

= 1937 Social Credit backbenchers ' revolt =

The 1937 Social Credit backbenchers ' revolt took place from March to June 1937 in the Canadian province of Alberta . It was a rebellion against Premier William Aberhart by a group of backbench (not part of the cabinet) members of the Legislative Assembly (MLAs) from his Social Credit League . The dissidents were unhappy with Aberhart 's failure to provide Albertans with C \$ 25 monthly dividends through social credit as he had promised before his 1935 election . When the government 's 1937 budget made no move to implement the dividends , many MLAs revolted openly and threatened to defeat the government in a confidence vote .

The revolt took place in a period of turmoil for Aberhart and his government : besides the dissident backbenchers , half of the cabinet resigned or was fired over a period of less than a year . Aberhart also faced criticism for planning to attend the coronation of George VI at the province 's expense and for stifling a recall attempt against him by the voters of his constituency .

After a stormy debate in which the survival of the government was called into question , a compromise was reached whereby Aberhart 's government relinquished considerable power to a committee of backbenchers . This committee , dominated by insurgents , recruited two British social credit experts to come to Alberta and advise on the implementation of social credit . Among the experts ' first moves was to require a loyalty pledge from Social Credit MLAs . Almost all signed , thus ending the crisis , though most of the legislation the experts proposed was ultimately disallowed or struck down as unconstitutional .

= = Background = =

In the midst of the Great Depression , Calgary schoolteacher and radio evangelist William Aberhart became a convert to a British economic theory called social credit . Believing it could end the depression and restore prosperity , he began to promote it around Alberta . When the provincial government proved resistant to adopting it , Aberhart resolved to field social credit candidates in the 1935 provincial election . These candidates won 56 of the province 's 63 seats , and Aberhart became Premier of Alberta .

In the runup to the campaign , Aberhart promised to increase Albertans ' purchasing power by providing monthly dividends to all citizens in the form of non @-@ negotiable " credit certificates " . While he did not commit to any specific dividend amount , he cited \$ 20 and , later , \$ 25 per month as reasonable figures . Though he noted that these figures were given " only for illustrative purposes " , he repeated them so often that , in the assessment of his biographers David Elliott and Iris Miller , " it would have been impossible for any regular listener not to have gained the impression that Aberhart was promising him \$ 25 a month if Social Credit should come to power . "

Aberhart had been in some conflict with C. H. Douglas , social credit 's British originator . Douglas , while assiduously avoiding specific comment on the Albertan proposals , submitted them to his Social Credit Secretariat for review ; it found them to be " fallacious from start to finish . "

By the end of 1936 , Aberhart 's government had made no progress towards the promised dividends , leaving many Albertans disillusioned and frustrated . These Albertans included some of Aberhart 's own Social Credit MLAs , who had been elected on the promise of dividends and were angry at Aberhart 's failure to follow through . Some of them felt that , while the idea of social credit was sound , Aberhart lacked a real understanding of Douglas 's theory and could not implement it . These MLAs wanted Douglas or somebody from his British organization to come to Alberta and deliver on Aberhart 's campaign promises . One such MLA , Samuel Barnes , had been expelled from the Social Credit caucus and from the Social Credit League for voicing these views .

= = Genesis = =

In December 1936 , John Hargrave , the leader of the Social Credit Party of Great Britain and Northern Ireland , visited Alberta . While he had been disowned by Douglas , many MLAs frustrated with Aberhart saw Hargrave as their saviour . On arrival in Alberta , he met with Aberhart and his

cabinet , who told him that the Canadian constitution (which made banking a matter of federal , rather than provincial , jurisdiction) was an obstacle to their introducing social credit . Hargrave proposed a plan for implementing social credit in Alberta ; while he acknowledged that it was unconstitutional , he believed that the federal government would not dare enforce its jurisdiction in the face of broad popular support for social credit . After he presented his plan to a group of Social Credit MLAs , the news media began to report that Aberhart intended to implement a radical and unconstitutional set of laws . Aberhart immediately disavowed any " intention of drastic legislation " and , after studying Hargrave 's plan , announced that neither he nor his cabinet supported it .

