

SOCIAL CLASSES AND SOCIAL CREDIT
IN ALBERTA

A Thesis
Submitted to the Faculty of Graduate Studies and Research
in partial fulfillment of the requirements for
the degree of Doctor of Philosophy

(c) Edward Bell
Department of Sociology
McGill University, Montreal

July, 1989

Abstract

The centrist theory of the lower middle class is widely used to explain the Social Credit movement in Alberta. The theory assumes that members of this class are ultimately conservative, if not reactionary, in both outlook and behaviour. However, the application of the theory to the Alberta movement is shown to be problematic for several reasons. Those offering this explanation do not back up their claims with evidence. Empirical analyses of the provincial elections of 1935 and 1940 present findings which are at odds with the conventional interpretation. A review of the Social Credit philosophy and the party's first term of office also reveals that the standard class analysis has some serious shortcomings. An alternative interpretation is provided.

Résumé

La théorie centriste de la classe moyenne inférieure est souvent utilisée pour expliquer le mouvement du Crédit social en Alberta. Cette théorie présume que les membres de cette classe ont des attitudes et des comportements conservateurs, voire réactionnaires. Cependant, pour plusieurs raisons, la portée de cette théorie au mouvement albertain est remise en question. Ceux qui empruntent cette interprétation ne présentent pas de données à l'appui. Les analyses quantitatives des élections provinciales de 1935 et de 1940 relèvent des faits qui semblent contredire l'interprétation conventionnelle. Une revue de la philosophie du Crédit social et le premier terme en fonction révèlent aussi que l'analyse de classe courante contient de sérieuses limites. Une interprétation alternative est offerte.

Acknowledgements

The author is grateful for the financial assistance received while writing this thesis, especially a McConnell Fellowship and a Social Sciences and Humanities Research Council Fellowship (452-85-5802). Thanks also go to the taxpayers of Canada, who subsidize the latter organization as well as the country's universities.

A rather large intellectual debt is owed to Richard Hamilton. His work on the lower middle class in Germany and the United States was the inspiration for this study; whatever merit this project may have stems largely from his earlier insights. Professor Hamilton also provided valuable comments on previous draughts of this thesis.

Professors Maurice Pinard, Richard Ogmundson, Axel van den Berg and Michael R. Smith kindly read various chapters of this work, offering helpful criticism and suggestions. The author also acknowledges the commentary provided by Professors Morton Weinfeld, Jerome Black, Donald Von Eschen and Harry Hiller.

Thanks are also due to City of Calgary archivists Brian Owens and Neil Watson, who helped to locate election materials and provided extensive information on Calgary. Alex Johnson and Greg Ellis of the Galt Museum, Lethbridge, provided historical information on the neighbourhoods of that city. Donny White and Kathy Dirk of the Medicine Hat Museum and Art Gallery offered valuable historical advice concerning

Medicine Hat's neighbourhoods. The staff of the Provincial Archives of Alberta, Edmonton, and the Glenbow Museum and Archives, Calgary, were most helpful as well.

A special note of gratitude goes to my wife, Jennifer Wakefield, who has provided the kind of support that is indispensable to human happiness.

The responsibility for the shortcomings of this study, of course, rests with the author.

Preface

The Faculty of Graduate Studies and Research requires that a brief statement be made attesting to the thesis' contribution to original knowledge. To this end, the following may be considered original contributions.

The thesis points out that very little empirical evidence has been brought to bear on the standard class interpretation of the Social Credit movement in Alberta, and provides the needed evidence in analyses of the provincial elections of 1935 and 1940. It also reveals some shortcomings in the conventional interpretation of the Social Credit doctrine. The thesis casts doubt on the generally accepted position that Social Credit was a movement of regional protest, and shows that there is reason to reconsider accounts which argue that the party's behaviour in its first term of office demonstrates that Social Credit was an inherently conservative movement. These analyses contribute to a new interpretation of the movement.

Table of Contents

Abstract.....	ii
Résumé.....	iii
Acknowledgements.....	iv
Preface.....	vi

Chapter

1	Introduction.....	1
2	A Brief History of Alberta to 1935.....	12
3	The Conventional Wisdom.....	36
4	The Social Credit Philosophy.....	67
5	The 1935 Election: Cities, Towns and Countryside...111	
6	Social Credit In Power.....	142
7	The 1940 Election: Cities, Towns and Countryside...180	
8	Social Classes and Social Credit: An Assessment....196	
	References.....	225

Chapter One

Introduction

The Social Credit movement in Alberta provided one of the most intriguing episodes of Canadian history. When it took power in 1935, it received extensive international attention which was sustained throughout the party's first term of office.

Part of the original interest may be attributed to the fact that the election victory was largely unexpected, even by Social Crediters themselves. But what really captured people's imaginations was the movement's promise that it could solve the problems of the depression. Social Credit represented one of several programs competing for acceptance in a world desperately looking for solutions. The other competitors included socialism, communism, fascism, liberalism and conservatism, as well as combinations of these. Canadians watched to see if Social Credit could offer any hope.

The Social Credit doctrine was also alluring. To some it was an epochal scientific discovery that would finally bring about an end to "poverty in the midst of plenty". To others it was merely the utopian maunderings of an eccentric British military officer. Yet somehow even the most skeptical were drawn to it.

Other facets of the Alberta movement contributed to the fascination. A prairie high school principal/lay preacher orchestrating a mass movement through an exciting new medium, radio, was a spectacle in itself. The personage of Alberta

Social Credit leader William Aberhart aroused much interest as well. Movement supporters looked upon him with the reverence and awe becoming a prophet or saviour. Those opposed claimed he was a charlatan who threatened to immobilize the province under a blizzard of worthless credit certificates.

In addition to the immediate popular interest, Social Credit attracted the attention of intellectuals who endeavoured to chronicle and make theoretical sense of the movement. In the late 1940s, the Canadian Social Science Research Council, with funding from the Rockefeller Foundation, sponsored a series of ten full-length monographs dealing with the background and development of the movement.¹ Social Credit also became the topic of myriad journal articles, commentaries, dissertations and theses, and continues to generate academic interest to this day.²

The legacy of these studies is rich. Many of the works on Social Credit contain models and theories which still

¹These are W.L. Morton, The Progressive Party in Canada (1950); D.C. Masters, The Winnipeg General Strike (1950); Jean Burnet, Next-Year Country (1951); C.B. Macpherson, Democracy in Alberta (1953); J.R. Mallory, Social Credit and the Federal Power in Canada (1954); W.E. Mann, Sect, Cult and Church in Alberta (1955); V.C. Fowke, The National Policy and the Wheat Economy (1957); L.G. Thomas, The Liberal Party in Alberta (1959); S.D. Clark, Movements of Political Protest in Canada, 1640-1840 (1959); and John Irving, The Social Credit Movement in Alberta (1959).

²A new book on Social Credit (Finkel, 1989) was published in June, 1989, a few weeks before this dissertation was completed. It is not included in the literature cited in this study.

inform the discussion of Canadian politics and society. In particular, C.B. Macpherson's Democracy In Alberta (1953) has been very influential in our understanding of Alberta. Leo Panich (1977:10) has described this book as "the best political analysis in the Marxist tradition undertaken in Canada". Non-Marxists also hold Democracy In Alberta in high regard. Long and Quo (1972:24), for example, remark that it "still represents the best historical explanation of the rise of political movements in Alberta".

Macpherson views the rise of Social Credit as part of an ongoing reaction of Alberta's petite bourgeoisie (comprised mainly of independent farmers) to its "quasi-colonial" position in Canada's economic and political system (1953:6-10). Exploited by the railway, manufacturing and financial interests of central Canada, Alberta's petite bourgeoisie, he argues, acted in a fashion typical of this class by pressing for Social Credit (ibid.:219-30). Macpherson claims that although Social Credit was ostensibly a radical movement, the petit-bourgeois class position of its supporters predisposed them to take a conservative position on the issue of property rights. This limited the goal of the movement to improving the petite bourgeoisie's position within the capitalist system. A truly radical movement, having a different class base, he suggests, would have been free to call capitalism itself into question. In Macpherson's words, the Social Credit movement was that of a "quasi-colonial society of

independent producers, in rebellion against eastern imperialism but not against the property system" (1953:220).³

The petite bourgeoisie was able to rule Alberta, he explains, because the province was a "community of independent commodity producers" with a "relatively homogeneous" class structure (ibid.:21, 205, 236). Since no other classes existed in sufficient numbers to clash with the petite bourgeoisie, it was relatively easy for it to hold power.⁴

Macpherson's work was the star that others followed with regard to the class basis of Social Credit. As we shall see in Chapters 3 and 4, the view that its popular support was provided primarily by the petite bourgeoisie, and that the movement's philosophy was conservative became integral features of the conventional wisdom on Social Credit.

The issue of the class basis of support for the movement is crucial. Much of the theorizing on Social Credit, and on social movements in general, contends that class position is

³In this quotation Macpherson is referring to both Social Credit and an earlier movement, the United Farmers of Alberta.

⁴Democracy in Alberta focuses on two social movements: the United Farmers of Alberta, which held office from 1921 to 1935, and Social Credit, which replaced it as the governing party. Macpherson claims that these movements developed a new form of popular democracy which he terms the "quasi-party" system (1953:3-6, 20-27, 237-50). This study does not involve an in-depth assessment of the UFA, and is not concerned with the "quasi-party" concept, although in Chapter 8 the latter is briefly discussed under the heading "Suggestions for Further Research".

an important determinant of whether, and to what extent, support is given a movement. The class position of movement supporters is said to determine the nature of the movement's objectives, as well as its ideology. This study will show that these theoretical assumptions figure prominently in the leading academic interpretations of Social Credit, the common theme in the literature being that on virtually all dimensions the movement was petit-bourgeois.

The portrayal of the petite bourgeoisie's role in the Social Credit movement is based on a large body of theoretical literature on this class, the origins of which can be traced to the Communist Manifesto (Marx and Engels, 1848/1967:88-91). Essentially, this school of thought maintains that as capitalism develops, the petite bourgeoisie (self-employed people hiring few or no employees apart from family members) finds that it cannot compete with the big bourgeoisie, given the latter's capital advantages, economies of scale, use of machinery, and so forth. Driven out of business by the bourgeoisie, members of the petite bourgeoisie "sink gradually into the proletariat" (ibid.:88). The recognition that they are losing their once-predominant position in society through this downward mobility is said to create feelings of insecurity and alienation. The psychological malaise becomes manifest in staunchly conservative attitudes and a desire to reverse the social changes that are undermining their position. This leads the

petite bourgeoisie to become fundamentally opposed to the central features of advanced capitalist society, including the growth of big corporations, trade unionism and government "interference" in the economy. Macpherson (1953:225, 226), for example, argues that the various segments of the petite bourgeoisie "are all in varying degree vestigial", and that members of this class "have a delusive understanding of the nature of society, of the economy, and of their place in it. They conceive society in their own image, not realizing or not admitting that the day of that society is past". Proponents of the theory sometimes maintain that the petite bourgeoisie vacillates between radicalism and conservatism, arguing that its intermediary position between labour and capital creates constant confusion as to members' true interests in a mature capitalist society.

Lenin (1895/1972) adopted the Marxian view of the petite bourgeoisie in his analysis of the Narodniks, a movement active in Czarist Russia. The theory became increasingly popular among European scholars in the inter-war period, especially in Weimar Germany. Many writers of this era grouped the lower-income, white-collar occupations together with the independent petite bourgeoisie under the rubric "lower middle class", to which was attributed all the characteristics of the petite bourgeoisie proper. A large body of literature emerged which interprets Nazism as an attempt by the lower middle class to forestall its decline in

advanced capitalism.⁵ In the 1950s and early 1960s, North American writers used the theory in an effort to explain a number of right-wing extremist movements in the United States (e.g., Trow, 1958).

Several writers have challenged the idea that the petite bourgeoisie is destined to disappear, although virtually all agree that it has declined in size relative to the other classes. Some recent Marxist writings provide a variety of new definitions for the various class categories, although the original formulations are still popular. The attitudinal and behavioural traits generally attributed to the petite bourgeoisie--either staunch conservatism or a confused oscillation between conservatism and radicalism--have remained remarkably true to the original position. Both Marxist and non-Marxist scholars continue to uphold the theory, with a few notable exceptions. The exceptions include Richard Hamilton (1972: ch.5; 1975, chs.2 and 3; 1982), who, unlike most proponents of the theory, brings a wealth of evidence to bear on the issue.

The works interpreting Social Credit in Alberta as a petit-bourgeois movement, then, should be viewed in the context of the established intellectual tradition on this class. Broadly speaking, the movement has been viewed as a Canadian manifestation of petit-bourgeois alienation and

⁵See Hamilton (1982: ch.2) for a review of this literature.

confusion.⁶

It often happens that ideas gain considerable prominence in the social sciences without ever having been examined empirically. Theories pertaining to the class basis of the Social Credit movement are a case in point. There is little disagreement as to its petit-bourgeois basis, yet those making the claim rarely back up their assertions with evidence. The situation is rather like a group of early cartographers all agreeing that a particular river drains into the Great Lakes, without anyone ever having taken a voyage to the river's end to see where it goes. Yet strange things were sometimes encountered once the first voyage was underway. This study was conducted under similar circumstances. Rather than simply accepting the standard arguments on the class basis of Social Credit, an attempt was made to bring empirical evidence to bear on them. Unexpected things were discovered.

The next chapter presents a brief history of Alberta to 1935, placing Social Credit in the larger context of the

⁶The reader should know that calling something or someone "petit-bourgeois" is an insult in some circles. Writing about his home town of Croyden, England, Malcolm Muggeridge (1972:21) states that it "came under the general anathema of being petit-bourgeois which, in the vague Marxism which provided our theology, signified contemptible, despicable. We would say of someone we disliked that he was petit-bourgeois in precisely the same way that middle- or upper-class boys at that time would say he was under-bred." Cf. Macpherson (1953:ix): "Nobody likes to be called petit-bourgeois...."

province's historical development. Chapter 3 reviews the literature pertaining to the leading class interpretation of the movement's popular support. The preliminary empirical findings reported here reveal that there are serious problems with the conventional accounts.

Chapter 4 examines the Social Credit philosophy in an effort to determine if it resembles the popular conception of petit-bourgeois ideology, which its supporters are said to have upheld. Here again the standard position taken in the literature is shown to be problematic.

An ecological analysis of the results of the 1935 breakthrough election is performed in Chapter 5, in order to arrive at a measure of the pattern of class voting. The suspicions aroused in earlier chapters regarding the class basis of popular support for Social Credit are borne out by this analysis.

Chapter 6 examines Social Credit's first term of office, comparing the government's actions with the theoretical accounts of its goals and motives. It is suggested that the standard portrayal of Social Credit as an anti-imperialist government dedicated to the upholding of property rights seriously distorts the real *raison d'être* of the first Aberhart administration.

In Chapter 7 the results of the 1940 election are analyzed, providing a second look at the class basis of Social Credit's mass support. The final chapter offers a

summary of the findings, some conclusions, and recommendations for further research.

Although Social Credit remained in power in Alberta from 1935 to 1971, this study does not examine the period after the 1940 election. The decision to conclude the analysis at this point was taken because, in addition to keeping the subject matter at a manageable level, the purpose of the study is to research claims pertaining to the Social Credit movement. By 1940 Social Credit was well on its way to institutionalization, resembling a political party more than a popular movement. Nonetheless, in Chapter 8 some research strategies are suggested which may be of value in analyzing the persistence, decline and fall of the Social Credit administration.

We begin, then, with a brief history of Alberta.

Chapter Two

A Brief History of Alberta to 1935

Introduction

In the pages that follow we shall review, in broad outline, the political history of Alberta to 1935. The chapter is designed mainly for those who are unfamiliar with western Canadian history, in particular the immediate circumstances surrounding the rise of the Social Credit movement. In Chapter 6 we will examine the period from 1935 to 1940, Social Credit's first term of office.

Early History

When Social Credit formed the government in 1935, what is now Alberta had been a part of Canada for only sixty-five years, and had been a province for only thirty. Still, the region has a human history dating back many centuries. Native peoples had lived in the area for at least 11,000 years prior to the arrival of Europeans (MacGregor, 1972:13), hunting the buffalo that once roamed the great inland plains of North America.

The first whites to enter the area were Hudson's Bay fur traders who arrived in 1754 (ibid.:25), establishing trading stations such as Fort Edmonton and Rocky Mountain House. The non-native population remained sparse until a major wave of immigration began in the closing years of the nineteenth century.

A crucial turning point in the history of what is now western Canada was reached with the ceding of Rupert's Land

and the North-West Territories to the Canadian government in 1870. This vast tract of land, which included all areas draining into Hudson's Bay plus all British lands to the north and west, excluding British Columbia, had been under the domain of the Hudson's Bay Company. Since the HBC's main interest in the region involved the fur trade, its presence led to little European settlement and no immediate threat to native people. All this was to change after 1870, when the Canadian government embarked on its policy of railway building and settlement in the west.

The arrival of the railway in the 1880s led to the development of railway towns such as Medicine Hat and Calgary. At about the same time, commercial coal mines began operations near Lethbridge.

Beef was needed to feed the men building the railway. This provided the impetus for ranching in southern Alberta, which contains large tracts of land suitable for cattle raising. Ranching remained the main economic activity in the region until an influx of immigrant farmers finally outnumbered the ranchers around the turn of the century.

In 1875, the area comprising the future province of Alberta had a total population of only 30,000. By 1901, after four years of vigorous effort to bring immigrants to the west by Canada's Minister of the Interior Clifford Sifton, the population had more than doubled, reaching 73,022. Within another five years, it had doubled again (MacGregor,

1972:175).

Provincehood

The increase in population was accompanied by a drive to achieve provincial status, which was granted in 1905. Full provincial status was denied, however, as Ottawa retained jurisdiction over natural resources. This was to remain a sore point until 1930 when the federal government finally transferred control over natural resources to the province.¹

The Liberal Party formed the first Alberta government under the leadership of Alexander Rutherford. According to L.G. Thomas (1959:205), the Liberal victory was more the result of there being a Liberal government in Ottawa than strong support for Liberal policy. Perhaps more so than today, having ties to the ruling party in Ottawa made it easier to become a beneficiary of federal largesse. The only serious competitors to the Liberal Party at this time were the Conservatives, who received 37% of the vote in 1905 compared to the former's 58% (Government of Alberta, 1983:10).

The first decade for the fledgling province was one of economic boom and continued rapid immigration. Alberta's Liberal government, which won re-election in 1909, 1913 and 1917, set about establishing the provincial infrastructure,

¹All non-prairie provinces retained jurisdiction over natural resources as a condition of entry into Confederation.

most notably guaranteeing bonds for railroad expansion and setting up a provincially-owned telephone system. Schools, hospitals and other community services also had to be constructed. Some idea of the magnitude of the task at hand can be got by again considering the growth in the province's population. By 1914, Alberta's population had reached about 470,000 (MacGregor, 1972:196), almost sixteen times what it had been twenty years earlier.

Rapid population growth and economic expansion are often accompanied by government scandal. Alberta proved to be no exception. In 1910, the opposition Conservatives alleged that some Liberal members of the legislature had personally profited from the sale of the railway bonds guaranteed by the province. The scandal split the Liberal Party and resulted in the resignation of Premier Rutherford, although a Royal Commission later concluded that financial mismanagement rather than corruption had taken place. The episode reduced the Liberal's popularity in the province, but not enough to bring about a change of government.

The rapid development had another, more long-lasting effect on the province--it produced a high level of public and private debt. As we shall see later, this problem was to weigh most heavily upon Albertans in the 1920s and 1930s.

The early years of provincehood also witnessed Alberta's first oil boom. In 1914 at Turner Valley, near Calgary, the Dingman well began to produce oil, which led to an investment

frenzy involving the creation of over five hundred oil companies and a capitalization exceeding \$83 million (Foran, 1978:124). This established Calgary as the administrative and financial centre of the provincial oil industry, which facilitated the spectacular and much larger oil boom that was set off in Alberta some thirty years later. Prior to the Turner Valley discovery, both natural and synthetic gas had been produced commercially in southern Alberta.

As the number of farmers in the province increased, it became apparent that the concerns of farmers required greater political expression. In 1909 two rival farm organizations, the Alberta Farmers' Association and the Society of Equity, merged to form "The United Farmers of Alberta, 'Our Motto Equity'", better known as the UFA. In its early years, the UFA did not advocate direct political action for the organization, but acted instead as a farmers' lobby to the ruling provincial Liberals. It achieved considerable success in this regard. According to Thomas (1959:206), the UFA convention had a stronger voice in provincial affairs than the Alberta legislature.

A move to direct political involvement on the part of farm organizations began in 1917 when the Alberta Non-Partisan League, patterned after a North Dakota movement of the same name, fielded four candidates in the provincial election, two of whom were elected. The League had a "strong socialist flavour" (ibid.:178), advocating regional economic

development through cooperatives and government-owned industries. UFA locals supported the NPL in 1917, and demanded that the UFA executive implement a policy of direct involvement in electoral politics. The leadership reluctantly assented.

The UFA's political activities formed part of the larger Progressive movement in Canada. The Progressives achieved their greatest successes in the immediate post-World War I period, when many issues that had been developing before the war again came to the fore. The market price of agricultural commodities dropped in the years after the war, while the costs of farm production increased. The movement advocated the removal of import tariffs on manufactured goods and the reduction of freight rates for farm produce. These policies would allow farmers to purchase farm implements and consumer goods at a cheaper price, and give them a higher return on the goods they sold.

The Progressives also came to believe that the two traditional parties, the Liberals and Conservatives, were the instruments of big business interests in central Canada, and that neither party would ever represent the interests of farmers or the prairie region in general. They developed a critique of the party system per se, promoting a system of delegate democracy whereby those elected to parliament would voice the concerns of their constituents without an obligation to support a political party.

The first victory for the movement came in 1919 when the United Farmers of Ontario, with the help of the Labor members of the legislature, formed the provincial government. This was followed by a victory for the United Farmers of Alberta in 1921 and the United Farmers of Manitoba in 1922. On the federal scene, the Progressives' best showing was in the 1921 election in which they won 65 of the 235 seats in the House of Commons (Morton, 1950:128).

The major achievement of the UFA's first term of office was the establishment of the Alberta Wheat Pool. During World War I, the federal government had marketed Canadian grain using its own agencies, first the Board of Grain Supervisors and then the Canadian Wheat Board, in order to coordinate the distribution of foodstuffs to allied nations. This proved to be very beneficial to farmers, giving them a consistently high price for their produce, but the practice was discontinued in 1920. The Alberta pool was designed to have the same effect as the federal organizations by once more obviating the vagaries involved in dealing with the Winnipeg Grain Exchange.

Wheat pools operated under the slogan "orderly marketing" (Richards and Pratt, 1979:29). The farmer deposited his wheat with the pool, which gave him a partial payment. When the wheat was sold, he received a second payment, the size of which was determined by the selling price of the wheat. The establishment of the Pool in 1923 was

followed by good crop years and comparatively high grain prices (MacGregor, 1972:255).

The UFA's zeal in opposing the party system waned after a few years in office. Party solidarity and cabinet rule began to replace delegate democracy as the de facto system of government in the province. Another change occurred: the party chose a non-farmer to be its leader. John Brownlee, an established Edmonton lawyer who had been Attorney General in the first UFA administration, replaced Herbert Greenfield as premier. The UFA under Brownlee won re-election in 1926, taking 43 of 61 seats with 40% of the popular vote (Government of Alberta, 1983:12). The Liberals took seven seats with 26%, the Conservatives five with 22%, and Labor five with 8% (ibid.).

The second UFA term of office was characterized by prosperous times until 1929, when the price of wheat declined sharply. This had a disastrous effect on the Pool, as it had paid farmers more than it could get for the crop that year. Other areas of the economy also suffered. Nonetheless, Brownlee's government guaranteed the debts of the Pool and otherwise retained enough public confidence to win the 1930 election. The party's popularity declined slightly to 39%; it took 39 of 63 seats (Government of Alberta, 1983:12).

The economic decline was, of course, the beginning of the depression. As it deepened, the government came under increasing pressure to take steps to end it. Soon it was

inundated with schemes from people claiming that they had the answer. One plan that the government learned it could not ignore was Social Credit, popularized by Calgary high school principal and radio evangelist, William Aberhart.

Origins and Development of the Social Credit Movement

Aberhart had arrived in Calgary from his native province of Ontario in 1910, taking a teaching position in a city school. He then served as principal of various schools until his appointment as principal of Crescent Heights High School in 1915, where he was to remain until he became premier in 1935 (Irving, 1959:13).

Aberhart had always been active in religious activities, and continued these pursuits as a lay preacher in Calgary. Being a fiery and charismatic orator, he had little difficulty in drawing crowds to his meetings, although his interpretations of scripture were sometimes controversial. He was associated with a number of fundamentalist churches before his involvement in establishing the Calgary Prophetic Bible Institute in 1927, which later became the headquarters for the Social Credit movement.

In 1925 Aberhart made the fateful decision to broadcast his sermons over a Calgary radio station. His programs had a large audience, reaching as far north as Edmonton, into parts of British Columbia, Saskatchewan and Manitoba, as well as into some of the northern states of the American midwest.

Mixing his Bible message with plenty of homespun humour, Aberhart became a radio celebrity.

Before the depression Mr. Aberhart had shown little interest in politics. But as conditions worsened, he began to search for a solution to the crisis. After being coaxed by a fellow teacher into reading a book on Social Credit, he became convinced that the program originated by British engineer Major C.H. Douglas could be used to bring prosperity back to Alberta. As we shall see in greater depth in Chapter 4, Douglas claimed that economic crises were caused by a lack of purchasing power on the part of the consuming public. He argued that there is never enough money in circulation to buy all the goods and services on the market, suggesting that additional funds be issued to make up the difference between the existing money supply and the value of all goods available. This would increase the standard of living of the general public, allowing the economy to thrive and expand to its true potential.

In 1932 Aberhart took the dry monetary theories of Major Douglas and expressed them in popular form. Part of their popularization involved the claim that \$25 a month could be paid to each adult in Alberta under a Social Credit system.² Using his professional training as a teacher and the

²Twenty-five dollars was a considerable amount of money in the 1930s. As Barr (1974:57) points out, at that time eggs sold for five cents per dozen, roasts for seventy-five cents, accomodation could be rented for nine dollars a month, and men's made to measure three-piece suits cost about \$25.

enthusiasm he generated for his religious broadcasts, Aberhart organized Social Credit study groups that were to spread throughout the province. He published Social Credit booklets and, most importantly, carried the discussion of Social Credit into his radio broadcasts.

Aberhart's original plan was to remain aloof from party politics. He wanted existing parties to take up the Social Credit cause, urging his followers to support only those politicians in favour of the scheme.

A groundswell of support for Social Credit developed among several groups. Rank and file members of the UFA as well as some party officials expressed keen interest. The provincial Liberal leader took the position that Douglas' system should be investigated, while the Alberta Federation of Labor demanded that Douglas Social Credit advocates be allowed to speak before members of the provincial legislature. Even some newspapers thought the plan should be examined, although they expressed some skepticism (Irving, 1959:86-87).

Although this was a promising beginning, it became apparent that no political party was about to embark on a Social Credit crusade. The UFA government called several witnesses, including both Aberhart and Douglas, to give testimony before a legislative committee to consider the Social Credit plan, but after patiently listening to weeks of testimony it decided to take no action.

The decision to ignore Social Credit did not meet with unanimous approval from government supporters. In fact by 1934 the UFA was badly fragmented into a number of competing factions. The premier and his cabinet wanted to continue with the status quo, seeing little merit in any major change of policy. A monetary reform group including UFA MP William Irvine wanted Social Credit to be part of the UFA's election platform. A third set was comprised of committed socialists who thought the Douglas plan was worthless; they favoured the social democracy of the Co-operative Commonwealth Federation, which UFA activists had helped to establish at the Calgary meetings of 1932 and the Regina conference of 1933. The socialists carried the day, as the UFA convention of January, 1934 voted to affiliate with the CCF (ibid.:68-69, 154-55).

In addition to fragmentation over policy, the government was rocked by a scandal in which Premier Brownlee was accused of seducing a young secretary from the Attorney General's office. Although some people believed the premier had been falsely accused (see Barr, 1974:32-36), public opinion apparently favoured the young woman. Brownlee resigned the premiership in the summer of 1934 as a result of the scandal, to be replaced by R.G. Reid. Thus from this point on, the government's tarnished reputation stood in stark contrast to that of the pious Aberhart, who for many Albertans personified moral rectitude.

A final attempt by Aberhart to get official support from

the UFA was made as late as January, 1935, only seven months before the 1935 election. He made an impassioned speech before the UFA convention, but could not convince a majority of the delegates to adopt his Social Credit program. The UFA later hired Major Douglas as "principal reconstruction advisor" to the government, but this was seen by many as a token gesture designed to silence the demands for the implementation of Social Credit.

The other parties also refused to give a clear endorsement to Social Credit. The Liberals merely promised to study the plan if elected, avoiding any condemnation of it. Labor would not jump on the Social Credit bandwagon either, but instead, like the UFA, affiliated with the CCF. The Conservatives were unequivocally opposed to Social Credit and made this clear from the beginning.

Thus, in order to bring his plans to fruition, the Alberta Social Credit leader had no choice but to go it alone. He did not have to start from scratch, however, as by 1935 a network of Social Credit study groups had expanded into many areas of the province. Aberhart also had a very able lieutenant in the young Ernest Manning, a graduate of the Prophetic Bible Institute. And he had the radio.

The future premier used all of his resources to full advantage. He saw to it that Social Credit speakers toured the province and made extensive personal tours himself. He also arranged for the party's candidates to be selected by an

advisory board that included himself. Rather than having the candidates elected by constituency associations, each association presented a small number of prospective candidates from which the board could choose. This procedure had been vigorously debated, but nonetheless approved, by Social Credit conventions. Aberhart drew harsh criticism from his opponents for this candidate selection method, which they claimed was dictatorial.

The radio was used relentlessly to further the Social Credit cause. The other parties, particularly the UFA, also put their best speakers on the air waves, but none, it seems, could match Aberhart's rhetorical skills.

The Social Crediters enjoyed some advantages that were not of their own making. To begin with, they were challenging incumbents who had been in power for five years of depression. With these years of futility behind them, it was difficult for the UFA to convince voters that Social Credit could do worse.

The UFA failure to improve economic matters coupled with their affiliation with the CCF also made it difficult for other socialist-oriented parties such as Labor to make any headway with the public. The socialists had been in power for some time, yet the condition of the province was showing no improvement.

Moreover, both the UFA and Labor had shown that they had little sympathy for protesters. A large hunger march, drawing

people from various regions of the province, was organized for Edmonton in 1932. The provincial authorities tried to prevent participants from entering the city, while the Labor-dominated city council denied the marchers a permit to stage their demonstration. Some 2000 people went ahead with the march anyway, only to be "viciously attacked by the police" (Finkel, 1984:119). Literally adding insult to injury, the Alberta Labor News, the official organ of the Alberta Federation of Labor, then denounced the hunger marchers (ibid.). Looking back on his experiences as a Communist in Alberta in the 1930s, Swankey (1980:35) has written that, "To many people the UFA was the CCF in office and they wanted no more of it. The UFA helped to sully the meaning of the word Socialism in Alberta and the CCF never recovered from it."

Another factor that worked to the advantage of the Social Crediters was the general climate of opinion in favour of monetary reform in the early 1930s, something that is rarely mentioned in the various accounts of the movement. According to the Lethbridge Labor Party organization, "All political parties are advocating some form of monetary reform at the present time. Just how far some of these parties are prepared to go in the direction of reforming the financial system is a matter mainly, it seems to us, of political expediency".³

The labour movement itself did not shy away from

³Lethbridge Herald, August 8, 1935:3.

monetary reform arguments. The CCF's Regina Manifesto of 1933, for example, which Labor championed in the 1935 Alberta campaign, is replete with Social Credit phraseology and ideas. Section 4, for example, advocates the "improvement of the position of the farmer by the increase of purchasing power made possible by the social control of the financial system". Section 11 reads, in part: "We propose that all Public Works, as directed by the Planning Commission, shall be financed by the issuance of credit, as suggested, based upon the National Wealth of Canada".⁴ With some degree of support for Social Credit principles, Labor's attack on the Social Credit Party may have been viewed by some voters as insincere.

Similarly, the UFA went to great lengths to explain how the "Aberhart Social Credit plan" would be disastrous for Alberta, yet the "UFA Provincial Platform 1935"⁵ contains the statement that "such steps...[will be] taken as may be necessary to bring our entire monetary system under public ownership and control...[in order to] facilitate the fullest possible use of social credit" (Section II (b)).

⁴The Regina Manifesto is reprinted in Young (1969:304-313). It is generally believed that intellectuals in Canada, especially those on the left, had nothing but scorn for the concept of Social Credit. Yet its presence in the Manifesto, which was written by the League for Social Reconstruction, the CCF's intellectual wing, suggests that a different interpretation is possible. The treatment of Social Credit thought by the LSR awaits its researcher.

⁵Pamphlet, Provincial Archives of Alberta.

The Liberals also appeared to be in favour of some type of monetary reform.⁶ They promised, "When returned to power to employ three of the most expert Social Credit Advocates to carry on a full and complete investigation into the proposed schemes of Social Credit for the province, which the Liberal party pledges itself to submit to the legislature for its consideration".⁷ The Liberal Party also made some lofty declarations that would have made Major Douglas proud.

Usury once in control will wreck any nation. Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of Parliament and Democracy is idle and futile. ...

The Liberal party stands for a publicly owned national central bank which will, under the control of the government of the nation, issue national currency and credit and manage the monetary system in terms of public need, for the purpose of raising the standard of living of the people and for the further purposes of advancing the economic security of the social system and the stability of the nation.⁸

With these parties making what amounted to pro-Social Credit proclamations, albeit while attacking or not endorsing William Aberhart, they may have moved the populace a step closer to accepting the Social Credit Party itself.

⁶The Liberal Mayor of Vancouver at the time, Gerry McGeer, was a supporter of Major Douglas but argued that Aberhart distorted the Major's ideas. McGeer claimed that, "The bankers have us in a prison, with many locks, and only one key can effect monetary reform, which the bankers won't agree to" (Lethbridge Herald, August 16, 1935:1).

⁷Pamphlet published by the Alberta Provincial Liberal Association, n.d., circa 1935:4. Provincial Archives of Alberta.

⁸Ibid.

As mentioned, the Conservatives were staunchly opposed to any form of Social Credit. Party leader D.M. Duggan urged that

The time has come for straight-thinking practical people in Alberta to rise against the menace of Social Credit as a provincial scheme without a plan--against the peril of notions which threaten ruin to the province into which have gone the fortunes, the hopes, the hardships, the life-work of our citizens.⁹

An examination of the programs of the parties in competition with Social Credit, apart from their position on monetary reform, may also contribute to an understanding of the political climate at the time of the 1935 election.

Both Labor and the UFA favoured a broadly-defined democratic socialist program, in affiliation with the CCF. Labor advocated a "complete change in our social system", pledging to "replace the present capitalist system...by a social order...in which economic planning will supersede unregulated private enterprise...." It stood for "the establishment of a planned system of social economy for the production, distribution and exchange of all goods and services. Social ownership, development, operation and control of all utilities and natural resources necessary for the public welfare".¹⁰ The purpose of this system was to allow the national wealth to become "the property of the

⁹Radio broadcast, April 11, 1935, station CJCA. Provincial Archives of Alberta.

¹⁰Lethbridge Labor Party, Lethbridge Herald, August 5, 1935:3.

Nation" and to "flow into the possession and lives of people in an uninterrupted stream".¹¹

As there would have to be "a transition period before the socialist state is realized",¹² some "immediate objectives" were also outlined: tax reform; using work camps of unemployed men to perform public works, the men to be paid union wage rates; protecting home owners against foreclosures; "Retention and extension" of all social programs; and "Control [of] all mines in the province through Government administration".¹³

The UFA's commitment to establishing the cooperative commonwealth was attenuated by the dissension within the party, in particular the cabinet's lack of enthusiasm for socialism. This meant that the campaign of 1935 would not be entirely in keeping with the resolutions passed by party conventions. A month before the election was held, Premier Reid released the "Manifesto of the Alberta Government". It claimed that the government was performing its duties competently under very adverse conditions, listing a number of social services that it was providing (Irving, 1959:352-354). New policies to be implemented after the election included: reducing the minimum age for old age pensions from

¹¹Edmonton Labor Organization, Edmonton Journal, August 12, 1935:9.

¹²Lethbridge Labor Party, op. cit.

¹³Ibid., August 21, 1935:3.

seventy to sixty; a program of work for wages for those on relief; reducing interest rates on private mortgages; lobbying the federal government to increase its spending on social services in the province; "reconsideration" of Canada's tariff policies; and more road construction (ibid.).

The Liberals emphasized reform in their campaign. Stating that they had conducted a wide-ranging program of consultation with Albertans from virtually all walks of life, they produced "a Reform Policy, a People's Policy, a Taxpayers' Policy", asking Albertans to help them bring about "a New Start, a New Deal".¹⁴ They provided a number of specific proposals, including: "fighting for reductions in freight rates"; reducing the cost of government by promoting departmental efficiency and reducing the number of members of the legislature; having the federal government finance all relief costs; industrial development "for the benefit of the people and not for monopolies"; and taking steps to introduce the proposed reciprocity deal with the United States that had died with the defeat of the federal Liberals in 1911.¹⁵

The Conservative campaign was hampered by the party's association with the Bennett Conservative government in Ottawa, which, like the UFA, had been in power for five consecutive years of depression. Nor did they handle this

¹⁴Pamphlet, "Alberta's Provincial Liberal Leader", n.d., circa 1935. Provincial Archives of Alberta.

