

CHAPTER NINETEEN

Toward the end of 1965 Premier Manning informed his Cabinet colleagues that he had been giving serious thought to preparing a White Paper in which he suggested that we as a government should outline our policy for the years ahead. He mentioned having held discussions with Professor of Sociology C. W. Hobart of the University of Alberta and that he was much impressed with the professor's approach to what he called Human Resources. He also mentioned a young man, Erick Schmidt, of the same department and a friend of his own son, Preston Manning, as being someone capable of rendering good service to the government in the preparation of a White Paper.

He mentioned that Preston would work closely with the Professor and Erick Schmidt and I for one again felt quite happy to realize that a "down-to-earth" young Social Crediter, as I thought the young Mr. Manning to be, would make sure that the case for monetary reform would be well presented in the White Paper. After all, he had until November 8, though defeated in the federal election as a Social Credit candidate, just completed a series of campaign speeches in which he had effectively argued that no worthwhile reforms could be effected until the control and issuance of currency and credit has been restored to the government.

It is true to say that at this time all the members of the Cabinet were in favor of such a program being undertaken. So far as I was concerned personally, I believed the time was overdue when we who were recognized as the leaders of the Social Credit movement should make known to the public in no uncertain way that our stand in favor of monetary reform had not changed and I hoped that in the preparation of a White Paper monetary reform would play a large part. I had also cherished the idea that Mr. Manning Jr. would succeed his father before long as Premier of Alberta. No one could have convinced me at that time that such a document produced by the Alberta Social Credit government would be devoid of these fundamental principles we had championed ever since the early days of Mr. Aberhart. Mr. Manning recommended the hiring of Mr. Erick Schmidt.

Accordingly, an Order in Council, No. 2187/65, dated Tuesday, December 7, 1965, was passed, the effective part of the recommendation reading as follows:

"THEREFORE, upon the recommendation of the Honourable Minister of Labour, the Executive Council advises that ERICK SCHMIDT, of the University of Alberta, Edmonton, Alberta, be and is hereby appointed Co-Ordinator, Project on Poverty and Opportunity, effective as from October 15, 1965; and further, that the remuneration paid to the said Erick Schmidt be set at the rate of \$25.00 per half day when engaged on the business of this project, and travelling expenses when he is necessarily absent from his usual place of residence upon such business at the rate of \$14.00 per day while in the Province of Alberta, and at the rate of \$20.00 per day while outside the Province of Alberta, together with cost of transportation or when driving a car on such business beyond the corporate boundaries of the City of Edmonton an allowance in accordance with Order in Council 270/65, such payments to be made from Appropriation 1702B, namely seven cents (7 ¢) per mile."

The Order in Council was signed by the Honourable A. Aalborg in the absence of the Premier and me.

From time to time portions of what ultimately became the White Paper were submitted by Mr. Manning to the members of the Executive Council for their approval, usually stating that this work was being done by Schmidt and Preston Manning and Order in Council 922/66 dated May 31, 1966 appointing Erick Schmidt, this time as Co-Ordinator of Human Resources Research and Development, in charge of the Human Resources Development office was passed. The effective part of the Order in Council reads as follows and was signed by me as Acting Chairman of the Executive Council:

"1. That ERICK SCHMIDT of Edmonton be and is hereby appointed as Co-Ordinator, Human Resources Research and Development, in charge of the Human Resources Development office.

"2. That Erick Schmidt in connection with the performance of his duties be paid the following:
(a) remuneration at the rate of \$25.00 per half day;

(b) subsistence allowance on the same basis as, and at the rates applicable to, employees in public service of the Province, except that allowances for overnight absence shall in all cases be \$5.50 each night;
(c) travelling allowances at the rates applicable to employees in the public service of the Province having a salary grade of 31 or higher, except that the allowance for the use of a

privately-owned automobile shall be seven cents per mile for every mile necessarily travelled outside the City of Edmonton.

"3. That all expenses incurred under this Order and all expenses incurred by the Human Resources Development Office be charged Appropriation 2708—Surveys and Commissions, Treasury Department.

"4. That the appointment of Erick Schmidt by this Order is, and the appointment of Erick Schmidt under Order in Council numbered O.C. 2187/65 and dated December 7, 1965, shall be deemed to have been excluded from the operation of section 15 of the Public Service Act, 1962.