Despite this statement , the Social Credit caucus invited Hargrave to explain his plan , which he did to the approval of many caucus members . Attorney @-@ General John Hugill pointed out that the plan was unconstitutional , to which Hargrave replied that he was " not interested in legal arguments . " Two weeks later , Hargrave left the province , telling the press that he " found it impossible to co @-@ operate with a government which [he considered] a mere vacillating machine . " In this message , some MLAs found confirmation of their misgivings about Aberhart . A group of them , reported as numbering anywhere from five (" soon joined by eight or ten others ") to 22 , began to hold meetings in Edmonton 's Corona Hotel to , as Brian Brennan puts it , " plot Aberhart 's downfall " . Brennan identifies their leader as Pembina 's Harry Knowlton Brown , while T. C. Byrne names Ronald Ansley , Joseph Unwin , and Albert Blue .

To make matters worse for Aberhart , Minister of Lands and Mines Charles Cathmer Ross resigned late in 1936 , followed by Provincial Treasurer Charles Cockroft on January 29 , 1937 . Neither minister 's resignation was directly related to the dissidents ' complaints : Ross resigned over disagreements with Aberhart on oil policy , while Cockroft left over a combination of ill health , clashes with Aberhart over the issue of a federal @-@ provincial loan council , government investment policies , and Aberhart 's approach to patronage . Nevertheless , the resignations were the public 's first clue of dissent in Social Credit 's ranks . Cockroft 's resignation was followed by that of his deputy , J. F. Perceval , and there were rumours that Hugill and Minister of Agriculture and Trade and Industry William Chant would soon follow . This left Minister of Health Wallace Warren Cross , Minister of Public Works and Railways and Telephones William Fallow , and Provincial Secretary Ernest Manning as Aberhart 's only indisputably loyal ministers , and Manning was away from the legislature , ill with tuberculosis . On February 19 , William Carlos Ives of the Supreme Court of Alberta dealt the government another blow when he struck down key provincial legislation , including one act reducing the interest paid on the province 's bonds by half (though this was only a technical defeat , since the government had been defaulting on its bond payments since the previous April) .

On February 25 , a new session of the legislature opened with the speech from the throne , delivered by Chief Justice Horace Harvey in the absence of Lieutenant @-@ Governor Philip Primrose . Its commitment to social credit was limited to a vaguely worded promise to pursue " a new economic order when social credit becomes effective . " Three days later , on his weekly radio program , Aberhart acknowledged that he had been unable to implement the monthly dividends during the eighteen @-@ month period he had set as his deadline , and asked Social Credit constituency association presidents to convene meetings of all Social Credit members to decide whether he ought to resign . He suggested that , in light of poor spring road conditions in rural areas , these meetings be delayed until early June , during which time he would remain in office .

= = Open dissent = =

The media objected to Aberhart 's plan to place his government 's future in the hands of the 10 % of Albertans who were Social Credit members ; the Calgary Herald called for an immediate election . To many Social Credit MLAs , Aberhart 's greater offense was bypassing them , the people 's elected representatives . This was especially irksome in view of social credit 's political philosophy , which favoured technocratic rule and held that elected representatives ' only legitimate function was channelling the public desire ; by appealing directly to Social Credit members , Aberhart appeared to be denying the MLAs even this role . In the legislature , Conservative leader David Duggan called

for Aberhart 's resignation ; in a move that Brennan reports shocked the assembly , his call was endorsed by Social Credit backbencher Albert Blue .

On March 11 or 12 , Cockroft 's replacement as Provincial Treasurer , Solon Low , introduced the government 's budget . It included no implementation of social credit , and was attacked by the opposition parties as " the default budget " and by insurgent Social Crediters as a " banker 's budget " (a harsh insult given Social Credit 's dim view of the banking industry) . Ronald Ansley rose immediately to attack it as containing " not one single item that even remotely resembled Social Credit . " Blue , again echoing Duggan , threatened on March 16 to vote against the government 's interim supply bill , the defeat of which , under the conventions of the Westminster parliamentary system , would force the government 's resignation . In response , Aberhart praised Blue 's courage in speaking his mind , and called him a worthy Social Crediter .

