TO SEEK A GOODLY HERITAGE:
THE PRAIRIE POPULIST RESISTANCE TO THE NATIONAL POLICY
IN CANADA

by

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M.A., University of Saskatchewan, 1968

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
in the Department
of
Political Science, Sociology and Anthropology

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SIMON FRASER UNIVERSITY
June 1978

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ii
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To Seek a Goodly Heritage: The Prairie Populist Resistance to the National Policy in Canada.

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ABSTRACT

The rise of organized movements among the agrarian petit-bourgeoisie in Canada, their entry into politics, the rise and fall of the Progressive Party, and the subsequent emergence of the Social Credit League in Alberta and the Co-operative Commonwealth Federation (C.C.F.) in Saskatchewan have been among the most extensively studied phenomena in Canadian political sociology. Yet no viable theoretical perspective to guide efforts to analyze and explain such phenomena has emerged with any clarity. Most of the work in the area has consistently downplayed the theoretical concept of "Populism," so basic to studies of similar movements in the United States and Europe. This present work begins with a critical analysis of the concept as it has emerged in American and European scholarship. The analysis and discussion concludes that the work of V. I. Lenin, as European scholarship has already recognized, utilizes the most useful theoretical understanding of "Populism," viewing it has the protest against capitalism from the class point of view of the agrarian petit-bourgeoisie.

The usefulness of this approach is tested through an analysis of the agitation of the national organized agrarian petit-bourgeoisie and their ultimate entry into electoral politics in the 1921 federal general election. Key political victories of the agrarian petit-bourgeoisie -- which gave them unquestioned control of the governments of Alberta, the United Farmers of Alberta and the Social Credit regimes; and of Saskatchewan, the C.C.F. movement which won government there in
1944 -- are reanalyzed and reinterpreted using primary and secondary sources of evidence. A central focus of the analysis is on the actual legislative enactments of the regimes, particularly the Social Credit and C.C.F. governments, in an effort to demonstrate the extent to which such legislative enactments reflected an effort to redress the specific grievances of the agrarian petit-bourgeoisie resulting from the political and economic structure of Canadian capitalism and the role assigned to agriculture and to regions dependent upon agriculture in the structure of Canadian capitalism.

The study concludes that the evidence supports the contention that the movements of the agrarian petit-bourgeoisie, including the Social Credit League in Alberta and the C.C.F. in Saskatchewan, can best be analyzed and explained as evolving "Populist" responses to industrial capitalism and its specific political and economic character in the framework of the Canadian confederation. A discussion of the implications of this conclusion for historical political sociology in Canada suggests that a systematic revisionist reinterpretation, based on the "Populist" theoretical approach, would carry our understanding of the "Populist" interlude forward in important ways.
This work is dedicated to two settlers whose muscle and sinew helped to build the Prairie West. My father, Frederick Conway, arrived in 1911 from the working-class districts of Liverpool. My maternal grandfather, William Alexander Urquhart, and his family, arrived in 1905 from the middle-class suburbs of Glasgow.

Both came to seek a goodly heritage. Neither found it.

This is, in some ways, the story of what they did find.
How comes it to pass ... that so beautiful a country is not yet inhabited by human creatures? The songs, the hymns, the prayers, of the laborer and the artisan, shall they never be heard in these fine plains? Wherefore, while in Europe, and above all in England, so many thousands of men do not possess as their own an inch of ground, and cultivate the soil of their country for proprietors who scarcely leave them whereon to support existence; -- wherefore do so many millions of acres of apparently fat and fertile land, remain uncultivated and absolutely useless? ... Will men always love better to vegetate all their lives on an ungrateful soil, then to seek afar fertile regions, in order to pass in peace and plenty, at least the last portion of their days?

But I deceive myself; it is not so easy as one thinks for the poor man to better his condition; he has not the means of transporting himself to distant countries, or he has not those of acquiring a property there; for these untitled lands ... have owners, and from these must be purchased the right of rendering them productive.

Gabriel Franchère, on visiting Saskatchewan country in 1814.
ACKNOWLEDGEMENTS

The author acknowledges with gratitude the general financial support received from the Canada Council in the form of three Doctoral Fellowships (1968-1971) without which this project would have been impossible. Generous teaching assistantships from the Department of Political Science, Sociology and Anthropology, Simon Fraser University, in the early stages of this work provided the author with the essential time to do the preparatory reading which led to the central question under examination here. Further financial assistance received from the Sample Survey and Data Bank Unit, University of Regina, in the later stages of the work, made its completion possible.

It would be impossible to acknowledge all the individuals who have contributed to this work through arguments, discussions, and seminars. Suffice it to say that much of the credit for the formulation and sharpening of my ideas in this project can be extended to the students and faculty, past and present, of the Political Science, Sociology and Anthropology Department of Simon Fraser University, and to my colleagues and students of the Sociology and Social Studies Department at the University of Regina. Of course, it goes without saying that what I have done with their contributions is solely my responsibility.

At the same time certain individuals must be singled out for special thanks. My Senior Supervisor, Dr. Gary Rush, exhibited patience and crucial encouragement throughout a project that often appeared
impossible to complete. My earlier supervisors, Kathleen Gough Aberle, Mordecai Briemberg, and, more informally, John Leggett, were very important in assisting me in the early formation of the ideas which eventually were tested in this work.

Special thanks must also be accorded to the staffs of the Saskatchewan Archives at Regina and Saskatoon, of the Legislative Libraries in Alberta and Saskatchewan, and of the Government Documents sections of the Libraries at the Universities of Saskatchewan and Regina. Their expertise was equalled only by the patience with which they met my almost interminable requests over the past four years.
### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>vii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xi</td>
</tr>
<tr>
<td>Preface</td>
<td>xiv</td>
</tr>
<tr>
<td><strong>Chapter I</strong> PROLOGUE: ON THE NATURE OF POPULISM</td>
<td>1</td>
</tr>
<tr>
<td><strong>Chapter II</strong> THE POLITICAL AND ECONOMIC BACKGROUND TO THE CONFEDERATION OF BRITISH NORTH AMERICA</td>
<td>75</td>
</tr>
<tr>
<td><strong>Chapter III</strong> THE PLACE OF THE PRAIRIE WEST IN CONFEDERATION</td>
<td>144</td>
</tr>
<tr>
<td><strong>Chapter IV</strong> FROM PETITIONS TO POLITICS: THE AGITATION FOR THE REDRESS OF PRAIRIE AGRARIAN GRIEVANCES, 1880-1930</td>
<td>185</td>
</tr>
<tr>
<td>A. The Agrarian Agitation, 1880-1900.</td>
<td>186</td>
</tr>
<tr>
<td>B. The Agrarian Agitation, 1901-1930.</td>
<td>220</td>
</tr>
<tr>
<td>The Assault on the National Policy.</td>
<td>238</td>
</tr>
<tr>
<td>The 1910 Farmers' Platform and the 1911 Reciprocity Election.</td>
<td>269</td>
</tr>
<tr>
<td>The Move to Independent Political Action.</td>
<td>287</td>
</tr>
<tr>
<td>&quot;New National Policy:&quot; the Rise and Fall of the Progressive Party.</td>
<td>310</td>
</tr>
<tr>
<td><strong>Chapter V</strong> DEFEAT FROM THE JAWS OF VICTORY: THE UNITED FARMERS OF ALBERTA REGIME, 1921-1935</td>
<td>358</td>
</tr>
<tr>
<td>The U.F.A. Goes Political.</td>
<td>376</td>
</tr>
<tr>
<td>The Ascendancy of the Social Credit League.</td>
<td>417</td>
</tr>
<tr>
<td><strong>Chapter VI</strong> VICTORY AGAIN IN ALBERTA: THE SOCIAL CREDIT REGIME, 1935-1944</td>
<td>488</td>
</tr>
<tr>
<td><strong>Chapter VII</strong> PRELUDE TO VICTORY: THE SASKATCHEWAN ORGANIZED AGRARIAN PETIT-BOURGEOISIE GOES INTO POLITICS.</td>
<td>621</td>
</tr>
</tbody>
</table>
Chapter VIII  VICTORY IN SASKATCHEWAN: THE STRUGGLE FOR
POWER AND THE C.C.F. REGIME, 1944-1952 . . . .  706
Chapter IX  EPILOGUE: SUMMARY, CONCLUSIONS AND DISCUSSION .  864
Select Bibliography  . . . . . . . . . . . . . . . . . . . . . . . . . . . .  893
LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE I</th>
<th>Emigration from the British Isles to British Colonies in North America, 1815-1836</th>
<th>90</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE II</td>
<td>Trade of the British North American Provinces other than Canada with the United States, 1852-56</td>
<td>120</td>
</tr>
<tr>
<td>TABLE III</td>
<td>Trade of the Province of Canada with the United States, 1852-1856</td>
<td>121</td>
</tr>
<tr>
<td>TABLE IV</td>
<td>Population of the Prairie Provinces, 1901-1931</td>
<td>168</td>
</tr>
<tr>
<td>TABLE V</td>
<td>Occupied and Improved Land in the Prairie Provinces, 1901-1931</td>
<td>169</td>
</tr>
<tr>
<td>TABLE VI</td>
<td>Wheat Production. Selected Years. 1901-1931</td>
<td>169</td>
</tr>
<tr>
<td>TABLE VII</td>
<td>Wheat and Flour Exports. Selected Years. 1910-1929</td>
<td>170</td>
</tr>
<tr>
<td>TABLE VIII</td>
<td>The Net Value of Production of Manufactures. Canada. 1900 and 1910</td>
<td>173</td>
</tr>
<tr>
<td>TABLE IX</td>
<td>The Net Value of Manufacturing Production. Percentage of Total for Canada in Ontario and Quebec. 1890 and 1910</td>
<td>174</td>
</tr>
<tr>
<td>TABLE X</td>
<td>Fort William Prices for No. 1 Northern Wheat, 1879-1901</td>
<td>197-198</td>
</tr>
<tr>
<td>TABLE XI</td>
<td>Price per Bushel for No. 1 Northern Wheat and costs of Transportation per Bushel, 1886</td>
<td>200</td>
</tr>
<tr>
<td>TABLE XII</td>
<td>Acreage Seeded to Wheat and Wheat Production, 1891, 1901, 1909 to 1916</td>
<td>221</td>
</tr>
<tr>
<td>TABLE XIII</td>
<td>Prices for No. 1 Northern Wheat at Fort William, 1896, 1901-1916</td>
<td>222</td>
</tr>
<tr>
<td>TABLE XIV</td>
<td>Per Cent of Labour Force in Agricultural and Non-agricultural Occupations in Canada, 1901-1931</td>
<td>279</td>
</tr>
<tr>
<td>TABLE XV</td>
<td>Percentage of Rural to Total Population in the Prairie Provinces, 1901-1931</td>
<td>280</td>
</tr>
<tr>
<td>TABLE XVI</td>
<td>Population, Number and Area of Farms, and Acreage under Field Crops in the Prairie Provinces, 1911, 1916, and 1921</td>
<td>291</td>
</tr>
<tr>
<td>TABLE XVII</td>
<td>Value of Canadian Merchandise Exports, 1913-1920</td>
<td>292</td>
</tr>
<tr>
<td>TABLE XVIII</td>
<td>Indexes of Farm Costs, Canada, 1914-1920</td>
<td>295</td>
</tr>
<tr>
<td>TABLE XIX</td>
<td>Indexes of Wholesale Prices of Selected Farm Products, 1914-1920</td>
<td>296</td>
</tr>
<tr>
<td>TABLE XX</td>
<td>Indexes of Farm Costs, Canada, 1921-1929</td>
<td>297-298</td>
</tr>
<tr>
<td>TABLE XXI</td>
<td>Indexes of Wholesale Prices of Selected Farm Products, 1921-1929</td>
<td>298-299</td>
</tr>
<tr>
<td>TABLE XXII</td>
<td>Form William Price for No. 1 Northern Wheat, 1914-1929</td>
<td>300</td>
</tr>
<tr>
<td>TABLE XXIII</td>
<td>Wheat Production and Wheat and Flour Exports, Canada, 1914-1929</td>
<td>301</td>
</tr>
<tr>
<td>TABLE XXIV</td>
<td>1921 Federal Election Results, Seats Won and Votes Polled by Party and by Province</td>
<td>319</td>
</tr>
<tr>
<td>TABLE XXV</td>
<td>Rural and Urban Population, Alberta, 1901-1936</td>
<td>360</td>
</tr>
<tr>
<td>TABLE XXVI</td>
<td>Number of Farms, Alberta, 1901-1936</td>
<td>361</td>
</tr>
<tr>
<td>TABLE XXVII</td>
<td>Statistics Concerning Wheat Production in Alberta, 1906-1937</td>
<td>363</td>
</tr>
<tr>
<td>TABLE XXVIII</td>
<td>Proportion of Net Value of Production Arising from Agricultural Production in Canada and the Prairie Provinces, Selected Years, 1920-1934</td>
<td>364</td>
</tr>
<tr>
<td>TABLE XXIX</td>
<td>Percentage of Field Crop in Wheat, 1921, 1926 and 1931</td>
<td>364</td>
</tr>
<tr>
<td>TABLE XXX</td>
<td>Indices of Prices and Exports, 1920-1923</td>
<td>374</td>
</tr>
<tr>
<td>TABLE XXXI</td>
<td>Expenditures of Alberta Governments, 1905-1935</td>
<td>402</td>
</tr>
<tr>
<td>TABLE XXXII</td>
<td>The Decline in Export Prices and Economic Activity, Canada, 1929-1933</td>
<td>419</td>
</tr>
<tr>
<td>TABLE XXXIII</td>
<td>Canadian Export Prices, 1929-1933</td>
<td>420</td>
</tr>
<tr>
<td>TABLE XXXIV</td>
<td>Depression Decreases in Net Money Income</td>
<td>422</td>
</tr>
<tr>
<td>TABLE XXXV</td>
<td>The Decline in Provincial Per Capita Incomes, 1928-29 to 1933</td>
<td>423</td>
</tr>
<tr>
<td>Table Number</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>XXXVI</td>
<td>Farms Classified by Size and Number, Saskatchewan, 1926</td>
<td>624</td>
</tr>
<tr>
<td>XXXVII</td>
<td>Estimated Average of Selected Farm Prices in Saskatchewan, 1929-1937</td>
<td>707</td>
</tr>
<tr>
<td>XXXVIII</td>
<td>Index Numbers of Prices Received by Prairie Farmers for No. 1 Northern Wheat, of Prices Paid for 147 Items Farmers Buy, and of Farmers' Purchasing Power, 1928-1937</td>
<td>708</td>
</tr>
<tr>
<td>XXXIX</td>
<td>Disparities in the Burden of Relief on the Various Provinces, 1930-1937</td>
<td>710</td>
</tr>
<tr>
<td>XL</td>
<td>Farm Holdings Classified by Size of Farm, Saskatchewan, 1914-1946</td>
<td>778</td>
</tr>
<tr>
<td>XLI</td>
<td>Per Capita Expenditure on Revenue Account, Saskatchewan, 1943-1948</td>
<td>796</td>
</tr>
<tr>
<td>XLII</td>
<td>Per Capita Income, Canada and Saskatchewan, 1941-1952</td>
<td>845</td>
</tr>
<tr>
<td>XLIII</td>
<td>Cash Income from Wheat and from All Farm Products, 1944-1952</td>
<td>846</td>
</tr>
<tr>
<td>XLIV</td>
<td>Percentage Distribution of Farms by Farm Size, 1931, 1941, 1946, and 1951</td>
<td>847</td>
</tr>
</tbody>
</table>
PREFACE

A lack of social and political historical materials has long limited and hindered the perspectives of many English-Canadian social scientists. So much of our historical materials are either institutional, anecdotal, or crippled by the "great man" theory of history, that general social, economic and political historical perspectives are rare indeed. This has resulted in the overwhelming present-day preponderance of small-scale, problem-oriented, and largely uncritical studies in history, sociology, economics, and political science which characterizes much of English-Canadian social science.

Until we can look at our past critically and holistically, giving full measure to the struggles of all the Canadian people to build a nation and to seek "... a goodly heritage..."¹ our understanding of contemporary Canadian society and our ability to anticipate the future will be cribbed and confined by the shortsightedness of the defenders and rationalizers of the status quo. This is perhaps a harsh assertion, but until Canadian scholars can free themselves from the "official" doctrines of how and why Canada and its regions have developed as they have, we will remain unable to face the future boldly and imaginatively.

This work attempts to examine aspects of the political, economic and social history of one region of Canada -- the Prairie West, particularly Alberta and Saskatchewan -- and critically to assess some of the complex and dynamic relationships of that region to Canada as a whole.

¹Footnotes appear at the end of each chapter, beginning with Chapter I.
The focus of the examination is on the Populist current which arose in the Prairie West to do battle with the national policies which brought the region into political and economic existence. In this examination the author makes no apology for his obvious commitment to, and sympathy for, the working people -- the farmers and wage-workers -- who settled and rendered productive Canada's vast Prairies.

The reader should be forewarned on one small matter. The terms "agrarians," "farmers," and the "agrarian petit-bourgeoisie" are used interchangeably. This was done for reasons of style and diction. The grinding repetition of "agrarian petit-bourgeoisie" would often have detracted from the flow of the argument and discussion.
CHAPTER I

PROLOGUE: ON THE NATURE OF POPULISM

This work has a rather long and contorted history. It began as a social history of the Canadian Prairies, attempting to help fill a great void in Canadian social science that S. D. Clark identified as a "... limited insight into the general principles underlying social development."¹ That void remains to this day.

Yet the more one delves into the history of this most peculiar region of Canada, the more clear it becomes that mere structural analysis will not suffice in understanding the brief but rich story of the Prairie West. Certainly it is important to see the Prairie West as merely one region of a larger whole -- Canada -- with a series of structurally exploitive relationships between region, nation, and imperial metropole. Certainly it is crucial to understand the evolution of such a structure of imperialism and regional/class domination. The Prairie West could not be understood without such a conceptual background.² But it is insufficient.

The richness of the struggles of the people of the Prairie West, no matter how erring, no matter how fruitless, must also be woven into this structural tapestry that is so easy to conceive. Such struggles did affect history, did change the course of development, and did wring concessions from masters at many levels.

¹. Notes and references appear at the end of each Chapter.
The intriguing story then becomes -- (how did the clearly visible structures of exploitation mingle with the regional struggles that emerged in the Prairie West almost from the day the first settling family staked out its homestead claim? That regional struggle is still apparent today in national politics; indeed, the grievances uttered by the three Prairie Premiers, regardless of declared differences in political ideology, are but quietly and politely paraphrased echoes of the angry shouts that are a deep part of the Western Canadian political tradition.

The argument presented in this work suggests that the evidence culled over many years by many historians and social scientists cries out for a more systematic explanation of itself than has been heretofore provided. That explanation, it will be argued, lies in understanding a particular Canadian variant of the social movement we have come to know as "Populism." It is not being suggested that it has not been long recognized that the Social Credit in Alberta and the Co-operative Commonwealth Federation (C.C.F.) in Saskatchewan were to some extent populist formations. Such a recognition is implicit in most works on the subject. Yet that recognition is seldom a central aspect of the analyses -- indeed most works seem more committed to a notion of Canadian exceptionalism than to locating such movements alongside cousin populist movements in other times and places. Here it will be argued that the populist aspect of these movements is central to a complete analysis of them.
Further, it will be suggested that the evidence clearly shows that, historically, the Social Credit and the C.C.F. have more in common as populist responses to the National Policy than they have differences as ideological opponents on a variety of specific social issues. Indeed, much has been made of the differences between the Social Credit and the C.C.F. -- today those differences are readily apparent to any who follow Hansard. But little has been made of the similarities of the two movements in their often bitter attempts to grapple with the structural nature of the development that has been historically imposed on the Prairie West. This fact becomes particularly apparent when one examines the government records of each movement after coming to provincial power.5

Perhaps it would be useful to attempt a concise statement of the hypothesis at this point. The C.C.F. and the Social Credit can be best viewed as populist resistances to the effects of the National Policy on the Prairie West. (By "National Policy" we refer to those persisting policies of the federal government to settle the West, to build an all-Canada transcontinental railway, and to industrialize Central Canada behind a wall of protective tariffs.) Further, their government records reveal that, rather than fundamentally transforming the exploitive relationships between the Prairie West and Central Canada, both movement governments sought and achieved a new integration into Canadian capitalism by opening their respective provinces to new investments in the development of new staple commodities.
That is, neither movement government, irrespective of its rhetoric, confronted the structure of exploitation directly, but rather each sought a better deal within it. The same argument applies to the structures of exploitation within each province — neither movement changed such structures significantly.

This hypothesis did not come easily to me, raised as I was on the myths of the C.C.F. as a socialist movement. Yet it became increasingly clear to me that such a hypothesis provided a better insight into the social history of the Prairie West.

* * *

Perhaps it is useful at this point to discuss what is meant by "Populism," and the nature of the variants which emerged in the Prairie West, before we pursue the basic argument further.

It is an incredible deficiency, but in order to grasp the nature of Populism theoretically one must go to works on the subject by scholars in Europe and the United States, rather than in Canada. It is incredible since populist movements in Europe and the United States were largely transitory and comparatively unsuccessful, whereas in Canada such movements not only won and held power in a number of provinces, but laid the foundations for viable political parties that have permanently survived on the Canadian political stage. This deficiency in Canadian historiography is of course not total in that
most works on the Social Credit and the C.C.F. at least implicitly recognize their roots in Populism, yet few of the works grasp the theoretical essence of Populism. We will return to the question of the limitations of Canadian scholarship in this area later in this Chapter.

One can discern two basic and contradictory perspectives on Populism in the literature of American social science. Each has useful insights to offer, but neither taken alone can be accepted as providing a useful theoretical insight since each relies on a highly selective analysis of the evidence. One view is aptly summed up by the phrase that Populism is "a syndrome, not a doctrine." This view holds that Populism is a disorganized, ideologically ambiguous (at best), and blindly utopian response to conditions beyond the understanding of the people involved. It is without coherent political savvy and couches its motives and aspirations in romantic and often extremely religious rhetoric. Populism's attacks on its opponents are more often expressed in the language of moral condemnation than in that of political and economic analysis. Frequently such movements adopt the rhetoric of revolutionary change, but shrink from the prospect of implementing a revolutionary organization and strategy, though revolutionary tactics may occasionally be employed. Essentially this view holds that Populism is a form of primitive and irrational rural protest against trends to industrialism and urbanism; such rural protest's most salient features are "... a certain primitive xenophobia, intolerance,
anti-urbanism and anti-industrialism." One should add, too, that this view holds that such movements of rural protest are characterized by a simple-minded anti-elitism and anti-intellectualism.

This view has been given perhaps its most consistent expression in the revisionist historical perspective on American Populism begun by Richard Hofstader in *The age of reform: from Bryan to F.D.R.* This view holds that American Populism was narrow and provincial, deeply nostalgic for a permanently lost past, and racist and bigoted in its response to the ethnically diverse flow of immigration into the United States. In Hofstader's words,

> In the attempts of the Populists and Progressives to hold on to some of the values of agrarian life, to save personal entrepreneurship and individual opportunity and the character type they engendered, and to maintain a homogeneous Yankee civilization, I have found much that was retrograde and delusive, a little that was vicious, and a great deal that was comic.

In a sense, Hofstader began a process which legitimated (and quite properly so) a more critical perspective on American Populism. His work was followed by many others. Irwin Unger proceeded to characterize Populism as a vicious reaction in defense of the dubious ideals of "private property, the family farm, the old-fashioned Protestant morality." Others went even further. Daniel Bell edited and published the *New American Right* in 1955: a collection of articles which carried the revisionist argument to the extreme by suggesting that...
Populism prepared the political ground for the illiberal political
tendencies which culminated in American fascism in the 'thirties and
'forties and McCarthyism in the 'fifties. One carried away from
this volume a sense that the authors, blindly devoted to American
liberalism, would inevitably see the irrational and the extreme in any
movement which dares challenge America's proper (and liberal capitalist)
course of development.

Overall, the American revisionist perspective on Populism can
be fairly characterized as follows,

... the movement was unable to confront
the facts of industrialism but sought
instead to turn its back on social change
in favor of the restoration of a golden
age in the past. This retrogressive view
of history insured the irrationality of
Populist solutions. A movement cannot
possibly ascertain the nature of its
grievances and propose appropriate
remedies when it refuses to recognize
the changing circumstances of its en-
vironment.13

Until the emergence of this revisionist school on Populism,
interpretations of Populism by American scholars had been largely warm
and sympathetic.

Historians once confidently believed that
they understood Populism. Almost unanimous
in their sympathetic portrayal of the move-
ment, they saw it as a lineal descendant of
Jeffersonian and Jacksonian Democracy, a
precursor of progressive reform.14

The classic study had remained John D. Hicks' The Populist Revolt which
had emphasized the positive features of Populism, asserting that, while
most of the major reforms around which the populists had agitated were never implemented, the overall historical impact of Populism on American society was overwhelmingly positive.

Thanks to this triumph of Populist principles, one may almost say that, in so far as political devices can insure it, the people now rule. Political dishonesty has not altogether disappeared and the people may yet be betrayed by the men they elect to office, but on the whole the acts of government have come to reflect fairly clearly the will of the people. Efforts to assert this newly won power in such a way as to crush the economic supremacy of the predatory few have also been numerous and not wholly unsuccessful. The gigantic corporations of today, dwarfing into insignificance the trusts of yesterday, are, in spite of their size, far more circumspect in their conduct than their predecessors.15

The other classic study of American Populism had been Roscoe C. Martin's sympathetic examination of the People's Party in Texas.16 He deeply shared Hicks' view that Populism was a movement of mass, popular resistance to the worst features of American capitalism and to the rampant corruption and dishonesty in American politics. Such was the homey unanimity one found in the scholarship on American Populism which the onslaught of Hofstader and other revisionists shattered with finality.

With the shattering of this unanimity scholars in the Hicks and Martin tradition struck back vigorously. A school of counter-revisionists led by Norman Pollack set themselves the task of re-
furbishing the badly tarnished image of American Populism.

Ignoring what came before, proponents of this framework [the revisionists] adopt the following line of reasoning: Populism did not adjust to industrialism; hence, the movement occupied an untenable historical position. And because it looked backward, its long-range solutions were, by definition, unrealistic. This meant that by not comprehending the basis for its discontent, Populism was forced to search for simplistic explanations and, ultimately, scapegoats. The result is a cumulatively deteriorating position; as protest becomes emotional, it bears less resemblance to reality. The final image is that of a movement of opportunists, crackpots, and anti-Semites, whose perception of the world conforms to the dictates of a conspiracy theory of history. The overall consequence of this image is that Populism has been denied its traditional place as a democratic social force. Rather, its significance for American history is altered so greatly that it has come to stand as the source for later proto-fascist groups, McCarthyism, anti-Semitism, xenophobia, and anti-intellectualism. One senses the proportions of this denigration process when it is seen that the very term "populistic" has passed into the working vocabulary of many intellectuals as an epithet, signifying the traits just enumerated.

Having thus characterized the revisionist argument, Pollack, studying only midwestern populist thought, goes on to assert,

While primarily an agrarian movement, it [Populism] also contained significant support from industrial labor, social reformers, and intellectuals. The interaction between these groups was expressed not in terms of pre-industrial producer values, but of a common ideology stemming from a shared critique of existing condi-
tions. In a word, Populism regarded itself as a class movement, reasoning that farmers and workers were assuming the same material position in society. Thus, it accepted industrialism but opposed its capitalistic form, seeking instead a more equitable distribution of wealth. But Populism went further in its criticism: Industrial capitalism not only impoverished the individual, it alienated and degraded him. The threat was not only subsistence living, but the destruction of human faculties. According to Populism, there was an inverse relation between industrialism and freedom, because the machine was being made to exploit rather than serve man. Is Populism, then, a socialist movement? Here labels become unimportant; it was far more radical than is generally assumed. Had Populism succeeded, it could have fundamentally altered American society in a socialist direction. Clearly, Populism was a progressive social force. 18

Pollack proceeds to buttress his contention by an appeal to primary sources illustrating that Populism was a progressive reform movement. 19 One leaves Pollack's frantic defense quite convinced that the revisionists have mercilessly slandered a basically positive and humane popular movement. At the same time one notes that Pollack, by focussing on midwestern Populism, has been excessively selective in both his analysis and in the primary documents he marshalls to defend his case. As the debate rages, one cannot help but also agree with much in the revisionist school. The overall impression is one of ambiguity and contradiction — the evidence appears to support both cases strongly. 20

The savage debate between the revisionists and counter-
revisionists has led to a new spate of studies on American Populism. These efforts have served to develop a somewhat more balanced perspective on the issues. Studies of Kansas Populism clearly illustrate that there is no denying the many bread-and-butter reforms gained by the movement.21 Abrams' collection of documents illustrating the issues of the populist era emphasizes that, whatever the limitations inherent in the movement, Populism remained a popular movement making a serious attempt to grapple with the problems of capitalism and democracy in the heyday of America's modernization.22 Further studies, such as Tindall's moving collection of selections from the writings of populist leaders23 and Durden's sympathetic, but clear-sighted, analysis of the defeat and absorption of American Populism by the Democratic Party,24 all tend to confirm the belief that Populism was clearly a response to real problems inherent in American capitalism and in the American democracy in the late nineteenth and early twentieth century.

At the same time, it is foolish to ignore all that was pernicious and backward-looking in American Populism. Woodward's study of Georgia's Tom Watson shows that his career simultaneously epitomizes all that was best and all that was worst in the movement.25 Tom Watson was one of the most prominent national figures in the People's Party, finally running as one of William Jennings Bryan's Vice-Presidential running mates on the 1896 election fusionist ticket.26 In his early career Tom Watson had fought corporations on behalf of the worker and farmer, had combatted racism in Georgia (a not inconsiderable feat),
and had refused to "sell-out" populist principles for the sake of political success. Yet after the decline of the People's Party, Tom Watson became a rather typical Southern U.S. politician — personally opportunistic, a raging anti-Semite, and a panderer to the fear of blacks so endemic among the Southern white population. The tragic and twisted story of Tom Watson makes it impossible to ignore the case made by the revisionists at the same time as his early career insists that we also listen seriously to the counter-revisionists' case. Populism, like the career of Tom Watson, had much that was both pernicious and progressive in it.

Combining the story of Tom Watson with the stories of T. G. Bilbo and James K. Vardaman, the famous (and infamous) Mississippi Populists, who effectively combined racist demagoguery with agrarian social reform, and political opportunism with anti-corporation agitation, further illustrates the tensions within this movement.

It was against these interests [corporations], as well as against the Negro, that they [Bilbo and Vardaman] directed their campaigns... Their appeal was directed to poor as against rich, to farmer as against townsman, to the "common man" as against the aristocrat.

The appeal was most strong to the white as against the black. One cannot merely dismiss this tension by suggesting that it was merely a case of the peculiarities of Southern politics. The same tension existed in midwestern Populism, held up by Pollack as the most progressive section of the movement. Clinch's study of Populism in
Montana clearly reveals this. In summing up the accomplishments of Populism in Montana, Clinch says,

Despite the flaws in its record, the Populist party had been a progressive force dedicated to reform. Its arguments for free silver, the eight-hour day, and mine safety legislation advocated the primacy of human over property rights ... [Populism] ... envisioned a widening of democracy in America and a greater responsiveness on the part of government to popular needs.29

Yet in his next breath Clinch is compelled to say, "The most glaring blot on the record of Montana's Populists was their unabashed espousal of Chinese exclusion ..."30 To further confuse the issue, today, in Montana, those centers which were hotbeds of populist strength remain among the strongest centers of reform liberalism.

Perhaps this survey of the debate among American scholars regarding the progressive and regressive nature of the American variant of Populism is sufficient to draw certain lessons. One may conclude that the debate has been a useless exercise since each school of thought can marshal evidence to support its various contradictory contentions. One may also conclude that we are observing in action a general limitation that characterizes much of American scholarship -- a failure (or inability, perhaps even an unwillingness) to go to the roots of social questions and to be satisfied to maintain a polarized debate that leads to no useful synthesis. Yet one can also discern the occasional insight which could have provided the beginnings of a useful general perspective, suggesting some ability to examine the...
American Populists in all their complexity and contradictoriness. However, such insights were rarely pursued. In all fairness, even Hicks' concluding statement in his classic analysis reveals an insight (albeit expressed with considerable contempt) that should have been pursued.

To radicals of today, however, the Populist panaceas, based as they were upon an essentially individualistic philosophy and designed merely to insure for every man his right to "get ahead" in the world, seem totally inadequate. These latter-day extremists point to the perennial reappearance of such problems as farm relief, unemployment, unfair taxation, and law evasion as evidence that the Populist type of reform is futile, that something more drastic is required. Nor is their contention without point. It is reasonable to support that progressivism itself must progress; that the programs that would provide solutions for the problems of one generation might fall far short of meeting the needs of a succeeding generation. Perhaps one may not agree with the view of some present-day radicals that only a revolution will suffice and that the very attempt to make existing institutions more tolerable is treason to any real progress, since by so doing the day of revolution is postponed; but one must recognize that when the old Populist panaceas can receive the enthusiastic support of Hooverian Republicans and Alsmithian Democrats these once startling demands are no longer radical at all. One is reminded of the dilemma that Alice in Wonderland encountered when she went through the looking-glass into the garden of live flowers. On and on she ran with the Red Queen, but however fast they went they never seemed to pass anything.

"Well, in our country," said Alice,
still panting a little, "you'd generally get to somewhere else -- if you ran very fast for a long time as we've been doing."
"A slow sort of country!" said the Queen, "Now here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run twice as fast as that."

That insight was expressed in 1931, but it was never pursued. Nor was Hicks alone in his reluctant and belated recognition that little of Populism and Progressivism was really radically reformist let alone revolutionary. In 1932, John Chamberlain expressed a similar insight when he argued that the traditions of Populism and Progressivism, culminating in the New Deal, merely had the structural effect of congealing American capitalism at a higher and more effective level of social integration.

More recently such an insight has been re-expressed systematically by Gabriel Kolko in his attempt to provide a re-interpretation of American history of the period that goes beyond futile polarized debate. Kolko states that "... the American political experience, and the nature of its economic institutions ..." could not have been radically different than they are presently since the populist and progressive traditions provided no real alternative to the course of development represented by American capitalism. Kolko concludes his study with the following assertion.

There can be no alternatives so long as none are seriously proposed, and to propose a relevant measure of fundamental opposition one must understand what is
going on in society, and the relationship of present actions to desired goals. To have been successful, a movement of fundamental change would have had to develop a specific diagnosis of existing social dynamics and, in particular, the variable nature and consequences of political intervention in the economy. It would have, in short, required a set of operating premises radically different than any that were formulated in the Progressive Era or later. Populism rejected, on the whole, the values of business even as it was unable to articulate a viable alternative. Intellectually it left a vacuum, and, more important, the movement was dead by 1900 ...

No socially or politically significant group tried to articulate an alternative means of organizing industrial technology in a fashion that permitted democratic control over centralized power, or participation in routine, much less crucial, decisions in the industrial process. No party tried to develop a program that suggested democracy could be created only by continuous mass involvement in decisions that affected their lives, if the concentration of actual power in the hands of an elite was to be avoided. In brief, the Progressive Era was characterized by a paucity of alternatives to the status quo, a vacuum that permitted political capitalism to direct the growth of industrialism in America, to shape its politics, to determine the ground rules for American civilization in the twentieth century, and to set the stage for what was to follow.34

Unfortunately, such suggestive insights have not been pursued in American historiography, content as it has been to polarize itself between those who embrace Populism and its heirs as the embodiment of
effective reform in American history and those who reject Populism and its heirs as a misguided and irrational protest against the inevitable course of American development. For an outside observer, in all fairness, however, the debate has been useful in that the major feature of American Populism that stands out again and again is its two-sidedness -- the one side, progressive and reformist; the other side, backward-looking and confused. One can find little theoretical resolution except in the occasional and limited efforts of a Chamberlain or a Kolko.

The richness of the literature on American Populism perhaps reflects its surprising effectiveness. American Populism elected Congressmen to both Houses, mayors in large cities, governors and state legislators in many states, and, during the fusion campaign of 1896, Populism made a major try for the White House. The result of the 1896 fusion election was, of course, to co-opt Populism and its heirs as a major element of the Democratic Party. It was no doubt here, as a wing of the Democratic Party, expressed later in its New Deal guise, that Populism had its greatest effect.

It was in this great Party that Populism finally reconciled itself to capitalism and at the same time sought to broaden the opportunity to "get ahead" for all by championing the slogan "Equal rights for all, special privileges for none." By advocating that many problems of American society could be solved, not by destroying and reconstructing the political and economic order, but by the positive and active
intervention of government in defense of a common welfare and a common minimum security, Populism may have prepared the political ground for the New Deal's salvation of American capitalism. It is perhaps ironic, but the radical ravings of the populists of the 1890's who fought tooth and nail to save mankind from "Crucifixion on a cross of gold," became the popular political underpinnings of an effective reconstruction of American capitalism in the 1930's and 1940's.

Perhaps American Populism's very effectiveness has been the cause of the theoretical shallowness of the scholarship that has sought to understand it. By becoming a major thrust in the Democratic Party, by becoming a source of many reforms in the American economic and constitutional order, Populism (or rather a particular refurbished interpretation of it) also became a major part of the mythology of America. Given the lack of any major challenge from the left to the course of America's development, it is not surprising that many have elevated Populism and its heirs (like George McGovern) to the role of a major challenger to the course of American history. Equally, it is not surprising that many in America, witnessing the rather easy absorption of the Populist challenge by the American establishment, have dismissed Populism as an irrelevant and irrational by-product of the necessarily rough evolution of the American political economy. Either way, the theoretical significance of the populist resistance becomes a mere footnote to the overall course of American history — either it was a significant stream that fed and enriched the great
American tributary or it was a stagnant pool that was bypassed by the rushing current of American capitalism. Either way, the movement has been regarded as having little theoretical, indeed, practical, significance in its own right. It is perhaps here that one can seek and find an explanation of the inability of American scholarship in developing any theoretical sophistication in grappling with the Populist interlude.