"5. That Order in Council numbered O.C. 2187/65 and dated December 7, 1965, is hereby rescinded.

"6. That this Order be effective on, from and after June 1, 1966."

In the month of October, 1966, Mr. Manning asked me to come to his office, as he wished to speak to me. Over the years this had happened many times. As so often before, I had no idea what he wished to discuss.

My association with Mr. Manning had been close, and though I knew it was not his habit to take people too often into his confidence, I regarded myself as one of his closest confidantes. Our association was always friendly, while our conversations were almost entirely of a business nature dealing exclusively with our every day problems of governing the province.

Mr. Manning was never very close to the private members and many times members had complained to me that very seldom did he enter the cloakroom for a friendly chat with any of them. With the exception of much older men than he who had entered the Legislature in 1935, I was undoubtedly the only one who called him by his first name. This is by no means a criticism of Mr. Manning. He was always regarded by the private members as someone who stood on a pedestal far above them and this attitude applied not only to private members who, for the most part, saw him only during the Legislative Session or the party caucus or convention, but to members of the Cabinet who associated with him every week.

His Sunday religious broadcasts created about him an aura of such magnitude that many felt themselves to be inferior in his presence. Many of my Cabinet colleagues even, asked me more than once how I appeared to be so free and easy in his presence and how I could feel at ease calling him by his first name.

Before I had ever heard of Social Credit, I had heard of Ernest Manning through a close friend of mine in the City of Red Deer, Scott Hastie. I had met Mr. Aberhart in 1925 when, as a student in Normal School in Calgary, I attended his religious services held in the Strand Theatre. In the early days of radio, when Mr. Aberhart began to broadcast his Sunday services, the voice of young Ernest Manning became well known and he and other students of the Prophetic Bible Institute travelled to other towns in the province and conducted religious services in various churches. Some time in 1933 I attended one such service in Red Deer conducted by Mr. Manning and met him on that occasion. From there on we became "Alf" and "Ernest" to each other and it was therefore only natural that such a relationship would develop and continue.

My association with the Members of the Legislature was considerably different from that of Mr. Manning. Even after becoming a Cabinet Minister, when free time was not so plentiful as before, I would often meet with groups of them for a cup of tea following a late session and would indulge in good natured bantering which, naturally, resulted in a relationship between me and them far different from that which existed between them and Mr. Manning. It was not surprising, therefore, that on many occasions, when the appointment of a new minister became necessary, Mr. Manning would call me to his office and ask my opinion of some members he was considering choosing to fill a portfolio. It is also true that on many occasions over the years I was closely associated with him that he would invite me to his office to discuss with him some problem on which he had to make a decision.

It was during the month of October, 1966, that the possible dates of the next election were being discussed and it had been generally agreed that an appropriate time would be the fall of 1967, after many of the Centennial celebrations were completed. I found that it was the question of the election Mr. Manning wished to discuss with me and he started by asking me the condition of my constituency from the standpoint of government support. I assured him that conditions had not changed and that it should be as easy as before to win the Rocky Mountain House riding for Social Credit. He then told me that he was checking with the various members of the Cabinet to see whether or not it was their intention to stand for election for a further term or whether or not they contemplated retiring from public office. He said that Mr. Halmrast, the

Minister of Welfare, had already expressed himself as retiring. This, of course, I knew. He wondered whether or not I may be doing the same thing. I told him that I had no thought of retiring if the people of my constituency still desired my services.

I could not help but notice that Mr. Manning was not at ease and was displeased with my answer and I said to him:

"Do you not think I should run?" and he replied that as he believed I was not in good health, I should retire and find some suitable person to take my place. I stated again that I thought the decision rested with me and the people I represented and especially the Executive of the Social Credit party in the constituency. At this juncture Mr. Manning told me that my Cabinet colleagues had all mentioned how ill I had been looking of late and they were all so very concerned for my health. I had had a case of nervous hypertension in 1963 but was by this time fully recovered. I expressed some surprise and stated that a recent check-up had declared me to be in excellent physical condition, except that I had been told that I should stop burning the candle at both ends and that I should take my holidays every year, rather than forfeit them as I had done so often.

