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THE EVOLUTION OF THE SOCIAL CREDIT MOVEMENT*

ALTHOUGH the doctrines of Social Credit have been systematically and extensively promoted throughout many parts of the British Commonwealth and the United States for nearly thirty years, it is only in Alberta that there has emerged a Social Credit movement sufficiently strong to win and maintain political power. It is proposed, in the present paper, to trace the historical development of this movement with specific reference to those data that are essential for its interpretation as a phenomenon of mass psychology. Such an approach must be restrictive and selective: data of primary importance to the economist, the political scientist, and even the sociologist must necessarily be omitted.

The Social Credit upsurge in Alberta was essentially a people's movement which sought to reform, but not to revolutionize, the existing social order by changing the pattern of certain existing institutions. It has passed through the four stages which constitute the natural history of a social movement—social unrest, popular excitement, formalization, and institutionalization; and it has exhibited, in the course of its evolution, the five mechanisms of reform movements—agitation, *esprit de corps*, morale, ideology, and operating tactics. From the perspective of social psychology, the movement may best be understood if, taking its more general sociological aspects for granted, we consider its appeal to the people of Alberta in terms of its leadership, its philosophy, and its techniques of organization and promotion. In analysing this particular social movement, the social psychologist is faced with two serious methodological difficulties: he must be careful not to confuse the evolution of the movement with the political history of Alberta, especially after 1935; and he must, as far as possible, present the movement as a dynamic rather than a static social phenomenon.

Social movements tend to appear during periods of widespread social unrest, when profound dissatisfaction with the existing social order arises. No conditions could have been more favourable for the development of such unrest than those which existed in Alberta in the autumn of 1932. The farmers of the province had experienced every possible agricultural ordeal; they had been made the playthings of the high tariff manipulators; they had built up markets in the United States only to have them ruthlessly cut off; they had suffered drought and every agricultural pestilence from root-rot to grasshoppers; they had seen prices drop to such incredibly low levels that sometimes it did not pay to haul their produce to market. Under such circumstances, it is not surprising that a large percentage of the farms of Alberta had been heavily mortgaged. The utterly discouraged farmers, looking for some tangible cause for all their miseries, focussed their resentment and hate upon the banks and loan

*This paper was presented at the annual meeting of the Canadian Political Science Association in Vancouver, June 18, 1948; it grows out of an investigation by the author of the philosophy and psychology of the Social Credit movement in Alberta which will constitute one of a series of studies being sponsored by the Canadian Social Science Research Council under the direction of Professor S. D. Clark. As the paper forms part of a larger study, which it is hoped to publish eventually in book form, footnotes and references have been omitted.

companies. In the cities, towns, and villages the masses of the people were no better off. Unemployment was general: thousands were living on relief; still other thousands lacked the elementary provision of food, clothing, and shelter. Psychologically, hundreds of thousands of people were experiencing a profound personality disintegration: they were caught in a steel web from which there seemed no escape; their social environment, their feeling for the process of life, their hope for the future, all became meaningless. Amid such desperate social and economic conditions, William Aberhart appeared as the prophet of a new social order.

Born at Egmondville, Ontario, in 1878, he was educated at the Seaforth Collegiate Institute, the Hamilton Normal School, the Chatham Business College, and Queen's University, from which he obtained extra-murally the degree of B.A. After teaching in Ontario for several years, he settled in Calgary in 1910. Five years later he became principal of the Calgary Crescent Heights High School, one of the largest and best organized institutions in Western Canada. In addition to his heavy administrative duties, Aberhart was an efficient and successful teacher of arithmetic, transplanting to the West the nineteenth-century techniques of instruction he had acquired in Ontario. He first became prominent in Alberta, outside educational circles, as a religious leader. In his youth he had fallen under the influence of a great Bible teacher, and had hoped to enter the Presbyterian ministry. Almost as soon as he arrived in Calgary he organized a large Bible Class, which met in a succession of Presbyterian and Methodist churches, later in a Baptist church. By the early nineteen-twenties his following had become so large that he organized the Calgary Prophetic Bible Conference which assembled on Sunday afternoons in the largest theatre of the city to hear him give two-hour interpretations of Christian fundamentalism and Bible Prophecy to audiences that numbered 2,200. Owing to the enthusiasm of his followers he was persuaded, in 1924, to broadcast his Sunday services over CFCN, known as "The Voice of the Prairies" and, until recent years, the most powerful radio station in Canada. In addition to his Bible Conference, he organized a Radio Sunday School which continued to function throughout the worst years of the depression. By his use of radio, he built up a personal following that, according to certain estimates, numbered between two and three hundred thousand persons. In 1927 his organization was put on a more permanent basis when he and his followers constructed in the heart of Calgary, at a cost of \$65,000, the large Prophetic Bible Institute, which thenceforth became the centre of all his religious activities.

Until 1932, although Aberhart personally favoured the Conservative party, he had never taken part in civic or political activities at any level, nor had he engaged in public discussion of economic questions. But like most people, as the depression wore on, he gradually became acutely aware of the plight of unemployed youth, and more especially of the plight of the graduates of his own school. There is evidence that, in the autumn of 1931, certain young men who knew him well, both as high-school teacher and as religious leader, urged him to tackle the problem of the depression, but they elicited no apparent response. In the summer of 1932, when he was living in an Edmonton college

during the period of marking matriculation examination papers, he was introduced by another teacher to the highly popularized version of the doctrines of Social Credit contained in Maurice Colbourne's *Unemployment or War*. After reading the book, Aberhart decided that Social Credit offered the hope of redeeming his province from the depths into which the politicians and bankers had plunged it. Without that fateful decision it is doubtful if there could have been a successful Social Credit movement in Alberta.

In its most developed and complex form, the philosophy of Social Credit includes a monetary theory which both "explains" the inner workings of the capitalistic financial system and offers a remedy for its unsatisfactory functioning in periods of depression and inflation, a political theory which reinterprets the role of the individual in the democratic state, and an interpretation of history in terms of a long-existing Judaic plot or conspiracy to secure control of and dominate the world. Underlying these three basic doctrines of Social Credit is a moral-religious theory of the fundamental rights of man, which has been variously expressed in terms of elusive conceptions such as Cultural Heritage, Political Liberty with Economic Security, and the Struggle of the Powers of Light against the occult Powers of Darkness in the world. At no time has Social Credit advocated the overthrow of the capitalistic system or of private enterprise.

