*, published on May 16, 1972, L. Taslo draws attention to provisions of VAT which, he writes, bring about "the end of the privileged and confidential relationship between a person and his legal advisers" (Clause 35(3) and 35(2) of the Finance Bill). "The provisions [of these] will be enforceable against every man, woman and child in this country because the provisions apply to any person who supplies goods or services or to whom goods and services are supplied, and that covers everyone."

It is very unlikely that "individual members" would seek to enforce the terms of the treaty or the decrees of the European Court; but the terms of the treaty and the decrees of the Court are worth nothing at all, are nothing but a colossal pretence, unless they are enforceable. There can be no law without the sanctions to enforce the law. So that "individual members" might well take action to *initiate* the enforcement of the terms of the treaty by *whatever (international) body is set up to exercise the necessary sanctions*.

Of course the whole concept of the EEC is simply more and more powerful central government—the constraint upon individuals to pursue ends remote from their interests as *individuals*, which the socialists call *selfish* interests. It is now being made crystal clear—as, for example, by Mr. Roy Jenkins—that the objective of the EEC is to equalise the "levels of existence in rich and poor nations". This is a policy which can only be *enforced*. No political Party could hope for election on a platform of taxation overtly *designed* to tax the individuals of 'wealthy' nations down to such levels as would equalise the standards of living throughout

the world. It is, in fact physically impossible of accomplishment, since the 'poor' so vastly outnumber the 'rich'. But the real objective is not the improvement of the lot of the under-dog; it is the total enslavement of mankind in the interest of World Government. And as the Communists are well aware, the Red Army has been brought into being to enforce the decrees of that World Government. And again, as 'Marshal' Tito said (*Continental News*, Nov. 5, 1946): "Our first target is Great Britain, even though there might be a general impression that that country is only of secondary importance. . . . It should not be forgotten that Great Britain exerts a strong influence on four continents. Once this influence is extinguished, we shall have the masses at our disposal, and the field of action will be open. . . ."

Mr. Heath (but hardly those, like Professor Toynbee and his associates, controlling him) may believe that British influence will be increased by the abridgement of British sovereignty and erosion of British culture ("A national culture is the soul of a people, and the idea that a people can lose its soul and retain its identity is of a piece with the rest of dialectical materialism"—C. H. Douglas). But it is as the 'Marshal', twice awarded the Order of Lenin, said—Britain is the first *target*. The Common Market is merely the snare, and the economic 'advantages' the delusion.

Parliament has so far failed to preserve British sovereignty; a referendum has been refused. Nothing is left now but individual initiative. But individual initiative, *directed to a single objective*, is more powerful than Parliament.

It has been said that Postcards to Members of Parliament are ignored. But Members can count. If they received several million cards, they would know which way the wind is blowing, and would act accordingly. But if the Brussels Treaty is ratified, individual initiative, and Members of Parliament, will be useless. Sooner rather than later, the Red Army will be ready "to enforce the terms of the Treaty", Lord Hailsham notwithstanding.

The Existence of Britain

An elderly clergyman, when asked to leave his living because the diocese wished to amalgamate it, replied that they could not force him out of his parson's freehold. They answered that certainly a man could not be forced out of his benefice but that his parish had *ceased to exist*. He no longer had any standing, and the assets of the parish, including the church, were converted to other uses.

On a larger scale, the people of this country may soon find, if they appeal to their laws or traditions, that Britain no longer exists and that their undoubted assets have been sequestered. The *Sunday Express* (April 2, 1972) suggests that they are unwilling to lose their sovereignty without being consulted, for "at least 78 per cent of the British people think there ought to be a referendum on whether Britain should join the Common Market", according to the survey by National Opinion Polls, while three-quarters of those questioned say that they would be happy or indifferent if Britain does not join the European Economic Community.

Further, *The World* (April 5, 1972) holds that Mr. Heath, in giving Ulster a referendum, "cannot possibly refuse us a vote on whether we want to go into Europe". Mr. Ron Leighton, director of the Common Market Safeguards Campaign, points out that the European Communities

Bill now before Parliament would "rob Britain of her self-government and substitute rule by decree and regulation from Brussels". The Campaign presented a petition to the Queen on May 2nd.

The British housewives and public have already suffered from some of the alleged benefits of the politicians' mess of potage and doubtless wonder why the country should surrender if it obviously makes their money worth still less. This should lead them to ask why they should surrender at all for any conceivable reason, let alone for an obvious fraud.