Having discussed the ambiguities surrounding investigations of American Populism, it may be profitable to look at how Populism was viewed in another historical context — that of Russia. The history of Russian Populism is very different from the American case. Populism in Russia was neither absorbed nor sidetracked — it was defeated by an alternative social and political movement. Nor does the scholarship on Russian Populism suffer any such theoretical underdevelopment thanks to the great debate in the late 19th century between Russian Marxism and Russian Populism. Probably the most reasonable explanation for the richness of theoretical development in the scholarship on Russian Populism would lie in the fact that, in the epoch leading up to the Russian Revolution, all social, economic, and political questions were posed more urgently and sharply due to the obvious willingness to seek and select revolutionary solutions that was abroad among the Russian masses. In such a context, it is easy to understand why Russian Marxist scholars and political leaders were forced to deal
critically with Populism: their main political competitor for the leadership of the revolutionary current. Yet for all the peculiarities of the Russian case, including the widespread revolutionary agitation, much of the content of Russian Populism bears a remarkable similarity to its American cousin. For this reason, a detailed examination of the Russian case, and most particularly, of the efforts of V. I. Lenin to come to grips with Populism, would be not only useful but essential. As one leading European scholar put it, "... Lenin's conception of Russian Populism is still the best and, certainly, the most elaborated and precise one."

At the same time as we examine Lenin's conception of Russian Populism, we will seek parallels with the American case in an effort to elaborate a general theoretical perspective on Populism. This is particularly important since the assertion that there are general and similar social and economic bases to Populism wherever it is found which are reflected in its ideological manifestation is basic to the hypothesis being explored in this dissertation.

Despite the occasional conspiratorial assertion that narodnichestvo (Populism) was in reality "... a polemical device created and popularized by Marxist publicists ..." with little or no historical justification," most scholars agree that the political debate in Russia up to the 1890's was between two very real opponents: Marxism and narodnichestvo. The Russian populists quite literally believed in the narodna volya (peoples' will), much as American
Populism did, and posed a general concept of the people as the source of not only historical change but of all wisdom. For example, Nicholas Konstantinovitch Mikhailovsky, a leading Russian populist, is quoted as saying,

Oh, if I could drown in that grey rough mass of the people, dissolve irrevocably, preserving only that spark of truth and ideal which I succeeded in acquiring for the sake of that same people.  

Another leading populist, V. S. Prugavin, laid out the basic strategy and program of the movement in the call, "Let us go to the village ... Let us gather together all who believe in the people ... Only there amidst the great people in the village, in the obschina [traditional Russian peasant commune], can salvation and reason be found."  

Such a characterization is, of course, simplistic, albeit poetic. Yet such a romantic vision of the people (actually, the rural masses) was a recurring theme in Russian Populism, particularly after historical events passed the movement by. Wartman paints a sympathetic and poignant picture of the dilemma that Russian Populism faced.  

Through the eighties the members of the intelligentsia continued to cherish their bond with the peasantry. They clung to it as a single source of stability and virtue, and their only guarantee of a just heritage in the midst of the tumult and uncertainty of the reform era. To embrace Marxism meant to betray their alter ego, to countenance and even to foster the destruction of the only counterpart of their own moral purity in Russian life: it was to welcome the rude forces of economic transforma-
tion and to accept the poverty and insecurity of modern society as part of the logic of history ... 43

Basically, the dilemma of Russian Populism can be ascribed to two fundamental inadequacies it possessed that truncated its viability both as a theory of society and as a vehicle of social change. First, Populism was basically a reactionary response (rather than a solution) to a number of contradictions in the Russian social structure. Populism reacted to the problems faced by the peasantry vis a vis modern capitalism (this it appears to hold in common with Populism everywhere). The theory and the movement also confronted the problem of Russia's backwardness and proposed a hopelessly ineffectual program of modernization (this, too, it holds in common with Populism everywhere). Uniquely, Russian Populism was also a national reaction to the penetration of what were perceived to be foreign doctrines and forces. Politically the ideology of Populism was also a reaction to Marxism -- because Marxism was European, because it supported the basic direction of capitalist modernization as positive for Russia, and because it was explicitly revolutionary in its solution (again, frequently one can discern these same elements in Populism regardless of nation or region of origin). 44

Consequently, and secondly, Russian Populism got itself into a number of inescapable predicaments. It inexorably became suspicious of Progress (i.e., modernization) and was hence unable to anticipate the future let alone to grapple with the present. Certainly, there
was little possibility of Populism leading a movement to transform
the very character of the future. As a result, Russian Populism fell
into the quandary of sociological romanticism since, rejecting the
future and disliking the present, it turned to the past and latched
onto archaic forms of social and economic modes of life as the panacea
for the present they detested and for the future they feared (they
desperately clung to the feudal peasant commune as the model for what
was to be). This orientation led the populists to make a fetish and
a positive virtue of the backwardness of rural Russia and to shy away
from the kinds of political and social interventions that may have
looked forward to a modern Russia in a modern world.  

On the positive side, the Russian populists were democrats
opposed to what they viewed as the autocratic features that had sur-
vived from Russian feudalism. They advocated the abolition of the
vestiges of feudalism and the introduction of modern democratic
freedoms and rights. Further, they were opposed to the new capitalist
developments in general (but most particularly in agriculture) which
were ruining the small peasantry and the Russian rural social
structure. It was this latter, anti-capitalist thrust of Russian
Populism that Walicki argues was (and is) the crucial criterion of the
populist phenomenon wherever it occurs.

People to whom the label [populist] was
applied represented different, sometimes
mutually exclusive, variants of a really
existing ... broad current of thought;
most of them were, at least partially,
aware of it, and the name 'narodnichestvo' was not badly chosen since the belief in the 'principles of the people' (narodnye nachala), as opposed to capitalism, was bound up with almost all historically registered meanings of the word, even the most loose and imprecise ones. 48

And further,

It [Populism] was the common term for all democratic ideologies in Russia -- both revolutionary and non-revolutionary -- which expressed the standpoint of small producers (particularly peasants) and looked for ways of non-capitalist economic development ... 49

Thus the contention made by Walicki, with which the writer basically agrees, is that we are discussing a sociological phenomenon with a marked degree of universality.

It [the perspective above] enables us to see Russian Populism as a particular variant of an ideological pattern which emerges in different backward societies in periods of transition and reflects the characteristic class position of the peasantry. 50

The Russian Populists argued that the existence of the obshchina -- the traditional Russian peasant commune -- laid the foundation for economic progress to by-pass capitalism and move directly to the stage of socialism. 51 In this way the horrors of unchecked capitalist modernization could be avoided -- horrors that the Russian Populist documented and lamented repeatedly. For them, this was the "privilege of backwardness" -- they had witnessed the ravages experienced by the European masses brought on by capitalism and could
consequently avoid this tragic pursuit of a costly "progress."

Further, the vestiges of Russian feudalism that had survived, however horrible and undemocratic, had also ensured the survival of rural Russia relatively intact (so they argued), including here and there traditional communes which could serve as the model for new forms of social and economic organization, both agriculturally and industrially. Hence, the great rural masses of Russia must be awakened to this menace and led directly to socialism, avoiding the decimation of the small producer and the rural agricultural worker which capitalism must bring with it.

Here we come across one of the major differences between the Russian and American variants of Populism. One might argue that American Populism tended more to a form of "entrepreneurial radicalism." That is to say, rather then being anti-capitalist philosophically, the movement tended more to be anti-big capitalist and anti-monopoly, repeatedly seeking ways to defend the small agrarian property owner's interests in the marketplace as against the interests of big capital. Russian Populism, on the other hand, tended to be more generally anti-capitalist, holding up utopian socialist models as general alternatives to capitalist forms of economic organization. Yet, when all is said and done, in both cases the movement sought to defend the small agrarian interests from the predations of big capitalism. The differences in terms of how far each was willing to go can, to some extent, be explained by the nature of the politics of the
day in each of the two nations. In America, there was no significant revolutionary socialist alternative (indeed, there was no real reform alternative) and Populism there quickly occupied the left-reform area of the political stage. In Russia there was a significant revolutionary socialist movement competing for the undisputed leadership of the left current in Russian politics. Both movements clearly sought to resist a form of industrial modernization (capitalist) that would ultimately decimate the small rural producer and consequently the rural social structure. Clearly then, the differences are differences of rhetorical content only, not of fundamental form. As Minogue argues,

[Populism had] ... two brief historical episodes in Russia and America. They were almost contemporaneous; they presented themselves as movements against established power by or on behalf of little men living on the land; and both placed great emphasis upon the "people" as the oppressed agents of future changes.53

Minogue makes the same point made above by the author, albeit somewhat more polemically.

Populism is a type of movement found among those aware of belonging to the poor periphery of an industrial system; in this sense, it may be taken as a reaction to industrialization. But it is a reaction by those whose profoundest impulse may often be to industrialize; it is only if you cannot join them (and until you can) that you attack them. And it is this ambivalence which accounts for the intellectual emptiness of populist movements.54
Angus Stewart agrees, with some restraint.

Populism emerges as a response to the problems posed by modernization and its consequences. These problems are most importantly those of economic development and of political authority.\(^5\)

Populist movements may therefore be viewed as responses to a variety of crises of development. Important among these crises are (a) the decision to industrialize and how, and (b) the current or anticipated consequences of industrialization.\(^6\)

The most important point about the Russian case is that Russian Populism was defeated in the contest for power, indeed it was defeated long before the October Revolution. Some of its adherents ended up with the Bolsheviks, many more with the Socialist Revolutionaries (where they had a big impact) which had its strongest base in rural Russia, and still others ended up with the various bourgeois reform currents. Our purpose here is not to pursue this further, but merely to lay the groundwork of historical fact to justify a deeper look at Lenin's analysis of Populism. It should be pointed out also that many adherents of Russian populism remained committed to a movement that had disappeared, waiting for its re-birth, letting events sweep past them.

Locked in the closed circle of their belief, they took solace where they could find it. The movement was broken; its dreams had gone up in smoke, but across Russia believers continued to propagate their ideas and to seek out others with whom they could share their faith. Gathering in small circles ... they
joined in lonesome communions with the narod.\textsuperscript{57}

To this point we can discern a recurring theme in the scholarship on both American and Russian Populism. That theme is as follows:

Populism is the characteristic response of the independent commodity producer, or agrarian petit-bourgeoisie,\textsuperscript{58} to the threat of capitalist industrial modernization. Such modernization is a threat, firstly, because of the inevitable consequences of capitalist economic organization for small producers -- either they become larger in order to survive or they are pushed out of business. This applies equally to handicraft production and to agriculture. In handicraft production it is clear; as capitalist industrial techniques are applied to the production of commodities (textiles, shoes, iron goods, etc.), the small producer using unmodern tools and labour-intensive techniques simply cannot compete. Yet the same principle holds true in agriculture; inevitably industrial techniques come to be applied to the production of agricultural commodities, particularly in the area of the modernization of technology, especially machinery, to the point where the individual producer must apply the modern techniques and expand his land holding in order to produce more as the new competition lowers the prices paid for agricultural goods on the market.

The same threat applies at a more profound social structural level. Someone must bear the burden of the costs of industrial modernization of whatever variety.\textsuperscript{59} Capital must be accumulated. Accumu-
lated capital must be diverted into new investment areas — plant, machinery, raw materials, marketing, wages, etc. This capital must be extracted somewhere, it must be diverted from its traditional uses. Under capitalist industrial modernization, capital is accumulated in the first (and obviously most important) instance through the extraction of surplus value from wage-labour. Yet even before the exploitation of wage-labour can be accelerated, certain problems must be solved by capitalism. First on the agenda is the modernization of agriculture — the traditional rural social structure based on subsistence agriculture must be transformed for a variety of reasons.

To make the point, the case of Britain is instructive and generalizable.

But the right conditions were visibly present in Britain, where more than a century had passed since the first king had been formally tried and executed by his people, and since private profit and economic development had become accepted as the supreme objects of government policy. For practical purposes the uniquely revolutionary British solution of the agrarian problem had already been found. A relative handful of commercially-minded landlords already almost monopolized the land, which was cultivated by tenant-farmers employing landless or smallholders. A good many relics of the ancient collective economy of the village still remained to be swept away by Enclosure Acts (1760–1830) and private transactions, but we can hardly any longer speak of a 'British peasantry' in the same sense that we can speak of a French, German, or Russian peasantry. Farming was already predominantly for the market; manufacture had long been diffused throughout an unfeudal country—
side. Agriculture was already prepared to carry out its three fundamental functions in an era of industrialization: to increase production and productivity, so as to feed a rapidly rising non-agricultural population; to provide a large and rising surplus of potential recruits for the towns and industries; and to provide a mechanism for the accumulation of capital to be used in the more modern sectors of the economy.62

Overall, the initial and often the heaviest costs of industrial modernization must be borne by the agricultural sector, which is overwhelmingly agrarian petit-bourgeois. This is obvious since in pre-industrial societies the basic source of wealth is land and labour and the most significant commodities are agricultural. Capital must be accumulated in this sector initially and diverted to industrialization. Techniques must be improved, and holding size enlarged, both to increase production and to free labour from the land so that it may be diverted, under threat of starvation under capitalist modernization, to industrial wage labour. Consequently the two classes which must bear the costs of capitalist modernization are the agrarian petit-bourgeoisie (also, the landless and tenant agricultural worker) and the emerging industrial proletariat63 -- indeed in the process of capitalist modernization (and continuously) the agrarian petit-bourgeoisie (and those who depend upon it) is faced with the Draconian and remorseless prospect of successfully enlarging itself at the expense of others or of losing everything and being forced onto the wage labour market. This threat is continuous, as the means of pro-
duction are constantly revolutionized. Yet this fundamental social structural consequence of capitalist modernization is unevenly expressed by scholars of Populism, particularly in the polarized debate in American scholarship. Unwilling to recognize the roots of Populism in the interests of a concrete social class, the agrarian petit-bourgeoisie, both the revisionists and the counter-revisionists fall into the trap of superficial and blind partisanship. One side sees Populism cynically -- as the reactionary and blind response of rural small holders to the threat of modernization. The other side ignores this very real thrust and sees only the progressive aspects of the movement. In Russian scholarship there is a more clear and somewhat more balanced perspective on Populism -- it is the response of a threatened class, but its totality cannot merely be understood in crass and vulgar class-interest terms. Populism was also a conscientious effort by a class not only to save itself materially, but to build a better society. Both sorts of insights were expressed, long before either perspective in American scholarship was enunciated, in the writings of Lenin. Indeed, Walicki's classic, The Controversy over Capitalism: studies in the social philosophy of the Russian Populists, takes very serious account of Lenin's work on Populism. Much of Walicki's work essentially confirms Lenin's view through an analysis of primary sources in Russian Populism. At one point Walicki concedes,
It was Lenin who gave it a more concrete historical and sociological connotation by pointing out that Populism was a protest against capitalism from the point of view of the small immediate producers who, being ruined by capitalist development, saw it only a retrogression but, at the same time demanded the abolition of the older, feudal forms of exploitation.65

Lenin's scholarship has long gone unrecognized by North American social science, including Marxist scholars. Lenin seems to be regarded solely as the architect of the Russian Revolution who, as a Marxist intellectual, made his primary contribution in the realm of theories of organization and practical revolution.66 Again one has to go to Europe to find Lenin recognized as a Marxist scholar in his own right. Given the fact that it was Lenin, as Walicki admits, who initially argued that Populism was a protest against capitalism from the point of view of the small producer, and further given that this insight is central to scholarship on both the American and Russian cases, it is essential to appeal to Lenin's works in order to flesh out this perspective and to examine it in some detail to see if, indeed, it does commend itself as the most fruitful theoretical orientation in an analysis of Populism.

Perhaps the best way to assess Lenin's writings on Populism (which are considerable and therefore cumbersome) is to pose four questions to orient our discussion. First, what, for Lenin, was Populism as a social movement? Second, what did Russian Populism
propose? Third, according to Lenin, what was wrong with the proposals—that is, why did Populism fail? Fourth, and lastly, to what extent does Lenin’s analysis successfully and usefully embrace and account for the various trends we have examined in the scholarship on Populism?

For Lenin, Populism was "... a theoretical doctrine that gives a particular solution to highly important sociological and economic problems ..." The essence of the particular solution had as its starting point "... a protest against serfdom ... and bourgeoisdom [capitalism] from the peasant's, the small producer's point of view ..." The solution is one of rejection, for Lenin, a rejection of elements of the past and of the future, at the same time as certain selected features of the past are glorified.

... the Narodnik, in matters of theory, is just as much a Janus, looking with one face to the past and the other to the future, as in real life the small producer is, who looks with one face to the past, wishing to strengthen his small farm without knowing or wishing to know anything about the general economic system and about the need to reckon with the class that controls it -- and with the other face to the future, adopting a hostile attitude to the capitalism that is ruining him.

The populists extolled the "ethics of the thrifty peasant" as the basis and bedrock of a permanent social morality. Rejecting, on the one hand, feudalism, it "regarded small-scale production as a natural system" and, on the other, "was up in arms against big capital" which
it regarded as foreign, un-Russian, "an extraneous element."\textsuperscript{71}

Populism glorified the small peasant economy, extolling small production, arguing that such a form of social and economic organization ensured the independence of the producers and consequently eliminated the unnatural contradictions in the social structure being introduced by this "extraneous element," big capital.\textsuperscript{72} As the foundation of a safeguard against the ravages of big capital, the populists held true individualism up as the watch-word and banner of the peasant movement. Lenin puts the icing on the cake:

\begin{quote}
The idealisation of small production reveals to us another typical feature of ... Narodnik criticism, namely, its petit-bourgeois character.\textsuperscript{73}
\end{quote}

Fundamentally, then, the struggle of the populists in Russia was a struggle for their right to existence as small holders on the one hand, demanding democratic concessions from Tsarist absolutism so that they might engage in unfettered production for a free market, and on the other, proposing measures to control the negative effects of big capital on their capacity to survive and flourish. Yet at the same time Lenin retained a balanced view, he saw the populists as having "good intentions"\textsuperscript{74} and "fine wishes,"\textsuperscript{75} however "impractical."\textsuperscript{76} Indeed, he went so far as to argue that Populism "occupied a foremost place among the progressive trends of Russian social thought,"\textsuperscript{77} had "made a big step forward" ... "by posing the question of capitalism in Russia."\textsuperscript{78} Lenin maintained that one cannot ignore the "histori-
ally real and progressive historical content of Narodism as a theory of the mass petit-bourgeois struggle of democratic capitalism against liberal-landlord capitalism ...

Clearly Lenin anticipated the arguments the American revisionists on Populism (Hofstader, et. al.) would marshal to diminish the significance of the populist resistance in America. Yet his analysis also concedes many of the positive features of Populism recounted by the Hicks tradition, and later the counter-revisionists like Pollack, namely, the movement's commitment to democratic reforms and its frequent espousal of measures that bordered on the utopian socialist. Correctly, Lenin's view seems to account for both observations. Indeed, the movement did resist and lament about capitalist modernization insofar as the small producer was threatened, but hardly in as cynical and irrational a manner as Hofstader et. al. seem to suggest. What the movement was resisting was not Progress, per se, as Hofstader et. al. would seem to imply, but an historically specific form of progress led by a minority class, a form of unregulated capitalist modernization that threatened the very existence of the class of small producers.

Lenin asserts that Populism is essentially the protest of a threatened agrarian petit-bourgeoisie against the forces out to destroy it as a class -- basically against the forces of capitalist modernization. However, one must add that in the Russian case the populists equally directed their protests against the remnants of feudalism
that sorely and unjustly hindered their capacity to prosper. Lenin's assertion can best be tested by an examination of the measures the movement proposed to re-direct Russia's development in a more positive (from their point of view) way.

Populism in Russia provided "a whole vision of the world" which was posed as an alternative path to a unique and modern Russia. The vision basically argued that capitalism was retrogressive, that is, capitalist progress was rejected whole cloth as the author not only of the destruction of an existing and past real world with much to commend it to the masses, but also of a future misery for the people too horrible to contemplate. To those who argued that the triumph of capitalism in Russia was inevitable, pointing to the last century of European history, the Populists asserted that Russia was exceptional in a variety of ways. Russia, due to its own backwardness, still had the mass of her people on the land both as owning peasants and working peasants and hence it was not too late to experiment with new social forms, or indeed, and most importantly, old social forms that had survived due to Russia's very backwardness. The Populists pointed eagerly to the traditional Russian peasant commune which had survived and held it up as the model -- indeed, it was argued that Russia could bypass capitalism and go directly to a social structure based on the commune by applying the principles of the commune not only to all of agricultural but also to industrial production. Finally, and politically, the Populists argued that this transition could be made by
diverting the existing legal and political institutions from their insane path by appeals to "good sense." In agriculture the Russian Populists decried the commercialization of agriculture (with its pressure toward larger and larger holdings utilizing modern techniques due to market forces), on the one hand, and landlordism (encompassing a variety of remnants from feudalism), on the other. They advocated breaking up and dividing large land holdings and the distribution of land among small producers and communes. That was one thrust of their agrarian program. Another was a broad program to reorganize land and labour around a resurrected form of the traditional Russian peasant commune -- a holdover from feudalism which still existed here and there and remained based on "the family labour principle," which the Narodniks glorified despite its cruel exploitation of women and children. Such land tenure reforms and principles of labour re-organization were their maximum agriculture program. In the meantime, they fought for a variety of small reforms -- peasant unions and associations to act as pressure groups, co-operatives in agricultural production and marketing, stricter regulation of the capitalist market, programs to reverse rural de-population, controls on the marketing of agricultural products, inexpensive loans to small producers, government intervention to aid in technical improvements in agriculture and handicraft industry, free education programs to increase the people's knowledge, and a retardation of "the money economy" -- all these
and more were advocated as concrete measures to protect the small producer in agriculture. As an aside, the similarity of such reforms to many of the reforms advocated by American Populism, and by the Social Credit and C.C.F., is interesting, particularly since it appears that such movements were addressing themselves to the obviously universal problems faced by small producers in the face of an aggressive and unremitting capitalist modernization.

Although most of their attention was focussed on the agricultural sector, the Narodniks also had a complete industrial program which they presented as an alternative to capitalist industrialization. They saw in capitalist industrialization the source of all the suffering of the great rural masses of Russia -- the destruction of the small producer and the consequent decline of rural communities, the obliteration of the traditional skills of home handicraft industry, the irresistible magnet of urban, industrial jobs with a better standard of living, that drew the landless peasants remorselessly to the new industrial centers, etc. They also recognized the validity of many of the technical advances made in industrial production. Like populist movements everywhere, they faced the problem of how to extract the best of both worlds; that is, to keep what was good from the past -- the rural community, strong family and kinship ties, independence, traditional skills, etc. -- and what was best from the present and future -- inventions in machinery, new techniques, the application of the natural sciences, etc. Their solution was simple and easy:
extend the principle of the peasant commune and home industry to industrial production -- this was the basic strategy to resist the increasing migration of people from agriculture to industry. Bring industry to the traditional community! was their cry. Lenin sums up their industrial program:

... 1) condemnation of money economy and sympathy for natural economy and primitive artisan production; 2) various measures for the encouragement of small peasant production, such as credits, technical developments, etc.; 3) the spreading of associations and societies of all kinds [co-operatives] among the masters, big and small -- raw material, warehousing, loan-and-savings, credit, consumers' and producers' societies; 4) organization of labour [along communal lines] ... 

There was also a negative aspect to the program, that of resisting capitalist industrialization and suggesting that the state use its power to do so.

Side by side with the measures indicated above, which are usually described as a liberal economic policy, and which have always been inscribed on the banners of bourgeois leaders in the West, the Narodniki contrive to cling to their intention of retarding contemporary economic development, of preventing the progress of capitalism, and of supporting small production, which is being bled white in the struggle against large-scale production.

... the Narodniki try to drag history back, to halt development, beg and plead that it be "forbidden," "not allowed," ...
The basic orientation of both their agrarian and industrial programs was, of course, to use the state to defend\(^46\) and extend small, independent production and production based on a re-organized peasant commune in contrast to the large-scale production of urban, big industry and of commercially-oriented, large-scale agriculture.

Besides this general economic program — encompassing the social re-organization of production in agriculture and industry — the Russian Populists, like their cousins in America, stood staunchly for democracy. For Lenin, this aspect of their program was enormously positive, since it reflected the deep democratic striving of the masses of rural Russia as well as being on the immediate and practical political agenda. Whereas he saw their general economic program as hopelessly impractical if well-intended, he took their struggle for democracy very seriously indeed. Their demands for universal, state-supported education, for universal suffrage, for responsive and responsible government, etc. were among the Narodniks' most politically successful policies in terms of gathering mass support. Lenin saw the Populist democratic insurgency as the "struggle of democratic capitalism against liberal-landlord capitalism, of 'American' capitalism against 'Prussian' capitalism."\(^47\) He called on all socialist revolutionaries to support "the republican-democratic trends"\(^48\) and the "general democratic measures"\(^49\) represented by and advocated by the Populists.

Narodnik democracy, while fallacious from the formal economic point of view, is correct from the historical point of view; this democracy, while fallacious as a
socialist utopia, is correct in terms of the peculiar, historically conditioned democratic struggle of the peasant masses ... 100

Further, the task of revolutionaries was to "... extract the sound and valuable kernel of the sincere, resolute, militant democracy of the peasant masses from the husk of Narodnik utopias." 101 "The only real content and social significance of Narodism is peasant democracy." 102 The political support of the populists must be sought by the revolutionary movement because the populists were "... honest, sincere, ardent, and strong democrats." 103 But there was little else Lenin found in the political posturing of the populists to commend them. His critique was systematic and unsparing, and strongly reminiscent of the position taken by Hofstader and the revisionists, although it was based in a much more concrete economic analysis than the American revisionists provide.

Populism, for Lenin, was limited by the very nature of the class whose interests the movement embodied -- the agrarian petit-bourgeoisie. Narodism was a protest against feudalism and capitalism "from the peasant's, the small producer's, point of view." 104 It was the protest of a class of small producers which was being ruined by capitalist modernization and which was therefore "fighting for [its] right to existence," 105 and which therefore "merely approached the question [of the contradictions inherent in capitalism] and at once shrank from it." 106 Out of their protest, the populists constructed impossible Utopias which they presented as alternatives to capital
development, Utopias which, in reality, epitomized the "dream of the victory of the wheelbarrow over the train." 107

The utopia of the Narodniks ... is the daydreaming of the petty proprietor, who stands midway between the capitalist and the wage-worker ... 108

The majority of small producers, being neither wage-workers nor capitalists, the two main classes brought into being by capitalist modernization, feared the prospect of ruination leading to proletarianization. On the other hand, most small producers were unable to succeed sufficiently to join the ranks of big capital. Thus they found themselves in an impossible quandary. For Lenin, this explains their apparent irrationality and their political vacillation, now supporting radical reforms, now supporting reactionary measures to halt progress and to tie the peasant masses to the land. They end up espousing an ideology characterized by "half-heartedness" and "two-facedness." 109

On the one hand, the Narodniki do not deny that in our society there are a host of survivals of the "organization of labour" whose origin dates back to the days of apanage rights, and which are in crying contradiction to the modern economic system and to the country's entire economic and cultural development. On the other hand, they cannot help seeing that this economic system and development threaten to ruin the small producer, and, fearful for the fate of this palladium of their "ideals," the Narodniki try to drag history back, to halt development ... 110

Because of this rejection of the present and their efforts to retard capitalist development, the populists' "protest against
capitalism ... becomes a reactionary lamentation" \footnote{111} for a glorified past that never really existed, and if it did, a past of which the Russian masses were well rid. As Walicki puts it,

"... the Populists ... combined in their ideology an anti-feudal bourgeois democratism with a petty-bourgeois conservative reaction against bourgeois progress." \footnote{112}

According to Lenin, the basic error of the Narodniks, which itself flowed from the blindness imposed by their class position, was that they simply could not understand the logic of capitalist modernization and its irresistible impact on small production.

Capitalism raises the level of agricultural technique and advances it, but it cannot do so except by ruining, depressing and crushing the mass of small producers. \footnote{113}

The Narodniks refused to admit that commodity production [production for profit on a cash market] had penetrated into all spheres of Russian agriculture, and had imposed on all producers, regardless of size, the logic of capitalist competition. And when they did accept this fact, they decried it and held up traditional small-scale production as "natural" \footnote{114} and morally superior. By doing this the Narodniks engaged in a "substitution of sentimental complaints and lamentations for scientific analysis. \footnote{115} and consequently "replaced an economic analysis by sentimental wishes. \footnote{116} They refused to recognize that the same logic bound big and small producers with iron chains to the capitalist marketplace. This fact made their attack on big commodity production rather hollow when one considers that they were
simultaneously defending and glorifying small commodity production.

[The Narodniki] ... failed to understand the inseparable and natural connection between big capital and small independent production, failed to understand that these are two forms of commodity economy ... 117

Indeed, the Narodniki failed to understand that big capital became big precisely by its capacity to out-perform, and hence gobble up, small production; that big production was simply the outcome of successful capitalist small production. Here is where the Narodniki's protest becomes a pathetic and self-seeking attempt to hold back general human development for their own selfish sakes. Lenin states this glaring contradiction well,

[The Narodnik is] ... up in arms against big capital, i.e., against commodity economy in one form, its most developed form, while, utopian-like, he praises the small producer (especially the peasantry), i.e., commodity economy in another form, its rudimentary form. 118

To buttress his case Lenin quotes Marx.

To object to ... production for the sake of production ... by pointing to the fact that production is not an end in itself, means to forget that production for the sake of production is nothing more nor less than the development of the productive forces of mankind, i.e., the development of the wealth of human nature as an end in itself. If this end is set up in contrast to the welfare of individuals ... it is tantamount to asserting that the development of the whole human race must be retarded for the sake of ensuring the welfare of individuals ... 119
This indeed was one aspect of the Narodnik program, i.e., to retard development for the sake of ensuring the welfare of a class, the agrarian petit-bourgeoisie.

Lenin consistently argued that while one must not blind oneself to the horrors of capitalism and one must strive for its overthrow, at the same time, one must recognize that capitalism is progressive in contrast to pre-existing social and economic forms, i.e., capitalism does represent a step forward in the material development of the economic basis of human society. One must, therefore, not look to the past to redress the injustices of capitalism, but one must look to the future. The Narodniks were incapable of this because there was no future for them if capitalist modernization went ahead.

Attacks of this kind [those made by the Narodniks on capitalist development] betray the romanticist who fearfully condemns precisely that which scientific theory values most in capitalism: its inherent striving for development, its irresistible urge onwards, its inability to halt or to reproduce the economic processes in their former, rigid dimensions. Only a utopian who concocts fantastic plans ... can ignore the fact that it is the "instability" of capitalism that is an enormously progressive factor, one which accelerates social development, draws larger and larger masses of the population into the whirlpool of social life, compels them to ponder over its structure, and to "forge their happiness" with their own hands. 120

This was why the Narodniks, for Lenin, were basically reactionary, "their failure to understand the elements of progress inherent in
[capitalist] instability ..."121 Unwilling to confront capitalist production in general, but willing only to attack one form, their "programme is weakened and distorted by the substitution of partial and minor projects and measures for a general and fundamental solution to the problem,"122 it is a program characterised by solutions that are "charmingly simple and easy"123 and which transform the science of political economy into "a science of morality."124

Lacking "sociological realism"125 and unwilling to face the fact that the small producer too is locked into the capitalist economy, the Narodnik focussed his attack on "peculiarities of policy -- land, taxation, industrial -- and not on the peculiarities of the social organization of production"126 and extolled the "sugary Narodnik fairy tale"127 of the independence and "naturalness" of small peasant production.

The petit-bourgeois ... is afraid to look things straight in the face, and to call a spade a spade. He turns his back on ... undoubted facts, and begins to dream. He considers only small independent undertakings (for the market -- he keeps a modest silence about that) to be "moral," while wage-labour is "immoral." He does not understand the tie -- an indissoluble tie -- between the one and the other, and considers bourgeois morality to be a chance disease, and not a direct product of the bourgeois order that grows out of commodity economy (which, in fact, he has nothing against).128

This moral idealization of small production, disregarding its market goals, reveals the petit-bourgeois character of the Narodnik
social and economic critique of capitalism, a critique which reveals "... an extremely superficial understanding, that it is the artificial and incorrect singling out of one form of commodity economy (large-scale industrial capital) and condemnation of it, while utopianly idealising another form of the same commodity economy (small production)." Having ignored (or never understood) their real location in the larger economy, it is not surprising that the Narodniks failed to see themselves as representing a class from the past which stands between the working class and the capitalist class and whose interests lie with neither, yet whose fate it is necessarily to join one or the other as the logic of capitalist competition threatens its members' capacity to exist. Lenin sums up:

[The Narodniks] ... invent for themselves a sort of abstract small production existing outside of the social relations of production, and overlook the trifling circumstance that this small production actually exists in an environment of commodity production ... Actually, the small producer, whom the romanticists and the Narodniks place on a pedestal, is therefore a petty-bourgeois who exists in the same antagonistic relations as every other member of capitalist society, and who also defends his interests by means of a struggle which, on the one hand, is constantly creating a small minority of big bourgeois, and on the other, pushes the majority into the proletariat. Actually, as everybody sees and knows, there are no small producers who do not stand between these two opposite classes, and this middle position necessarily determines the specific character of the petty bourgeoisie, its dual character, its twofacedness, its gravitation towards the
minority which has emerged from the struggle successfully, its hostility towards the "failures," i.e., the majority. The more commodity economy develops, the more strongly and sharply do these qualities stand out, and the more evident does it become that the idealisation of small production merely expresses a reactionary, petty-bourgeois point of view.

We have spent so much time on Lenin's analysis of Populism, not simply because scholars like Walicki claim he provides the best theoretical framework nor, for that matter, simply because partial echoes of Lenin's perspective recur throughout the literature on Populism (although such reasons would be sufficient). The basic reason remains that Lenin has provided, potentially, the most complete framework for an analysis of the populist phenomenon in general. Unlike the Hicks and the Martins, and later the Pollacks, Lenin does not exaggerate the extent of the critique of capitalism made by the movement, nor does he ignore the less commendable features of the movement. While not denying the progressive features of Populism, Lenin attempts to explain such features, as well as the seemingly contradictory reactionary excesses of the phenomenon, not by an analysis of the good or bad intentions of the leaders, not by a psychological explanation about the limitations imposed by the era; but rather by attempting to locate the movement and its supporters in the concrete class structure of a developing capitalism and by teasing out the consequences of an unfettered development of modern capitalism for the class of small producers. By doing so he has successfully explained
the Russian case in all its contradiction. On the one hand, we see the populists' general assault on capitalist modernization which was transforming the small property of the many into the big property of the few as well as imposing, as industrialization must, heavy costs on the agricultural sector to provide the capital, labour, and cheaper food required for modernization. On the other hand, we note that the populists' unwillingness to reject the fundamental principles of capitalist economy -- private property, commodity production, self-enrichment -- forced them to adopt solutions which had the tendency to oppose development and modernization. Thus recognizing that Populism was the political expression of the agrarian petit-bourgeoisie in the class struggle, one can understand clearly both the reactionary and progressive faces of the movement.

At the same time Lenin does not fall into the errors of the Hofstader and Bell revisionist perspective which emphasizes, with some discernible contempt, the crass class motives of the movement while at least implicitly uncritically supporting capitalist modernization with all its horror. This tradition ferrets out the negative and reactionary features of American Populism -- the support of individual private property, the racism and anti-Semitism, its easy transition to more blatantly right-wing political tendencies -- to the virtual exclusion of the progressive features of the movement. Unwilling to recognize the existence of a class struggle, unable or unwilling clear-sightedly to perceive the negative consequences
of capitalist modernization for masses of people, the Hofstaders and Bells content themselves with dismissing the movement as an irrational rural protest against capital 'P' Progress and capital 'C' Civilization. Both traditions, I would argue, are more ideologically blinded, more philosophically self-serving, more a case of special pleading, than that of Lenin, who at least attempted, in the Russian case, to locate the phenomenon in all its complexity and contradiction in a larger political and economic structure undergoing rapid transformation.

The extent to which Lenin's perspective is applicable to Canada is one of the questions to be explored later in this work. On the face of it, in terms of our examination of the American and Russian cases, there is a strong case for arguing that Lenin's view goes further in providing a systematic understanding of Populism than any of the main streams in the North American literature. Rather than further enmeshing us in the polarized debate on American Populism, his view explains the correctness of the main thrusts of both apparently contradictory cases. However, our task here is not to apply and test Lenin's orientation in terms of American Populism fully -- that would be another and separate undertaking.

Our task here is to investigate whether the CCF in Saskatchewan and the Social Credit in Alberta can both best be viewed as populist responses to the Canadian National Policy. By populist, like Lenin, we mean the political expression of a critique of capitalism and a pro-
posed developmental alternative from the point of view of the agrarian petit-bourgeoisie. We will attempt to ascertain whether such a perspective goes further in explaining both movements than the normal treatment provided in Canadian scholarship. In examining this argument, we will not simply marshal the usual evidence — their roots in pre-existing farm protest movements, the social and economic bases of the two movements, their political programs, their rhetoric and who it appealed to, the beliefs of their leaders and spokesmen — although we will look at such evidence; but we will also examine their records as provincial governments to see if there, too, we can find evidence of the agrarian petit-bourgeois character of the two movements.132

The scholarship on Canadian Populism is strangely less rich and dynamic than that on the U.S. or Russian variants. It is strange because in Canada the populist reactions gained power in a number of provinces under the banner of a number of organizations and, indeed, the heirs to that tradition remain permanent fixtures in Canadian politics. No one denies the essentially populist nature of the early movements of agrarian protest in Canada, yet the various analyses of the CCF and Social Credit are at great variance with one another. As early as the late 1800's, American experiments in rural populist protest were successfully transplanted in Canada — the Dominion Grange of the Patrons of Husbandry came to Ontario in 1874, organized by the American National Grange; the Grand Association of the Patrons of Industry came to Ontario in 1889, organized out of Michigan. Both had
some degree of initial success (for example, the Patrons of Industry entered politics and won 17 seats in the Ontario 1894 election). Both organizations declined rapidly, but clearly laid the foundations for the later successes of the United Farmers of Ontario which captured government in 1919.

In the West similar agrarian protest organizations emerged almost as quickly as agricultural settlement established itself permanently. The Manitoba and North West Farmer's Protective Union was formed in 1883, but it was absorbed by the Manitoba Liberal Party. The Patrons of Industry, organized out of Ontario, also appeared briefly in Manitoba. The more successful movements of agrarian protest in the West initially concerned themselves with the practical problems faced by grain producers. In 1901 the Territorial Grain Growers' Association of Assiniboia was organized, with its main membership in what is now Saskatchewan. This move was followed quickly by provincial organizations, especially after Saskatchewan and Alberta were founded in 1905. In 1903 the Manitoba Grain Growers' Association was established. A similar organization was established in Alberta in 1905 which later joined with the Alberta Society of Equity to become the United Farmers of Alberta in 1909.