Social Credit owes its origin to a Scottish engineer, Major C. H. Douglas, who was impressed by the fact that many developments, *physically* possible from the engineer's point of view, are *financially* impossible. As assistant director in England of the Royal Aircraft Works during the First World War, he made comprehensive studies of cost accounting which led him to the conclusion that, in over 100 industrial establishments, the weekly sum total of wages and salaries was continually less than the weekly collective price of the goods produced. It was upon this conclusion that he formulated his now famous "A + B Theorem." In this theorem, A = the flow of purchasing power to the masses (as represented by wages, salaries, and dividends), and B = bank charges, overhead costs, taxes, and the cost of raw materials. If A + B represents the cost of production under the financial system, the rate of flow of purchasing power to the masses will be less than the rate of flow of prices in the same period of time. There will thus be a discrepancy, which Douglas maintains must be permanent, between A (the purchasing power of consumers) and A + B (the total cost of production). The "A + B Theorem" became the key conception of Douglas's economic theories, and provided him and his followers with one of their principal slogans, "Poverty in the Midst of Plenty," a paradox which clearly has very great propaganda value in a period of widespread social unrest fostered by an economic depression.

On its negative or critical side Social Credit maintains that a permanent deficiency of purchasing power is inherent in the capitalistic financial system in the Machine Age; on its positive or constructive side it seeks to solve the problem of distributing the abundance of goods produced, as well as to increase production. It is maintained that other proposals for social reconstruction suffer from three fallacies: that there is a limit to production; that work is the only just prior condition of individual income; and that there is magic in state

ownership. Further, other reformers have not realized the significance of the distinction between financial credit, which is based upon gold, and real credit, which is based upon such factors as raw materials, power, and labour. Under the existing system, financial credit has fallen into the control of bankers who, through its manipulation, exploit the community for purposes of private profit. A functional financial system should be concerned with the issue of credit to the consumer up to the limit of the productive capacity of the producer, so that both the consumer's real demands may be satisfied, and the productive capacity of the industrial system may be utilized and developed to the fullest extent.

The present political system of democracy has led to the development of economic slaves: money has become the master rather than the servant of man. The people, as the sovereign authority, have lost their control over the monetary system; their sovereign authority has been usurped by bankers who have set up a financial dictatorship, and who use their control of credit to render ineffectual the voting power of the people. The economic system no longer fulfils a moral purpose: instead of economic security and freedom from want, the individual is faced with "poverty in the midst of plenty," misery, and unhappiness.

If the economic system is to function successfully, the state must make at least three fundamental changes: it must recover its control over the monetary system; it must issue social credit in the form of a *national dividend* (based upon a survey of the real wealth of the nation) to every person; and, to prevent the possibility of inflation, it must establish a *just price* for all goods. The evils in the existing economic system can be remedied by supplying the people with credit based upon the potential goods and services of society. This is the people's right, their *cultural heritage*. Only in this way will the individual be freed from wage slavery, be able to choose the work he likes best, be in a position to claim those goods which are rightfully his so that he can enjoy more leisure time. There was, from the beginning, a moral foundation for the changes in the monetary system proposed by Social Credit—the financial system must be reformed to enable the individual to achieve the fullest measure of self-realization.

As a political theory, Social Credit is presented as a "Way of Life": human nature is essentially good, and the individual, as the most important fact of society, is an end in himself, not a means to an end. Personal freedom is the most precious possession of life, and every individual should therefore have political freedom, at the same time that he enjoys economic security. The state exists solely to promote the individual's welfare, freedom, and security. The Social Credit Way of Life is compatible with both Christianity and democracy, but its philosophers are extremely critical of the existing form of political democracy as well as being opposed to socialism and communism. It is asserted that there exists today only constitutional democracy, not functioning democracy. Parliament should be under the direct and continuous control of the electors; in actual practice, the people's representatives are controlled by the party machine. In place of the present system of limited state dictatorship, it is proposed to restore sovereign authority to the people: they must be organ-

ized in a "Union of Electors" through which the individual can directly express his aims and desires to his representatives in parliament.

It is as an interpretation of history that the theories of Social Credit are curiously familiar and at the same time most elusive. As the constant criticism of "Finance" wore somewhat threadbare, there gradually evolved the colourful doctrine that national and international events can only be understood in terms of the machinations of a select group of bankers (most of whom bear Jewish names) who are indissolubly linked with a long-standing Judaic conspiracy to dominate the world, working through the Masonic Order, and both international capitalism and international communism. The wars, depressions, and revolutions of our time can only be understood if one realizes that they are one and all the result of the activities of world conspirators or world plotters who will stop at nothing in their efforts to destroy both democracy and the system of free enterprise, and who are especially malicious in their attempts to ruin the British Empire. The emphasis that has been given in Alberta to each of these aspects of the philosophy of Social Credit has varied with the time, the occasion, and the person; but there can be no doubt that, for Aberhart, Social Credit was essentially a theory of monetary reform which had its moral foundation in the conception of the cultural heritage and its religious foundation in his own interpretation of Christian fundamentalism and Bible prophecy.

For a variety of reasons, monetary reform had long been advocated in Alberta as a solution of the shortage of money or "purchasing power" from which the province, like most frontier rural economies, has chronically suffered. As far as can be discovered, Social Credit literature was introduced into Western Canada by a magazine editor who, through his writings and personal friendships, brought the doctrines of Major Douglas to the attention of certain leaders of the United Farmers of Alberta in the House of Commons. Major Douglas himself came to Ottawa in 1923, at the suggestion of a U.F.A. member, and testified before the Standing Committee of the House on Banking and Commerce. During the next ten years, the Social Credit theories, along with other proposals for monetary reform, were much discussed in the U.F.A. locals. Monetary reform took on the psychological characteristic of a "preferred group tendency" in Alberta, and there can be no doubt that the long period of preparatory work by the U.F.A. was one of the most powerful psychological factors in the rapid development of the Social Credit movement in the middle thirties. In addition, certain intellectual leaders in Calgary, who had formed the Open Mind Club, were vigorously engaged in discussing the theories of Social Credit at the very time that Aberhart became a convert; and the Edmonton teacher who introduced Aberhart to the doctrine was himself a member of a group of Social Crediters who had long been looking for a likely leader.

In the autumn of 1932, Aberhart gradually, and with cautious reservations, began to introduce Social Credit ideas into his Sunday afternoon religious broadcasts. In January, 1933, he prepared a series of mimeographed lessons, which in the main were incisive summaries of Douglas's earlier books, for use as the basis of discussion in a study group he organized in the Bible Institute. In the spring he held a number of meetings in various halls and schools in the

suburbs of Calgary; and he published and sold extensively a pamphlet, *The Douglas System of Economics*. Leaving the study group in the Bible Institute during the summer months in the hands of several ardent followers whom he had instructed during the winter, Aberhart and the secretary of the Bible Institute, Mr. Ernest C. Manning, made a speaking tour of southern Alberta. Almost 95 per cent of their audiences during that summer consisted of persons who had long been listening to Aberhart's religious broadcasts, but enthusiasm rapidly began to spread beyond the religious following.