Surprised by Aberhart 's refusal to be drawn into open conflict , the insurgents needed time to reassess their strategy . They got that time when , on March 17 , Lieutenant Governor Primrose died , necessitating a five day adjournment while the federal government selected a replacement . When the legislature reconvened March 22 or 23 , the dissidents filibustered against the budget . Albert Bourcier opened debate , and was followed by , among others , Edith Rogers , Ansley , and Wilson Cain . On March 24 , Harry Knowlton Brown moved an adjournment , which was carried over the government 's objections by a vote of 27 to 25 . Though the insurgents considered this a vote of non confidence in Aberhart 's government , he refused to resign ; he acknowledged , however , that he would do so if the budget itself was defeated .

= = Coronation and recall petition = =

Though the bulk of the revolt took place in and around the legislature over the issue of social credit and government fiscal policy , Aberhart was also under attack on other fronts . He had been invited to attend the coronation of King George VI and Queen Elizabeth , set for May 1937 in London , and planned to go . Douglas , challenged by Hargrave for the leadership of the social credit movement and under attack by some of his own followers for his lack of cooperation with the world 's first social credit government , offered to host Aberhart , and a member of Douglas 's social credit secretariat was planning a speaking tour for Aberhart . In the same speech in which he threatened to bring down the government on the supply motion , Blue attacked the trip as an extravagance that depression ridden Alberta could ill afford . Faced with a political insurgency at home , Aberhart reluctantly decided at the end of March to cancel his trip , inaccurately claiming that he had never definitely decided to go .

Such a retreat was not an option in the face of another of Aberhart 's troubles . One of Social Credit 's 1935 promises had been the introduction of recall for MLAs , which they had implemented with their first legislative act . As Aberhart 's popularity fell , the residents of his own Okotoks riding , where he had been elected in a by election shortly after the general election (in which he had not run) , availed themselves of the legislation . On April 9 their petition was endorsed by the riding 's Social Credit constituency association , and by fall it had gathered the signatures of the required two thirds of the electorate . In response , the Social Crediters repealed the Recall Act retroactive to its date of origin ; Aberhart claimed that oil companies active in his riding had intimidated their workers into signing the petition , and that some of the signatories had moved to the area specifically to sign .

= = Manoeuvring and negotiation = =

On March 29 , in the aftermath of the insurgent victory on Brown 's adjournment motion , Aberhart gave notice of closure on the budget debate . Belatedly realizing that this move would be risking his government in a vote that he might very well lose , he then announced that he would seek the consent of the legislature to withdraw his closure motion and move an interim supply motion instead . The unanimous consent needed to withdraw the closure motion was refused , and the motion itself was defeated . That evening , Aberhart negotiated with the insurgents for four hours until a

compromise was accepted : the insurgents would support the supply bill , in exchange for which the cabinet would introduce a bill amending the Social Credit Measures Act to establish a board of MLAs empowered to appoint a commission of " experts " to implement social credit .

On March 31 the insurgents kept their part of the agreement by allowing the supply bill to be passed on second reading and the budget to be hoisted for ninety days . However , when the cabinet introduced its promised bill , the insurgents claimed that it was not as agreed and refused to support it . Instead , they demanded Aberhart 's resignation and announced that they were prepared to take over the government within 24 hours . A delegation put this demand to Aberhart in the evening of March 31 ; according to them , he agreed to resign if they allowed the supply bill to pass a third reading . They did so , but Aberhart denied that he had agreed to resign and refused to do so unless he was defeated in a general election . The insurgents , leery of Aberhart 's oratorical powers and the reach of his weekly radio show , wanted to avoid an election . Even so , they rejected a motion by Low to raise their pay for the session by \$ 200 , seeing it as a crass bribe .