The primary purpose of the new organizations was to educate their members in collective action, a knowledge of their legal and political rights, and an appreciation of the dignity of their calling. The organized farmers began with a deep conviction that the root of the farmer's
plight was his individualism, his isolation, and his ignorance of matters outside his narrow practical experience. They sought to arouse class-consciousness in the farmer ...\textsuperscript{139}

However, the organizations also advocated and took practical action to alleviate the economic plight of the grain producer.

The grain grower was at a disadvantage as a producer and as a consumer; he sold on a buyer's, and bought on a seller's, market. To break this system of exploitation, action was taken in two ways. Producers' and consumers' co-operatives were organized, and pressure was put on government to take over the ownership of the elevators through which the grain passed and in which it was stored. The organized farmers were groping their way towards the elimination of the middleman and the control by the farmers of storage and sale of the annual harvest.\textsuperscript{140}

This tendency toward practical action inevitably led the organized farmers into provincial politics in the West (and in Central Canada), as the governments of the old-line parties proved unresponsive to their demands. This was to lead to the astonishing, but short-lived, success of the Progressive Party on the federal scene in 1921 and the victory of the U.F.A. in the Alberta election of the same year.\textsuperscript{141}

A year later the United Farmers of Manitoba won power there too. Although we are anticipating ourselves, suffice it to say that the political groundwork was laid for the successful emergence of the C.C.F. and Social Credit, after the initial ineffectiveness of the various organized farmers' rather unsuccessful political adventures.
All works on these earlier movements of agrarian discontent seem to accept them as populist movements, basically representing the agrarian petit-bourgeoisie (although many make altogether too much of the American influences present). And indeed most seem to recognize the roots of the C.C.F. and Social Credit in these earlier agitations and experiments, yet the application of the populist theoretical schema seems most often to stop with the founding of the two new, and more successfully permanent, movements. Morton is an example of this—he admits the roots of the C.C.F. in the earlier populist formations but implies that the Federation transcended these roots. He similarly locates the roots of the Social Credit movement. The implication, clearly, though, remains that these two movements were decisive political breaks with their populist heritage.

Lipset, in his study of the C.C.F. in Saskatchewan, similarly recognizes the roots of the Federation in the populist agitations, but coins a new theoretical phrase to characterize the C.C.F., "agrarian socialism." He essentially argues that the organized farmers' movement in Saskatchewan "went socialist," giving birth to a completely new political phenomenon. Strangely enough, despite his title, Lipset gives the lie to his own analysis when he is forced by the facts to admit that increasingly the socialist rhetoric of the C.C.F. was abandoned.

Some of the agrarian CCF candidates realized that greater strength could be achieved for an independent farmers' party that opposed the eastern capitalists
than for a socialist party. Even before the first election in 1934, party leaders began to omit all reference to socialism in their propaganda. The party leaders were trying to popularize the CCF by speaking in the traditional language of agrarian radicalism.\textsuperscript{146}

Clearly, even by his own admission, the C.C.F. had long abandoned its socialist rhetoric and program almost a full decade prior to winning provincial office in 1944.\textsuperscript{147} The theoretical usefulness of the term "agrarian socialism" is clearly called profoundly into question.

Macpherson, in his study of the Social Credit in Alberta,\textsuperscript{148} also recognized the roots of the movement in the earlier populist formations that thrived in that province.\textsuperscript{149} However, his initial focus is primarily on an analysis of the Albertan population's rejection of the traditional party system.

The political unorthodoxy of both movements [the U.F.A. and the Social Credit] followed logically from the unorthodoxy of their social and economic ideas; experience had convinced their members that they could not get economic justice except by changing the system of government. The crucial political problem was to devise means to ensure that the will of the people should prevail.\textsuperscript{150}

Of course such ideas were not unique to Alberta -- they have always found expression in populist formations in one form or another. However, Macpherson does locate the particular political developments in Alberta in the struggles of the agrarian petit-bourgeoisie for survival and prosperity against the inimical forces of "eastern financial domination and the party system."\textsuperscript{151} Yet the party system, in Macpherson's
analysis, is always in the forefront of the grievances of the movement, whether U.F.A. or Social Credit. In the end, though, Macpherson does locate his analysis in the particular forms taken by the political class struggle of the agrarian petit-bourgeoisie in Alberta. In attempting to explain the oscillation between radicalism and conservatism of the movements he says,

The radicalism of both was that of a quasi-colonial society of independent producers, in rebellion against eastern imperialism but not against the property system... It was not that the exigencies of government, as such, caused the leaders, on attaining office, to become orthodox both in their economic policies and in their practice of democracy. Rather, the exigencies of governing a society of independent producers, in revolt against outside domination but not against property, brought out the conservatism inherent in petit-bourgeois agrarian radicalism.

Clearly we have here an echo of Lenin's analysis of Populism. Indeed, Macpherson essentially concludes his work by suggesting that his analysis of the Social Credit in Alberta basically confirms Lenin's account (although he never explicitly says so). The closest Macpherson comes to suggesting a similarity between the Social Credit movement and the C.C.F. movement is when he admits that the C.C.F. would be "the most likely contender" for power in Alberta should the Social Credit collapse as the leader of agrarian discontent.

The fundamental problem with Macpherson's analysis is that he ends where he ought to have begun and places far too much emphasis on
the party system as a source of the reform agitation. The critique of
the party system was not unique to the U.F.A. and Social Credit in
Alberta -- it was characteristic of the U.F.O., the U.F.M., and the
Progressive Party as well as the C.C.F. It is a familiar populist
echo that can be found in the programs of the populist movements of
America as well as in the pre-political programs of almost every
organized farmer movement in North America. Perhaps it would have been
more significant to have looked at the Social Credit in Alberta as a
particular political expression of the populist phenomenon -- of the
protest against capitalism, and in this case regional domination, from
the point of view of the agrarian small producer.

There are those who would disagree sharply. Sharp would see
more of American Populism in Alberta due to the large number of
American settlers who came there. Certainly this has become almost
a truism among scholars on Western Canadian Populism. For example, Walter
Young, the closest there is to an official historian of the C.C.F./N.D.P.
certainly, and somewhat too eagerly, agrees. And so does Morton, the
author of the classic on the Progressive Party.

A more recent attempt by Sinclair to grapple with the emer-
gence of apparently contradictory political protest movements in the
similar agricultural environments of Saskatchewan and Alberta goes part
of the way in applying the populist schema. Sinclair concedes that
both the C.C.F. and Social Credit were movements of populist protest
to defend the interests of the agrarian petit-bourgeoisie. He argues
that although the C.C.F. began as a socialist movement, it abandoned its socialism and became a progressive populist party. On the other hand, the Social Credit in Alberta was an authoritarian populist party resulting from the earlier collapse of an American-style agrarian Populism (the U.F.A.). Again, I would argue, the author makes too much of the apparent differences between the two movements, though he does take a fruitful step in asserting that the populist schema is best for a complete analysis of both movements.

Other recent efforts to take this point of view have been made by Smart and Naylor and Teeple. Neither of these efforts goes far enough in substantiating the basic assertion that Populism, as a political movement in self-defence on the part of a threatened agrarian petit-bourgeoisie, is what fundamentally characterized the C.C.F. and Social Credit. However, the initial efforts of Sinclair, Smart, Naylor and Teeple hopefully reflect a new thrust in scholarship on the Canadian variant of Populism; a thrust to which this work hopefully will make a useful contribution.

* * *

This preliminary discussion of the nature of Populism sets the stage for what is to follow. Clearly it is incomplete since the works of many scholars on Canadian Populism have been dealt with too briefly and cavalierly, others have not been dealt with at all. This is a
deficiency which will be overcome later. But the basic outline of the problem this work is addressing has been theoretically sketched, all that remains is to flesh it out and to test it by frequently returning to the basic hypotheses and arguments that have been outlined as we examine the facts of the case. Any such examination must commence with a consideration of the political and economic forces that brought about the Confederation of the British North America colonies -- forces that ultimately led to the settlement of the Prairie West.
NOTES AND REFERENCES

The quotation used on the frontispiece is found in Warkentin, John (ed.) The Western Interior of Canada: a record of geographical discovery: 1612-1917 (McClelland and Stewart, Carleton Library No. 15), 1964, pp. 109-111.

PREFACE AND ACKNOWLEDGEMENTS

1. The phrase "a goodly heritage," used in the title, is taken from the Report of the Royal Commission on Dominion-Provincial Relations, Vol. I (King's Printer, Ottawa), 1940, p. 81. "During the boom, two new Provinces were created and two others grew to maturity in the West. In Saskatchewan and Alberta, the entire community equipment and all the physical apparatus by which governments perform their social role had to be provided almost overnight. Transportation and communication facilities, public buildings and equipment of every kind were required. The foundations and superstructure of an educational system had to be built. Towns and villages sprang up everywhere, needing a wide variety of municipal services. People in haste to realize a goodly heritage found private enterprise too slow in providing some of the services commonly left to its care in older communities and they easily agreed in asking governments to furnish them." My italics.

CHAPTER I: PROLOGUE: ON THE NATURE OF POPULISM


2. See Chapters II, III, and IV ahead.

3. Although one can argue some continuity between the Metis resistances of 1869-70 and 1885 and the struggle of the Prairie agrarians, the present work restricts itself to the struggles of the white
settlers. Indeed, there was a degree of support forthcoming from the white settlers in the region for both the 1869-70 and 1885 Rebellions. However that support generally stopped short of military co-operation. See Stanley, G. F. C. *The Birth of Western Canada* (University of Toronto Press), 1960 (1936), and Howard, J. K. *The Strange Empire of Louis Riel* (Swan Publishing), 1965 (1952).

4. The CCF affiliated with the Canadian Labour Congress in 1961 to become the New Democratic Party, explicitly modelled on the social democratic parties of Western Europe and the Labour parties of Britain and Australia. In so doing, there is a case for arguing that the CCF made a successful transition from a populist party to a social democratic party. Interestingly, the Saskatchewan branch put up some resistance to this move and only changed its official name to the NDP much later.

5. The Social Credit won provincial office in Alberta in 1935 and governed continuously until its defeat in 1971. The CCF won provincial office in Saskatchewan in the 1944 election and governed as the CCF until 1961, then as the CCF-NDP until 1964 when it lost power to the Liberals. In 1971 the party was swept back to power as the NDP and is still in office in that province at the time of writing. We will be examining the first two government terms of both movements.

6. In 1952 the Social Credit in British Columbia won provincial power, not losing to the NDP until 1972. Further the CCF-NDP remained major opposition parties in Manitoba (winning power there in 1969) and Ontario. A curious variant of the Social Credit party has emerged as a significant opposition party in the province of Quebec. Of course, prior to the founding of either the CCF or Social Credit, their predecessors as organized farm movements had won office in Ontario, Alberta, and Manitoba.

7. Both the Social Credit and the CCF (now the NDP) have survived as permanent third parties federally, consistently winning a handful of seats in the federal House of Commons.


14. Levy and Young, ibid., p. vii.


18. Ibid., pp. 11-12.


20. See Saloutos, Theodore (ed.). Populism: Reaction or Reform? (Holt), 1968, for an excellent effort systematically to marshal the evidence supporting both points of view.


24. Durden, Robert F. The Climax of Populism: The Election of 1896 (University of Kentucky Press), 1965. In his preface the author says, "Mostly farmers, the Populists were not spokesmen for a static society, nor were they opposing and fleeing from the industrial future of the nation. They sought rather to capture federal power and use it both negatively to end economic abuses that had flourished since the Civil War and positively to improve the lot of the farmers and industrial workers of the land." p. x.


35. George McGovern's campaign in 1972 can partly most properly be seen as a modern day eruption of hitherto quiescent Populist sentiment among the American electorate. The fact that McGovern is a Senator from a cradle of Populism -- the Dakotas -- goes far in explaining the anti-war, anti-corporate, and moralistic tone of his campaign.

36. This phrase is a re-working of William Jennings Bryan's famous concluding statement in his speech at the 1896 Democratic Party National Convention when he said, "You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold." See Bryan, W. J. *The First Battle: The Story of the Campaign of 1896* (Conkey Press), 1896, pp. 199-206.

37. All scholarly works on pre-revolutionary Russia make this point. See Part I of E. H. Carr's *The Bolshevik Revolution*, Vol. I (Penguin), 1950, especially pp. 15-37. At one point Carr says, "The campaign against the narodniki was the main achievement of Plekhavov. The first Russian revolutionaries of the 1860's, building on the intellectual foundations laid by the pioneers of the 1840's, were materialists in the sense of the eighteenth-century. Enlighteners and radicals in the tradition of the French revolution; they lacked contact both with the Russian peasant and with the still
numerically insignificant Russian factory worker. The Russian revolutionaries of the 1870's discovered the Russian peasant and found in him the prospective protagonist of the Russian revolution, which thus acquired for the first time a social as well as an intellectual content. Some of them were followers of Bakunin and turned towards anarchism and terrorism. Others were influenced by Marx ... but interpreted his teaching in a peculiarly Russian way, arguing that Russia, being a predominantly peasant country, would avoid the western stage of bourgeois capitalism and the specifically Russian peasant commune would provide a direct transition from the feudalism of the past to the communism of the future. The distinction between the revolutionary radicals of the 1860's and the narodniks of the 1870's had some analogy with the famous argument in other fields of Russian thought between westerners and Slavophils. The westerners held that it was the destiny of Russia, as a backward country, to learn from the west and to advance through the same phases and by the same processes which had already marked the progress of the west. The Slavophils believed that Russia, backward no doubt but full of youthful vigour and in this respect superior to the already decaying west, had a peculiar destiny of her own to accomplish which would enable her to rise above the characteristic evils of western civilization.

"Lenin's early writings against the narodniki did little more than drive home the arguments of Plekhanov." pp. 19-20. It should be noted, as we'll see later, that other scholars disagree with Carr's argument that Lenin was just the popularizer of Plekhanov. At any rate, Carr does not dispute that Lenin carried the fight to the Populists in the political arena.

See also Leon Trotsky's The History of the Russian Revolution (University of Michigan Press), 1932 (translated by Max Eastman), especially Volume I. In a rare moment of self-criticism, Trotsky says, "The question of the peculiarities of Russia's historic development, and, bound up therewith, the question of its future destinies, lay at the bottom of all the debates and groupings of the Russian intelligentsia throughout almost the whole of the nineteenth century. Slavophilism and westernism resolved this question in opposite ways but with similar dogmatism. They were replaced by the theories of the Narodniki and Marxism. Before the Narodnik theory conclusively faded out under the influence of bourgeois liberalism, it long and stubbornly defended the idea of a completely unique course of development for Russia, a detour around capitalism. In this sense the Narodniki continued the Slavophile tradition, purging it however of monarchist-churchly-Pan-Slavic elements, and giving it a revolutionary-democratic character.

"In the essence of the matter of the Slavophile conception, with all its reactionary fantasticness, and also Narodnikism, with all
its democratic illusions, were by no means mere speculations, but rested upon indubitable and moreover deep peculiarities of Russia's development, understood one-sidedly however and incorrectly evaluated. **In its struggle with Narodnikism, Russian Marxism, demonstrating the identity of the laws of development for all countries, not infrequently fell into a dogmatic mechanization discovering a tendency to pour out the baby with the bath.**

My emphasis, p. 463.

See also B. N. Ponomaryov et. al., in the "official" (i.e., Stalinist) History of the Communist Party of the Soviet Union (Foreign Languages Publishing House Moscow), n.d. The authors agree when they say, "Narodism ... remained the main ideological obstacle to the establishment of Marxism. It had to be defeated completely if the victory of Marxism was to be assured ..." (p. 43; see also pp. 42-50)

Finally, R. P. Palmer and Joel Colton's *A History of the Modern World* (Knopf), 1965, the standard college history text, agrees with the significance of the struggle between Marxism and Populism in pre-revolutionary Russia. See pp. 706-711.


41. Billington, *ibid*., p. 94.


43. Wartman, op. cit., p. 192.

44. See Walicki, *loc. cit.*, for one of the best non-partisan discussions of this reactionary element in Russian Populism.
45. Walicki, loc. cit.

46. Ibid., p. 6.

47. Ibid., p. 6.

48. Ibid., p. 6. This same general point is made throughout the Ionescu and Gellner reader which surveys a variety of populist movements around the world.


50. Ibid., p. 9, my emphasis.

51. For a good discussion of this see Kindersley, loc. cit.

52. The phrase was coined by Hofstader and used in his article "North America," in Ionescu and Gellner, op. cit., pp. 9-27, p. 9.


56. Ibid., p. 185.


58. The author finds the term "independent commodity producer" to be unnecessarily cumbersome. For the remainder of this work the term "agrarian petit-bourgeoisie" will be used. The reader will understand the term to be used in the classical Marxist sense — that is, the agrarian petit-bourgeoisie is that class which owns and controls some small capital (land, machinery, etc.) which, in combination with its own labour, is applied to the production of agricultural commodities for the market. It should be noted that the labour at the disposal of a particular petit-bourgeois includes not only his own but his family's unpaid labour, and only occasionally and/or marginally does he rely upon wage-labour.

59. For this assertion and the analysis that follows see the following sources: E. P. Thompson, in The Making of the English Working Class (Penguin), 1963, puts it most cryptically when he says, "The process of industrialization must, in any conceivable social
context, entail suffering and the destruction of older and valued ways of life."
P. 223.
Also see this theme's comparative development in Barrington
Moore, Jr.'s sweeping analysis of modernization in Europe, North
America, and Asia in Social Origins of Dictatorship and Democracy:
Lord and Peasant in the Making of the Modern World (Beacon), 1966.
Another excellent study, by a Marxist scholar, is Maurice Dobb's
Studies in the Development of Capitalism (International), 1947,
especially Chapter Six, "Growth of the Proletariat," pp. 221-254.
Karl Marx's Capital, Vol. I (Progress Publishers), 1966, parts
VII and VIII, "The Accumulation of Capital," and "The So-called
Primitive Accumulation," pp. 564-774, remains the classic from
which all others derive inspiration in an analysis of modernization,
even when disagreeing. At one point Marx says, "In the
history of primitive accumulation, all revolutions are epoch-
making that act as levers for the capitalist class in course of
formation; but, above all, those moments when great masses of
men are suddenly and forcibly torn from their means of subsistence,
and hurled as free and "unattached" proletarians on the labour-
market. The expropriation of the agricultural worker, of the
peasant, from the soil, is the basis of the whole process."
I would hasten to add the voices of Max Weber, General Economic
History (Collier), 1961 (1919), and W. W. Rostow, The Stages of
Economic Growth: a Non-communist Manifesto (Cambridge University
Press), 1971 (1960), to the chorus of support for this general
analysis.

60. Again, the author accepts the classical Marxist definition of
surplus value: it is the value extracted from a worker's labour
by the capitalist and is equal to the exchange value of the pro-
ducts of the worker's labour less his wages and the costs of the
means of production. See E. J. Hobsbawm's The Age of Revolution,
1789-1848 (Mentor), 1962, especially Chapter 11, "The Labouring
Poor," for a discussion of the increasing exploitation of wage-
labour as a source of capital accumulation.

61. "Subsistence agriculture" is agricultural production which has as
its main goal the subsistence of the immediate producer and his
family and only incidentally the production of agricultural goods
for sale on the market (and only then when there is a surplus over
and above the immediate needs of the producer and his family). Of
course, from the beginning agriculture in the Prairie West was
commercially-oriented, but this fact did not prevent farm families
from also producing for their own needs.

63. Again, the author accepts the classical Marxist definition of the proletariat as that class which must sell its labour on the market for a wage in order to obtain the means of survival.

64. Marx makes this point repeatedly throughout his analysis of capitalism. It is best expressed, though, in Capital, Vol. I, Chapter XV, "Machinery and Modern Industry," pp. 371-507. At one point he says, "In the sphere of agriculture, modern industry has a more revolutionary effect than elsewhere, for this reason, that it annihilates the peasant, that bulwark of the old society, and replaces him by the wage-labourer." Vol. I, p. 505.


66. Perhaps the quite independent contributions of Lenin to Marxist scholarship can be best illustrated by one example very pertinent to our present discussion. Lenin's views were at sharp variance with Marx's earlier position on the program of the Narodniks. E. J. Hobsbawm, in Karl Marx: pre-capitalist economic formations (International), 1965, points out, "It is certain that Marx's own historical interests after the publication of Capital (1867) were overwhelmingly concerned with this stage of social development [primitive communalism] ... Apart from the agrarian orientation of his work in Capital III, two reasons for this concentration of interests may be suggested. First, the development of a Russian revolutionary movement increasingly led Marx and Engels to place their hopes for a European revolution in Russia. (No misinterpretation of Marx is more grotesque than the one which suggests that he expected a revolution exclusively from the advanced industrial countries of the West.) Since the position of the village community was a matter of fundamental theoretical disagreement among Russian revolutionaries, who consulted Marx on the point, it was natural for him to investigate the subject at greater length. "It is interesting, that -- somewhat unexpectedly -- his views inclined towards those of the Narodniks, who believed that the Russian village community could provide the basis of a transition to socialism without prior disintegration through capitalist development." pp. 49-50.


69. Ibid., Vol. 1, p. 503.


81. For an excellent summary of the Russian Populists' program see Walicki, Lenin, Wartman, and Billington, *loc. cit.*

82. Lenin, V. I. "The Essence of the Agrarian Problem in Russia," *ibid.*, Vol. 18, pp. 73-77. Also see Lenin, "A Comparison of the Stolypin and the Narodnik Agrarian Programmes," *ibid.*, Vol. 18, pp. 143-149.


The "money power" is a phrase that recurs again and again in populist movements everywhere.

It should be pointed out here that the writer is not merely relying on Lenin in characterizing the program of the Russian Populists. Other authors, referred to previously, confirm the general thrust of the content of the reform program. Lenin remains the best source since he is responding to the Populist movement in situ and much of his analysis is based on the writings and speeches of his populist opponents. The writer has attempted to take Lenin's political opposition to Populism into account as the factual kernel is extracted from his sometimes polemical analyses.


Ibid., Vol. 2, p. 446.


Ibid., Vol. 2, p. 236.

Ibid., Vol. 16, pp. 119-120.

Ibid., Vol. 19, p. 430.

Ibid., Vol. 1, p. 503.

Ibid., Vol. 18, p. 358.

Ibid., Vol. 18, p. 359.

Ibid., Vol. 18, pp. 524-525.

Ibid., Vol. 18, p. 556.

Ibid., Vol. 1, p. 341.


107. Ibid., Vol. 19, p. 377. Lenin was specifically talking about peasant co-operatives of whatever variety when he coined this phrase.

108. Ibid., Vol. 18, p. 355.


110. Ibid., Vol. 2, pp. 455-456.


112. Walicki, op. cit., p. 22.

113. Lenin, ibid., Vol. 16, p. 446. Lenin concluded this only after a comparative analysis of the 1882, 1895, and 1907 German agricultural censuses.


120. Ibid., Vol. 2, p. 214.


123. Ibid., Vol. 2, p. 257.


125. Ibid., Vol. 2, p. 523.

126. Ibid., Vol. 1, p. 366.

127. Ibid., Vol. 1, p. 380.
128. Ibid., Vol. 1, p. 384.
131. Ibid., Vol. 2, pp. 220-221.

132. We will limit our inquiries in this regard to the first two terms of each party in government. Both governed so long that any larger effort would be too massive to contemplate. Yet there are sounder reasons than merely convenience for such a limitation. First, we are more likely to find the fundamental orientation of the two movements during their first enthusiastic terms as governments. After the initial blush of success wears off, it is likely that expediency began more and more to determine the legislation of each. Further, there is no doubt that the two movements changed after a time in power. For example, the CCF was, over the years, to make a successful transition from a rural-based populist party to a social democratic party whose main constituency, nationally at least, became the working class; after 1961, with the founding of the NDP through affiliation with the CLC, the organized working class. The Social Credit in Alberta, even by their second (and most successful) leader's frank admission (see Manning, E. C. Political Realignment: a challenge to thoughtful Canadians (McClelland and Stewart), 1967.), became a rather orthodox conservative parliamentary party. Yet there was a basic similarity in the origin of both movements in a threatened agrarian petit-bourgeoisie.


Ibid., p. 11.

Ibid., pp. 11-12.


Ibid., p. 283. Morton uses the phrase "western agrarianism" in almost the same way we are using the term "Populism." His term seems to suggest that the politics in question flow out of a region rather than a class. For Morton, Populism seems to mean simply the specific influence of the various American movements on the Canadian farmer. This is a much too specific, and extremely theoretically confusing, use of the term.

Ibid., p. 285. He says, for example, "Social Credit was a new departure, but it was also a lawful heir and successor to the U.F.A. and of the Progressive movement." There is a common assumption among many scholars on Western Canada -- the uniqueness and specificity of the CCF and Social Credit -- almost as if these movements sprung into being without reference to what went before. This is clearly nonsense. Usually, like Morton, they concede a marginal impact from pre-existing farmers' movements.


Ibid., pp. 161, 163, my emphasis.


Macpherson, loc. cit.

Ibid., Chapters II and III.

Ibid., p. 3.

Ibid., p. 216.

Ibid., p. 216.
153. Ibid., p. 220.


155. Ibid., p. 236. It should also be noted that the precursor of the Social Credit in Alberta, the U.F.A., affiliated with the CCF.

156. See Sharp, P. F. The Agrarian Revolt in Western Canada: A Survey Showing American Parallels (University of Minnesota), 1948, especially Chapter I.


CHAPTER II

THE POLITICAL AND ECONOMIC BACKGROUND TO THE CONFEDERATION OF BRITISH NORTH AMERICA

While there is a great deal of truth to the axiom that "...Canadian history is largely a footnote to the histories of Great Britain and of the United States,"\(^1\) like all axioms it merely states the obvious. Given the fact that Great Britain, the cradle of the capitalist industrial revolution and architect of the most far-flung Empire in human history, and the United States, Great Britain's creation and later, like a Frankenstein, its competitor and finally the inheritor of its imperial mantle, are doubtless the greatest "success" stories of capitalism, it goes without saying that the history of Canada, as well as that of many other nations, is a mere footnote in such larger, world-wide developments. Yet given the fact that Canada, a colonial creation of Great Britain, virtually left to its own devices with the triumph of "free trade" in Britain in the years 1842-1849,\(^2\) successfully continued to occupy the northern half of the North American continent is in itself nothing short of amazing. We might also agree with another truism, "Perhaps the most striking thing about Canada is that it is not part of the United States."\(^3\) Thus we are left with Canada, a footnote that exists, a footnote that has not been unceremoniously absorbed into the larger texts of British or American history, a footnote whose successful existence is worthy of considerable
While it is beyond the scope of this work to provide a full and complete account of the unique course taken by the development of Canadian capitalism, some broad outlines must be drawn in order to understand the development of the Prairie West and the movements which sprang up there in efforts to divert, to reverse, or simply to amend the course of development laid down for the region. Indeed, the basic principles of development which were imposed on the Prairie West had triumphed long before Rupert’s Land was even acquired by the Dominion of Canada in 1870. The script that was to be played out had already been rehearsed in the development of Upper Canada and the lines had already been written with a degree of irreversible finality with the defeat of the 1837-1838 Rebellion and the Confederation of the British North American colonies in 1867. The heritage of these two events played large in the nature and direction of development in the Prairie West.

The dominant approach to the historiography of the development of Canada has been variously dubbed as the "frontier thesis," the "metropolitan thesis," the "staples thesis," or the "Laurentien thesis." Although each of these approaches has its differences and unique variations in terms of the others, there is a case to be made that they are basically all variations on one theme -- the political and economic determinism of the Canadian environment. The "frontier thesis," probably given its most complete expression by A. R. M. Lower in
Colony to Nation, essentially argues that the struggle by settlers and pioneers against the hostile Canadian environment tells much of the story of the particular course that development in Canada took—that is, much of the story is a story of the practical responses of the pioneer in his efforts to grapple with the frontier environment. The "metropolitan thesis," expounded by historians like Careless and Creighton, is less geographic in orientation and emphasizes the development of various raw commodities via a political and economic chain of domination and subordination in the interests of a directing metropolis. A variation on this metropolitan theme is provided by the "Laurentien thesis," which locates the course of development for Canada in the context of both the metropolis and its designs and the geographic compulsion of the St. Lawrence-Great Lakes system as the main transportation route into the heart of the North American continent. The "staples thesis," given its most complete expression by Innis, comes the closest to reconciling these various orientations with an emphasis on the development of Canada following the logic of the extraction of valued "staples," i.e., fish, fur, timber, and wheat, for a distant metropolitan market. All four of these orientations overlap in their combined emphasis on the impact of the environment (the source of staples, the natural transportation system) and the fact that a dominant center, a metropolis, has designed the course of development to fit its needs. Hence the story of Canada's development begins with the story of the extraction of various staples to feed a distant
metropolitan market, the design of such development mutated and crippled by the first principle of the enrichment of the metropolis, with some incidental benefits accruing to various significant sub-centers in the chain of exploitation linking the periphery to the metropolis.

One might be forgiven for dismissing the frontier thesis out of hand. Although a peripherally interesting orientation, such a model does not attain the sort of systematic inclusiveness one ought to require of an overall hypothesis around which to orient one's analysis of the social history of Canada. Certainly one can concede that the conquest of the environment, the sheer act of successful survival in the face of natural hostility, was an awesome feat no matter how it was organized. Certainly one can concede that out of such an experience new institutions, new and even extraordinary ways of doing quite ordinary things, sprang up: yet none of these novel approaches transcended the basic productive strategy imposed upon economic development -- i.e., none of these transcended or bypassed capitalism. As nature was successfully conquered in successive regions, many of the social experiments developed by pioneers withered as the forces of the capitalist market -- for land, commodities, and labour -- came ever more fully into play. Against such an impersonal and pervasive onslaught, the meagre experiments in social and economic organization developed by pioneers increasingly became memories or occasional rituals of community solidarity -- barn raising, quilt bees, house raising, mutual co-operation in times of distress, etc. At least one can safely say that such
pioneer efforts did little to transform the actual social and economic structure that was being constructed as the job of nation-building went forward. At most one can say that such experiments in community solidarity and mutual aid buffered individuals from some natural, and perhaps even occasionally market, calamities -- yet each individual remained essentially alone in the marketplace. For our purposes such is not a very useful approach, ignoring as it does, political economy.

The other approaches -- the staples, Laurentien, and metropolis-periphery hypotheses -- really variations on the same theme -- are more useful. Together they stand as efforts at social history oriented around an analysis of the development of the political economy of Canada. As such, they are useful if applied critically.

A complete story of the development of Canada's political economy is beyond the scope of this work. However, by inserting ourselves in the era following the British conquest of New France, and by an examination of the story of Canada's development as told by the leading exponents of the three hypotheses (with some critical discussion which hopefully will not detract from the primary task of establishing the background for the development of the Prairie West), we can move quickly to the development of the Prairie West and the grievances that laid the foundations for the Prairie populist resistance.

There is no question but that the story of the development of Canada is dominated by the changing demands in Europe for certain staple commodities (raw, or partly finished, raw material).10
In a region with the extensive waterways which characterize the northern part of North America economic development is powerfully directed toward concentration on staples for export to more highly industrialized regions. It is not too much to say that European civilization left its impress on North America through its demand for staple products...\[11\]

While one may wish to attribute the powerful "direction toward concentration on staples" more to the commercial designs and opportunities of commodity merchants rather than to "extensive waterways," the basic point made by Innis is indisputably correct. An earlier, and more complete, statement of Innis' hypothesis would be useful.

The economic history of Canada has been dominated by the discrepancy between the centre and the margin of western civilization. Energy has been directed toward the exportation of staple products and the tendency has been cumulative. The raw material supplied to the mother country stimulated manufactures of the finished product and also of the products which were in demand in the colony. Large-scale production of raw materials was encouraged by improvement of technique of production, of marketing, and of transport as well as by improvement in the manufacture of the finished product. As a consequence, energy in the colony was drawn into the production of the staple commodity both directly and indirectly.\[12\]

The accuracy of this general schema is widely accepted in Canadian scholarship. In a nutshell, the perspective runs as follows: Canada's history has been that of an economic satellite of a series of world capitalist empires each of which extracted profitable raw or semi-
finished staples for processing at home. First, France dominated the extraction of fish and fur, though there was considerable competition from many other European nations. After the British conquest of North America, timber was added to the list and, later, wheat. Of equal importance was the maintenance of the colonial market for the manufactures of the particular metropolis in command, not to say the monopolization of the mercantile activity going both ways for "home" merchants. Gradually Canada's role as a satellite to the British metropolis shifted to the United States metropolis -- just as the shift from France to Great Britain had not qualitatively changed the economic role of the Canadian satellite, so the shift from Great Britain to the United States, did not, even though the staples shifted from fur and fish, to fur, fish, and timber, to fur, fish, timber, and wheat, and ultimately the new "industrial staples" such as pulp and paper and metal ores were added to the list as the United States became the major metropole. As one historian put it,

... the policy of the bourgeoisie throughout Canadian history has been remarkably consistent. It has been a policy of subordination to a metropole. If one metropole fails, another has always been forthcoming.\textsuperscript{13}

Such an analysis has resulted in a chorus of complaints ranging all the way from Innis' restrained concern that the "trade in staples" ... "characterizes an economically weak country"\textsuperscript{14} to Naylor's assertion that such a policy has rendered "industrial capitalism in
Canada" ... "a suppressed force" resulting in "disintegration" to Levitt's concern about Canada's "regression to dependence" to Laxer's talk of "the informal American imperial control of the Canadian state." One thing is clear -- what has happened has been seen as being bad for Canada. And many would probably concur. The problem is that one leaves this kind of chorus of lamentations -- lamentations, one should be quick to add, based on descriptively factual developments -- with a sense that somehow things could have been different, although it is unclear exactly how things could have been different. In this context, the development of the Prairie West is located as a further policy of producing in greater quantity one of the traditional staples -- wheat -- for export. But this, on its own, is too simplistic a view. Perhaps it is worth reviewing once again the story of Canada's development, leading up to that of the Prairie West.

With the 1759 conquest of New France by British forces there occurred a dual occupation of the newly acquired territory.

"There were two occupations of Canada at the conquest, the military and the commercial ..."

There followed quickly a "transference of commercial power," "an immigration, not of farmers and frontiersmen, but of commercial brains and capital and energy" motivated "with the single, simple objective of making money by trade." This was British colonial mercantilism in action at its height -- the commercial adventure that drove merchants around the globe in an effort to buy cheap and sell dear. The mer-
chants -- these commercial adventurers -- had it coming and going; they sought to buy valued commodities in the colonies at low prices for sale at home at whatever the market would bear; they sought to buy the newly available manufactures cheaply at home to sell -- by truck or cash -- for the highest possible price in the colonies. The arrangement was neat, and, with the growing supremacy of British sea power, safe, and with the merchants' control of colonial governing institutions, assured. The newly conquered Northern half of North America was simply integrated into the British colonial empire with the ease of changing the destination of ships from Paris to London. With one stroke, the British merchants had captured the "commercial Empire of the St. Lawrence" based primarily on the fur trade. The Empire was firmly based on the natural trade route into the heart of the vast continent provided by the St. Lawrence system and the Great Lakes. There seemed no end to the possibilities -- the whole continent seemed to lay at the feet of Montreal's newly-acquired British merchant class for the taking, a commercial aspiration they clung to with considerable tenacity.

The nature and the requirements of the northern commercial system forced the British-Canadian merchants into provincial politics, as well as into the politics of the British Empire and of the American continent. They were products of a society in which commercial capitalism and middle-class ideals had triumphed ... They were convinced that the strength and the success of the
northern economy in America were dependent ultimately upon the extent of their own political power... In their view the St. Lawrence was a commercial state. Its policies must be fashioned by merchants for the achievement of commercial ends. The laws, the customs, the political institutions of the St. Lawrence must be organized for the defeat of commercial rivals and for the capture of a geographic empire.21

The decades leading up to Confederation a hundred years later were largely the story of repeated disillusionments for those who shared and cherished such a vision. Yet they clung tenaciously to their dream, at great cost, until the final collapse in the period of 1842 to 1849. The first step was the construction and merchant control of a colonial commercial state that would pursue their dream and do their bidding. The political orientation of this new dominant English merchant class, besides its push for a new commercial empire, was characterized by an "old-fashioned devotion to the mercantile system,"22 a devotion they were to maintain until the system was dismantled around them.

The merchant class struggled for an Assembly which would control the colonial state and pursue policies supportive of their commercial objectives. Their priority was, of course, to expand the commercial system by using public funds to extend and modernize the life-line of their commerce — the St. Lawrence transportation system. They avoided agriculture as a priority, though this did not prevent them from using their control of the state and their influence on the
Colonial Office to acquire vast tracts of land (particularly as the fur trade declined and the new staples of timber and wheat assumed a greater significance).

In the period leading up to the 1837-1838 Rebellion, the opposition to the ruling group was increasingly made up of those who saw the merchant class' stranglehold on the colonial state as the greatest impediment to economic development in agriculture and industry, particularly in agriculture.  

The governing class, which now faced an organized and angry opposition in both provinces, derived most of its wealth and economic power from the Canadian commercial system.

The new opposition, made up of farmers, small industrialists, and small merchants, resented the priorities of the colonial state -- commercial policy was pre-eminent, the use of public funds for ill-planned commercially-oriented and expensive public works (like the extravagant canal building), and the absentee ownership of vast land tracts. All these were seen to be enormous obstacles to the kind of economic progress which was anticipated by newly-arriving immigrants.

The antagonism of agriculture for commerce, of farmlands for trade routes, ... became articulate in a dozen different squabbles ...

Thus the period after the Conquest until 1776, and the influx of the United Empire Loyalists, was a period during which the new British merchant class consolidated its power in the Canadas, despite an annoying rear-guard action by the opposition, and mapped out its
basic strategy. With the influx of the Loyalists, there began an
inexorable process which rendered the merchants' dream of a commercial
empire ultimately hopeless — this new immigration initiated a process
which won the case for the Opposition in spite of their repeated formal
political failures.

The Loyalists brought settlement, agriculture and production for export into
the heart of the primitive fur-trading state. 26

The arrival of the Loyalists, combined with the Treaty of 1783 (which
lost the vast American interior to the Montreal merchants), led inexorably to the collapse of the fur trade centered in Montreal in 1821. 27

The St. Lawrence and the lakes gradually superseded the Ottawa as the main channel
of western commerce; and the new staples, timber, wheat, and potash, replaced the
old staple, fur. With every year that passed, the frail fabric of the old
society became more tattered and transparent; and the Canadian economic revolution, which opened with the advent of the
Loyalists, closed appropriately in 1821 with the collapse of the great fur-trading organization which was centralized at
Montreal. An agricultural society, more energetic, productive and demanding, climbed
painfully out of the wreckage ... 28

Always resilient, as merchants the world over are wont to be,
the dominant class of British Canadian merchants merely shifted their
vision to meet the new opportunities. Why not construct a new com-
cmercial empire based on the new staples? All the old principles would
apply — extension and protection of the trade route to gain access to
the staples, export to the preferred market in Great Britain, and imports of British manufactures for the home market as well as the lucrative American market. There might be a few political problems because of the need to encourage new immigration to provide the labour to produce the new staples, but this political worry was offset by the economic benefits to be gained, not only from the new staple production, but from the increased commercial activity in the growing home market.