¹⁵Ibid.

association well. In an era that would be imprinted in the popular consciousness as one of dust bowls and "Bennett buggies",¹⁶ Conservative candidates like George Green of Lethbridge made statements like: "...[W]e stand firmly behind the policy of the Rt. Hon. R.B. Bennett and expect to point out to you the many good things he has done for the western farmer".¹⁷

The Conservatives printed the words "Reform", "Recovery" and "Reconstruction" on their pamphlets. Their first stated principle was, "The maintenance of the British form of Constitutional and Parliamentary government"; their second, "The retention of those institutions we have till we can change them, with safety, for the better"; and their third, "Individual initiative and enterprise with government control to prevent exploitation and abuse".¹⁸ In addition, the Conservatives promised various specific programs, such as: balancing the budget; reducing the membership of the legislature to save public money; maintenance of social services; a minimum statutory wage rate; and collective

¹⁶Named after Prime Minister Bennett, Bennett buggies were automobiles that had their engines removed and which were pulled by horses. This was done because many motorists could not afford gasoline or maintenance for their vehicles.

¹⁷Lethbridge Herald, August 5, 1935:3.

¹⁸Pamphlet, "The Liberal-Conservative Party of Alberta; Principles and Programme", 1935. Provincial Archives of Alberta.

bargaining for wage rates.¹⁹

A final issue concerning the campaign of 1935 involves the press. Apart from an early period of curiosity about Social Credit, the press was openly hostile to the movement. Near the end of the campaign, front-page editorials were published outlining the chaos that would result from the implementation of Social Credit. The Edmonton Bulletin (August 17, 1935:1), for example, referred to Social Credit as "the craziest and most fallacious scheme ever put before an electorate in any part of the British Empire". Political cartoons also appeared on the front pages of the major dailies, lampooning the provincial Social Credit leader. Irving (1959:326) states that in the month leading up to the election, not a single editorial favourable to the movement was published in any of the six dailies in the province. However, the attacks may have made a martyr of Aberhart, giving him "proof" that the money power was desperately trying to kill the movement.

When election day arrived, Social Credit scored a decisive victory. It won 56 of 63 seats, taking 54% of the popular vote. The Liberals took five seats with 23% of the vote, the Conservatives two with 6%. The UFA did not elect a single member, but received 11% of the vote. Labor also lost all legislative representation, receiving only 2% of all votes cast (Government of Alberta, 1983:13).

¹⁹Ibid.

Before we consider in depth the program that Social Credit advocated, or present our analysis of the pattern of class voting, it may be worthwhile to review the leading academic position regarding the class basis of the movement's popular support. This will be the topic of the next chapter.

Chapter Three

The Conventional Wisdom

Here we shall examine the depiction of Social Credit as a mass movement of the petite bourgeoisie. Our main concern will be with the quality of the evidence, if any, provided to substantiate the claim. Some preliminary empirical findings are reported which bear upon the assertions made in the literature.

The Received Tradition

An early association of Social Credit with the petite bourgeoisie was made in 1933 by Maurice Dobb, who claimed that the British Social Credit movement had the effect of "canalizing petit-bourgeois discontent with capitalism, instead of into revolutionary politics based on a Marxist understanding of the process of history, harmlessly against certain sham 'bogey's'" (Dobb, 1933:556). Dobb's piece, which includes no substantiating evidence regarding the movement's class base, foreshadowed the works that were to appear later on Social Credit in Alberta.¹

Most early accounts of Social Credit in Alberta suggest that the movement there was essentially a farmers' protest organized to deal with the economic crisis brought about by the rapid decline in the price of wheat. A.R.M. Lower

¹Dobb (1933:557) also claimed that both Nazism and the British Social Credit movement expressed the world view of the petite bourgeoisie, and referred to Social Credit theories as "satellite creeds" of fascism. Social Credit in Alberta is sometimes described as having been fascist. See, for example, Elliott (1980:23) and Elliott and Miller (1987:320).

(1946:518), for example, writes that "through countless [Social Credit] 'study groups' the Albertan farmers, hopeless of a solution from Ottawa, had set out to find their own cure for their ills".

Social Credit is also portrayed as a farmers' movement by S.M. Lipset in Agrarian Socialism (1950/1968). He argues that Alberta, North Dakota and Saskatchewan, which he describes as three "wheat areas" (1968:153), "elected agrarian radical governments as a result of the depression" (ibid.:154). Lipset claims that

Social Credit, the NPL [Non-Partisan League], and the CCF were like responses to very similar conditions. Each movement represented an attack by western farmers on the economic power of eastern big business and sought to preserve their economic and social status by preventing foreclosures of farm mortgages (ibid.:154).

Neither Lower nor Lipset offer any evidence that support for the movement was restricted to farmers, or that farmers accepted Social Credit in disproportionate numbers relative to people in other occupations. And as we shall see below, the stereotypical image of Alberta in the 1930s as a province made up almost entirely of farmers seriously distorts the real picture of the province's class structure. Farm proprietors, including unpaid family workers, comprised less than half (46%) of the male work force in 1931 (Government of Canada, 1936:579). If paid farm labourers are added to those owning farms and their unpaid family workers, which is the sum of all agricultural occupations, this would bring the

total to 56% of the male work force for 1931 (ibid.). To be sure, this is a large portion of the work force, but we should not disregard what it leaves out.

Social Credit in Alberta was not treated as a petit-bourgeois movement, in the sense that it was explicitly interpreted in terms of the received theory of this class, until Macpherson's Democracy in Alberta was published in 1953. Since Macpherson is the leading theorist in this school, we shall now examine his work in some detail.

One of Macpherson's first tasks is to demonstrate that Alberta, like the other prairie provinces, had a class structure substantially different from the other regions of the country by virtue of its relatively large petite bourgeoisie. He defines the latter as "those whose living comes neither from employing labour nor from selling the disposal of their labour" (Macpherson, 1953:225). He also uses the term "independent commodity producers" to describe this class in the context of the prairie provinces. "Independent commodity producers" are "farmers and farmers' sons working on the family farm, and those in other occupations working on their own account" (ibid.:15-16).

Using census data, Macpherson establishes that farmers comprised 32% of the gainfully occupied population of Alberta in both 1931 and 1941. He adds to this figure unpaid family workers on the farm, which raises these percentages to 42 for

1931 and 41 for 1941.² The non-agricultural petite bourgeoisie for these years, he states, comprised 7% of those gainfully employed. When these are added to the farmers and unpaid family workers, he arrives at raw totals of 49 and 48 per cent of the labour force engaged in "independent commodity production" for 1931 and 1941 respectively.

He questions, however, whether all farmers in Alberta should be placed in the "independent commodity producer" category, since some were subsistence farmers not producing goods for the market, and some hired farm labour to produce the goods they sold. He estimates that normally only 5% of all farms were subsistence farms, and that another 5% hired a sufficient amount of labour to be excluded from his definition of "independent commodity producer". He subtracts 10% of the 32% of the work force who were farm proprietors to account for this, which reduces the latter percentage to 29. His adjusted figure for the proportion of the work force that was petit-bourgeois in 1941 is 45 per cent--29% farmers, 9% unpaid family workers and 7% non-agricultural self-employed (ibid.:19, n.18). He summarizes his breakdown of the Alberta work force as follows:

...[I]n the whole economy of Alberta, independent commodity producers (farmers and others) have, until 1941, outnumbered industrial employees, the

²Macpherson's figures cover the entire work force, i.e., males and females. The census figures cited previously, it should be noted, are for the male work force only. Using males only yields a larger percentage of the labour force in agriculture--56% as against 51% if females are also included.

former being about 45 per cent, the latter 41 per cent, of the gainfully occupied population in 1941. This is sufficiently different from the prevalent proportion in Canada as a whole, where independent producers were less than 30 per cent and industrial employees some 60 per cent, that we should not be surprised to find some difference in political behaviour (Macpherson, 1953:20, parentheses in original).

Macpherson defines "industrial employees" as "wage and salary workers in every occupation except agriculture" (ibid.:15).

In order to give a more complete picture of Macpherson's depiction of Alberta's class composition, Table 3-1 was constructed from the figures he cites.

A number of observations should be made at this point. The first pertains to Macpherson's definition of the key terms used in his analysis. When one encounters the term "independent commodity producers" in the context of the Alberta of the 1930s, one naturally thinks of agricultural producers. But it must be emphasized that he also includes the non-agricultural petite bourgeoisie in this class.³ This latter group includes merchants, repair-shop owners, some independent professionals, etc. To call such people "commodity producers" is a rather curious use of language. And as we shall see below, it has led some readers of Macpherson to believe that the term "independent commodity producers" includes only farmers.

³Recall that according to Macpherson's figures, in 1941 45% of the Alberta work force were petit-bourgeois. Thirty eight of these 45% comprised the agricultural petite bourgeoisie, the other 7% the traditional non-agrarian petite bourgeoisie.

Table 3-1
Macpherson's Breakdown of the Alberta Work Force*

	<u>1931</u> %	<u>1941</u> %
<u>Petite Bourgeoisie</u>		
Petit-bourgeois farm proprietors	29	29
Unpaid family farm workers	10	9
Non-agricultural petite bourgeoisie	<u>7^a</u>	<u>7^b</u>
Total petite bourgeoisie	46.0	45.0
<u>Others</u>		
Industrial employees	41.0	41.0
Paid farm labourers	9.0	8.0
Non-farm employers	1.5 ^c	1.5 ^c
Subsistence farmers	1.6 ^d	1.6 ^d
Farmers hiring substantial amounts of labour	<u>1.6^d</u>	<u>1.6^d</u>
Totals	100.7	98.7

*Taken from Macpherson, 1953:15, 19 n.18. Percentages do not add up to 100 because some figures have been approximated from the text. See notes a to d below.

^aGiven as "from 6 to 7 per cent" (p.15)

^bGiven as "from 6 to 7 per cent" on p.15, and as "7 per cent" on p.19 n.18.

^cGiven as "between 1 and 2 per cent" (p.15)

^dMacpherson states that in 1931 and 1941 farm proprietors made up 32% of the workforce (p.15). His estimate that normally 5% of all farms are subsistence farms and that another 5% hire substantial amounts of labour was used to arrive at the 1.6% figure given here. (Five per cent of 32% is 1.6%.)

It is important to consider the non-agricultural petite bourgeoisie for another reason. According to Macpherson, the petite bourgeoisie as a whole is heterogeneous, and lacks "any consciousness of class" (ibid.:226). He adds, however, that

What is true of the whole heterogeneous class is not necessarily true of one fairly homogeneous section of it.

...[T]he western farmers, being more homogeneous than the petite-bourgeoise as a whole, have been able to organize both politically and economically to promote their immediate interests, and in the course of this organization they have developed a vigorous consciousness of common interests. But it is an agrarian consciousness, not a class consciousness; it emphasizes the common interests of agrarian producers and their difference from all other producers...(Macpherson, 1953:227).

Much of Macpherson's discussion of class is couched in terms of the western farmer (see ibid.:220-30). Although he states (ibid.:3) that the Social Credit movement "spoke directly to townsmen as well as to farmers", no mention is made of the predicament of the restaurateur, shopkeeper or any other element of the non-agrarian petite bourgeoisie. The reader would do well to remember that Macpherson's figures indicate that the agrarian petite bourgeoisie (including unpaid family members) comprised only 39% of the work force in Alberta in 1931.

Macpherson uses another term which may be misleading. This is "industrial employees", which as mentioned above he defines as wage and salary workers in every occupation except agriculture. This term and its definition may confuse for two

reasons. First, the use of the word "workers" in the definition may lead some to equate "industrial employees" with "working class", which would be erroneous if the latter is defined as all employees doing manual work. Macpherson's "industrial employees" includes not only the non-farm working class, but also bank employees, school teachers, civil servants and all other non-manual employees in both the public and private sectors. Secondly, as Macpherson's "industrial employees" category includes all people employed in the public sector and in financial institutions, it is not confined to those employed in industry. This term, then, includes all non-farm employees.

Also, one may question Macpherson's characterization of Albertan society that is derived from his statistical breakdown of the province's class composition. Throughout Democracy in Alberta, the reader finds the province referred to as "a society of independent producers" or a "community of independent commodity producers" (ibid.:220, 236, 239); and one finds Alberta portrayed as having a "relatively homogeneous" class structure (ibid.:21, 205).⁴ But are these comments justified by the data he provides?

If we combine his "industrial employees" with the paid agricultural labourers into a class of "wage and salary

⁴Macpherson also states that, "Although Alberta, with its oil and coal, has a more diversified economy than the other Canadian prairie provinces, it has been throughout the period with which we are concerned primarily a farming economy".

I
earners", which would be in keeping with Macpherson's usage of Marxist class categories, then this class, not the petite bourgeoisie, was the largest class in Alberta when Social Credit came to power. Wage and salary earners, according to Macpherson's data, made up 50% of the work force in 1931 (49% in 1941; see Table 3-1 above). Yet wage and salary earners do not figure at all in his analysis of Social Credit. As Jackson (1977:12) puts it, in Democracy in Alberta, "wage and salary earners disappear from sight entirely".

Regardless of how we classify those outside the petite bourgeoisie, the fact remains that those not in petit-bourgeois occupations formed a majority of the occupational structure for the period in question. (Macpherson's figures are 54% for 1931; 55% for 1941.) In light of this fact, his depiction of Alberta as a "society of independent producers" is, to say the least, somewhat exaggerated. It also reveals that an analysis of the behaviour of those outside the petite bourgeoisie is crucial to our understanding of the movement's popular support.

Similarly, his characterization of the class structure as "relatively homogeneous" is problematic. That Alberta had an atypically large petite bourgeoisie at this time is true, but to assert homogeneity from the figures he cites is unjustified. Such a description is like calling a group of people made up of 50 men and 46 women a "relatively homogeneous community of women". Societies where the working

class comprises 46% of the labour force would never be described as having a "relatively homogeneous" class structure.⁵

An alternate portrayal of Alberta's class structure is provided in Table 3-2 below.⁶ An important difference between Table 3-2 and Macpherson's breakdown is that in Table 3-2 the size of Alberta's salaried middle classes are estimated. One may also note that the agrarian and non-agrarian working classes have been combined.

Also to be considered is that Macpherson's argument for the petit-bourgeois basis of Social Credit is not backed up with any direct evidence of disproportionate support. He simply states that since Alberta had an atypically high proportion of "independent commodity producers" compared to Canada as a whole, "we should not be surprised to find some difference in political behaviour" (ibid.:20). His reasoning appears to be that since the province's class structure was

⁵Other writers have also taken issue with Macpherson's depiction of Alberta's class structure. Richards and Pratt (1979:151), for instance, argue that he does not devote sufficient attention to non-agricultural economic activities such as coal mining, oil and gas production, and major urban business interests. They also contend that he underestimates the amount of class conflict that existed in Alberta prior to the rise of Social Credit. Richards and Pratt argue that Macpherson is an adept political theorist, but as for Democracy in Alberta's "eluciation of the class structure of Alberta and prairie society generally, the work is flawed and seriously misleading" (ibid.:150; see also Richards, 1981).

⁶Some discrepancies between Table 3-2 and Macpherson's data presented in Table 3-1 arise from the fact that the former is based on the male work force, while Macpherson's figures include males and females. See note 2 above.

Table 3-2

Alberta's Class Structure 1931 (Males Only)

	Per cent
Upper Class ^a	1
Upper Middle Class ^b	7
Salaried Lower Middle Class ^c	9
Petite Bourgeoisie	
Agrarian ^d 42	
Non-agrarian ^e <u>6</u>	48
Working Class	
Agrarian ^f 10	
Non-agrarian ^g <u>20</u>	30
Farm Employers ^h	2
Subsistence Farmers ^h	<u>2</u>
	99 ⁱ

Source: Government of Canada (1936:156-169).

^aDefined as the owners of the non-agricultural means of production.

^bCalculated as the 40% of salaried non-manual employees with the highest incomes, plus one of the two per cent of non-farm employers.

^cCalculated as the 60% of salaried non-manual employees with the lowest incomes.

^dCalculated as 90% of all farm proprietors plus 90% of all agricultural unpaid labour.

^eCalculated as the total of all non-agrarian occupations classified as "own account" or "no pay" in the census.

^fIncludes only those whose principal occupation is paid farm labour.

^gDefined as all non-agricultural employees doing manual work.

^hCalculated as 5% of all farm proprietors and unpaid farm labour.

ⁱPercentages do not add to 100 due to rounding.

"relatively homogeneous" (i.e., comprised largely of "independent commodity producers"), and since the "conservative" Social Credit movement captured 89% of the seats in the 1935 election, any further attempt to demonstrate petit-bourgeois support for the party would be superfluous.

The petit-bourgeois argument, however, begins to look somewhat doubtful if we consider the percentage of the popular vote for Social Credit⁷ and compare it with the proportion of the work force that was petit-bourgeois. As we observed in Chapter 2, in 1935 Social Credit captured 54% of the popular vote; according to Macpherson, 46% of the work force were petit-bourgeois in 1931 (48% using the data in Table 3-2). If one assumes that the class composition of the labour force approximates the class composition of the electorate, given the popular vote figure and no additional data, it is theoretically possible that virtually every petit-bourgeois voter voted against Social Credit in 1935. Although it will be demonstrated below that this did not occur, the fact that such a statement can be made is an indication of the looseness of fit between the petit-bourgeois argument and the evidence generally provided.

This looseness of fit is even more startling if we consider that the United Farmers of Alberta received 11% of

⁷Macpherson cites percentages of seats won, but not popular vote percentages.

the popular vote (but no seats) in 1935. It seems reasonable to assume that a large majority of these votes were cast by farmers, since the UFA's theory of occupational "group government" discouraged the solicitation of support from non-farmers.⁸ (In 1935, only one UFA candidate ran in an urban constituency.) Assuming further, as Macpherson does, that 90% of all farmers were petit-bourgeois, the UFA attracted a substantial proportion of the petit-bourgeois vote. If, hypothetically, 75% of the UFA vote came from petit-bourgeois farmers, then 8.25 of the 11% of the total vote won by the UFA would have come from petit-bourgeois farmers.⁹ This would reduce the size of the petite bourgeoisie that was free to bring Social Credit to power to 37.75% of the work force¹⁰ (39.75% if we use the data in Table 3-2).

It is also important to consider the number of petit-bourgeois farmers who would have been free to vote Social Credit in 1935, since much of Macpherson's discussion of class focuses on farmers, and many authors contend that Social Credit was a movement of independent farmers. The above scenario of farmer support for the UFA would reduce the

⁸Basically, the theory states that each occupational group, such as farmers, labour, business, etc., should be represented in the legislature by its own members. Theoretically, this would give all occupations a voice in government, and prevent the exploitation of the less powerful classes that is said to occur in the traditional party system.

⁹That is, $.75 \times 11\% = 8.25\%$.

¹⁰That is, $46\% - 8.25\% = 37.75\%$.

proportion of the work force comprised of petit-bourgeois farmers who were free to bring Social Credit to power to 30.75%¹¹ (33.75% using the data in Table 3-2). Surely, if we consider that Social Credit captured 54% of the popular vote in 1935, these figures indicate that any accurate account of the class basis of Social Credit must involve an analysis of those outside the petite bourgeoisie, especially those who were not petit-bourgeois farmers. It should also be borne in mind that the above scenario does not consider petit-bourgeois support for the Liberal, Conservative or Communist parties, which would lower the proportion of those in this class who were free to support Social Credit even further. As mentioned in Chapter 2, the Liberals provided the strongest competition for Social Credit in the 1935 provincial election, winning 23% of the popular vote.

Much of the commentary on the class basis of popular support for Social Credit that appeared after the publication of Democracy in Alberta involves either a re-statement of Macpherson's position or minor variations on his main theme. J.R. Mallory (1954:183), whose book followed Macpherson's in the Social Science Research Council series on Social Credit, writes that the party's support "came from agrarian and lower middle class sources". Mallory does not define "lower middle class", nor is the claim backed up with any evidence or

¹¹That is, $39\% - 8.25\% = 30.75\%$.

reference to other studies. In the foreword to the Mallory piece, S.D. Clark states that, "It is significant ... that the movement had appealed in particular to the small-town middle classes in Alberta, to people who, while quite dismayed and exasperated by economic conditions, did not really envisage or desire to see established a new economic order in the province" (p.viii). No supportive reference is given.

Walter D. Young (1969\1978:97) characterizes Social Credit as "a movement of the lower middle class, the petite bourgeoisie, of people not normally active in any sort of public body but driven by despair and drawn by Aberhart's conviction to the ranks of Social Credit". Young offers no evidence for his assertions regarding the class basis of the movement.

K. McNaught (1969:249) argues that, "Led by William Aberhart, a radio evangelist, the Social Credit Party spoke directly to farmers and ranchers hard-pressed for mortgage payments". Here we have the implication of farm ownership by Social Credit supporters, and again no evidence that popular support for the movement was confined to this minority of the workforce.

R.T. Naylor (1972:253) asserts that both the CCF in Saskatchewan and Social Credit in Alberta had "objective appeal" for "the petit bourgeois class as a whole", but, again, the claim is made without any empirical foundation.

Like the other writers in this school, Naylor fails to consider how the other classes in Alberta responded to Social Credit; like the others, he ignores a majority of the workforce.

Conway (1978:124) advances the argument that, "Populism, as a political movement in self-defence on the part of a threatened agrarian petit-bourgeoisie, is what fundamentally characterized the CCF and Social Credit". Again, no evidence.

Sinclair (1979) is another adherent of the class argument being considered here. He cites figures showing that in 1936 farmers and unpaid family labour comprised 42.1% of the labour force, but unlike many others in this school, he suggests that the agrarian petite bourgeoisie can be internally divided and stratified by income, type of agriculture, ethnicity and religion. "United petit bourgeois action is rare", he writes, "even if attention is restricted to the agrarian sector of the petite bourgeoisie" (1979:81). He contrasts this idea with Macpherson's assertion that prairie farmers, unlike the petite bourgeoisie as a whole, "developed a vigorous consciousness of common interests". Sinclair (ibid.) claims that "differences within the agrarian stratum of the petite bourgeoisie have often gone unnoticed, because enough farmers have combined with urban labour (in Saskatchewan) or with other petit bourgeois strata (in Alberta) to elect populist governments to the provincial legislatures" (parentheses in original).

Although Sinclair's recognition that the agrarian petite bourgeoisie can be internally divided is a welcome acknowledgement of the complexity of the issue at hand, his presentation shares with the other contributions to this school the jump in logic from the premise that the petite bourgeoisie was a relatively large class, to the conclusion that support for Social Credit was primarily petit-bourgeois. Nowhere in Sinclair's work does one find any evidence that the petite bourgeoisie actually voted Social Credit in sufficient numbers to bring the party to power by itself. Nor does one find in Sinclair any consideration of how wage and salary earners reacted to Social Credit.

Not surprisingly, the class perspective reviewed here has made its way into Canadian sociology textbooks. In one textbook students are told that

Perhaps the most important provincial manifestation of farmers' political concerns was the emergence of the Social Credit party in Alberta and the CCF in Saskatchewan. ...[S]cholars have stressed the common class base of these two movements and have concluded, generally, that both the Social Credit and the CCF should be viewed as populist responses (of independent commodity producers) to the domination by eastern financial and industrial interests (Grayson and Grayson, 1983:520, parentheses in original).

The Graysons cite Naylor (1972), Sinclair (1975) and Conway (1978) here, but, as we have just seen, these three writers offer only assertions, not evidence. In another textbook it is written that Social Credit "appealed to western farmers and small-town businessmen who wanted to

believe that their troubles resulted from the control of the economy by eastern financial interests" (Clark, 1982:352). Clark too does not provide his readers with evidence.

Robert Brym (1978) also makes the petit-bourgeois argument, although he does maintain that "Macpherson undoubtedly overemphasized the homogeneity of Alberta's class structure" (1986:52). Brym (1978:345-46) suggests that Alberta farmers "coalesced" with "the small-town petit bourgeois element" in supporting Social Credit. He contrasts this with the situation in Saskatchewan, where, he argues, farmers united with workers in their support for the CCF.¹²

To establish his argument for the Alberta case, Brym provides quotations from an article by Burnet (1947), whose work is often cited by students of the movement as illustrative of small-town support for Social Credit. He also presents an occupational breakdown of 1935 Social Credit MLAs, whose ranks, he reports, did not include any members of the working class, unlike the Saskatchewan CCF government of 1944. Similarly, some writers cite Social Credit's lack of support by labour leaders as evidence of a lack of support

¹²Brym (1978:346, n.10) states in a footnote that Social Credit received "some working-class support in 1935, but mainly among unemployed and unorganized workers". It would appear from this statement, and from his remarks in the text regarding the typically left-wing ideological position of the working class, that he does not consider working-class support for Social Credit to have been very high. His argument is that the CCF's left-wing orientation derives from the farmers' coalition with the working class, while Social Credit's allegedly right-wing perspective came about through a farmer coalition with the small-town petite bourgeoisie.

for the movement among workers.

Burnet's work will be discussed below. At this juncture, it will be suggested that caution should be exercised in attributing the nature of a movement's mass support from the characteristics of its leadership. Many socialist parties, at least since the time of Marx, have drawn a large proportion of their leadership from the middle class; and the Lougheed Conservatives, whose ranks included few if any working-class MLAs, and who did not receive official support from organized labour, fared handsomely with the working class of Alberta.¹³ Thus working-class support for Social Credit is by no means disproved by showing that no workers were elected under the party banner, or by the fact that the party was not openly embraced by organized labour.

Virtually no one doubts that large numbers of farmers supported Social Credit, in spite of the fact that the movement was rejected by the leading farmers' organization, the UFA.¹⁴ Very few students of the movement, on the other hand, consider that working class support for Social Credit may also have been high despite its rejection by labour

¹³Elton and Goddard (1979:56) cite survey data indicating that 58% of those in the "skilled/unskilled labour" category voted Conservative in the 1971 provincial election.

¹⁴For example, Sherman (1966:85) writes: "Despite the rather frightening potential in the whole [Social Credit] concept, it was obviously an easy one to sell to the destitute farmer in Alberta." The first sentence of his next paragraph reads: "Aberhart tried to get the UFA to adopt his plan, but it refused...." See Irving (1959: chs.4, 5 and 6) for an account of the UFA's rejection of Social Credit.

organizations.¹⁵ Moreover, it would appear that the acceptance of Social Credit ideas by labour leaders has been underestimated. As we saw in Chapter 2, William Irvine, who in 1921 was elected as a Labor Member of Parliament for Calgary East, and who later served as both a UFA and CCF MP, was a fervent exponent of Social Credit doctrine. In fact he had assisted in bringing Major Douglas to Ottawa to give testimony before the House of Commons Committee on Banking and Commerce in 1923. Significantly, Irvine argued that the doctrines of social credit and democratic socialism were not incompatible (Mardiros, 1979:146-47). Also, as observed in Chapter 2, the Alberta Federation of Labor had demanded that Douglas Social Crediters be allowed to speak before members of the Alberta legislature.

Actually, it would appear that many of the supporters of the labour movement deserted the Labor Party and voted Social Credit, just as many former UFA supporters defied their own

¹⁵Alvin Finkel (1984) is an exception. In an account of Social Credit's popular support that is something of a departure from the school reviewed here, he maintains that, "Macpherson was correct to identify [Social Credit] as rooted in the petite bourgeoisie", but that it was "nevertheless able to incorporate working class elements because it developed policies and organizational structures that compared favourably in popular democratic terms to working-class parties in Alberta" (ibid.:111). Finkel (ibid.) holds that Alberta workers were, as Laclau (1977:174) puts it, "subjected to the articulating principle of a class distinct to that which [they belong]". Since his paper is devoted to a discussion of Alberta's working class, Finkel makes no attempt to establish the petit-bourgeois "roots" of Social Credit. The issue of whether the Social Credit ideology was an "articulating principle" of the petite bourgeoisie is taken up in the next chapter.

organization and supported Aberhart. That this occurred, and that Social Credit's first victory was not entirely displeasing to organized labour is suggested in a post-election editorial in the Alberta Labor News, the official organ of the Alberta Federation of Labor.

...the Labor News has never felt alarmed over the prospect of Mr. Aberhart's success at the polls.

It would be hypocritical to say that Thursday's result causes us no discouragement. Labor's loss is a matter of serious regret and discouragement. ...

But an examination of the results reveals very clearly the fact that it was not a knowingly reactionary vote. Indeed, it was a radical vote. It was a vote that was seeking to find expression in the proposals that appeared to offer the most striking challenge to the present social order. The labor vote went Social Credit. Much of the UFA vote went Social Credit. It went that way because the people were seeking to find a more immediately effective means of voicing a protest against things as they are (Alberta Labor News, August 24, 1935, my emphasis; quoted in Johnson, 1979:95).

Social Credit's electoral success in the cities of Alberta, to be reviewed below, suggests that this is a plausible analysis.

Empirical Studies

Only two efforts to empirically test the claims considered here regarding the mass basis of Social Credit support were discovered. One was conducted by Flanagan (1972; see also Flanagan 1973; 1979), the other by Grayson and Grayson (1974).

Flanagan divides Alberta into four geographic regions: the agrarian "heartland", which he defines as the region

extending north from the US border to Edmonton, and west from Saskatchewan to the foothills of the Rocky Mountains (excluding Calgary and Edmonton); the Rocky Mountain and Foothills area; the two major cities (Calgary and Edmonton); and the north, defined as the region north of Edmonton, which in the period in question "was even more rural and just as agrarian as the southern heartland" (Flanagan, 1972:154).¹⁶

Flanagan argues that the "basis of Social Credit became, with one modification, the same heartland voters with whom the UFA had done so well" (ibid.:157). The modification was that Social Credit's political philosophy, unlike that of the UFA, did not prevent it from seeking election in non-agrarian regions of the province. Flanagan contends, however, that "in spite of this broadened appeal, Social Credit showed relative weakness in the same areas where the UFA had been weak" (ibid.:157-58). Breaking down the popular vote for Social Credit in 1935 by region, he arrives at the following percentages:

Heartland	61%
Mountain	49%
Cities (Calgary and Edmonton)	48%
North	46%

The first thing to note about Flanagan's findings is that the two rural regions, which contain high concentrations

¹⁶Flanagan is critical of Macpherson's depiction of Alberta's class structure, stating that it is applicable only to the agrarian heartland. "[M]inus the cities," he writes, "it is this Alberta which Macpherson described" (Flanagan, 1972:140).

of farm (i.e., petit-bourgeois) voters, the heartland and the north, contain both the highest and the lowest levels of support for Social Credit, although support in the latter region was only marginally lower than that in the city and mountain regions. If we combine the two agrarian regions into one, we find that 56% of the voters in this composite area voted Social Credit (Province of Alberta, 1983, my calculations), which is only two percentage points higher than the party's province-wide figure of 54%.

Flanagan's inclusion of Alberta's cities in his analysis is to be lauded, since most of the adherents of the petit-bourgeois theory ignore the Social Credit presence in the cities entirely.¹⁷ As our earlier discussion has shown, it is commonly asserted in the literature that Social Credit was a rural and "small-town" phenomenon, although "small-town" is rarely defined. Such accounts imply that the success of Social Credit was negligible in the cities.

A good case can be made to include Medicine Hat and Lethbridge (in addition to Calgary and Edmonton) in any discussion of Alberta cities. The size of their urban

¹⁷In a chapter on English Social Credit, Macpherson (1953:93) writes that "in the beginning the very extent and depth of its revolt made the social credit doctrine attractive to western Canadian farmers whose own society appeared to be uprooted. The urban outlook of social credit was secondary; its primary appeal was to those insecure sections of society, whether independent prairie farm producers or middle class English city dwellers, whose economic position may be defined as petit-bourgeois". He offers no evidence to substantiate these assertions.

populations (in 1931 they were the third and fourth largest cities in the province, after Calgary and Edmonton)¹⁸ and their economic activity made them quite different from the smaller communities and the ranching and grain-growing region that surrounds them.¹⁹ The politics of these two cities also set them apart; as Flanagan points out, the UFA normally did not even run candidates in Medicine Hat and Lethbridge.²⁰ Describing these two communities as "cities" would also be

¹⁸Medicine Hat had a population of 10,300 in 1931, Lethbridge 13,489. In that year 79,197 people lived in Edmonton; 83,761 in Calgary (Government of Canada, 1933:464-482).

¹⁹Medicine Hat was established as a Canadian Pacific Railway station in 1883. Later natural gas and clay were produced commercially, which led to the manufacture of pottery, bricks and tiles. Its economy also came to include milling, canning, brewing and some smelting (Gould, 1981). Lethbridge had been a coal-mining centre since the 1880s. (The city is named after William Lethbridge, an early president of a coal company operating in the area.) Around the turn of the century, the local railway facilities were expanded to include a station and maintenance facilities. In addition to these activities, Lethbridge became a regional marketing and distributing centre, and was the site of flour milling, sugar refining, brewing and iron-working (Johnson and den Otter, 1985). Brief histories of these two communities are given in Chapter 5 below.

²⁰In 1921, Medicine Hat was a large, two-member riding that included a large section of the countryside in addition to the city proper; it elected a UFA and a Labor candidate that year. In 1926 the size of the riding was greatly reduced, with all but a small portion of the countryside removed. That year it elected a Liberal and a Conservative member; the UFA did not contest the seat. Medicine Hat became a single-member constituency in 1930, electing a Liberal. Again, no UFA candidate. The UFA did not contest the riding in 1935 either. Similarly, at no point in its history did the UFA field a candidate in Lethbridge. An independent candidate represented Lethbridge in 1921, with Labor winning in 1926 and 1930 (Government of Alberta, 1983).

consistent with Macpherson's use of this term.²¹

If we include Medicine Hat and Lethbridge in the "cities" category, we get the pattern of Social Credit support shown in Table 3-3. Looking at the Per Cent Social Credit column, we see that Flanagan's figure of 48% for Calgary and Edmonton masks a fairly large difference in support between the two cities. Surprisingly, the 58% figure for Calgary places it four percentage points above the province-wide mark. Lethbridge and Medicine Hat, it should be noted, also had high levels of Social Credit voting. Hence it appears that Flanagan's claim that "Social Credit showed relative weakness in the same areas where the UFA had been weak" cannot be substantiated for three of the four largest cities in the province.

The success of the party in these four cities casts doubt on the idea that Social Credit was a petit-bourgeois movement, since only about 11% of the work force in these cities were petit-bourgeois.²² As noted above, the popularity

²¹Macpherson (1953:10) states that, "[Alberta's] population, in 1946 some 800,000, ... is spread out over about 90,000 farms..., numerous hamlets and villages, twenty-five towns with populations between 1,000 and 5,000, two cities between 10,000 and 15,000, and two large cities of about 90,000 and 100,000."

²²According to the 1951 census, 12% of the male work force in greater Edmonton was comprised of "employers and own accounts" and "no pays"; the figure for Calgary for that year was also 12% (Census of Canada, Bulletin: CT-10, 5-3-1953:12, 14, my calculations). These figures slightly overestimate the presence of the petite bourgeoisie, however, since "employers and own accounts" includes owners of large firms. One of the twelve per cent in these categories was deducted to account

Table 3-3

Social Credit Voting in the Four Largest Cities
Provincial Election of 1935*

	Per Cent	N
Edmonton	37	37,267
Calgary	58	36,724
Lethbridge	53	5,798
Medicine Hat	62	4,582
Province	54	301,752

*Figures are for the cities proper, except for Edmonton, which includes the entire constituency of Edmonton; but see pp.134-35 and Table 5-5, note a, below. Figures for the city of Edmonton proper are not available.

Sources: For Calgary, Calgary Herald, August 23, 1935:20. For Lethbridge and Medicine Hat, Statement of Vote for the 1935 Election, provided by the Provincial Archives of Alberta. For Edmonton, Government of Alberta, 1983. My calculations.

of the movement in the cities is often neglected. This is a rather serious oversight, if we consider that one quarter (26%) of the province's population lived in these four cities in 1931 (Government of Canada, 1933:464-482, my calculations).

The success of the party in the cities, especially Calgary, also brings into question the popular idea that Social Credit, as far as urban areas are concerned, was a "small-town" movement. Further doubt on the "small-town" hypothesis is cast by the data in Table 3-4 below, which lists the results for the 1935 election in urban areas having a population between 1,000 and 5,000, a population range consistent with Macpherson's characterization of Alberta "towns".²³ If we define these communities as the small towns, only 11 of the 27 small towns had a Social Credit popular vote that exceeded the provincial average. Table 3-4 may also help to explain how it came about that most observers contend, erroneously, that the small towns were bastions of Social Credit support. The fieldwork for the studies that are often cited as illustrative of small-town support for Social Credit (Burnet, 1947; 1951) was conducted in Hanna, which had the highest level of support of any small town with 78% in

for this. Such data are not available for years before 1951, and are not available for Lethbridge, Medicine Hat, or the smaller communities.

²³See note 21 above. Only four urban centres, the cities discussed above, had populations exceeding 5000 in 1931.

Table 3-4

Social Credit Vote in the Alberta Provincial Election, 1935
For Urban Areas With Populations Between 1000 and 5,000*

	<u>Population 1931</u>	<u>Per Cent</u> <u>Social Credit</u>
Blairmore	1629	45
Camrose	2258	46
Cardston	1672	69
Claresholm	1156	54
Coleman	1704	63
Drumheller	2987	55
Edson	1547	35
Fort Saskatchewan	1001	31
Grande Prairie	1464	30
Hanna	1490	78
High River	1459	50
Innisfail	1024	50
Lacombe	1259	39
Lloydminster	1516	45
Macleod	1447	56
Magrath	1224	55
Olds	1056	49
Pincher Creek	1024	46
Raymond	1849	66
Redcliff	1192	66
Red Deer	2344	49
Stettler	1219	56
Taber	1279	70
Vegreville	1659	45
Vermillion	1270	53
Wainright	1147	35
Wetaskiwin	2125	60
Province		54

*Excluding Beverly, for which data are not available.