Mr. Manning asked me again if this was my considered opinion and when I answered in the affirmative, he told that if I ran and won the election, as I had already done eight times in succession, I could not possibly expect to be in the Cabinet any longer, as he was quite sure that my health would never take another term with the responsibility of a portfolio.

He then told me what I knew already, that he intended to resign and that he would have done so prior to the forthcoming election except that the Cabinet had insisted that he at least stay long enough to win one more election.

He stressed the fact that we had come into the Legislature as young men together; that in his opinion we had given enough of our lives to public service and that he felt it was in our best interests to drop out. He mentioned that he was fifty-eight years old and I was sixty-one and volunteered the information that when men reach those ages, they should move over for young ones to take their places. I was aware of the fact, however, that Mr. Manning had at the same time endeavored to dissuade Mr. Halmrast from dropping out, even though Mr. Halmrast was then sixty-six and I was also aware of his having brought Mr. Hartley into the Cabinet at the age of sixty-six and that Mr. Hartley had served as Minister of Public Works for a period of nine years and following his resignation from the Cabinet at the age of seventy-five, continued to sit as a private member and was at that moment still serving at the age of seventy-eight.

On at least two occasions Mr. Manning told me in his office that he had been approached by several very influential and wealthy Canadians and that they wanted him to head up a party of the right with a view to preventing the onslaught of socialism these men could see developing in Canada. They apparently had indicated to him that money was no object and they were prepared to spend any amounts necessary to stop the socialistic tide.

Being as much opposed to socialism as is Mr. Manning, I was expected to welcome with open arms a proposition of this kind. I did not, however, accept it with the same enthusiasm as did the Premier, when, in response to a question or two, I found out that these people were anything but monetary reformers, and were just as orthodox in their monetary policies as is the most orthodox banker in Canada.

Mr. Manning indicated to me also that he was working on a book which he hoped to publish in the not too distant future, in which he would endeavor to outline the views these men represented and the recommendations he would make in keeping with their views.

Mr. Manning knew, however, as I have always known, that the policies of orthodox finance lead inevitably to socialism and I recall many times when I had been thrilled at his public speeches in which he had proven this fact to his audience beyond a doubt. Many times he had pointed out that it mattered not what label a government attached to itself, whether Conservative, Liberal, N.D.P., Social Credit or anything else, so long as that government continued to borrow and increase the public debt, it could not avoid the inevitable loss of freedom for the individual, and the march toward socialism of the government.

Getting back to the meeting in his office, Mr. Manning again told me that he was very concerned about my health and would hate to think that the pressure attendant upon a Cabinet post would worsen my condition. He would never forgive himself, he said.

I reminded him that he had on more than one occasion stated that in his opinion no Minister should remain in the Department of Municipal Affairs for more than five or six years and yet I had been the Minister of that Department for twelve years. He replied: "I guess I haven't been fair to you, Alf."

As far back as 1964, the Conservative party under Mr. Diefenbaker had held what was called a Thinkers' Conference in Fredericton, New Brunswick, and it had been mentioned about this time another such conference was being planned for the summer of 1967 in Montmorency, Quebec.

When the notice of these Thinkers' Conferences was made public, various Ministers, including Mr. Manning, had stated jocularly that they knew of no organization on earth which needed to do more serious thinking than did the Conservative party.

Months later when I was told by a leading Conservative that Mr. Erick Schmidt who had been appointed as Special Consultant to the Alberta Social Credit Cabinet in April, 1967, had attended the Montmorency Thinkers' Conference held August 6 to 10, 1967, and that he had taken an active part as a member of the "Quality of Life Social seminar," I could not believe my ears. I insisted that my Conservative friend had to be joking, whereupon he said: "You haven't heard the half of it yet. Didn't you know that Erick Schmidt and Preston Manning both attended the Conservative Leadership Convention held exactly one month later when Mr. Stanfield replaced John Diefenbaker?" When he assured me that these were facts, I was dumbfounded, as it was still less than two years after the federal election at which time young Mr. Manning, as the Social Credit standard bearer in the East Edmonton constituency roundly condemned the Conservative party, as well as others which adhered to financial orthodoxy.

After this, I could not have been more surprised had David Lewis, Pierre Trudeau and Robert Stanfield turned up at the annual Social Credit convention as voting delegates, with the Right Honourable Harold Wilson as guest speaker.

Certainly strange things had happened in Social Credit political circles in two years.