By September, 1933, hundreds of people were coming to the Institute to discuss Social Credit, and new techniques of organization had to be developed. Aberhart and his followers now began a systematic propagation of Social Credit theories throughout the city of Calgary and adjoining rural areas. As these early efforts were entirely educational, and in no sense political, he received many invitations to lecture to various Calgary groups and organizations and to many U.F.A. locals in rural districts surrounding the city. The natural outcome of all this activity was the formation of local study groups in Calgary, in the towns and cities nearby, and ultimately throughout the whole of Alberta.

Public enthusiasm for Social Credit was apparent at the annual convention of the U.F.A. held at Edmonton in January, 1934, and the delegates engaged in a hot debate on the advisability of forcing their government in Edmonton to introduce Social Credit legislation immediately. But there was grave dissension within the U.F.A. organization owing to the presence in its ranks of many supporters of the Cooperative Commonwealth Federation which had been founded at Calgary in 1932. During the winter of 1934, Aberhart and his followers held so many meetings, and the movement developed such strength, that the U.F.A. government very reluctantly invited him, along with others, to give evidence before the Agricultural Committee of the Legislature on the feasibility of introducing Social Credit legislation in Alberta. A petition signed by 12,000 people was offered as testimony of the wide appeal of Social Credit; many U.F.A. locals, Social Credit groups, and various clubs forwarded resolutions to members of the legislature.¹ At the height of the investigation, Major Douglas himself came to Alberta, addressed a vast and memorable meeting in Calgary, and expounded Social Credit at length before the Agricultural Committee.

In the midst of the popular excitement over the Social Credit theories of monetary reform, there occurred the first of three serious schisms within the movement. Many of the members of the New Age Club, the most intellectual of all the Social Credit study groups, had contended for several months that Aberhart was not a strict disciple of Douglas, and that the Social Credit monetary theories could not be applied in the provincial sphere under the British North America Act. The Social Credit Secretariat in London seems to have

¹For an analysis of the response of the people during the period from 1932 to April, 1935, see John A. Irving, "Psychological Aspects of the Social Credit Movement in Alberta" (*Canadian Journal of Psychology*, vol. I, 1947, pp. 17-27, 75-86, 127-40). Acknowledgment is made to the editor of the above journal, Dr. John A. Long, for permission to incorporate into the preceding pages certain material describing the early phases of the movement.

shared in this view, and in February, 1934, Aberhart relinquished to his chief critic in the New Age Club, Gilbert McGregor, the presidency of the Central Council, the executive group which at that time controlled the movement. This schism, although it had many of the marks of a struggle for power, was nevertheless of very great importance, for its outcome determined that Aberhart, and not Douglas, was to be the chief inspiration of the Alberta movement. Within two months, the new president realized that he could accomplish little without the remarkable propaganda facilities of the Bible Institute and Aberhart's large, enthusiastic personal following. In April, public demand forced Aberhart's return as president of the Central Council and leader of the Social Credit movement. McGregor and most of the New Age Club members then formed an opposing organization known as the Douglas Social Credit League, which established its own newspaper, the *Douglas Social Credit Advocate*. In referring to this controversy, Aberhart's followers always insist that they merely "brushed aside" an insignificant minority group within the movement; but the idea of "Douglas Social Credit" as distinguished from "Aberhart Social Credit" could not, as we shall see, be so easily dismissed.

The bitter controversy within the inner circle of the movement, and the expected favourable report of the legislative investigation produced a temporary lull in the mounting popular excitement during the spring of 1934. Early in the summer of 1934 two important moves were made by the hard-pressed U.F.A. administration in Edmonton: the report of the legislative investigation, which was definitely hostile to the Social Credit proposals, was published and widely circulated; and, upon a reorganization of the Cabinet, the premier and his minister of public works (both of whom had been involved in law-suits touching their personal conduct) resigned. Amid the public outcry over the moral *débâcle* within the U.F.A. Cabinet, and the public disapproval of the negative results of the legislative enquiry, Aberhart returned to the leadership of the Social Credit movement with redoubled vigour. He and Manning spent the whole summer of 1934 on a second speaking tour which took them into almost every inhabited part of the province south of Edmonton: disciples who were prepared to engage in equally strenuous speaking tours appeared on all sides. The movement was consolidated further by the founding of a weekly newspaper, the *Social Credit Chronicle*, and by the development in the autumn of the famous "Man from Mars" series of week-night radio discussions of economic problems. Throughout all this intense educational activity there was still no hint of the formation of a political organization, and Aberhart constantly stated that he had no personal political ambitions. But during the autumn of 1934 there was an increasingly urgent demand from the masses of the people that a Social Credit political party should be organized to contest the provincial election which had to be held by the following August at the latest. In spite of pressure from his followers, Aberhart was so reluctant to take the extreme step of forming a new political party that he urged the leaders of the three existing political parties to include the Social Credit monetary theories in their platforms. The Conservatives were unequivocal in their opposition to Social Credit; the Liberals promised to give the theories careful

study but would make no further commitments; at their annual convention in January, 1935, the U.F.A. leaders debated with Aberhart for hours, and finally voted almost unanimously against the Social Credit proposals. The pressure from the people to transform the Social Credit movement into a political party now became so great that Aberhart realized it could not much longer be resisted. But he still hesitated to take the final step. To meet what he considered to be the moral needs of the hour he sent out clarion calls over the radio for "One Hundred Honest Men"; to determine more accurately the extent of Social Credit support he organized a straw vote. The results were beyond his most optimistic expectations: honest men, who were prepared to fight to the utmost for Social Credit, were named by the score; the results of the straw vote indicated that in many communities 93 per cent of the people were prepared to vote for the adoption of the Social Credit monetary theories. Aberhart was now convinced that a Social Credit party would be victorious in the forthcoming provincial election and in April, 1935, the Southern and Northern Alberta Social Credit Leagues met in Calgary and Edmonton. These enthusiastic conventions, which were made up largely of delegates from Social Credit study groups, voted to go into politics and gave almost supreme power to Aberhart to develop the tactics for the election. What had been a social movement now became a political party, but behind the party there remained always the inspiration of the social movement.

The decision to take the movement into politics produced a surging response from the people, and within a few weeks scarcely anyone in Alberta remained unaffected by the Social Credit propaganda. The number of secondary leaders who came forward to spread the doctrine was one of the most astonishing features of the movement. Between three and four hundred "Honest Men," who had been carefully selected from the names sent in earlier to Aberhart, now emerged as the principal organizers of the provincial constituency conventions, and many of them were subsequently nominated as candidates. But the secondary leaders were by no means confined to Aberhart's religious following: they were drawn from town and country alike, and included farmers, small business men, teachers, clergy, and a few physicians, dentists, and lawyers. Their critics asserted that the average local leader in the movement was a man who had previously taken no part in politics and who was "sub-standard" in his thinking about economics. Aberhart had realized that the entrance of the movement into politics would attract the type of opportunist who is always waiting to climb on a new bandwagon, and he made a rule that no one who had been associated as a leader with any of the other political parties could be a Social Credit candidate in the election. The rigid application of this principle naturally brought to the front a new group of men, most of whom were entirely inexperienced in politics.