Source: Statement of Vote For Provincial Election of 1935,
Provincial Archives of Alberta

favour.

The second attempt to empirically test the claims considered here was performed by Grayson and Grayson (1974). They examine the support for Social Credit in urban Alberta, i.e. in all municipalities with a population of 1000 or more. The authors address Macpherson's interpretation of Social Credit, but it seems that they have misconstrued his position to some extent. They quote the following sentence from Democracy in Alberta, where Macpherson is discussing the UFA and Social Credit: "The radicalism of both was that of a quasi-colonial society of independent producers [farmers], in rebellion against eastern imperialism but not against the property system" (Grayson and Grayson, 1974:293, brackets added by Grayson and Grayson). But we have seen above that, for Macpherson, "independent producers" includes both the agricultural and non-agricultural segments of the petite bourgeoisie, not just farmers, as the above quotation suggests.

The authors further state that "Macpherson regards position in the productive process as his independent variable" (ibid.:293). But Macpherson is much more specific than this, focusing his analysis of Social Credit on one particular class--the petite bourgeoisie.

Grayson and Grayson's divergence from Macpherson on these points leads them to make a somewhat confused critique of his position. They quote Macpherson's statement that

1
Social Credit was a revolt "by farmers and townsmen", claiming that, "Clearly, then, Social Credit support came not only from 'independent producers' on the land but from townsmen as well" (ibid.:293). They argue that "further refinement" of Macpherson's theory is thus required, suggesting that urban unemployment may have been a "crucial variable" (ibid.:294).

In their findings, the authors first note that there does not appear to have been a rural-urban cleavage in support for the provincial Social Credit party in 1935. It received 32.8% of its total support from urban areas, which made up 31.1% of the province's population.

The correlation coefficient they calculate for community size and the provincial Social Credit vote, contrary to popular expectation, is positive at .10; its beta weight is .02. From the regression analysis reported, this variable explains 0% of the variance (ibid.:302). This suggests that a small-town dynamic did not contribute to popular support for Social Credit. (This observation does not form part of the Graysons' analysis.)

The authors' ethnic variables together explain 9% of the variance, the religious variables 8%. Surprisingly, the per cent Fundamentalist variable by itself explained only 2% of the variance. The percentage of unemployed males variable had the largest impact of those considered, explaining 35% of the variance. Grayson and Grayson conclude that economic factors

are more important than religious ones in accounting for Social Credit support in urban areas. Their arguably loose interpretation of Macpherson, however, appears to have led them to view this assessment as supporting his account of Social Credit. They write:

Such an interpretation is consistent with Macpherson's analysis of the movement. Because of the depression and consequent unemployment, the position in the productive process of large numbers of farmers and townsmen alike was changed. This, in turn, led to a propensity to support a new movement preaching economic as well as religious salvation (Grayson and Grayson, 1974:309).

It must be stressed that Macpherson does not consider unemployment to be the key variable determining support for Social Credit. This is an idea advanced by the Graysons. Actually, it diverges considerably from Macpherson's position. He argues that Social Credit was a confused response of the petite bourgeoisie to its exploitation by the big central-Canadian bourgeoisie. This is something quite distinct from unemployment, a condition suffered mainly by wage and salary earners. The latter, presumably, do not suffer the delusions said to be inherent in a petit-bourgeois position which allegedly predisposed members of this class to support Social Credit.

Also, it should be noted that although farmers suffered miserably during the depression, the vast majority of them stayed on the farms. (With the high rate of unemployment across the country, they really had no other choice.) While urban areas experienced population loss during this period,

the number of farmers in Alberta actually increased.²⁴ The number of occupied farms in Alberta increased from 77,130 in 1926 to 97,408 in 1931, and to 100,358 in 1936; in 1941 the total was 99,732 (Macpherson, 1953:11). Thus it seems that the unemployed appearing in the Graysons' data, which are based on the 1931 census, included only a very small number of recently dispossessed farmers.

Summary

We have seen that a school of thought has emerged which argues that Social Credit was a mass movement of the petite bourgeoisie. As noted in Chapter 1, this school forms part of a larger theoretical tradition on this class, which holds that the petite bourgeoisie's position in advanced capitalism creates alienation and ultimately political confusion among members of this class.

Many accounts of the movement appear to exaggerate the presence of the petite bourgeoisie in Alberta. One gets the impression that the province was almost uniformly petit-bourgeois, yet roughly one half of the work force fell outside this category in 1931. Few observers have considered the political behaviour of this "other half" of the electorate to be relevant to the understanding of Social

²⁴This increase is consistent with Bechhofer and Elliott's (1985:201) contention that, paradoxically, the petite bourgeoisie tends to expand during periods of economic decline.

Credit.

Although the conventional wisdom maintains that the petite bourgeoisie provided the mass basis of support for the movement, the review of the literature provided above has shown that virtually no evidence has been presented in support of this claim. It is an unsubstantiated hypothesis. Moreover, the evidence reviewed here suggests that there was substantial support for the movement outside the ranks of this class. Perhaps the most striking indication of this is the high level of support for the party in the four largest cities, where the petite bourgeoisie comprised only a small minority of the population. Also to be considered is petit-bourgeois support for the UFA and the other parties in competition with Social Credit, which again indicates that those outside this class provided a high level of support for the movement.

Since it is apparent that Social Credit support was much more diffuse than is commonly believed, a comprehensive empirical account of how all classes reacted to Social Credit is clearly called for, in conjunction with a discussion of how each class related to the parties in competition with it. Such an analysis is provided in Chapter 5 for the 1935 election, and in Chapter 7 for the election of 1940.

But before turning to our analysis of the class pattern of the vote, it would be instructive to examine the Social Credit philosophy in light of the conventional accounts of

the movement reviewed here. Those accounts argue that the movement's ideology was inherently conservative, that it was a reflection of the petit-bourgeois dilemma outlined in Chapter 1. The received tradition also suggests that strong anti-central Canadian imperialist sentiment formed an integral part of the movement's ideology. In the next chapter, an effort will be made to determine if these accounts have provided an accurate portrayal of the Social Credit philosophy. Establishing the nature of the Social Credit program will facilitate the interpretation of the election results discussed in later chapters.

Chapter Four

The Social Credit Philosophy

Introduction

Just what was this "Social Credit" that so easily stirred the emotions? What kind of a society did William Aberhart want to usher into Alberta? Here we shall address these questions by examining the Social Credit philosophy, keeping in mind the established interpretations of the movement.

According to Macpherson (1953:234), Social Credit's program for monetary reform and its beliefs regarding the role of the state, discussed below, are the "[p]roducts of the same assumptions", and are "equally false solutions of the petit-bourgeois predicament". He claims that the "petit-bourgeois concept of society, which had impaired the U.F.A. theory, was now carried to its extreme [by Social Credit]" (ibid.:160). The movement had, in brief, a "small-producer ideology" (ibid.:216).¹

In addition to its alleged petit-bourgeois nature, the Social Credit philosophy is said to have been anti-imperialist. As we saw in Chapter 1, Macpherson also describes Social Credit as being "in rebellion against eastern imperialism" (ibid.:220). Many other writers, as observed in the previous chapter, also maintain that anti-imperialist sentiment was a definitive feature of the movement. Perhaps the most influential of these has been S.

¹See also Finkel's (1984:123) reference to "Social Credit petit bourgeois philosophy".

M. Lipset (1968:154-57).

Thus the conventional wisdom maintains that the Social Credit ideology has two fundamental characteristics:

1) It derives from the petite bourgeoisie's position in the capitalist class structure, being a manifestation of its world view. Since Alberta was a province of independent or petit-bourgeois "producers", serious radicalism was out of the question. In fact for this school, the petite bourgeoisie, unlike the working class or bourgeoisie, is incapable of comprehending its real class position in capitalist society.² As we saw in Chapter 1, Macpherson argues that members of this class have a "delusive understanding of the nature of society, of the economy, and of their own place in it" (ibid.:226). The best the petite bourgeoisie can do in times of crisis is endeavour to alter the terms of capitalist trade in its favour; this results in little significant change, given the power of the bourgeoisie in advanced capitalism. It will never, the argument goes, do anything to undermine the capitalist system because it is itself a class of small capitalists. Thus this school holds that the petite bourgeoisie was attracted to Social Credit because the movement promised to solve this class' problems without disrupting the capitalist system. As a British anti-

²Macpherson writes that, "Historically, while working class and bourgeoisie have both displayed this awareness [of class relations] at crucial periods, the petite-bourgeoisie has typically not done so" (1953:225). He provides no evidence in support of this claim.

Social Credit pamphleteer once put it,

the petite bourgeoisie...regard the economic world as a machine and they attribute all evils and crises to simple mechanical flaws in its running.

...[T]hese political hambones imagine they have located a simple mechanical flaw in the way in which money circulates, and this flaw is the fly in the capitalist ointment: remove it, and, hey-Presto! the crisis is solved (Younie, n.d., circa 1936).

2) It was anti-imperialist. The "imperialists" were central-Canadian capitalists, who used the west as a market for finished goods produced in Ontario and Quebec, speculated in international grain sales, reaped the benefits of the loans used to develop the west, and owned the railway which united the empire and made capitalist nation building possible. The struggle was also against political imperialism, whereby national policy is formed in the interests of Ontario and Quebec, to the detriment or neglect of the west.³ Thus according to Mallory (1954:54), for instance, "The formation of a Social Credit government under the premiership of William Aberhart in 1935 symbolized a rejection of the National Policy and of the subordinate role which the West played in that policy". In some of the more cynical accounts of the movement (e.g. Clark, 1954:vii-ix), the suggestion is even made that Aberhart had no intention of implementing a Social Credit plan at all, but had merely advanced the scheme in an effort to win more autonomy for the

³See, for example, Macpherson (1953:6-10).

province.

Thus we have the spectacle of Social Credit: a movement hopelessly misguided by petit-bourgeois false consciousness, yet admirable in its condemnation of central-Canadian imperialism.

We shall now review the Social Credit doctrine, both the original formulations of Major Douglas and the Alberta program based on his writings, in an effort to determine whether this standard interpretation of the movement adequately portrays the Social Credit philosophy.

The Douglas Doctrine

Major Douglas' theories of society are expressed in numerous books, pamphlets and articles. Like many social theorists, he never wrote a single, systematic treatise containing all the elements of his philosophy, although a general social theory is discernible which provides a sense of continuity to his various statements.

Douglas begins by championing "the supremacy of the individual considered collectively" (1921a:5). He believes that individual freedom is being suppressed in modern society by a growing concentration of economic and political power. The liberation he proposes is made possible by freeing people from the necessity of working full-time, through the application of "science and mechanism".

Douglas believes that it is technically possible for

society to satisfy the basic material needs of all its citizens without having to fully employ all those able to work. He even went so far as to claim that science and technology, which he calls the "cultural heritage", had progressed to the point where it was possible to produce goods and services "at a rate very considerably greater than the possible rate of consumption of the world" (Douglas, 1933:18). This could be achieved by employing only 25% of the available labour, working seven hours a day (ibid.).⁴

Since only a minimal amount of work is needed to fulfill our material needs, mankind has the ability to free itself from the growing concentration of power. The universal wealth would liberate the population, allowing it to pursue "the interest of man which is self-development" (1921a:7).⁵ Unlike many orthodox economists of his day, Douglas did not see

⁴Douglas is not alone in claiming that a drastic reduction in the amount of labour needed for production can be achieved if the existing productive resources are properly utilized. Another social theorist writes that, "human society has an abundance of productive forces at its disposal which only await a rational organization, regulated distribution, in order to go into operation to the greatest benefit of all. ...[G]iven this kind of organization, the present customary labour time of the individual will be reduced by half simply by making use of the labour which is either not used at all or used disadvantageously". The theorist is Friedrich Engels (1975:251). Elsewhere, Engels (1976:368) writes that, "The steam engine and the other new machines have provided modern industry with the means to achieve a limitless increase in the volume of production in a very short time".

⁵Cf. Engels (1976:369): "...[M]odern industry--and the illimitable expansion of output which it can achieve--has made possible the emergence of an economy in which such a volume of the necessities of life can be produced that every member of society could develop his potentialities to the full".

employment as an end in itself, but as a means to self development.⁶

But why, then, are so few free from the need to work full-time? What is preventing us from living in the type of society Douglas believed possible?

According to Major Douglas, there is an inherent shortage of consumer purchasing power in all industrial societies. This flaw is explained in his famous A + B Theorem, which forms the cornerstone of the Social Credit doctrine. Douglas argues that the payments made by any business firm are of two types: "A" payments, made to individuals, which comprise wages, salaries and dividends; and "B" payments, made to other firms, such as those for raw materials, bank charges and so on. A chronic shortage of consumer purchasing power exists because "the rate of flow of purchasing-power to individuals is represented by A, but since all payments go into prices, the rate of flow of prices cannot be less than A + B" (Douglas, 1921b:22). In other words, all A payments made in a given period represent the money income available to individuals, yet the price of all goods on the market in this period is equal to A plus all B payments. Since A can never equal A + B, the public is able to purchase only a small and constantly decreasing fraction of all goods produced.

⁶Douglas' thought had much in common with that of the Technocracy movement. For a discussion of the latter, see Atkin (1977), especially pp.64-67, 84-86, 114-15.

Douglas views the modern industrial system as extremely effective in producing goods, but due to the problems exposed in the A + B Theorem, a very poor distributor of them. "[D]istribution and not manufacture is the real economic problem and is at present quite intolerably unsatisfactory" (Douglas, 1921a:87).

In order to compensate for the chronic shortage of purchasing power that he believed was revealed in the A + B Theorem, Douglas sought to reform the monetary system. "Credit" was to be made available to consumers in amounts at least equal to all B payments made. This was to be implemented through two mechanisms: the "national dividend" and the "just" or "assisted" price, discussed below.

The appeal of Douglasism is understandable if it is considered that the orthodox economists of his day maintained that overproduction was the central problem in capitalist economies. That is, if there is overproduction, a system that would allow the surplus to be distributed to consumers is an attractive proposition.

Although sound arguments exist which claim that capitalist societies do not adequately distribute the goods they produce, it would appear that the A + B Theorem is not one of them. Many critics have pointed out that a proportion of the B payments made to other firms is paid out in the form of wages, salaries and dividends by these other firms, and so

are sources of personal income or A payments.⁷ Another way of expressing this is that individuals receive A payments at each stage of production, but need only pay for the A and B payments of the final stage (Hiskett and Franklin, 1939:29).⁸

In any event, Douglas' ideas gained considerable notoriety after several of his articles were published in The New Age shortly after World War I. The New Age was a popular British avant-garde periodical whose contributors included G.B. Shaw, Katherine Mansfield, T.S. Eliot, Ezra Pound, T.E. Lawrence and George Orwell.

As the theorem became well known and subject to intense criticism, Douglas and his followers, like devotees of other social theories subject to public condemnation, introduced twists and turns in it which in effect yielded four or five separate theorems, although the original remained the most popular and was never officially renounced. The innovations introduced include the idea that in stating that A cannot equal A plus B, the former A refers to all sources of income to individuals, while A + B refers to payments made by retailers only; that although A payments are received at all

⁷Douglas overlooked rent as a source of personal income.

⁸For example, A payments are made to loggers falling trees, to workers in a saw mill processing the logs, and to clerks in a furniture store where the final product is sold. Consumers pay for the A and B payments of the furniture store in the price of the goods, but not for these payments plus the sawmill's B payments plus the logging firm's B payments; the latter two B payments are included in those of the furniture store. The A + B Theorem implies that all B payments, calculated cumulatively, are to be paid for by consumers.

stages of production, they are not in the hands of consumers when the goods are placed on the market; and that the deficiency in purchasing power is caused by producers setting money aside to cover depreciation charges (see Gaitskell, 1933:347-75). This made it quite difficult to criticize the theorem, as supporters could always deny that the critic had understood it, citing an alternate interpretation.

Like other social theorists, Douglas expounded at length on the problems of contemporary society, but was vague and evasive when it came to explaining in concrete terms how his solutions were to be implemented. However, in his "Draft Social Credit Scheme For Scotland" (1933:205-12), we do get some indication of the action to be taken.

With regard to the national dividend, it seems that the national government, through its own financial institution, should create an account based on the "real credit" of the nation, which is to be founded on the ability of the society to deliver goods and services (Douglas, 1921b:105-06). He had the idea that the value of all capital assets of a country, such as minerals, buildings, land, machines, etc. should be added up, with "[n]o distinction between public and private property" (Douglas, 1933:205). Added to this figure is the "capitalized value of the population", which appears to mean the potential earning power of all citizens. The total of these two amounts is to comprise the country's capital account, upon which "credit" is to be granted. In his scheme,

"[m]oney and Real assets are on opposite sides of the account (and should balance) not, as in a commercial account, on the same side of the account" (ibid.:212). Dividends were to be paid to all citizens on a regular basis out of the national credit, equaling, he estimates, roughly 1% of the capital account each year. The dividends were to be granted in perpetuity and were not to be paid back or taxed.

In addition to dividends, consumers were to receive the benefit of the just price for goods. In keeping with the reasoning of the standard $A + B$ Theorem, the just price must permit firms to sell their products below cost (Douglas, 1921b:91).⁹ He predicted a discount of 25% on retail prices. A reasonable amount of profit is still possible and permitted under the scheme, but excessive profits are not. The difference between the market price and the just price is to be taken out of the national credit: "The capital account will be 'depreciated' by such sums, and 'appreciated' by all capital development" (ibid.:210). Douglas also considered the just price to be a bulwark against inflation, which critics contended would be created by the scheme.

Douglas believed that the chronic shortage of consumer purchasing power had very serious consequences, but in his

⁹Douglas maintains that if goods are sold at cost price or above, consumers cannot purchase all of what is produced since they have income equal to A , whereas the value of all goods is equal to $A + B$. As suggested above, "credit" is to be issued (through subsidizing the just price and by issuing the national dividend) at least equal to all B payments for all goods to be purchased.

1
opinion the solution was simply a matter of applying proper bookkeeping procedures. He proposed social change that went far beyond new accounting methods, however, in his plan to solve a second problem that he considered to be inherent in capitalist societies. This second problem, which seems to have escaped most authors writing on Social Credit, is that the existing system "makes the wrong things and so is colossally wasteful" (Douglas, 1922:24). Instead of producing the goods and services that people actually need, it merely produces things which will provide money for those in control of the productive process, who for Douglas are financiers. The producers of goods are dependent on bank credit to finance production, since they cannot sell much of what they produce due to the shortage of consumer purchasing power. This allows the banks to control the productive resources of society, "which in turn enables [them] to control both the quantity and variety of its output, and so maintain [their] control over prices" (Douglas, 1922b:10). The banks' objective is to make not useful goods but money, so a granting of credit "is not a reflection of an increase in potential capacity to deliver goods and services, but merely...the potential capacity to deliver money" (1921b:129).¹⁰

¹⁰Veblen (1921:47) takes a similar position: "...[N]o large move in the field of corporation finance can be made without the advice and consent of those large funded interests that are in a position to act as investment bankers; nor does any large enterprise in corporation

Douglas also claimed that

The tawdry "ornament", the jerry-built house, the slow and uncomfortable train service, the unwholesome sweetmeat, are the direct and logical consummation of an economic system which rewards variety, quite irrespective of quality, and proclaims in the clearest possible manner that it is much better to "do" your neighbour than to do sound and lasting work (1921a:79).

In their effort to dispose of these shoddy goods, producers rely on "artificial demand created by advertisement; a demand, in many cases, as purely hypnotic in origin as the request of the mesmerized subject for a draught of kerosene" (ibid.:77).¹¹

Douglas also believed that in order to maintain the illusion of scarcity, finance sees to it that as few consumer goods as "will avoid revolution" are produced (Douglas 1922b:10). Capital goods are produced instead, which helps to perpetuate the myth that all must work long, hard hours. "The end of all this", according to Douglas, "...will leave the 'victors' with a mass of monetary wealth which will not induce the baking of a loaf of bread" (ibid.:11).¹²

business ever escape from the continued control of the investment bankers in any of its larger transactions; nor can any corporate enterprise of the larger sort now continue to do business except on terms which will yield something appreciable in the way of income to the investment bankers, whose continued support is necessary to its success".

¹¹Cf. Veblen (1921:111): "...[A]ll the costly publicity that goes into sales-costs is in the nature of prevarication; when it is not good broad mendacity; and quite necessarily so".

¹²Cf. Marx (1967:594): "...the capitalist gets rich, not like the miser, in proportion to his personal labour and restricted consumption, but at the same rate as he squeezes

1 Douglas proposed a "new basis of credit--the useful (to human beings as such) productive capacity of society..." (ibid.:128; emphasis and parentheses in original). He believed that the community as a whole should come to an agreement over what to produce and in what amounts, despite the fact that only a few individuals have the technical knowledge or productive resources to produce it.¹³ In his new system, prices would be determined "on the broad principles of use value, by the community as a whole operating by the most flexible representation possible" (ibid.:154). A "workable financial system", he wrote, "is far more in the nature of an accounting and order system than an exchange system" (1933:187). The producers of the goods and services, who are to base their production on the community's explicit

out the labour-power of others, and enforces on the labourer abstinence from all life's enjoyments...."

¹³Engels (1975:246) takes a similar position, claiming that "once production is no longer in the hands of private producers but in those of the community and its administrative bodies, it is a trifling matter to regulate production according to needs" (emphasis in original). Similarly, until he tried to put his beliefs into practice, Lenin (1918/1932:83-84) thought it a simple matter to allow the public to directly control production: "Accounting and control--these are the chief things necessary for the organizing and correct functioning of the first phase of Communist society. All citizens are here transformed into hired employees of the state.... All that is required is that they should work equally, should regularly do their share of work, and should receive equal pay. The accounting and control necessary for this have been simplified by capitalism to the utmost, till they have become the extraordinarily simple operations of watching, recording and issuing receipts, within the reach of anybody who can read and write and knows the four rules of arithmetic" (emphasis in original).

demands,

stand fundamentally and unalterably on a basis of Service--it is their business to deliver the goods to order, not to make terms about them, because it is the basis of the whole arrangement that the general interest is best served by this relationship. ...

The goods having been delivered to order, it is the business of the community, to whose order they were made, to dispose of them--not the business of the producers, who would never have been able to function without the consent of society (Douglas, 1922a:35-36).

Douglas argued that since his plan was to carry out community policy using the most efficient organization possible, it would free humanity from the constraints of concentrated power by giving people much more free time and money to pursue their self development. In such a situation, "individuals will submit themselves voluntarily to the discipline of the productive process, because in the first place they know that it is operated for production and so gains their primary ends with a minimum of exertion, and in the second place because of the interest and satisfaction of co-operative, co-ordinated effort" (ibid.39-40).¹⁴

Douglas' position on economic cooperation is rarely acknowledged in academic accounts of Social Credit. Cooperation, according to Douglas, "is the note of the coming

¹⁴A similar system is proposed by Engels (1976:369): "In the new society it will be essential to take control of all branches of manufacture out of the hands of competing individuals. Industry will have to be run by society as a whole for everybody's benefit. It must be operated by all members of society in accordance with a common plan. Co-operation must take the place of competition."

age", although he cautions that it must involve "reasoned assent" and must not be "oppressive to the individual" (1921a:9). At the international level, "the logical and inevitable end of economic competition is war. ...[A]n effective League of Free Peoples postulates the abolition of the competitive basis of society, and by the installation of the co-operative commonwealth in its place makes of war not only a crime, but a blunder" (ibid.:146).

Douglas also held that since industrial technology had developed over the centuries through the labour of countless individuals, and since technology is such an important factor in the production of wealth, no single person or group of persons should have an exclusive claim on that wealth. "[T]he chief owners, and rightful beneficiaries of the modern productive system", he wrote, "can be shown to be the community, as such" (1933:50). He claimed that "the plant of civilization belongs to the community, not to the operators, and the community can, or should, be able to appoint or dismiss anyone who in its discretion fails to use that plant to the best advantage" (1922a:41-42).

Initially, Douglas believed that to implement his proposals he need simply bring his findings to the attention of the authorities, much like a medical scientist would announce a newly discovered cure for a dreaded disease. He testified before various political organizations and government committees in the 1920s, but few people of

influence saw much merit in his proposals. He came to believe that the banks were preventing the implementation of Social Credit and were keeping the tremendous productive capacity of the economy a secret because they stood to lose their monopoly over the granting of credit. This monopoly allows them to appropriate the bulk of society's wealth, which he called the "unearned increment of association".¹⁵

As theories concerning money, banks and credit form such crucial elements of the Social Credit philosophy, it would be advantageous at this point to elaborate on Douglas' view of them.

According to Douglas, banks can create money at will. He believed that banks can create money for their own use or for loan simply by forming an account and crediting it with whatever amount they desire.

...[D]eposits are created, to a major extent, by purely book-keeping transactions on the part of banking institutions. It is therefore correct to say that banking institutions are in a position to create, claim as their property, and to lend upon their own terms, effective demand... (Douglas, 1937:105).

Banks acquire other assets in the same way:

...[A] bank acquires securities for nothing, in the same way that a central bank, such as the Bank of England, may be said to acquire gold for nothing. In each case, of course, the institution concerned writes a draft upon itself for the sum involved,

¹⁵Cf. Veblen (1921:43): "So the corporate financier, as a class, came in for an "unearned increment" of income, on the simple plan of 'sitting tight' [restricting output]".

and the general public honours the draft by being willing to provide goods and services in exchange for it (Douglas, 1951:18-19).

When the newly elected William Aberhart called upon Douglas for advice in implementing a Social Credit program in Alberta, Douglas suggested that he might begin by asking the banks for five million dollars. Douglas claimed that the money did not have to be paid back because the banks can create money at will. Aberhart was instructed to "make an arrangement with any existing banking institution by which it will hand over to you, not as a loan but as a creation on your behalf and subject only to the disposition of your Government, sums of financial credit as may be required from time to time, being merely paid one sum for the book-keeping transaction of creating such credits, and possibly a small sum additionally to cover the book-keeping of accounts which may be based upon such credits" (Douglas, 1937b:145).

In order to make sense of Douglas' theories of money and "credit", it may be necessary at this point to consider some aspects of the banking system. Douglas is right in claiming that the banks can create money, i.e., increase the money supply, but he appears to have misunderstood the banks' obligations in this process.

Banks can increase the amount of deposit money in existence by lending or investing funds in excess of their cash reserves. Actually, banks may create deposit money by a multiple of their cash reserves. This multiple is called the

"money multiplier" and is the inverse of the reserve ratio, which itself is the ratio of cash to demand deposits (Archer, 1973:294). Thus, for example, with a reserve ratio of 6% (which approximates the norm), an increase in cash reserves will increase the money supply by 16.7 times the additional cash acquired (ibid.).¹⁶ This is possible because only a small proportion (in Canada approximately 10%) of the money supply is made up of coin and paper currency; the vast bulk of it is comprised of chequeable bank deposits (ibid.:222). The commerce of advanced capitalist countries is conducted primarily through the use of cheques (and, in recent years, credit cards), with cash in comparatively low demand. In granting a loan, a bank rarely issues cash; it usually increases the borrower's account balance by the amount of the loan. The borrower normally then writes cheques to the amount of the loan. Cheques written in this fashion will be largely cancelled out by those generated in a similar manner by other banks, written to the borrower's bank. Banks may purchase securities in a similar way, i.e., by writing cheques drawn upon themselves. Thus the banks can, within certain limits,¹⁷ create money "with the stroke of a pen", as Social Crediters often put it. But Douglas and his followers did not realize

¹⁶Few of Douglas' critics, it seems, are aware of this.

¹⁷Banks are now usually required by law to retain a certain amount of cash relative to their deposit liabilities. In the 1970s, for instance, Canadian banks were required to keep a cash reserve equal to about 6.5% of all deposits (Archer, 1973:292).

that in doing so, a bank simultaneously creates liabilities for itself.

When a bank creates deposit money for a loan or for its own investment, it also creates an obligation to pay that amount. The system of lending money described here can only work if virtually all of the money loaned out is paid back. Hence the difference between bank credit and the social credit described by Douglas: the former must be paid back. Banks cannot, as Major Douglas implied, simply create deposit money and increase their net worth by the amount created. Banks make profits by collecting interest on loans and from income generated through other investments and service charges, but not simply by creating deposit money and claiming it as their property. Also, of course, if a loan or investment fails, the bank is still obliged to honour the money it created, and so may suffer a net loss.

Douglas developed his own theory of democracy which he advocated for both popularizing the Social Credit plan and for governing the society once Social Credit had been implemented. He believed that citizens have a right to demand the outcomes of their choice, but should leave to experts or technicians the job of realizing those outcomes. Thus the populace was to demand a Social Credit system, but was not to worry about the technical matters of its implementation, which was a matter for experts. Similarly, as intimated

above, producers are also to yield to the community's wishes and are to engage their technicians in providing what the community desires, even if community policy is at variance with what the industrial experts advocate.

Just as a political majority is likely to be right on a matter which truly comes within the domain of policy, but is probably wrong in its ideas as to how that policy can be made effective, so, conversely, it is undoubtedly true that the industrial technician (the "intelligent minority") is very apt to hold distorted views on the objective of the producing process in which he is so keenly interested; while being unquestionably the right and proper person to decide on the technique to be applied to a given programme of production (Douglas, 1933:181).¹⁸

Although Douglas is often portrayed as a staunch individualist, the foregoing clearly reveals the strong collectivist thrust to his thinking. Yet for all his collectivist and cooperative sentiments, he was explicitly anti-socialist, claiming that socialism is inimical to individual liberty. Public control of "credit", rather than public ownership of the means of production, was to be the genesis of a new civilization.

¹⁸Technicians also figure prominently in Veblen's thought. Unlike Douglas, however, who places the technicians at the disposal of the community, Veblen (1921:166) advocates that technicians not only run the economy, but also make economic policy: "...the situation is ready for a self-selected, but inclusive, Soviet of technicians to take over the economic affairs of the country and to allow and disallow what they may agree on; provided always that they live within the requirements of that state of the industrial arts whose keepers they are, and provided that their pretensions continue to have the support of the industrial rank and file; which comes near saying that their Soviet must consistently and effectively take care of the material welfare of the underlying population."

But as we have seen, in Douglas' new age, the position of capitalists, large and small, was to be radically altered. By controlling credit, the public was to control the entire economy. Thus the community, through the agency of experts, would usurp many of the prerogatives of those owning the forces of production, including the right to decide what to produce, how much to produce, how much to charge for goods, and how much profit to take. Public control and planning were to replace the principles of market competition and exchange. Capitalists were not to be removed from their place in the productive process, but were to have a status closer to administrative officials than owners.¹⁹

It might be useful to consider C.B. Macpherson's construction of Douglas' philosophy at this point. According to Macpherson, whose interpretation is generally accepted as the definitive exegesis of the Douglas doctrine, the latter concluded that "the introduction of social credit, while destroying the financiers, would not interfere with the right of private ownership of capital or private management of industry or agriculture. The continued exercise of these rights was in Douglas's view desirable in itself" (Macpherson, 1953:113-14). According to Macpherson, Douglas maintained that

[t]he enemy was not capitalism, not the profit system, not the institution of private ownership of

¹⁹Cf. Lenin's (1918/1932:84) plan to have capitalists "converted into employees".

the means of production, not the exploitation of labour by its reduction to a commodity. The enemy was finance, the control of credit by an irresponsible oligarchy. From this it followed that the capitalist enterprise, profits, private ownership and the wage relation could all be retained (Macpherson, 1949:380).²⁰

Macpherson is correct in asserting that Douglas believed finance was at the root of the problem, but as our discussion above suggests, he is quite mistaken in implying that Douglas wished to leave the capitalist system untouched, save the removal of an irresponsible financial oligarchy. Although one would never know it from reading Macpherson, Douglas' vision of future relations of production had much more in common with theories of state socialism than the capitalism of his day.

One might also consider how the reading of Douglas' philosophy presented here meshes with the conventional arguments regarding the class appeal of his doctrine. Following Macpherson, Stein (1973:32), like the authors writing about Social Credit in Alberta, claims that Douglasism had a "special appeal" for the petite bourgeoisie.

The attraction which social credit had for these people is self-evident. Social credit was a reform which required no radical transformation of the existing economic and social structure. It offered

²⁰Osborne and Osborne's (1986:48) assertion that Social Credit promised a "free enterprise utopia" involves a similar assessment. They claim that "[a]fter 1919 Douglas committed himself to articulating a system of monetary techniques he and his followers believed would rid the world of the evils of capitalism and collectivism (that is, Big Business and Organized Labour) while restoring the middle class virtues of individual initiative and free, small-scale enterprise" (ibid:38).

to the small property owner an opportunity to get rid of his excess production by stimulating demand among potential consumers. And it gave him, as a consumer, an opportunity to share in the new rewards. Perhaps the most appealing part of the doctrine, however, was its emphasis on the individual as against the group. This had both a class and a universal attraction. Individualism was central in the thinking of the petit bourgeois who valued his status as an independent property owner and feared submergence in the larger forces of concentration represented by the industrialists and the trade unions (Stein, 1973:32-33).²¹

Stein states in a footnote that "[i]n Britain, the doctrine nevertheless appears to have made little headway among the petit bourgeois class" (ibid.:32, n.46). He does not provide any evidence for this assertion, nor does he explain how something with "self-evident" appeal to this class can make no headway with it. But more importantly, Stein, like Macpherson and others, suggests that a desire for economic independence led this class to support Douglasism. But this was something that would diminish if the plan were implemented, as our previous discussion has shown. This is not to say that this class would necessarily reject the doctrine, but that the reasoning usually given for its acceptance among members of this class is questionable.

The idea that the Social Credit doctrine should have special appeal for the petite bourgeoisie may have come as a surprise to Douglas, had he ever learned of this

²¹Like other writers, Stein does not consider the idea that unions' pursuit of higher wages also stimulates demand which is beneficial to the petite bourgeoisie, and which may give members of this class a favourable attitude toward unions.

interpretation of his theory. He believed that "the labour movement should be the first and most influential supporter of the claim to the national dividend" (quoted in Osborne and Osborne, 1986:52).²²

In spite of Macpherson's claim, for which no evidence is given, that Douglasism's "primary appeal was to those insecure sections of society, whether independent prairie farm producers or middle class English city dwellers, whose economic position may be defined as petit-bourgeois" (1953:93), there is no mention in any of the sources examined for this study of a single small business organization that expressed interest in the Douglas doctrine. Several socialist and workers' organizations, on the other hand, did show interest in the theory.

The first political organization to consider Douglas' proposals was the British National Guilds League, which was endeavouring to bring about a de-centralized form of socialism. Social Credit was hotly debated in the organization in 1919 and 1920, but ultimately rejected. Its rejection, however, caused a split in the guild socialist movement, with several factions breaking away to form Social Credit study groups (Osborne and Osborne, 1986:41).

Similarly, in 1921 the Scottish Labour Advisory Committee requested that the British Labour Party investigate A.R. Orage and Douglas' "Draught Scheme for the Mining

²²No original source is given.

Industry" (re-printed in Douglas, 1922b). The Labour Advisory Committee stated that

Some of us are not prepared to endorse all Major Douglas's views; but we are convinced that bank credits are one of the main constituents--if not indeed the main constituent--of selling prices; and no final solution of the problem is possible that does not bring the issue of credit and the fixing of selling prices under the community's control (quoted in Douglas, 1922b:20-21).

Douglas refused an invitation to give evidence before a special national Labour Party committee struck to consider Social Credit, citing several reasons,²³ including his objection that the committee would take "certain orthodox financial propositions as manifestations of natural law; a position only contestable to persons familiar with their origins" (Douglas, 1922b:39). The committee met anyway, and rejected Social Credit.²⁴

Douglas' thought, like that of other theorists, did not remain the same throughout the course of his life. In the late 1930s and into the war years, he fleshed-out his nascent theory of democracy with proposals that ran counter to British democratic traditions, such as replacing the secret ballot with a recorded vote in general elections. He also became increasingly anti-Semitic, although traces of anti-

²³See Douglas (1922b:39).

²⁴The Labour committee included many prominent figures of British society, including Sir Leo C. Money, G.D.H. Cole (an Oxford Don and socialist writer), Sidney Webb and J.A. Hobson. It was not a committee of workers.

Semitism can be found in his early work.²⁵ The Alberta movement disassociated itself from these developments in Douglas' thought, which came to the fore several years after the Albertans had attained power, although a purge of Douglas loyalists was required.²⁶ The philosophy of the Alberta movement itself changed with the experience of governing the province, but here we shall be concerned with the Social Credit perspective as it existed at the time of the 1935 breakthrough election.

Alberta Social Credit

The Social Credit popularized by William Aberhart owes much to the original Douglas doctrine, but there were uniquely Albertan elements brought into it which reflect the beliefs and experiences of its local advocates.

The Alberta Social Crediters followed Douglas in arguing that poverty does not stem from from an inability to produce an abundance of goods, but from a faulty monetary system which deprives consumers of the purchasing power necessary to buy all the goods available. Their goal was to eliminate "poverty in the midst of plenty". They used the nomenclature popularized by Douglas to explain this apparent paradox, and

²⁵See Douglas (1922a:121). It is instructive that socialist and social democratic critics of Douglas on this score are usually silent about Marx's thoroughgoing anti-Semitism. For a discussion of the latter, see Gouldner (1985:74-78).

²⁶See Barr (1974:127-130).

promised to introduce both the just price and Social Credit dividends to remedy the situation. The latter, which were to provide each adult in Alberta with \$25 per month, irrespective of other income, caused a sensation and received more attention than any other feature of their program.