Again, there was a brief success story, particularly with the advent of the Napoleonic Wars. Britain's need for Canada's wheat and timber, especially timber for her fleet, expanded to the point where imperial preferences were granted to Canadian timber, preferences which continued even after the emergency. The effect of this boost to the timber trade was to give the British merchants a new lease on life and a further chance to build their empire. The boost enabled the merchants, who controlled the Executive of the colonial government, to grant themselves and their friends large tracts of the now valuable land at ridiculously low prices and to further modernize the transportation system at public expense, despite strong opposition in the Assemblies of both Canadas.

Perhaps it would be useful at this point to attempt to get a sense of what the situation was in the Canadas, particularly in Upper Canada, in this period leading up to the Rebellion. Given the strategy of the dominant class of British merchants, two questions seem important.
First, given the nature of the new staples — timber and wheat — what kind of immigrants were coming to Canada, at what rate, and what were their grievances? Second, what was the political climate that led to the Rebellion?

The United Empire Loyalists brought with them the seeds of the new society based on agriculture, but it is also true that immigration from Britain supplemented and outstripped this new population base.

So it was that the coming of the United Empire Loyalists brought the first great influx of population into the vast territories now comprised in the Maritime Provinces, Ontario, and Quebec.31

This "influx" brought approximately 40,00032 British subjects whose loyalty had been tempered in the fires of civil war, most of whom went into agriculture, their vocation, for the most part, in America.33

On the other hand, emigration from Britain to her American colonies in the period 1765-1815 was largely designed for the purposes of trade and the defence of Britain's large Empire.34 But there were other pressures giving rise to new policies of emigration — supporters of the mercantilist doctrine argued that, "Emigration would render the labour of emigrants as beneficial to the parent state as if they remained in their native country."35 Patrick Colquhoun, writing in 1814 in A Treatise on the Wealth, Power, and Resources of the British Empire, put it most succinctly:

It is, therefore, through the medium of an increased demand for manufactures in the colonies and foreign countries
that the most certain resource is to be found for the beneficial employment of the people, and when this and agriculture fail, the next best resource will be found in emigration ... [which would increase the wealth of Britain by] ... the consumption of British manufactures, and by the exportation [from the colonies to Britain] of the various productions of the soil in Timber, Corn, Hemp, Flax, Flaxseed, Potashes and other valuable articles of Commerce."36

However, emigration was also supported by advocates of free trade — indeed, emigration increased under sway of this new doctrine.37 According to the free trade advocates, emigration came to be the best political and economic solution to unemployment and so-called "over-population."38 And incidentally it would remain useful in the continued repression of malcontents through transportation to the colonies. Indeed, much of the emigration from the Old World to the new was "forced," quite literally, as "surplus populations" grew with the agricultural enclosures and the industrial revolution.

They have expropriated the Scotch clansman, the Irish cottier and tenant, the English yeoman, the hand-loom weaver, numberless handicrafts, whole generations of factory children and women ...39

This massive "outward movement of population which sprang from need in the mother country and opportunity in the New World,"40 continued despite American Independence and later the Napoleonic Wars (see Table I). Much of this flow of emigration continued to the United States but most continued to come to the North American British
possessions (it wasn't until after the failure of the Rebellion that the tide turned in favour of the United States, though it should be noted that many emigrants who came to British North America were forced by depression or land hunger to go to the U.S.).

Table I: Emigration from the British Isles to British Colonies in North America, 1815-1836

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Source: Cowan, Helen I. British Emigration to British North America: the First Hundred Years (University of Toronto), 1962, p. 228.

It is difficult to ascertain exactly where these immigrants settled in British North America, but we do know that the largest single group settled in Upper Canada. For example, in 1833 to 1835, of recorded immigrants of 56,685 souls into British possessions in North America, 46,760 settled in Upper Canada. The population increase in Upper Canada must have been staggering by the standards of the day.

It [the immigration] more than doubled the population of Upper Canada in less
than one-quarter of a century, the total rising from some 150,000 in 1824 to 450,000 in 1841. The hardships suffered by the new arrivals are legendary. After the difficult crossing, during which some 16% died, the new immigrants faced destitution and often starvation. The authorities were ill-prepared to deal with the influx and land was not so easily obtainable despite the vast wilderness. Only the sick were minimally cared for by the combined and desultory efforts of the colonial government and the Colonial Office. Indeed, most found themselves forced to work as farm servants or labourers. Some, who faced destitution and no prospects for a free, wage-labour job, could "freely" choose indentured status. Anyone lucky enough to get a job after his arrival would only receive one-half the regular wages being currently paid in the colony. One official notice, "For the Information of Emigrants," had this to say,

It is of the greatest importance that emigrants should be disabused of the very erroneous ideas which they almost all entertain as to the remuneration they will receive for their labour on arrival in this country. They should bear in mind that for the first season, and until they become acquainted with the labour of the country, their services are worth little more than one-half of those rendered by experienced labourers...

This must have caused some cynical amusement to experienced and often skilled labourers, both of factory and field, and many dispossessed farmers who came eagerly to the New Country. Most certainly any dream
of acquiring land, or saving any capital the first year or so, 
dissipated in the harsh reality of the struggle to find a job and put 
a roof over one's head and food on one's table. New arrivals were 
warned that they could expect no help if they did not proceed imme-
diately to the agricultural districts to secure employment. The 
authorities seemed to see their prime task as one of "disabusing." The 
same notice had this to say, 

Emigrants should remain about the towns 
as short a time as possible after arrival. 
By their proceeding at once into the agri-
cultural districts, they will be certain 
of meeting with employment more suitable 
to their habits; those with families will 
also more easily procure the necessaries 
of life, and avoid the hardships and 
distress which are experienced by a large 
portion of the poor inhabitants in our 
large cities during the winter season. 
The Chief Agent will consider such per-
sons as may loiter about the ports of 
landing to have no further claims on the 
protection of Her Majesty's agents ...47

Obviously an indigent immigrant could not hope to "procure the necessaries 
of life" from the officials; and from those who wished to exploit his 
labour he could only expect half wages. Evidently, then, the new 
arrivals, unless they had some capital (a rarity), were compelled by 
policy and circumstance to produce the new staples -- timber and 
wheat (and probably both, depending on the season), most often as 
wage-labour -- or to engage in construction in the urban centers or on 
the canals, railways, and other transportation projects.48

The best, and virtually the only, contemporary statistical
account of conditions in Upper Canada in the years prior to the Rebellion is provided by Robert Gourlay in his *Statistical Account of Upper Canada*, first published in 1822. Gourlay was a Tory reformer whose basic view was that without property the condition of the people was hopeless.

> God instituted property, and clearly tells us that, by the proper use of it, we can rise to excellence; but without property, or the chance of acquiring it, no good can be expected of us.50

He proceeded to make an "inquiry into corruption, mismanagement, and mis-rule" which prevented the wide-spread acquisition of property by immigrants to Upper Canada. Besides his reform motivations, Gourlay's effort stands as one of the earliest sociological efforts to provide an overview of the social structure of his day.

Gourlay's characterization of Upper Canadian society is worth relating in some small detail in order to get a sense of the political economy of the day. "Wheat is the staple of the province" though it becomes "less abundant" ... "as the land grows older." (Here Gourlay is anticipating Ontario's later diversification out of wheat to cattle, dairy, vegetable, and mixed grain farming.) Timber also was prominent:

> large quantities of oak and pine timber have been annually cut on the banks of the St. Lawrence and Lake Ontario, and its bays and creeks, and floated down on rafts to the Montreal and Quebec markets, for foreign exportation.53
However, commerce was the life-line, the key to the overall economy.

Although agriculture is the first interest of Upper Canada, as it employs the greatest number of hands, and produces most of the articles of prime necessity, it is inseparably connected with commerce, without which the cultivators of the soil could not be supplied with many of the comforts and conveniences of life, in exchange for the surplus produce of their farms. Such an exchange constitutes the natural trade of the province. It is negotiated by the merchants who receive and market the productions of the country, and introduce and sell such goods, wares, and merchandise, as the inhabitants want for their consumption.54

There was very little manufacturing, but there was some cottage handicraft production.

No considerable factories of cloth are established; but the farmers by their household manufacture, supply their families with most of their ordinary cloth.55

The economy was primarily export-oriented, although not completely confined to timber and wheat.

The principal exports from the province are lumber, wheat (which is generally manufactured into flour before it is sent to market), peas, pot and pearl ashes, furs and peltries, pork, beef, and butter.56

The composition of the population was what one would expect.

If the people of Upper Canada have any predominant national character, it is the Anglo-American. Among the first settlers there were natives of Great Britain and Ireland, and a few of some other European
countries; but the mass of them were Americans, born in New England, New York, New Jersey, and Pennsylvania. They retain a strong attachment to their sovereign, who remunerated them for their revolutionary losses, made them liberal grants of land to settle on, with farming tools, building materials and provisions, to facilitate their settlement, and is still granting lands to their children as fast as they become of age. 57

Clearly, these were among the more privileged settlers, when contrasted with their cousins from England, Ireland, Wales, and Scotland. As for the overall occupational structure -- it was fairly straightforward.

A due proportion of them are professional, mercantile, and mechanic employments; but the most numerous class are engaged in agriculture, and have the appropriate views, manners, and sentiments of agriculturists. 58

However impressionistic Gourlay's "sketches" of Upper Canada may strike one, they are one of the few conscious attempts to capture the flavour of the society of the day. Much more useful was Gourlay's attempt to provide some empirical evidence on the situation in the province, having sketched its social, economic, and cultural outlines. Gourlay, in an ambitious undertaking, sent 31 questions to each township in the province asking for statistics on various things -- people, churches, doctors, schools, stores, mills, etc. -- asking for economic statistics on the nature and quality of economic production, wages for skilled and unskilled labour, prices paid and received for commodities,
etc. These are fascinating in and of themselves. But, for our purposes, the 31st question was the most crucial.

31st What, in your opinion, retards the improvement of your township in particular, or the province in general; and what would most contribute to the same?59

This question, and the other 30, were posed to the resident landowners of each township, obviously the leading "respectable" citizens of each community. As such, they provide us with an inkling of the grievances felt by the very backbone of the society and tell us much about the causes of the reform agitations and ultimately of the Rebellion itself. Not all townships reported, but those which did reveal some interesting grievances. Twenty-four reports complained of "lands of non-occupants" being an impediment to development, nineteen complained of "crown, clergy, and other reserves" of land, and fourteen complained of "want of people, especially men of capital and enterprise."60

A few samples of the answers from the townships would be useful. Raleigh Township complained about "the want of settlers, particularly men of sufficient means to purchase lands."61 Sandwich Township noted "a defect in the system of colonization, and too great a quantity of the lands in the hands of individuals, who do not reside in the province, and who are not assessed for these lands. All these circumstances considered, it must be evident that the present system is very prejudicial ..."62 The Townships of Dover, East and West, Chatham,
Camden, Orford, Howard, and Harwich saw the greatest obstacle to improvement coming "from the great quantities of land held by individuals and absentees, and the want of a population."63 Another township complained,

The greater part of the lands which constitute the township of Delaware, were granted many years ago to persons not resident in this part of the province; or are crown and clergy reserves, which has been and still continues to be an unsurmountable obstacle ...64

Here we see emerging in Upper Canada a new society -- based on agriculture and small industry -- of landholding cultivators in a structure of government and economy over which they had little or no control -- even when their representatives came to dominate the Assembly, since the Executive, in the absence of responsible government, remained in the hands of the dominant merchant class and their imperial supporters. The merchant class clearly had appropriated for themselves much of the land as its value increased with the emergence of wheat and timber, not to say with the wave of immigration sweeping into British America. Indeed, it was this "land monopoly," constituting "a log-jam athwart the path of economic advance,"65 as much as anything else that sparked the Rebellion. Indeed, the irreconcilable conflict between the Legislative and Executive branches of colonial government in Canada merely reflected this conflict between the new agricultural (and small industrial) majority (the Legislative) in Upper Canada and the old mercantile minority (the Executive), who used their
control of the colonial state to defend their privileges and interests. Lord Durham agreed when he reported the "deep-seated impediments in the way of industrial progress," including primarily "the possession of almost the whole soil ... by absentee proprietors, who would neither promote nor permit its cultivation, combined with the defective government which first caused and has since perpetuated the evil." The answer to the inevitable question as to how such a condition could continue lies in an understanding of the politics of the period.

The politics of the Canadas in the period leading up to the Rebellion must be understood in the context of the incredible reaction that occurred in Great Britain following the French Revolution and the Jacobin agitations at home. This ultra-conservative, counter-revolutionary sentiment among the British ruling class has already been heightened by the American Revolution of 1776. The French Revolution impressed upon them that such mad events could happen even in the oldest and strongest of European kingdoms. Professor Dunham concludes her study of the political unrest in Upper Canada from 1815 to 1836 with a similar, if more restrained, conclusion.

In so far as the Colonial Office possessed a policy towards colonial politics, that policy was an outcome of the American and French Revolutions. The student of the period is impressed with the dominance of an unusual spirit of conservatism ...

This "unusual spirit of conservatism" was heightened in the Canadas due to the suspicion among colonial governors and the Colonial Office about the strength of the loyalty of their reluctant French subjects.
Although the Loyalists had brought with them the expectations of Englishmen for English institutions, particularly at least some form of responsible government, their strong loyalties to the Crown, their negative revolutionary experience, and their privileged status and consequent gratitude, prevented them from going too far in their efforts to secure completely responsible government. However, given the fresh arrival annually of many more English, Irish, and Scottish immigrants, who also carried with them expectations for "English" institutions of a reformed sort (something they didn't get at home until 1832), the restraint in their agitation for reform was less patient than that of the long-suffering Loyalists. The loyalties of the Irish and Scottish, especially the Irish, were tenuous at the best of times and had been widely suspect since Jacobin times. Many of the English immigrants had emigrated due to political persecution or economic oppression, or both, at home -- and certainly they all came because of their profound dissatisfaction with life in the Old Country. They all carried with them in one form or another the reform agitation experiences from the British Isles -- the massive agitations that led up to the Reform Act of 1832. There is no reason to expect their desire for reform to have been any less in the colonies than it had been at home. At home, however, they had faced a frightened and ruthless ruling class which had crushed every effort at political reform or trade union organization despite the wide-spread popular support for each campaign.
In the Canadas they faced a local ruling class, dominated by the local merchants and backed up by the military might of the Empire — in a sense then the inertia against reform weighed more heavily in the colonies.

In this context, every reasonable call for responsible government, for land reform, for a liberal settlement policy, for fiscal reform, for basic democratic freedoms, was perceived in Canada and in Britain through the "dismal fog of the anti-democratic reaction after the French Revolution." The local colonial ruling class and the Colonial Office in London "still recoiled from democratic tendencies as essentially anarchistic." The extent of their reactionary hysteria, and consequent excess zeal in opposing reform, is revealed in the treatment of Robert Gourlay, a Tory reformer if there ever was one, who in 1837 was to condemn Mackenzie's rebellion and warn the officials of possible American assistance to it. He was ordered from Upper Canada and later arrested for seditious libel in "an attempt to silence him before he went any further." His modest reform efforts alarmed the Attorney General of the day who said,

They [Gourlay's reform meetings] seem to me dangerous in this country, chiefly from their example, as they point the mode by which popular movements on pretences less specious than the present can be effected.

Clearly, on the part of the local colonial ruling class and the Colonial Office, there was a hardening of attitude which perceived even the most
modest proposals for reforms, and the most moderate means of securing
them, as "dangerous." On the other hand, there was a growing
yearning for reform among the middle and lower classes, partly as a
result of local circumstance which had brought about a coalition against
the so-called Family Compact, and partly as a result of the general
democratic reform agitation that had swept England repeatedly since
the French Revolution. There is no doubt that many of the immigrants
arriving from England brought with them many an unsuccessful reform
demand, the justice of which was self-evident. Indeed in 1831 a
contemporary observer had this to say of the state of the masses in
Great Britain.

[The masses were in] ... a discontented
and tumultous state; its most ignorant
portion being acted upon at once by hard-
ship at home and example abroad; and
there was every reason to expect a deadly
struggle before parliamentary reform
could be carried. The ignorant and mis-
led among the peasantry and artisans
looked upon the French and other revolu-
tions as showing that men had only to
take affairs into their own hands ...  

There is little doubt that many of the "most ignorant portions," "the ignorant and misled," who believed "that men had only to take
affairs into their own hands" came to the British American provinces.
Indeed, during the "great emigrations" of 1830 to 1860, many groups
of emigrants were organized and assisted by the very groups agitating
for reform -- trade unions, poor unions, mutual aid societies, co-
operatives, etc.  -- so there is little doubt that the new arrivals
to the Canadas would cherish in their bosoms the very reforms they had so unsuccessfully but persistently fought for at home.

Earlier it was suggested that the defeat of the 1837-1838 Rebellion loomed large in determining the nature and direction of the development of the Prairie West. The reason for this is clear. The Rebels possessed a radically different program of development from that of the ruling Tories. Had they won, the whole of our history might have taken a different road. This is not the place to go into exhaustive detail about the Rebellion, but it is important to characterize the Rebels' program in order to be clear about the alternative they were advocating, so that we also may be clear about the nature of the opportunity that was lost.

The first demand was for "freedom to trade."

The demands of the rising native bourgeoisie for "freedom to trade" challenged the rigid imperial system of colonial "Restriction, Regulation and Restraint." The Navigation Acts, forbidding transport of goods to or from a colony in any but British ships, were one part of the policy. Opposition to the development of local manufactures and industry in the colonies, was another. A ban on clothing manufacture in the Canadas had been imposed in 1768; in 1784, restrictions were placed on commerce with the United States and the West Indies.78

As one Canadian newspaper put it in 1821, this was the power of economic life or death.

The power of regulating the trade of the Colonies, which belongs to the British Parliament, is in fact a power over the
fortunes, the industry, and the prosperity of every individual in the Colonies. It is a Magic Wand at whose motions our limbs may be dried up, and our prosperity vanish like a shadow ... 79

This fact was all the more galling when the stagnation of the Canadas was contrasted with the prosperity of the United States, which had had the disloyal audacity to break with the Old Country. And prosperity, such as it was in the Canadas, suffered a severe blow in the summer depression of 1837. William Lyon Mackenzie, a leading advocate of independence, and leader of the Rebellion in Upper Canada, summed up the grievances.

Our foreign commerce, confined and shackled as it is, and it has been, is entirely in the hands of the British manufacturers ... Our farmers are indebted to our country merchants, our country merchants are deeply bound down in the same manner, and by the same causes, to the Montreal wholesale dealers. Few of these Montreal commission merchants are men of capital; they are generally merely the factors or agents of British houses, and thus a chain of debt, dependence and degradation is begun and kept up, the links of which are fast bound round the souls and bodies of our yeomanry; and that with few exceptions from the richest to the poorest, while the tether stake is fast in British factories. 80

In order for there to be "freedom to trade" there must be the "freedom of the market." The slogan of the Upper Canada Reformers was, "Freedom of trade — every man to be allowed to buy at the cheapest market and sell at the dearest market." 81 Clearly, the Upper Canada Reformers were merely demanding for their own the rights enjoyed by
British commerce. One newspaper, with amazing predictive power con-
sidering the 1837 Depression, declared: "Some change in our circum-
stances is absolutely necessary to prevent ruin." Mackenzie's view
of the way to break the "chain of debt, dependence, and degradation"
was clear. His December 13, 1837 Navy Island Proclamation declared,

> Until Independence is won, trade and industry will be dormant, houses and lands will be unsaleable, merchants will be embarrassed, and farmers and mechanics harassed and troubled; that point once gained, the prospect is fair and cheering, a long day of prosperity may be ours.

In articulating the solution to the wide-spread grievances arising out of the land monopoly, a grievance that Courlay had shown was almost universal, Mackenzie had this to say,

> It is the design of the friends of liberty to give several hundred acres to every volunteer, to root up the unlawful Canada Company [John Galt's company which had secured 3,500,000 acres in Ontario at the low price of $.50 to $1.00 an acre], and give free deeds to all settlers who live on their lands; to give free gifts of the Clergy Reserve lots [3,000,000 acres alone had been granted to Protestant Churches in the Canadas] to good citizens who have settled on them ... With governors from England, we will have bribery at elections, corruption, villainy, and perpetual discord in every township, but independence would give us the means of enjoying many blessings.

Freedom of trade and the redistribution of the land (at least the land of the enemies of liberty) — these summed up the economic program of the Rebels which would bring "a long day of prosperity." Given the
years of fruitless legal struggle, they saw independence by force of arms as the only political means of gaining such ordinary ends.

Surrounding the economic reform program there was, of course, a political reform program. Given the fact that the Opposition was composed of a rather uneasy coalition of "local industrialists and small merchants, professionals, large sections of the poorer settlers, urban working people," it is not surprising that there was a moderate wing to counterbalance Mackenzie's radical-democratic and independent-ist wing. The moderates placed the major emphasis on political reform, on cabinet responsibility -- the belief was that with responsible government the other civil and political reforms, as well as the economic policy changes, could be carried out legally and peacefully. To give us an idea of the extent of the gap between the elected Assembly and the Executive, appointed by the Crown, we should note that in 1828 when the Reform forces first won a majority in the Assembly, no change of government occurred; in fact, the Executive was able to ignore a 37 to one non-confidence vote. Suffice it to say that this impasse became greater and greater until the political polarization, the long standing grievances, the long fought-for reforms, all combined with economic depression to spark the Rebellion. There is no need to discuss the failure of the Rebellion except to note that contrary to the comic opera character usually attributed to the rising in Upper Canada by many historians, it was no picnic -- the rising was brutally crushed and the rebels were brutally repressed.
Although it is useless to speculate on what might have been had the Rebellion won, some things are clear in terms of the later development of the Prairie West. It could be argued that, given the lack of rebellion in the Maritime colonies and the nationalism of the Lower Canada Patriotes, the success of the Rebellions would have truncated the development of Canada as we know it. Out of the defeat of the colonial government there may have emerged an independent Quebec and an independent Ontario, with the Maritimes remaining British colonies (as Newfoundland did until 1949). Obviously what is now the Prairie West would have in all certainty become part of the United States. On the other hand, victory for the Rebels would have brought political and economic freedom, more freely available land, and opportunities unlimited, and hence might have resulted in the building of a prosperous Canada near to the Canada that exists today. The large land holdings retained by the Hudson's Bay Company and the Churches, as well as the grants to the Canadian Pacific Railway and other friends of the federal government would not have taken place in the Prairie West, at least not on the scale they did. However fascinating, it is useless to engage in such idle speculation. Suffice it to say that the great alternative reform design for the political and economic development of Upper Canada was defeated on the fields near Montgomery's Tavern north of Toronto. There was to be no such complete an alternative again until the rise of the populist movements in the next century. That defeat ensured, along with the design of
Confederation, what was to be the fate of the Prairie West, a development design which was deliberately constructed to enrich the descendants of those who combined with imperial Britain to defeat the Rebels.

Out of the "moral and material disintegration" of the Canadas, suffering not only from "the financial crisis and the depression," but also from the "rancorous political hatreds of an abortive civil war," there emerged a final recovery of the merchant oligarchy's dream of a commercial empire based on the St. Lawrence. Though they had now to tread somewhat more carefully because of the Rebellion's effect on the Colonial Office, they had survived the most serious crisis of all for any ruling class -- a revolutionary civil war.

It was no longer possible for the British government to believe that reports from imperial appointees sent out as governors and from the little colonial oligarchies reflected the true condition and needs of the Canadas.\textsuperscript{91}

In the aftermath of the Rebellion the colonial ruling class got one thing it wanted and avoided getting another it didn't want. It got the Act of Union in 1840, which united Upper and Lower Canada into a single province with a Legislative Assembly in which each old province obtained equal representation. After all, the English-dominated Upper Canada (now Canada West) was in a minority (they were later to regret this as new English immigration rapidly transformed Canada East's French majority into a minority). This new united Canada
would enable them to float new loans for modernizing and extending
the transportation system. The colonial ruling class didn't get
responsible government, even though Lord Durham had recommended it.
Despite the incredible repression of the reformers and the Rebellion's
leaders in 1838,\textsuperscript{92} there was still no desire to risk an empire for a
shoddy and dangerous experiment in democracy. However, respectable
reformers in the British House of Commons and the House of Lords
wanted some change, if only to prevent a recurrence of the Rebellion.
What Lord John Russell, the Colonial Secretary, suggested was a sort
of half-way house to responsible government in which the governor would
strive to choose his advisors (the Executive) from those whose
"principles and feelings were in accordance with the majority" in
the Assembly.\textsuperscript{93} This was a form of responsible government without
all the messiness involved in votes of non-confidence, changes of
government, and other annoying inconveniences. Yet this, of course,
left ultimate authority in the hands of the Executive once more, and
ultimately in the hands of the old oligarchy, in cases of sharp dis-
agreement. Thus the political framework was set for "the last recovery"\textsuperscript{94}
of the merchants' design.

The recovery was short-lived. And it would have been comic had
it not been a cynical edifice constructed on the wrecked hopes for re-
form of the Rebels and their passive supporters. Canada in the 'forties
was much like a mean and hostile drunken driver who, having refused
to turn over the keys to concerned and sober friends, careened uncer-
tainly to the next crisis, as equally oblivious to the basic reasonableness of the opportunity lost as to the disaster that lay ahead.

The Act of Union, as proposed in December of 1839 and passed in 1840, contained four main provisions that must have warmed the hearts of the counter-revolutionaries: first, a permanent civil list was established (a great offence to the reformers); second, equal representation for the two Canadas in the new unified Assembly was assured; third, the Assembly could vote no money or taxes for any purpose whatsoever that had not been recommended by the Executive; and fourth, the onerous Upper Canadian debt was to be charged to the new united province. This last measure won the day in Upper Canada, where there had been considerable resistance.  

Experience had proved that the two provinces could not live economically apart and instinct warned that they could not live politically together ... [but] ... it was economic facts which triumphed over racial and political prejudices ... In the minds of the Upper Canadians as well as for the merchants of Montreal, the union was largely a fiscal measure -- a business arrangement undertaken a little regretfully -- by which a bankrupt company could be salvaged in an amalgamated concern.  

Politically, after the heavy repression following the Rebellions, there was considerable apathy about politics among the people -- an apathy that was ominously encouraged by the officials and their supporters in the press. Lord Sydenham, Canada's new governor, expressed it best when he coined a common (and highly convenient)
aphorism of the day: "avoid useless discussion upon theoretical points of government." And the press warned the people significantly,

to shun as they would a pestilence the contaminating presence of an itinerant preacher of grievances -- the self-named patriot spouting from the stump or the barrel about the vices and tyranny of men in power ... to cast politics to the winds and devote themselves as sedulously to their farms and their warehouses as if the name of an Agitator or the turmoil of an election had never been heard by their peaceful firesides.

There is no wonder that responsible government was easily avoided by the oligarchy in the face even of the Rebellion and the aristocratic weight of Lord Durham's recommendation. Such political factors no doubt also played their part in wrecking the reform coalition among English and French reformers that had emerged in the new legislature quickly but inauspiciously had collapsed.

The course to the old but reconstituted commercial empire was open to the oligarchy -- "free of interruptions." Prosperity returned, union was effected, and the future seemed to be one of prospects unlimited; one writer of the day was carried away with bubbling enthusiasm, "We are destined to become a wealthy and powerful country, at no remote period."

Creighton elaborates,

This buoyant confidence was, to a considerable extent, a result of the return of good times. The country recovered, though not too rapidly,
from the financial panic and the scarcity of bread-stuffs which had unsettled it during 1836-1838. In 1838-39, exports, except of timber, were inconceivable, money was still tight and real estate extremely depressed; but before the end of 1839 the trade of Upper Canada had begun to pick up and real estate values were rising. Up to 1842, when the British preference was once more reduced, the wood trade steadily improved; and the price of wheat in Great Britain, which, on the yearly average, was well over 60 s. the quarter during the period 1838-1841, encouraged the export of Canadian bread-stuffs. The tonnage of vessels cleared outward from Quebec rose from 354,739 in 1838 to 478,906 in 1840. Traffic and tolls on the Welland and the Lachine canals increased steadily; and the recovery was so sudden in 1840 that shipping was at a premium, freights rose and the ports above Montreal were choked with supplies of wheat and flour. The collapse of the western trade had been succeeded with characteristic abruptness by an impressive revival. For a few years produce poured in from the United States; and imports of American wheat and flour for 1840 were estimated as equal to over two million bushels of wheat. Exports overseas from Quebec and Montreal in 1841 were valued at over two million pounds; and they were supposed to have included 356,210 barrels of flour and 562,862 bushels of wheat.102

Once again the mercantile dream seemed plausible, even irresistible -- the St. Lawrence trade route could dominate the heart of the continent -- British and American -- carrying raw or partly finished staples to Europe and bringing British manufactures back. Merchant and forwarding pockets would be filled on both trips.103
Fiscal recovery was also effected for the new united province, which in 1840 had "an inadequate revenue, a broken credit and a combined debt of £1,325,000 currency." The remedy was two-fold; an imperial loan of £1,500,000 and a doubling of the tariff on manufactures from $2\frac{1}{2}$ to 5%. These two factors dramatically increased revenue, satisfied the creditors, and refurbished the credit rating of Canada -- it thus provided the fiscal solvency necessary to complete the St. Lawrence canal system at public expense, thus completing the commercial transportation design. In this way the political and fiscal requirements, in the context of a renewed general prosperity, were completed for the full and prosperous realization of the merchants' dream. But there were other factors that went into this house of cards, factors over which the Canadian colonial ruling class had no control since they were the prerogatives of the British Parliament.

In the 1840's the British Parliament, under pressure from many quarters -- the Chartist movement; the Anti-Corn Law League; industrialists who saw cheaper food as a means to lower wages; as well as free trade theorists who saw Britain winning and keeping, and even expanding, through free trade the Empire the old mercantile system had demanded be won and kept only through British treasure and blood -- began to dismantle protection and to move to a cheap food policy. Such agitations were not new, but to the dismay of the Canadian merchants, the British Parliament began to act under the pressure, and led by a Conservative ministry at that! The initial British moves were cautious --
the 1842 budget reduced the duties on foreign timber, thus delivering a body blow to imperial preference and to Canada's timber trade, and reduced the tariff on bread-stuffs, though granting Canadian wheat entry at only a nominal duty. But this was only part of the story that was unfolding; it got worse for the merchants of Canada.

Moreover, Great Britain reduced the tariff on foreign produce entering its overseas possessions and practically abandoned the attempt to force the provision trade of the West Indies through the British North American provinces. Within a few years the Canadian trade with the islands ... came virtually to an end. 107

Despite the 1843 Canada Corn Act, which admitted Canadian wheat to Great Britain at a nominal duty, reluctantly passed by the imperial Parliament at the cost of Canada antagonizing the United States by imposing a three s. duty on American wheat entering Canada, the last recovery of the commercial empire was doomed to be short-lived and catastrophic.

The era of reconstruction was as brief in its duration as it was deceptive in its promise ... 108

There were other factors contributing to the final collapse. At the same time as Britain was moving inexorably toward free trade, the Canadian merchants were losing the American north-west trade as American merchants sought their own lucrative all-American commercial route which they proceeded aggressively to open to Canadian produce. The mid-forties witnessed the near-complete dismantling of the British
mercantile system — the repeal of the Corn Laws and of the Timber and Sugar Duties, and finally in 1849, of the Navigation Acts — under-cutting the very basis of Canada's colonial commercial system which depended upon imperial preference and protection for its staple exports and upon the Navigation Acts for its maritime shipping industry. Free trade had triumphed in Great Britain just shortly after the free-traders had been militarily defeated in the Canadas.  

The doctrine of colonial autonomy had been defeated, though with difficulty, in Canada; but nothing the Canadians could do could forestall the British declaration of economic independence.

In an ultimate irony of history, what the Rebels failed to win in 1837-1838, the imperial Parliament granted, out of obvious self-interest of course, in the 1840's — economic self-determination and ultimately responsible government (finally granted in 1847 despite the opposition of the Canadian tories). Economic disaster struck as the commercial edifice crumbled.

These fiscal and commercial changes were followed by a profound depression; and through its gloom they assumed the aspect of fearful and abominable shapes. Canada, a staple-producing economy, tied to Great Britain and the United States, was subjected to the economic ills of both the old world and the new. On the one hand was the cycle of scarcity and over-production in Canada; and on the other were the calamitous ups and downs of prices in the United Kingdom and the United States. In the years 1845-1848 these circumstances combined to bring on a commercial depression which outweighed in gravity the shorter, sharper panic of 1836-1837 ... The slump ... continued until 1850.
The situation seemed hopeless.

Exports of wheat declined from 628,001 bushels in 1847 to 238,051 bushels in 1848; exports of flour fell off from 651,030 to 383,593 barrels; and imports for 1848 were valued at £2,107,264, which was a decrease of nearly a million from the estimated total of 1846. By 1849, according to Governor Elgin's exaggerated statement, three-fourths of the commercial men were bankrupt; property in the principal Canadian towns had fallen nearly fifty per cent in value. And, just as in 1836-1837, the commercial depression was accompanied by a crisis in provincial finance.113

Thus the "second American revolution,"114 imposed on a reluctant colonial ruling class and accompanied by commercial disaster and near-complete fiscal collapse, caused the commercial oligarchy to react like a "caged beast"115 looking desperately for escape. Now trying hurriedly to complete the canal system,116 now turning to new economic arrangements with the United States, now looking hopefully for new ties with Britain — the Canadian government lurched from crisis to crisis, finally accepting its independence.

With an almost indecent haste, both parties hastened to exchange old connections for new and to get rid of burdens which were now uncompensated by advantages. Great Britain looked beyond the restricted commerce of her colonies to the commercial dominion of the world; and Canada turned first to reciprocity and then to annexation, which were the two expressions, economic and political, of her instinctive recoil upon the United States.117
Although the annexation movement was never very widespread, its existence and the support it gathered, especially in Canada East and among influential merchants in Montreal, reveal the extent of the "spiritual death of empire"\textsuperscript{118} that had occurred as the merchants' purses became thinner and thinner. It was too extreme a measure, even for the new reform ministry which came with responsible government in 1847. However, some form of reciprocity with the United States seemed a wise economic alternative in the context of the wreckage of the descredited and dismantled tory dream of a commercial empire linked to the British Empire. But it proved to be a solution of mixed blessings and of short duration, leading ultimately to Confederation.

The immediate alternatives to mercantilism and imperial preferences facing Canada were hardly attractive since they were all ill-charted waters fraught with unknown dangers and none of them included the old, special bond with England. The colony could move to a policy of economic protection,\textsuperscript{119} keeping the home market, in so far as possible, for local goods and ensuring that Canada did not become a mere conduit for American goods to European markets. This alternative was difficult because of the very legacy of mercantilism which had deliberately resisted an aggressive policy of developing local manufactures. The colony could move completely to free trade, as Great Britain obviously hoped, and carve out an economic niche in a world already dominated by European industrial powers. This would amount to an economic surrender, to embracing forever the economic
status of hewer of wood and drawer of water for the industrial world. The colony could embrace annexation to the United States and throw its lot into a continental empire the design of which it could only marginally determine. The colony could adopt a form of reciprocity with the United States in an effort to exchange benefit for benefit in the hopes of ultimate prosperity. Finally, the colony could adopt a mixture of such policies. This last prudent course was adopted, as Canada's rulers began to erect an economic structure based on the judicious application of protection and reciprocity, with due diplomatic energy to be devoted to the maintenance of some degree of special relationship with Great Britain.

Throughout the period between 1846 and 1866 colonial politicians adhered in general to the principle that all commercial dealings with other nations should be conducted on a purely reciprocal basis. In Canada, moreover, the fiscal policy of the Government was, as early as 1857, influenced by the demands of the rising protectionist party.120

The argument was broadcast loud and long that "prosperity would only return when free access to the American market was obtained"121 and that reciprocity was clearly a preferred alternative to annexation. The initial call was for reciprocal free trade in natural products (some, of course, wanted to go further). At the same time, perhaps knowingly, the first hesitant step towards unification of British North America was taken with the Intercolonial Reciprocity Agreement of 1850 between Canada, New Brunswick, Nova
Scotia, and Prince Edward Island, which stipulated that each colony would establish differential duties that favoured the products of the others. This practical experiment revealed the potential benefits of such an agreement with the United States.

As usual, the measure was pushed most aggressively by Canada, with its strongest support being in Canada West.

Canada, the largest, most populous and wealthiest of the colonies, took the lead in the advocacy of reciprocity. This is not surprising: since it was the most extensively agricultural province and without great interest in deep sea fisheries, Canada had everything to gain and nothing to lose by the arrangement. The movement had its origin in Canada West, where it grew and prospered in the profound discontent of the Upper Canadian grain interests: farmers, millers and forwarders alike.

There was a germ of the old dream behind the idea -- many merchants saw it as yet another method of establishing the St. Lawrence system as the trade route out of the central and western United States. After much negotiation, and in exchange for fishing rights "on the sea-coasts and shores, and in bays, harbors, and creeks of Canada, New Brunswick, Nova Scotia, Prince Edward Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to land upon the coasts and shores of these colonies ... for the purpose of drying ... nets and curing ... fish" (excluding shell-fish, salmon, and shad), the Reciprocity
Treaty of 1854 was signed. Article III established reciprocity in natural products including "grain, flour and breadstuffs of all kinds," "animals of all kinds," "ores of metals of all kinds," "coal," "timber and lumber of all kinds," and even "rags." Article IV granted the United States the right to use the St. Lawrence system at the same rates as the British paid. Besides the germ of the old dream, there was very much of the old, hard opportunist realism that had characterized the merchants' support of the old imperial system.

When therefore the British market ceased to be a preferential one, the colony began to covet a privileged position in that of the United States.

The economy had turned in 1850 and prosperity returned until the Depression of 1857. The return of prosperity could not be due to Reciprocity nor to an expanded trade with the United States -- indeed, it was a general prosperity and Canada's main markets remained in Europe, especially in Great Britain. And a new dimension, which had been slowly emerging, began to make its impact on economic prosperity and policy-making -- manufacturing expanded.