On April 8 or 12 , the government capitulated . Low 's Alberta Social Credit Act delivered what the insurgents wanted , including the creation of " Alberta credit " in the amount of " the unused capacity of industries and people of Alberta to produce wanted goods and services " , the establishment of " credit houses " to distribute this credit , and the creation of a Social Credit Board . The bill was passed , and the insurgents were placated , though Brown warned during a cross @-@ province speaking tour that they were determined to see social credit implemented , and " if anyone gets in our way , he 's going to get into trouble ... we must choose between principles and party , between Social Credit and Premier Aberhart . "

= = Social Credit Board and commission = =

The Social Credit Board comprised five backbenchers . Insurgent Glenville MacLachlan was chair , and Aberhart loyalist Floyd Baker was secretary . The other three members were insurgents Selmer Berg , James L. McPherson , and William E. Hayes . The Board was empowered to appoint a commission of between three and five experts to implement social credit ; the commission was to be responsible to the Board .

Historians have taken different approaches to analyzing the effect of the Board on traditional Westminster parliamentary governance . C. B. MacPherson emphasized " the extent to which the cabinet had abdicated in favour of a board composed of a few private members of the legislature " , Byrne agrees that " in some respects , the powers granted to the board superseded those of the Executive Council " but notes that " Aberhart was permitted to carry on with regular government operations . " Elliott and Miller take a similar approach to MacPherson 's , suggesting that " Aberhart and his cabinet ... were in a position , strange in a cabinet system of government , of being ruled in the matter of economic policy by a board of private members that would be under the influence of Social Credit ' experts ' . " Barr disagrees , arguing that the Board was " still under the control of cabinet " and pointing out that " the cabinet was left with the power " , through its privileged position in introducing legislation , " to supplement or alter the provisions of the Alberta Social Credit Act " under which terms the board was constituted .

Whatever the relative influence of the Board and cabinet , the latter disavowed any ownership of the act that established the former . Though it was a government bill , sponsored by Solon Low , the Provincial Treasurer explained that he took no responsibility for it , as it was drawn up by a committee of insurgents " without the interference of the cabinet " . Though some insurgents complained that the version of the bill introduced by the government was different than that drafted by the committee , MacLachlan insisted that there had been no material changes . The bill was passed April 13 , and the legislature adjourned the following day .

Immediately after , MacLachlan invited Douglas to come to Alberta and take the head of the expert commission . Douglas suggested that MacLachlan come to London to discuss the matter ; MacLachlan left April 29 , arrived in London May 9 , and proceeded to meet with Douglas at his fishing lodge . Douglas refused to come to Alberta himself , but provided two of the " experts " the Board was charged with finding . The first was L. D. Byrne , who was in the insurance business ,

was an expert on social credit , and was appointed to do most of the substantive work . The second , tire salesman George Frederick Powell , was expected to handle the commission 's public relations . Powell arrived in Edmonton June 10 with MacLachlan , while Byrne followed several weeks later .

While MacLachlan was in England finding his experts , feuding continued in Alberta . Aberhart fired William Chant , a known Douglasite , from his cabinet after he refused to resign . Both sides accused one another of subservience to the banking industry , the Social Credit League 's sworn enemy . Baker , the board 's sole Aberhart loyalist , travelled the province defending his premier ; at one 4 @, @ 000 person meeting in Calgary , he was shouted down by angry supporters of the insurgency . A petition calling for Aberhart 's resignation circulated among backbenchers , and proved to be a plant by the cabinet to test MLAs ' loyalty . Outwardly , however , the Social Crediters showed a united front as they awaited the promised experts ; in the first recorded vote after the legislature reconvened June 7 , all insurgents present voted with the government , though 13 were absent .