The A + B Theorem, in its most common form, was offered as an explanation of the deficiency in purchasing power. Generally, however, when the theorem came under attack, little effort was made to revise it, unlike the tactic taken by Douglas and his followers in Britain. The criticism was either ignored or the theorem was given a less prominent place in the movement's propaganda.

This presented no problem for the Alberta Social Crediters, as it took little effort to convince Albertans in the 1930s that they lacked adequate purchasing power. Relatively few were interested in the complexities of an abstract theory purporting to explain this. Nor was it difficult to stir up animosity toward the banks when about half the provincial government's annual revenue was allocated to the payment of interest on the provincial debt, and when many Albertans themselves were in debt to financial institutions. Most of the controversy surrounded the feasibility of the \$25 a month dividend.

The most common question asked of the Alberta Social Crediters was, "Where's the money for the dividend going to come from?" Aberhart's answer was that the dividends were to

be paid in the form of "credit", not money, although the credit was not to be paid back. True to the founder's approach, Aberhart suggested that the "[s]tate shall be viewed by its citizens as a gigantic joint-stock company with the resources of the province behind its credit" (1935:19). Wages and salaries were to be paid "as now, but in credit, not money" (ibid.:21). An exception would be made for the employees of firms based outside the province, such as those working for the post office or the CPR, who would continue to be paid in Canadian currency.

In addition to receiving basic dividends, consumers were to benefit from the imposition of the just price: "[N]o group of consumers should be exploited by anyone having possession of goods, to charge prices that are unfair and excessive".²⁷ The just price would also be advantageous to producers, who "must be protected from having to produce articles and place them on the market at so low a price that he cannot secure the cost of production, plus something to them for their work".²⁸

As for wage earners, "Experts would fix the minimum and maximum wage just the same as they could fix the price of goods. It is understood, however, that wages must not be

²⁷Ernest Manning, then Social Credit Minister of Trade and Commerce. Meeting of Retail, Wholesale and Manufacturers' section of the Edmonton Chamber of Commerce, January 10, 1936. Provincial Archives of Alberta.

²⁸Ibid.

reduced on account of the issuance of the basic dividends" (Aberhart, 1935:43). The Albertans believed that such a system would be fair to consumers, producers and wage earners alike. The following was typical of the Social Credit style: "Vote for Social Credit and justice for the worker and producer".²⁹

In addition to the granting of dividends and the introduction of the just price, all "producers" were to be issued "temporary, supervised credit to enable them to serve the citizenship in the best possible way" (Aberhart, 1935:23). Like Douglas, Aberhart advocated the production of "useful" goods rather than those produced by an unregulated market, but this idea was not well developed and was given comparatively minor emphasis. He claimed that "[d]irection should be given from time to time as to the products most needed" (ibid.) and he attacked unscrupulous advertisers, but he did not explain how the community's needs were to be determined.

The Alberta movement shared Douglas' views on how the banks create money. In a pamphlet entitled "Tax the Banks--It Costs Them Nothing!" (n.d., circa 1935), it is explained that the total value of bank notes in Canada in 1933 was \$141 million, yet the value of all bank deposits was \$2.26 billion. The difference between the two, about \$2.12 billion,

²⁹Lethbridge Social Credit Organization, Lethbridge Herald, August 13, 1935:3.

was "created out of nothing" and therefore "could have been used to eliminate taxes...thus giving a higher standard of living to the present generation". Social Crediters claimed that money flows from the end of a banker's fountain pen, and wanted this money to be a community resource. Not surprisingly, they held that the modern banking system "was established by deceit and trickery",³⁰ since this fantastic system of money creation had been kept secret.

The followers of Aberhart, like Douglas, also believed that bankers wielded a tremendous amount of power both nationally and internationally. Every social issue, according to Aberhart, "is centred in a conflict between the People and the Money power".³¹ Financiers were held responsible for wars, were considered to be in control of the media of communication, ruled the various political parties, and so on. Even everyday life felt the heavy hand of finance.

Do the big shots who control our very lives care how you or your family suffer? They manipulate the price of all we receive, be it wheat or wages, as well as all we buy.³²

Contrary to the impression given in many accounts of the movement, the Alberta Social Crediters were not wary of upsetting the existing order of things. In a Social Credit

³⁰Pamphlet, "What Is Social Credit?", n.d., circa 1940:16.

³¹Pamphlet, "Premier Aberhart on Agricultural Reform", n.d., circa 1940:6.

³²Lethbridge Social Credit Organization, Lethbridge Herald, August 13, 1935:3.

pamphlet the claim was made that

Adam Smith was the first great political economist. Since his day there have been only two others, Karl Marx and Major Douglas. All the rest have been and are economists without political sense or vision.³³

Movement supporters did not have it in their minds that they were "saving capitalism". Aberhart argued against the "old, feudal, capitalistic opinion that work is the only way to give purchasing power".³⁴ One Social Credit writer stated that

Social Credit Science proposes the removal of all profit in its generally accepted sense and the granting of commission on turnover as a substitute. Under the present Capitalistic system money itself has become a commodity that is bought and sold like any other commodity.³⁵

And for a movement that was supposedly not "against the property system" (Macpherson, 1953:220), it gave a rather tepid official endorsement of property rights. "The property rights of the individual", Aberhart wrote, "would be respected, and supported where possible" (1933:8, emphasis added).

The Edmonton Chamber of Commerce strongly condemned Social Credit because "it threatens the ultimate mortgaging or confiscation of all private property".³⁶ The Calgary Board

³³"Social Credit", 1933:1.

³⁴Speech, May 23, 1935.

³⁵Pamphlet, "What Would Social Credit Do For Us?", Social Credit League of Alberta, n.d., circa 1935:7.

³⁶Pamphlet, "The Dangers of Aberhart's Social Credit Proposals", Edmonton Chamber of Commerce, 1935:2.

of Trade was also firmly opposed to Social Credit, claiming that "[a]ny attempt to fix just prices can only result in incredible confusion and paralysis of business.... The Social Credit proposals will isolate Alberta and render it impossible for either the farmer or businessman to buy or sell to advantage".³⁷

Rather than conservative, the Alberta movement was in fact something of a millenarian movement, believing that Social Credit would not only end the depression, but "lead the world into a new Social Order".³⁸ If anything, Social Crediters in Alberta, like Douglas, deluded themselves with regard to the disruption that a Social Credit plan would cause. Aberhart described his plan as "wonderously simple", stating that Social Credit principles "can be introduced into our present system without a very great upheaval of Social, Commercial or Political interests, but they will effectively change the whole system in a very short space of time" (1933:2).³⁹ Aberhart once defined economics as "the

³⁷Pamphlet, "Calgary Board of Trade Takes Stand on Social Credit", n.d., circa 1935.

³⁸Lethbridge Social Credit Organization, Lethbridge Herald, August 8, 1935:3.

³⁹The Social Crediters were not the only social reformers who believed that major social change could be brought about without causing severe social disruption. Veblen (1921:155-56), for instance, avers that the change-over to an economic system run by a "Soviet of technicians", having no concern for the conventional notion of profit, "need, in effect, be nothing spectacular; assuredly it need involve no clash of arms or fluttering of banners, unless, as is beginning to seem likely, the Guardians of the old order

utilization of everything without the loss of anything".⁴⁰

Nonetheless, critics contended that if the plan were implemented it would cause severe disruption. It was pointed out that issuing \$25 per month to every adult would cost about \$120 million per year, which was approximately eight times the 1934 provincial government revenue, before expenditures. Another problem was that much of what was produced in the province was bought by people outside Alberta, while many of the goods purchased in Alberta were brought in from outside the province. This meant that Alberta firms would have to accept Alberta Credit as legal tender, but purchase many of the goods they sold in Canadian currency.

Members of the Alberta movement also all but ignored the problems associated with advocating an equal distribution of rewards, while at the same time promoting individual initiative. Aberhart, for example, claimed that "[a]ll will share alike in the provincial wealth, and at the same time individual enterprise will be encouraged" (1933:8).

In spite of their collectivist sentiments and condemnation of the existing system, the Alberta movement, like Douglas himself, was anti-socialist. It is significant, however, that anti-socialism was not a prominent feature of

should find that sort of thing expedient. In its elements, the move will be of the simplest and most matter-of-fact character...."

⁴⁰Pamphlet, "Stars In Time", 1973:57.

their program until a surge in CCF popularity occurred across Canada some nine years after Social Credit was first elected. (In Saskatchewan in the 1930s, there was considerable support among CCFers to merge with the Social Credit Party; some Saskatchewan CCF organizations actually joined the Social Credit movement, while Saskatchewan Social Crediters endorsed various CCF electoral candidates. See Lipset, 1968:134-46.)

The Albertans claimed that with Social Credit, "the individual is supreme", while under socialism, "the state is supreme". A Social Credit pamphlet stated that people should be even "more suspicious of our probable fate at the hands of [socialist] political planners than the risks we run from money-grubbing commercialism".⁴¹ "Monetization" and "controllership", rather than "socialization" and "ownership", was their goal.⁴²

Like Douglas, members of the Alberta movement were not endeavouring to revert their society back to a bygone paradise of small, independent entrepreneurs, although one gets this impression from reading academic accounts of the movement. The very idea is contrary to the Social Credit ethos of the unearned increment of association and the cultural heritage. Although a fuzzy concept, Douglas described the unearned increment of association as the wealth that arises from the interaction of people in groups or in

⁴¹Pamphlet, "Battle For Freedom", n.d., circa 1944:2.

⁴²Ibid.

society at large. He argued that the "development of modern industrial society, founded upon the division of labour and co-ordinated by the financial system, have ... increased this unearned increment of association..." (Douglas, 1951:11), although, of course, the "ingenious and subtle mechanism of the money system has obtained control of [it]..." (ibid.:12). Thus Douglas had no quarrel with industrialization per se; his objection was that the Money Power was appropriating virtually all the wealth from it. He believed that "there is absolutely no virtue in taking ten hours to produce by hand a necessary which a machine will produce in ten seconds, thereby releasing a human being to that extent for other aims..." (Douglas, 1921a:45). All the wonders of the industrial arts contained in the cultural heritage require a substantial division of labour to be employed most efficiently. This would not preclude the utilization of some small productive organizations, but Douglas did not consider a society of small producers to be the zenith of the world's industrial development.

The Alberta movement was also not against large-scale industry, and in fact promised to expand it in the province. Members of Alberta study groups were taught that "the abundant production made possible by modern power driven machinery combined with the discoveries of science and improved methods of organization, ensures that economic

security and freedom for all could be made available".⁴³
Social Crediters claimed that as well as supporting agriculture, a

vote for Social Credit is a vote for the mining industry.

We have a cement industry that can also be greatly increased to the benefit of the people of Alberta. ... Alberta needs many industries that will use our raw products, burn our coal and use our power.⁴⁴

Departures From Douglas

In explaining how the dividend and the just price were to be subsidized, Aberhart ventured away from the Douglas doctrine, although the vague and apparently contradictory nature of his proposals make it difficult to determine just how far he had strayed from Douglas. The Alberta leader explained that the "credit issued will be a charge against the Natural Resources of the Province" (Aberhart, 1935:27), which appears to be in keeping with Douglas' idea that "real credit" should be based on the community's ability to deliver goods and services. But Aberhart went beyond this, claiming that "there is an enormous spread in price between the producer's cost and the consumer's price. It is the intention under the Social Credit system to reduce this spread..."

⁴³"What Is Social Credit?", op. cit.:9.

⁴⁴Lethbridge Social Credit Organization, Lethbridge Herald, August 8, 1935:3.

(ibid.).⁴⁵ The increased flow of credit through the distribution of Social Credit dividends, as well as the salaries and "commissions" paid under the scheme, would produce an "increased turn-over", enabling the producer and distributor to "carry on their business with a closer margin of profit or commission on turnover. Thus the province will be able to collect a levy that will provide the basic dividends to distribute to the various citizens" (ibid.:29). Aberhart then gave an example wherein a bushel of wheat with a just price of 60 cents would be charged a five cent levy (he avoided the word "tax"), flour worth \$1.10 would have 10 cents excised, and a loaf of bread costing seven cents would have a levy of one cent.

The idea of taxing producers and consumers was foreign to Douglas, who believed that the modern industrial system, if accompanied by a proper monetary system, was capable of providing an extraordinarily high standard of living for all without relying on taxation. The claim that there is a huge difference between the capitalist's costs and the market price is not to be found in Douglas' thought. It is indicative of a social democratic bent in Aberhart that was absent in Douglas, as it implied that the economic crisis was at least partially attributable to the taking of excess

⁴⁵Aberhart's concern with price spreads may have stemmed from a Canadian Royal Commission on this issue that had begun its investigation not long before he began his political campaign. See the Report of the Royal Commission on Price Spreads, Ottawa, 1937.

profits as opposed to a flaw in the monetary system.

Other elements of the Alberta Social Credit philosophy also suggest a belief in the idea that many are poor because a few are rich, with the implication that all who are rich (not only bankers) should "share the wealth". Aberhart, for example, claimed that "no one should be allowed to have an income that is greater than he himself and his loved ones can possibly enjoy, to the privation of his fellow citizens" (1935:55). For Douglas, one need not worry about a few rich people, since with Social Credit all will enjoy a high standard of living.

However, Aberhart claimed that his plan would reduce the level of taxation because it would no longer be necessary for the province to borrow money. This being the case, one possible interpretation of his position is that although there were to be "levies", the distribution of the provincial credit and the resulting increase in commercial activity would more than make up for them. Such an interpretation places him closer to the Douglas position. In any case, Aberhart's enemies claimed that he did not understand Douglas' theories, while he himself claimed to be acting in accord with them.

Those in the Alberta movement sometimes added a religious dimension to the Douglas doctrine. The ritual of the Women's Auxiliaries, Monetary Reform Groups (who were affiliated with the Social Credit party) included the

following prayer:

Almighty God, our Father in Heaven, we do acknowledge Thy goodness and mercy to us. Thou hast provided an abundance for Thy creatures, but mankind in its selfishness has been unable to distribute Thy bounty.⁴⁶

Some Social Crediters called their movement "applied Christianity".

Another uniquely Albertan element in the Social Credit philosophy involved a direct appeal to women's rights. William Aberhart claimed that

Economic security is the right of every citizen, male or female. Women were never intended to be slaves, but helpmates. There would, no doubt, be more wholesome marriages consummated [under Social Credit]. They would not have to marry for a meal ticket (1935:51).

In their study groups, Social Crediters were taught that "under the present system the position of most women is devoid of any real measure of economic freedom", while under a Social Credit regime, "at long last, every woman would have the economic security which would give her the standing in the community that has hitherto been denied women".⁴⁷ The Alberta Social Credit movement had several very capable female leaders, including Edith Rogers and Edith Gostick, both of whom were elected to the legislature in 1935.⁴⁸

⁴⁶Pamphlet, "Ritual, Women's Auxiliaries, Monetary Reform Groups", n.d., circa 1940.

⁴⁷"What Is Social Credit?", op. cit.:34-35.

⁴⁸See also Johnson and MacNutt (1970:123, 126).

The role of women in the Social Credit movement warrants further research. In Calgary in 1935, where Social

The Case of the Missing Imperialists

The Social Credit doctrine is remarkable not only for what it advocates, but also for what it does not. Conspicuously absent is any attempt to alter Alberta's place in confederation. Unlike the Progressives, Social Crediters had little to say about the protective tariff, free trade, freight rates or western exploitation in general. Far from fighting economic and political imperialism, William Aberhart even went so far as to proclaim that "[i]n no way should the introduction of this system be allowed to interfere with the relationship between Alberta and Canada or any of the other provinces" (1935:5). As we shall see in Chapter 6, Aberhart's actions as premier were consistent with this pre-election appeal.

The Social Credit philosophy does not reject outright the idea of regional exploitation, but for its advocates this could be at most a secondary problem. For them, the heart of the issue was not central-Canadian dominance, even though the head offices of the major chartered banks were located in Toronto and Montreal. The problems were larger than that, and would exist even if the owners and operators of the banks

Credit secured 58% of the vote, more women voted than men, although there were more men on the voters' list. Eighty-three per cent of eligible women voted in Calgary in that election, compared to only 70% of the men (Statement of Votes, General Election August 22, 1935, Provincial Archives of Alberta).

were located in Alberta.⁴⁹ The Alberta Social Crediters knew, of course, that the problems of poverty and unemployment were not restricted to the province or to western Canada. They knew they were living in a period of world-wide depression in which metropolitan as well as hinterland areas were suffering. There is no suggestion in their election propaganda that they held Ottawa or central Canada responsible for the conditions in the province. They wanted to set an example for the world to follow. Free trade, better freight rates, even national independence for Alberta would not in themselves bring about the Social Credit system that was to change the world. And initially, Aberhart contended that the introduction of a Social Credit plan would not contravene any provision of the BNA Act. Albertans were even led to believe by Mackenzie King that if his party were elected in the federal election of 1935, he would not interfere with the implementation of Social Credit in Alberta. King even made statements that appeared to suggest that he would welcome the plan.⁵⁰ He did not. As we shall see

⁴⁹Douglas' hostility toward the banks was not tempered by the fact that in his country they are based in London, where he lived.

⁵⁰King stated: "If Social Credit ever gets a chance to prove itself it will be in Alberta. Mr. Aberhart has the whole province in his hands and if a Liberal Government is returned to power at Ottawa he will be given the fullest opportunity to work out his plan. But until it has proved itself let us confine it to Alberta. [Mr. Aberhart] promised to do certain definite things in a certain time. If he does them you won't need a Social Credit party to carry those ideas across the Dominion. They will spread to the whole

in Chapter 6, it was only later, following the disallowance of Social Credit legislation by federal institutions, that animosity toward the federal government came to the fore.

It may be instructive at this point to consider Morton's (1950) view of Social Credit, which is at odds with the conventional interpretation. For Morton,

The rise of the Social Credit movement and the Cooperative Commonwealth Federation marked the beginning of a new phase of Canadian political development, a phase of class rather than sectional politics, of urban rather than rural dominance. The period 1910 to 1935 was one of transition in Canada from an agrarian to an industrial society; with the Progressive movement passed the Canadian, and the North American, agricultural frontier. Social Credit and the C.C.F. were the successors of the Progressive movement rather than (sic) continuations of it (Morton, 1950:287).

We shall return to this interpretation in the final chapter of this study.

Summary

The foregoing suggests that the leading works on Social Credit have provided a very inaccurate construction of the movement's philosophy. The portrayal of Social Credit as an inherently conservative scheme devised by small capitalists to patch up the capitalist system and to forestall their demise as a class bears little resemblance to the program described here. Some rather sweeping changes were proposed,

world. This thing of \$25 or \$75 a month is just what the world had been looking for for hundreds and thousands of years." (Montreal Gazette, September 23, 1935:1)

including considerable public control over the production and distribution of goods, as well as a major redistribution of wealth. Large-scale industrialization was also to be introduced. The anti-imperialist sentiment said to have been characteristic of the Alberta movement appears to have loomed larger in the minds of the intellectuals writing about Social Credit than among Social Crediters themselves.

Fortunately, the attribution of the class basis of popular support for Social Credit need not rely on an exposition of the movement's doctrine. Evidence exists which can guide our assessments. It is to that evidence which we now turn.

Chapter Five

The 1935 Election: Cities, Towns and Countryside

Since very little evidence has been brought to bear on the issue of the class basis of popular support for Social Credit, an effort is made in this chapter to provide an empirical analysis of the 1935 provincial election. A measure of the class basis of the movement is arrived at by comparing the vote for the party in the cities, towns and countryside. Within the cities, a district-by-district breakdown is also performed, which provides some indication of the pattern of class support as it existed in urban areas.

The Cities

An ecological analysis is performed below showing how the contending parties fared in various city neighbourhoods. A brief historical sketch of each city is also provided to convey the character of the community. But before beginning the discussion of this analysis, a number of methodological issues should be addressed.

The first methodological point to be considered is that 1935 voting data for Edmonton by polling subdivision (the area within a constituency covered by a single polling place) are not available. These are not to be found at the Alberta Provincial Archives, the Glenbow Museum and Archives, the Edmonton City Archives, the Calgary City Archives, the Legislative Library in Edmonton or at the Office of the Chief Electoral Officer. Nor were they reported in local newspapers. For this reason, Edmonton must be excluded from

the within-cities analysis of the vote for 1935. This is especially unfortunate because Edmonton, as observed in Chapter 3, was the only city having a comparatively low Social Credit vote; an analysis of the results there may have provided clues as to why this was the case.¹ Nonetheless, such data are available for Calgary, Lethbridge and Medicine Hat for the election of 1935.

Another problem is that provincial constituency and polling subdivision boundaries do not correspond with census districts or census tracts, the latter being the census areas within the major cities. Also, data by census tract were only first compiled in 1946, and have never been gathered in this form for the smaller cities of Lethbridge and Medicine Hat. Given these shortcomings, census data could be used only sparingly.

To overcome the difficulties with the census, it was decided to divide each city's polling subdivisions into a small number of groups according to an assessment of the social class of the subdivision residents at the time of the election. Their social class was estimated using information given by local informants and by consulting the literature available on each city.²

¹Social Credit won 37% of the vote in the constituency of Edmonton in 1935 (n=37,267). The Liberals took 38%, the Conservatives 13%, the UFA 6% and Labor 4%.

²The informants consulted for each city are named in notes 6, 12, and 15 below. Each group of informants was given a synopsis of the purposes of this study, including the

Another issue to be considered is one which concerns all ecological analyses--a lack of uniformity within the boundaries of the districts being compared. This is especially relevant to the present study since few if any cities contain neighbourhoods made up entirely of petit-bourgeois or lower middle class residents. This problem is compounded by the fact that members of these classes, in particular the independent petite bourgeoisie, made up only a small proportion of the urban populace. Without survey data, it is very difficult to determine how this small minority of the population voted.

The ecological method used here is not ideal for determining patterns of class voting,³ but given the limitations of the existing data, there is no better method. All a researcher can do in such a situation is acknowledge the shortcomings of the method used and interpret the findings accordingly. Also, it should be remembered that virtually all proponents of the petit-bourgeois theory of

definitions of the social class categories used. They were then asked to indicate on a large map where concentrations of the various classes would have been found in 1935. A similar method was used by Lipset (1968: ch.8) in his analysis of the class basis of CCF support in Saskatchewan. H. Quinn (1963:182-86, 224-29, 265-67) uses a similar ecological method in a study of the Union Nationale, although he appears to have relied primarily on his own knowledge as opposed to that of informants. R. Hamilton (1982) also uses the ecological method, although he was able to incorporate census data into his analysis for a few cities.

³For a discussion of the limitations of ecological analyses, see Robinson (1950) and Hamilton (1982:500-1, n.6).

popular support for Social Credit base their claims on no empirical evidence whatever, or, at best, the crudest of all ecological possibilities: the province as a whole. Yet the limitations of their evidence has not prevented the theory from gaining nearly unanimous acceptance.

The issue of the definition of the various class categories must also receive attention here. As mentioned in Chapter 1, we shall define "petite bourgeoisie" as the class comprised of self-employed individuals who hire few if any employees apart from family members. This definition implies that members of this class have marginal or unsteady incomes. The definition was chosen to keep the usage of the term consistent with that of the leading theorist in the received tradition, C.B. Macpherson. Although few writers in this school besides Macpherson provide an explicit definition of "petite bourgeoisie", it would appear from usage and context that most writers on Social Credit in Alberta would concur with this definition.

We have seen that some writers in this school use the term "lower middle class" to describe the class basis of Social Credit support. They do not define this term. One can only assume that their definition is in agreement with that found in the international literature on the lower middle class. The term is generally used to describe what we have defined as the "petite bourgeoisie", plus the lesser-paid, non-manual employees. Examples of the latter include clerks,

secretaries, lower-level management personnel, etc. We shall use this definition of "lower middle class" as well.

The term "lower middle class" implies an upper middle class, but rarely does one find explicit instructions on how to differentiate between the two categories. Again, one can only go by usage and context; in this case, a key differentia is income--those in the upper middle class make more money than those in the lower. The dividing line between the two is then somewhat arbitrary, although one may assume that the latter comprises a larger proportion of the work force than the former. Examples of upper middle class occupations include upper level civil servants, high management officials and well-paid professionals.

To complete our depiction of the class structure, we shall define all manual employees as "working class", and the owners of the non-agricultural means of production, the bourgeoisie, as "upper class". The latter may be said to comprise only one to two per cent of the non-farm workforce.

A final methodological issue that should be considered involves the electoral system in use in Alberta when Social Credit came to power. In the period from 1935 to 1959, all constituencies except Edmonton and Calgary were single-member ridings using the "transferable ballot" system of electing candidates. Under this system, voters were instructed to mark their ballots by placing a "1" opposite the name of the candidate whom they would most like to see elected, a "2"

opposite their second choice, and so on. Thus, if there were six candidates in a particular constituency, a voter could place numbers "1" through "6" opposite the candidates' names according to his preference. If no candidate received an absolute majority of first choices after the first count, the one with the fewest "1"s would be declared a loser. The ballots of this candidate would then be examined for second choices, which would be reallocated to the appropriate remaining candidates. This process would be repeated until one candidate received a majority of the votes.

Calgary and Edmonton were multi-member constituencies at this time, each electing several members from the city at large; it was not until 1959 that each city was divided up into separate ridings. The electoral system used in these two cities was called "proportional representation", which was similar in principle to the system used in other ridings, but somewhat more complicated since it involved the election of more than one candidate per constituency. In Calgary in 1935, for instance, six candidates were to be elected from the twenty running. As elsewhere in the province, electors were instructed to indicate their first choice by placing a "1" opposite the appropriate candidate's name, their second by putting a "2", etc., thus placing numbers "1" through "20" opposite the names on the ballot. With six candidates to be elected, a candidate was declared elected if he or she received one vote more than one seventh of the total vote. If

after the first count no candidate had a sufficient number of first choices to be elected, the one with the fewest votes would be declared a loser; those voting for this candidate would then have their votes reallocated according to their second choice. What normally happened, however, was a small number of candidates had more than enough votes to be elected on the first count. In this situation, those elected had their surplus votes (i.e., the votes exceeding one more than one seventh of the total vote) reallocated according to the second choices indicated. The process was repeated until no candidate had surplus votes, at which time the candidate with the fewest votes was eliminated. The reallocation of a losing candidates votes and of surplus votes continued until six candidates were declared elected. The counting of the vote in Calgary and Edmonton sometimes took days, as numerous reallocations or "counts" had to be made. In Calgary in 1935, for example, the sixth winning candidate was declared elected after the eighteenth count; in Edmonton, twenty three counts were required.⁴

In the ecological analysis that follows, the results reported are for first choices. After election officials counted and recorded first choices for each polling subdivision, they pooled the ballots from all subdivisions in the city to permit the transfer of votes. Thus results by

⁴For a discussion of the transferable ballot system, see Government of Alberta, 1983:193-204.

polling subdivision are available for first choices only. This presents no problem, however, as an analysis of first choices is equivalent to an analysis based on conventional election procedures.

Calgary

A Historical Sketch

Fort Calgary was established as an outpost of the North West Mounted Police in 1875, and soon became a local trading centre and way station. Its role in this regard was greatly expanded with the arrival of the railway in 1883. As cattle were brought into the region it became the centre of the livestock industry, being the site of slaughterhouses, tanning facilities and ranching goods stores. Soon lumber mills, soapworks and breweries appeared. After the turn of the century, farming overtook ranching as the principal economic activity in southern Alberta, which further diversified Calgary's economic activity. Flour mills, grain elevators, iron works and a booming construction industry appeared in Calgary before World War I. The city's economy received a major boost with the construction of the CPR's Ogden Shops in 1912-13, which established Calgary as a major prairie railway city. The construction of the Ogden Shops employed about 1500 people (Foran, 1978:82) and in 1930 about 2,000 regular employees worked there (Hannant, 1985:99).

As noted in Chapter 2, the discovery of oil in 1914 in

Turner Valley, thirty miles to the southwest, touched off Calgary's first oil boom. Although Turner Valley did not fulfill the dreams of all the speculators and oil men in the province, it was Canada's largest oil producer until the Leduc, Alberta, find of 1947. It also aided the city's general economic growth.

In 1931 Calgary had a population of 83,761.

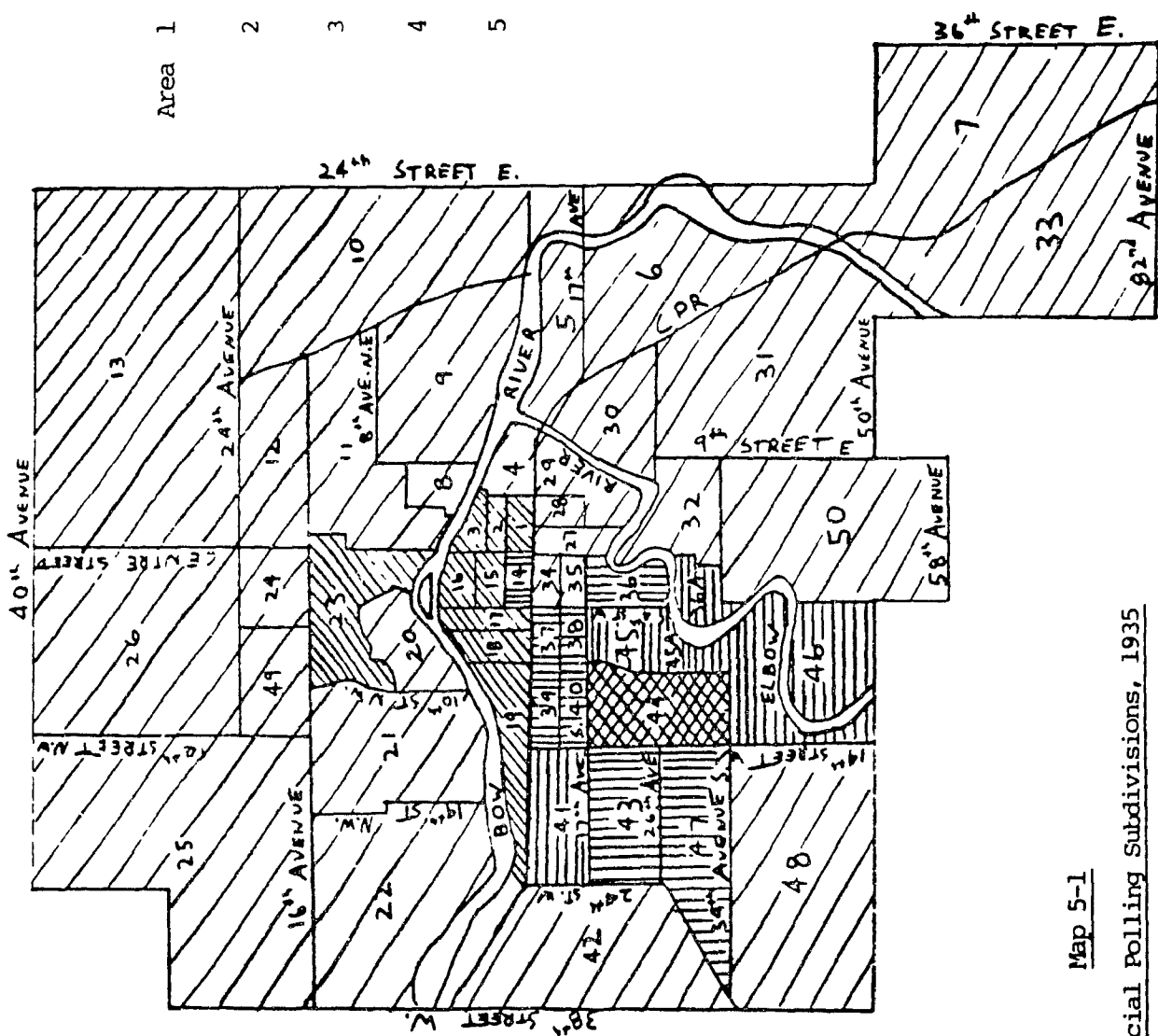
The 1935 Provincial Election

The city's 52 polling subdivisions were divided into five areas according to an assessment of the class level of the residents who lived there in 1935.⁵ A brief description of each area is provided below, beginning with the upper class sector. Map 5-1 illustrates the location of the five areas.⁶

The first area is the predominantly upper class section, which contained only one polling subdivision, number 44, and which accounted for only 3% of the 1935 votes recorded in the city. It was completely within the boundaries of the Mount Royal neighbourhood, the wealthiest and most exclusive

⁵In this study, the class composition of each city area was assessed without regard to an estimation of the size of each class in the city. For example, the working class districts were not defined as such in order to comprise 50% of the population, etc. The informants were asked where working class people lived in 1935; these areas were then sketched out as working class areas.

⁶The assistance received from City of Calgary archivists Brian Owens and Neil Watson in providing the description that follows is gratefully acknowledged.



Map 5-1

Calgary Provincial Polling Subdivisions, 1935

district in Calgary.

The second area, most of which is adjacent to Mount Royal, was predominantly upper middle class with a small upper class and lower middle class minority. It consists of the Glencoe, Rideau, Roxborough Place, Elbow Park and Scarborough neighbourhoods, as well as a small portion of Mount Royal. Thirteen per cent of the city's vote came from this area.

The third area was an upper middle/lower middle class mixed area containing upper and working class minorities. Voters here comprised 14% of Calgary's 1935 total. Included in it is the "Beltline" district, which was the location of the Lougheed and Hull mansions, as well as the elite Ranchmen's Club. Interspersed throughout the Beltline, however, were some not-so-elite dwellings and institutions. Also in this sector are the Bankview, Knob Hill and Rouleauville neighbourhoods, containing single family detached homes exhibiting little or no ostentation.

Neighbourhoods containing an approximately even mix of middle and working class residents were placed in a fourth area, which provided 18% of Calgary's 1935 voters. Judging by the type of housing in this area, most of the middle class residents were lower middle class. Polling subdivisions 1 and 2 were placed in this group; parts of them were located in the downtown area, while the remainder of 1 and 2 contained the Calgary Iron Works and some machine shops. The area due

west of downtown, also in this area, was mainly residential in 1935, containing some fashionable housing, some ordinary housing and many rooming houses. Polling subdivision 23 was also placed in this category as it contained a small strip of upper middle class dwellings along Crescent Road overlooking the Bow River from the north, but a majority of its housing was of the type affordable to persons in the lower middle and working classes. Polling subdivision 3, which encapsulated virtually all of Calgary's Chinatown and little else, was placed in this area as well.

The fifth and final area of the city contained all districts which were predominantly working class. Just over half (52%) of Calgary's 1935 vote was recorded here. It comprised all of the city north of the Bow River, except for polling subdivision 23, contained in area four. On the south side, it included polling subdivisions 42 and 48, which formed Calgary's southwestern outskirts. It also contained the industrial sector of the city located in the southeast. The Victoria Park, Ogden, Highfield, Manchester, Connaught and Inglewood neighbourhoods are found here. The CPR's Ogden Shops are found in the southeast; numerous mills, meat packing plants and iron works were also located here. The British American and Imperial Oil companies had oil refineries in southeast Calgary; Dominion Bridge and the Canada Cement Company also had operations in the area. The Canadian National Railway's freight yards were in the

vicinity as well.

To sum up our description of the five areas of Calgary, area one is the upper class district; area two, upper middle class; area three, an approximately even mix of upper middle and lower middle classes; the fourth area, a roughly even mix of lower middle and working classes; and the fifth area contains the predominantly working class districts.

The results of the 1935 election in each of the five areas are listed in Table 5-1. The results for the previous provincial election, which took place in 1930, are given in Table 5-2. The cardinal finding is that these data indicate that support for Social Credit in Calgary in 1935 varied inversely with class level, ranging from a low of 20% in upper class Mount Royal to 68% in the working class sector.

The opposite pattern of support is evident for the Liberal and Conservative parties. Their support appears to have varied positively with class level in both elections.

Labor support appears to have been consistently low in all classes in 1935, never rising above 5% in any district. In 1930 the Labor vote seems to have varied inversely with class level, ranging from 30% in the working class districts to 3% in Mount Royal.⁷

Let us consider the working class vote in 1935. In the

⁷These figures include the votes for R.H. Parkin, who had run as a Labor candidate in 1921, was elected as an Independent Labor candidate in 1926, ran as an Independent in 1930, and ran as an Independent Labor candidate in 1935.

Table 5-1

Vote in Calgary in 1935 Provincial Election, by Area

	<u>Social Credit</u>	<u>Liberal</u>	<u>Conservative</u>	<u>Labor</u>	<u>Other</u>	N
		(Per Cent)				
<u>AREA</u>						
1) <u>Upper Class</u>	20	38	35	4	3	1094
2) <u>Upper Middle Class</u>	34	35	25	3	3	4618
3) <u>Upper Middle/ Lower Middle Class</u>	52	24	18	4	2	5295
4) <u>Lower Middle/ Working Class</u>	59	18	14	5	4	6662
5) <u>Working Class</u>	68	14	10	5	3	19,055
City	58	19	14	5	3	36,724

Source: Calgary Herald, August 23, 1935:20 (my calculations).

Table 5-2

Vote in Calgary in 1930 Provincial Election, by Area

<u>AREA</u>	<u>Liberal</u>	<u>Conservative</u> (Per Cent)	<u>Labor</u>	<u>Other</u>	<u>N</u>
1) <u>Upper Class</u>	43	50	3	5	707
2) <u>Upper Middle Class</u>	41	48	6	4	3080
3) <u>Upper Middle/ Lower Middle Class</u>	36	45	14	5	4285
4) <u>Lower Middle/ Working Class</u>	29	48	16	7	3379
5) <u>Working Class</u>	25	39	30	7	11,713
City	30	43	21	6	23,164

Source: Statement of Vote for the 1930 Election, Provincial Archives of Alberta.

working class area, Labor Party support was all but wiped out by Social Credit, falling from 30% in 1930 to 5% in 1935. Labor support also decreased in absolute terms in the working class districts, falling from 3503 votes to 993, despite a 65% increase in the number of people voting in this area. The Liberal and Conservative parties, who had collectively garnered a majority of the vote in the working class districts in 1930, also declined both relatively and absolutely there. The Liberals dropped from 25% to 14% in this area, their votes received declining from 2942 to 2633. The Conservative Party was a bigger loser, sliding from 39% to 10% in its share of the popular vote and from 4512 to 1834 in votes received.