The colonies shared in the world expansion of the 1850's. High prices enabled lumber and wheat from the Province of Canada to overcome transportation barriers and reach European markets while the Reciprocity Treaty opened the booming market of the United States ... Though basic raw-material production still dominated, diversification of industry began and manufacturing developed, particularly in Canada West and Montreal, beyond the
simple flour, lumber, wollen mill and distillery stage ...\textsuperscript{128}

Of the British colonies, the Reciprocity Treaty benefited mainly Canada, and mainly Canada West at that. The Maritimes were hurt: besides the concessions made regarding the fishery to the United States, the promised tremendous positive impact of the U.S. market on the Maritime colonies never materialized -- indeed, if the Treaty had any effect it was to increase imports from the U.S. with only a marginally slight increase of exports to the U.S.\textsuperscript{129} (See Table II).

Table II: Trade of the British North American Provinces other than Canada with the United States, 1852-1856

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from the United States</th>
<th>Exports to the United States</th>
<th>Approximate Balance in millions $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1852</td>
<td>3,791,956</td>
<td>1,520,330</td>
<td>-2.3</td>
</tr>
<tr>
<td>1853</td>
<td>5,311,543</td>
<td>2,672,602</td>
<td>-2.6</td>
</tr>
<tr>
<td>1854</td>
<td>7,266,154</td>
<td>2,206,021</td>
<td>-5.1</td>
</tr>
<tr>
<td>1855</td>
<td>9,085,676</td>
<td>2,954,420</td>
<td>-6.1</td>
</tr>
<tr>
<td>1856</td>
<td>8,146,108</td>
<td>3,822,224</td>
<td>-5.3</td>
</tr>
</tbody>
</table>


The overall impact on all the British colonies was similar -- exports from the United States far outstripped imports by the United States, as had always been the case. This of course did not bother the
merchants, since they made money in the traffic going both ways.

But the overall economic impact of Reciprocity was to exaggerate the discrepancy in the unfavourable balance of trade between the British colonies and the United States. The overall discrepancy in 1853 had been $5,905,038 in favour of the United States; in 1854 it had almost tripled to $15,288,996, declining somewhat in 1855. Only during the period of the American Civil War did the British colonies derive an advantageous balance of trade\(^{130}\) (which fact no doubt had a great deal to do with the American abrogation of the Treaty). In the case of Canada, however, the volume of trade was much larger and hence the discrepancy was proportionately less negative and the Treaty and resulting trade did contribute to the province's prosperity much more so than to that of the other colonies (see Table III).

Table III: Trade of the Province of Canada with the United States, 1852-1856

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from the United States</th>
<th>Exports to the United States</th>
<th>Approximate Balance in millions $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1852</td>
<td>8,477,693</td>
<td>6,284,520</td>
<td>-2.2</td>
</tr>
<tr>
<td>1853</td>
<td>11,782,144</td>
<td>8,936,380</td>
<td>-2.8</td>
</tr>
<tr>
<td>1854</td>
<td>15,533,096</td>
<td>8,649,000</td>
<td>-6.9</td>
</tr>
<tr>
<td>1855</td>
<td>20,828,676</td>
<td>16,737,276</td>
<td>-4.1</td>
</tr>
<tr>
<td>1856</td>
<td>22,704,508</td>
<td>17,979,752</td>
<td>-4.7</td>
</tr>
</tbody>
</table>

Source: Journals of the Legislative Assembly of the Province of Canada, 1851-1859, cited by Masters, Donald C. The Reciprocity Treaty of 1854, 1964, p. 147.
The figures in Tables II and III clearly show that, although the unfavourable discrepancy of trade was in the same order of magnitude for Canada and the other British provinces (between 2 and 7,000,000 dollars each year), Canada's unfavourable balance was on a back and forth trade double or even triple of the combined back and forth trade of all other British colonies in North America. It is no wonder that Canadian politicians sought desperately not only to establish the Treaty but to salvage it as America moved to abrogation.

Just as the pressure for the Treaty had come from Canada (the province that reaped the most of the mixed blessings of the arrangement), the seeds of discord against the implications of the Treaty began there. The full story of the rise and fall of Reciprocity is complex -- its causes were numerous and contradictory. First, the Depression of 1857 brought with it the familiar fiscal crisis for the province of Canada -- it had once more over-extended itself in borrowing to build and extend the canal system and to begin the early railways which were now seen as the commercial panacea. As Sir John A. Macdonald put it in a letter to Sidney Smith in 1857, "Canada will when our railways are completed be ere long the great artery for supplying the great West. We will therefore have enormous towns the consequence of a through traffic both ways. Montreal will rise to 2 or 300,000. Toronto to 150,000. Quebec, the same."131 The solution to the present Depression was the same as the solutions to all the Depressions that had come before -- solve the fiscal problem and
modernize the transportation system through public borrowing. Many American merchants interpreted such a policy as an effort to increase Canada's control of the traffic to the "great West" and hence became opposed to Reciprocity.

Secondly, the road out of the fiscal crisis was A.T. Galt's, the Minister of Finance, famous "fiscal tariff" with "incidental protection." The subsequent fiscal changes in 1858 and 1859 brought in, in order to generate more revenue, measures which included a 20% tariff on "wood, iron and hardware, machinery, leather, musical instruments, tobacco, clothing, cotton and woollens." These were, taken together, a double-edged sword. They certainly generated more revenue. However, they offended the Americans because many of the articles on the list were exported to Canada from there -- even though they had never entered completely freely, this higher tariff was seen as a step toward protection from American manufactures. And so it was, since the measure was also designed partially to satisfy the demands of the rising group of Canada industrialists who had begun to demand protection. The political consequence was to contribute to the already strong agitation in America for unilateral abrogation. Another political consequence was to somewhat satisfy the Association for the Promotion of Canadian Industry which had emerged and was vociferously demanding high tariffs on all things which could be manufactured in Canada. These agitations, supplemented by those of many farmers, fishermen, and lumbermen who had never been happy with the free flow of natural products, revealed
that Reciprocity alone was not enough. Taken together, particularly the growing demand for protection for Canadian industry, these events show that the basic design for Confederation was increasingly outlined a decade before the event.

The final and most important nail in the coffin of Reciprocity was hammered in by America. In 1866, the protectionist North triumphed over the free trade South, and naturally the demand for the protection of the home economy, in both industrial and natural products, increased. The possibility of a free access to the American market was forever gone -- and the basic arguments of the merchants and their supporters who advocated Reciprocity were unilaterally undercut by the actions of the American government. The abrogation, and the events leading up to it, gave further impetus to those arguing federation, protection, and westward expansion as the only policy left for Canada. Sir John A. Macdonald summed up the pressures in a letter to the electors of Kingston in 1861 in his discussion on the "confederation of the North American Provinces," which took up the greatest single part of his re-election manifesto.

We must however endeavour to take warning by the defects of the Constitution of the United States, which are now so painfully made manifest, and to form (if we succeed in a Federation) an efficient central Government.

The course of the Administration has been surrounded with difficulties. On taking office in 1854, the responsibility of completing the Grand Trunk Railway was thrown
upon us. In 1857, came a great commercial and financial crisis, which ruined so many of our best men, depreciated property all over the Country and destroyed the Public Revenue...

We have however readjusted the Tariff on important articles so as to secure a sufficient revenue, and at the same time incidentally to encourage home manufactures. The success of our Policy in this respect is already shown by the numerous manufactories of every description, which have sprung up in both sections of the Province.

It is well to remember the context in which Confederation was successfully brought about. The rulers of Canada, the merchants and nascent industrialists, had staggered from broken dream to broken dream, from crisis to crisis, emerging each time with the same basic strategy—and of course, dragging with them the mass of people who suffered most for their blindness, greed, and stupidity. First, and until the loss of imperial preference, they had striven to build a commercial transportation system to service the great trade from North America and Europe and back again. Next, they had sought reciprocity with the United States. Finally, the only option to the complete isolation of the British provinces and their probable absorption one by one by the United States, Confederation and independence was thrust upon the reluctant and conservative heirs of the victory over the 1837-38 Rebels. Each crisis had accelerated the public commitment to the transportation system, the resulting indebtedness causing near fiscal bankruptcy; each fiscal crisis and each depression was met with the
same single-minded determination -- secure a larger borrowing base, re-
establish the credit rating, borrow more capital, invest in transpor-
tation, accelerate the export of staples, and, incidentally, establish
protection for a modest Canadian industrialization. The single-minded
devotion to this strategy finally led to Confederation, the biggest
borrowing base of all.

The impact of the abrogation of Reciprocity was not as seriously
negative as expected. The political and economic tie with Great
Britain had remained strong (a more vigorous renewal of the annexation
agitation had been expected by the authorities). There had been enormous
progress in industrialization which provided at least the beginnings of
a national economic base. And, finally, colonial politicians were
increasingly open to the idea of a federation of some sort, particularly
since it clearly became the only realistic alternative.

Confederation was not only the result of
constitutional deadlock in Canada and the
supposed necessity of defence against
American aggression. Of very great in-
fluence were the expected economic ad-
vantages of the project, especially to the
Canadian industrialists and the Montreal
financial and forwarding interests, as
well as to the producers of natural pro-
ducts.

Essentially, especially since the granting of responsible
government and the resulting election of moderate reform ministries
and the death of the imperial preference, a somewhat re-constituted
ruling class had emerged in Canada made up of the "progressive Con-
servative" (in Sir John A. Macdonald's words) elements of the tory
merchant bloc which had ruled before, a rising group of industrial capitalists, landowners, railway and steamship promoters, and financial promoters involved in the young but vigorous Canadian banks and insurance companies. This group, and their backers among the enlightened colonial bureaucracy in England, recognized that some form of federation was the only road to the survival of an independent British fact on the continent. Clearly American hegemony over the whole continent was the only alternative to a British colonial federation.

Confederation of the British North American colonial provinces took place when it did because of two main pressures. One came from the growth of a native capitalist industry, with railway transport as its backbone, and expansion of the home market as the prime motive for creating a unified and autonomous state. The other sprang from an imperial strategy that required unification not only in order to preserve the colonies from United States absorption, but also to strengthen a link of Empire reaching to the Pacific and hence to the approaches to Asia.

One Canadian historian has said, "Confederation may have been a necessity, a convenience, or both." To the new ruling class it was certainly both. It was to be conservative in design and character at the same time as it was perceived as a radical solution to the economic and political wilderness the British colonies had been thrust into by the free trade of Britain and the protection of the United States, reciprocity having been their last hope. A hope incidentally
they never really surrendered until 1878.

The loss of the American market led powerfully to the "basic national decisions" of westward expansion, a new transportation policy of aggressive railway building, and industrialization through protection (not carried to full fruition until 1879). All of these presupposed the political union of the colonies with a strong central government -- the final political solution, as Sir John A. Macdonald so eloquently put it, to "the dead-lock in our affairs, the anarchy we dreaded, and the evils which retarded our prosperity." In one stroke, the Union of the Canadas would be dissolved, the source of much discontent now that the Upper Canadians were in the majority; the reform of representation by population introduced (the agitation for this measure was increasing); and a federal union would be established, transferring the provinces' debts to a Dominion and providing a stronger borrowing base for further expansion of the railways westward. Of course, the new union would not go too far down the treacherous road of democracy. As Sir John A. Macdonald, "the man who decisively influenced the form and character of Confederation," had also candidly put it at the 1864 Quebec Conference, what was being established was "constitutional liberty as opposed to democracy" in which the federal Parliament would be "the representative of property." Furthermore there was to be a Senate just in case the Commons went too far.

A large qualification should be necessary for membership of the Upper House, in order
to represent the principle of property. The rights of the minority must be protected, and the rich are always fewer in number than the poor.148

These were fighting words to the reformers and, as one would expect, radical democrats resisted the Confederation scheme. They presented their anti-Confederate arguments around two themes: first, they argued that the rights of the French Canadian nation would be trammeled in such a union, that Confederation was simply another in a long series of attempts to swamp the French by means of a combined policy of immigration and constitutional strait-jackets; second, they argued that the plan gave far too much recognition to the rights of property.149 But their arguments and protests were to no avail, the conservative design remained essentially intact. As the Hon. G. E. Cartier put it,

The scheme ... met with the approval of all moderate men. The extreme men, the socialists, democrats, and annexationists were opposed to it.150

The "extreme men" were probably in a majority, had there been a democracy, but their resistance was to no avail against the power at the disposal of the "moderate men," backed up by the imperial Parliament.

Confederation was not, except in Canada West, what is usually referred to as a popular movement. It was imposed ... by ingenuity, luck, courage, and sheer force ...151

One may wish to characterize some of these methods by more precise
terms: for ingenuity, substitute guile or craftiness (one resists the idiom of sneakiness); for luck, substitute opportunism; for courage, substitute gall or brazenness; and one might agree with the last, or at least the threat thereof in the form of economic, if not military, sanctions.

While the practical, political in-fighters, like MacDonald and Cartier, were dealing with the political opponents of the scheme, it rested with George Brown, editor of the Toronto Globe, to articulate what the men of property no doubt saw as a "political dream of wonderful audacity."152

Cross over the continent to the shores of the Pacific, and you are in British Columbia, the land of golden promise, -- equal in extent to the Austrian Empire. I speak not now of the vast Indian Territories that lie between -- greater in extent than the whole soil of Russia -- and that will ere long, I trust, be opened up to civilization under the auspices of the British American Confederation (Cheers).

Well, sir, the bold scheme in your hands is nothing less than to gather these countries into one ...153

When Queen Victoria signed the British North America Act on May 29, 1867, the united province of Canada (now to be Quebec and Ontario), Nova Scotia, and New Brunswick became the federal Dominion of Canada. It was a new variation on the old theme. The new federal government would be able to borrow capital (or guarantee investments) in order to unite British North America from coast to coast through an
expansion and extension of the St. Lawrence-Great Lakes transportation route westward by rail. Initially vast quantities of wheat would be extracted to feed Europe's industrial markets, especially that of Great Britain. Central Canada, especially Ontario, would prosper in a variety of ways: the railway promoters and forwarding interests would move grain to market and manufactures back; the protective tariff would lead to a growing industrialization to supply a home market expanded by a vast immigration of settlers to build the West; retailers and wholesalers would benefit through the general commercial boom. The Maritimes would theoretically benefit from a growing demand for its coal and fish. The strong central government would play the crucial role—it would finance railway development, promote immigration, construct a wall of protective tariffs, and acquire the West as a colonial possession. The role of the Prairie West was, therefore, critical to the success of the overall design. But the formal passage of the B.N.A. Act was only a small step, the political edifice was incomplete and the Canadian politicians and their imperial supporters spent the years of 1868-1873 in adding Rupert's Land and the Northwest Territory, Manitoba, British Columbia, and Prince Edward Island to the federation. With the legislative skeleton essentially complete, nation building was to go forward. And the West was key.

The prospect of a "Dominion from sea to sea" must have exerted a powerful influence upon the minds of Confederation statesmen; equally cogent, however, from the Canadian viewpoint, was the realiza-
tion of the economic possibilities of the West as an almost limitless field of expansion ...154

As the London Times, in reference to the proposed Confederation, sarcastically noted editorially, "Half the useful things that are done in the world are done from selfish motives under the cover of larger designs."155 The job for the federal state was now to "clear and prepare the way for the beneficent operation of the capitalist."156 But like so many of their previous plans, it was easier for the ruling class to conceive a plan, including the elaborate construction of all sorts of fancy constitutional equipment, than it was to bring it successfully to completion.
NOTES AND REFERENCES


2. The Corn Laws, in force in one form or another since the fourteenth century, regulated the imports of corn and grains in order to ensure high prices. Although originally designed to protect home agriculture from competition abroad, the laws became one of the cornerstones of the imperial preferential trade system and therefore of British mercantilism — their effect was to make it worthwhile for distant British colonies to ship grains and other agricultural goods to the mother country. They were repealed, beginning gradually in 1842, in 1846. The Navigation Acts, which ensured that Britain's colonial trade was monopolized by British ships and British merchants, were repealed in 1849. A good account of the impact of these moves on British North America is contained in Tucker, Gilbert Norman. The Canadian Commercial Revolution, 1845–1851 (McClelland & Stewart, Carleton Library No. 19), 1964 (1936).


5. See also S. D. Clark. The Social Development of Canada (University of Toronto), 1942 & The Developing Canadian Community (University of Toronto), 1962.


8. The major proponent of this perspective is Creighton, especially his *The Empire of the St. Lawrence*, although Innis also tends towards a form of "geographic determinism" in much of his work.

9. See the following major works by Harold A. Innis -- *The Fur Trade in Canada: An Introduction to Canadian Economic History* (University of Toronto), 1956 (1930); *The Cod Fisheries: the History of an International Economy* (University of Toronto), 1954; *Essays in Canadian Economic History* (University of Toronto), 1956.

10. The term "staple products" is usually used by Innis and his followers to refer to raw, or partly finished, materials. As a matter of fact, Canada's export of completely unfinished raw materials came much later than is usually supposed. The early staple exports were usually partly finished -- prepared furs, salted or dried codfish, square-cut timber, flour. Wheat, of course, as a staple, came to be shipped mainly in its raw form; and of course the minerals developed later for export were shipped most often in completely raw form. Yet it is well to remember that considerable value was added to these commodities in Canada in their preparation for the European market.


15. Naylor, op. cit., p. 36.
16. Levitt, op. cit., ch. 4, "Regression to Dependence," p. 58ff. Levitt's book amounts to a manifesto deploring the negative effects of Canada's historic satellite status.

17. Laxer, Jim. "Introduction to the Political Economy of Canada," in Laxer, Robert M. (ed.) (Canada) Ltd.: the Political Economy of Dependency (McClelland & Stewart), 1973, pp. 26-41, p. 35. This whole volume is given over to arguing the case of Canada's utter political and economic dependency on the United States. In reading it one tends to forget the existence of Ottawa.

18. Creighton, D. G. The Empire of the St. Lawrence, p. 21.

19. Ibid., p. 21.

20. This is the 1956 title of Creighton's book.

21. Creighton, The Empire of the St. Lawrence, p. 32. There is no intention in this chapter to tell the full story of Canada's developing political economy — yet it is important to touch on the highlights of Canada's development in order to make sense out of the development of the Prairie West.

22. Ibid., p. 31.


24. Ibid., p. 264.

25. Ibid., p. 269.

26. Ibid., p. 89.

27. Ibid., ch. VII, pp. 175ff.

28. Ibid., p. 89.

29. Some data on the scandalous extent of this land-grabbing is reproduced in Myers, Gustavus. A History of Canadian Wealth (James, Lewis & Samuel), 1972 (1914), pp. 63-96. Myers' data themselves was based on Lord Durham's reports after the 1837-38 Rebellions. The land grievance was pre-eminent in the 1837-38 Rebellion.

30. The local colonial government and its public purse (with its taxing and borrowing powers) combined with the British merchants to build harbours, canals, and to begin railway construction in the anticipation of the new staple trade. The Welland Canal was completed
in 1829 and the Grand Trunk Railway was begun, receiving large portions of available public funds. This use of public money, and the public borrowing power, to the exclusion of other policy priorities (such as more aid to settlers), also figured large in the grievances of the 1837-38 Rebels.


32. Ibid., p. 9.

33. Ibid., p. 9. Professor Cowan reports that each disbanded British soldier and dispossessed Loyalist received 100 acres of land, with an additional 50 acres for persons in his family. Officers did considerably better, depending on their contacts.

34. Ibid., ch. I, pp. 3ff.

35. Ibid., p. 17.


37. Ibid., p. 17.


41. Ibid., p. 294.

42. Ibid., p. 185.

43. Ibid., p. 193.

44. Ibid., p. 304. The figures for 1846 were 4,831 "farmers and farm servants" and 6,733 labourers of 12,366 arrivals at Quebec and Montreal. Given the land ownership situation, combined with the initial difficulty of settlement, we can assume that initially many people who aspired to farm began as farm servants, perhaps even indentured for a number of years (the legal limit was nine years).


57. *Ibid.*, p. 115. Gourlay is writing in about 1810, before the emigration out of Britain far outstripped the Loyalist base of Upper Canada's population.


60. *Ibid.*, p. 293. It should be noted that two-sevenths of the land was reserved for Crown and clergy. The reference to "men of capital" clearly shows that settlers were compelled, for the most part, to purchase land.


64. Ibid., p. 144.


67. By far the best account of this era, from the point of view of the working class, is provided in Thompson, E. P. The Making of the English Working Class (Penguin), 1968, esp. Part One: "The Liberty Tree," pp. 17ff.


70. Dunham, op. cit., p. 179.

71. Ibid., p. 179.


73. Ibid., p. 5.


75. Ryerson, op. cit., ch. 1 to 5, pp. 29-120.


78. Ryerson, op. cit., p. 106.

79. Quebec Gazette, August 9, 1821, cited in Ryerson, ibid., p. 106.


84. Myers, op. cit., p. 85.

85. Ibid., p. 73, see also, pp. 73-78.


88. Ibid., p. 113.

89. Ibid., ch. 6, pp. 121ff; also Appendix II, pp. 437ff.

90. Creighton, The Empire of the St. Lawrence, p. 320.

91. McNaught, op. cit., p. 89.


94. See Creighton, op. cit., ch. XII & XIII, pp. 321ff; and Ryerson, op. cit., ch. 7 & 8, pp. 137ff, for the background for the following analysis.

95. Creighton, ibid., p. 334.

96. Ibid., p. 334. It should be noted that this overview of political and economic background to the development of the Prairie West's place in Confederation has deliberately excluded consideration of the French Canadian nation. This has been done for a number of reasons, not the least of which is the incredible complexity involved. Yet there is also a case to be made that the conquest of New France, and, later, the defeat of the Patriotes in 1837-38, and, still later, the defeats of Riel, ensured that the course to be taken by development in the Prairie would be largely determined by the Upper Canadian Tories.

97. Ibid., pp. 335-6.
98. The Patriot, October 8, 1841, cited by Creighton, ibid., p. 336.


100. Ibid., p. 340.


102. Ibid., p. 341.

103. Easterbrook & Aitken, op. cit., esp. ch. XII, "The St. Lawrence lowlands, 1815-1849: Transportation," for a good description of the hopes that lay behind the construction of the commercial transportation system, pp. 253ff, and esp. p. 270, "Canada's Stake in the St. Lawrence Canals."


105. Ibid., p. 342, 343.

106. See Thompson, loc. cit., and Hobsbawm, E. J. The Age of Revolution, 1789-1848 (Mentor), 1962, for a discussion of the economic and political forces that combined to win a cheap food policy for Britain.


108. Ibid., p. 349.


110. Ibid., p. 358.

111. Ibid., pp. 370-73.

112. Ibid., p. 361, 362.

113. Ibid., p. 362. See Tucker, op. cit., for a more detailed account of the economic changes during these years of crisis.

114. Ibid., p. 363.

115. Ibid., p. 366.

116. Ibid., p. 365.

117. Ibid., pp. 364-5.
118. Ibid., pp. 363-4.

119. This was now possible due to the British Possessions Act of 1846 which gave the colonies the power to raise, lower, or remove altogether the tariffs imposed by previous Possession Acts. This measure provided Canada with near-complete fiscal autonomy, but it also provided Canada with a tool for protecting domestic manufactures.


121. Ibid., p. 3.

122. Ibid., p. xv.

123. Ibid., p. 3.


125. Ibid., Article III, pp. 142-143.


129. Masters, op. cit., Appendix B, Table No. VII, "Trade of the British North American Provinces other than Canada with the United States," p. 148. Table No. VI provides separate figures for each of the Maritime colonies.


133. Masters, ibid., p. 56. Some tariffs on manufactures in clear competition with local production -- like clothing and leather -- went up to 25 per cent ad valorem.

134. Ibid., pp. 60-61.

135. Ibid., ch. 6, pp. 75ff.


138. Ibid., p. 131.


140. Ryerson, op. cit., pp. 276-77.

141. Ibid., p. 309.


145. Waite, The Life and Times of Confederation, p. 120.

147. Sir John A. Macdonald, ibid., p. 133.
149. Ryerson, op. cit., p. 343.
151. Waite, The Life and Times of Confederation, p. 323.
152. Ibid., p. 329.
153. George Brown, February 8, 1865, quoted in Waite (ed.) Documents on the Confederation, p. 60.
CHAPTER III

THE PLACE OF THE PRAIRIE WEST IN CONFEDERATION

One of the most eloquent statements on the place of the Prairie West in Confederation was made by Clifford Sifton, Minister of the Interior in the administration of Wilfred Laurier and architect of the immigration and settlement plan that finally successfully populated the prairies. In 1904 he said, in part,

And therefore, sir, we look in the near future to see upon these western plains, and in this western province and territories, a great population; great not only in numbers, but in other respects; not depressed by poverty, but a population characterized in its social conditions by a high degree of comfort and prosperity.

We look forward to other things. We look forward to the production of natural wealth of all kinds. In this great country we expect to see the wealth of the field, of the forest and of the mine exploited in vast quantities, furnishing remunerative occupation to large numbers of our people ...

I have to say a word as to what we expect western Canada will do for itself. But it will not be enough that it shall do only for itself. It is a portion of Canada. Canada is a national entity. Canada is an organism, and you cannot develop a single part of an organism satisfactorily. Each and all parts must contribute to the vitality of the whole.

What then will western Canada do for the Canadian organism? Sir, it will give a
vast and profitable traffic to its railways and steamship lines. It will give remunerative employment to tens of thousands of men, to keep the permanent way in order, to man the trains and ships, and engage in the multitude of occupations which gather around the great system of transportation.

It will do more. It will build up our Canadian seaports. It will create a volume of ocean traffic which shall place Canada in a short time in its proper position as a maritime nation. It will furnish a steady and remunerative business to the manufacturers of eastern Canada, giving assured prosperity where uncertainty now exists. These are the things the west will do for the east. In a word, I may say it will send a flood of new blood from one end of this great country to the other, through every artery of commerce ...1

The Montreal merchants of a century before could not have articulated this new variation on an old aspiration with any more enthusiasm. But Sifton was speaking at the height of the great expansion, of the final success of the Confederation design. It had been preceded by decades of frustration and failure.

The events leading up to the formal acquisition of Rupert's Land and the North-west Territory, and the social, economic, and political development of what were to be three new provinces, are complex and controversial,2 and highlighted by the Riel Rebellions of 1869-70 and 1885.3 During this period the Dominion Government faced a number of serious obstacles to the success of its design for the West and ultimately to the success of the British North American colonial
confederation. First, of course, was the problem of dealing with the inevitable conflicts with the indigenous native populations which would no doubt follow, in some form, the course of resistance to white westward expansion and settlement which their cousins to the south had so desperately pioneered. Given the long-standing problems in the Red River region, this general question was merely the vexatious annoyance of dealing with "the quarrels of demoralized Redmen, with still more demoralized Whites," as John A. Macdonald had cynically put it in an earlier and less troublesome context.

The military problem of dealing with an insurgent native population would not have been great except in the context of American westward expansion and the annexationist sentiment that had developed among white and half-breed alike in the under-populated Canadian West. In such a situation the Rebellions, especially the one in 1869-70, which preceded railway development, were serious indeed and led to the granting of provincial status to Manitoba in 1870 as a political manoeuvre.

In 1831 the population numbered 2,417, and nine years later, 4,369. As evidence of the rapid change in racial composition of the Red River Settlement, H. Y. Hind reported that although the population had increased by 1,232 souls between 1849 and 1856, the number of European and Canadian families had decreased by 102. Finally, in 1871, the official census stated that there were in the country 5,720 French-speaking half-breeds, 4,080 English-speaking half-breeds and 1,600 white settlers.
Within the Settlement area there was little eagerness for Canadian annexation; indeed, if annexation there had to be it was seen by many as more logical to contemplate American annexation. The main economic link from Red River, though still largely channelled through the monopolistic British Hudson's Bay Company, was increasingly through the more convenient transportation route south. Indeed, the trade southward far outstripped the trade eastward. This was understandable because transportation southward was easier than it was eastward, and, of course, to the south Minnesota had become a booming state.

By 1860 there were 172,000 [by 1865, 300,000] inhabitants in Minnesota; in 1858 it became a state in the union, and several years before this had happened the transport and communication system of the Hudson's Bay Company had already been diverted southward, away from the Bay and towards the newly established American settlements. By 1857 there were said to be 300 carts employed in the overland journey between Fort Garry and St. Paul; and, in the same year, a connection was established with the American postal system which had reached as far north as Pembina. In 1859 the introduction of steamboats on the Red River strengthened the southern route; and in 1864 the Northern Pacific Railway was chartered to build westward from Lake Superior to Portland, Oregon.

Clearly if the great West, the key to Confederation, were to be won and held for Canada, the new Dominion had to move quickly. Indeed, if it hadn't been for the American Civil War, the Prairie
West would in all likelihood have been absorbed by the United States.\(^8\) After the end of the Civil War the call for the annexation of Canada, or at least, of the North-West, by the United States reached the status of a *cause célèbre* among some elements of the American Congress, in the American press, and especially among the mid-western states of the Union — for example, in 1868 the Minnesota Legislature demanded the American annexation of the British North West.\(^9\) The year before, Alaska had been purchased from Russia (coincident with the passage and signing of the British North America Act), which the *New York World* characterized as "an advancing step in that manifest destiny which is yet to give us British North America."\(^10\) But the Civil War had provided Canadian and British politicians a necessary breathing space — and if events were moving quickly in the United States, they were at least moving "briskly" in Canada and London as the Dominion hurried at least legally to acquire the area.

... the new Canadian Parliament was acting briskly. It passed Addresses of both Houses in December, 1867, praying that Rupert's Land and the North-West Territory be admitted to the Union.\(^11\)

There only remained for representatives of the Dominion Government to proceed to London to negotiate the terms of the acquisition of the area from the Hudson's Bay Company. The parties had difficulty agreeing, but the British Government intervened effectively.

The Colonial Secretary ... finally brought the parties to agreement on terms comprising the retention of one-twentieth of the
land of "the fertile belt" (the southern territories) with designated blocks of land around its posts and a cash payment of £300,000. The Company was to surrender its government and territories to the Crown, which was to transfer them at once to Canada.12

The local people in the Red River area responded with something less than enthusiasm. The Riel Rebellion, sparked by this attempt on the part of the Canadian Government to obtain the West as a colonial possession, without the granting of provincial status and full representative and responsible government, such as it was at the time, forced the passage of the Manitoba Act of 1870. However, the size of the newly-created province was deliberately constricted and it was denied control of its public lands "for the purposes of the Dominion."13

The political problem at Red River thus settled, the acquisition of the vast Rupert's Land and North-West Territory legally assured, and the demonstration effect of Lord Wolseley's military excursion to Red River in 1869-70, set the stage for the expansion of the Dominion westward. The plaguing "annoyances" of the small Red River settlement, the difficult London negotiations, and the fearful speculation about American designs, were now replaced by the urgent need to build an all-Canadian railway to the Pacific coast and to people the vast region so lately acquired.14

The story of the agricultural settlement of the Prairie West can be most conveniently divided into pre-railway settlement,15 the impact of the railways on settlement,16 and the consequent "decade of
The great hopes of Dominion politicians failed to materialize as quickly as hoped with the acquisition of the West, despite the Land Act of 1872 by virtue of which, together with the accompanying regulations, "a homesteader, by free grant [160 acres], pre-emption [the right to gain title to the adjoining quarter section at $1.00 an acre], tree-planting [free grants of 100 acres were offered in return for planting 10 acres of trees within six years] and purchase, could acquire a freehold of 640 acres." This was an exaggerated, if theoretically possible, claim -- indeed one could gain vast tracts of land by purchase if one had the capital. Suffice it to say that the usual homestead was 160 acres, and, if successful, the adjoining quarter was often pre-empted. The belief had been that such a generous land policy, together with the protections in the Land Act afforded the settler from seizures for debt, would start a huge flow of immigrants to the Canadian West as similar policies had to the American. But in the absence of a railway, and in the presence of more attractive alternatives, the policy was a hopeless failure.

In 1871, one year after Manitoba had become a separate province, its total population including Indians was 25,228.

Previous to the advent of the railway in the prairie region, the chief routes of travel were the rivers and trails followed by hunters and traders. Little settlements, comprised chiefly of half-breeds, clustered about trading posts located at strategic points along the region's rivers, such as St. Laurent, Fort Ellice, Fort la Corne, Prince Albert,
Batoche, Battleford, and Edmonton. These widely scattered and sparsely settled districts, along the Red, Assiniboine, Souris, Qu'Appelle, and Saskatchewan Rivers formed the nuclei of more extensive settlements which were yet to come. The rivers did not prove sufficiently navigable for the transport of heavy agricultural products. Thus pre-railway agriculture was not for outside markets except indirectly through the export of furs. The population of the whole region outside the organized province of Manitoba was estimated at 48,000 in 1871.20

Thus, in 1872, the year it inaugurated the Land Act, the Dominion of Canada could boast of only a meagre population of about 73,223 in its Prairie region. The year before, in the negotiations that brought British Columbia into the federation, the Dominion had committed itself to complete a railway link to the Pacific by 1881. The relative underpopulation of the Prairie region made that commitment even more imperative. Although the 1872 Land Act contributed somewhat to settlement, Canada continued to have difficulty retaining the immigrants that did arrive from Europe. Canada even had trouble retaining her native born.

Immigration was only one of Canada's problems, emigration was another and, because of its implications, a more serious one.21

The causes were varied and complex, not the least of which was the world-wide Depression, which struck in the 1870s, that was to last for twenty years. Whatever the causes, the loss of population had to be staunched.
The exodus consisted of two classes: newly-arrived immigrants and native sons. Explanations of the phenomenon abounded. A summary of the main causes would include the depression of the 1870s and consequent unemployment; the changing pattern of both rural and urban life and accompanying social displacements; growing mechanization in both extractive and manufacturing industries and the fact that the era of wheat as a staple crop in certain areas of the eastern provinces was drawing to a close and that the substitution of dairying, livestock production and fruit farming meant a decided decline in the rural population and in the demand for farm hands; the inability of urban industry to absorb the surplus population, and finally the slow growth of prairie settlement.

As Goldwin Smith, the leading Canadian annexationist publicist, put it, "the Americans may say with truth that if they do not annex Canada, they are annexing the Canadians. They are annexing the very flower of the Canadian people ..." The situation was so alarming that by 1890 it was estimated that there were about 1,000,000 ex-Canadians in the U.S., representing about 17% of Canada's entire population at the time. Among the reasons for this emigration, besides the ones enumerated above, one should not forget to add the head-start in railway building in the U.S. -- the Union Pacific westward line was completed in 1869, rendering a vast portion of America's plains not only more available for successful settlement, but also assuring a means of quick and reliable transportation to the market of any surplus agricultural products produced.

But there was more to it than that. Even with the 1872 Land
Act, which supposedly ensured a minimum of 160 acres of free land to settlers in Canada's West, there were land problems in the West which also contributed to the loss of population to the U.S.

Emigration from Canada to the United States was not confined to the eastern provinces; emigration was a raging fever in Manitoba during the 1870s and 1880s. The drift was as unexpected and discouraging as it was embarrassing; it struck at the very basis of Confederation...

The cause of this exodus from Canada's West was the frequent changes in Canada's land laws, as well as the speculation in land that occurred around the more convenient settlement areas near established settlements and railways (or projected lines). The situation became so serious that Dakota came to be known as "Runaway Harbour." In a series of desperate and determined manoeuvres, the Dominion Government attempted to speed up settlement and to "repatriate" its lost sons and daughters. In 1874-1875 a new policy was promulgated which allowed and encouraged racial and/or religious group settlements -- a policy which was moderately successful in bringing in groups of French Canadians, Scandinavians, Icelanders, Germans, Hungarians, Ukranians, as well as Mennonites, Jews, and Doukhobors. These programs were supplemented with the establishment of Colonization Companies made up of groups of capitalists who would buy or be granted blocks of land and proceed, through sharp practice and propaganda, to bring settlers to their lands. Despite such measures, immigration and settlement in the West limped ahead. Success still awaited the arrival
of the railway main line and its branches; but, ironically, the first railway to arrive in the West was not Canadian. Indeed, the first relatively large flow of immigrants preceded the link of the Canadian Pacific Railway to Winnipeg (1883) and the completion of the transcontinental line (1885).

In 1878 the railway connecting Winnipeg with Minneapolis and St. Paul became an effective means of entering this new Northwest. Up to this time the arduous and time-consuming journey over land or by flat-bottomed boats had discouraged extensive settlement. Now agricultural products from a small part of the Red River Valley could be shipped to outside markets. Settlers began to come in large numbers by this new route. They began to spread out from the river valleys and wooded uplands along trails old and new. Thus by 1885 the population of Manitoba had increased to 108,649, and the provisional districts of Assiniboia, Saskatchewan, and Alberta possessed respectively, 22,083, 10,746, and 15,533 persons.

Thus the 73,223 persons of 1872 had been only slightly better than doubled by 1885 (157,002) despite all the policies, programs, and rhetoric of the Dominion Government. According to the 1881 census there were only 2,698,000 acres of occupied land and 279,000 acres of improved land in the whole vast area presently encompassed by Manitoba, Saskatchewan, and Alberta. Moreover, this pitiful success at settlement came to a large extent as a result of a railway link from America.

1878 was an important year for reasons other than the com-
pletion of the Minneapolis/St. Paul to Winnipeg rail connection. It was also the year that Sir John A. Macdonald's Conservatives were handily returned to power with a new mandate, having lost office in 1873 and the election of 1874, largely as a result of the "Pacific Scandal." Alexander Mackenzie's Liberal government had proceeded with the railway line from Fort William on Lake Superior to Selkirk (completed in 1881) as a national enterprise, but his vision of a transcontinental transportation route made up alternately of rail and water was increasingly the subject of ridicule, particularly given the disorganized slowness that characterized the effort. Sir John A. Macdonald and his Tories campaigned on what really amounted to a commitment to bring ruthlessly the original design of Confederation to successful if roughshod completion.

By now the long-cherished, and despairingly husbanded, hopes of Canadian capitalists that some form of reciprocity with the United States could be gained were finally abandoned, and the idea of industrialization behind a tariff wall, bruited and experimented with since Galt's "fiscal tariff" with "incidental protection," now became the only option.

Current views on a protective tariff and on the industrialization of the country are revealed in the evidence before the Select Committee [of the House of Commons] of 1876. Witnesses appearing before the Committee were surprisingly in agreement. The most desirable of all conditions was unrestricted reciprocity with the United States. If, however, the United States' market was to remain closed to them,
most of them favoured protection in the home market. If access to the United States market was possible, they were confident that with increased specialization they could compete profitably, but if restricted to the home market they could not share it with others.35

Macdonald's Tories were returned to power -- Mackenzie's transportation policy was failing and discredited; settlement of the new prairie region was disgracefully and dangerously slow; railway routes south through the U.S. were ominously becoming accessible to Canadians who, when they were not using the system to come or to go, were using it for their commercial traffic; and capitalist opinion had finally clearly crystallized around the protective tariff road to industrialization. The architect of Confederation was recalled to continue as its chief engineer.