One of Aberhart's most successful devices, which was calculated to keep everybody working enthusiastically for the movement until at least official nomination day, was his method of selecting candidates. Douglas has always maintained that the people should be primarily concerned with *results* rather than with the *method* of attaining results. Aberhart argued that the people in a constituency were not electing a man but voting for a set of principles. In

accordance with this doctrine, each constituency convention was asked to nominate four or five possible candidates, each of whom was subsequently interviewed by an advisory committee composed of representatives from the constituency and the province at large. Critics of the movement claimed that Aberhart personally made the final choice in a dictatorial manner, but his eager followers considered that such an accusation was merely comic. In spite of violent criticism from the opposition parties, this method of selecting candidates persisted until after Aberhart's death, but it was dropped by Manning in the election of 1944.

Faced with an overwhelming social movement, the opponents of Social Credit were guilty of serious tactical blunders. The Liberals, who were making their greatest effort to return to power since the disastrous collapse of 1921, remained evasive: their leaders, hoping for support if group government should be necessary, hesitated to alienate the Social Crediters, and in general directed their attack almost entirely against the greatly weakened U.F.A.; in fact, the Liberals finally went so far in their efforts to win support from the new movement that, in their appeal to the people, they pledged themselves, when returned to power, to employ three expert Social Credit advocates to carry out a complete investigation of the schemes proposed by Aberhart, and to evolve and submit a plan to the new legislature for the application of Social Credit to Alberta.

Coerced by the people's enthusiasm for Social Credit, the U.F.A. government summoned the Agricultural Committee of the Legislature, for the second year in succession, to hear the evidence of experts in law and economics on the constitutionality and economic aspects of Social Credit. But the subsequent publication of another legislative report hostile to Social Credit merely seemed to increase the momentum of the movement. The desperate U.F.A. leaders, in spite of the negative vote of their annual convention only a few months previously, now proceeded to bring back Douglas himself under contract as their technical adviser. By this manoeuvre they hoped to secure from Douglas a repudiation of Aberhart's interpretation of Social Credit and a definite statement that his monetary theories could not be applied in the provincial sphere. Coincident with Douglas's arrival in Edmonton, both the constitutional issue and Aberhart's understanding—or lack of understanding—of Social Credit were being hotly debated by all sides over the radio and on public platforms. If the U.F.A. believed that Douglas would resolve this great debate in their favour, they were greatly mistaken. Far from denouncing Aberhart's position, the shrewd Douglas merely dramatized anew for an ever-increasing following the basic theories of Social Credit; and before leaving for England in June he published in the *Social Credit Chronicle* an unequivocal statement that there were no essential differences between Aberhart and himself.

Realizing, unlike the Liberals, that the Social Crediters were the real challengers in the election, the U.F.A. campaigners, in spite of Douglas's announcement, continued to insist, tediously and tirelessly, that Aberhart had no genuine understanding of the principles of Social Credit and that, in any event, the attempt to apply Douglas's monetary theories in Alberta would immediately be invalidated by the courts under the existing Canadian consti-

tution. Their position was considerably weakened in the eyes of the people by the known adherence of certain of the U.F.A. federal members to Social Credit principles, and by the failure of most of their speakers to condemn Aberhart's proposals outright. When challenged by the U.F.A. to state precisely how he would apply Social Credit in Alberta, Aberhart invariably argued that the people wanted Social Credit as a "result"; the method of its application would be left to experts. But in spite of his evasive attitude regarding methods, tens of thousands of people came to believe, as a result of his speeches and their reading of the *Social Credit Manual*, which he issued shortly before the election, that each adult would receive as his share of the national dividend at least \$25.00 monthly for the rest of his life. A month before the election, his followers had become so convinced of the essential rightness of their beliefs that they developed closed minds, and further discussion of the merits or otherwise of Social Credit was no longer possible. At this point a group of business and financial leaders realizing, for the first time, the possibility of a Social Credit victory, formed the Economic Safety League and threw its weight against the movement. Aberhart immediately dubbed it the Comic Safety League, and characterized it as the last desperate act of the financiers, the "Fifty Big Shots," to save themselves from the wrath of a people's movement.

The new party did not need to depend upon the weaknesses of its opponents for victory in the tumultuous election campaign of 1935. With charismatic leadership, a positive philosophy, and superb techniques of organization and promotion, the Social Credit movement developed into an avalanche that swept everything before it. The massive strength of the movement, apart from Aberhart and the Douglas theories, was based upon the study groups. When public enthusiasm for Social Credit was approaching the stage of mass hysteria a few weeks before the election, there were sixty-three groups in Calgary alone, and some 1,600 in the whole province. In addition to their functions as dynamic nuclei of propaganda in almost every city block or rural district, they were the principal media through which funds were raised for the movement. Aberhart often said in later years that the groups won the election of 1935.

The struggle of the Social Credit movement for political power was successful beyond reasonable expectations: the U.F.A. was permanently eliminated as a political force in the province; the Liberal party was so crushed that it remained disorganized for the next twelve years; the Conservatives remained, as usual, a negligible factor. Of the 163,700 people who had voted for Social Credit, thousands now confidently expected that, with fifty-six supporters in a legislature of sixty-three, Aberhart would immediately introduce the necessary legislation to create in Alberta an economic paradise. It is said that the morning after the great victory several persons of central and eastern European origin were already "lined-up" at the city hall in Calgary to collect their basic dividend. Thousands of others, not quite so optimistic, interpreted Aberhart's statements to mean that the \$25.00 a month would be forthcoming within at least a year and a half.

For several years after the election there was little diminution of the popular enthusiasm which the movement had evoked. The members of the legis-

lature were in such demand as speakers that many of them found it impossible to resume their normal occupations, so insatiable was the public desire for further information concerning Social Credit. Aberhart himself, although now premier and minister of education, was constantly addressing such tremendous crowds throughout the province that no buildings large enough could be found to accommodate the people who wanted to hear him: in the smaller towns and villages he frequently had to force his way to his hotel or the place of meeting through crowd-jammed streets. To the year of his death he continued to ask his vast audiences for approval or disapproval of his government's actions and the thunderous roar of favourable applause would often shake the building. As time went on, he deliberately encouraged great mass meetings by the celebration of anniversaries, by bitter and dramatic attacks on his political opponents, and by the development of such devices as the registration for dividends and the dated stamp money experiment which were calculated to keep the people agitated and working for the movement. Events like the great insurgency of 1937 within the ranks of the movement, the disallowance of the Social Credit legislation some months afterwards, the establishment of treasury branches, the fierce controversy over the "Accurate News and Information Act," and the "bankers' toadies" incident, were all grist for Aberhart's mill: he was invariably "big" news, and until the outbreak of the Second World War his ingenious tactics kept Alberta in an almost constant state of tension if not of actual tumult. In the legislative press gallery, which had had representatives from only two Edmonton daily newspapers during the last years of the U.F.A. régime, there were, during the hectic years from 1935-9, twenty regular and several special reporters sitting in every day. Aberhart himself was frequently interviewed by newspaper representatives of international reputation, including John MacCormac of the *New York Times*. Telegraph companies were kept working overtime to clear copy, and, on one day in 1937, 35,000 words were sent out over the wires.