We may wish to examine the most heavily industrialized area of Calgary, the southeast, by itself. This area, all of which is included in the working class districts, contained polling subdivisions 5, 6, 7, 30, 31, 32, 33 and 50. These eight subdivisions together had a Social Credit vote of 75% (n=4072), 7 percentage points higher than the working class area as a whole, and 17 points above the city-wide mark. Polling subdivision 7, which contained the CPR Ogden Shops, had the highest Social Credit vote in the entire city with 87% (n=173) in favour. Irving (1959:78) describes the Ogden Shops themselves as a "strong Social Credit centre". Hannant (1985:113) reports that William Aberhart gave a speech there. The small Ogden suburb of Ceepeear (named after the

ubiquitous railway company), which in 1935 was just outside the city limits, voted 93% (n=153) Social Credit.

Clearly, the results in the working class areas run counter to the established theoretical tradition on Social Credit support. By focusing almost entirely on the alleged petit-bourgeois basis of the movement, the received tradition implies that support in other classes was negligible.

As mentioned previously, it is difficult to determine how the petite bourgeoisie voted in the cities since it comprised only approximately 11% of the work force there. Being such a small class, it was probably a small minority in all areas; many resided in the working class districts. Given this situation, no valid measure of urban petit-bourgeois support exists. For this reason, the level of support for Social Credit among members of the urban petite bourgeoisie must remain one of the mysteries of Canadian social science.⁸

⁸The author had considered using the downtown polls as a measure of petit-bourgeois support. The downtown area contained a number of small businesses, and independent proprietors sometimes reside on their premises. However, it is impossible to determine precisely what proportion of downtown residents were petit-bourgeois; in any case, even here they were in all likelihood a minority. The ecological method does not permit inferences to be made with confidence in such cases. For the record, the only Calgary poll entirely enclosed in the downtown area, poll 14, vote 40% Social Credit (n=163).

Additional problems exist with regard to the downtown polls in Lethbridge and Medicine Hat. In Lethbridge, the downtown area was divided among three polling subdivisions, none of which was completely contained in the downtown area. The best coverage was provided by poll 14, only two-thirds of which was downtown. (It had a 62% Social Credit vote, n=216.) Similarly, in Medicine Hat the best downtown coverage is given by poll 10, only half of which was downtown (57% Social

Some indication of the level of support among the salaried lower middle class is provided by the results in area three, the upper middle/lower middle class area, and area four, the lower middle/working class sector. Table 5-1 indicates that residents in the former district voted 52% Social Credit, in the latter, 59%. Thus Social Credit support in these areas, although substantial, was lower than that in the predominantly working class neighbourhoods.

Although the party's support was strongest in the working class sector, its success in the upper middle and upper class districts should not be ignored. The 34% Social Credit earned in the upper middle class region allowed the party to finish second in this area, only one percentage point behind the Liberals, and nine points ahead of the Conservatives. That one in five voters in the upper class poll voted Social Credit is also something of a revelation, given the conventional wisdom on the class basis of the movement. It would appear, then, that as far as Calgary is concerned, the received tradition has underestimated the support for Social Credit in the upper and upper middle classes, especially in the latter.⁹

Credit, n=280).

⁹The support given to Social Credit by members of the affluent classes deserves further research. G. Hamilton Southam, of the wealthy publishing Southams, recalls his upbringing: "We were taught that it was vulgar to talk of money, unless as an element in economic theory. Father and

Previous non-voters may have had a significant impact on the election, as the number of eligible voters increased by 21% over 1930 in the constituency of Calgary, while the number of people actually voting increased by 68%. Voter

Uncle Harry [Southam] were strong supporters of Henry George at one time, of Major Douglas in later years. Indeed they invited the latter to Canada--I remember him dining at Lindenelm [the family mansion]--and helped spread Social Credit doctrine across the country" (Ottawa Citizen, July 23, 1988:B3). Harry Southam published the Ottawa Citizen, his brother Wilson the Calgary Herald. The editor of the Citizen in the 1930s, Charles A. Bowman, was also a supporter of Douglas.

Irving (1959:69-70) writes that "in Calgary, socially prominent converts [to Social Credit] were constantly engaged in organizing lectures and study groups in womens' circles". At a later point in the book, he states: "...as interviews with two such men reveal, Social Credit was not without an appeal to the wealthy. In a period when the capitalistic system had obviously broken down, Social Credit (in striking contrast to socialism and communism) promised to "make capitalism work". Both of these men, who were animated by humanitarian ideals, repudiated absolutely Aberhart's teaching regarding basic dividends and strongly urged him privately to abandon this aspect of Social Credit doctrine. Yet they were absolutely convinced that monetary reform, along Social Credit lines, was necessary to prevent the overthrow of the capitalistic system by socialists and communists. As they interpreted it, the Social Credit movement was a revolt of Tory radicals. Being members of the social elite, they could not afford to be seen in public with Aberhart, although they dined with him privately. It was a great source of satisfaction to him to know that he had recruited at least two men of rank and wealth to the movement. If they could not publicly avow their allegiance to Social Credit, their financial contributions to the cause were not inconsiderable" (Irving, 1959:249).

John Hugill, who was elected in Calgary as a Social Credit member in 1935 and was Aberhart's first Attorney General, was a law partner with R.B. Bennett, legal advisor to the CPR, and was consul for Sweden and vice-consul for the Netherlands. He also held a number of prestigious social positions in Calgary, including the captaincy of the polo club, and wore spats (Elliott and Miller, 1987:206).

turnout in the constituency was 58% in 1930, 80% in 1935.¹⁰ If, as Hamilton (1972:293) suggests, voter participation normally varies directly with class level, those who were first-time voters may have come disproportionately from the lower classes. If this was the case, then the increased turnout benefitted the Social Credit party. However, without survey data it is impossible to know for sure how this increased participation influenced the election.¹¹

In sum, the data presented indicate that support for Social Credit in Calgary in 1935 varied inversely with class level, with the highest level of support coming from the working class districts.

Lethbridge

A Historical Sketch

Lethbridge originated as a coal mining centre in the early 1880s, having a population of about one thousand by 1886 (Johnson and den Otter, 1985:230). By the first decade of the twentieth century, a foundry, iron works, a brewery, grain elevators, grain mills and other small manufacturing

¹⁰Includes some areas beyond the city limits. Participation rates for the city proper or by area as defined here are not available.

¹¹See Pinard (1975:31-34) for a discussion of the effect of previously apathetic populations on social movements. See Hamilton (1972:291-95) for a discussion of non-voters in US elections.

industries were located in the city. With the expansion of agriculture in the surrounding southern Alberta region, Lethbridge came to see itself as "the coal city in the wheat country" (ibid.:78). Its economy diversified with the flourishing of farming in the area, as it became a regional service and distribution centre. Lethbridge had a population of 13,489 in 1931.

The 1935 Election

In 1935 there were fourteen polling subdivisions in the Lethbridge constituency, nine of which were located in the city itself. The city polls accounted for 87% of the Lethbridge riding vote and had a Social Credit tally of 53%.¹²

The most pronounced boundary in the city of Lethbridge is formed by the CPR tracks, which divide the city into its north and south sides. The class composition of south Lethbridge in 1935 may be described as a middle class mix with a substantial working class minority; the latter class made up about one third of its population. The London Road neighbourhood, the wealthiest residential area of Lethbridge, is located on the south side. London Road was primarily an upper middle class district with a small upper class

¹²The assistance of Alex Johnson and Greg Ellis of the Galt Museum, Lethbridge, in providing the following description of the city is gratefully acknowledged. Mr. Johnson is the co-author of Lethbridge; A Centennial History (1985), with A. den Otter.

minority.¹³ The south provided 65% of the city vote in 1935.

North Lethbridge in 1935 was predominantly working class, being the home of many coal miners and CPR workers. The CPR shops, brick yards and a coal mine were located in or near north Lethbridge.

The results for all polling subdivisions in Lethbridge for the provincial election of 1935 are shown in Table 5-3; the locations of the polls are shown in Map 5-2. The results for the election of 1930 are given in Table 5-4.

North Lethbridge, the working class area, was covered by three polling subdivisions, numbers 6, 7, and 8, which accounted for 35% of the city total. These three together had a Social Credit vote of 73% (n=1948). The highest Social Credit vote in the city was recorded at poll 6, with 81% in favour. Labor support in the north fell from 69% in 1930 (n=1405) to 11%.

South Lethbridge was covered by six polling subdivisions, numbers 9, 10, 11, 12, 13 and 14, which together recorded a Social Credit vote of 42% (n=3631).

The salaried lower middle class in Lethbridge was located primarily in the south, excluding the London Road area. The south minus London Road, then, contained a middle class mix that was mainly lower middle class, along with a sizable working class minority. Poll 10 covered about half of

¹³Informants in both Lethbridge and Medicine Hat stated that before World War II, very few people in their respective cities were upper class.

Map 5-2

Lethbridge, 1935, Showing Polling Subdivision
Boundaries

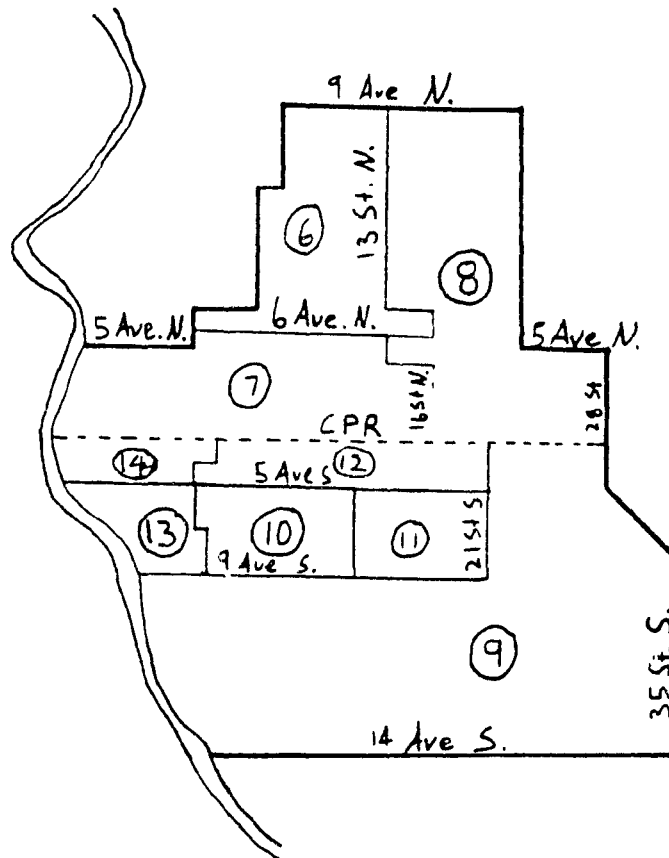


Table 5-3

Vote in Lethbridge in 1935 Provincial Election, by Poll

	<u>Social Credit</u>	<u>Liberal</u>	<u>Conservative</u>	<u>Labor</u>	N
		(Per Cent)			
<u>SOUTH</u>					
<u>Upper Middle Class</u>					
<u>Poll</u>					
10	39	43	8	9	957
<u>Lower Middle/ Working Class</u>					
<u>Poll</u>					
9	56	28	8	8	480
11	34	50	6	11	711
12	38	46	9	8	854
13	50	38	4	7	413
14	62	26	1	10	216
<u>NORTH</u>					
<u>Working Class</u>					
<u>Poll</u>					
6	81	10	2	8	659
7	61	21	3	15	529
8	75	11	2	12	760
 City	 53	 32	 5	 10	 5798 ^a

^aIncludes Advance Poll and Galt Hospital

Source: Statement of Vote for the 1935 Election, Provincial
Archives of Alberta

Table 5-4

Vote in Lethbridge in Provincial Election of 1930, by Poll

	<u>Barrowman</u> <u>(Independent)</u>	<u>Hardie</u> <u>(Independent)</u> (Per Cent)	<u>Labor</u>	N
<u>SOUTH</u>				
<u>Upper Middle</u> <u>Class</u>				
Poll				
10	31	49	20	641
<u>Lower Middle/</u> <u>Working Class</u>				
Poll				
9	19	45	37	316
11	34	40	26	474
12	31	45	24	600
13	28	44	29	337
14	16	42	42	165
<u>NORTH</u>				
<u>Working</u> <u>Class</u>				
Poll				
6	7	21	72	398
7	13	18	70	446
8	11	23	66	561
City	22	36	42	3938

Source: Statement of Vote for the 1930 Election, Provincial
Archives of Alberta

London Road; no other poll had a majority of its voters resident in this neighbourhood. The south minus poll 10 voted 43% Social Credit (n=2674). Poll 10 had a Social Credit vote of 39%.

Considering Social Credit support in the south, it can be seen by examining Tables 5-3 and 5-4 that the three southern polls with the highest levels of Social Credit voting in 1935 also had the highest levels of Labor voting in 1930. Poll 14, poll 9 and poll 13 had Labor votes of 42%, 37% and 29% in 1930, while the Social Credit vote in these polls in 1935 was 62%, 56% and 50% respectively. Thus we have reason to believe that the comparatively high Social Credit vote in these south side polls was associated with a relatively high proportion of working class voters in them. This does not, of course, rule out a high lower middle class vote for the party in these areas.

As in Calgary, previous non-voters may have had a significant impact on the vote, as voter turnout increased from 67% in 1930 to 82% in 1935 for the Lethbridge constituency.¹⁴ But, to reiterate, without survey data it is impossible to determine how this affected the vote.

In sum, these results indicate that in Lethbridge, like Calgary, support for Social Credit varied inversely with

¹⁴Figures for the city of Lethbridge itself or the various areas therein are not available.

class level, with the highest support found in the working class districts.

Medicine Hat

A Historical Sketch

Medicine Hat began as a railway centre in the early 1880s, being a divisional point of the CPR's main line and later the eastern terminus of the Crowsnest Pass branch line. The CPR built maintenance shops, a roundhouse, stock and freight yards and railway bridges at Medicine Hat. Fifty men were employed in the first shops, about the same number worked to maintain the tracks and another 66 formed the train crew, which was based at the local depot (Gould, 1981:27). At about the same time, ranching developed in the surrounding region, with Medicine Hat becoming a local service centre.

The accidental discovery of natural gas by a CPR water well crew in 1883 led to the use of the gas in small-scale manufacturing plants in the city. Brick factories operated as early as 1888 in Medicine Hat, as did pottery plants before the First World War.

The rapid migration of farmers into Alberta enhanced the city's role as a regional commercial centre. A brewery and a greenhouse industry also operated in Medicine Hat, the latter using natural gas. The city had a population of 9,634 in

1921, which increased to 10,300 in 1931.

The 1935 Provincial Election

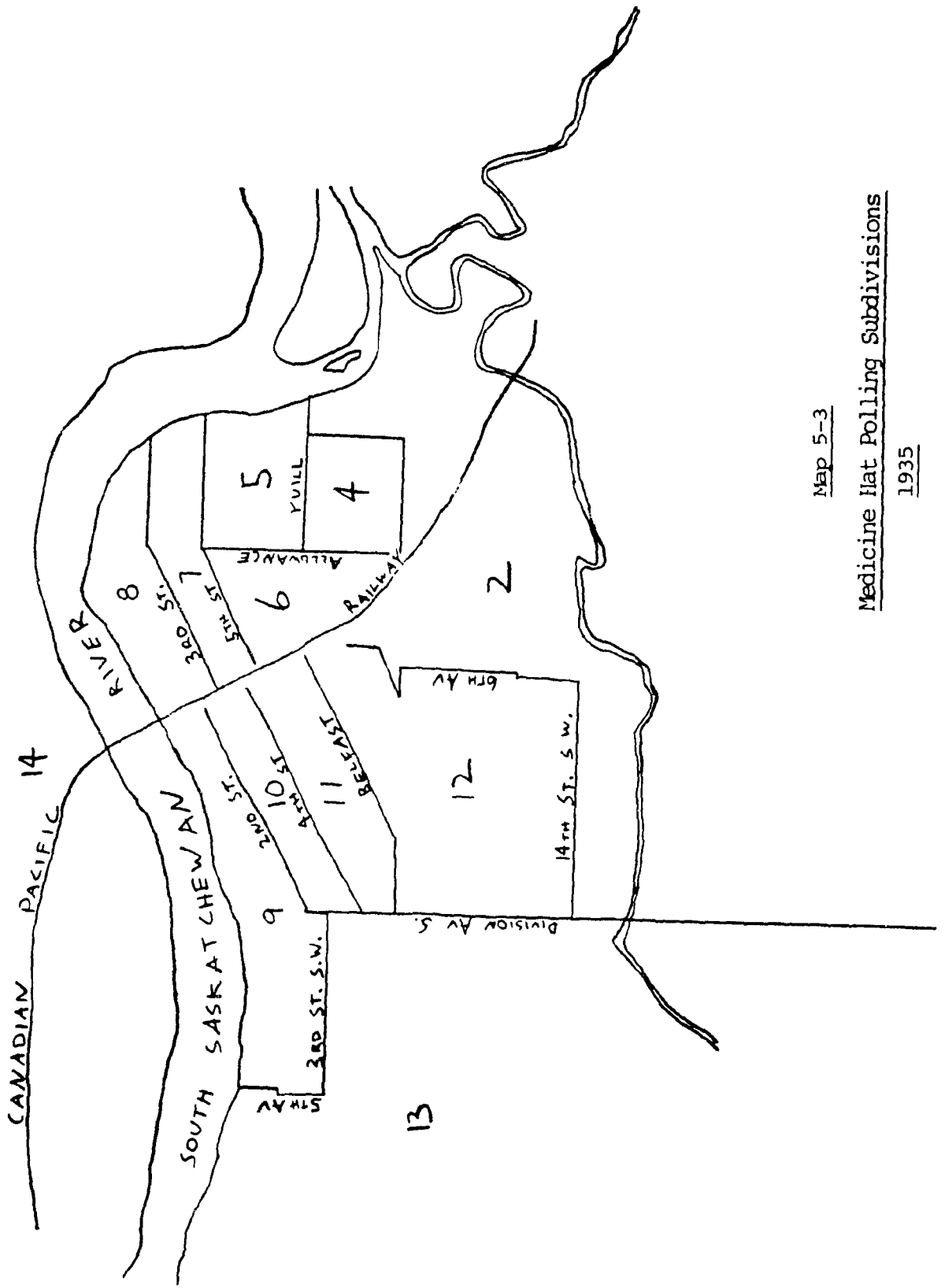
The wealthiest residential area in Medicine Hat in 1935 comprised 1st and 2nd Streets northwest, east of Fifth Avenue.¹⁵ (See Map 5-3.) Local informants mentioned the "Club 400" in connection with this neighbourhood, the "400" being the first residents of Medicine Hat. As in other western cities, great pride is taken in being a long-time resident.¹⁶ The residents of this neighbourhood were classified as upper middle class; their wealth was generated largely from ranching and real estate.

A neighbourhood called "The Hill" is the second wealthiest district, and is also predominantly upper middle class. It is located just west of the railway tracks, south of 4th Street. Many CPR management personnel lived in this area.

To the west of The Hill is a mixed lower middle class\working class area called the "West Hill". North of the South Saskatchewan River, which divides the city into its north and south sides, is the Riverside area, which in 1935

¹⁵The following description of the neighbourhoods of Medicine Hat owes much to the assistance given by Donny White and Kathy Dirk of the Medicine Hat Museum and Art Gallery.

¹⁶One citizen stated, "I've been here fifty years, and I'm still a newcomer!" Informants also claimed that familial length of residence in the district conferred more status on local citizens than their social class.



Map 5-3

Medicine Hat Polling Subdivisions

1935

was also a lower middle\working class area. Adjacent to Riverside to its north is Crescent Heights, which had a similar class composition.

East of the railway tracks, immediately south of the river, was a small neighbourhood that contained a mixture of upper middle and lower middle class residents. On this side of the tracks, the farther south one went, the greater the proportion of working class residents; the area south of 3rd Street South was predominantly working class. The latter part of Medicine Hat is called "Moccasin Flats" (or simply the "Flats"), so named because in the early days of the city it was the location of an Indian encampment. Workers employed in the potteries, brickplant, foundry, crayon factory and CPR works lived in the Flats. The area due south of the Flats, east of 6th Avenue SE, was also predominantly working class.

The results of the 1935 election are shown in Table 5-5; those for the 1930 election in Table 5-6. The locations of the polling subdivisions are indicated on Map 5-3.

Five polls were located in the working class districts, polls 2, 4, 5, 6 and 7, which together had a 76% Social Credit vote (n=1674). Poll 2, however, in addition to covering a large area of the city, also covered a portion of the countryside. (The other four working-class polls were completely enclosed in the city.) Unfortunately, it is impossible to determine what proportion of poll 2 was rural. Poll 16, a completely rural poll in the riding but slightly

Table 5-5

Vote in Medicine Hat in 1935 Provincial Election, by Poll

	<u>Social Credit</u>	<u>Liberal</u> (Per Cent)	<u>Conservative</u>	N
<u>Upper Middle Class</u>				
<u>Poll</u>				
9	28	42	30	316
11	46	36	18	433
<u>Upper Middle/ Lower Middle Class</u>				
<u>Poll</u>				
8	64	21	15	220
10	57	28	15	280
12	48	34	17	690
<u>Lower Middle/ Working Class</u>				
<u>Poll</u>				
13 ^a	64	22	14	132
14 ^a	62	26	12	325
<u>Working Class</u>				
<u>Poll</u>				
2 ^a	83	13	3	477
4	82	17	1	329
5	71	21	7	359
6	70	22	7	264
7	67	23	10	245
City	62	25	12	4582 ^b

^aIncludes some rural voters

^bIncludes Advance Poll

Source: Statement of Vote for Medicine Hat, Election of 1935,
Provincial Archives of Alberta

Table 5-6

Vote in Medicine Hat in 1930 Provincial Election, by Poll

	<u>Liberal</u>	<u>Conservative</u> (Per Cent)	<u>Independent</u>	N
<u>Upper Middle Class</u>				
Poll				
9	35	46	19	290
11	41	32	27	377
<u>Upper Middle/ Lower Middle Class</u>				
Poll				
8	50	29	21	178
10	43	34	23	235
12	52	27	21	559
<u>Lower Middle/ Working Class</u>				
Poll				
13 ^a	29	37	34	79
14 ^a	42	29	29	257
<u>Working Class</u>				
Poll				
2 ^a	56	20	24	385
4	54	17	29	257
5	54	19	28	254
6	41	30	29	196
7	43	22	35	158
City	46	28	26	3346 ^b

^aIncludes some rural voters

^bIncludes Advance Poll

Source: Statement of Vote for Medicine Hat, Election of 1930
Provincial Archives of Alberta

larger in size, contained only 19 voters; poll 3, another rural poll of about the same size, had 195 voters. As poll 2 received 477 votes, in all likelihood a majority of these were urban. (The polling place itself was located in the city proper.)

The lower middle class/working class mixed areas were covered by polls 13 and 14. These polls covered portions of the countryside, but again it is impossible to determine the number of rural voters in them. (The actual polling places were urban.) Polls 13 and 14 together voted 63% Social Credit (n=475).

Polls 8, 10 and 12 contained about an even mix of upper middle class and lower middle class voters, and recorded a 53% Social Credit vote (n=1190). Poll 11, most of which was enclosed in "The Hill", one of the two upper middle class areas, voted 46% Social Credit. Poll 9, which was almost completely enclosed in the 1st and 2nd street neighbourhood, the other and somewhat wealthier upper middle class area, voted 28% Social Credit. All urban polls, including the three that contained some rural voters, recorded a 61% Social Credit vote (n=4387).

Previous non-voters may have been a significant factor in Medicine Hat, as in the other three cities, since voter turnout increased from 74% to 83% in the constituency.¹⁷

¹⁷Participation rates for the city proper or by area are not available.

In summary, in Medicine Hat a similar pattern to that observed for Calgary and Lethbridge is evident, whereby the support for Social Credit appears to have varied inversely with class level, with the greatest support found in the working class districts.

The observed pattern of support for Social Credit in Alberta's cities in 1935 may be compared with that reported by Maurice Pinard for a later Social Credit movement in Quebec. Data taken from Pinard's Table 6.1 (1975:93) are shown in Table 5-7, with some modification.¹⁸ The data are from a survey taken shortly after the 1962 federal election in which the Social Credit Party, led in Quebec by R  al Caouette, captured 26 of 75 seats in the province and obtained 25.9% of the popular vote (ibid.:4).

Pinard's results indicate that the non-farm Social Credit vote varied inversely with class level, with the highest support found among members of the working class. Of special interest to our study is the fact that workers gave

¹⁸In his Table 6.1, Pinard divides the working class into "skilled", "semi-skilled", and "unskilled and service" categories; in Table 5-7, the three working class categories have been combined. In Table 6.1 he divides the respondents into two groups: those in districts within the greater Montreal area and those not in greater Montreal; Table 5-7 includes all respondents. Pinard classified the self employed blue collar workers (artisans, etc.) as "skilled working class"; in Table 5-7 these have been classified as "small businessmen". Pinard's table includes farmers; Table 5-7 does not.

Table 5-7

Quebec Federal Social Credit Vote, 1962, by Class

	<u>Social Class</u>			
	<u>Upper</u>	<u>Salaried Lower</u>	<u>Small</u>	<u>Working</u>
	<u>Middle^a</u>	<u>Middle^b</u>	<u>Businessmen^c</u>	<u>Class^d</u>
Per Cent				
Social Credit	9	11	20	27
N =	(94)	(79)	(56)	(299)

Source: Pinard (1971:93)

^aProfessional, technical and kindred occupations, managers and officials, and non-farm proprietors with annual net incomes exceeding \$4000.

^bClerical and sales workers.

^cSelf-employed proprietors with annual net incomes of \$4000 or less, or if income was unknown, with eight years of education or less. Includes self-employed manuals.

^dManual wage-earners.

greater support to Social Credit than small businessmen, 27% as against 20%.

Pinard also found that among workers,¹⁹ those with a working class identification were more likely to support Social Credit than those without such an identification, and that members of unions as opposed to non-members were more supportive (ibid.: chs.8 and 11). Significantly, he also found that support for Social Credit in Quebec was not associated with conservative attitudes (ibid.: ch.12).²⁰ These findings are in keeping with our discussion of the Social Credit philosophy given in the previous chapter, where it is suggested that the Social Credit ideology was not conservative.

The Small Towns

In Chapter 3 we saw that only 11 of the 27 small towns

¹⁹With self employed blue collar respondents classified as working class.

²⁰Pinard states, however, that "there are indications that [outside greater Montreal] opposition to social change among small businessmen [defined as not including self employed manuals] tended to push them towards [the Social Credit] party" (1975:115). But he adds that, "Due to sample size, however, we cannot test whether this effect is independent of strains, or whether it is simply an intervening factor which has no effect of its own" (ibid.:115, n.85). Moreover, although small businessmen outside greater Montreal indicated slightly higher opposition to social security, labour unions, nationalization of industries, and social change in general than members of other occupations, all differences between small businessmen and other middle class categories were insignificant, except for the last measure, which had a significance level of .07 (ibid.:114-115, n.83).

in the province had a Social Credit vote greater than the provincial average. In Table 5-8, the results in the small towns for all parties are given. Social Credit received 52% (n=21,541) of the vote in all small towns combined, two percentage points below the provincial average.

The contention that the small towns provided high levels of support for the movement is often made with the assumption that these communities were disproportionately petit-bourgeois. Unfortunately, as with the cities, problems arise in attempting to isolate the petit-bourgeois vote in the small towns, making a rigorous test of the received hypothesis impossible.

The Countryside

As our earlier discussion has shown, the bedrock of the conventional wisdom is that farmers provided extremely high levels of support for the party. Once again, however, upon close examination the foundation of the theory is not as secure as most observers consider it to be.

In order to get a measure of the farm vote, the results from all urban areas having a population of 1000 or more were subtracted from all constituencies; the remainder comprised 65% of all votes cast in the provincial election of 1935. The Social Credit vote with the cities and towns removed in this way was 57% (n=195,840), which, although high, was only three percentage points above the province-wide mark.

Table 5-8

Social Credit Vote in the Alberta Provincial Election, 1935
For Urban Areas With Populations Between 1000 and 5,000*

	<u>Social Credit</u>	<u>UFA</u>	<u>Liberal</u>	<u>Conser- vative</u>	<u>Labour</u>	<u>Other</u>	<u>N</u>
Blairmore	45	--	--	13	--	41	864
Camrose	46	19	36	--	--	--	1307
Cardston	69	8	22	--	--	--	794
Claresholm	54	8	25	13	--	--	475
Coleman	63	--	24	--	--	13	1187
Drumheller	55	--	11	--	--	35	1540
Edson	35	--	34	--	32	--	748
Fort Saskatchewan	31	35	24	10	--	--	367
Grande Prairie	30	10	47	13	--	--	798
Hanna	78	7	15	--	--	--	627
High River	50	17	27	6	--	--	930
Innisfail	50	3	32	15	--	--	946
Lacombe	39	4	31	25	--	--	832
Lloydminster	45	22	19	8	--	6	436
Macleod	56	28	17	--	--	--	752
Magrath	55	31	14	--	--	--	456
Olds	49	18	28	4	--	--	869
Pincher Creek	46	8	22	23	--	--	577
Raymond	66	27	6	--	--	1	832
Redcliff	66	--	16	18	--	--	493
Red Deer	49	--	20	20	--	12	1089
Stettler	56	5	28	10	--	--	783
Taher	70	13	17	--	--	--	825
Vegreville	45	13	40	2	--	--	1036
Vermillion	53	12	26	7	--	2	653
Wainright	35	17	42	6	--	--	683
Wetaskiwin	60	5	28	7	--	1	1092
All Small Towns	52	10	24	7	1	6	21,451
Province	54	11	23	6	2	3	301,752

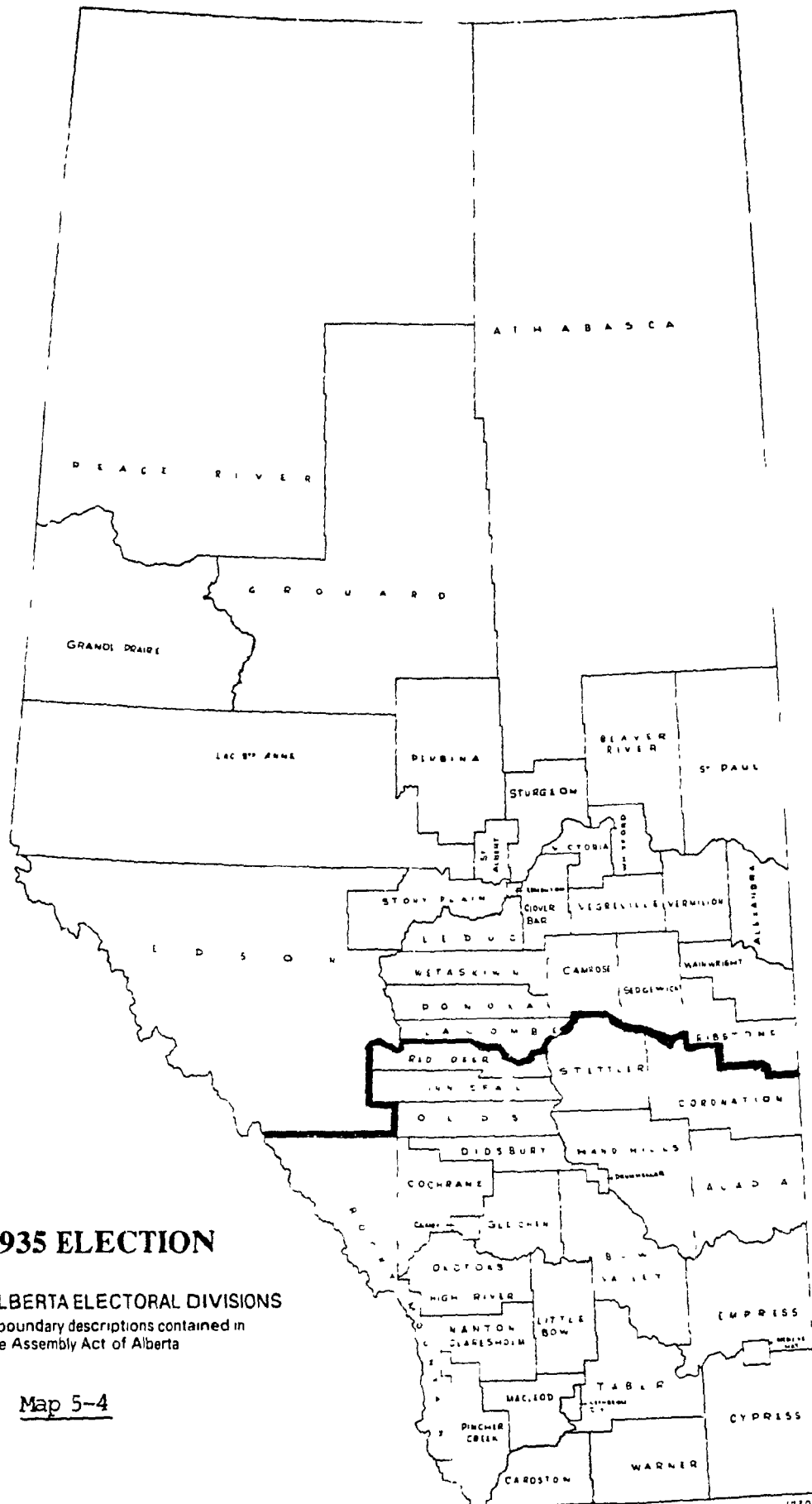
*Excluding Beverly, for which data are not available.

Source: Statement of Vote For Provincial Election of 1935,
 Provincial Archives of Alberta

Cities, Towns, Countryside, Controlling for Region

A more meaningful comparison between the cities, towns and countryside, in particular between farmer and working class support, may be gained if the region of the province is controlled for. It is sometimes noted that Social Credit was more popular in the south, although rarely does one find a writer willing to provide an explicit dividing line. If we take as our dividing line the boundary drawn on Map 5-4, the north had a Social Credit vote of 49% (n=160,226), the south 61% (n=141,526). This dividing line was chosen in order to compare the three cities for which polling subdivision data are available (all of which are in the south) with the surrounding southern countryside.

The rural south (i.e., less towns and cities) voted 63% Social Credit (n=80,833), whereas the vote for the party in the working class districts of Calgary, Lethbridge and Medicine Hat was 68%, 73% and 76% respectively; the working class areas of the three cities combined had a 69% Social Credit vote (n=22,363). Thus we have reason to believe that working class support in the three southern cities was somewhat higher than southern farmer support, although, to be sure, support was high among both groups. We may also note that the support for the movement in the working class districts of the southern cities exceeded southern small town



1935 ELECTION

ALBERTA ELECTORAL DIVISIONS

Drawn from boundary descriptions contained in
the Legislative Assembly Act of Alberta

Map 5-4

support, as the 17 southern small towns, taken together, had a 57% Social Credit vote (n=13,589).²¹

Conclusions

Some general conclusions are warranted from the findings discussed here. One is that popular support for Social Credit, as suggested in Chapter 3, was much more diffuse than is commonly believed. Although a precise class breakdown cannot be determined from the available data, the results reported in this chapter indicate that support for Social Credit was certainly not restricted to any single class. Nor was it restricted to agrarian regions and small towns, as previous studies have suggested.

A second conclusion that our data permit is that working class support for the movement was very high in the three cities examined. The results in the working class districts of these cities are quite unambiguous. We will never know for sure whether working class support exceeded petit-bourgeois support in these cities or in the province as a whole, but we can be certain that workers backed the movement in very large numbers in Calgary, Lethbridge and Medicine Hat. Also, since support for Social Credit in these cities was lower in the middle class areas than in the working class districts, we have reason to believe that Social Credit was not a

²¹Northern rural areas voted 53% Social Credit (n=115,007), the 10 northern small towns, 43% (n=7952).

characteristically middle class phenomenon.

A final conclusion is that the evidence provided here, showing a high level of working class support, is inconsistent with the claim that support for Social Credit was rooted in the exigencies of a petit-bourgeois class position. It will be suggested in Chapter 8 that a shared characteristic--economic hardship--may have led both classes to support the movement. This rather mundane explanation may take us farther in understanding Social Credit than the elaborate notions contained in the petit-bourgeois theory.

In addition to its alleged popular basis of support, Social Credit's behaviour in office is also said to have been characteristically petit-bourgeois. As we saw in Chapters 1 and 3, the conventional wisdom holds that the Social Credit administration combined a petit-bourgeois world view with a strong sense of regional grievance. In the next chapter we will examine Social Credit's first term in office in order to determine if these accounts provide an accurate portrayal of the government's performance.

Chapter Six

Social Credit in Power

Introduction

As suggested in earlier chapters, Social Credit is commonly portrayed as a conservative, even reactionary, petit-bourgeois movement bent on freeing Alberta from the forces of imperialism. It is often suggested that since it was a petit-bourgeois movement, it was, a priori, conservative and incapable of any truly radical action. This approach is taken by Macpherson, who claims that "conservatism [is] inherent in petit-bourgeois agrarian radicalism" (1953:220). He supports this theoretical position with the assertion that, "Aberhart, from his first day in office, preferred to placate the established outside interests. ...[H]is economic radicalism was very limited. ...[N]othing he did was in conflict with a basic acceptance of the established order" (ibid.:219-20).