Macdonald's resolution, proposed by him as Leader of the Opposition in the House of Commons in 1878, was the opening salvo,

This House is of the opinion that the welfare of Canada requires the adoption of a National Policy, which, by a judicious readjustment of the Tariff, will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion.36

He won the election and proceeded to erect a tariff wall and to pick up the shattered pieces of his previous railway policies. The tariff wall was begun in 1879; and completed by 1887. This momentous event deserves the extensive description provided best by Mackintosh:

The previous tariff (1874) had been a simple one. Almost all rates were ad
valorem. Primary products were free; semi-manufactured goods carried rates of 5 and 10 percent; the main list of manufactures was dutiable at 17½ percent, and a few revenue or luxury articles were taxed at higher rates. The tariff of 1879 was much more elaborate in its classification. Specific duties were used to supplement ad valorem rates in the most highly protective schedules. Rates were differentiated according to the degree of processing and extended from 10 percent on slightly processed goods to 30 percent on finished goods. Some articles carried even higher rates.

The most important increases affected those industries for which competing imports had been large, cotton and woollen textiles, and iron and steel products. Under the previous tariff almost all textiles had been subject to 17½ percent duty. Under the new tariff, the ad valorem equivalents... of the new duties on individual cotton-textile items ranged from 20 to 34.4 percent. On the major items, uncoloured and coloured piece-goods, the average rates were 27.6 and 30.9 percent. Silk piece goods carried a 30 percent rate. The major wollen textile items carried rates equivalent on the imports of 1879-80 to 31.4 percent. Blankets, which were imported only to a small extent, competed directly with the products of local mills and were subject to a rate equivalent to 41.4 percent, while woollen dress goods, not highly competitive, were taxed at 20 percent only.

Primary iron and steel products (furnace and rolling-mill products) had under the previous tariff been free or dutiable at 5 percent. Under the tariff of 1879, only steel ingots, steel rails, and fishplates were free [this was a concession to the railway interests]. Pig iron was
taxed at 12\(\frac{1}{2}\) percent, iron rails and fishplates, etc., 15 and 17\(\frac{1}{2}\) percent respectively, and other products in the group from 10 to 17\(\frac{1}{2}\) percent. The duties on castings and forgings, and boilers, tanks and engines, which, under the transportation cost and lack of standardization of the day, were sheltered, were increased from 17\(\frac{1}{2}\) to 25 percent. Agricultural implements moved up from 17\(\frac{1}{2}\) to 25 percent and machinery increased from 10 and 17\(\frac{1}{2}\) percent to 25 percent, except textile machinery which was free. The most competitive nail items moved up from 17\(\frac{1}{2}\) percent to 30 and 32\(\frac{1}{2}\) percent while wire increased from 5 to 15 percent. Hardware, in which United States imports were important, changed from a 17\(\frac{1}{2}\) to a 30 percent rate except that wood-screws, which the firm of Nettlefold & Chamberlain of Birmingham had been accused of dumping in Canada in 1876, were increased in rate from 17\(\frac{1}{2}\) to 35 percent.

The small petroleum industry in western Ontario was encouraged by a rate of 35.8 percent on petroleum products generally, and one of 37.7 on kerosene. Manufactured gypsum was given a rate of 47.7 percent. Salt (except British salt for the fisheries) paid 46 percent.

Wood products carried rates ranging from 20 percent on lumber and shingles (of which Canada was an exporter) to 35 percent on furniture. Boots and shoes, and harness and saddlery, in which Canadian producers had almost all the Canadian market, were given rates of 25 percent. The agricultural interest was not forgotten, though for only a few commodities could protection have been more than nominal. Duties imposed ranged from the equivalent of 9\(\frac{1}{2}\) percent on wheat flour to 38.1 percent on peaches. Pork, one of the most important items for lumber and construction camps, was taxed 18.7 percent.

Nova Scotia had its most specific share in
the tariff of 1879 in the duty of 50 cents a ton imposed on coal, a duty which was increased to 60 cents in 1880. In 1887, inspired by a desire to foster an iron and steel industry such as that assuming impressive proportions in the United States and also by a desire to overcome Nova Scotian grumbling and threats of secession, the government substantially increased the duties on iron and steel. These increased duties were in addition to bounties established in 1883. Not only were rates increased (in a number of cases, doubled), but many ad valorem rates were replaced by specific rates. The latter gave an increasing protection as iron and steel prices fell rapidly in the next decade. The rates on iron and steel "not otherwise provided for," indicative of rates on iron and steel generally, had been raised from 20 to 30 percent.

By 1887 the national policy of tariff protection had reached a fairly complete form, though in 1894 some reduction and readjustments were made in the iron and steel schedule. Though reciprocity with the United States was still put forward by the government as the most desirable policy (a direct offer was made in the tariff of 1879), it ceased to be a possibility of great practical importance. The protective system was firmly established in Canada.

The changes noted above by Mackintosh between the 1874 and 1879 tariffs are important in that they represented a dramatic departure. Hitherto the tariff had been seen as a means of raising revenue for the government ("the fiscal tariff") and only incidentally as a means to industrialization. Now the primary purpose of the tariff was political and economic in character — deliberately to intervene in the economy in order to foster domestic capitalist industrialization. (Not that the
increased revenues would be looked at askance).

However, such an elaborately erected tariff wall only made sense if the other two elements of the Confederation scheme -- settlement and transportation -- were brought off effectively.

This decision for industrialization by means of the protective tariff was definitely related to the settlement policy; it was to be a means by which the new market, which it was hoped would open up in the west, would be available to the other regions. The decision was definitely related also to the transportation policy, for Canadian industrialization promoted the east-west traffic which was important for transcontinental railways.38

As we have already seen, settlement depended upon the railway, and, ultimately, the successful settlement of the Prairie West would be the key to the rise or fall of the Confederation project.

Sir John A. Macdonald moved quickly on the railway question as well. The transcontinental railway was as crucial to Confederation as its successful construction had been elusive. The story leading up to the final building of the Canadian Pacific Railway is complex and a delightful distraction in itself.39 Suffice it to say that "in June, 1880, it was announced by Sir John A. Macdonald that the necessary co-operation of capitalists had been secured" and "the contract for the construction of the road was signed on October 21, 1880."40 The list of the names of the so very co-operative capitalists reads like an international consortium.41 "An Act Respecting the Canadian Pacific Railway"42 was finally assented to on February 15,
1881 after much controversy and debate. The terms of the contract remain, to this day, an abiding grievance in the Prairie West — few would disagree with Innis' remark that "Western Canada has paid for the development of Canadian nationality, and it would appear that it must continue to pay," made in his conclusion to a study of the C.P.R. Macdonald's Tories conceded a Western empire for a band of steel.

The terms of the contract were ... significant. The Government agreed to give a subsidy of $25,000,000, of 25,000,000 acres of land, and of completed sections of the road from Selkirk to Lake Superior and from Kamloops to Port Moody, which cost with the surveys $37,785,320. The grant of land was given in alternate sections of 640 acres, twenty-four miles deep on each side of the railway from Winnipeg to Jasper House, and sections unfit for settlement and deficiencies were made up by grants of land between parallels 49 and 57 degrees latitude, or by a similar grant of land along the company's branches. To facilitate the company's financial arrangements provision was made for the issue of land grant bonds to the extent of $25,000,000, in which they were deposited with the Government, one-fifth retained as security, and the remainder sold — the proceeds being paid to the company as the work progressed. The aid was given according to the difficulties of construction — the less difficult territory 900 miles west of Selkirk was granted $10,000 and 12,500 acres per mile; 450 miles west of this line $13,333 and 16,666.66 acres per mile, and from Callander to Lake Superior, $15,384.61 and 9,615.35 acres per mile. Payment was made with the completion of every twenty miles, but power was given to requisition an advance of three-
fourths of the value of steel rails delivered. Land was granted for road-bed and railway purposes, and power given to locate the main line from Callander to Lake Superior, and from Selkirk to Kamloops by Yellowhead Pass, and to locate branch lines. The material required for construction and operation, and the capital stock, were exempted from taxation forever, and the land was exempt for twenty years after the grant from the Crown. Favourable to the owners of the St. Paul, Minneapolis and Manitoba Railway, material for the original construction of the road was admitted free of duty, and the construction of any line south or south-west of the Canadian Pacific railway within fifteen miles of latitude 49 within twenty years was prohibited. The contract called for the completion of the road on May 1, 1891.44

Other subsidies were forthcoming as construction proceeded, particularly when the 1885 Riel Rebellion in the Saskatchewan region equated opposition to further Government largesse with, at best, irresponsible stupidity, at worst, outright disloyalty.45 Overall, the agreement ensured that a prominent, powerful, and international group of capitalists had a profound interest in the successful settlement of the region. Not only must the West be filled up in order to provide the expanded domestic market so hoped for by the protected capitalist industries, but also the West must be filled up in order to make the railway a viable proposition, not to say in order to increase the value of the vast tracts of land now held by the Hudson's Bay Company (1/20th of the "fertile belt") and the Canadian Pacific Railway. The railway interest of course had the enormous power
to choose where to locate not only the main line (along which their land grants would be selected), but also the branch lines, thus it was able to anticipate any raise in the value of land in a particular settlement region. Such dreams of vast returns on a protected investment awaited the arrival of population. The line was completed from Montreal to Vancouver officially on November 7, 1885. It seemed that the stage was set for the rapid settlement of the region now that it was accessible by rail. Yet the population -- the settlers who were to erect a great grain economy -- failed to materialize.

The problem of settlement remained, even with the coming of the railway. Winnipeg was linked with Eastern Canada by the C.P.R. line in 1883, two years later the continental line was completed, but little changed -- few immigrants came, fewer still stayed.

The coming of the first transcontinental railway did not have great immediate results in settlement. There developed until the close of the century a period of experimentation with techniques in agriculture and with various agencies of settlement. A host of land companies such as the Saskatchewan Land and Homestead Company, the Temperance Colonization Company, and the Canadian Agricultural Coal and Colonization Company, Limited, were given land grants with the provision that they bring in stipulated numbers of settlers. Most of these companies failed to live up to the terms of their contracts. Many failed to bring in any permanent settlers. But some advance spade-work was done in preparation for the mass movement during the years which immediately preceded 1900 and the decade and a half which followed ...
The failure to retain more than a small percentage of the immigrants who did enter the region during the decade after the Canadian Pacific Railway had been completed can scarcely be laid at the door of the Dominion Government of that time, nor at the doors of the colonization agencies devised to put its policies into effect. For settlement expansion had not yet developed to the point where the empty spaces of the Canadian Northwest appeared more attractive than the western plains of the United States. Immigration to Canada was slipping through the back door into the United States. Furthermore, world markets did not favour the products of Western Canada until toward the close of the nineties.47

Yet with all the difficulties and even though the expected boom did not materialize, by 1891 the occupied lands in the region had almost quadrupled from 2,698,000 acres to 8,138,000 acres and the improved lands had vastly increased from 279,000 to 1,429,000 acres, all in the space of 10 years; by 1901 these had increased to 15,512,000 and 5,593,000 acres respectively.48 Population had grown as well.

By 1900 there were approximately 419 thousand persons in Manitoba and the territories. Of these, approximately 255 thousand were in Manitoba and 91 thousand and 73 thousand respectively, were in the territories which today comprise the provinces of Saskatchewan and Alberta.49

Thus in the 28 years of nation building, the 73,223 people in the Prairie West had only grown to 419,000 -- hardly a success story when compared with the fabulous growth occurring south of the border where from 1880 to 1900 population was increasing on the average of
in excess of one-quarter each decade (1880 - 50 million; 1890 - 63
million; 1900 - 75 million). It appeared that the Confederation
project, and the National Policy, so hotly debated and so dearly
erected, had failed abysmally.

Although there has been a tendency to underestimate the rate of progress of
the Canadian economy over the period from 1874 to 1886, it is true that
economic growth was much slower over these decades than had been antici-
pated. Population changes, in parti-
cular, were highly discouraging. In
spite of federal land policies, railway
construction and immigration propaganda,
a population of some 3,600,000 in 1871
had increased to barely 5,370,000 at
the turn of the century. This was
scarcely the growth that had been ex-
pected and certainly one well below a
rate sufficient to people the empty
spaces of the west.

An average annual rate of increase of
1.61 per cent in the 1870s dropped to
1.13 per cent in the 1880s and in the
last decade of the century to as low
as 1.06 per cent. Immigration was not
absent; more than 1,500,000 immigrants
entered the country in this period. But
heavy emigration, approaching two million,
much of it Canadian-born, indicated that
Canada had unwillingly become a temporary
residence and a vestibule for settlers
whose final destination was the United
States.51

Clearly the world-wide depression of 1873-1893 could not be
blamed on the Dominion Government alone, yet it had proceeded hopefully,
and some said irresponsibly, with its design only to witness failure
after expensive failure. The 1940 Report of the Royal Commission on
Dominion-Provincial Relations had this retrospective on the Dominion Government's failure during this period,

The Great Depression (1873-93), which continued almost unrelieved for over twenty years, had serious consequences for the entire country. As time went on, the national policies of the Dominion, which were to have brought abounding prosperity through western expansion and settlement, were discredited by failure. The men, money and markets, necessary for the successful operation of the expensive national machinery, failed to materialize. The great community equipment lay almost unused, an oppressive burden on the country.52

It was not until the United States' massive westward expansion was virtually completed that the immigration tide was to turn in Canada's favour. John A. Macdonald was not to live to see "the dawn of prosperity,"53 dying in office in 1891. The Conservatives were not to see it either, at least not as the Government -- the continuing depression into the 1890s; the failure of the grand plans to bear profitable fruit; the controversies surrounding the give-aways that had been indulged in behind the patriotic screen of nation-building; the death of their leader -- all these conspired to replace them in office in the election of 1896 with Laurier's Liberals, who were to preside over the final success of Confederation until their flirtation with Reciprocity brought defeat in 1911.

In 1896 the Laurier Liberals inherited a Dominion Government heavily in debt, with over one-half of the Government's current outlay
committed to debt charges and new development programs. The same held true for almost all the provincial governments.

... all the provincial governments, except that of Ontario, had got into debt before 1896 mainly as a result of developmental expenditures of their own.

This had occurred, of course, due to the prevailing, if dubious, political wisdom of the proper role of government -- "the traditional role of government in British North America as an agency for creating conditions in which private enterprise might thrive" was assumed by all but a few politicians. The fly in the ointment was that vast sums had been expended on "creating conditions," yet private enterprise had refused to thrive and the consequent general prosperity still eluded the people. The mood abroad was anything but hopeful.

For twenty-five years the new nation had languished and even the most sanguine were troubled by forebodings about the success of Confederation.

In 1896 prosperity began to dawn, the "wheat boom" of 1896-1913 began. The Liberals took credit, of course, (as they do to this day) for the final success of Confederation. But they could hardly claim sole responsibility.

Then a fortuitous conjuncture of world circumstances brought with a rush the fulfillment of hopes long deferred. Life began to stir in the frame erected years earlier for a transcontinental economy. Directed by the national policies of all-Canadian railways, western settlement and protective tariffs, it grew with a rapidity surpassing all expectations. A vast and sudden transformation was wrought by the
magic of wheat. The wheat boom brought a flood of settlers into the West and created two new and flourishing provinces. It precipitated a new era of railway development and spurred on the industrialization of Central Canada.\(^{59}\)

In terms of the fate of the Prairie West the key to the boom lay in declining transportation costs and rising prices for wheat which "suddenly brought the virgin resources of the Prairies within the scope of the international market and within the range of profitable exploitation."\(^{60}\) Among the other factors involved in the boom was the availability of free and cheap land -- land sold for $3.36/acre in 1901 (which would become $11.30/acre in the 1930s, although low prices continued until 1909).\(^{61}\)

The "free land" which had until 1930 been available in the Prairie Provinces was, in the face of rising prices, a strong stimulus to settlement.\(^{62}\)

Add to these salubrious conditions the fact that the booming American frontier was for all practical purposes settled, and the conditions for both a massive jump in population and a consequent unprecedented leap in occupied and improved lands in the region were established.

Table IV: Population of the Prairie Provinces, 1901-1931

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>419,512</td>
</tr>
<tr>
<td>1906</td>
<td>808,646</td>
</tr>
<tr>
<td>1911</td>
<td>1,328,121</td>
</tr>
<tr>
<td>1916</td>
<td>1,698,137</td>
</tr>
<tr>
<td>1921</td>
<td>1,956,082</td>
</tr>
<tr>
<td>1926</td>
<td>2,067,393</td>
</tr>
<tr>
<td>1931</td>
<td>2,353,529</td>
</tr>
</tbody>
</table>

Table V: Occupied and Improved Land in the Prairie Provinces, 1901-1931

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupied Land (acres)</th>
<th>Improved Land (acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>15,512,000</td>
<td>5,593,000</td>
</tr>
<tr>
<td>1911</td>
<td>57,512,000</td>
<td>22,970,000</td>
</tr>
<tr>
<td>1921</td>
<td>87,932,000</td>
<td>44,863,000</td>
</tr>
<tr>
<td>1926</td>
<td>88,930,000</td>
<td>49,265,000</td>
</tr>
<tr>
<td>1931</td>
<td>109,778,000</td>
<td>59,854,000</td>
</tr>
</tbody>
</table>


Table VI: Wheat Production, Selected Years, 1901-1931

<table>
<thead>
<tr>
<th>Year</th>
<th>Canadian Production (millions of bushels)</th>
<th>Canadian Production as Percentage of World Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>56</td>
<td>1.9</td>
</tr>
<tr>
<td>1905</td>
<td>107</td>
<td>3.2</td>
</tr>
<tr>
<td>1910</td>
<td>132</td>
<td>3.7</td>
</tr>
<tr>
<td>1915</td>
<td>394</td>
<td>9.5</td>
</tr>
<tr>
<td>1920</td>
<td>263</td>
<td>8.7</td>
</tr>
<tr>
<td>1925</td>
<td>395</td>
<td>9.6</td>
</tr>
<tr>
<td>1930</td>
<td>421</td>
<td>8.5</td>
</tr>
<tr>
<td>1931</td>
<td>304</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Tables IV, V, VI, and VII provide a dramatic and vivid, if rather statistical and dry, picture of the course of development in the Prairie West leading to the Great Depression of the 1930s. The speed of settlement and agricultural development was unprecedented in Canadian history. In 1896, 140,000,000 acres were available for settlement of which 60,000,000 acres were open for free homestead --- the remainder was for sale from private owners such as the C.P.R., the Hudson's Bay Company, land combines, and private entrepreneurs. In the period from 1896 to 1913, 1,900,000 people moved into the three Prairie provinces, occupied lands increased from 10 to 70,000,000 acres, and wheat produced jumped from 20,000,000 bushels to 209,
Much of the land settled ought never to have been farmed, as later years were to prove as "adjustments to the vagaries and failings of nature was left to time and bitter experience." 

For the first time the Confederation design was functioning as it ought to have from the beginning; for example, "the value of the exports of wheat and flour alone in 1913 was greater than the value of all exports in 1896." The Prairies were filling up as population moved in and followed the railway to every corner and wheat was being produced in undreamed of quantities. In the period 1896-1913 it would not be an overstatement to say that "the settlement of the Prairies dominated the Canadian economic scene."

But the production and the export of wheat and the resulting east-west railway traffic was only one cornerstone of the original design. Out of the boom one element of the original capitalist designers of Confederation would gain much -- the investors in transportation, the speculators in land, the middlemen who dealt in the international grain market, the banks and trust companies, and the commercial wholesalers and retailers who dealt in consumer commodities all benefited. However, that was only one segment of the eager group that watched the final fruition of the long-postponed dream. The other major segment was made up of those industrial capitalists who had finally abandoned illusions of reciprocity and had moved to a strategy of industrialization through protective tariffs. The role the West was to play here, too, was crucial -- the immigration
brought a vast, new, captive domestic market.

Sir Wilfred Laurier, in 1903, said,

The best way you can help the manufacturers of Canada is to fill up the prairie regions of Manitoba and the Northwest with a prosperous and contented people, who will be consumers of the manufactured goods of the east.68

In 1905, he elaborated,

They [the Prairie settlers] will require clothes, they will require furniture, they will require implements, they will require shoes ... they will require everything that man has to be supplied with. It is your ambition [he was speaking to the Canadian Manufacturers Association], that this scientific tariff of ours will make it possible that every shoe that has to be worn in those prairies shall be a Canadian shoe; that every yard of cloth that can be marketed there shall be a yard of cloth produced in Canada; and so on and so on ...69

And again, the industrial component of the original design was working beautifully.

The industrial expansion of Canada after 1896 was remarkable. Between 1890 and 1910, the net value of manufacturing production increased by nearly three times.70
Table VIII: The Net Value of Production of Manufactures --
Canada, 1900 and 1910 (millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1900</th>
<th>1910</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles</td>
<td>32.9</td>
<td>67.3</td>
</tr>
<tr>
<td>Clothing</td>
<td>20.0</td>
<td>43.7</td>
</tr>
<tr>
<td>Wool Textiles</td>
<td>4.0</td>
<td>4.4</td>
</tr>
<tr>
<td>Cotton Textiles</td>
<td>6.5</td>
<td>13.0</td>
</tr>
<tr>
<td>Iron and Steel Products</td>
<td>35.0</td>
<td>106.3</td>
</tr>
<tr>
<td>Agricultural implements</td>
<td>5.5</td>
<td>10.7</td>
</tr>
<tr>
<td>Railway Rolling Stock</td>
<td>5.2</td>
<td>25.2</td>
</tr>
<tr>
<td>Boilers, tanks, engines</td>
<td>2.8</td>
<td>7.6</td>
</tr>
<tr>
<td>Wire and wire goods</td>
<td>.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Bridge and Structural Steel Work</td>
<td>.7</td>
<td>2.8</td>
</tr>
<tr>
<td>Primary Iron and Steel</td>
<td>3.1</td>
<td>14.9</td>
</tr>
<tr>
<td>Rubber products</td>
<td>0.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Tobacco</td>
<td>8.1</td>
<td>13.2</td>
</tr>
<tr>
<td>Boots and shoes</td>
<td>7.6</td>
<td>16.0</td>
</tr>
<tr>
<td>Furniture</td>
<td>4.3</td>
<td>8.0</td>
</tr>
<tr>
<td>Liquor</td>
<td>5.3</td>
<td>18.7</td>
</tr>
<tr>
<td>Flour and grist mill products</td>
<td>5.5</td>
<td>25.3</td>
</tr>
<tr>
<td>Glass Products</td>
<td>1.0</td>
<td>3.1</td>
</tr>
<tr>
<td>Chemicals</td>
<td>3.9</td>
<td>12.2</td>
</tr>
<tr>
<td>Electric light and power</td>
<td>2.0</td>
<td>12.9</td>
</tr>
<tr>
<td>Total of above manufactures</td>
<td>196.2</td>
<td>286.4</td>
</tr>
<tr>
<td>All other manufactures</td>
<td>108.3</td>
<td>278.1</td>
</tr>
<tr>
<td>Grand Total</td>
<td>214.5</td>
<td>564.5</td>
</tr>
</tbody>
</table>

Source: Report of the Royal Commission on Dominion-Provincial Relations, Volume I, (King's Printer, Ottawa), 1940, p. 73.

However, the largest proportion of this massive industrial expansion occurred in Central Canada -- this fact, combined with the tariff
policies, was to figure large in the Prairie populist resistance.

Table IX: The Net Value of Manufacturing Production -- Percentage of Total for Canada in Ontario and Quebec, 1890 and 1910

<table>
<thead>
<tr>
<th>Industry</th>
<th>1890</th>
<th>1910</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles and textile products</td>
<td>84</td>
<td>90</td>
</tr>
<tr>
<td>Clothing</td>
<td>86</td>
<td>95</td>
</tr>
<tr>
<td>Cotton Textiles</td>
<td>77</td>
<td>80</td>
</tr>
<tr>
<td>Boots and shoes</td>
<td>88</td>
<td>94</td>
</tr>
<tr>
<td>Furniture</td>
<td>81</td>
<td>97</td>
</tr>
<tr>
<td>Tobacco</td>
<td>92</td>
<td>95</td>
</tr>
<tr>
<td>Rubber products</td>
<td>98</td>
<td>91</td>
</tr>
<tr>
<td>Liquors</td>
<td>88</td>
<td>83</td>
</tr>
<tr>
<td>Glass products</td>
<td>90</td>
<td>73</td>
</tr>
<tr>
<td>Chemicals and chemical products</td>
<td>88</td>
<td>75</td>
</tr>
<tr>
<td>Iron and its products</td>
<td>85</td>
<td>81</td>
</tr>
<tr>
<td>Agricultural implements</td>
<td>99</td>
<td>98</td>
</tr>
<tr>
<td>Hardware and tools</td>
<td>93</td>
<td>92</td>
</tr>
<tr>
<td>Railway rolling stock</td>
<td>97</td>
<td>67</td>
</tr>
<tr>
<td>Wire and wire goods</td>
<td>91</td>
<td>92</td>
</tr>
<tr>
<td>Total of industries listed</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Grand Total manufactures</td>
<td>81</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Report of the Royal Commission on Dominion-Provincial Relations, Volume I, (King's Printer, Ottawa), 1940, p. 74.

By the end of the 1896-1913 boom period, the pattern was established almost irreversibly. The Prairie West's place in Confederation was that of a producer of cereal grains, primarily wheat, for export to an international market. Other commodities derived from "the
wealth of the field, of the forest and of the mine," as Clifford Sifton had put, were also to be "exploited in vast quantities" as development went forward. But now, wheat was king, wheat had made Confederation work.

The population that had been begged, cajoled, lured, and even deceived into coming to settle the prairies and to raise the wheat served other purposes as well. They were, behind the impenetrable walls of the protective tariff, the captive market for the manufactures of Central Canadian capitalists. In a sense, the agricultural population, and the essential if small in number western wage-earners, which had settled and rendered productive the Prairies were a commercial capitalist’s dream come true -- they were forced to buy dear and to sell cheap. The protected manufactures they needed for production -- implements, machinery, nails, wire, hardware, etc. -- for consumption -- boots, shoes, clothing, furniture, etc. -- and even for amusement -- tobacco, liquors, musical instruments -- cost them up to 40 or 50 % above what they would have paid had there been free trade. At the same time, the commodities they produced for a cash income -- grains, especially wheat, and some livestock and livestock products -- had to be forwarded through middlemen, each of which took a share of the final price ultimately gained on the world market, as well as transported vast distances. From their point of view, in terms of their share of the final price, they were forced to sell cheap indeed. Add to this the cost of credit needed to buy land, to purchase machinery,
and to build buildings, and even their ability and right to produce was subject to a tariff in the form of interest.

Sir Wilfred Laurier's "prosperous and contented" people of the Prairie provinces -- by 1913 numbering in excess of 200,000 farmers, with a total capital investment of $1,788,693,000 (land and buildings - $1,417,527,000; implements and machinery - $109,505,000; livestock and poultry - $261,661,000) -- did not remain so for long. The capital invested in agriculture alone had leapt almost eight times since 1901. They had settled the west and created the agricultural dream -- in 1913 Canada exported 115,744,000 bushels of wheat and flour (over 12% of total world exports). (It should be noted here that the population in addition included in excess of 49,000 farm wage labourers, in excess of 50,000 other wage-workers, and perhaps as many again involved in trade, finance, clerical, service and professional work). Yet the vast majority were neither prosperous nor contented, even though the 1913 harvest on 16,353,000 acres exceeded 209,262,000 bushels of wheat, 242,413,000 bushels of oats and 31,060,000 bushels of barley with a grand total value of $240,645,000.77

 Granted, but for the smaller working class, the settlers were small capitalists who embraced the basic tenets of the system of private enterprise and extolled individualism and entrepreneurial ability. But they had been brought into being by big capitalists -- the railway interests, the grain trade, the retailers and wholesalers, the industrialists, the banking and insurance interests -- for purposes
beyond their control. Almost immediately there was a clash of interests. In the first instance, some of the best lands of the vast region had been alienated to the Hudson's Bay Company (1/20th), to the C.P.R. (25,000,000 acres, and more as work progressed, of choice lands bordering the mainline and the branches -- the best land for a settler), as well as the colonization land companies and many other friends of the government. Hence they found that in order to expand and develop their holdings, they must purchase lands already owned. Second, they found themselves at the dubiously tender mercies of a legislated railway monopoly which, until the Crows Nest Pass Agreement of 1897 gave some relief for grain shipments as well as the inward movement of settlers' effects, charged freight rates, coming and going, of an excessive nature. Third, as mentioned above, they found themselves forced to buy all their manufactured necessaries and conveniences at prices inflated mercilessly by a protective tariff. More generally speaking, they found themselves involved in a highly sophisticated capitalist agriculture concerned with the extensive industrial cultivation of highly specialized cash grain crops for a distant market -- a market to which they could obtain access only through the railways and the grain middlemen, and that paid prices over which they had no control. In short, they found themselves immersed, inextricably, in an economic situation which, for them, had all the vices of a "free market" -- insecurity, price fluctuations, high production costs, speculation -- and none of the virtues --
windfall profits, high reward for the entrepreneurial function, good return on investment -- at least none so far as the overwhelming majority of grain producers were concerned.

However, Confederation had worked and wheat had made it work. Yet it was to be precisely the underpinings, the very foundation rocks, of Confederation -- a transcontinental railway, a protective tariff, and the settlement policies developed to people the West -- from which the settlers' grievances sprung. And the grievances had been given expression by early settlers long before the boom had occurred, and continued long after it became a fond memory in the cruel cycle of boom and bust that came to dominate their economic lives.
NOTES AND REFERENCES


2. See Creighton, D. G. *British North America at Confederation: a study prepared for the Royal Commission on Dominion-Provincial Relations*, (Queen's Printer, Ottawa), 1963, section V, "The West," pp. 29ff; Morton, Arthur S. *A History of the Canadian West to 1870-71, being a history of Rupert's Land (the Hudson's Bay Company's Territory) and of the North-West Territory (including the Pacific Slope)*, (Thomas Nelson), n.d., especially Chapters VI, VII, VIII, XI, XII, which deals with the struggles over the fur trade, the violence at Selkirk's colony, and the 1869-70 disturbances that led to the formation of the province of Manitoba; Morton, W. L. *Manitoba: a history* (University of Toronto), 1957; and Morton, W. L. *The West and Confederation, 1857-1871* (Canadian Historical Association Booklet No. 9), 1958, esp. pp. 3-17.

3. See Stanley, George F. G. *The Birth of Western Canada: a history of the Riel Rebellions* (University of Toronto), 1963 (1936). Professor Stanley's book has to be read quite critically. However, behind his view that the military and political clashes in Manitoba in 1869-70 and in the Saskatchewan country in 1885 represented "the clash between primitive and civilized peoples" (p. vii), there lurks the discernible fact that both events represented the resistance of an established political economy and culture to the imposition of the Confederation design on the West. See Howard, J. K. *The Strange Empire of Louis Riel* (Swan Publishing), 1965, for a less culture-bound and more sympathetic, from Riel's side, account of the events.


9. Ibid., p. 17.


12. Ibid., p. 18.

13. Ibid., p. 19. "These purposes were made clear by the free homestead provisions of the Dominion Lands Act of 1872 and the grant of 50 million acres of western lands to the Pacific railway syndicate in 1873," according to the Report of the Royal Commission on Dominion-Provincial Relations (King's Printer, Ottawa), 1940, Book I, p. 48.

14. See Thomas, Lewis H. The North-West Territories, 1870-1905, (Canadian Historical Association Booklet No. 26), 1970, for an excellent and manageable summary of the political struggle for responsible government which led to the founding of Saskatchewan and Alberta in 1905. This is only of incidental importance to this present work.


17. Ibid., ch. VI, "A Decade of Great Expansion, 1901-1910," pp. 119-139.

18. MacDonald, Norman. Canada: Immigration and Colonization, 1841-1903, (Macmillan), 1966, p. 174. MacDonald's effort should be read with care -- he tends to exaggerate the extravagance of the free homestead policy. His effort should be supplemented by the definitive, if dry, Martin, Chester "Dominion Lands" Policy, (Macmillan), 1938, esp., chapters, VIII, IX, X, & XI. In chapters III, IV, & V he outlines the various land grants made by the Dominion Government.

19. MacDonald, ibid., p. 175.

22. Ibid., p. 181.
23. Ibid., p. 181.
26. Ibid., p. 194ff.
27. Ibid., p. 194.
29. Ibid., p. 197.
30. Ibid., ch. 11, "The Melting Pot Era: Group Settlements," pp. 197ff. See also Dawson, C. A. Group Settlement: Ethnic Communities in Western Canada (Macmillan) 1936. Dawson comments that such colonies "have been more than ordinarily successful" (p. 378) especially due to the "unity of productive effort" ... "during the first few critical years." (p. 377) Indeed, they fared better in the early settlement years than individual efforts at pioneering and it might be fair to say that their efforts laid the foundation for future success in the general settlement process.
31. MacDonald, ibid., ch. 12, "A forlorn hope: Colonization Companies," pp. 235ff. See Appendix III, pp. 361-365, for a list of such companies and individual capitalists who attempted the enterprise.
32. Dawson, & Younge, op. cit., p. 12.
35. Mackintosh, W. A. The Economic Background of Dominion-Provincial Relations, (McClelland & Stewart), 1964, p. 29.


41. Innis, *ibid.* , pp. 97-98. The list represented an amalgam of Canadian, American, and British capital.

42. For a full statement of the Act see Innis, *ibid.* , Appendix B, pp. 296ff.


45. There was even a proposal to build a statue to Riel to honour the role his Rebellion played in completing the line. See Innis, *ibid.* , p. 128.


52. *Report of the Royal Commission on Dominion-Provincial Relations*, Book I (King’s Printer, Ottawa), 1940, p. 50.

54. Report of the Royal Commission on Dominion-Provincial Relations, Book I (King's Printer, Ottawa), 1940, p. 61.

55. Ibid., p. 63.

56. Ibid., p. 61.

57. Ibid., p. 66.


59. Ibid., p. 66.

60. Ibid., p. 67; See also Mackintosh, Economic Problems of the Prairie Provinces (Macmillan), 1935, p. 10 & Easterbrook & Aitken, op. cit., pp. 400-401.


62. Ibid., p. 11.

63. Report of the Royal Commission on Dominion-Provincial Relations, Book I, (King's Printer, Ottawa), 1940, p. 67.

64. Ibid., pp. 67-68.

65. Ibid., p. 68.

66. Ibid., p. 73.

67. Ibid., p. 74.

68. Sir Wilfred Laurier quoted in ibid., p. 73.

69. Sir Wilfred Laurier speaking to the Canadian Manufacturers Association, Quebec City, 1905, quoted in Fowke, op. cit., p. 66.

70. Report of the Royal Commission on Dominion-Provincial Relations, Book I (King's Printer, Ottawa), 1940, p. 73.

71. The figure of in excess of 200,000 farmers is calculated from the fact that according to the 1911 census there were 199,203 occupied farms on the Prairies (of which 178,182 were owner-occupied) and this figure grew to 255,657 (200,000 owner-occupants) by the 1921 census. See Urquhart, M. C. & Buckley, K. A. H. (eds.) Historical Statistics of Canada (Macmillan), 1965, p. 351. These facts, combined with a chart provided in Haythorne, George V. Labor in Canadian Agriculture (Harvard University), 1965, p. 9, suggest that if the estimate errs, it errs on the conservative side.
This represented a four-fold increase in paid farm labour since 1901. The figure of 49,000 is a 1911 figure.

Yet in 1913, and for some years to come, it would be fair to say that the fate of the overwhelming majority of the working class in the Prairies rose and fell with that of the farmer. Much of their wage-labour -- construction, transportation, service -- was related directly or indirectly to settlement and agricultural production and forwarding. The same held probably even more true for those involved, at least as salaried functionaries or small entrepreneurs, in servicing the farming population, in trade, finance, commercial, and professional occupations.
Echoes of discontent, and often of angry bitterness, reverberated among the agricultural settlers in the Prairie West from the beginning. And the sources of this discontent lay with the very policies that had brought settlement into existence just as much as they lay with the heart-breaking failure of these same policies to bring off the promised and anticipated boom in agriculture which had lured what few settlers came and remained in the deserted Prairie West.

Ironically, as the settlement policies began to succeed, resulting in a larger agrarian population which was inevitably better organized and less passively willing to accept its assigned place in the Canadian dream quietly, so efforts at the redress of grievances by the new Prairie agrarian petit-bourgeoisie became more successful. It is safe to say that just as much as the very bed-rocks of Confederation, particularly the assigned role for the Prairie West, laid down the material conditions for a deepening Prairie agrarian discontent, so the final success of the Confederation design brought into being another and contradictory success -- the incredible advances made by farmers' organizations of all types to salvage whatever they could of the goodly heritage they had been promised and so obviously and cruelly denied.
Part of the popular mythology of the history of the Prairie West holds that much of the agitation that occurred can be attributed to the harsh environment which the settlers confronted and conquered. Yet a close examination of the record shows that, from the beginning, such agitations had more to do with Senators than seasons, with railway charges than locusts, with land policies than frost, with tariffs than poor yields, and with the hundred-fold man-made calamities of a corrupt and unresponsive political system than with the inevitable natural calamities that befell grain growers.

A. The Agrarian Agitation, 1880–1900.

The Manitoba and Northwest Farmers' Union, with branches in Brandon, Emerson, Portage la Prairie and Nelsonville, to name a few, had this petition to present to the Canadian people at their December, 1883 convention:

We have hopefully faced the hardships of isolation and of a vigorous climate and have been and are still willing to contend manfully with the natural disadvantages of our new location. Now, however, that we have for the first time, a surplus of grain, we have discovered that the prices we obtain are not sufficient to cover the cost of production, and that we are face to face with the fact that notwithstanding all our labour and outlay we can barely subsist.

No doubt a combination of unfavourable circumstances, such as early and severe frosts, together with imperfect arrange-
ments for saving and marketing grain, have this season aggravated the farmer's condition and contributed to his discontent. Yet the fact remains that those of us whose crops were untouched by frost and who were at the same time most conveniently situated as to markets, realized little or no profit on our produce.²

Such grievances, pertinent to the production and marketing of grain, continue to be voiced to this day: "the prices we obtain are not sufficient to cover the cost of production;" "imperfect arrangements for saving and marketing grain;" and "those of us" ... "who were" ... "most conveniently situated as to markets realized little or no profit on our produce." Today's language is different -- the cost-price squeeze; problems in transportation, handling, storage, cleaning and drying grain; failures in international competition; and so forth -- but the problems remain basically unchanged in principle, despite the considerable amelioration that has been won and, as such, they remain abiding grievances of the agrarian petit-bourgeoisie.