One of Powell 's first actions on arriving in Edmonton was to prepare a " loyalty pledge " committing its signatories " to uphold the Social Credit Board and its technicians . " Most Social Credit MLAs signed , and the six who did not wrote to Powell assuring him of their loyalty to Douglas 's objectives (though one , former Provincial Treasurer Cockroft , later left the Social Credit League and unsuccessfully sought re @-@ election as an " Independent Progressive ") . The insurgency was over .

= = Aftermath = =

Byrne and Powell prepared three acts for the implementation of social credit : the Credit of Alberta Regulation Act , the Bank Employees Civil Rights Act , and the Judicature Act Amendment Act . The first required all bankers to obtain a license from the Social Credit Commission and created a directorate for the control of each bank , most members of which would be appointed by the Social Credit Board . The second prevented unlicensed banks and their employees from initiating civil actions . The third prevented any person from challenging the constitutionality of Alberta 's laws in court without receiving the approval of the Lieutenant @-@ Governor in Council . All three acts were quickly passed . New Lieutenant @-@ Governor John C. Bowen , asked to grant royal assent , called Aberhart and Attorney @-@ General Hugill to his office . He asked Hugill if , as a lawyer , he believed that the proposed laws were constitutional ; Hugill replied that he did not . Aberhart said that he would take responsibility for the bills , which Bowen then signed . As they left the meeting , Aberhart asked Hugill for his resignation , which he received . Shortly after , the federal government disallowed all three acts . Powell was not discouraged , stating that the acts " had been drawn up mainly to show the people of Alberta who were their real enemies , and in that respect they succeeded admirably . "

Soon after the bills were introduced , Social Credit MLAs were subjected to a new loyalty pledge , this one shifting the target of their loyalty from the Social Credit Board to the cabinet . Six MLAs ? including former cabinet ministers Chant , Cockroft , and Ross ? refused to sign , and were ejected from caucus .

In the fall , Aberhart re @-@ introduced the three disallowed acts in altered form , along with two new acts . The Bank Taxation Act increased provincial taxes on banks by 2 @, @ 230 % , while the Accurate News and Information Act gave the chairman of the Social Credit Board a number of powers over newspapers , including the right to compel them to publish " any statement ... which has for its object the correction or amplification of any statement relating to any policy or activity of the Government or Province " and to require them to supply the names of sources . It also authorized cabinet to prohibit the publication of any newspaper , any article by a given writer , or any article making use of a given source . Bowen reserved approval of the bills until the Supreme Court of Canada could comment on them ; all were ruled unconstitutional in Reference re Alberta Statutes .

During the fall session in which the offending bills were proposed , police raided an Edmonton office of the Social Credit League and confiscated 4 @, @ 000 copies of a pamphlet called " The Bankers '

Toadies " , which urged its readers as follows : " My child , you should NEVER say hard or unkind things about Bankers ' Toadies . God made snakes , slugs , snails and other creepy @-@ crawly , treacherous and poisonous things . NEVER , therefore , abuse them ? just exterminate them ! " The pamphlet also listed eight alleged toadies , including Conservative leader Duggan , former Attorney @-@ General John Lymburn , and Senator William Antrobus Griesbach . Powell and Social Credit whip Joe Unwin were charged with criminal libel and counsel to murder . Both were convicted of the former charge . Unwin was sentenced to three months hard labour ; Powell was sentenced to six months and deported .

Aberhart 's government was re @-@ elected in the 1940 election with a reduced majority of 36 of 63 seats . Among the defeated incumbents were dissident leader Brown , the convicted Unwin , the expelled Barnes , and the Provincial Treasurer Low . Aberhart won re @-@ election by running in Calgary ; his replacement as Social Credit candidate in Okotoks ? High River was soundly defeated . Aberhart died in 1943 and was replaced as Premier by Ernest Manning , who steered the Social Credit League in a more conservative and conventional direction until his 1968 retirement .

Though the disallowance of banking bills put an end to any real chance of social credit being implemented at the provincial level , the Social Credit Board persisted until 1948 , when it was dissolved in response to a number of its anti @-@ semitic pronouncements and its suggestion that the secret ballot and political parties be eliminated .