But do these accounts provide an accurate description of Social Credit's policy and behaviour in office? Perhaps the best way to address this question is to review what actually happened in Alberta once the movement formed the government. Once this has been done, we will be in a better position to assess the standard interpretations.

Social Credit In Office

Legend has it that when William Aberhart received a Canadian Press telegram on the evening of August 22, 1935 stating that Social Credit had just won the provincial

election,¹ he blanched and fell against his pulpit in the Prophetic Bible Institute (Irving, 1959:333). The crowd of supporters present sustained him by singing "O God Our Help In Ages Past", the Social Credit anthem. His recovery was swift.²

In London the Green Shirts, a pro-Social Credit organization led by the charismatic John Hargrave, celebrated the victory by triumphantly marching seven times around the Bank of England. With much fanfare, Hargrave announced that the Alberta party's win marked the beginning of the end of the old economic order.

Also in England, Major Douglas received what became a famous telegram. It read simply, "Victorious when could you

¹Several authors erroneously give August 23, 1935 as the date of this crucial election. The error appears to have originated in the work of Barr (1974:80), being repeated in Caldarola (1979:40), Mardiros (1979:195) and Osborne and Osborne (1986:120). Lewis H. Thomas (1977:60) cites August 25 as the date of this election. Barr (1974:118) also appears to have started another chain of errors, citing June 23, 1943 as the date of William Aberhart's death, when in fact he died on May 23 of that year (Calgary Herald, May 25, 1943:1). Caldarola (1979:43) also gives June 23 as the date of the premier's death; Osborne and Osborne (1986:135) state that he died in June, 1943. Mallory (1954:153) claims that he died on May 24; Thomas (1977:167), again an original, cites May 20. The implications of these patterns of errors for the sociology of knowledge are explored in Chapter 8.

²N.B. James (1947:198), who was elected as a Social Credit candidate in the 1935 election, has written: "Looking back, I feel that, from the top down, the most of us had hoped at the best that we would form His Majesty's Loyal Opposition, and were quite unprepared for the shock of finding that we had to form a government."

come?--ABERHART" (Douglas, 1937:125).³ Douglas appeared to be eager to join forces with Aberhart, cabling back, "If necessary could sail middle September" (ibid.:125), and later writing, "...I take this opportunity of assuring you that you have a solid body of many millions all over the world behind you, and that anything I can do to bring these forces to bear to insure your success will be done" (ibid.:127).

As we saw in Chapter 2, at the time of the 1935 election, Douglas was under contract as the "Principal Reconstruction Advisor" to the UFA government. Shortly before the election, he submitted to the government his First Interim Report on the Possibilities of the Application of Social Credit Principles to the Province of Alberta.⁴ His contract extended beyond the date of the election, and so required him to work with Aberhart. The contract did not stipulate that he remain in the province, however, and by the time the election was held he had returned to England.

During the election campaign Aberhart had stated that it would take at least eighteen months to implement a Social Credit program. This gave him some breathing room immediately after the party's victory, but there was a tremendous sense of anticipation, and in some circles, fear, as soon as the

³In The Alberta Experiment (1937), Douglas published all the correspondence between himself and Aberhart from August 24, 1935 to March 24, 1936.

⁴The Report is contained in Douglas' The Alberta Experiment (1937:102-118).

results were announced.

Shortly after the election, the Social Credit Party learned the sorry details of the province's financial situation. The Treasury was so depleted that there was some doubt that civil servants' salaries could be paid, while teachers' salaries were already in arrears (Hooke, 1971:108-109).

Bigger problems loomed in the near future. A bond maturity of \$5.2 million, interest charges of \$2.8 million, bank debts of \$6 million and other assorted financial obligations were due by March 31, 1936. The magnitude of these obligations may be appreciated if it is realized that the Alberta government's revenues totalled only \$16 million per annum at that time, which was not sufficient to pay for the routine expenses involved in running the province (ibid.).

Aberhart's immediate response to the government's financial crisis did not involve any radical measures.⁵ He travelled to Ottawa to ask Prime Minister K.B. Bennett, another Calgarian and a personal friend, for a loan of \$18,389,000. He was granted \$2,250,000 (Mallory, 1954:126). Bennett told him that he could only authorize funds to cover

⁵Aberhart did not run as a candidate in the 1935 election, claiming that he had no personal stake in the outcome. He was elected by acclamation in a by-election held in the Okotoks-High River constituency on November 4, 1935. Immediately after the election, however, Social Credit MLAs ratified his leadership of the party, allowing him to perform his duties as premier-designate.

the period up to the next federal election (Elliott and Miller, 1987:210), which was eventually held in October, 1935, and was won by Mackenzie King's Liberals.

During his Ottawa trip, Aberhart decided to hire Robert J. Magor as a financial consultant. Magor, a well-to-do Montreal economic advisor and philanthropist, had previously been in the employ of the Newfoundland government where he used conventional but effective cost-cutting measures to streamline the Crown colony's administration.

The appointment of Magor piqued Douglas, who believed that he was to be in charge of the province's financial affairs. Douglas came to see Magor's presence as a plot by finance to destroy Social Credit in Alberta. He believed that the whole episode had been orchestrated by Montagu Norman, Governor of the Bank of England, who had visited Canada in August, 1935 to meet with Graham Tower, Governor of the recently-formed Bank of Canada (Hooke, 1971:120). Douglas wrote to Aberhart that, "A policy which apparently aims at defeating the banks with the assistance of the banks themselves, under the supervision of an agent of the banks, seems to be so dangerous that I do not feel it has a reasonable chance of success..." (Douglas, 1937:149). In the letter Douglas also suggested that his contract with the Alberta government be "terminated by mutual consent".

Relations between Douglas and Aberhart had always been delicate, and at times hostile. Before the election the UFA

government, as well as the Liberal and Conservative parties and the major Alberta newspapers, did their utmost to play up any disagreement between the two men. As we saw in Chapters 2 and 4, those opposed to Aberhart claimed that he grossly misinterpreted Douglas' theories, while Aberhart himself claimed to be a true disciple. The Alberta leader had even gone so far as to promise that if he were elected and Douglas considered any of his proposals to be unsound, he would modify them to Douglas' satisfaction.

The relationship between Aberhart and Douglas had been further complicated by the existence in Alberta of Douglasite organizations such as the New Age Club and the Open Mind Club, which took issue with Aberhart's leadership of the movement and openly attacked his interpretation of the Douglas doctrine. During the Major's visits to Alberta, the anti-Aberhart Douglasites had tried to get the master to denounce Aberhart, but Douglas was reluctant to do this, knowing that the vast majority of Social Crediters in the province were loyal to him, and that only Aberhart could generate such mass enthusiasm for Social Credit.

For his part, Aberhart claimed that there was little friction between himself and Major Douglas, but this posture became difficult to maintain after the election. He was torn between his conventional role as premier, which involved government leadership and responsibility, and his adherence to the Social Credit philosophy, which states that it is the

government's duty to bring in "experts" (like Douglas) to implement the will of the people. Both men intensely disliked the thought of taking orders from the other; it seems that they both wanted to be in control of the Alberta project. Aberhart answered Douglas' letter criticizing Magor's appointment by stating that "Nothing can be gained by your assuming the position of dictation rather than advice" (Douglas, 1937:155).

The relationship between the two men continued to be nettled by the anti-Aberhart Douglasites, who regularly reported their displeasure toward the premier to Douglas. The means of communication between Alberta and London also caused frustration, as letters took over two weeks to travel the distance, while telegrams between the two men, although much faster, were rarely longer than a sentence or two.⁶ Although trans-Atlantic telephone service was available, it seems that the two men were reluctant to use it. Another problem was that the financial position of the Alberta government in the first few months following the election was so poor that it simply could not afford to pay Douglas' expenses for another trip to Alberta (Douglas, 1937:152).

The long-distance advice that Douglas had to offer the Alberta Social Credit government was puzzling to Premier Aberhart. In Chapter 4 we saw that the Major had recommended

⁶Douglas sometimes learned of a forthcoming letter from Aberhart by reading about it in the London papers.

that the premier simply approach the banks and ask for a gift of \$5 million. Should this fail, Douglas advised Aberhart to "organize either a bank under the Dominion Bank Charter Act, or devise, with the aid of your legal advisors, some method by which an institution can be organized outside the Dominion Bank Charter Act, not issuing notes, but creating and granting credits to the Government as may be required and issuing cheques along familiar lines, so that no unnecessary difficulties may arise between the boundaries of Alberta and the rest of Canada" (Douglas, 1937:146). The government was to devise a "mechanism to enable it to create its own credit upon its own terms" (ibid.). Once such a mechanism were in place, Douglas would be glad to offer further help. Aberhart's difficulty with this sort of advice was summed up neatly in a sentence contained in a letter of reply to Douglas: "Be more specific" (Douglas, 1937:156).

The two men exchanged a series of letters and telegrams for several months which typically involved Aberhart asking for concrete instructions on how to implement Social Credit, and Douglas answering with vague suggestions such as the Alberta government should gain "access to the Public Credit", make "inroads upon the monopoly of credit", "secure the control of Social Credit" or "challenge Financial Dictatorship" (ibid.: 145, 149, 159, 193).

Douglas maintained that he would have nothing further to contribute until these oracular demands were met, suggesting

that an unwillingness to fulfill them was tantamount to a commitment to financial orthodoxy. Aberhart continued to plead for details on how to implement these directives, but Douglas offered nothing of substance.

Douglas did have a few specific suggestions, however, that he thought would be of assistance in defending the province from the inevitable counter-offensives of finance. The government was to build up a store of Dominion and foreign currency, a rather exacting proposal since the province did not even have the funds to meet its day-to-day expenses. A government news service was to be created to combat anti-Social Credit propaganda; this Aberhart tried to fulfill by having the Social Credit League buy the Calgary Albertan and a radio station owned by the paper, but the deal ultimately fell through. Douglas also recommended that the province create its own police force; this proposal was met with little enthusiasm.

While the negotiations between Douglas and Aberhart were going on, the premier announced that due to the immediacy of the financial crisis in the province, it would be necessary for him to stabilize the situation using conventional means. He promised to create a system of Social Credit once the province's finances were on a sound footing. In addition to getting federal government loans, Aberhart merged departments and generally tried to make the province's administration as cost-effective as possible.

As Aberhart devoted his time to getting the province's finances in order, the new Social Credit Minister of Trade and Industry, Ernest Manning, went about creating a new industrial code for the province that would systematize the provincial regulation of labour, commerce and natural resource development. The young Manning met with both labour leaders and business people to lay the groundwork for the new social legislation. In 1936 the Male Minimum Wage Act created minimum wages for all but farm and domestic labour. The Hours of Work Act established maximum working times and guaranteed one day of rest per week. The Tradesmen's Qualification Act regulated the skilled trades, protecting tradesmen from unqualified competition and the public from inferior workmanship. In 1938 the Industrial Conciliation and Arbitration Act provided labour with collective bargaining rights, while the Industrial Wages Security Act guaranteed the payment of wages to coal miners (Hooke, 1971:128). While these measures may not appear to be terribly bold to present-day observers, they were controversial at the time, and the Alberta Manufacturers' Association was quick to condemn them (Barr, 1974:91). One historian has remarked that, "The Premier had won the election with farm-labour votes and he rewarded these supporters in 1936 with industrial and labour legislation and measures for debt relief" (Schultz, 1960:2).⁷

⁷A discussion of the Social Credit debt relief policy follows.

The new Social Credit administration also raised provincial taxes. A Social Services Tax was brought in, with the funds used to eliminate charges the municipalities paid toward Mothers' Allowances and tuberculosis care; the latter from then on was provided without charge at the provincial sanatorium.⁸ A 2% sales tax was introduced, along with an assortment of other taxes pertaining to motor vehicles and fuel oil. Liquor prices went up, as did land taxes and taxes on personal and corporate income.

On April 1, 1936, Alberta defaulted on a provincial bond issue of \$3.2 million. In addition to the funds borrowed from the Bennett administration, Aberhart had received loans of \$1 million and \$3 million from the King government. He requested a further loan to cover the bond issue, but was refused. Aberhart had the option of participating in a federal-provincial loan council which was designed to cover such bond issues and other debts, but declined because in participating the Alberta government would have had to gain the consent of the federal minister of finance and the Governor of the Bank of Canada to borrow any more money.

Two months after the default, the Social Credit government unilaterally reduced the interest owing on Alberta

⁸The municipalities themselves were in dire financial straits in the 1930s. In those years municipalities were partially responsible for financing a wide range of social services, such as relief payments and health care, which later came under the jurisdiction of the provincial and federal governments.

government bonds such that bondholders would suffer a loss of 50% on their interest income. Shortly thereafter, Alberta bonds were barred from the London Stock Exchange (Barr, 1974:95). Alf Hooke, who was a Social Credit MLA from 1935 to 1971, writes that after the interest reduction was enacted, "the cry went up that the Aberhart administration did not recognize the sanctity of contracts and that as a result of government action thousands of widows and orphans in many parts of the world would suffer the consequences of government action" (1971:113). One could also add that the interest reduction and default violated property rights, which Social Crediters are often alleged to have held as sacrosanct. Macpherson (1953:220), for instance, has written that the Social Credit leaders were not willing to do "anything which would undermine the sanctity of property rights". As will become more apparent as more Social Credit history is recounted, it was really the opponents of Social Credit who held property rights to be sacred, not the Social Crediters themselves.⁹

⁹The interest reduction and default did not involve the total confiscation of personal property, but they did involve a unilateral appropriation of private funds, which, arguably, violated the property rights of bondholders. In any case, Engels, it would seem, would have viewed the matter as a violation of property rights, as he claims that taxation involves such a violation. He states that "the principle of taxation is, after all, a purely communist one, since the right to levy taxes is derived in all countries from so-called national property. For either private property is sacrosanct, in which case there is no such thing as national property and the state has no right to levy taxes, or the state has this right, in which case private property is not

In June, 1936, the Social Credit administration announced its plan to issue \$200,000 worth of "Prosperity Certificates", which also came to be known as provincial "script", and to some, as "funny money". Issued in one dollar denominations¹⁰ (the bills had "One Dollar" printed on the front), the bearer had to affix a one cent stamp, sold by the government, to the back of it each week for a total of 104 weeks. This made it a form of depreciating currency in that if the bearer did not spend the certificate, he would have to keep buying stamps for it. The idea was to encourage a rapid turnover of the bills to stimulate economic activity; in Social Credit jargon, they were designed to enhance the "circulation of credit".

The script system met with little success, as many businesses and individuals, including some Social Credit MLAs, refused to accept them as money. They were also not accepted as payment for provincial fines or taxes, or for liquor purchases. The government fulfilled its promise to redeem each bill, but several thousand were never returned, being kept by Albertans as curiosity pieces.

Although the issuing of script was a novel idea,

sacrosanct, national property stands above private property, and the state is the true owner."

¹⁰The certificates were issued to government employees as partial payment for services rendered, in particular to road crews building provincial highways. They had a stated value of one dollar at the time of issue, and retained this value so long as the proper stamps (described below) were affixed.

Albertans realized that it was not the same thing as the distribution of Social Credit dividends. Almost a year had gone by since the party was elected, yet there was still no sign that a real Social Credit system was in the works.

The growing restlessness was met by the government's distribution of "Alberta Citizens' Registration Covenants". The covenants were essentially contracts stating that if the Alberta resident cooperated with government, he would be entitled to the benefits of the Social Credit system. The covenant stated that the registrants must cooperate with the provincial government and their fellow Albertans "in providing food, clothing and shelter for every one of us".¹¹ Registrants agreed to accept their remuneration in "Alberta Credit", which for the time being could not be used to pay for "Provincial taxes, licenses, royalties, fines, etc." For its part, the government agreed to establish and maintain "a just rate of wages with reasonable hours of labour"; and to issue "interest-free loans in Alberta Credit" for home building, or for a business if the latter were "conducive to the economic requirements of the Province". It also promised to issue "monthly dividends", although no amount was specified.

Unlike the script program, Albertans were eager to participate in the registration drive. Not everyone was happy

¹¹A copy of the Covenant appears in Elliott and Miller (1987:242).

with the idea, however. Some described the covenants as fascist (see Elliott and Miller, 1987:243), while an Edmonton bookstore owner formed a "League of Freedom" to combat the registration which claimed a membership of 13,000 (Hooke, 1971:123). When the registration program was finished, more people had signed up than had voted Social Credit in the provincial election (ibid.).

Shortly after the covenants were introduced, the government passed the Alberta Credit House Act, which stated that Alberta Credit was to be issued to all covenanted Albertans. A few days later the Debt Adjustment Act and the Reduction and Settlement of Debts Act were introduced. The former allowed the Debt Adjustment Board to pass decisions that could not be overturned in the courts and to declare a debt moratorium. The latter bill declared that interest on private loans made since July 1, 1932 could not be collected, and that all payments made after that date were to be applied to principal. It also stipulated that the maximum interest payable on any private debt was to be 5%, regardless of the initial terms (Mallory, 1954:100).

The legislation made a big media splash. The Financial Post (September 19, 1936:1) declared that Alberta Social Credit was a "Thin Disguise for Communism", and that the debt legislation "is the most radical ever passed by a government in Canada". It also claimed that

Recent debt legislation is akin to confiscation of private property. It strikes at the very roots of

commerce, business and finance in a way which characterized the early stages of the Russian Revolution (Financial Post, September 19, 1936:1).

While the media accounts may have overstated the radical implications of the legislation, the government's actions demonstrate, again, that the Social Crediters did not have the property fetish commonly attributed to them.

By the fall of 1936 it seemed that the government was poised and ready to implement its eagerly-awaited Social Credit system. The registration drive was well underway, and Manning had announced that preliminary steps had been taken to permit the payment of basic dividends. In September, Aberhart promised that the payment of dividends would begin in three months (Barr, 1974:99).

A special committee to formulate a Social Credit bill was struck in December following the unsolicited arrival of John Hargrave, the man who had led his Green Shirts in the noisy march around the Bank of England. The committee, aided by Hargrave, produced a plan involving price discounts, a monthly dividend of \$5 in Alberta credit and government regulation of the export of goods from the province (Schultz, 1960:3). "Transfer tickets" to purchase goods and services were to be issued by the Alberta government (Elliott and Miller, 1987:252).

The cabinet disapproved of the scheme. In a tempestuous caucus meeting attended by Hargrave, Attorney General John Hugill asked the English Social Crediter, "You realize, Mr.

1
Hargrave, that this scheme you are putting forward would not be legal?" (The BNA Act stipulates that the issuing of currency, regulation of the banks and inter-provincial trade fall under federal jurisdiction.) "What would you do if your legislation was disallowed and your parliament dissolved?" Hargrave replied that the only way the government could be removed would be to call in the troops, which the federal government would never be willing to do (Elliott and Miller, 1987:253).

Hargrave's patience quickly ran out, and he left Alberta in a huff at the end of January, 1937. He believed that nothing would be done to implement the committee's recommendations, declaring in a written statement given to the press before he left that the Aberhart administration had merely "groped its way like a man stumbling along on a pitch black night", and was "a mere vacillating machine which operates in starts, stops and reversals" (Edmonton Bulletin, January 25, 1937:1, 2).

Hargrave's statement sheds some light on the premier's view of the proposed Social Credit measures. Hargrave also mentioned in the statement that

The committee drafted the final report, containing ten points, with the help of Mr. Aberhart himself and this report was signed...by the committee members and myself.

On January 9, Mr. Aberhart brought the final report before his cabinet who, however, did not pass on it. This was the first time that the full cabinet had official information regarding the committee or its report (Edmonton Bulletin, January 25, 1937:2, emphasis added).

The premier's involvement in producing the proposals is considered again below.

The speech from the throne opening the next session of the Alberta legislature, which convened in February, contained only scant mention of Social Credit. Government backbenchers were extremely disappointed that it included no proposal to introduce a Social Credit system, with some stating so on the floor of the House. The eighteen-month period needed to implement the government's promises was at an end, yet there was still no indication that the Aberhart administration was willing to fulfill them. When the government introduced its budget two weeks later, no Social Credit measures were included. This prompted an organized rebellion of dissident backbenchers whom the press referred to as the "insurgents", a term used to designate one faction in the Spanish Civil War which was then raging. Likewise, those true to Aberhart, which included the entire cabinet and another group of backbenchers, were described as "loyalists".

The insurgents were determined to prevent the budget from being passed unless it included measures to implement Social Credit. They became numerous enough that the life of the government was clearly in jeopardy; some were calling for Aberhart's resignation. The insurgents decided to engage in a filibuster during the budget debate, which resulted in Aberhart invoking a motion of closure against members of his own party. It was defeated.

An impasse was reached as neither faction wanted an election, yet there was no consensus on how to proceed. After a series of heated meetings and confrontations, a compromise was reached whereby the insurgents allowed a three-month supply bill to pass in the legislature in return for Aberhart's introduction of the Social Credit Measures Amendment Act. The act stipulated that a board comprised of private members would be formed which would have the power to appoint a small commission of experts who would oversee the implementation of a Social Credit plan.

Although the supply bill was passed, the insurgents were not happy with the Social Credit Measures Amendment Act, which caused it to be withdrawn. The Alberta Social Credit Act replaced it, which was much broader in scope, calling for the creation of Alberta Credit, the setting up of credit houses to distribute the credit, and the provision of subsidies to businesses in order to lower prices. It also called for the creation of a Social Credit Board, which was to consist of five private members of the assembly. The Board would be responsible for appointing a small commission of experts that were to implement Social Credit, and for ensuring that adequate legislation be introduced to do this.

Many observers thought it strange, even a dereliction of duty, that a government would transfer its sovereign right to control such an important issue to a five-member board, which itself would share some of its power with a group of

outsiders, the expert commission. It was also believed that the creation of the Social Credit Board represented a complete victory for the insurgents.

After the Board was created, Aberhart justified the move by claiming that it was best to leave the implementation of Social Credit to experts, as this would remove it from political influence. In taking this position, he appeared to be acting in accordance with the Social Credit political philosophy that politicians should step aside and allow experts to realize mass demand.

The cabinet tried to distance itself from the Alberta Social Credit Act, claiming that it was drawn up by insurgents. A committee of ten, including four insurgents, "helped draught the bill" (Schultz, 1960:13), but the insurgents later disagreed among themselves as to whether the cabinet had altered it prior to its introduction in the House. In any event, it appears that the cabinet did not want to have the Board's powers for itself, as cabinet members helped to defeat an amendment calling for the Board's functions to be transferred to the cabinet (ibid.:14-15).

Some analysts of the movement have questioned the cabinet's stated reasons for assenting to the act creating the Social Credit Board. Macpherson (1953:174), for example, claims that it "served the strategic purpose of dividing and defeating the insurgency, and it was not long before the bulk of the social credit legislative party was again united

behind the cabinet". Macpherson also argues that the cabinet did not abdicate its powers to the extent believed at the time, suggesting that many of the methods to be used to implement Social Credit were outlined in the act, and so were not to be decided upon by the expert commission; that the responsibility for the administration of the plan was split between the experts, the Social Credit Board and the government; and that the supplementary legislation needed to realize the scheme had to be passed by the government (ibid.:174). This interpretation implies that Aberhart and his cabinet did not agree in principle with the creation of the Board, but assented to it to save their political lives. Also, in stating that the bill served the "strategic purpose" of defeating the insurgency, Macpherson goes full circle by implying a complete victory for the cabinet; it also implies that the cabinet and the insurgents were entirely at cross-purposes.

Schultz (1960:15, 18), whose account of the insurgency is partially based on Macpherson's presentation, takes a similar view. S.D. Clark makes a comparable, although much more explicit argument, claiming that

Mr. Aberhart's thunderings in 1935 did create the general impression that he would balk at nothing to put into effect a programme of monetary reform, but, once he was elected to office, it quickly became evident that he was as much frightened by the radical as bored by the administrative implications of such a programme. Had his backbenchers been content, he would thus have happily forgotten the election promises he had so recklessly made (Clark, 1954:vii).

...[T]he successful implementation of his monetary reform legislation would have been acutely embarrassing to Mr. Aberhart (ibid.:viii).

Barr (1974), however, is reluctant to come to any firm conclusions. He claims that

It is difficult to unscramble Aberhart's motives in agreeing to the compromise. From one standpoint, it did represent a capitulation to the insurgent's demands--or seemed to. It took the final step necessary for the implementation of the party's promises. On the other hand, the Social Credit Board was a queer hybrid: it was fully responsible for the implementation of Social Credit, yet it was still under the cabinet. If it failed, the cabinet could absolve itself of any blame. Moreover, the board...was staffed primarily by insurgents.¹² If the board failed, the insurgents could be pinned with the blame. Finally, the cabinet was left with power to supplement or alter the provisions of the Alberta Social Credit Act, and to keep reign on the board. Very strange indeed (Barr, 1974:103).

It is indeed difficult to unscramble Aberhart's motives in this complex and secretive affair, but his relationship with his cabinet and the Social Credit Board, as we shall see, gives some indication of where he stood.

Shortly after the bill was passed, G.L. MacLachlan, former insurgent and now chairman of the Social Credit Board, went to England in an effort to convince Major Douglas to return to Alberta. MacLachlan told Douglas he would be granted a "free hand to direct operations and choose

¹²According to Hooke (1971:125) (who himself was one of the insurgents), only the chairman of the Board was an insurgent, "the other four men were recruited from the loyalist ranks". As many of the key meetings at this time were held in secret, it is difficult to determine who was an insurgent and who was not. Also, some members were reluctant to tell the public which side they were on.

1
colleagues" (Elliott and Miller, 1987:262), but the Major declined the offer. Douglas suggested that two of his associates, G.F. Powell and L.D. Byrne, go to Edmonton; if they found the situation to be satisfactory, Douglas would come.

Powell and Byrne left England on short notice, and were soon in Edmonton planning new Social Credit strategy. On the eve of the next legislative session, Aberhart announced over the radio, "I believe in the session of August 3 [1937], history will begin to be written" (Barr, 1974:107).

Within days, radical legislation was introduced which, according to Barr (ibid.), "struck at the powers of the banks in a way more profound than any legislation ever drafted in a free nation". The Credit of Alberta Regulation Act stipulated that every bank in the province be controlled by a local directorate, a majority of which was to be appointed by the Social Credit Board. It also required that all bankers and bank employees be licensed by the Social Credit Commission. The banks and their employees were prevented from taking court action against these measures by another new bill, the Bank Employees Civil Rights Act. A third bill, the Judicature Act Amendment Act, placed restrictions on any attempt to challenge the constitutional validity of provincial legislation.

As one might expect from his reaction to John Hargrave's proposals, Attorney General Hugill was taken aback by the new

legislation. Like many other Albertans, Hugill believed the three bills to be unconstitutional. Alberta's Lieutenant Governor John Bowen was soon under pressure to refuse his assent. Among other influences, Bowen had received a telegram from the Lethbridge Board of Trade claiming that the legislation violated the BNA Act (Elliott and Miller, 1987:267).

The following passage from Elliott and Miller (1987) illustrates the bind Bowen was in, and also shows how William Aberhart viewed the matter.

In the office of the lieutenant-governor a strange little drama ensued. ...[W]hen the lieutenant-governor asked Hugill for his opinion of the bills, Aberhart was waiting for him to approve, glowering ominously over the conversation. Hugill was embarrassed by the presence of Aberhart, but unintimidated he said that in his opinion the bills were unconstitutional. Aberhart could see the Social Credit legislation stumbling at the first hurdle and, without waiting for Hugill to advise the lieutenant-governor to withhold his assent, Aberhart insisted that Bowen sign the bills. He would, he said, take the responsibility himself. The lieutenant-governor signed, and in this bizarre manner the controversial bills became law (Elliott and Miller, 1987:267-68).

The bills did not remain law for long, however, as within two weeks the federal government disallowed all three. Nor did Hugill last as Attorney General, as he resigned shortly after the incident described above took place.

Mallory (1954) provides what appears to be the most plausible account of the cabinet's, and in particular Aberhart's, role in the party's first two years in office. He claims that at least three of the eight cabinet members were

"moderates having no firm belief in the Social Credit doctrine. These were: C.C. Cross, Minister of Lands and Mines; Charles Cockroft, Provincial Treasurer; and Hugill" (Mallory, 1954:74). Cross resigned in December, 1936 and Cockroft in January, 1937 following disagreements with Aberhart. Mallory writes that

The resignation of Mr. Hugill marked a turning point in the history of the Social Credit regime. He was the last of the moderates in cabinet and with his departure the policy of the administration headed into a direct challenge to Dominion authority. Forces leading to such a challenge were present from the beginning, but the groping steps of the first year of power seemed to indicate that the government hoped at first to achieve its ends without drastic legislation. The reluctance with which they yielded to the extremists was probably due more to misgivings as to the success of such tactics than a desire to cooperate with the Dominion. Mr. Aberhart's behaviour over the loan council suggests that this was the case (Mallory, 1954:76).

John Hargrave's written statement, quoted above (p.159), that Aberhart had assisted in drawing up radical Social Credit measures only to have them rejected by his cabinet, is in keeping with Mallory's interpretation.

After the disallowance of the three bills, the Alberta government tried to persuade Albertans to send telegrams of protest to the federal government. Some groups, such as the Edmonton Chamber of Commerce, signed telegrams stating that they were opposed to the Aberhart government (Barr, 1974:197).

In September, 1937, the Alberta government introduced several bills which re-enacted the ones disallowed by Ottawa.

It also brought forth the Bank Taxation Act, which increased the provincial tax payable by the banks by 2,883% (Mallory, 1954:86). The banks argued that the tax was discriminatory and coercive, stating that life insurance companies had been hit with a mere 50% tax increase, finance companies a 100% increase, power companies a 90% increase and other companies an increase of "only" 25% (ibid.). The bill appeared to fulfill Douglas' directive that the banks be brought to "see reason", which of course meant participating in a Social Credit system. It also dovetailed with the Social Credit belief that money flows from the end of a banker's pen. In addition, it helped to fulfill the administration's plan to shift the burden of taxation from individuals to institutions.

Another bill introduced at this time was the Accurate News and Information Act, which was soon dubbed the "press gag bill". The press in Alberta and across Canada had provided searing criticism of the Social Credit movement before the election, and continued its acid treatment of the party after Social Credit took power.

The government felt that it was time to fight back. Under the bill, newspapers would be required to publish a statement from the chairman of the Social Credit Board if the latter felt that there had been inaccuracies in any story pertaining to the governing of the province. The chairman's statement would have to be published with a layout similar to

that of the offending article. Newspapers would also be required to inform the Board of the source of any information and the name of the author of any article. Any refusal to comply with the act was to lead to the suspension of the newspaper or author in question.

Needless to say, opposition to the press bill was immediate and thoroughgoing. A group of Alberta newspapers won a Pulitzer Prize in 1938 for their campaign against it. The legislation itself, along with the Bank Taxation Act and the bills re-enacting the previous Social Credit legislation, were reserved by the Lieutenant Governor. In 1938 the Supreme Court of Canada struck down all the acts reserved by the Lieutenant Governor.

The Alberta government received a major setback when Social Credit party whip Joe Unwin and G.F. Powell, one of the "experts" sent over from England on Douglas' recommendation, were charged with seditious libel, defamatory libel and counselling to murder. The charges stemmed from the publication of a one-page pamphlet listing several prominent Albertans, including the leader of the provincial Conservative party, as "Bankers' Toadies". After the list of names, the pamphlet stated: "EXTERMINATE THEM/And to Prevent all Evasion, Demand the Result You Want/\$25 A MONTH and a Lower Cost to Live".¹³ The other side of the sheet read:

¹³The pamphlet is reproduced in Hooke, 1971, following page 126.

Bankers' Toadies/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!/AND TO PREVENT ALL EVASION/Demand the Result you want/\$25.00 a month/and a lower cost to live.

Unwin and Powell were found guilty of defamatory libel; the other charges were dropped. Unwin was sentenced to three months at hard labour, Powell to six plus deportation upon release. Before his departure for England, the Alberta government gave Powell \$4000 by order-in-council (Mallory, 1954:83).

The granting of funds to Powell upon his release appears to have been indicative of Aberhart's relationship with the Social Credit Board. Alf Hooke, who himself was a member of the Board from 1938 to 1943, writes that "Mr. Aberhart worked in close co-operation with the Social Credit Board from its inception and especially after the Powell-Unwin episode and the return of Mr. Powell to Great Britain. He worked very closely with Mr. L.D. Byrne, in whom he had the greatest confidence" (Hooke, 1971:144).

The year 1937 was indeed a devastating one for the government. In addition to the insurgency and the criminal convictions, that year saw the Supreme Court rule that the government's action reducing the interest paid on provincial bonds was unconstitutional; the court rendered an identical decision with regard to the government's debt legislation. In response to these decisions, Aberhart signed a six-month debt

moratorium, pending an appeal (Barr, 1974:101).

A further humiliation came that year when the government was forced to repeal a Recall Act passed in 1936, which stated that any member must forfeit his seat if 66.6% or more of the electors in his riding sign a recall petition. Such a petition was organized against Premier Aberhart and the requisite signatures apparently secured, but the act was repealed in time to save the premier's seat. The government claimed that there were irregularities in acquiring the signatures, but it suffered a serious loss of prestige nonetheless.

Before the year was out the government had also fought and lost a by-election in Lethbridge, a riding it had won easily in 1935. The government found itself in the unenviable position of having antagonized the established interests in the province without having any tangible benefit to show for it. Another factor that the government had to contend with was the growing unity of the political parties in opposition to it. The provincial Liberals and Conservatives, as well as some UFA activists, agreed to work together to defeat the Aberhart government. The coalition, known variously as the People's League, Unity Party, Citizen's Committee and most commonly as the Independents, were encouraged by the fact that their strategy had worked in the Lethbridge by-election.

Apparently undaunted, the government launched into 1938 by re-enacting much of the debt legislation that had been

disallowed the previous year. It also maintained that it would not pay the full value of interest on the provincial government's own debts. By August, 1939, it had avoided \$3.4 million in interest charges and had defaulted on \$12 million worth of payments (Barr, 1974:113). Once again the issue of property rights came to the fore, and once again it was not the Social Credit Party that was defending them. The Montreal Gazette wrote that Aberhart's movement

has now run amok through a field of radical legislation that is without precedent in any country, civilized or savage. It has legalized theft. Having attempted to exploit the banks, to muzzle the press and to tie the hands of the courts, and having been frustrated in these efforts, it has proceeded to the enactment of laws which are equally if not more vicious. ...Alberta debtors may avail themselves of the opportunities to steal the money of others as afforded under these acts....(May 12, 1938:8).

Try as they might, the Social Crediters could not escape the fact that federal institutions could, and did, veto virtually every piece of legislation that strayed from orthodox methods of financial management. In an effort to regroup, the government embarked on what it optimistically called the "Interim Program". It involved the creation of "Treasury Branches" which accepted deposits and offered loans much like credit unions. The Treasury Branches provided a 3% bonus to customers who bought at least one third of their goods from firms participating in a "buy Alberta" campaign, which was designed to promote intra-provincial commerce. In attempting to encourage trade within the province, the

government was trying to minimize the problems it anticipated with regard to the refusal to accept "Alberta Credit" outside the province. The bonuses were issued through non-negotiable "transfer vouchers", which were to be used like cheques. The transfer vouchers met the same fate as the "Prosperity Certificates" had two years earlier: people were reluctant to accept them as money.

The Alberta government's first term of office helped to clarify its view of federal-provincial relations and regional grievances. In 1937, the federal government appointed a Royal Commission on Dominion-Provincial relations to examine the troubled economic foundation of Confederation as well as the distribution of legislative powers. Embittered by the federal disallowance of its Social Credit legislation, Aberhart's government refused to assist the committee in any way, claiming that any changes to the constitution would be wrought to the advantage of finance. Douglas had always warned Aberhart that such bodies were the work of finance, and in this case he told the Social Credit Board that the Royal Commission was designed to promote the hegemony of the Bank of Canada over the provinces (Mallory, 1954:141).

Rather than give evidence before the committee,¹⁴ the government submitted The Case for Alberta (1938) to outline

¹⁴The governments of Ontario and Quebec were also recalcitrant in their dealings with the committee (Mallory, 1954:146).

its position on Dominion-Provincial relations. Before reviewing this position, it may be useful to consider S.D. Clark's (1954) view of Aberhart's designs on this matter. According to Clark,

An examination of developments in Alberta from 1935 to 1942 indicates very clearly that Aberhart's attempts to introduce Social Credit were directed primarily towards the object of strengthening [sic] the political position of the province in its relations with the federal government. Monetary reform thus was a means to an end. ...In seeking the increased separation of Alberta from the Canadian federal system, Aberhart was prepared to go to very great lengths. In this respect he was a true radical; crying war upon the powers of Ottawa, he could remain faithful to his chosen role of a prophet who had led his followers out of the corrupt, eastern-dominated churches and was now called upon to lead them out of the equally corrupt, eastern-dominated federal state (Clark, 1954:viii).

The Case for Alberta tells another story. It states that,

The Government of Alberta does not concur in the view that the constitutional structure so carefully planned by the Fathers of Confederation has materially failed, that is in so far as the distribution of legislative powers is concerned. Neither does it share the view taken by some that in order to meet adequately the problems of the day there is any need for a wide transference of powers and legislative authority from the Provinces to the Dominion or from the Dominion to the Provinces (Part I:9).