As a sign of mounting concern, Paul Johnson asks (*Evening Standard*, April 10, 1972) "Now will Ted Heath let you say Yes or No?" He points out the effect that joining the EEC will have on the future of all, "the level and type of taxes they pay, their legal system, their political constitutional and civil rights . . ." The reason, he adds, that the British are to be denied a referendum, which Norway, Denmark and the Irish Republic are to hold, is simply the belief of the Marketeers that "if a referendum were held, they would lose". Messrs. Jenkins and Heath, he holds, share a "condescending attitude" towards the opinions of ordinary men and women together with a "reverential respect" for the bureaucrats who run the Market.

And now (April 18, 1972) Lord Fisher of Lambeth writes to *The Times* to state his belief that we in Great Britain should "at all costs preserve our cultural and historical identity . . . and therefore our political identity". He cannot believe that the ideal of a united European community is one that we should adopt. He recognises the honesty of Mr. Roy Jenkins in supporting the Common Market "as a step towards a united socialist Europe", but he himself believes in preserving our national identity. This would encourage other nations to value their own identities "at their best and most precious" and to look for cooperation and peace "for their own sakes without being permanently fettered by the allied demands of politics, economics and commerce".

We have often heard of Britain losing battles and winning a war, of her surviving in the end. Yet we may recall the imprecation of the 1662 Commination Service, *Cursed is he that removeth his neighbour's land mark*, and now we have a Prime Minister removing *his own country's* land-mark. If Britain is hustled into the Common Market, there will be no question of survival for—as in the case of the vicar and his parish—it will *no longer exist*.

—H.S.

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The Human Cost of Communism in China

"If the Rains of Communism flood the world, humanity will drown. Would you understand me, dear friend, if I told you I saw an old woman weep because the sun had died in China?"

—Liu Shaw-tong, *Out of Red China*.

Millions of Chinese have died as a result of Communism in China. The immensity of the crimes committed against the Chinese people by Mao Tse-tung, his long-time lieutenant Chou En-lai, and their entourage, is thoroughly documented in a study entitled, *The Human Cost of Communism in China*, prepared by Professor Richard Walker, Director of the Institute of International Studies at the University of South Carolina, and just released by the Senate Internal Security Subcommittee.

The magnitude of Mao Tse-tung's crimes is so appalling, the scope of his campaign to pulverize the Chinese people so great, that even with the irrefutable evidence before us it is difficult to comprehend. Hitler appears almost humanitarian when compared to this man, who managed to outdo even his mentor Stalin in sheer numbers of terror victims.

Since coming to power in 1949 the Chinese Communist policy has been divide, liquidate and rule. Total, all-pervasive terror was, and is, the single governing principle. A continuous succession of "purge-drive" campaigns such as "The Great Proletarian Revolution", "The Great Leap Forward", the "3-anti and 5-anti" campaigns, and the like, each one claiming millions of victims, has been launched against the people of China by Mao Tse-tung and his followers. Intellectuals, students, businessmen, landowners, peasants, each in their turn have been branded "counterrevolutionary groups" and smashed.

In the following table extracted from the study, it is important to note that approximately 90% of the victims claimed by Communism in China were killed *after* the Communists seized power. The alternative to resistance against the Communists is not bloodless peace, as some would have us believe. Professor Walker notes in his study that even some of the high estimates given below are probably too conservative.

CASUALTIES TO COMMUNISM IN CHINA

| | Range of Estimates | |
|--|--------------------|------------|
| 1. First Civil War (1927-36) | 250,000 | 500,000 |
| 2. Fighting during Sino-Japanese War (1937-45) | 50,000 | 50,000 |
| 3. Second Civil War (1945-49) | 1,250,000 | 1,250,000 |
| 4. Land reform prior to "Liberation" | 500,000 | 1,000,000 |
| 5. Political Liquidation Campaigns (1949-58) | 15,000,000 | 30,000,000 |
| 6. Korean war | 500,000 | 1,234,000 |
| 7. The "Great Leap Forward" and the Communes | 1,000,000 | 2,000,000 |
| 8. Struggles with minority nationalities, including Tibet | 500,000 | 1,000,000 |
| 9. The "Great Proletarian Cultural Revolution" and its aftermath | 250,000 | 500,000 |
| 10. Deaths in forced labor camps and frontier development | 15,000,000 | 25,000,000 |
| Total | 34,300,000 | 63,784,000 |

—From Weekly News Report of U.S. Congressman John G. Schmitz, Aug. 18, 1971.