During nearly eight years as premier, Aberhart carried on most of his former religious activities in the Calgary Prophetic Bible Institute and continued, in a manner that infuriated his political opponents, to link the philosophy of Social Credit with the basic principles of Christianity. In addition to the familiar expositions of Bible prophecy and pre-millennial fundamentalism, his Sunday afternoon radio addresses now contained announcements and defences of government policy, as well as mocking, satirical attacks on all who in any way opposed Social Credit. His use of divine sanctions coupled with his new prestige as premier of the province assisted immeasurably in the transition of the Social Credit movement from the stage of popular excitement to the stage of formalization and still later to the stage of institutionalization.

In 1936 the Southern and Northern Conventions of the movement were formally consolidated into the Alberta Social Credit League which thereafter met annually, usually in the late autumn, as the people's arm of the political party. The League's constitution indicates the continued importance of the Social Credit study groups: throughout the years they have remained as the nucleus of the movement, and to them its leaders still direct appeals for support in time of need. Propaganda facilities were strengthened in 1936, by the

transformation of the *Social Credit Chronicle* into a new paper, *Today and Tomorrow*, which somewhat later, as *The Canadian Social Crediter*, became the organ of the national movement. Imitating the pattern of the old U.F.A. organization, the Social Credit Women's Auxiliary was organized in 1938 and has remained among the most active agencies in the propagation of Social Credit theories.

One of the most important factors in the institutionalization of the movement was the violent opposition that developed with the passage of the Social Credit legislation of 1937 and the Mortgage and Debt legislation of the following years. Although thirteen acts passed by the Alberta legislature were declared *ultra vires* by the courts or disallowed by the Dominion government, the business and financial leaders of the province now became thoroughly convinced that the Social Credit movement represented a dangerous threat to their interests, and it was not long before they began to organize a united front to defeat the Aberhart Government at the next election. The most scornful opponent of the movement was unquestionably the *Calgary Herald* which, in a series of incredibly brilliant cartoons, applied the whip-lash to Aberhart almost daily and more than once drove him to the breaking point. He retaliated by calling on his loyal supporters to boycott the paper, a strategy which seriously affected its circulation and even threatened it for a time with loss of advertising. The tactics of both Aberhart and the *Herald* in this great battle are indicative of the state of mind which developed in Alberta at the height of the movement. Lesser and more ephemeral publications, of which *The Rebel* may be selected as an example, did not hesitate to sink to the lower depths in their vilification of Aberhart personally and of the movement in general.

The most serious threat to the future of the movement, however, came not from the turbulent, external opposition but from within the ranks of the Social Crediters themselves. Shortly after the election Aberhart had attempted, in a somewhat perfunctory manner, to persuade Douglas to return and fulfil the two-year contract he had made with the U.F.A. as reconstruction adviser to the government. For months the two men, as Douglas has revealed in *The Alberta Experiment*, carried on an equivocal correspondence, alternating cablegrams of miraculous compression with letters of miraculous length. The gap between Aberhart's conception of Social Credit and that of its originator now proved wider than expected; and, in any case, *Premier* Aberhart did not relish the idea of *Major* Douglas as an active collaborator. Far from engaging an expert on Social Credit as his adviser on financial policy and business administration, the premier shocked many of his supporters by bringing to Alberta an entirely orthodox financier, R. J. Magor, who had previously put Newfoundland's government on a better financial and administrative basis.

Faced with an empty treasury on their accession to power, the Social Credit members of the legislature readily accepted an orthodox budget during the session of 1936. They were encouraged regarding Aberhart's ultimate intentions when he defied the Money Power by defaulting on a large bond issue and when, several months later, he reduced by 50 per cent the coupon-rate of interest on all Alberta's bonds and debentures, including the bonds in default. The introduction of the so-called "prosperity certificates" later in the summer,

although in no sense a part of Douglas's Social Credit plan, also appealed to thousands of people as evidence that drastic action was imminent. During the early winter, however, criticism of the Government for its delay in introducing Social Credit legislation increased among the less fanatical followers of Aberhart: the mounting tension was not eased by the arrival and sudden departure of John Hargrave, a colourful leader of the London Greenshirts, a group affiliated with the Douglas movement in England.

Criticism reached the boiling point only after eighteen months had passed and Social Credit was yet non-existent in Alberta. The province was still in the midst of the depression; although thousands of hungry people continued to exhibit a blind loyalty to Aberhart they began urging their representatives to insist on immediate Social Credit legislation. During the debate on the speech from the throne on the opening of the legislature in 1937, about twenty Social Credit members began holding closed meetings nearly every night in Edmonton hotel rooms. When the budget was presented by the Honourable Solon E. Low, the new provincial treasurer, the subject of the secret meetings was revealed. An insurgency had broken out. The insurgent Social Crediters charged that the Government had brought down merely a second orthodox budget, rather than one based on the credit of the province that would provide for the payment of the basic monthly dividend of \$25.00. One after another of the insurgents arose in the House and demanded that Aberhart implement his promise to put Social Credit into effect within eighteen months after his election. The Government was narrowly sustained in several recorded votes, but the insurgency was strong enough to prevent the passage of the budget and to force an adjournment of the legislature until June.

Aberhart's attempts to pacify the insurgents by insisting that he was giving good administration were unsuccessful: they were in deadly earnest and demanded that qualified economic assistants be obtained at once so that Social Credit reforms could be instituted. Although a resolute, determined leader, Aberhart was forced, after considerable personal bitterness had developed on both sides, to agree to the appointment of a Social Credit Board, composed of five members of the legislature, the object of which would be the achievement of Social Credit in Alberta. The Chairman of the Board, Glen L. MacLachlan, then made a pilgrimage to England to try to induce Douglas to come to Alberta and assist in working out a plan for the institution of Social Credit. Douglas declined, but recommended two of his associates, G. F. Powell and L. D. Byrne, both of whom arrived in Edmonton for the re-convening of the legislature in June.