The Case for Alberta is divided into two parts. Part I addresses a number of provincial economic concerns, with recommendations that could be enacted under the present financial system, i.e., without the implementation of Social Credit. These issues included some traditional prairie

grievances, such as the detrimental effects of freight rates and import tariffs on Alberta, issues which did not figure in the 1935 or 1940 election campaigns.¹⁵ The report makes it clear that the adoption of these recommendations "would do no more than tide over the national situation until definite economic reconstruction along the lines recommended in Part II [which advocates the implementation of Social Credit] has been put into effect. ... These recommendations [in Part I] are made within the limitations of the present defective monetary system and its adaptation to meet the transition period to a new economic order. The fundamental issues involved are dealt with fully in Part II of this brief" (Pt.I:377). It is no wonder that the recommendations of Part I are presented as temporary expedients, since Part II argues that the introduction of Social Credit measures would result in an eightfold increase in the standard of living in Alberta (p.5). In Part II, the government "unreservedly offers to test the soundness of the economic proposals submitted in this chapter. ... Is it too much to ask that our Province be afforded the privilege of leading the way out of the present choas [sic] of poverty, debt and crushing taxation in a land of abundance and promise?" (p.55).

¹⁵Cf. Fowke (1946:270): "From 1879 to 1930 the National Policy prevailed without significant modification. Agrarian opposition to this policy reached peaks of strength from 1907 to 1911, and again in the early nineteen-twenties. ... Tariff changes in Canada since 1930, whether up or down, constitute no part of the National Policy instituted in 1879. The National Policy came to an end by 1930" (emphasis added).

Before the government's first term of office came to an end war had broken out in Europe, with Canada embarking on a full mobilization. The war effort tended to lessen demands for bold moves on the part of the provinces and generally contributed to a spirit of cooperation with the federal government.

Aberhart wanted to conduct his first re-election campaign at the same time as a federal campaign in order to embarrass the erstwhile Liberal and Conservative activists now presenting themselves as "Independents"; he reasoned that in a federal campaign they would have to show their real party colours (Schultz, 1962:17). Mackenzie King called an election for March 26, 1940. The Alberta premier called his for March 21.

Always a thorough and energetic organizer, the premier saw to it that the party was ready to wage the campaign in every constituency. Actually, Aberhart had never stopped the campaigning he had begun in 1935. In his weekly radio broadcasts he would discuss whatever government business was before him, using his oratorical skills to great effect in presenting the government's case.

The party also benefitted from the tireless work of the Social Credit Board. The Board was not a passive unit that merely sought "experts" to carry out Social Credit policy, but was actively engaged in promoting government initiatives

and defending the administration's reputation. Members of the Board would travel into all regions of the province, holding public meetings at least five days a week.

Board members used considerable ingenuity in getting their message across. Floyd Baker, for example, mounted a generator on the back of his automobile which enabled him to show lantern slides in rural areas, many of which still had no electricity. He later added motion pictures and comic strips to attract a general audience. In many areas those attending Baker's meetings saw not only motion pictures but also electric lights for the first time (Hooke, 1971:149).

Aberhart stepped-up his usual anti-finance rhetoric for the campaign, but there was no promise to bring in a Social Credit system or to issue dividends. He preferred to talk about the Social Credit debt legislation rather than dividends, stating in a Grande Prairie speech: "Never mind dividends, let them go. After getting 95 per cent, are you going to pluck me on that?" (Schultz, 1962:20). As for the debt legislation, many farmers came to believe that their choice was between "Aberhart or the sheriff" (ibid.:23).

The Social Credit Party focussed its campaign on its record of "good government" and the provision of social services. Schultz (ibid.:20) writes that, "State medicine, a new school system, travelling health clinics, road construction, treasury branches and marketing boards were the exhibits that the party was displaying to the voter".

The Independents, being a coalition party, were reluctant to propose any initiatives that smacked of the Liberal or Conservative party's programs for fear of alienating opposing factions in the coalition. The same reasoning prevented them from naming a party leader or establishing a campaign headquarters. They were united only in their opposition to the Social Credit government and their desire to take office. This meant that although they were against Aberhart, it was difficult for the voters to determine what they were for. The Independents reminded the public of the government's broken promises, and provided harsh (possibly too harsh) criticism of its record, exhorting voters to "FREE YOURSELVES FROM SOCIAL CREDIT'S POCKET HITLERISMS" (Schultz, 1962:22).

Now that Social Credit's first term in power has been reviewed, it may be useful to assess the standard portrayal of its actions. In light of what actually transpired between 1935 and 1940, Macpherson's claim that "Aberhart, from his first day in office, preferred to placate the established outside interests" appears rather inventive, unless, as Richards and Pratt (1979:150) have written, "we exclude Canada's banks, trust companies, insurance and financial houses, business press and the Supreme Court and federal Liberal party from our conception of the established order". It seems that Macpherson takes the orthodox Marxian view that

any act not having the ultimate purpose of replacing capitalism with the complete socialization of all means of production is conservative. In Chapter 8 we shall consider whether this is a reasonable position, as well as the larger issue of "how radical" Social Credit really was.

As for Social Credit's allegedly fervent but misguided war against imperialism, the account given in this chapter suggests that a provincial campaign to redress regional grievances was not the driving force behind the movement. In the final chapter of this study, the suggestion is made that for the most part, Social Credit has been mistakenly interpreted as a slightly modified version of the Progressive movement. But before discussing any general conclusions, it would be advantageous to examine the results of the 1940 provincial election.

Chapter Seven

The 1940 Election: Cities, Towns and Countryside

Here the results of the 1940 election are analyzed using the same methods that were employed in Chapter 5. Once again the purpose of the analysis is to arrive at a measure of the pattern of class voting.

In the 1940 election, the popular vote for Social Credit dropped from 54% to 43%, the lowest point it would reach until the party's defeat in 1971. Nonetheless, Social Credit retained a majority in the legislature with 36 of 57 seats. Voter turnout was high at 75%, but not as high as the 82% recorded in 1935 (Government of Alberta, 1983:53,59).

The Cities

Unfortunately, missing data once again prevent an analysis of the election results in Edmonton. Ironically, for the 1935 election the location of the polls as well as the polling subdivision boundaries are available for Edmonton, but not the results by polling subdivision. For the 1940 election the results by polling subdivision are available from the Provincial Archives, but the location of the polls and their boundaries are not.¹ (The entire constituency of Edmonton voted 33% Social Credit in 1940, n=43,743; the Independents received 54% of the vote, the CCF 10%.)

¹In Edmonton the number of polling places increased from 40 in 1935 to 142 in 1940, so the 1935 poll locations are of little value in determining the location of the 1940 polls. The poll locations for Edmonton are also unavailable for several elections after 1940; when they become available for later years, they do not correspond with the number of polls in 1940, and so are useless in analyzing the latter election.

Calgary

Support for Social Credit in the city of Calgary decreased considerably, dropping from 58% in 1935 to 37% in 1940. Two of the four Social Credit candidates, including William Aberhart, were elected; the party ran only four candidates even though the riding was a five-member constituency. The Independent slate elected the other three members. The results for Calgary in 1940 by area are contained in Table 7-1.²

It should be noted that Aberhart ran successfully in the city of Calgary, Manning in the city of Edmonton. Manning continued to run in Edmonton as premier until his retirement in 1968, winning by a large margin each time. This has given few researchers cause to reconsider the popular characterization of Social Credit as an agrarian movement.

Once again the data indicate that support for Social Credit varied inversely with class level, ranging from 11% in

²Due to the method used to record the vote in the official documents, the results for four of Calgary's 52 polling places had to be placed in areas different from those used for 1935. In the official record, the results for polls 14, 15 and 16 were calculated together, so this composite figure was included in area 4, where polls 15 and 16 were placed for the 1935 election; in Table 5-1, which shows the results for Calgary for 1935, poll 14 is included in area 3. The results for polls 34, 35, 37 and 38 were recorded together, so this composite result was included in area 3, where polls 37 and 38 were placed for 1935; polls 34 and 35 were in area 5 for the previous election. Polls 47 and 48 are combined in the official record, so this result was included in area 5, where poll 48 was for 1935; for the latter election, poll 47 was in area 3.

Table 7-1

Vote in Calgary in 1940 Provincial Election, by Area

	<u>Social Credit</u>	<u>CCF</u> (Per Cent)	<u>Independents</u>	<u>Other</u>	N
<u>AREA</u>					
1) <u>Upper Class</u>	11	3	85	1	1332
2) <u>Upper Middle Class</u>	17	4	78	1	5197
3) <u>Upper Middle/ Lower Middle Class</u>	29	7	63	1	8121
4) <u>Lower Middle/ Working Class</u>	36	10	53	1	7693
5) <u>Working Class</u>	47	11	41	1	20,070
City	37	9	53	1	43,848 ^a

Source: Statement of Votes by Polls Within Constituencies, 1940
Election. Provincial Archives of Alberta.

^aIncludes Advance, Hospital and Soldiers' Vote

t.e upper class area to 47% in the working class districts. Support for the Independents was of the opposite pattern, going from 85% in the upper class neighbourhood to 41% in the working class areas. CCF support varied in the same "direction" as that for Social Credit, ranging from 3% in the first area to 11% in the working class neighbourhoods. This suggests that part of the reason for the failure of the CCF in Calgary (and possibly in Alberta as a whole, as we shall see) was that it competed with Social Credit for the same type of voter.

In the working class area, Social Credit support decreased by 21 percentage points. The Independents, who as mentioned were mainly a Liberal-Conservative coalition, received a level of support here that was 17 percentage points higher than the total for the Liberals and Conservatives in this area in 1935. The CCF figure was six percentage points above the Labor result in this area for 1935. It would appear, then, that almost three-quarters of the losses incurred by Social Credit in the working class districts were picked up by the Independents, although survey data would be necessary to substantiate this.³ Nonetheless, it is a reasonable hypothesis that the threat to Social Credit dominance among the working class in Calgary in 1940

³Participation rates for the constituency of Calgary were 80% in 1935 and 79% in 1940, although the number of eligible voters in the city increased by 11% in 1940. Province-wide, the number of eligible voters increased by 13%.

came from the conservative Independents rather than the CCF. At only 11%, CCF support in Calgary's working class neighbourhoods in 1940 was still well below the level earned by Labor in 1930, 30%.

Support for Social Credit in the most heavily industrialized part of the city, the southeast, was again higher than that for the working class area as a whole: 54% (n=2267) as compared to 46% for the entire area. Surprisingly, CCF support was one percentage point lower in the southeast (10%) as compared to its showing for the working class districts as a whole.⁴

The results in area 4, the lower middle class/working class area, and area 3, the upper middle/lower middle class region, are also important in assessing the pattern of class voting in the city. In area 4 Social Credit support fell by 23 percentage points to 36%; in area 3 it also decreased by 23 points, to 29%.

In upper middle class area 2, the party's support dropped by 17 percentage points to 17%. In area one the decrease was 9 points to 11%.

These results may be more meaningful if we consider the relative decrease in Social Credit support in each area. Social Credit's 47% showing in the working class area is a decrease of 31% over its 68% in 1935. Its performance in area

⁴In 1930, Labor support in the southeast was 35%, compared to 30% in the area as a whole.

four showed a 39% decrease, in area 3 a 44% decrease, area 2 a 50% decrease and area 1 a 45% decrease. From this it may be inferred that not only did the working class areas exhibit the highest level of Social Credit voting, but voters in this area were also the most "loyal" to the party. These data suggest that those in the middle classes who voted Social Credit in 1935 were more likely to desert the party in 1940 than those in the working class, and of middle class voters, those in the upper middle class were more likely to desert than those in the lower.

To sum up, although Social Credit support declined markedly in 1940 in Calgary, it still appears to have varied inversely with class level, with the highest support coming from the working class districts. Once again the heavily industrialized southeast had a higher level of Social Credit support than the working class districts as a whole. The Independent coalition benefitted the most from the decline in Social Credit voting, apparently capturing a solid majority of those deserting the party. The data also suggest that of those who voted Social Credit in Calgary in 1935, voters in the working class neighbourhoods were the most loyal to the party.

Lethbridge

As mentioned, Social Credit lost a by-election in Lethbridge in 1937. The party failed to regain the seat in

the general election of 1940, taking only 39% of the vote. Independent candidate Dr. P.M. Campbell, the only other candidate in the race, took the other 61%.

Missing information presents some complications for the interpretation of the Lethbridge vote. The number of polls in the riding declined from 14 in 1935 to 10 in 1940. The geographical size of the constituency was reduced by approximately one half; all of the areas re-assigned to other ridings were rural. Of the 10 1940 polls, 9 were located within the city limits; there were also 9 in the city limits in 1935 and were analyzed in Chapter 5 as Lethbridge's urban polls. Of the nine 1940 urban polls, seven were in exactly the same place as the 1935 polls;⁵ the other two were near the two remaining 1935 urban polls and fell within the corresponding 1935 subdivision boundaries. No statement of the 1940 polling subdivision boundaries could be found. The analysis below assumes that the polling subdivision boundaries were the same in 1935 and 1940 for the nine urban polls.⁶

The results by polling subdivision indicate that support for Social Credit again varied inversely with class level in Lethbridge, with the greatest support found in the working

⁵Polls 71, 72, 73, 74, 77, 78, and 79.

⁶Despite the reduction in physical size, the number of eligible voters in the Lethbridge riding increased by 5% over 1935. Eighty three per cent of all eligible voters voted in 1940, compared to 82% in 1935.

class neighbourhoods. The results in each poll are given in Table 7-2.⁷

The three polls in North Lethbridge (71, 72, 73), the working class area, together had a 61% Social Credit vote (n=2396), down by 12 percentage points from 1935. Poll 71 had the highest Social Credit vote in the city with 73% in favour.

South Lethbridge, which contained a middle class mix with a sizable working class minority, voted 27% Social Credit (n=4449), down by 15 percentage points.

To get an indication of the extent of lower middle class support for the party in Lethbridge, the south side minus the upper middle class London Road poll was once again examined. (The south without London Road contained a middle class mix that was mainly lower middle class, as well as a substantial working class minority.) The south excluding poll 77, which covered about half of London Road, voted 28% Social Credit (n=3288). Poll 77 had a 24% Social Credit tally.

The three southside polls with the highest Social Credit vote in 1940, polls 75, 79 and 76 (47%, 37% and 36% Social Credit, respectively), also had the highest level of Social Credit voting in 1935 and Labor support in 1930 of all southside polls; they also kept the same ranking on these scores for all three elections. Thus, again, we have reason

⁷The numbering of the polls was changed in 1940. The numbering used for previous elections is indicated in parentheses in Table 7-2.

Table 7-2

Vote in Lethbridge in 1940 Provincial Election, by Poll

		<u>Social Credit</u> (Per Cent)	<u>Independent</u>	N
<u>SOUTH</u>				
<u>Upper Middle</u>				
<u>Class</u>				
Poll	(1935 Poll)			
77	(10)	24	76	1161
<u>Lower Middle/</u>				
<u>Working Class</u>				
Poll	(1935 Poll)			
74	(12)	22	78	1096
75	(14)	47	53	262
76	(13)	36	64	487
78	(11)	21	79	907
79	(9)	37	63	536
<u>NORTH</u>				
<u>Working</u>				
<u>Class</u>				
Poll	(1935 Poll)			
71	(6)	73	27	820
72	(8)	61	39	894
73	(7)	46	54	682
City		39	61	7036 ^a

Source: Statement of Votes by Polls Within Constituencies, 1940
Election. Provincial Archives of Alberta.

^aIncludes Advance, Hospital and Solders's Vote

to believe that the comparatively high level of Social Credit voting in these areas was associated with a relatively high proportion of working class residents in them. As mentioned in Chapter 5, however, these results do not preclude the possibility that in these polls the lower middle class gave a high level of support to the party.

Considering the relative decline in Social Credit voting, the 12 percentage point drop in the working class neighbourhoods represents a 16% decrease over the 1935 percentage of 73%. In the lower middle class area (the south minus the London Road poll), the decline was 35%, and in the London Road poll, 38%. Thus in Lethbridge, like Calgary, the working class areas were the most "loyal" to Social Credit, with the desertion rate apparently varying positively with class level.

In summary, although Social Credit failed to take the Lethbridge seat, the party's support again seems to have varied inversely with class level with the greatest support found in working class North Lethbridge. A majority of the voters in this area supported the party. The data suggest that the desertion rate varied positively with class level. As only the Independent candidate competed with Social Credit for the seat, he received all the votes of those voters who deserted the party.

Medicine Hat

The election was very close in Medicine Hat, with Social Credit incumbent Dr. J.L. Robinson winning by only 80 out of a total of 5806 votes. He was opposed by only one candidate, W.C. Yuill, an Independent. The results in the city polls are shown in Table 7-3.⁸

As in the other cities, the results for Medicine Hat indicate that support for Social Credit continued to vary inversely with class level. All city polls combined registered a 48% Social credit vote. The five polls covering the working class districts, numbers 2, 4, 5, 6 and 7, showed the highest level of support for the party with 66% in favour (n=1879); this represented a 10 percentage point drop over 1935.

The lower middle class/working class areas of the city, covered by polls 13 and 14, voted 44% Social Credit (n=512), a decline of 19 percentage points. Polls 8, 10 and 12, which contained a roughly even mix of upper middle and lower middle class residents, had a 39% Social Credit vote (n=1404), down by 13 percentage points.

Poll 11, most of which formed part of the upper middle class "Hill" area, recorded a 34% Social Credit tally, a decrease of 12 percentage points. The 1st and 2nd Street neighbourhood, the other (but somewhat wealthier) upper

⁸The participation rate in the riding in 1940 was 86%, compared to 83% in 1935. The number of eligible voters increased by 10%.

Table 7-3

Vote In Medicine Hat In 1940 Provincial Election, By Poll

	<u>Social Credit</u>	<u>Independent</u> (Per Cent)	N
<u>Upper Middle Class</u>			
Poll			
9	25	75	393
11	34	66	586
<u>Upper Middle/ Lower Middle Class</u>			
Poll			
8	48	52	280
10	40	60	338
12	35	65	786
<u>Lower Middle/ Working Class</u>			
Poll			
13 ^a	52	48	133
14 ^a	42	58	379
<u>Working Class</u>			
Poll			
2 ^a	76	24	562
4	72	28	351
5	61	39	361
6	66	34	323
7	44	56	282
City	48	52	5023 ^b

Source: Statement of Vote by Polls Within Constituencies, 1940
Election. Provincial Archives of Alberta.

^aIncludes some rural voters

^bIncludes Advance, Hospital and Soldiers' Vote

middle class district, was covered by poll 9, where Social Credit captured only 25% of the vote. This represented a decline of three percentage points.

Considering the relative decline in support in the various neighbourhoods, the 10 percentage point decrease in the working class areas represents a 13% decline from the 1935 figure of 76%. The lower middle class\working class areas declined by 30%, the upper middle\lower middle class sections by 25%, the upper middle class "Hill" neighbourhood by 26%, and the wealthier upper middle class area by 11%. Thus unlike the other cities, the desertion rate in Medicine Hat does not appear to have varied directly with class level, as the working and more affluent upper middle class polls cluster near the low end of the desertion scale, with the others at the opposite end.

In summary, in 1940 in Medicine Hat, support for Social Credit again varied inversely with class level, with the greatest support found in the working class areas. A large majority of the voters living in these areas continued to support the party. As only one candidate opposed Social Credit, an Independent, he received the support of all voters who deserted the party. The results suggest that the relative decline in Social Credit support did not vary, at least in a linear fashion, with class level, unlike that of the other two cities.

The Small Towns

Like the results for the 1935 election, those for 1940 do not support the popular notion that Social Credit received disproportionately high support in the small towns of the province. Looking at the results in the same small towns as were examined in Chapter 5, we see in Table 7-4 that the party received 42% of the vote in these 27 towns, one percentage point below its province-wide showing. The Independents were actually more popular than Social Credit in the small towns, capturing 47% of the vote there.

The Countryside

Once again, to get a measure of the farm vote the results from all urban areas having a population of 1000 or more were removed from all constituencies. The remaining rural areas accounted for 60% of all votes cast in 1940. Social Credit received 47% of the vote in rural areas (n=185,690), four percentage points more than the party's provincial average. By comparison, the working class areas of Calgary, Lethbridge and Medicine Hat combined had a 50% Social Credit vote (n=24,345).

Cities, Towns, Countryside, Controlling For Region

In order to determine whether the south again provided greater support for Social Credit than the north, the

Table 7-4

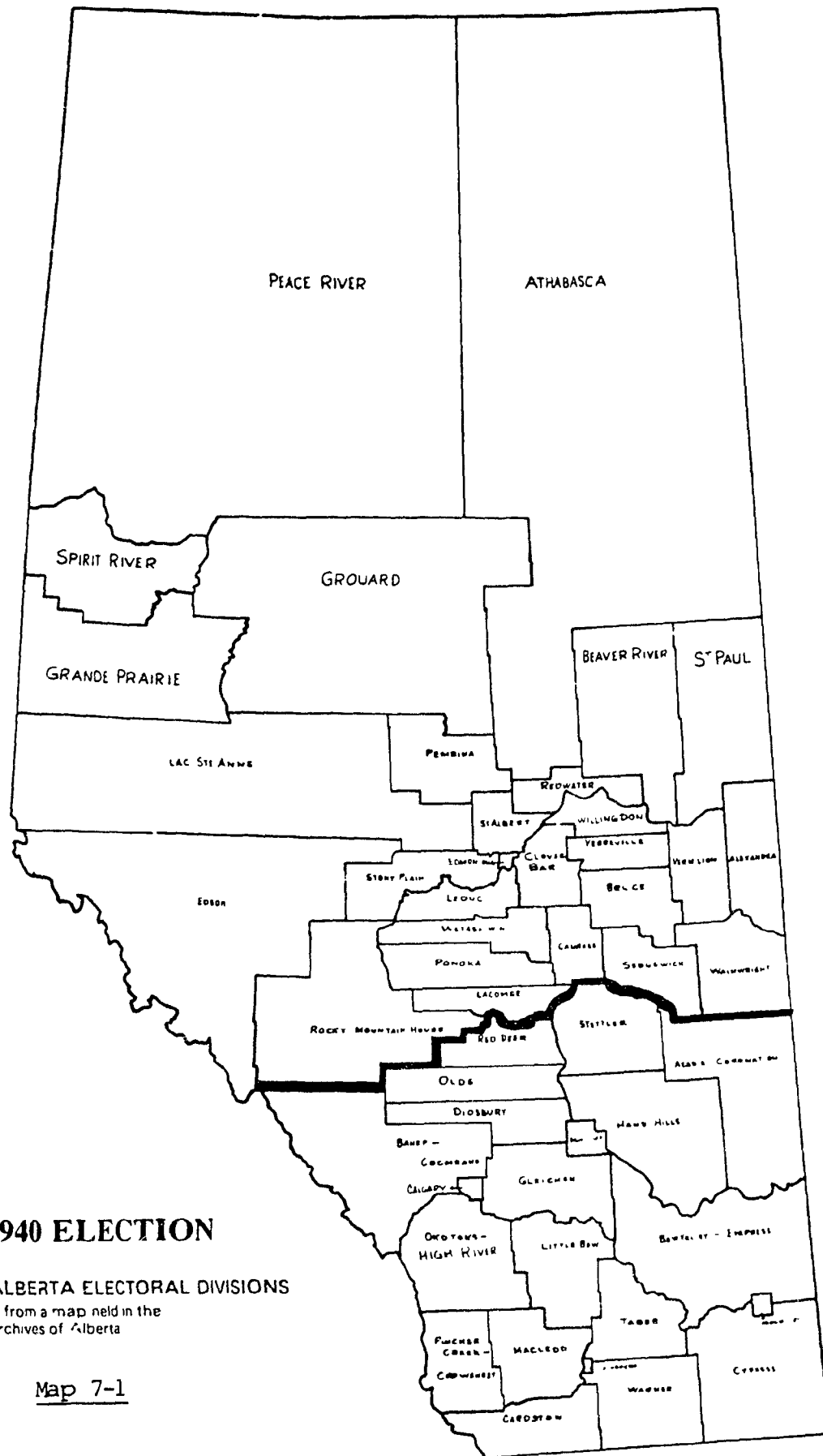
Social Credit Vote in the Provincial Election, 1940
For Urban Areas With Populations From 1000 to 5,000

	<u>Social</u> <u>Credit</u>	<u>Independent</u>	<u>Labor</u>	<u>CCF</u>	<u>Other</u>	<u>N</u>
		(Per Cent)				
Blairmore	36	28	36	—	—	898
Camrose	26	43	—	31	—	1468
Cardston	56	44	—	—	—	1041
Claresholm	37	63	—	—	—	524
Coleman	55	34	12	—	—	1410
Drumheller	41	50	—	9	—	1743
Edson	30	—	37	33	—	783
Fort Saskatchewan	28	38	—	33	—	398
Grande Prairie	36	61	—	4	—	962
Hanna	57	43	—	—	—	910
High River	45	55	—	—	—	992
Innisfail	31	56	—	—	13	566
Lacombe	35	61	—	4	—	900
Lloydminster	59	23	—	19	—	350
Macleod	51	49	—	—	—	742
Magrath	44	56	—	—	—	583
Olds	38	60	—	—	2	912
Pincher Creek	34	55	11	—	—	372
Raymond	59	41	—	—	—	1009
Redcliff	63	37	—	—	—	538
Red Deer	30	58	—	—	11	1175
Stettler	43	50	—	7	—	888
Taber	40	41	—	18	—	859
Vegreville	35	61	—	5	—	970
Vermillion	30	65	—	5	—	637
Wainright	34	46	—	16	5	617
Wetaskiwin	48	45	—	6	—	1277
All Small Towns	42	47	3	7	1	23,524
Province	43	42	1	11	2	308,864

Source: Statement of Votes by Polls Within Constituencies, 1940
 Election. Provincial Archives of Alberta.

province was once more divided into two geographical regions (see Map 7-1). Unlike the 1935 election, the 1940 contest did not exhibit a north\south split in Social Credit support. Forty three per cent of southern voters voted for the party (n=143,189), as did 43% of northerners (n=165,675). This finding lends credence to the hypothesis that the north\south difference of 1935 resulted from differential exposure to Social Credit campaigns. Aberhart and Manning had toured more extensively in the south before the 1935 election, and the south had been organized by the movement earlier than the north. But once the government had gained power and served a term of office, especially one as tumultuous as Social Credit's first term, it received extensive media and public attention that was not regionally based. If people in remote areas did not know much about Social Credit in 1935, they had surely heard plenty by 1940.

The Independents, on the other hand, received 50% of the southern vote but only 36% of the northern, capturing 42% province-wide (only one percentage point below Social Credit). Its relative weakness in the north may have reflected the CCF's popularity there, where it garnered 16% of the vote compared to only 5% in the south. The CCF ran only 7 of a possible 25 candidates in the south, compared to 29 of a possible 32 in the north.



1940 ELECTION

ALBERTA ELECTORAL DIVISIONS

Reproduced from a map held in the
Provincial Archives of Alberta

Map 7-1

It is also interesting to note that the socialist CCF⁹ did better in the predominantly petit-bourgeois countryside than in the cities. The party received 9% of the Calgary city vote and 10% of the Edmonton constituency vote;¹⁰ no CCF candidates entered the Lethbridge or Medicine Hat campaigns. We have seen above that the CCF won 11% of the vote in the working class districts of Calgary. By comparison, the CCF took 19% of the vote in the rural areas that it contested (n=130,003). Where the CCF entered candidates in the rural south, it won 15% of the vote (n=20,800); it took 20% of the vote in the northern rural areas in which it fielded candidates (n=109,203).

The rural south and the rural north both had 47% levels of support for Social Credit (n's=72,120 and 113,570 respectively), whereas the working class areas of the three southern cities, as we have seen, had a 50% Social Credit vote (n=24,345). Thus it appears that in 1940, there was little difference between the southern urban working class vote and the southern farm vote. But once again, the "surprising" finding (with respect to the conventional wisdom) is the high level of working class support for Social

⁹There is some controversy over whether the CCF was really a socialist party, or merely another manifestation of petit-bourgeois confusion. This is not the appropriate place to review this debate, but I would suggest that the CCF was "as socialist as", say, the British Labour Party at that time.

¹⁰The Edmonton constituency results include the city proper as well as some outlying regions. As noted above, poll by poll data are not available for Edmonton for 1940.

Credit.

The southern small towns had a level of support for Social Credit 10 percentage points higher than the northern small towns, 45% as against 35% (n's=15,162 and 8362, respectively). The former score may be compared to the 48% won by the Independents in the southern small towns, and to the 50% won by Social Credit in the working class districts of the three southern cities. Thus, although southern small towns had a level of support for Social Credit that was two percentage points above the provincial average, the Independents were even more popular there; and the southern small-town vote was five percentage points below that of the working class districts of the three southern cities.

To sum up the findings of our analysis of the 1940 election, it is again the case that support for Social Credit varied inversely with class level. In the three cities for which the necessary data are available, the highest level of support was found in the working class neighbourhoods, with support decreasing as the class composition of the neighbourhood approached the higher levels. As for southern rural support as against southern urban working class support, the latter was only slightly higher, and so indicates that there was little difference between these two groups in their support for Social Credit in 1940. But once again, the high level of working class support for the party

in Calgary, Lethbridge and Medicine Hat gives us reason to reconsider the conventional belief that mass support for Social Credit was ultimately attributable to a petit-bourgeois class position.

We are now in a position to summarize the findings of the study, as well as consider some conclusions and suggestions for further research.

Chapter Eight

Social Classes and Social Credit: An Assessment

This study had three main objectives. One was to arrive at an empirical measure of the pattern of class voting for Social Credit, as no previous work had done this. This was to serve the ancillary function of testing, as far as possible, the conventional view that Social Credit was a mass movement of the petite bourgeoisie. A second goal was to determine if the Social Credit philosophy is, as the literature on the movement suggests, akin to what is normally believed to be petit-bourgeois ideology. The third purpose was to examine Social Credit's behaviour in office so as to determine whether this behaviour was congruent with the received claims that it was an administration guided by conservative, "petit-bourgeois" ideas, and one which was bent on battling central Canadian imperialism.

These three issues relate closely to one another, in fact they may be seen as elements of a single theme. We shall now review the main findings of the study for each of these three issues, exploring the implications of each and outlining how they relate to our overall interpretation of the movement. Some recommendations for further research are also made.

The Class Basis of Popular Support

In Chapter 5 we saw that in 1935, support for Social Credit in the three cities for which data are available varied inversely with class level, with the highest level of

support found in the working class districts. The same pattern was observed for the 1940 election, although the overall level of support for the party had fallen. Social Credit was found to have been somewhat more popular in the working class districts of the cities than in rural areas in 1935, even if one controls for the region of the province. The data suggest that there was little difference between these two areas in 1940.

Small town support was slightly below the provincial average for both elections, casting doubt on the popular belief that the small towns provided exceptionally high levels of support for the movement.

As suggested in Chapters 5 and 7, these are imprecise measures, but given the nature of the available data, little can be done to improve on them. A major finding of the study is the high level of working class support for Social Credit, which is inconsistent with the claims made in the literature. This finding brings into question the oft-repeated claim that it was a petit-bourgeois class position as such which predisposed people to support the movement. While it cannot be known with certainty whether working class support exceeded petit-bourgeois support, either in the cities or in the province as a whole, it would be an extravagant hypothesis indeed which suggests that working class support was significantly lower than petit-bourgeois support. In any case, the data presented here show that in the cities, those

at the lower end of the class scale were most likely to support the party, with the level of support decreasing as the class level rises.

This brings us to the issue of why people supported Social Credit. It may be that Social Credit appealed to people willing to risk some social dislocation, in particular inflation, in return for a program promising monthly income supplements and lower consumer prices. Those with more to lose from the failure of such a program would be less likely to support it. Hence it would appear that Social Credit is better characterized as a "have not" movement than a petit-bourgeois movement, as one need not be petit-bourgeois to want more purchasing power. It should also be considered that if the Social Credit program were enacted and proved to be inflationary, this would make it easier for debtors to pay their debts as they could pay them in inflated dollars. (Nevertheless, as observed in Chapter 4, its proponents claimed the program was not inflationary.)

Another aspect of Social Credit that may have influenced voters was the movement's intention to severely limit the private management of business by having all wages, prices and "commissions" determined by government agencies, which would also control the all-important allocation of "credit". These departures from the rights of private property and market principles probably scared off those who, again, believed they would have something to lose under such a

system.

The general popularity of monetary reform in the 1930s, observed in Chapter 2 but rarely if ever mentioned in the literature on Social Credit, is also noteworthy in this regard. Most writers imagine that the Social Credit movement proper stood alone in advocating monetary reform, with all other parties in unanimous and unambiguous opposition. But as we have seen, some degree of support for monetary reform could be found in the Labor, Liberal and UFA campaigns. The widespread support for this kind of policy may have facilitated the Social Credit party's efforts to win converts to the cause, or at least to gain votes.

Also, the author's conversations with informants who had lived in Alberta in the 1930s suggest that the economic situation was so desperate that many people believed Social Credit could not possibly make things worse. The campaign slogan of former Quebec Social Credit leader Réal Caouette, "You have nothing to lose", aptly describes the mood of many Albertans in the 1930s.

Other factors, not related to the Social Credit program as such, should also be considered. One such factor is that William Aberhart was one of few social movement leaders to combine a charismatic personality with a penchant for organization.¹ His oratorical skills and use of the radio were important as well. Virtually all informants contacted

¹See Schultz (1959).

for this study who had been in Alberta in the 1930s were impressed with Aberhart's radio presentations; many mentioned that he was an honest man. His reputation as a churchman and principal was an asset, as was the fact that he was viewed as a concerned citizen rather than a professional politician.

Another group of factors concerns the state of the other parties in Alberta. The alternatives to the Social Credit party were not impressive. In Chapter 2 we saw that the UFA government had been discredited, as it was in the midst of a sex scandal and had been in power for five consecutive years of depression. Also, by affiliating with the CCF, the UFA gave Albertans reason to doubt that CCF-style socialism would be effective in ending the depression, thereby neutralizing any potential attraction to leftist solutions.

The Conservatives were guilty of incompetence and insensitivity by virtue of their association with their federal counterparts, who had also been in power through five years of depression. Their decidedly banal campaign in 1935 did little to rectify this.

The Liberals took the tactical gamble of flirting with Social Credit ideas without openly embracing them. This may have made going all the way with Aberhart all the more attractive. And like the UFA, the Liberals had the liability of being a party that had already been tried since they had ruled the province from 1905 to 1921. This experience may have given voters little reason to believe that the Liberals

were willing to try anything other than conventional methods of government, which elsewhere were not proving to be successful in alleviating depression conditions.

The factors mentioned above may provide a greater contribution to the understanding of Social Credit than the petit-bourgeois theory, and, unlike the latter, seem to mesh rather well with the observed pattern of support for the movement.

The Social Credit Philosophy

Chapter 4 has shown that the theories of Major Douglas should not be described as "conservative", unless one takes the extreme position that all non-Marxist philosophies are conservative. The principles of market competition and exchange were to be replaced by cooperation and production according to human need; the community, through the agency of experts, was to determine wages and prices; profits or "commissions" were to be strictly controlled. A major redistribution of wealth was to occur from finance to the people at large. This program was to bring about a cornucopia of riches in much the same way that a socialist revolution promises to bring prosperity by redistributing the wealth appropriated by capitalists. Both Douglas and socialist thinkers want human relations to be guided by cooperation rather than competition, and both saw the opulence that their systems were to produce not as an end in itself, but as a

means to self-development.

Although there were some unique strains of thought in the Alberta movement, all the elements of Douglas' philosophy can be found in Aberhart-style Social Credit. However, the premier's task of implementing this body of ideas rather than merely writing about them may have led him to do the things which the founder believed to be erroneous. It should be recognized, as socialists have learned, that it is much easier for the ideologue to be theoretically pure than the activist. Also to be considered in this regard is Aberhart's respect for constitutional authority, as well as the limits placed on any politician seeking the approval of the electorate. It seems that these factors, more than any philosophical conservatism, were responsible for the halting steps and compromises of the first Aberhart administration, and the ultimate abandonment of Social Credit policies. It would appear that Aberhart, like democratic socialists, combined radical ideas with a respect for constitutional government, and was willing to sacrifice the former for the latter.

Many observers have expressed bewilderment in attempting to locate Social Credit on a left-right continuum. Ogmundson (1975) points out that traditionally, Social Credit has been placed on the right by academic observers (e.g., Dawson, 1957:509; Alford, 1963:13-14), a conclusion that will occasion no surprise to readers of this study. Yet when a

1965 national sample was asked to place the federal Social Credit party on a seven-point scale with "1" representing a party "for the working class" and "7" "for the middle class", it placed it slightly left of centre, as the mean on this score was 3.4 (the centre point is 4); the Creditiste (Quebec Social Credit) Party mean was 3.2. This compares with 4.4 for the Liberals and Progressive Conservatives, and 2.7 for the NDP (Ogmundson, 1975:508). One wonders what the figures would have been had the study been conducted in 1935. Ogmundson's conclusion that "the conventional wisdom of academics as to the class positions of the parties is very definitely not shared by the general population" (ibid.) is in keeping with the findings of this study.

A good deal of the confusion surrounding the left-right placement of Social Credit may be attributed to the fact that "left" and "right" are rarely explicitly defined by the people using these concepts. Although Social Credit was not a socialist movement, those who stood to gain the most by the fulfillment of the program were those who were benefitting least from the existing system, i.e., workers, farmers, office clerks and others who found themselves at the lower end of the class structure. If this is an important criterion in determining the "leftness" of a movement, then Social Credit was a left-wing movement. Also, as we have observed, although the means of production were not to be owned outright by the government or "the people", they were to be

strictly controlled by public bodies in the public interest. If collective control over production is another criterion of our definition of "left-wing", it would appear that Social Credit would again qualify as such, regardless of its stated antipathy to socialism.