But in 1883 the Manitoba and Northwest Farmers' Union had other grievances. They complained of the "... excessive charges of a railway monopoly."³ Their angriest words were reserved for "... an oppressive tariff which, however beneficial it may be to the manufacturing Eastern Provinces, cannot fail to be inimical to the interests of a purely agricultural country such as this."⁴ The Convention went on to issue a "Declaration of Rights" with the following provisions and demands:

(1) provincial governments be given the right to charter railways,
thus ensuring the construction of branch lines to respond to the needs of local settlers; (2) provincial governments be given control of natural resources, thus ensuring local control of their alienation; (3) no duties be charged on imported agricultural implements; (4) a railway route be constructed to Hudson's Bay; and (5) the Municipal Act be amended to grant municipalities the authority to construct elevators, grain warehouses, and mills. These were considered reasonable and minimal demands. More vocal elements continued to argue that if there had to be annexation, then let it not necessarily be annexation to Canada -- let the Americans make a bid. Armed revolt was never completely ruled out by militants among the white settlers as a tactic that commended itself.

The opportunity for the militants came with the 1885 Saskatchewan Rebellion, but their hints and threats remained largely rhetorical. However, parallel to the Manitoba agitations, the settlers in the North-West, especially in the Saskatchewan region, began to make their case heard as well. A Settlers' Union was formed in 1883 at the Ridge, east of Prince Albert. Their sharpest initial grievances, the ones that spurred their collective action, included complaints about federal land policies and what they perceived as political corruption. First, there was timber: the practice obtained that officials from the East, usually friends of the government, received contracts for cordwood for the Hudson's Bay Company for $8 a cord which they then contracted out to settlers for from 50 cents to $1 a cord. Second, there were the land
reservations, on which a number of settlers lived, which were granted to the Prince Albert Colonization Company — a consortium of Ottawa land speculators (including a Senator) — without regard either to the rights of the settlers who lived on the land or who aspired to cultivate it, or to the necessity for an orderly land policy which would encourage agricultural settlement and development. Very quickly, though, the grievances and demands of the Settlers' Union went far beyond these initial issues to encompass those of their Manitoba brethren and more.

A series of meetings led up to the formal adoption of a full platform for the Settlers' Union at a meeting at Colleston Schoolhouse on February 25, 1885. There is no question that the general agitation among the métis and Indians, finally led by Riel of Manitoba fame, contributed greatly to the adoption of the program. Indeed, the importunings of the leaders of the Settlers' Union had a great deal to do with Riel's return to the North-West. The resolutions adopted at Colleston Schoolhouse became the basis of the famous "Bill of Rights" sent to Ottawa jointly by Louis Riel and the Settlers' Union in December of 1885.

According to Stanley,

It [the platform] was well calculated to win both white and half-breed support. Tariff reduction, representation of the Territories in the Federal Government, and a Hudson Bay Railway were the white demands. To these were added protests against the land regulations, the obnoxious timber dues, and the non-issue of scrip, grievances largely half-breed in character.
Although it is true that the above reflects the general grievances, it should be noted that the land regulations and the timber dues rankled white just as much as métis. Indeed, the only specifically "half-breed" grievance was the non-issue of scrip ("scrip" amounted to a government guarantee of a tract of land equivalent to that ceded to Federal authorities). And if calculation there was, it was the calculated effort to encompass all relevant grievances in the North-West and to point out the policies that would allow their complete redress, rather than the cynical political manipulations implied by Professor Stanley. It should also be noted that the support for the movement and its demands, as Professor Stanley himself admits, was so overwhelming that "... the Prince Albert Conservatives considered the advisability of adopting Riel's platform under their party colours." 14

It is unnecessary for us to become too completely involved in the Saskatchewan Rebellion of 1885, yet it is important to be sensitive to the nature of the grievances that initially impelled such thorough-going white settler support, even if such support quickly evaporated with the ensuing armed confrontation. The basic demands contained in the July 28th, 1885 "Bill of Rights" persisted long after Riel was defeated and executed, consequently the joint Settlers' Union and Riel manifesto is worth quoting at some length.

We are starting a movement in this settlement [Prince Albert] with a view to attaining Provincial Legislatures for the North-West Territories and, if possible, the control of our own re-
sources, that we may build our railroads and other works to serve our own interests rather than those of the Eastern Provinces... We state the various evils which are caused by the present system of legislation showing:

1. That they are caused by the facts that the Ottawa legislators are responsible to Eastern constituents, not to us, and are therefore impelled to legislate with a view to Eastern interests rather than our own; that they are not actually resident in the country and therefore not acquainted with the facts that would enable them to form a correct opinion as to what measures are suitable to North-West interests, consequently liable to pass legislation adverse to North-West interests even when not favourable to their own; lastly that they have not the greater part of their immediate private interests involved in the said Territories, and are therefore liable to have their judgement warped by such private interests.

2. That the legislation passed by such legislators has already produced great depression in agricultural, commercial, and mechanical circles, and will continue to increase that depression unless the system is revised; that is to say, unless our legislators are chosen by and responsible to ourselves actually resident in the country and having the bulk of their private interests involved in the interests of the country.

We give the complete list of our grievances, but instead of asking the redress of each of them separately, we ask the remedy to the root of the evil, i.e., Provincial Legislatures with full control over our own resources, and internal administration, and power to send a just number of representatives to the Federal Legislature whatever and wherever
that may ultimately lie. Possibly we may settle up with the East and form a separate federation of our own in direct connection with the Crown.\textsuperscript{15}

The calls for responsible government, local control of resources, and the right to build provincial railways — combined with the general denunciation of Eastern legislators "warped by private interests" — fell on receptive ears, and continue to be popular demands among Prairie agrarians. Many, however, hesitated at the talk of secession ("a separate federation") and most particularly at the prospect of embracing Riel's leadership — indeed, many of the prominent supporters of the agitation, including the Territory press, completely reversed their position due to what they considered to be an extreme turn of events.\textsuperscript{16}

But the petition that went to Ottawa remains an initial, classic statement of Prairie grievances which would be picked up by each new agitation in the West.

It demanded more liberal treatment for the Indians: scrip and patents for half-breeds: responsible government, representation in the Dominion Parliament and Cabinet, provincial control of natural resources, modification of the homestead laws, vote by ballot, a railway to Hudson Bay and reduction in the tariff \textsuperscript{17}

The agitations in the Saskatchewan region which culminated in the 1885 Rebellion were by no means isolated events. As we have seen, the Manitoba and Northwest Farmers’ Union was active, as were a number of other reform groups under a variety of banners.\textsuperscript{18} They were addressing themselves to real concrete issues which were confronting
settlers daily in their efforts to prosper. As we have already seen, immigration was a trickle and emigration a real problem. Add to this the marketing problems due to a lack of adequate storage for grain and of sufficient railway branch lines, and we have a fully rounded picture of the total frustration experienced by those settlers who remained in the region.

The comparatively slow growth of population was in no small measure due to the failure to prosecute the building of branch lines of railway. This was absolutely necessary not only to develop the resources of the country, but also to induce immigration and to retain settlers, many of whom were from fifty to three hundred miles from a railway,19

The propaganda outbursts from the editorial writers of the day could hardly continue to cloak the problems and the obvious need for agitation from the settlers who came to stay. Outbursts, like one from the Saskatoon Sentinel of August 9, 1884, repeated the following theme,

Here on the rich plains of this great North-West does the pioneer, too, exercise the strong arm of industry and perseverance, but his is not the long and patient battle of our forefathers. Nature supplies the rich loam already impatient for the ploughman's steel, whilst an invigorating and generous climate is prepared to bless his efforts with ample reward.20

Such talk might have got them to leave Liverpool and Glasgow, but it wasn't succeeding in keeping the immigrants in the Prairies nor of deflecting the discontent of those who did remain. Indeed, the same
rapturous editorial writer warned against complainers,

    We want men of pluck and spirit out here,
    able to do lots and give their tongues a
    rest.  

However, such propaganda had a large task in cloaking the realities to
be faced and overcome. One historian lists them,

    ... the absence of trees, the cold of winter,
    distance separating neighbours, the lack of
    social intercourse, the long hauls to in-
    adequate markets, the failure of railways
    to build branch lines, an insufficient ac-
    quaintance with the principles of semi-arid
    agriculture ...  

Under such circumstances, it is no wonder that tongues were not given
a rest by those who remained and settled the prairies.

    It is worth pausing now to examine in some detail the material
sources of the grievances that contributed to this early agitation among
white settlers in Manitoba and the North-West Territory. It wasn't just
the tariff, nor the lack of responsible government, nor, for that
matter, simply the railways (although they all figured large in the
source and the solution of the settlers' problems). All the abiding
grievances were brought to a head by serious economic problems in the
1880's that crippled the early success of the Prairie agrarians.

    The intention of the Confederation design was to people the
Prairie region with agrarian settlers who would produce mainly grains,
and especially wheat, as commodity exports. Further, such settlers would,
behind the tariff wall, provide a captive domestic market for Canadian
manufactures (and, for that matter, any manufactures handled by Canadian
retailers, wholesalers, and transportation entrepreneurs). The settlers, further, would place heavy credit demands on Canadian banks and trusts. They would provide the traffic necessary to turn a profit on the generously publicly endowed, though initially precarious, legally monopolistic Canadian Pacific Railway. We have already noted the grievances built into that design: the tariff, land policy, credit charges, and railway rates. And of course, the key to the whole design to all concerned was the successful mass production of wheat at a price that would make the whole project feasible.

Wheat had already for some time been "recognized as the staple crop of Upper Canada." Indeed, from 1793 to 1820 important exports from Canada (never as important as fish, fur, and timber, of course) had been wheat, other grains, milled flour, and biscuits. By 1842 Upper Canada's wheat production was 3,221,989 bushels, by 1852, 12,682,550 bushels, and by 1860-61, 24,620,425 bushels. This represented a staggering eight-fold increase in a period of 20 years. However, this was only part of the story. In 1851, only 768,275 acres committed to wheat in Upper Canada produced 12,682,550 bushels. In 1861, 1,386,366 acres produced 24,620,425 bushels. Yet in 1871, 1,365,872 acres yielded only 14,233,389 bushels. This staggering fall in production, and marginal decline in committed acreage, resulted from disastrously poor crops. Indeed, the initial success of Upper Canadian wheat production had been largely due to the temporarily high prices for wheat and breadstuffs resulting from the Crimean and American Civil Wars.
Lowering prices, soil exhaustion due to poor techniques, land pressures due to increasing population, and the recognition that the rich and scarce farm land of Upper Canada could more usefully produce more diversified and more lucrative crops and commodities (vegetables, tobacco, dairy products, and specialty crops), all contributed to a gradual diversification away from wheat production.29

Meanwhile, despite the early difficulties with grasshoppers, floods, and drought,30 by the decade of 1870-1880 "... the fine quality of Manitoba wheat gradually received recognition."31 Indeed, in 1878 1,100,000 bushels of wheat were harvested in Manitoba32 and the first shipment of Manitoba wheat to Great Britain occurred in that year.33 The growth in grains production, particularly wheat, was phenomenal in Manitoba from 1880-1890. In 1880, Manitoba produced 1,033,673 bushels of wheat. By 1885 this had expanded to 6,711,186 bushels, and by 1890 wheat production in Manitoba reached 16,092,220 bushels, reflecting an almost 16 -fold increase in production in the space of a decade.34 Total production of wheat in all Canada in 1881 had reached 32,350,000 bushels, climbing to 42,223,000 bushels in 1891.35 Rough calculations show that Manitoba's percentage share of Canada's wheat production had grown from slightly over 3 % in 1880-81 to slightly over 38 % in 1890-91!

This phenomenal growth in wheat production in Canada, and in Manitoba's share of that production, was reflected, of course, in a significant increase in settlement in the region. In 1881, Manitoba's
population had reached 62,260 persons, by 1891 this had increased to 152,506, and by 1901, 255,211. Meanwhile, the population in the North-West Territory was 56,446 in 1881, increasing to 98,967 by 1891. By 1901, what is now Saskatchewan boasted a population of 91,279, and what is now Alberta, 73,022. Occupied farms in the Prairie region had grown from 10,091 in 1881, to 31,253 in 1891, and to 55,176 in 1901. In the same period acres under crops had grown from 251,000 in 1881, to 1,261,000 in 1891, to 3,608,000 in 1901. By 1901 the total value of farm capital invested in the Prairie region had reached $230,516,000. Exports of Canadian wheat had climbed from 2,524,000 bushels in 1881 to 9,740,000 bushels in 1901. Obviously, even though the expected inrush of settlers and resulting boom had not occurred, the settlement of the Prairie region was proceeding reasonably well, reflecting a steady, even sometimes dramatic, growth. Yet this general success in settlement and increased production was not reflected in the returns gained by the grain producers; indeed, a series of depressions in world prices for grain set in almost coincident with the growth just described.

Table X: Fort William Prices for No. 1 Northern Wheat, 1879-1901 (cents per bushel)

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<td>74.6</td>
</tr>
<tr>
<td>1901</td>
<td>75.2</td>
</tr>
</tbody>
</table>


As Table X illustrates, the Fort William prices for No. 1 Northern wheat tell part of the story of the 1885 Rebellion and the agrarian agitation that contributed to it.\(^{41}\) From a high of $1.34/bu. in 1881, No. 1 Northern wheat fell rapidly to $0.84/bushel by 1885 -- reflecting a decline in the order of 37%. One dollar wheat was never experienced again until 1888 ($1.05) and then not again until 1907 ($1.05).\(^{42}\) This sharp decline in prices must have been all the more heart-breaking for the settlers given the modest increase in the number of farms and the somewhat dramatic growth in production in the Prairie region. The very success of the grain growers appeared to be punished by the price system -- or, to put it another way, the settlers' victory was stolen by a pricing system they neither understood completely nor controlled. The period in question became marked by a depression in prices, a rise in the costs of production and necessaries, and, of course, nature took its additional toll. As one historian of the period put it,
All prices fell, but farm prices fell farthest. Wheat prices fell to levels not touched for a century; in 1886 No. 1 Hard Wheat sold in Brandon for 53 cents a bushel. In 1883 the duties on agricultural implements were raised from 25 percent ad valorem to 35 percent. For men struggling with the heavy costs of building, breaking land, and buying farm machinery, this blow was severe. The seasons of 1883, 1884, and 1885 were dry, marked by severe fall frosts and that of 1886 was a year of drought.43

It should be noted that the 1886 price of 53 cents a bushel at Brandon, must be contrasted to a price of 83 cents at Fort William, 44 81 cents at Winnipeg, 45 and $1.00 at Liverpool 46 in that same year. Forwarders, therefore, who bought the farmers' wheat at Brandon could sell it at a profit of 30 cents a bushel at Fort William, 28 cents a bushel at Winnipeg, and 47 cents a bushel at Liverpool. Yet the costs of transporting wheat from Regina to Fort William in 1886 amounted only to 19.8 cents per bushel.47 To transport a bushel of wheat all the way from Regina to Liverpool in 1886 cost only 35.2 cents per bushel.48 Clearly the full blame for the big difference between the Brandon price, on the one hand, and the Fort William, Winnipeg, or Liverpool prices, on the other hand, could not be completely blamed on the costs of transportation. Clearly, too, there were excessive charges by the railways when in the same year it was possible to ship a bushel of wheat from Duluth to Liverpool for between 12.2 cents and 18.2 cents.49 At the same time, the grain middlemen were taking a handsome share on each bushel, leaving less and less for the actual producer. It's worth
summarizing these figures in a table for comparison.

Table XI: Price per Bushel for No. 1 Northern Wheat and Costs of Transportation per Bushel, 1886

(cents per bushel)

<table>
<thead>
<tr>
<th>Prices</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brandon price</td>
<td>53</td>
</tr>
<tr>
<td>Fort William price</td>
<td>83</td>
</tr>
<tr>
<td>Winnipeg price</td>
<td>81</td>
</tr>
<tr>
<td>Liverpool price</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transportation costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regina to Fort William</td>
<td>19.8</td>
</tr>
<tr>
<td>Regina to Liverpool</td>
<td>35.2</td>
</tr>
<tr>
<td>Montreal to Liverpool</td>
<td>7.0</td>
</tr>
<tr>
<td>Duluth to Liverpool</td>
<td>12.2-18.2</td>
</tr>
</tbody>
</table>

The Prairie agrarians were, then, clearly most angry at the policies they saw depriving them of a just return on their crops: the prices they obtained, the tariff they were forced to pay as a captive market, the excessive charges of Canadian railways, the forwarding interests' profit margin, the land and settlement policies, the tardiness of both federal government and the C.P.R. to prosecute branch line construction; in summary, the lack of a responsible and responsive govern-
ment that would serve and defend, or even take marginally into account, their real interests.

Everyone is acutely aware of the results of the agitation in Saskatchewan: the 1885 Rebellion. But few are aware of how far things went in Manitoba in the same period: insurrection was only narrowly averted there. The December, 1885 Farmers' Union Convention had declared,

Now ... that we have ... a surplus of grain, we have discovered that the prices we obtain are not sufficient to cover the cost of production, and that we are face to face with the fact that notwithstanding all our labour and outlay we can barely subsist.50

And further, that,

... the fact remains that those of us whose crops were untouched by frost and who were at the same time most conveniently situated as to markets, realized little or no profit on our produce.51

The Convention went on unanimously to declare,

... that this Convention cannot advise immigrants to settle in the Province till full redress of grievances complained of by this Convention shall have been attained.52

Now the Federal Government faced another impediment to its settlement design for the Prairie West: an aroused Prairie public opinion actually encouraging settlers not to come! Such a situation was clearly politically intolerable.

A partial, but essential, solution to the plight of the settlers
was seen to be the prosecution of the construction of railway branch lines by the Manitoba Government in the absence of C.P.R. construction. Such lines would make the settlers' grain more accessible to the market and eliminate the long wagon-haul most faced to the nearest rail point. The Manitoba Government proceeded to incorporate the Manitoba South Eastern Railway. In 1882 the Federal Government disallowed the legislation. There was a local uproar at the "paralyzing policy of disallowance," as the Winnipeg Free Press described it; and at the monopoly clause in the C.P.R. charter. There was a near unanimous demand for the right of the provincial governments to charter railways (among other demands we have already described). Further federal disallowances of provincial railway charters were made, and these were seen "... as a determination on the part of the Dominion to ride roughshod over the autonomy of the Province." Finally, in 1886 the Manitoba Government determined to build, as a public work, the Red River Railway to West Lynne regardless of the consequences.

Despite threats by the Canadian Pacific Railway of withdrawing workshops from Winnipeg in retaliation, and rumors that troops were to be used, if necessary, to prevent operations by force, the government pressed forward the construction of the railway by all the resources at its disposal.

The Manitoba Government had no choice.

Public opinion in the province, exasperated by disallowance and by the necessity of resorting to an ignominious and unequal conflict with the
federal government, was determined to assert itself at any cost.61

Both the Liberal and Conservative parties united around the issue and it was widely declared that,

Ottawa will have to yield to the people, or the people will redress their own grievances in their own way.62

There was talk of insurrection, of annexation by the United States, and of secession and independence if the federal government and the C.P.R. did not yield. The law was defied, as was the federal power, and construction was completed.63

Clearly, then, in the period from 1880 to 1900, especially during the severe depression years of 1882 to 1887, the agitations of the agrarian population went to the brink of insurrection in Manitoba and contributed greatly to the outbreak in Saskatchewan. There was talk of secession and of American annexation. There was talk of independence. There was talk of armed defiance. There was open and unlawful defiance of the law, of the C.P.R. and of the Dominion Government.

The outcome of the agitation was uncertain. Riel's movement was militarily defeated. In the ensuing hysteria, an hysteria that combined the fear and hatred of the native peoples with Orange and Anglo-Saxon loathing for Catholicism and French Canada, all boiled in the cauldron of the desperate uncertainty about American intentions regarding the North-West, Sir John A. Macdonald was able to discredit the
farmers' agitation by blaming the Rebellion on their behaviour. The federal government successfully refused responsible government to the North-West until 1905. On the other hand, more positively, provincial involvement in the construction of railway branch lines had been won. Further, the agitation spurred the C.P.R. on to the construction of much needed branch lines. Politically, at least, federal representation was won in the House of Commons shortly after the Rebellion. But most important of all was the fact that the agitation had clearly raised issues -- the protective tariff; the storage, handling, and transportation of grain; the price system; the railway tariffs; land and settlement policies -- that had not been resolved, let alone seriously addressed by the Dominion Government. John A. Macdonald could and did discredit the Settlers' Union in the Saskatchewan region, the Liberal party could and did absorb and smother the Manitoba Farmers' Union, but the grievances that gave rise to the agitation would persist and find expression in a variety of organizational forms. The grievances could be neither absorbed and smothered nor discredited, since they resulted from the material location the agrarian settler was destined to occupy in the Confederation design. Indeed, the grievances did persist long after many of the leaders of this initial agitation were absorbed into "the Establishment."

Despite the initial setbacks experienced by the Prairie agrarian agitation's early organizations, the grievances found renewed expression in new organizations committed to the defense of the in-
terests of the Prairie agrarian petit-bourgeoisie. The Patrons of Industry, already active and fairly strong in Ontario, arrived in Manitoba organizationally at Portage la Prairie in 1891.66 Adopting the name of the "Canadian Farmers' Alliance," they sought to reflect the strong support in Manitoba for provincial rights arising out of the railway struggle by adopting the slogan, "Manitoba for the Manitobans."67 Their declared, official aim was bluntly stated: "to protect both farmer and employee against the overpowering influences of the financial and commercial classes."68 Of course, provincial rights was the great issue of the day and an observer would have been hard-pressed to have found much openly expressed support for the Federal Government in its clashes with the Province.69

Consequently, the Patrons of Industry's first province-wide Convention, convened at Brandon on February 24, 1892, tended to focus more on a practical program reflecting the grievances and interests of the agricultural settler. The list was becoming familiar: the Convention called for a lower tariff; a rail route to Hudson's Bay; farmer ownership and operation of grain elevators and flour mills; the establishment of provincial banks to offer loans to farmers at an annual interest rate of 5%; and farmer representation on the Board that fixed standards for grain.70 By 1892 it was estimated that the Patrons of Industry in Manitoba had a membership of 5,000.71 There was a major difference between the old Farmers' Union and the Patrons: the Patrons attempted co-operative projects on a serious scale and took direct po-
itical action rather than being satisfied with mere agitation and petitioning.

They [The Patrons] were primarily a fraternal and educational organization, but soon ventured into consumers' co-operation, notably the buying of binder twine, coal, and coal oil. When the Patrons of the Portage district attempted the production of binder twine by a producers' co-operative, they unhappily failed, and this discouraged the co-operative movement. The Patrons' organ, the Patron's Advocate, voiced the discontent of the Manitoban farmer under a regime of low prices for farm produce and of high costs of production, increased by protective duties on binder twine, farm implements, and other necessities of machine agriculture in the grain-growing regions. In 1895 demands for political action by the Patrons arose and there was a threat of a considerable number of Patrons' candidates in the provincial election of 1896. But many of these candidatures failed to materialize, and of the seven Patrons who finally ran, only two were elected.72

The Manitoba Patrons' flirtation with political action did not occur in isolation. The Patrons in Ontario had run in the 1894 election, winning 17 seats.73 And in 1896, the same year as the Manitoba election, the Patrons fielded 29 candidates for House of Commons seats, winning only three. In 1897 they also won a federal by-election.74 However, there had been so much sharp disagreement about the decision to enter the political field that the organizational consequences for the Patrons overshadowed their small electoral victories; in 1896-1897 they disintegrated as an effective organized voice for the farmer.75 A
notable achievement, however, had been the help the Patrons provided in electing Reverend James M. Douglas as an Independent Liberal in the federal seat of East Assiniboia. Reverend Douglas was to become an effective voice in the House of Commons on behalf of the Prairie agrarians.

The Patrons, despite their failures, had proposed a number of things that changed the character of the Prairie farm movement. First, they had made a dramatic foray into politics that was not without its impact. Indeed, the question of political action would remain a central debate within the organized farmer movement henceforth. Second, the Patrons had published a newspaper, the Patron's Advocate, and had demonstrated clearly the need for the farmers' movement and its organizations to have their own press. Third, the Patrons had taken considerable, though not unprecedented, direct economic co-operative action. Not only did they unsuccessfully attempt a binder twine producers' co-operative, but they also successfully established a Patron's Commercial Union, a consumer co-operative direct buying and mail order business at Portage la Prairie, which supplied agricultural implements, binder twine, and general supplies. More significantly, in terms of what was to come in Prairie grain growers co-operation, they had established a grain elevator at Boisseyvain. The Patrons were not the only group of farmers to acquire an elevator: indeed, in 1898, 26 of the 447 elevators in the Prairie west were owned directly by farmers. However, they were the first farmers' organization with a generalized program to do
so, and, in a sense, they had broken new ground in the venture.

However, the Patrons of Manitoba had not been completely innovative. Not only did they have the rich experience of the American farmers’ movements to draw upon, but they had about two decades of experience in Central Canada to draw from. The Order of the Patrons of Husbandry, the Grange, came to Canada from the United States, appearing in 1872. It was "... the tap-root from which all other movements have subsequently developed." It started local farmers' clubs in Quebec and Ontario and engaged in some low-level cooperation. By 1879 it was estimated to have a membership in Canada of 31,000. Although it failed to sustain its momentum, it initiated a whole series of co-operative economic projects. Its basic economic objective was to eliminate the middleman.

The bête noire of the Canadian agriculturalist during the seventies and eighties of the last century was the middleman in trade. Whether he be wholesaler, retail dealer or travelling agent, anyone who occupied an intermediate position between manufacturer and final consumer was considered an encumbrance.

In pursuing what appeared to be an eminently reasonable method of increasing the farmer's return by either cutting his costs of production or by reducing the extent that others shared in the final prices obtained for his commodities, the Grange embarked on a wide-range of economic activities. In 1879 it established the Grange Wholesale Supply Co. This venture was followed rapidly by a salt company, a number
of insurance projects, and a trust and loan society. The Grange also engaged in political agitation setting the stage for the Patrons' later entry into electoral politics. It opposed the tariff; it supported co-operative enterprise; it called for public ownership of communication, including railways, telephone and telegraph; it called for better administration of the public lands; and it supported orderly arbitration in labour disputes. Interestingly, the Grange rejected the Trades and Labour Congress' 1886 call for an eight-hour day, bluntly stating the agrarian petit-bourgeoisie's point of view on the matter:

It would be impracticable on the farm, a waste of valuable time, and must necessarily lead to an increase in the price of the products of labour.

Consequently, it is clear that long before the appearance of the Manitoba and North-West Farmers' Protective Union, the Settlers' Union, or the Manitoba Patrons of Industry, the basic outlines of the farmers' movement had been sketched and its basic program tested in some practice.

The period of the mid- to late-eighties was important at another level besides that of the various agrarian agitations in the Prairie West. In 1883 the mainline arrived at Winnipeg and in the same year the C.P.R. completed its first lakehead terminal at Port William. In 1884 the first shipment of Prairie wheat was exported to Europe. In 1886 federal government grain inspection was established at Winnipeg and Port Arthur. The next year the Winnipeg Grain and Produce Exchange was organized and set up shop. It is evident that the federal
government, the C.P.R., and the private grain trade were taking the necessary steps to ensure the orderly, and privately controlled, export of Prairie wheat and other grains. It was also in this period leading up to the turn of the century that the agrarian petit-bourgeoisie, having begun their agitations around fairly general issues and having tested their mettle, began to focus more and more detailed attention on the grain trade itself, including the storage, handling, transporting and marketing of the grain they produced. In so doing, they heralded in a whole new phase of agrarian agitation which was to achieve some remarkable, even startling, successes.

From the beginning, the primary concern of the agrarian agitation had been the cash return on crops that finally found its way into the farmers’ pockets, whether it was through obtaining better prices or cutting costs. Rarely, if ever, did such agitations have to do with the natural problems they confronted -- they realized as surely as they do today that no amount of responsible government could bring or prevent rain, ensure the proper amount of sun, outlaw early frosts, banish insects from the face of the earth, melt hail on its downward journey, or cure plant diseases. And it was in the latter part of the period of 1880 to 1900 that detailed attention was paid by the farmers to the practices that determined their cash returns. Indeed, almost as soon as the capitalist grain marketing system was in place, the farmers were seeking reforms which would protect their interests. One prominent Prairie historian agrees,
By the turn of the century farmers were less interested in measures designed to increase agricultural production and more concerned with schemes calculated to increase the return on what they marketed. 101

The railroads -- which meant the C.P.R. -- and the impact of their policies on the farmers' return were the first target. "Grievances against the railroads first dominated agrarian agitation."102 The farmers' agitation had already confronted the monopoly clause in the C.P.R. charter in their struggles for branch lines in Manitoba: by 1888 they had won the fight to remove the monopoly clause. 103 Yet their grievances against the C.P.R. went further than its legal monopoly. The farmers charged the C.P.R. with unfair practices in the location of sites for grain elevators, rank discrimination in their disposition of box cars for the loading of grain, deliberate failure to provide platforms for direct loading by the producer himself,104 sectional freight rate discrimination, and deliberately manipulated car shortages at key times in the season with the ulterior motivation of deliberately depressing the prices received by the producers by delaying final delivery.105 Such deep suspicions regarding the C.P.R.'s practices were dramatically confirmed for the Prairie settlers in 1887 -- a year in which the railway was unable or unwilling to handle and transport an unanticipated large wheat harvest. 106 In 1887, Canadian wheat production was 38,225,000 bushels with exports reaching 5,632,000 bushels. 107 The Fort William price was only 83 cents a bushel. 108 In 1888, Canadian wheat production had jumped to 38,954,000 bushels with exports cruelly
falling to 2,164,000 bushels. Yet the 1888 Fort William price had leapt to $1.05 a bushel, only to fall the next year to 99 cents a bushel and to continue drastically downwards in subsequent years. Much of the blame for this situation was laid at the feet of the railway system due to its inability (or deliberate unwillingness, as some agrarians saw it) efficiently, rapidly, and assuredly to get the wheat to market when there was demand.

The C.P.R.'s response to this "... seasonal strain upon trans- portation and storage facilities ..." and the farmers' resulting anger and frustration, was to offer a monopoly to anyone willing to build elevators at key points on main or branch lines with a capacity of 725,000 or more bushels and equipped with modern cleaning machinery. This did not please the farmers, on the contrary it increased their anger since it opened the way to further abuses since the offer of a monopoly precluded the individual farmer from loading his own cars. Moorhouse expressed the widely-shared sentiment among farmers to this development clearly:

... here was shipping control of the grain handed out on a silver platter, garnished with all the delectable prospects of satisfying the keenest money hunger ...

The C.P.R.'s "solution" to the grain handling problem, therefore, was no solution at all for the agrarian petit-bourgeoisie who toiled to produce the grain and accepted all risks, both natural and market, "... while the currents of organized commercialism swept away their
The farmers already suspected the line elevator companies, but this granting of a monopoly by the C.P.R. convinced them that their main problem lay with the fact that the policies and practices of the C.P.R. and the line elevator companies ensured that "... their legitimate profits ... [were] ... filched by excessive dockage, low dockage, depressed prices, exorbitant storage charges, even short weights in some cases." Indeed they came to suspect the whole system of organized legal robbery. The C.P.R. and its supporters countered that the old flat warehouse method of on-loading grain, though it permitted the farmer to load his own grain, was inefficient, slow, and cumbersome and had consequently contributed to the system's inability to handle grain well and speedily. Although this part of the C.P.R.'s case was undoubtedly true, it did not convince the farmers who were now compelled to deal with the elevators they suspected of "bleeding their crops" through their grading practices, their dockage policies, and their dubious weigh scales.

In the period from 1888 to 1898 the prairie farmers crystallized their grievances in an unprecedented way and presented demands for their redress in a politically compelling way. The charges made by the Prairie agrarian petit-bourgeoisie became more specific and direct as well as more empirically verifiable.

Railroads were attacked for charging exorbitant rates and for failure to provide sufficient cars to handle the farmers' crops. Line elevator companies
were accused of underweighing, undergrading, and excessive dockage ... Grain exchanges were thought to be vicious centers of gambling by grain dealers who purchased low and sold high, thus depressing the price for the farmer. Terminal elevators were charged with defrauding the farmer of his honest return by judiciously mixing high grade with low grade wheat and selling the mixture at the higher grade. Government inspectors were criticized as unsympathetic to the farmers, unduly harsh in their grading, and dominated by the grain merchants. Finally, bankers and merchants were disliked for their sharp practices which exacted heavy tolls for agricultural credits.  

No feature of the system escaped their doubt and wrath.  

Due to the monopoly granted by the C.P.R. to the line elevator companies, the grain grower had no real marketing alternative except when he could ship grain out by the carload.

The complete dependence of the farmer on the line elevator as the only method of getting his wheat to market was a feature of the grain trade before the Manitoba Grain Act of 1900. This dependence frequently created a "take it or leave it" attitude on the part of elevator operators and opened the way for questionable marketing practices. Charges of undergrading, excessive dockage for dirt, weed seeds, and broken grain, and dishonest weights were too often true. The wide spread between track prices and street prices was particularly resented, for it placed the farmer who could not ship in carload lots at a costly disadvantage. 

Most farmers, it should be noted, marketed their grain by the wagon-load at "street prices."
As his entire cash income for the year often depended on these wagonload sales, it was not surprising that he was disposed to regard with suspicion the middleman through whom that income was mediated.120

At most rail points the farmer had no choice in his marketing, since only one elevator and hence one buyer existed.

At points where but a single elevator existed, the seller of street wheat had virtually no alternative but to accept the price the operator chose to offer, the grade he saw fit to allow, and whatever "dockage" he set.121

However, even when there was "competition," the prices, grade, and dockage seemed to be markedly similar among buyers, with perhaps the odd variation on one of the three factors to be made up for on the other two.

The farmer's experience ... was that a plurality of buyers did not ensure competition in buying. Even where a little higher price or better grade might be offered by one dealer, it was suspected, and not always without foundation, that the buyer contrived to compensate himself by overdocking or shortweighing.122

The charges made by the agrarian petit-bourgeoisie, therefore, became more and more detailed and direct -- they amounted to charges of outright theft and fraud and, as the experience became almost universally shared by all agrarians, their anger reached a pitch that no government dared ignore, especially the newly elected Laurier Liberal government, officially committed as it was to major reform. Hopkins
Moorhouse, an eye-witness to these developments, described the mood abroad among the agrarian petit-bourgeoisie in the following language:

Excessive dockage, short weights, depressed prices! The farmers grew more and more bitter as time passed. To begin with, they resented being compelled by the railway to deal with the elevators; it was a violation of that liberty which they had a right to enjoy as British citizens. The grain was theirs to sell where they liked, and when on top of the refusal to let them do it came this bleeding of their crops, their indignation was fanned to white heat.¹²³

These marketing problems were like the last straw when added to the other long-standing grievances: the land policy which encouraged speculation and monopoly;¹²⁴ the onerous protective tariff;¹²⁵ and the refusal to grant responsible provincial government.¹²⁶ The situation was not helped by the rising costs of production which were not offset by adequate rises in the price of wheat.¹²⁷ Certain world conditions didn't help the situation either: there was a decline in world consumption of wheat coupled with an expansion of world production, further depressing prices.¹²⁸

The agrarian agitation finally obtained a response, or rather, a series of responses from the Federal Liberal Government. The first victory followed quickly on the election of Laurier in 1896 in the form of the Crow's Nest Pass Agreement of 1897.¹²⁹ It was a modest but significant concession. In exchange for building a rail line from Lethbridge through the Crow's Nest Pass to Nelson, British Columbia, the
C.P.R. was to be granted a public subsidy, to a maximum of $3,630,000, or $11,000 per mile of track. However, additionally and unprecedentedly, the Federal Government demanded some considerations from C.P.R. — considerations designed to alleviate some of the Prairie agrarian grievances and to make the production and export of wheat a more viable proposition. These other considerations included a freight rate reduction, in perpetuity, of three cents per hundredweight on grain and flour moving from the West to Fort William and eastward. They also included a freight rate reduction, in perpetuity, of from 10 to 33 1/3 % on various important commodities moving from the East to the Prairie West (these included: agricultural implements -- 10%; wire of all kinds -- 10%; nails, spikes, pipes and pipe-fittings, horsehoes, and varieties of iron from bar to sheet -- 10%; varieties of building materials including window glass, construction paper, roofing felt, etc. -- 10%; parts of all kinds -- 10%; livestock and wooden wares -- 10%; household furniture -- 10%; cordage and binder twine -- 10%; coal oil -- 20%; and green and fresh fruits -- 33 1/3 %). To this day the Crow's Nest Pass Agreement and the principle of some statutory freight rate control is a victory continuously and jealously guarded by the major organizations of the Prairie agrarian petit-bourgeoisie. At the time, the measures had the effect of reducing the costs of some necessaries for production and living as well as to reduce marginally the costs of transporting grain to market. However, there were more apparently dramatic responses by the Federal Government to the agitation.
A Royal Commission on the Shipment of Grain was appointed in 1899. With amazing speed, by modern standards at least, the Commission presented its report in 1900 in which "... the legitimacy of the western farmers' grievances was generally recognized" and which proposed the remedy of "... the utmost freedom of shipping and selling." Again atypically, the Federal Government acted quickly and successfully passed through the House of Commons the Manitoba Grain Act in 1900. Widely hailed as the "Magna Charta" of the grain producer, ... the Manitoba Grain Act ... instituted a comprehensive regulation of grain middle-men, and of the entire movement of grain in commerce. Its enactment was essentially the outcome of representations by the grain growers themselves.

There is no need to go into detail on the Act here, however, its main features ensured that 10 or more farmers could have erected a warehouse and loading platform facility as well as having guaranteed access to boxcars to be on-loaded by themselves for direct sale at the terminal. There were also some improvements in grading practices.

To make a long story short, the legislation failed utterly. Farmers who requested boxcars could not obtain them and the North West Grain Dealers' Association responded with blatant price-fixing. The outcome for the agrarian petit-bourgeoisie was more bitterness, anger, and impotent disappointment.