When the Social Credit Board was set up, both the insurgents and loyalists agreed to a truce until its chairman should return from England. But it was not long before both sides had taken their case to the people: the insurgents have always claimed that Aberhart was the first to break the truce by denouncing them in one of his Sunday afternoon religious broadcasts. Great mass meetings were held once again throughout the province: loyalist speakers frequently sought to state their position immediately after the insurgents had spoken, or if that privilege was refused they would hold another meeting in the same town the following night. The insurgents tried to put Aberhart at a

disadvantage by outdoing him at his own techniques of mass appeal, but his position as prophet of the movement generally gave him the better of the bitter controversy. The loyalists charged that the insurgents were merely ambitious men, who were either seeking Cabinet posts if Aberhart's administration should fall or had been bribed by the Money Power to destroy the movement. The insurgents retaliated by questioning Aberhart's understanding of Douglas's theories and suggesting that he had truckled to the Money Power in taking advice from Magor, the Money Power's nominee.

The people, on the whole, were shocked and mystified by the disloyal attitude (as they supposed) of the members who challenged Aberhart's leadership: they refused to believe that he was merely marking time, and on at least one occasion resorted to stoning the insurgent speakers as an indication of their disapproval. As the months went by both insurgents and loyalists, having grown tired of endless stormy meetings, found the necessary pretext for healing the schism in MacLachlan's return from England with Powell (followed shortly thereafter by the arrival of Byrne), as well as in Aberhart's solemn promise that a special session of the legislature would be held in August to implement the recommendations of the Social Credit experts. As a formal indication to the people that the family quarrel was over Powell arranged for the Social Credit members of the legislature to sign a pledge that they would uphold the Social Credit Board and its technicians, and would work thereafter in harmony for the attainment of their common objectives. Magor and two cabinet ministers, who had never really been disciples of Aberhart, proved to be convenient scapegoats, and the public uproar created by the insurgency slowly subsided, although the essential differences between the followers of Douglas and the followers of Aberhart remained unresolved. The insurgency was the driving force behind the celebrated Social Credit legislation of 1937, the disallowance of which has formed the subject of so much controversy.

If the Social Credit, and Mortgage and Debt, legislation pacified the insurgents, it terrified the financial and business interests of Alberta whose representatives, infuriated by what they considered was a thoroughly high-handed attitude in Aberhart's dealings with them, now proceeded to give wide currency to the view that he was the leader of a Canadian form of fascism. His attempt to change the status of the Royal Canadian Mounted Police in the province, coupled with the "press gag" legislation, lent further strong support to this accusation, and also caused the newspapers to redouble their attacks on him. Organized opposition to the Social Credit movement crystallized around the People's League, which developed into the Unity movement and finally emerged as the Independent party. Within the Independent party, as the bitter election of March, 1940, drew near, were included Liberals, Conservatives, and all others who were opposed to the Social Credit movement except the supporters of the Cooperative Commonwealth Federation, which was slowly and painfully developing from an alliance of labour groups with the socialistically minded members of the U.F.A.

During his second election campaign, Aberhart attributed his failure to introduce Social Credit to the Dominion government: under the influence of the Money Power it had sabotaged his constructive legislation. As the depres-

sion had not yet lifted, he was able to use again the shop-worn slogans of 1935 and make an issue of debt: he promised that, with more time, he could yet effectively destroy the power of the embattled Money Barons and pay the long over-due basic dividend. The Independents had no constructive programme to offer the people. Their one cry was, "*Throw out Aberhart!*" The very violence of the *Calgary Herald's* personal attacks on the premier caused many wavering Social Crediters to rally behind their old leader, and thousands of members of the League gave him the same unquestioning loyalty and enthusiastic support as in 1935. Apart from their lack of any positive policy, the greatest weakness of the Independents consisted in their association with the more prosperous classes of Edmonton and Calgary: although this connexion gave them a fairly large following in most of the urban centres, it proved an insuperable handicap in the rural, and especially the dried out, areas. Yet for all the weaknesses of the Independents, the Social Credit party almost lost the election. The issue was so close that a shift of only 1,000 votes, properly distributed in ten constituencies, would have led to Aberhart's fall. As it was, the Social Crediters won thirty-six of the fifty-seven seats in the new legislature.

Shortly after the election, the German Army began its great *blitzkrieg* in Western Europe. Aberhart, severely shaken by the insurgency, as well as by his near electoral defeat, realized that the people had become weary of the long years of political turmoil. He shrewdly suggested that the energies of all should now be devoted to Canada's war effort; and it would appear that some sort of agreement was reached that no further controversial Social Credit legislation would be attempted until the war was over.

Certain tendencies that were developing in the Social Credit movement had been clearly revealed as a result of the campaign of 1940. Many people who were interested only in the economic theories of Social Credit were beginning to object strongly to Aberhart's constant mixture of religion and politics, especially in his Sunday afternoon broadcasts. The halo that had formerly surrounded the leader had been somewhat dimmed by his fierce quarrel with the insurgents and his failure to cope successfully with the Money Power. Many of the Social Credit study groups had begun to lose their enthusiasm: people were growing tired of constantly attending meetings merely to hear the same doctrines expounded over and over again. The formalization of the media of propaganda served to enchannel the earlier popular enthusiasm into more determinate patterns of response. The rise of the C.C.F. movement was slowly draining away from Social Credit its genuine left-wing supporters: immediately after the election of 1940, a defeated Social Credit candidate who had been one of Aberhart's most tireless supporters joined the C.C.F. and began to work enthusiastically for socialism; still others deserted Social Credit through disillusionment with its doctrines or because of personal disappointment in not receiving satisfactory governmental appointments for long years of loyal effort. Finally, political power was tending more and more to turn a popular movement into a highly institutionalized political party: it was not only the Independents and socialists who asserted, at the height of the campaign of 1940, that the Social Credit movement had become "just another political party." The process of institutionalizing a remarkable social movement was

completed, for all practical purposes, when Aberhart's death, in May, 1943, led to the selection, not by a representative convention but by the Social Credit members of the legislature, of his chief lieutenant, the Honourable Ernest C. Manning, as leader of the party and the movement. In his initial address, the new premier gave a pledge to his followers that the fight for Social Credit would never be given up and that the effective control of the monetary system would eventually be taken from private, monopolistic interests and restored to the people's democratically elected representatives. He also promised, while carrying on the fight for permanent social justice and economic security, to give the best possible administration in every department of government.