But if one finds the left-right schema vague and problematic, how can the Social Credit philosophy best be characterized? One may begin by rejecting such catch words as "right-wing", "petit-bourgeois", "conservative", "reactionary", etc. In fact, like other social movement philosophies, Social Credit defies facile characterization.

Social Credit offered no apology for the status quo, and so was not ideological in that sense. If one were to summarize the Social Credit philosophy in one sentence, it might be: "Society is best changed by public control of finance", as perhaps socialism may be defined principally in terms of its advocacy of public ownership of the means of production. But as intimated, quick characterizations may mislead more than they instruct. Like any system of ideas, Social Credit is best understood by steeping oneself in the primary sources, something which many commentators on the movement seem to have avoided.

The other part of the Social Credit philosophy, or at least what is depicted by the academic community as the Social Credit philosophy, is anti-central Canadian imperialist sentiment. But again, the usual academic

interpretation should be reconsidered.

The theme of regional exploitation is not a new one in the west, dating back at least as far as the Riel uprisings of 1870. Several waves of regional protest have occurred, but each time the issues have been somewhat different, bringing forth a different configuration of interest groups. The Riel rebellions were, among other things, a form of ethnic conflict between rival European cultures. They also represented a clash between native and Métis elements versus people of European background who wanted to bring a new form of economic and political organization to the area. The Progressive movement involved both class and regional conflict, pitting farmers against metropolitan railway, manufacturing and financial interests, as well as the two traditional political parties. The struggle over oil policy in the 1970s and early 1980s saw the Alberta government as well as much of the oil industry in conflict with the federal government. All of these were pitched battles which left a residue of ill feelings, but they were followed by long periods of relative calm in which the issue of regional exploitation did not enter the political picture.

The late 1920s were, for the most part, prosperous years on the prairies, a time during which ideas of western exploitation had little currency. When the depression hit, the blame did not fall on central Canada. For Social Crediters the problem lay in the financial system, for their

socialist rivals, in what they described as the inherent contradictions of capitalism. Few students of this period have made the observation that neither of these two movements blamed Ottawa or central Canada for the depression; neither maintained that regional exploitation per se was at the root of the problem. How could they when the whole world was suffering from the depression? Both movements envisioned not only nation-wide but world-wide changes of epochal proportions, changes which had little to do with redressing regional grievances.

By naming anti-imperialism as a definitive feature of Social Credit, many scholars come closer to describing the Progressives than the movement led by William Aberhart. Although the two movements were only about ten years apart, this was a sufficient amount of time for a significant change to occur. (Compare, for example, the student movements of the mid-1950s with those ten years later.) It would appear, then, that Morton's (1950:287) contention that Social Credit and the CCF represented class rather than sectional conflict better describes what really happened than the conventional wisdom, which portrays these movements as instruments of regional protest.

Behaviour in Office

Chapter 6 suggests that many accounts of the first Aberhart administration are misleading insofar as it is

portrayed as a conservative, petit-bourgeois entity endeavouring to fight central Canadian dominance. While there is much that is inane, technically incorrect and plainly false in the Social Credit doctrine, the movement is rarely given credit for exposing the exploitative potential of the banks, or for trying to have financial institutions and bondholders accept a greater share of the losses created by depression conditions. Barr (1974:98) is one of few writers to propose that the movement actually behaved with some degree of rationality, taking on the powers that be in the interests of the less fortunate.

To refer to the behaviour of the first Social Credit government as conservative or reactionary is to stretch the meaning of these terms beyond reasonable limits. Only the orthodox Marxist who describes as conservative all acts not taken with the ultimate purpose of eradicating capitalism along socialist lines should see no problem with the use of these terms in this context.

To claim that these actions reflect a petit-bourgeois world view is even more fanciful. The petit-bourgeois is said to be against large-scale industry, yet Social Credit promised to develop it in the province. (The Social Credit government had some success in this respect in later years.) The petit-bourgeois is said to cherish his independence, however illusory that independence may be, yet wages, prices and profits were to be controlled by government experts, and

"credit" was to be distributed only to those businesses which were producing goods or services deemed by the community as necessary. The petit-bourgeois is said to be anti-bureaucracy, but the implementation of Social Credit would require a considerable bureaucracy. The petit-bourgeois is allegedly suspicious of unions, while the Social Credit government enacted much pro-labour legislation, such as minimum wage laws and collective bargaining rights.

There is another problem with the standard class interpretation of Social Credit. The movement is sometimes thought to have been petit-bourgeois simply because it was not socialist. For example, Finkel (1984:129) implies that Social Credit was petit-bourgeois because it did not do anything that "threatened the fundamental power of capital", a petit-bourgeois trait. But had the plan been implemented, the position of capitalists would have been radically altered, as our discussion of the Social Credit philosophy has shown. This argument also assumes that the "power of capital" is self-evident, which it is not. In addition, following this line of reasoning, trade unionism is petit-bourgeois because it too does not threaten the power of capital. Unemployment insurance, government health care schemes, etc., are all petit-bourgeois, as they leave the capitalist relations of production untouched in all fundamentals. But, again, one could argue that this is an unreasonable approach to the issue, as such non-capital

threatening schemes can and do come out of the heads of those outside the ranks of the petite bourgeoisie, and, like Social Credit, one need not be petit-bourgeois or under the spell of its ideology to be in favour of them.

Also, the Social Credit as petit-bourgeois movement argument is based on the premise that the petite bourgeoisie, in all advanced capitalist societies, thinks and behaves in a confused, conservative or reactionary manner. But the conviction with which intellectuals express this belief is not commensurate with the state of the evidence. While it would be well beyond the scope of this study to challenge the general theory of the petite bourgeoisie, suffice it to say that the empirical evidence in support of the claim is minimal, while there is considerable, although largely ignored, evidence which casts doubt on it (i.e., Hamilton, 1972: ch.5; 1975: chs. 2 and 3; 1982).

While it does not in itself disprove the general theory of the petite bourgeoisie, the following statement by A.J.P. Taylor (1967) may at least lead some to reconsider it.

...all experience shows that revolutions come from those who are economically independent, not from factory workers. Very few revolutionary leaders have done manual work, and those who did soon abandoned it for political activities. The factory worker wants higher wages and better conditions, not a revolution. It is the man on his own who wants to remake society, and moreover he can happily defy those in power without economic risk. In old England the village cobbler was always the radical and the Dissenter. After all, the lord of the manor had to have his boots made and mended, whatever the cobbler's political opinions. The independent craftsman, like the intellectual,

cannot be dismissed from his job. His skill protects him from the penalties which society imposes on the nonconformist (Taylor, 1967:20-21).

Marx and Engels are themselves examples of the phenomenon Taylor describes, and have observed that it is difficult to win proletarian support for socialist revolutions. In 1845, Engels gave a series of lectures at Elberfeld in which he outlined what his proposed communist society would be like. After the third meeting, he wrote to Marx that, "All of Elberfeld and Barmen, from the monied aristocracy to small shopkeepers, were represented, the proletariat being the only exception" (Engels, 1975:697, n.91, emphasis added).

It may be suggested, then, that not only is the petit-bourgeois theory of questionable value in explaining Social Credit in Alberta, the general theory of the petite bourgeoisie itself is open to serious doubt.

As we shall see in greater detail below, Social Creditors are often criticized for having focussed their efforts on the financial and banking system instead of capitalism per se. The concentration on finance is seen by many intellectuals as a largely misdirected effort, a futile attack "against certain sham 'bogeys'", as Maurice Dobb (1933:556) put it. The exoneration of the banks as a possible source of exploitation is also suggested by Clark's (1982:352) statement that Social Credit "appealed to western farmers and small-town businessmen who wanted to believe that

their troubles resulted from the control of the economy by eastern financial interests."

The exploitative potential of financial institutions has not been entirely overlooked by social scientists, however. Weber, for instance, maintains that the conflict between debtors and creditors may be "real" class conflict, rather than a misdirected effort based on false consciousness.

The 'class struggles' of antiquity--to the extent that they were genuine class struggles and not struggles between status groups--were initially carried on by indebted peasants, and perhaps also by artisans threatened by debt bondage and struggling against urban creditors. For debt bondage is the normal result of the differentiation of wealth in commercial cities, especially in seaport cities. A similar situation has existed among cattle breeders (Weber, 1946:185).

Similarly, the notion of financial exploitation is evident in C. Wright Mill's critique of Warner and Lunt's The Social Life of a Modern Community (1941).

...without a sigma, or a more detailed display of the [income] distribution, one cannot know anything whatever about the negatively privileged income classes. Given the credit system (about which nothing is said) as a sanction of social controls, this is all the more regrettable. Not violence but credit may be a rather ultimate seat of control within modern societies. ... Were there banks in Yankee City? Who controls them, and whom and what do they control? (Mills, 1942:268)

There is another way in which Social Credit's behaviour in office made sense, but which, again, is ignored by most accounts of the movement. The issuance (or attempt to issue) dividends and subsidies for lower prices may be viewed as being similar in some respects to Keynesian economics.

Richards and Pratt (1979) make this case.

It is important to realize that the call for government to stimulate aggregate demand--by means of public expenditures, fiscal policy, or even the issue of some form of social credit--was in the midst of the depression entirely apposite. The theory of social credit was in that sense an intellectual advance relative to contemporary economic orthodoxy of budgetary constraint and statements of faith in the temporary nature of the current depression (Richards and Pratt, 1979:33).

Richards and Pratt (ibid.) then quote Keynes to the effect that "Since [World War I] there has been a spate of heretical theories of under-consumption, of which those of Major Douglas are the most famous. ... Major Douglas is entitled to claim, as against some of his orthodox adversaries, that he has not been wholly oblivious of the outstanding problem of our economic system. ...[Douglas was] a private, perhaps, but not a major in the brave army of heretics...who...have preferred to see the truth obscurely and imperfectly rather than to maintain error, reached indeed with clearness and consistency and by easy logic but on hypotheses inappropriate to the facts" (Keynes, 1936:370-71).

Suggestions for Further Research

If the standard class interpretation of the rise of Social Credit is open to question, then the concomitant theories of its persistence and decline are too. The demise of the party in 1971 following Peter Lougheed's Conservative Party victory is often interpreted as a reflection of a

change in the class structure. As the petite bourgeoisie declined in size with the expansion of the oil industry and the growth of urbanization, so declined Social Credit's basis of support. Political and social attitudes are also said to have changed with these developments. It was virtually inevitable, the argument goes, that a party based on rural, petit-bourgeois support would also decline as these changes took place. It is widely believed that an urban "new middle class" now holds sway in Alberta.² As one pair of commentators (Elton and Goddard, 1979:51) has summarized this argument, "Macpherson's thesis, it seems, is proven by its negation--when the economic basis changes, so does the party basis".

But this argument would make little sense if Social Credit had urban support, in particular urban working-class support, all along, and retained this constituency up to 1971. Also, Elton and Goddard (1979) have published survey results which cast doubt on the thesis, although they do not make the argument being advanced here. They report (ibid.:56) that the "agricultural" category in their post-1971 election survey had a PC vote of 67%;³ the Conservatives took 46%

²Such themes explaining Social Credit's downfall, with variation, are found in the work of Palmer and Palmer (1976); Elton and Goddard (1979); Foster (1979: ch.3); Richards and Pratt (1979: ch.7); Levesque and Norrie (1979); Flanagan (1979); Sinclair (1979:84); Gibbins (1980:137-138); Finkel (1986:24); Engelmann (1986); and Stevenson (1986:213).

³The survey was based on a provincial sample.

province-wide in the election. Therefore, since farmers provided strong support for Lougheed rather than Social Credit, the change in the class structure may not have been responsible for the election outcome, although some proponents of the theory (e.g. Palmer and Palmer, 1976:17) argue that by this time there had been a "penetration of urban life styles and values into rural life". In any case, an examination of the pattern of class voting in elections from 1944 to 1971 is needed; such a study may lead to a re-assessment of the standard class arguments as to Social Credit's persistence and decline. Since survey data become available for this issue only in the 1960s, researchers may have to rely on ecological analyses for the earlier period similar to that used in this work.

We also have reason to question Macpherson's analysis of democracy in Alberta in which he claims that a "quasi-party system" developed due to the province's homogeneous class structure and its "quasi-colonial" position in the national economy (see Macpherson, 1953:237-39). Since this study suggests that the class structure of Alberta was not homogeneous in the 1930s, and that anti-imperialist sentiment was not a factor in the first two Social Credit elections, a re-examination of the validity of the "quasi-party system" idea may be in order.

Another area of research could involve a comparison of Social Credit in Alberta with the CCF in Saskatchewan in

terms of both ideology and class support. The CCF may have had a pattern of mass support very similar to that of Social Credit, as both were initially perceived to be radical programs, and both directed their appeal to those benefitting least from the existing system.

The widespread popularity of monetary reform in the 1930s is also deserving of more research. In particular, its presence in the CCF's Regina Manifesto, noted in Chapter 2, warrants further study.

The role of fundamentalist religion in the Social Credit movement may be another topic deserving of further study. It is often suggested that fundamentalist gullibility predisposed many people to accept Social Credit, although the hypothesis is rarely expressed in such direct terms. It is usually implied that other political doctrines are accepted only after rational, intelligent deliberation, and that the futility of Social Credit is self-evident. As reported in Chapter 3, Grayson and Grayson (1974) found in their analysis of urban Alberta that the per cent fundamentalist variable explained only 2% of the variance in the vote for Social Credit in the provincial election of 1935. Given this finding, as well as our re-assessment of the Social Credit philosophy, further research into the role of fundamentalist religion in the movement appears to be warranted.

As observed in Chapter 4, the involvement of women in the Social Credit movement has been all but ignored. This too

may prove to be a fertile area of further research.

As this work suggests that the general theory of the petite bourgeoisie is of questionable value in understanding Social Credit, it may be worthwhile to re-examine other studies which claim that certain movements were petit-bourgeois. An example of path-breaking research in this regard is Richard Hamilton's Who Voted For Hitler? (1982); other movements which have been described as petit-bourgeois or lower middle class have rarely been examined with such empirical rigour. And as suggested above, the centrist theory of the lower middle class itself requires thorough testing in a number of different locations and contexts, as the consensus on this issue lacks an empirical foundation.

This study concludes with a brief examination of the portrayal of Social Credit as an exercise in the sociology of knowledge.

The Portrayal of Social Credit as a Study in the Sociology of Knowledge

This study suggests that a rather large body of literature has provided an inaccurate account of the class basis of popular support for Social Credit in Alberta. In spite of the fact that no empirical study had investigated the issue in depth, scores of social scientists from a number of different disciplines reported that it was a mass movement of the petite bourgeoisie. The movement's ideology and

behaviour in office also appear to have been widely misinterpreted. This in itself requires some explanation.

One explanatory factor to consider is that the class heterogeneity of Alberta in the 1930s is usually underestimated. The popular image of the Canadian prairies at this time is one of a region inhabited almost exclusively by independent farmers. Macpherson's description of Alberta's class structure as "relatively homogeneous", and Lipset and others' preoccupation with farmers in their works on prairie movements have reinforced this image. If one believes that Alberta was populated almost entirely by independent farmers, then it follows that any popular movement in the province was a movement of the petite bourgeoisie. But as we saw in Chapter 3, Alberta's class structure in the 1930s was far from homogeneous, making the class basis of Social Credit an empirical issue.

Also to be considered is the "argument from authority" problem. It sometimes happens that intellectuals learn a "fact" from a particular source, and then proceed to state that "fact" in their own work, with or without citation. Little concern is shown for the validity of the original statement as it came from a putative authority. This is the way, I would suggest, that the class and anti-imperialist basis of the Social Credit movement has been "learned". The key source was Macpherson (1953), with most scholars uncritically incorporating his ideas into their analyses.

The academic learning process is also illustrated by the citing of incorrect dates for both the 1935 breakthrough election and the death of William Aberhart.⁴ Barr (1974:80, 118) appears to have been the first person to present the incorrect dates, which were then used by at least three other authors. This unreflective repetition of ideas and "facts" suggests that social science can at times take the form of folk wisdom or gossip.

One could argue that given a less than eternal earthly life, it is simply impossible to verify all the statements one encounters or uses in one's work. True enough, but those specializing in social movements or in the study of social class should be concerned with the state of the evidence when key arguments are empirically testable.

Another factor to consider is that we intellectuals, despite our romantic self images as free and critical thinkers, are conformists to an unrecognized degree. We love to condemn infidels or speak wistfully of our heroes, but there are usually strict group norms limiting whom we may condemn and whom we must praise. As previous chapters have demonstrated, ridiculing Social Credit is a socially acceptable academic pastime.⁵

There are several reasons for this. One is the

⁴See Chapter 6, n.1.

⁵Stephen Leacock (1936) and D. Smiley (1962) are examples of writers who have made unrestrained efforts to humiliate the movement.

inordinate amount of scorn that has been heaped upon the petite bourgeoisie since the time of Marx, making it a pariah class among intellectuals. Although it is no longer intellectually fashionable to consider any race or national group as inherently inferior to any other (and rightly so), one may still, with impunity, describe an entire social class--the petite bourgeoisie--as irredeemably confused if not downright dangerous, a priori. Perhaps the crudest act of this sort is the assertion, noted in Chapter 1, that the lower middle class provided the impetus for the Nazi movement. If any race were given such treatment there would be an uproar in the academic community. What makes this state of affairs all the more remarkable is that the petite bourgeoisie is, by definition, a poor class, and is in most circumstances politically impotent.

By way of contrast, there are very strict rules against portraying the working class as anything but a victim-cum-saviour class. This working class=good/petite bourgeoisie=bad norm is often taken to absurd lengths. Macpherson, as we have seen, portrays the petite bourgeoisie as a hapless but socially harmful class. What role does the working class or the larger category of "industrial employees" play in Macpherson's Social Credit follies? They are found on the list of dramatis personae, but they never enter the stage, even though in real life they comprised about half the work force and provided very high levels of support for the party.

This method of providing immunity from academic prosecution for the working class by not investigating or not reporting its behaviour characterizes much of the work done by those who portray Social Credit as a reactionary movement.⁶

Lipset takes a similar approach, explaining any undesirable feature of the CCF in Saskatchewan as a failing of farmers. How urban middle class party leaders or the CCF's working class leaders and constituency fit into this is never explained. For instance, Lipset writes of the "characteristic fumbling of the western farmers" (1968:141, emphasis added), but the working class emerges from the critique unscathed.⁷

The misrepresentation of the Social Credit ideology should also be considered in this regard. Macpherson and others' depiction of the movement's philosophy as conservative or even reactionary made a serious empirical study of the movement's class base seem unnecessary. Who else but the petite bourgeoisie could be responsible for such

⁶In a sociology textbook (Hagedorn, 1983:521), one finds a cartoon, presumably from the 1930s, showing strings attached to the Canadian parliament buildings; the strings are held up by a large hand. On the hand is written "Financial Control". Another large hand is shown holding a pair of scissors, which are about to cut the strings. On one scissor blade is written "Labour", on the other, "Farmer". Despite the appearance of the "Labour" blade, the caption in the book reads: "In 1935, William Aberhart promised Alberta's disillusioned farmfolk up to \$25 a month for every man, woman and child if they would elect him the first Social Credit premier of Alberta. His new party swept to victory like a prairie fire" (emphasis added).

⁷The purpose of this discussion is not to cast aspersions on the working class, but to expose an intellectual double standard.

unprogressive and untimately deleterious ideas?

Part of the general bias against Social Credit may also stem from the fact that those who have written about the movement are or were members, in one capacity or another, of rival social movements. It is reasonable to assume, for example, that Macpherson's position as a Marxist ideologue, or Lipset's as a "young socialist" (Lipset, 1968:ix), coloured the interpretations of Social Credit presented by these authors.⁸

In the literature on the movement, there is often the assumption that Social Credit ideas are sheer lunacy, and are made all the more ludicrous because a better way is available to anyone willing to listen to reason. That better way normally involves some hazily sketched variant of democratic socialism. A major lesson in some of the leading works on Social Credit is that the capitalist system as a whole is the source of the problems the movement sought to resolve. Any program that falls short of advocating its complete eradication and replacement by socialism is treated as a form of political amateurism. Macpherson, for instance, proclaims

⁸Writing about the Canadian historians of the 1920s, Mallory (1954:xi) states that they "were, whether consciously or not, partisans. They assumed, like the great Whig historians of England, that the reformers, the Liberal politicians, and the apostles of Canadian autonomy about whom they wrote were marching with the destiny of Canada. Their heroes and villains were, as it were, preselected. They painted with strong lights and shadows. They provided, for their time, not only a history but an ideology." The same may be said of many of those who have written about Social Credit.

that

The modified pattern [of Alberta radicalism] was one of alternate rejection of and reconciliation with outside capital interests; obversely this appears as alternate identification with and distraction from the interests of humanity at large. Each radical movement began with fierce opposition to the outside "exploiters" (monopolists, manufacturers' association, banks, finance) and gradually came to terms with the system of which they were a part (Macpherson, 1953:229-30).

When Macpherson makes his renowned claim that Social Credit was "not against the property system", he clearly implies that it should have been.

Lipset renders a similar judgement on American Populist movements.

The farmers struck out at random at the most visible economic evils that affected them. They opposed the banks, the railroads, the wheat-elevator companies, and the shortage of money, but they saw each evil as an evil in itself, not as part of the total economic system (Lipset, 1968:23-24).

The ease with which these arm-chair social engineers would have their historical actors proceed to implement the favoured solution is illustrated by a statement made by Robert S. Lynd in the Foreword to Lipset's Agrarian Socialism.

As the cooperating farmer's ideology meets the factory worker and the middle-class businessman, it wavers, blurs, and recedes. An agrarian socialist party becomes a liberal agrarian protest movement, and the programs for the socialization of industry falter. Truly, he who sets out to make significant reforms should never hesitate or compromise! (Lynd, 1950:6-7).

Taking this position to its logical and inevitable

conclusion, the people of Alberta should have demanded that all the means of production be brought under government ownership and control. Once this were achieved it would eliminate all economic exploitation, end all serious social conflict, elevate the material quality of life and remove all impediments to free cultural development and expression. This is the counter-utopia of the leading class analysts of Social Credit.⁹ For Macpherson and others, all that really separated Albertans from the promised land was their muddled petit-bourgeois thinking.

In conclusion, despite a long period of consensus on the petite bourgeoisie's influence in the Social Credit movement, and in capitalist societies in general, there may yet be a reconsideration of this body of ideas.

⁹See van den Berg (1988:492-97) for a discussion of the tendency for Marxists in general to take this position.

References

- Aberhart, William
1933 The Douglas System of Economics; 'Credit Power for Democracy'. Calgary.
1935 Social Credit Manual; Social Credit as applied to the Province of Alberta. Calgary.
- Akin, William E.
1977 Technocracy and the American Dream. Berkeley: University of California Press.
- Alford, Robert
1963 Party and Society. Chicago: Rand McNally.
- Archer, Maurice
1973 Introductory Macroeconomics: A Canadian Analysis. Toronto: Macmillan of Canada.
- Barr, John J.
1974 The Dynasty; The Rise and Fall of Social Credit in Alberta. Toronto: McClelland and Stewart.
- Bechhofer, F. and B. Elliott
1985 "The petite bourgeoisie in late capitalism". Annual Review of Sociology, 11:181-207.
- Brym, Robert
1978 "Regional social structure and agrarian radicalism in Canada: Alberta, Saskatchewan and New Brunswick". Canadian Review of Sociology and Anthropology, 15 (3):339-351.
1986 "Anglo-Canadian Sociology". Current Sociology, 34 (1):1-152.
- Burnet, Jean
1947 "Town-country relations and the problem of rural leadership". Canadian Journal of Economics and Political Science, 13:395-409.
1951 Next-Year Country. Toronto: University of Toronto Press.
- Caldarola, Carlo
1979 "The Social Credit in Alberta, 1935-1971". In C. Caldarola, ed., Society and Politics in Alberta, pp.33-48. Toronto: Methuen.

- Clark, S.D.
 1954 "Foreword". In J.R. Mallory, Social Credit and the Federal Power in Canada, pp.vii-ix. Toronto: University of Toronto Press.
- 1959 Movements of Political Protest in Canada, 1640-1840. Toronto: University of Toronto Press.
- Clark, Sam
 1982 "Social Movements". In James J. Teevan, ed., Introduction to Sociology; A Canadian Focus, pp.335-361. Scarborough: Prentice-Hall.
- Conway, J.F.
 1978 "Populism in the United States, Russia, and Canada: Explaining the Roots of Canada's Third Parties". Canadian Journal of Political Science, 11 (1):99-124.
- Dawson, Robert M.
 1957 The Government of Canada. Third Edition. Toronto: University of Toronto Press.
- Dobb, Maurice
 1933 "'Social Credit' and the Petit-Bourgeoisie". The Labour Monthly, 15 (9):552-557.
- Douglas, Clifford Hugh
 1921a Economic Democracy. London: Cecil Palmer.
- 1921b Credit Power and Democracy. London: Cecil Palmer.
- 1922a The Control and Distribution of Production. London: Eyre and Spottiswoode.
- 1922b These Present Discontents and The Labour Party and Social Credit. London: Cecil Palmer.
- 1933 Social Credit. London: Eyre and Spottiswoode.
- 1937 The Alberta Experiment; An Interim Survey. London: Eyre and Spottiswoode.
- 1951 The Monopoly of Credit (3rd Edition). Liverpool: K.R.P. Publications.
- Elliott, David R.
 1980 "William Aberhart: Right or Left?" In R.D. Francis and H. Gazevoort, eds., The Dirty Thirties in Prairie Canada, pp.11-31. Vancouver: Tautalus Research Limited.

- Elliot, David R. and Iris Miller
 1987 Bible Bill; A Biography of William Aberhart.
 Edmonton: Reidmore Books.
- Elton, David K. and A.M. Goddard
 1979 "The Conservative Takeover, 1971--". In C. Caldarola, ed., Society and Politics in Alberta, pp.49-70. Toronto: Methuen.
- Engelmann, Frederick C.
 1986 "Grant Notley and Democracy in Alberta". In L. Pratt, ed., Essays in Honour of Grant Notley; Socialism and Democracy in Alberta, pp.172-85. Edmonton: NeWest Press.
- Engels, Friedrich
 1975 "Speeches in Elberfeld". In K. Marx and F. Engels, Collected Works, Vol.4, pp.243-255. New York: International Publishers.
- 1976 "Principles of Communism, November 1847". In W.O. Henderson, The Life of Friedrich Engels, Vol. I, pp.362-79. London: Frank Cass.
- Finkel, Alvin
 1984 "Populism and the Proletariat: Social Credit and the Alberta Working Class". Studies in Political Economy, 13:104-35.
- 1986 "Social Credit and the Cities". Alberta History, Summer, 34 (3):20-26.
- 1989 The Social Credit Phenomenon in Alberta. Toronto: University of Toronto Press.
- Flanagan, Thomas
 1972 "Political geography and the United Farmers of Alberta". In S. Trofimenkoff, ed., The Twenties in Western Canada, pp.138-69. Ottawa, National Museum of Man.
- 1973 "Stability and change in Alberta provincial elections". Alberta Historical Review, 21 (4): 1-8.
- 1979 "Ethnic voting in Alberta provincial elections, 1921-1975". In C. Caldarola, ed., Society and Politics in Alberta, pp.304-21. Toronto: Methuen.
- Foran, Max
 1978 Calgary: an illustrated history. Ottawa: National Museum of Man.

- Foster, Peter
1979 The Blue-Eyed Sheiks. Toronto: Totem Books.
- Fowke, Vernon C.
1946 Canadian Agricultural Policy. Toronto: University of Toronto Press.

1957 The National Policy and the Wheat Economy. Toronto: University of Toronto Press.
- Gaitskell, H.T.N.
1933 "Four Monetary Heretics". In G.D.H. Cole, ed., What Everybody Wants To Know About Money. London: Victor Gollancz.
- Gibbins, Roger
1980 Prairie Politics and Society: Regionalism in Decline. Toronto: Butterworths.
- Gould, Ed
1981 All Hell For A Basement. Medicine Hat: City of Medicine Hat.
- Gouldner, Alvin W.
1985 Against Fragmentation. New York: Oxford University Press.
- Government of Alberta
1938 The Case For Alberta. Edmonton: King's Printer.

1983 A Report on Alberta Elections 1905-1982. Edmonton: Office of the Chief Electoral Officer.
- Government of Canada
1933 Census of Canada 1931. Vol. II, Population by Areas. Ottawa: King's Printer.

1936 Census of Canada 1931. Vol. VII, Occupations and Industries. Ottawa: King's Printer.
- Grayson, J. Paul and L.M. Grayson
1974 "The social base of interwar political unrest in urban Alberta". Canadian Journal of Political Science 7 (2):289-313.

1983 "Social Movements and Social Change". In Robert Hagedorn, ed., Sociology (Second Edition), pp.507-31. Toronto: Holt, Rinehart and Winston of Canada.

- Hagedorn, Robert
1983 Sociology, Second Edition. Toronto: Holt, Rinehart and Winston of Canada, Limited.
- Hamilton, Richard F.
1972 Class and Politics in the United States. Toronto: John Wiley and Sons.

1975 Restraining Myths. Toronto: John Wiley and Sons.

1982 Who Voted For Hitler? Princeton: Princeton University Press.
- Hannant, Larry
1985 "The Calgary Working Class and the Social Credit Movement in Alberta, 1932-35". Labour/Le Travail (16):97-116.
- Hiskett, W.R. and J.A. Franklin
1939 Searchlight on Social Credit. London: P.S. King and Son.
- Hooke, Alfred
1971 30 + 5; I Know, I Was There. Edmonton: Institute of Applied Art.
- Irving, John
1959 The Social Credit Movement in Alberta. Toronto: University of Toronto Press.
- Jackson, Andrew
1977 "Patterns of Hinterland Revolt; Alberta and Saskatchewan in the inter War period". Paper presented at the 49th annual meeting of the Canadian Political Science Association, June, Fredericton, New Brunswick.
- James, Norman B.
1947 The Autobiography of a Nobody. Toronto: J.M. Dent and Sons.
- Johnson, Alex and Andy A. den Otter
1985 Lethbridge; A Centennial History. Lethbridge: City of Lethbridge and the Whoop-Up Country Chapter, Historical Society of Alberta.
- Johnson, L.P.V. and Ola J. MacNutt
1970 Aberhart of Alberta. Edmonton: Institute of Applied Art.

- Johnson, Myron
 1979 "The Failure of the CCF in Alberta: An Accident of History". In C. Caldarola, ed., Society and Politics in Alberta, pp.87-107. Toronto: Methuen.
- Keynes, John M.
 1936 The General Theory of Employment, Interest and Money. New York: Harcourt, Brace.
- Laclau, Ernesto
 1977 Politics and Ideology in Marxist Theory. London: NLB.
- Leacock, Stephen
 1936 "Social and other Credit in Alberta". The Fortnightly, November, 146:525-35.
- Lenin, V.I.
 1932 State and Revolution. New York: International Publishers.
 1972 "The Economic Content of Narodism and the Criticism of it in Mr. Struve's Book". Collected Works 1:333-535. Moscow: Progress Publishers.
- Levesque, Terrance J. and K. Norrie
 1979 "Overwhelming Majorities in the Legislature of Alberta". Canadian Journal of Political Science, September, XII (3):451-470.
- Lipset, S.M.
 1968 Agrarian Socialism. Berkeley: University of California Press.
- Long, J.A. and F.Q. Quo
 1972 "One Party Dominance". In Martin Robin, ed., Canadian Provincial Politics, pp.1-26. Scarborough: Prentice-Hall.
- Lower, Arthur R.M.
 1946 Colony To Nation; A History of Canada. Toronto: Longmans, Green and Company.
- Lynd, Robert S.
 1950 "Foreword", in S.M. Lipset's Agrarian Socialism, pp.vii-xii. Berkeley: University of California Press.
- MacGregor, James G.
 1972 A history of Alberta. Edmonton: Hurtig.

- Macpherson, C.B.
 1949 "The Political Theory of Social Credit". Canadian Journal of Economics and Political Science, XIV (3):379-93.
- 1953 Democracy in Alberta. Toronto: University of Toronto Press.
- Mallory, J.R.
 1954 Social Credit and the Federal Power in Canada. Toronto: University of Toronto Press.
- Mann, W.E.
 1955 Sect, Cult and Church in Alberta. Toronto: University of Toronto Press.
- Mardiros, Anthony
 1979 William Irvine; The Life of a Prairie Radical. Toronto: James Lorimer and Company.
- Marx, Karl
 1967 Capital; A Critique of Political Economy, Vol.1, ed. F. Engels. New York: International Publishers.
- Marx, Karl and F. Engels
 1967 The Communist Manifesto. Markam: Penguin Books.
- Masters, D.C.
 1950 The Winnipeg General Strike. Toronto: University of Toronto Press.
- McNaught, Kenneth
 1969 The Pelican History of Canada. Markam: Penguin Books.
- Mills, C. Wright
 1942 Review of W.L. Warner and Paul S. Lunt, The Social Life of a Modern Community, Volume I, Yankee City Series. American Sociological Review, 7 (3):263-271.
- Morton, W.C.
 1950 The Progressive Party In Canada. Toronto: University of Toronto Press.
- Muggeridge, Malcolm
 1972 The Green Stick; Chronicles of Wasted Time, Volume 1. William Collins and Company.

- Naylor, R.T.
 1972 "The ideological foundations of Social Democracy and Social Credit". In Gary Teeple, ed., Capitalism and the national question in Canada, pp.251-256. Toronto: University of Toronto Press.
- Ogmundson, Richard
 1975 "Party Class Images and the Class Vote in Canada". American Sociological Review. 40 (August):506-512.
- Osborne, J.S. and J.T. Osborne
 1986 Social Credit for beginners; An armchair guide. Vancouver: Pulp Press Book Publishers.
- Palmer, Howard and T. Palmer
 1976 "The 1971 Election and the Fall of Social Credit in Alberta". Prairie Forum, Fall:123-34.
- Panich, Leo
 1977 "The role and nature of the Canadian state". In L. Panich, ed., The Canadian State: political economy and political power, pp.3-27. Toronto: University of Toronto Press.
- Pinard, Maurice
 1975 The Rise of a Third Party; A Study in Crisis Politics, Enlarged Edition. Montreal: McGill-Queen's University Press.
- Quinn, Herbert F.
 1963 The Union Nationale; Quebec Nationalism from Duplessis to Levesque, Second Enlarged Edition. Toronto: University of Toronto Press.
- Richards, John and Larry Pratt
 1979 Prairie Capitalism: power and influence in the New West. Toronto: McClelland and Stewart.
- Richards, John
 1981 "Populism: A Qualified Defence". Studies in Political Economy 5:5-27.
- Robinson, W.S.
 1950 "Ecological Correlations and the Behavior of Individuals". American Sociological Review, 15:351-357.
- Schultz, Harold J.
 1959 "Aberhart The Organization Man". Alberta Historical Review, Spring, 7 (2):19-26.

- 1960 "The Social Credit Back-benchers' Revolt, 1937".
The Canadian Historical Review, March, XLI (1):
1-18.
- 1962 "A Second Term: 1940". Alberta Historical Review.
10 (1):17-26.
- Sherman, Paddy
1966 Bennett. Toronto: McClelland and Stewart.
- Sinclair, Peter R.
1975 "The Saskatchewan CCF: ascent to power and the
decline of socialism". In Sam Clark et al., eds.,
Prophesy and Protest: Social Movements in
Twentieth Century Canada, pp.186-99. Toronto:
Gage.
- 1979 "Class Structure and Populist Protest: The Case
of Western Canada". In C. Caldarola, ed., Society
and Politics in Alberta, pp.73-86. Toronto:
Methuen.
- Smiley, Donald V
1962 "Canada's Poujadists: A New Look at Social
Credit". Canadian Forum, September, XLII
(500):121-23.
- Stein, Michael
1973 The Dynamics of Right-Wing Protest: a political
analysis of Social Credit in Quebec. Toronto:
University of Toronto Press.
- Stevenson, Garth
1986 "Class and Class Politics in Alberta". In L.
Pratt, ed., Essays in Honour of Grant Notley;
Socialism and Democracy in Alberta, pp.205-237.
Edmonton: NeWest Press.
- Swankey, Ben
1980 "Reflections of a Communist; 1935 Election".
Alberta History, Autumn, 28 (4):28-36.
- Taylor, A.J.P.
1967 "Introduction" to K. Marx and F. Engels, The
Communist Manifesto, pp.7-47. Markam: Penguin
Books.
- Thomas, L.G.
1959 The Liberal Party in Alberta. Toronto: University
of Toronto Press.

- Thomas, L.H.
1977 William Aberhart and Social Credit in Alberta.
Toronto: Copp Clark.
- Trow, Martin
1958 "Small Businessmen, Political Tolerance, and Support for McCarthy". American Journal of Sociology 64:270-281.
- van den Berg, Axel
1988 The Immanent Utopia: From Marxism on the State to the State of Marxism. Princeton: Princeton University Press.
- Veblen, Thorstein
1921 The Engineers and the Price System. New York: The Viking Press.
- Warner, W. Lloyd and Paul S. Lunt
1941 The Social Life of a Modern Community. Volume I, Yankee City Series. New Haven: Yale University Press.
- Weber, Max
1946 "Class, Status, Party". In H. Gerth and C.W. Mills, eds., From Max Weber, pp.180-95. New York: Oxford University Press.
- Young, Walter D.
1969 The Anatomy of a Party: the National CCF, 1932-1961. Toronto: University of Toronto Press.

1978 Democracy and Discontent Second Edition. Toronto: McGraw-Hill Ryerson.
- Younie, Jas
n.d. The Fallacy of the Douglas Social Credit Theory. Cardiff: J. Younie.