Alberta, 1935-1970*(continued from page 1)*

financial Commission which took over the affairs of Newfoundland, as Financial Adviser, thus infringing Major Douglas's contract and making his position impossible. The result was a harsh first Budget on orthodox lines involving greatly increased taxation and hardship for the people of Alberta who had already suffered too much.

Major Douglas immediately proffered his resignation, pointing out that Social Credit was incompatible with borrowing and taxation and that a policy aimed at defeating the banks with the assistance of the banks themselves and under the supervision of an agent of the banks had no reasonable chance of success. Aberhart, on the other hand, refused to admit that he had broken contract or given cause for offence. He apparently thought that he ought to put the affairs of the Province in order on orthodox lines before embarking on a Social Credit programme, and he continued to press Douglas to produce what he called a Social Credit plan. Perhaps the only point to his credit was that he refused to place his financial arrangements under a Dominion Loan Council.

Correspondence between Douglas and Aberhart ceased in March 1936, hence Mr. A. J. Hooke must now take up the tale. Like Aberhart, Hooke, though a much younger man was Headmaster of a High School and it was in the course of their school work that the two became acquainted. When Aberhart became interested in Social Credit and started his campaign Hooke became one of his most active supporters and speakers. There was tremendous excitement and enthusiasm, and Hooke himself became a candidate and was elected with a large majority. He describes himself as at first "a Social Credit adherent and later a dedicated Social Crediter" and, of his book, he says: "it is by no means a treatise on Social Credit, but rather a story of what I have seen happen during my long association with the political life of Canada and especially of the Province of Alberta."

Naturally those who had entered the legislature with high hopes were bitterly disappointed with the first Budget. Hooke says of it: "the Budget, with its increases in taxation was an extremely distasteful document to defend . . . and we saw in it the diabolical work of the government's orthodox advisers whose intentions could be no other than the rapid defeat of the Social Credit government. After all, the opposition had insisted that they would bring about the government's defeat in six months. As Members we were not aware of the full text of Major Douglas's Interim Report, nor had we heard in detail some of the material in the Douglas-Aberhart exchanges."

Hooke tells us that the caucus took "countless hours" discussing these matters and, from information they received from the Cabinet, it "became apparent that Mr. Aberhart was not receiving by any means the whole-hearted support of his Ministers in his endeavour to bring Major Douglas to Alberta . . . some had begun to argue that Major Douglas should be entirely ignored."

At a caucus held on March 28 Hooke says: "tempers flared as never before." The blind followers of the Cabinet accused the critics of collaborating with the opposition, the critics insisted they only wanted to break the deadlock between Douglas and Aberhart. But the next day Aberhart announced that the possibility of further negotiations with Douglas seemed remote and, for a time, they settled down

to pressing legislation on which they could all agree. "This did not mean, however, that we would not return to the Douglas question later on", says Hooke.

And this they did: 1937 was a most critical year. Another budget was due from a new Treasurer and it was hoped it would be more in keeping with Social Credit policy than the first. Instead, it showed a still further increase in taxation. This caused great dissension and uproar and the critics ("insurgents", they were called) insisted that, "if the Cabinet could not or would not . . . bring Major Douglas to Alberta, a Board of five members . . . to be known as the Social Credit Board should be established . . . and empowered to bring Major Douglas or other Social Credit proponents to the Province so that the best possible advice could be secured".

By this time the "insurgents" were in a majority, and Mr. Hooke chaired a meeting at which a resolution to form a Board was passed. Contact was again made with Major Douglas and Messrs. G. F. Powell and L. D. Byrne went to Alberta as his representatives. Mr. Powell, who arrived first, at once succeeded in creating harmony in the legislature and a pledge was signed by Ministers and Members alike which guaranteed full support for the Board and its advisers while they drew up their programme. And shortly after the arrival of Powell and Byrne recommendations were made to the Government by the Social Credit Board that legislation should be passed which would directly challenge entrenched Finance. No time was lost and, during 1937 and 1938, seven Acts passed through the legislature which would have brought benefits to the people of Alberta which could never have been secured under the existing financial system. Mr. Hooke gives the same official summary of these Acts as that which appeared in Major Douglas's book *The Big Idea**. This tells why the Acts were introduced, what they would have accomplished, and what happened to them. Major Douglas says of the Acts that they represented "the demands of the largest majority ever obtained by a Canadian Provincial Government that it should be allowed to deal with its own difficulties." In spite of this they were all disallowed by higher authority—some by the Lieutenant Governor, some by the Federal Government and some by the Supreme Court of Canada. Appeals to the Privy Council of the United Kingdom were of no avail.

(To be continued)

*K.R.P. Publications, 1942.

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