Aberhart's death gave the waning Social Credit movement a new impetus in that it attracted supporters from unexpected quarters. The more prosperous classes of the province, headed by the business and financial interests, had developed over the years such embittered attitudes toward the late leader that they could never have joined hands with him to oppose the rising C.C.F. movement. But they entertained no such personal hostility to Mr. Manning, although they knew full well that he had long been Aberhart's ardent disciple in both religion and politics. The invalidation of Social Credit legislation by the courts and the attitude of the Dominion government had convinced them also that they no longer had anything to fear from Manning's Government, whereas the accession of the C.C.F. to power might become a real threat to the continuance of the present economic system. The new premier was enthusiastically received by service clubs and other business men's organizations: his friendly manner and his persuasive defence of Social Credit against socialism led to an entirely new alignment in the provincial election of 1944.

No sooner had the election been called than Mr. Manning, taking his cue from certain large city newspapers, announced that the only significant issue was socialism. In the campaign that followed, the philosophy of Social Credit was thoroughly unmasked for the first time in Alberta: Douglas, its originator, turned out to be in reality no radical at all but the most rugged individualist, an arch conservative; for him, capitalism was the ideal form of economic organization, provided only that its monetary system could be changed. Accepting literally Mr. Manning's rightist interpretation of Social Credit and his frequently repeated statement that he sincerely wanted "to make Capitalism work," and convinced also that they could depend on him to give good government, thousands of people who feared socialism deserted the Independents and voted for the party which they had opposed so energetically only four years before. When the election was over the Independent party had been well-nigh destroyed, and the Social Crediters were returned to power with an even more overwhelming majority than that of 1935.

Three important trends in the Social Credit movement were revealed by the third election: its philosophy, which had hitherto been masked by seemingly radical monetary theories, no longer appealed to a considerable number of leftists who now turned to socialism; the support which it had drawn from the propertied classes more than made up for defections to the C.C.F.; the undimmed enthusiasm of thousands of its original members, although the movement had become strongly conservative, seemed to indicate that Social

Credit would long remain a powerful factor in Alberta politics. During the campaign, the C.C.F. had suffered from poor organization and inadequate funds, but it had become the second strongest party in Alberta and was recognized as the only effective opposition to the Social Credit movement. Mr. Manning and his associates realized clearly that, if their movement was to survive, they must in the future shatter the Socialists as they had previously shattered the United Farmers and the Independents. Confronted with the challenge of another people's movement, the propaganda for Social Credit has, since 1944, taken on almost entirely the character of a crusade against socialism.

In the struggle with socialism during the campaign of 1944, Social Credit leaders had said little about basic dividends and the just price, partly because of the general understanding that such controversial issues would remain dormant for the duration of the war, partly because these doctrines would have disturbed those whom they hoped to attract from the Independent party. But over the years many of the original members of the movement had cherished the hope of basic dividends and, as soon as possible after the war ended, they revived at the annual meeting of the Social Credit League in December, 1945, the whole question of the legislative implementation of Douglas's monetary theories. There is reason to believe that the lively, almost revolutionary, statements made at the convention were inspired by certain cabinet ministers as a technique for retaining control of the discussion. At the same time, there can be no doubt whatever that the demand for the Government to keep Aberhart's promises of 1935, by paying the basic dividend, had a genuine source in the growing unrest and agitation among the people themselves. The League, in no uncertain terms, gave the Government instructions to carry out its long promised programme and also made clear that its members wanted most especially the basic dividend, now ten years overdue. Responding immediately to the popular demand, the Government presented the people with the Bill of Rights.

The new Charter of Freedom gave both a statutory declaration of the just rights and responsibilities of the citizens of Alberta and outlined the methods by which those rights could be realized in actual experience: it promised social and economic security with individual freedom to everybody. Its most spectacular feature was the offer of a social security pension and medical benefits to everyone between the age of nineteen and sixty who was unable to obtain employment or who was disabled; at the age of sixty every citizen would be entitled to retire and receive similar benefits. By an adequate "Social Security Pension" was meant, in terms of the price level of 1945, a payment to the individual concerned of an annual income of not less than \$600 a year, or a minimum income of \$1,200 for a married couple. The second part of the Bill contained an elaborate description of the Social Credit techniques by means of which money would be made available to the government to pay the pensions and medical benefits. An unusual feature of the Bill, which created considerable cynicism among non-Social Crediters concerning the good faith of the Government, was the provision that before being proclaimed it should be tested by the courts.

Printed copies of the Bill of Rights were widely distributed by members of the legislature and by the Social Credit Board. Its contents were thoroughly discussed at meetings of groups and constituency organizations but, unlike the earlier Social Credit legislation, it aroused neither great enthusiasm from within the movement nor violent antagonism from without. An informal straw vote conducted by the members of the legislature indicated that over 95 per cent of the people interviewed favoured the Bill, although to a certain number of pure Douglasites it seemed to bear the taint of socialism. The Bill was presented to the annual meeting of the Social Credit League in 1946 as evidence of the strong intentions of the government to overthrow the "Financiers," but the delegates exhibited little excitement. There was a widespread feeling that the Bill would be declared *ultra vires*, and when the expected adverse judgment of the Supreme Court of Alberta was confirmed by the Privy Council in mid-summer, 1947, the decision was received apathetically by most Social Crediters. Certain of them felt that the post-war prosperity had, in any case, made basic dividends unnecessary: Social Credit was not primarily a monetary theory but a way of life. The majority still felt, however, that there must surely be some way by which Douglas's monetary theories could be implemented, and much speculation arose concerning the future course of the movement.

As they faced the future in the late summer of 1947, the Social Credit leaders could no longer ignore, as they had tried to do for several years, the fact that deep within the structure of the movement there had developed another dangerous schism. The serious internal dissension with which they were confronted can best be understood in terms of an analysis of the media and the content of Social Credit propaganda which existed at that time.

In addition to the provincial and national leaders and members of the Alberta legislature and the House of Commons, the principal media of propaganda were the Social Credit League, the *Canadian Social Creditor*, and the Social Credit Board. The leaders of the movement, as well as the M.L.A.'s and M.P.'s, were tireless in their efforts to promote Social Credit ideas, missing no opportunity of addressing any available group either in Alberta or elsewhere in Canada. The Social Credit League, on the other hand, appeared moribund: although it still met annually and passed resolutions for governmental consideration, its deliberations and actions (apart from the upsurge in 1945) had not for years inspired much enthusiasm among its membership, which had decreased considerably since 1940. In the early years of the movement the study groups had been its dynamic foundation, but they had also declined both in numbers and importance. For many Social Crediters the old group life had been replaced by the more institutionalized constituency organization which was taking on more and more the appearance of an old line party machine. The weekly newspaper, the *Canadian Social Creditor*, now had a national circulation, and was in the hands of John Patrick Gilless, a young and energetic editor who lost no opportunity of presenting to his readers the latest developments in Douglas's theories and their significance for the interpretation of provincial, national, and especially international events. Among its organs of propaganda, a unique feature of the movement was the Social Credit Board which had been set up by legislative action after the great insurgency of 1937.

Technically a committee of the whole legislature, financed by public funds, and theoretically non-partisan, the Board had become in actual practice the philosophical arm of the Social Credit movement. It was the principal and, apart from the newspaper, the only agency through which Douglas's developing ideas were systematically filtered through to the people. The four or five members of the Board, who were members of the legislature, gave numerous public addresses and exhibited pictures and films illustrating the basic principles of Social Credit; they also wrote occasional pamphlets and served as a centre for giving wide distribution to Douglas's books and articles. The activities of the Board, so obviously associated with the interests of one political party only, inevitably gave rise to the criticism that such an identification of the party with the state was fascism in its purest form. Douglas had originally sent out two associates to serve as technical advisers of the Board: after a stormy career ending with a term in prison for his part in the "bankers' toadies" incident, Powell returned to England. Byrne, a strict disciple of Douglas, then became and remained for ten years the principal intellectual force behind the Board's activities, a hidden hand, but a *recognized* hidden hand. Probably his most important task was to give some genuine understanding of Social Credit to the M.L.A.'s and M.P.'s and subsequently to the people in general. He inspired, if he did not actually write, the reports which were presented annually to the legislature by the Social Credit Board. It was the submission of the tenth report in the spring of 1947 that precipitated the most recent crisis within the movement.

As we have already pointed out, there are three aspects to Douglas's philosophy: a monetary theory, a political theory, and an interpretation of history. During the middle and late thirties the second and third aspects began to appear more prominently in Douglas's writings than the monetary theories. He had apparently concluded, even before Aberhart came into power, that the grip of international finance was so unshakable that nothing short of a transformation of democracy and of the organization of the world in general would make it possible to put his monetary theories into practice. The changed emphasis in Douglas's position had already begun to appear in *Today and Tomorrow* as early as 1939, and it was reflected in the report of the Social Credit Board for the following year. Although the Board's reports were supposed to give a review of the progress made in the realization of the Social Credit monetary theories in Alberta and to explore possibilities for the future, from 1941 on more and more space was devoted to criticism of the functioning of the democratic process and to an analysis of the international situation. It is noteworthy that the Board viewed every proposed form of international co-operation, including Dumbarton Oaks, Bretton Woods, the United Nations, UNRRA, and UNESCO as indisputable evidence of the existence of the international Masonic-Judaic conspiracy, in league with high finance and communism, to secure control of the world by destroying nationalism, private enterprise, capitalism, and Christianity.

Inspired by Douglas's latest writings, the Board's analysis of problems in these terms reached a climax in its sensational report of 1947. After calling attention once again to the existence of the conspiracy, the report reviewed and

analysed the various techniques by which the World Plotters had developed and extended their monopolistic control in both the financial and political spheres with world dictatorship as their ultimate goal. Realizing that freedom of the individual was their greatest obstacle, the Plotters had launched a planned attack against such freedom by encouraging socialism, communism, atheism, materialism, totalitarianism, and the weakening of the British Empire. The report asserted that any "programme for action" must begin with a criticism of democracy *as it functions at present*: majority rule, the secret ballot, and the political party system must all be abolished for they have become instruments, not of genuine democracy, but of the World Plotters. Political parties should be replaced by a union of electors with three objectives: "to state the results wanted from the management of the affairs of the country in all spheres affecting the lives of the People; to control the elected representatives of the people *at all times* [not merely on the day of an election] and through them, all of the People's governing bodies,—local, provincial, and national; to insist on and enforce obedience to the will of the People on all matters of Policy [results]." Only in this way, the report concluded, could a genuine Christian democracy be established and security with freedom be enjoyed by everyone.

The report produced an uproar in the Social Credit caucus which had been given no knowledge of its contents prior to its submission to the legislature; and it caused a critical re-evaluation of Douglas's theories throughout the movement and the country at large. Immediately after the close of the session, the party caucus issued a statement in which it reaffirmed its unswerving allegiance to the principles of Social Credit as enunciated by Aberhart, while at the same time it dissociated both itself and the movement in Alberta "from any statements or publications which were incompatible with the established British ideals of democratic freedom or which endorsed, excused, or incited anti-Semitism or racial or religious intolerance in any form." In the repudiation and condemnation of the world conspiracy theory of Douglas, the lead was given by Premier Manning.

But the storm would not blow over so easily, and it soon became evident that two sharply opposed factions, known as the realists and the Douglasites, had been developing within the movement during the past few years. The realists thought of Social Credit essentially in terms of Douglas's earlier monetary theories as propounded by Aberhart, and considered it suicidal to attack majority rule, the secret ballot, and the party system. The Douglasites, on the other hand, thought of Social Credit primarily in terms of the Jewish world conspiracy and insisted that it was essential to establish a union of electors without delay—for many of them, the monetary theories were no longer of immediate importance. Wherever one looked at the movement the conflict between the two factions was unmistakably evident—within the Cabinet, among the members of the legislature and the House of Commons, among the members of the Social Credit Board, among the staff of the official newspaper, and finally, among the members of the Social Credit League.

During the summer of 1947 the leaders of both groups, while they glared at each other across an ideological chasm, still entertained the hope that they might continue to work together in harmony for the movement in its crusade

against socialism. But the differences in their interpretation of Social Credit ultimately proved irreconcilable. In the early autumn the premier and his associates skilfully began a carefully planned purge which has resulted in the removal from power or office of most of the Douglasites and their replacement in the cabinet, on the staff of the newspaper, and elsewhere by realists. The Social Credit Board itself was liquidated in March of this year; and even Byrne, whom many Social Crediters thought of as Douglas's personal representative, was dropped both as technical adviser and as deputy minister of economic affairs. The dismissal of Byrne and the "resignation" of the editor of the *Canadian Social Crediter* broke the last links (which had been growing steadily weaker since Aberhart's death) of the official Alberta movement with Douglas. The author of the Social Credit theories now proceeded to belabour the realists in his Liverpool weekly, the *Social Crediter*; and his strict disciples in Alberta, although deprived of their official positions, continued the propagation of their doctrines by organizing the Edmonton Council of the Douglas Social Credit Movement of Canada. In their new journal, the *Social Credit Challenge*, the Douglasites leave one with the impression that they believe the World Plotters are directly responsible for separating the premier of Alberta from Douglas as well as for dividing the movement.

It is too early to assess the impact of the third schism within the movement upon its future. But it is safe to say that Douglas's proposals for monetary reform mark the limits to which his teachings can hope to obtain general acceptance in Alberta. Such a limitation is not surprising if one remembers that monetary reform had become a preferred group tendency in the province long before the rise of the Social Credit movement; and, apart from obvious considerations such as the economic and political situation in Alberta and the remarkable leadership of Aberhart, this has been the determining tendency both in the origin and the evolution of the movement, when one examines it in historical and social psychological perspective.

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