It was the rankling disappointment of men whose rights have been officially decreed only to be unofficially annulled ...
When they had been confronted with the abuses of the system, the Prairie agrarian petit-bourgeoisie had had two choices: first, they could agitate for fair and firm government intervention on their behalf; or, second, they could do the marketing themselves. They had tried the first through a long political agitation and had failed. They now turned to their second alternative, having concluded that, ... the only effective way in which farmers could intelligently learn what actual reforms were necessary and possible in the grain trade, was to form a grain company of their own and establish themselves competitively upon the central market.

This they proceeded to do at the turn of the century.

The period from 1880 to 1900 was, then, a period of generalized political agitation among the Prairie agrarian petit-bourgeoisie. The decline of the Patrons of Industry in the period immediately following the 1896 federal general election did not reflect a redress of grievances, just as the decline of the earlier Farmers' and Settlers' Unions had not. Indeed, if anything, the general grievances became deeper. In the first instance, as we have seen, the election of the Laurier Liberals did not produce the reforms expected. Even when such reforms were forthcoming -- as with the Manitoba Grain Act -- they failed to produce the expected results. Yet the fact that many agrarian reformers had supported the Liberals led to a period of disillusionment and political quietude characterized by more vigorous agrarian action, but action which largely ignored party politics.
initially. This period of rejection of direct involvement in politics no doubt owed as much to the divisiveness engendered by the Patrons' foray into politics as it did to the failure of the federal Liberals to live up to the agrarians' expectations. In the second instance, 1896, and after, marked the beginning of the period known as the "wheat boom" with its unprecedented growth in agrarian population and in the production of wheat in the Prairie West. This very "boom," the final success of the Confederation design, impelled the more populous agrarians to commence a new offensive.

B. The Agrarian Agitation, 1901-1930

The early years of the twentieth century witnessed great changes in the form and content of the agrarian agitation. The small victories squeezed from the reluctant Laurier administration -- the 1897 Crow's Nest Agreement and the 1900 Manitoba Grain Act -- had failed to redress the grievances of the Prairie agrarian petit-brougeoisie. The wheat boom was on, but the abiding conviction shared widely among the grain producers was that a fair share of the return on their crops systematically failed to find its way to their pockets. At the same time massive progress had been made.

In 1900 Manitoba could boast 1,815 miles of railway and the Territory, 1,901. By 1914 this had reached 4,076 miles in Manitoba, 5,089 in Saskatchewan, and 2,545 in Alberta: an increase in mileage
of more than 215%. In the years 1900 to 1914, 1,225,478 people immigrated to the Prairie provinces, resulting in a phenomenal increase in population. Manitoba's 1901 population of 255,211 had become 553,860 in 1916. Saskatchewan's 1901 population of 91,276 had become 647,835 by 1916. Alberta's 1901 population of 73,022 had become 496,525 in 1916. Overall the Prairie population had increased more than 400 per cent in the years 1901 to 1916 (from 419,512 to 1,698,220). Manitoba's importance in wheat production declined since "... by 1914 the center of gravity [of grain production] had come to rest in the province of Saskatchewan." During this period production and prices both improved considerably, production rising from 55,527,000 bushels in 1901 to 393,543,000 bushels in 1916, and prices rising from 75.2 cents a bushel in 1901 to $2.05 a bushel in 1916 (see Tables XII and XIII below).

Table XII: Acreage Seeded to Wheat and Wheat Production, 1891, 1901, 1909 to 1916

(Thousands of acres and thousands of bushels)

<table>
<thead>
<tr>
<th>Year</th>
<th>Seeded acres</th>
<th>Production</th>
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<tbody>
<tr>
<td>1891</td>
<td>2,704</td>
<td>42,223</td>
</tr>
<tr>
<td>1901</td>
<td>4,224</td>
<td>55,572</td>
</tr>
<tr>
<td>1909</td>
<td>6,610</td>
<td>112,434</td>
</tr>
<tr>
<td>1910</td>
<td>7,750</td>
<td>166,744</td>
</tr>
<tr>
<td>1911</td>
<td>864</td>
<td>132,078</td>
</tr>
<tr>
<td>1912</td>
<td>11,096</td>
<td>231,237</td>
</tr>
<tr>
<td>1913</td>
<td>10,997</td>
<td>224,159</td>
</tr>
<tr>
<td>1914</td>
<td>11,015</td>
<td>231,717</td>
</tr>
<tr>
<td>1915</td>
<td>10,294</td>
<td>161,280</td>
</tr>
<tr>
<td>1916</td>
<td>15,109</td>
<td>393,543</td>
</tr>
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</table>

Table XIII: Prices for No. 1 Northern Wheat at Fort William, 1896, 1901-1916.

(cents per bushel)

<table>
<thead>
<tr>
<th>Year</th>
<th>1896</th>
<th>1901</th>
<th>1902</th>
<th>1903</th>
<th>1904</th>
<th>1905</th>
<th>1906</th>
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<tr>
<td></td>
<td>65.5</td>
<td>75.2</td>
<td>72.9</td>
<td>78.8</td>
<td>91.6</td>
<td>77</td>
<td>79</td>
<td>105</td>
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<td>Year</td>
<td>1908</td>
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<td>110</td>
<td>100</td>
<td>94</td>
<td>100</td>
<td>89</td>
<td>89</td>
<td>132</td>
<td>113</td>
</tr>
<tr>
<td>Year</td>
<td>1916</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>205</td>
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</tbody>
</table>


Although there continued to be relatively large price fluctuations, wheat stayed over $1.00, with very few exceptions, until 1930.

By 1914 the export volume (with Great Britain as the main buyer) had reached 120,426,529 bushels of wheat, 34,996,664 bushels of oats, and 13,032,369 bushels of barley with a total cash value of $137,612,623. There had also been an enormous increase in grain handling facilities. Manitoba's 333 country elevators and 76 warehouses at 167 stations in 1901 had jumped to 689 elevators and 6 warehouses at 346 stations in 1914. The Territories' 88 elevators and 21 warehouses at 50 stations in 1901 had startlingly multiplied. By 1914 Saskatchewan could boast 1,465 elevators and five warehouses at 647 stations while Alberta had 397 elevators and 11 warehouses at 195 sta-
tions. Overall, a handling capacity of 13,000,000 bushels in 1900 had grown to 80,000,000 in 1914. This was supplemented by government storage facilities with a 1914 capacity of 7,000,000 bushels.\textsuperscript{146} Despite these incredible developments in the grain handling infrastructure, the agrarian agitation increased rather than subsided. MacGibbon summarizes the situation,

Although there was great progress between 1900 and 1914, the period was marked by the stormy clash of divergent interests. The basic factor was the discontent of the farmers, who alleged that they were being mercilessly exploited. More precisely they maintained that when they sold their grain they were subjected to excessive dockage; that the weights used by the elevator owners were often unfair; and that the owners of the elevators enjoyed a monopoly due to the refusal of railways to permit the erection of flat warehouses where standard elevators were already located. The farmers were also dissatisfied with the car supply furnished by the railways. These grievances ultimately led to a farmers' movement in western Canada which brought a new element into the grain trade.\textsuperscript{147}

The agrarians very quickly learned that many of their earlier expressions of grievance had little to do with the real problems they confronted. They had agitated for branch lines: now they had branch lines. They had agitated for more grain handling facilities: these were now available. They had agitated for more storage: this was now available. They had agitated for government terminals: a small breakthrough had been made here too. Inevitably they came to see more
clearly that the primary sources of their grievances lay with the grain marketing system itself as well as with the general economic policies of the governments they confronted. Such an insight had long been present, but usually such expressions of grievance were part of the larger package of laments to many of which the Government had responded with measures that were increasingly and obviously trivial in terms of redressing the basic grievances of the agrarians. Fowke places this critical, if understated, distinction in sharper focus:

The cancellation of the monopoly clause [of the C.P.R.'s Charter, thus allowing branch line construction by governments and other companies] may have been among the first significant modifications in federal policy to result from the advice and stubborn pressure of westerners. It was by no means the last. After 1900 there were many such modifications. In many instances, however, the West applied pressure to no avail; policy had all the appearances of immutability. The distinction between elements of policy which were changeable under western pressure and those which were not goes back to the distinction between two basic economic elements of the national policy in so far as it concerned the West. These elements were, first, to encourage the maximum economic development of the western territories and, second, to assure the integration of this development into the national economy. Western advice which appeared to concern western development ... was often quite acceptable to eastern policy-makers. Western advice which related to the question of national integration, however, was seldom found acceptable because it was most likely to be opposed to integration on eastern terms. The prominence and acceptability
of western views in the formulation of
grain trade regulation after 1900 is an
example of the first situation. The per-
sistent rejection of western opinion in
the matter of the tariff is an illustra-
tion of the second.149

Thus in the early part of the twentieth century the agrarian agitation
developed two thrusts: both of which were related and one of which
developed more slowly than the other. On the one hand, the agrarian
petit-bourgeoisie organized themselves to fight for changes in the
marketing and handling of grain: a fight that very quickly led to the
phenomenal rise of grain grower co-operation. On the other, the
agrarian petit-bourgeoisie agitated for changes in the political and
economic terms of "national integration," to use Fowke's term. This
essentially political agitation against the terms of the National
Policy was initially contained within the Liberal party, still viewed
as the best reform alternative by the majority of the agrarian petit-
bourgeoisie in the West. Gradual frustration with the Liberal party's
lack of responsive action, particularly on the protective tariff issue,
led the more militant among the agrarians to engage in direct political
action. This trend emerged slowly and reluctantly at first, gaining
irresistible momentum only after Laurier's defeat in the 1911 Recipro-
city election.

With the turn of the century the earlier experiments in agrarian
organizing bore more permanent fruit in the Prairie West. The earlier
efforts had failed or only succeeded for a brief period. The new
efforts in the Prairie West "had wider aims than the granges in the older provinces," which dated back to the 1870s.

They [the new Prairie agrarian organizations] were organized (1) to free grain growers from the exactions of elevator owners at shipping points ... (2) to relieve grain growers from the exactions of a combine which existed among grain buyers at Winnipeg, and (3) to work for lower railway rates from interior shipping points to the railway terminals on Lake Superior ...

The organizing went extremely well. In 1901 the farmers experienced once again great difficulty in getting their grain to market, due to the C.P.R.'s manipulations and inefficiency: this year they dubbed it the "Blockade of 1901." In the same year, sparked by the "blockade," the Territorial Grain Growers' Association (T.G.G.A.) was founded at Indian Head. The Manitoba Grain Growers' Association (M.G.G.A.) was founded in 1903. With the establishment of the provinces of Saskatchewan and Alberta in 1905, the T.G.G.A. (which had the great bulk of its membership in the new province of Saskatchewan) became the Saskatchewan Grain Growers' Association (S.G.G.A.) in 1906. Organizing developed somewhat more slowly and complexly in Alberta: two competing farmers' groups, the Alberta Society of Equity, founded in 1904, and the Alberta Farmers' Association, founded in 1905, finally united into the United Farmers of Alberta (U.F.A.) in 1909. By the summer of 1910, when Laurier visited the Prairies, their total membership after less than a decade of organizing had grown to more than 23,000 members. The M.G.G.A. had 9,000 members in 196 locals, the
S.G.G.A., 6,000 members in 263 locals, and the U.F.A., 8,500 members in 183 locals.¹⁵⁸ In 1908, at Saskatoon, the three Prairie organizations established the Inter-provincial Grain Growers' Council.¹⁵⁹ By 1909 all three Prairie associations had affiliated with the Canadian Council of Agriculture, thus joining forces with the 9,000 Ontario farmers organized in the Dominion Grange of Ontario.¹⁶⁰ It is worth examining the basis of this phenomenal growth in effective mass organization, which finally reached the status of a national organized farm movement, particularly in light of the earlier failures at much more modest organizational projects.

In the first instance, as we've already noted, the Prairie agrarian petit-bourgeoisie was furious that the remedial legislation they had agitated for and won had not worked. The law was ignored or circumvented by the grain traders and the C.P.R. The 1899 Royal Commission had vindicated the agrarians and had called for "... the utmost freedom of shipping and selling."¹⁶¹ The Manitoba Grain Act had been passed but had failed to stop the price-fixing by the line elevator companies and to force the C.P.R. to make cars and flat loading platforms and warehouses available to farmers who requested them. Seeing the law they had fought for so hard being ignored with impunity by their enemies, there was a hardening of attitude on the part of many farmers. As W. R. Motherwell, first president of the T.G.G.A., put it,

While this sort of thing [excess dockage, dishonest weights and grades, the elevator monopoly, price fixing, the C.P.R.'s flout-
As Motherwell also notes, there were many who advocated violence:

There are few today who know how near the people were to resorting to violence at that time instead of laying the foundation of the Grain Growers' Association.163

Moderates like Motherwell and Partridge were able to channel this fury and angry energy into building the grain growers' organizations. However, there were notable differences in the newer organizations from the older organizations. The Grain Growers' Associations were to engage primarily in "no politics,"164 since partisan political passions had torn asunder so many previous farmers' organizations in Canada and the U.S.A. It was hoped that the "no politics" rule would enable Grit, Tory, and Independent alike to work together for the greater good of all grain growers. Thus from the beginning the Grain Growers' Associations were to act as pressure groups on existing political forces in order to obtain redress from governments regardless of party label.

In the second instance, the new T.G.G.A. acted with immediate vigour. It took the C.P.R. to court at Sintaluta in 1902 for violating the Manitoba Grain Act which ensured that farmers could obtain cars and facilities for direct on-loading.165 The case was won, bringing the fledgling T.G.G.A. enormous publicity.166 This success contributed enormously to the T.G.G.A.'s membership drive. This legal
success, combined with the phenomenal growth in the Grain Growers' Associations, led to the establishment in 1903 of the North West Grain Dealers' Association by the private grain trade. This action by the private trade only served to increase the agrarian agitation. The T.G.G.A. and the M.G.G.A. held the view that the private grain trade had organized to establish an informal but more effective price-fixing arrangement since the increasing regulation of the grain trade by governments began to inhibit their freedom of action. The Grain Growers' Associations immediately redoubled their agitations leading to the establishment of yet another Royal Commission on the Grain Trade of Canada in 1906. In its Report, the Commission repeated the now familiar list of grievances,

Among the matters brought to our attention were: Improper weighing at country elevators; excessive dockage taken; returning of screenings to farmers at country elevators, and the allowance for screenings at terminals; special binning; car distribution; car shortage; ... prices paid ... too low, and the spread between track and street wheat was too great.

As to the charge that the North West Grain Dealers' Association was engaging in price-fixing, the Commission noted,

The main object of the association evidently is the regulating of the buying of grain in the country.

Once again the grievances and charges of the farmers had been sustained by a Royal Commission. Yet this time the organized farmers had not passively awaited remedial legislation since it was widely
believed that it would do no good. Consequently, while their agitation continued, the organized farmers began a detailed investigation into grading, terminal practices and the operations of the Winnipeg Grain Exchange. The answer which came out of this inquiry was to establish an organized farmers' grain company to engage in marketing at all levels of the trade, from farm gate to international market. The answer, then,

... lay not in legislative penalties against co-operation [of the private trade] but in the practice of co-operation on a large scale by the people ... [since] ... pools, mergers, combines, trusts and monopolies were but various forms of the same co-operative principle ...

Thus an apolitical "farmers' trading company" was seen as the ultimate solution to the grain growers' marketing problems. After some initial difficulty convincing farmers of the viability of the proposal, the Grain Growers' Grain Company (G.G.G.Co.) was founded in 1906 as an entity separate from the Grain Growers' Associations which continued to be "non-partisan, non-political, non-trading" pressure groups.

There followed a series of battles with the Winnipeg Grain Exchange as private grain dealers unsuccessfully attempted to deny access to the Exchange to the new farmers' company. Again the aggressive and successful actions of the G.G.G.Co., supported by the M.G.G.A. (initially the G.G.G.Co. was chartered in Manitoba), brought much publicity and growing farmer support for the new organizational
expressions of the agrarian petit-bourgeoisie. Despite the efforts to destroy it, the farmers' company expanded quickly, especially after the election of T. A. Crerar as president in July, 1907.\textsuperscript{177} (Crerar was later to become the leader of the Progressive party.) In 1908, the G.G.G.Co. began to publish the \textit{Grain Growers' Guide}, which was to become the most influential newspaper among farmers.\textsuperscript{178} By 1911 the G.G.G.Co. had been federally incorporated\textsuperscript{179} and had established the Grain Growers' Export Co.\textsuperscript{180} In 1912 the G.G.G.Co. entered into terminal operations.\textsuperscript{181} In 1913 the farmers' company established a Cooperative Supply Department.\textsuperscript{182} By 1918 the then United Grain Growers Ltd. (U.G.G.) incorporated a sawmill company\textsuperscript{183} and a securities company.\textsuperscript{184} Newer and even more successful co-operative and farmer-owned marketing, trading, and loan companies were to follow the path pioneered by the G.G.G.Co. with such success. By 1910, 9,000 farmers marketed their grain through the farmers' company -- a total of 16,000,000 bushels.\textsuperscript{185} In the same year, it is estimated that over 20,000 western farmers were faithfully reading the \textit{Grain Growers' Guide}.\textsuperscript{186} There is no doubt that the successful vigour of the new farmers' organizations contributed largely to their immense and permanent success among the agrarian petit-bourgeoisie. For the first time there were concrete victories, not of the passive remedial legislative sort that had been won so often before to no real avail, but victories deriving from the self-activity of the newly awakened and well-organized class of the agrarian petit-bourgeoisie. Of course, their strength remained largely in the Prairie
West, but their fellow agrarians in Ontario were to win some short-lived victories as well.

It is not being suggested that the success of these new farmers' organizations can be wholly attributed to disillusionment with earlier legislative victories and to the successfully aggressive vigour of the tactics of the Grain Growers' Associations. There were other and more basic factors at work to set the stage for the successes. But Moorhouse's observations, as a contemporary observer of the period in question, were no doubt true. The farmers had not only defeated powerful opponents in order to establish their ventures, but the ventures had also flourished in business competition with their enemies. In 1918 Moorhouse put it this way,

In spite of all opposition the farmers had made themselves a factor in the grain trade and had demonstrated their ability to conduct their affairs on sound business principles ... [thus] ... earning status in the solid circles of the business world.\textsuperscript{187}

Their successes not only proved it could be done, thus gainsaying the chorus which ridiculed the idea, but how it could be done successfully. Thus the idea of agrarian business co-operation was elevated from the status of a nice sounding philosophy to that of a set of "sound business principles," especially from the point of view of the agrarian petit-bourgeoisie.

The successes of the Grain Growers' Grain Company was an argument for co-operation
which could not be overlooked and the co-operative spirit spread rapidly among the farmers ...188

But what of the more basic factors which were at work to set the stage? In a phrase, "the wheat boom" was on189 and "... the settlement of the Prairies dominated the Canadian economic scene ...".190

In the period from 1896 to 1913 over 1,000,000 people moved into the three Prairie provinces, dramatically transforming their share of the total Canadian population from 7% of the whole in 1896 to 20% of the whole in 1913.191 This gave the Prairies considerably more political clout in debates on national policies. Even by 1911, Manitoba's population had almost doubled, Saskatchewan's had increased by more than five times, and Alberta's by almost the same amount, since the 1901 census.192 Occupied lands in the Prairie provinces had leapt from 10,000,000 acres in 1896 to 70,000,000 acres in 1913.193 Improved lands were only 1,429,000 acres in 1891, by 1911 they were 22,970,000.194 Wheat produced had jumped from 20,000,000 bushels in 1896 to 70,000,000 bushels in 1913.195 Value of agricultural production jumped to between $300 and $400,000,000 annually.196

... the value of agricultural production rose by leaps and bounds -- the value of the exports of wheat and flour alone in 1913 was greater than the value of all exports in 1896.197

Thus by 1913, the Prairie population, representing one-fifth of Canada's entire population, was "... almost exclusively concerned with the production of wheat and its sale on the international market."198 "The
economy rested almost completely on wheat, with nearly 60% of the Prairie population directly engaged in agriculture with the remainder largely in the commercial and distribution centers serving the agrarian population.

The Prairie region provided the principle economic contact of the country with the external world; one-third of Canada's exports ... consisted of wheat and flour.

The costs of this economic development weighed heavily at both the federal and provincial government levels, since about one-half of the capital facilities had been constructed through heavy public borrowing abroad. By 1913, one-third of the value of annual exports "was absorbed in the payment of interest and dividends abroad." Although this problem was nationally shared, the western provinces were the hardest hit by the development debt burden.

At 1913, the per capita debt incurred for public buildings, institutions and roads by the Western Provinces was four and a half times as large as that in Eastern Canada.

By 1913, Alberta, British Columbia, and Manitoba all had larger liabilities than Ontario. Three-fifths of this had been committed to direct expenditures on railways or on guarantees of railway obligations. In the Prairie provinces "per capita expenditures on general government overhead were ... three ... times those of the Eastern provinces." This problem of provincial indebtedness continued to haunt the Prairie agrarians until 1929-1939 when it contributed to economic disaster.
during the Depression. Ironically, Ontario and Quebec, which experienced a massive industrial expansion in this period, depended for their more favourable prosperity on the new, captive Prairie market. Add to the enormous public debt the private debt of each farmer -- it is estimated that in this period 80% of all farm lands were mortgaged merely in order to purchase them -- and one can understand the perennial complaints about interest rates that reverberated across the Canadian Prairies.

Therefore the boom was not as fully shared by the Prairie agrarians as they thought it ought to be. Although wheat production increased a staggering four times from 1896 to 1913 (55,703,000 to 224,159,000 bushels), prices, though better than previously generally speaking, were unreliable. From 1896 to 1906, the Fort William price for a bushel of No. 1 Northern Wheat careened from year to year between 65.5 cents/bushel and 93.2 cents/bushel. In 1907, the Prairie farmer saw his first $1.00 wheat since 1888. At no time during the period of the wheat boom did wheat break $1.10/bushel. The boom was being stolen from the wheat producers and they became deeply embittered. What they gained in a year with a decent price they lost due to factors such as production declines, high interest rates, price inflation on the costs of inputs, and the prohibitive price of land. This occurred despite the fact that exports increased almost 15 fold between 1896 and 1913 (9,753,185 to 135,587,447 bushels). So although there was obviously an expanding world market reflecting strong demand, the
agrarians, lacking control over very little of the total system that we call the wheat economy, firmly believed that they were filched and robbed at every turn from farm gate to international market. Add to all this the fact that, despite fluctuations, the world price of wheat began a general downward trend and one begins to understand the agitation that emerged.

In 1909 the world price of wheat began a downward trend. Costs of transportation and of manufactured goods rose in conjunction to wipe out that favourable margin between the price of wheat and the prices of the grain growers' needs on which the wheat boom had depended ... land values ceased to rise and indebtedness accumulated. 214

These more basic factors deriving from the policies at the root of the economic expansion impelled, therefore, the grain grower to take practical action to alleviate his condition. In efforts to maximize the return to the grain producer, the new grower organizations had their biggest success in eliminating the middleman in the grain trade and in the construction of farmer-owned marketing companies that would give them control of the storage and sale of their harvest. It is not necessary for us to discuss in detail the developments which led to the establishment of the Wheat Pools: the seeds of that final development were logically present in the initial successes of the G.G.G.Co. 215 Although a struggle was required, and success was never completely assured, the outcome in the form of the great Wheat Pools of the Prairies is today visible to all. 216 Patton summarizes the benefits to the
farmer derived from these developments in agrarian business co-operation.

There are three conceivable ways in which the economic returns of the producers of agricultural staples may be improved: namely, by reduction of marketing margins, by an increase in the market price, or by lower costs of production. In each case a larger residuum accrues to the producer.

The organized Grain Growers of Western Canada have concentrated their efforts chiefly upon reducing the spread between the final selling price of wheat and the price received by the grower. Since the beginning of the Grain Growers' Movement, much has been accomplished in this direction ... mainly through co-operative marketing participation.217

Having no control over the costs of production and the international market price for grains, the farmers' business organizations increased the returns to the producer by eliminating the commercial middlemen: primarily in the grain trade itself at the national, and to some extent, the international level; but also in some retail and wholesale areas, thus marginally reducing production costs by eliminating some of the middlemen who supplied them with selected inputs. Again, to quote Patton,

Under the pool system of non-profit operation and direct selling, the farmer is receiving in effect the competitive world price, less the actual cost of handling, transportation, and selling. The advantage to producers lies not only in the direct return of that portion of marketing margins which con-
stitutes the middleman's profit, but also in further reduction of marketing costs through the potential economies of large-scale, centralized selling.218

Thus the farmers' own self-organization successfully redressed part of their grievances in the area of marketing to such an extent that the idea of business co-operation became "... a veritable religion among prairie farmers."219

The Canadian Wheat Pool plan does make it possible ... for its members, whether delivering a single wagonload or several car-loads of grain, to receive the full pooled commercial value of their product, in final markets, less the lowest attainable marketing costs.220

Thus the elaborate system of storage and marketing, which eventually stretched from farm gate to lakehead terminal and to the international market, ultimately permitted "... the prairie grain grower to realize the full commercial value of his product at minimum marketing costs."221

This remains to this day the biggest success story of the agrarian petit-bourgeois agitation. But it is only part of the story, and perhaps even the smallest part for our purposes.

The Assault on the National Policy

There is no doubt that the successes attained in the area of the co-operative storage and marketing of the annual harvest contributed greatly to the credibility of the agitation and the agrarian organizations that emerged in this period. But parallel to, and intimately intertwined with, the developments in agrarian business co-
operation, was a general political agitation demanding redress of the grievances which sprang from the basic character of the Canadian political economy, itself a consequence of the original National Policy as well as of the character of capitalist industrial modernization. One of the three areas that could improve the cash return to the grain grower -- the international capitalist pricing system for agricultural commodities -- remained forever beyond their control (the other two being the costs of inputs and marketing control). The individual fortunes of farmers, as well as the rise and fall of their protest organizations, has continued to reflect to this day the rises and falls in prices for agricultural commodities due to the character of that pricing system. Although agrarian organizations continued to include such complaints in their agitations, in the period leading up to 1930 their focus increasingly came to bear on the elements of the National Policy which kept their production costs high. It was in this area of grievance, tied intimately to the political and economic policies which had brought Canada into being, that the most dramatic political developments occurred. Indeed, it became the most generalized agitation for a complete alternative to the course Canada's political and economic institutions were taking since the 1837 Rebellion. It is to this phenomenon that we must now turn in order to obtain a complete picture of the scope of the agitation of the Prairie agrarian petit-bourgeoisie leading up to the Great Depression.

From the beginning of the new Grain Growers' Associations
there had always been a broader, though non-partisan, political objective than merely business co-operation. Early efforts at organizing and early forays into direct political action had perhaps taught the organized farmers to separate partisan politics from their pressure group associations and their co-operative business enterprises. But such early experiences had not taught them to eschew politics in its fullest sense. Indeed, some great legislative victories had been won, particularly after the election of the 1896 Laurier Administration, and these victories, though they ultimately proved ineffective, gave the farmers a growing sense of their own political power. Not only had they won the Crows' Nest Pass Agreement in 1897 and the Manitoba Grain Act in 1900 (which established the principle of government regulation of the grain trade), but they had earlier broken the monopoly clause of the C.P.R. Charter. They had agitated for, and obtained, some local governing authority even prior to winning provincial autonomy. They had agitated for, and ultimately obtained, after the Saskatchewan Rebellion, representation in the federal House of Commons. They had agitated for and won, in 1905, provincial autonomy and the creation of the provinces of Alberta and Saskatchewan (although not gaining control of their natural resources until 1930). After the turn of the century much of the political energy of the agrarian petit-bourgeoisie was focussed on federal economic policies, the "policies of national integration," as Fowke calls them. Provincial politics received less dramatic and critical attention. In
Saskatchewan, for one thing, the provincial Liberal government proved to be extremely responsive to the S.G.G.A., often drawing Cabinet ministers from its higher ranks. Indeed, the Saskatchewan Liberal government was widely conceded to be essentially a Farmers' government. In Alberta, the Liberal government easily held power until its defeat by the United Farmers of Alberta in 1921. The Alberta Liberal government, while more suspect than that in Saskatchewan, was able to remain responsive enough to continue to win elections. It was in these two new provinces that two new political movements of the agrarian petit-bourgeoisie would emerge with radical economic reform proposals in the context of the Great Depression.

Manitoba, however, was a much more complex case with the Conservatives governing there until scandal over corruption brought them down in 1915. This led to a period of Liberal rule, interrupted in 1922 by the victory of the United Farmers of Manitoba. Politics in Manitoba had been contentious since the Rebellion brought about its creation as a province in 1870. Although strong in the 'eighties and 'nineties, the political influence of the agrarian petit-bourgeoisie was never so complete in Manitoba, after the turn of the century, as it was in Saskatchewan and Alberta, despite their short-lived Manitoban successes.

All these reasons conspired to focus the main political attention of the new farmers' organizations on the federal government. Of course, not the least of the reasons for this focus was that, in the
case of Alberta and Saskatchewan, the autonomy bills of 1905 had allowed the Dominion government to retain all public lands, mines, minerals, and royalties as well as granting the C.P.R. continued exemption from taxation. These limitations on provincial rights, combined with the incomplete educational jurisdiction granted the new provinces, ensured that political attention would focus on the Dominion government.230

The founding of the Canadian Council of Agriculture in Toronto in 1909 had provided the provincial Grain Growers' groups a mechanism with which to mount their federal offensive. The very founding objectives of the federal agrarian organization made it inevitable that the agrarian movement would be politicized. According to the 22 December, 1909 issue of the Grain Growers' Guide, the new organization's mandate was sweeping:

The objects of the association shall be:

(a) To organize the farm population of the Dominion for the study of social and economic problems having a bearing on the happiness and material prosperity of the people. (b) To collect such material from scientific and literary sources, and the records of legislative enactments in our own and other countries, as are necessary for the proper information of our people, and disseminate the same. (c) To formulate our demands for legislation and present them through the officers of the association to the notice of Parliament and our different legislative bodies. (d) To encourage the entry of our farmers into active membership in one or other of the political associations according to individual predisposition as a means to make the political parties,
without distinction, responsible to and representative of the demands of the people who form the bulk of the population. (3) To urge the adoption of co-operative methods by our members (but outside our association) in the purchase and sale of commodities, that equity may be established in the business of exchange.231

This was clearly a mandate for a generalized political agitation. And even though objective (d) encouraged the entry of the farmers into either the Liberals or the Conservatives, no one had any illusions that this was anything but a call to capture the Liberal party. Few believed that the Conservatives could be persuaded to abandon their traditionally strong support for the very policies they had nurtured to bring off Confederation. The Liberal party was another matter. Not only were the Grain Growers' Associations in Saskatchewan, Alberta, and Manitoba critically committed to their existing provincial Liberal parties (two of which were in government), but the United Farmers' of Ontario had become an important Liberal "fifth column," as it were, in Central Canada.232 The Liberal party was able to attract this kind of critical support from the agrarian petit-bourgeoisie since the Liberals were the traditional advocates of free trade policies and general reform. The Liberal party could ill-afford to ignore this support since the agrarian petit-bourgeoisie had never been so well-organized and potentially politically powerful.

26,500 well-organized farmers, with the Sun, of Toronto, and the Grain Growers' Guide, of Winnipeg, as their journalistic spokesmen, were in revolt in 1910 against the National Policy ...233
The election of the Laurier Administration in 1896 had raised some hopes for reform among the organized agrarians. However, although the federal Liberal government responded to some of the demanded reforms of the organized farmers in regulating the grain trade and railways, the new administration had kept the basic National Policy intact. The political objective of the organized farmers then became to force the Liberals to act to redress many of their other and more deeply rooted grievances. This they proceeded to do with a vengeance.

After the founding of the more successful farmers' organizations, and, with the period of the wheat boom and its material consequences and its aftermath, in terms of population and prosperity, the period of 1901 to 1930 witnessed the maturing and deepening of a comprehensive and near universal agrarian petit-bourgeois ideological stance which contained a near complete vision of an alternative economic and political order. Gone were the days of single-issue protest and demands for piece-meal reform. With its new self-confidence and aggressive organizational successes, the agrarian petit-bourgeoisie began to demand nothing less than the transformation of the whole social system according to its own blueprint.

Like the roots of the organized farm movement itself, the roots of this agrarian petit-bourgeois ideological perspective can be traced, during the later part of the nineteenth century, to the Dominion Grange and the Patrons of Industry. As can be expected, these organizations elevated the farmer and his vocation to the
primary moral and historical status in the hierarchy of man's sundry occupations. As the Grange's 1875 manual had put it,

Since God created the earth, agriculture has existed; there is no occupation that precedes it; no organization can rank with the tillers of the soil. Before literature existed, before governments were known, agriculture was the first calling of man.\textsuperscript{236}

Even in modern industrial society the farmer's vocation was primary since all other occupations -- whether industrial worker, professional, or entrepreneur -- could not flourish without agriculture. To bring home this argument, the Grange developed an elaborate organizational ritual and ranking system which reflected the primacy of agriculture.

The various degrees of the order paralleled the evolution of the farmer from the status \textsuperscript{sic} of Labourer who used an axe to clear the forest, to Cultivator who raised crops, to Harvester who harvested and stored them, and finally to Husbandman who tended animals, which the Grangers considered the most settled state of agriculture.\textsuperscript{237}

The Grange Manual contained a verbal ritual, part of which reads as follows:

Worthy brothers. Agriculture is the first and most noble of all occupations. It is the only one of divine origin. God planted the garden of Eden, and placed man therein to tend and keep it ... It is the command of the Almighty that man should till the ground. History proves that where agriculture has been fostered by a people, that nature has prospered and reached a high degree of perfection; but where it has been neglected, degeneracy began.\textsuperscript{238}
Having thus located the Divine origins of the agrarian vocation, no other argument seemed necessary. Yet the Grange had many to convince, even among their own constituency. Thus the theme relating the agricultural vocation with Divine origins recurred. According to Mrs. Christina Moffat, writing in 1886,

Our first parents are introduced and all is beauty, harmony, innocence and joy. The aerial songsters attracted hither by Flora's leafy shade, burst forth into melody, more ravishing than the sounds of the sweetest lute, then pure delight and soft emotions glowed in their hearts ...

Since, therefore, man was first created in complete harmony with nature, his first obligation is to maintain and to nurture this contact, to be "a priest of nature." In modern times, it was the farmer who came closest to this ideal due to his vocation which brought him into closest contact with nature. Consequently, the farmer's place in the order of things rendered to him a natural superiority in the Divine scheme. Thus, the vocation of agriculture was more than the mere material production of commodities for the market. It was a Divine trust. There also was, implicit in the vocation, "an expression of higher truth." Although such conceptions helped in recruitment, it was doubtless the Grange's conviction that farmers were the primary producers of material wealth which carried the most practical clout in their organizing efforts.

Agriculture was seen as the source of created wealth and all of society's accumulated capital was intimately connected with the efforts of farmers.
to produce goods. This assertion was a means of declaring the validity of their work in a world which was demeaning their calling as dull and dreary. It also affirmed the social function of production in ways that the new urban based capitalist could not understand.242

The intensity of the positive view of their own vocation in the agrarian petit-bourgeois ideology was matched by the intensity of the disdain they held for non-productive occupations: they assailed the businessman, the professional, the entrepreneur, and, most odious, those in the trusts and monopolies. They contrasted the manipulative shrewdness of such groups with the productive primacy of their own vocation; their own innocent but crucial knowledge to the sneaky methods of business enterprise and city ways.

The practical agriculturalists, though often unskilled in the wiles and strategies of business enterprise, though often unacquainted with fashionable etiquette and popular dogmas of the day, though unaccustomed to the questionable transactions of gold boards or stock exchanges, is yet the foundation stone ... and ... is entitled to a first place in [the country's] management.243

Urban classes, with the exception of an aloof respect granted to the industrial working class and to the crafts, were seen as little more than parasites. As one Granger put it in 1876,

Some of the ornamental and professional classes had almost begun to think that the farmers were providentially designed to get them a good living -- and he frequently died in his attempts to make enough -- to pay the lawyer and the doctor and the storekeeper ...244
As for the entrepreneur, the banker, and the speculator,

... the only sounds that will ever charm his ears will be the clink of gold and the only perfume that will refresh his organs of smell will be the dusty, musty parchments, silent witnesses of his illgotten hoard, his nature will become sordid and his position will ever be a painful vacancy of soul.245

Even local, small merchants were not spared this view. As Granger John Morris wrote in 1876,

[the storekeepers] ... instead of being benefactors ... were rather cunning ex-actors, who allured their customers on to purchase more than they required by supplying them freely with whiskey; and then when the bill amounted to a large sum, these benevolent men frequently took possession of the farm in payment of the debt ...246

There was great concern about those sons of farmers who abandoned the chosen vocation for any of a more dubious, urban character. No effort was spared to convince those contemplating such a decision to reconsider it in the light of the contempt in which they would be held by their former people. The Toronto Sun, on May 24, 1892, had this advice to offer,

There are some foolish people who think it is more respectable to be a clerk and wear a black coat than to practice a trade. A clerk's life, however, is not nearly as healthy as that of a mechanic or farmer, nor is the work of copying letters to be compared for a moment with the interesting work of a productive trade.247

And for those contemplating the life of an itinerant merchant, however
lucrative it might be, was this contemptuous characterization,

Such middlemen ride around in a light wagon with a neat awning over it to protect him from the rays of the sun, and dressed and living like a gentleman, selling sewing machines, sugar-coated pills, and patent soap. And these very fellows ... frequently farmers' sons actually got to despise what they had belonged to, and looked with contempt on the independent but hard-handed tillers of the soil.248

The early agrarian petit-bourgeois organizations saved their most severe contempt and strongest attacks for the corporations, the trusts, the banks, and the railways, especially the railways. In 1881, one Grange leader sounded this warning:

The growing power of the railway monopoly is a matter that in the near future will require not only the combined efforts of farmers, but of all other industrial organizations to hold them in reasonable check. Experience has shown that the corporate powers that give them existence and enable them to manage these necessary, artificial highways is rapacious; it is marked by encroachments and usurpations, it assumes rights which belong to the people ... and with surprising effrontery it warns the people against attempts to recover the rights that they have so innocently yielded.249

Another spokesman complained in 1886,

Hundreds of millions of the people's money have been given to assist in railway construction, much of which on specific conditions that have been systematically disregarded.250

The farmer's voice, the Toronto Sun, editorializing in 1892, saved
its strongest words for the monopoly, or the combine.

The combine is strong and sinewy in its limbs as a gorilla, its head contains the brain of a shrewd despot, the eye of the far-seeing tiger, the wrath of the all-consuming hyena. It sees everything, it cogitates upon everything, it devours everything, and in its capacious belly it converts the pawned wedding ring of the pallid mother, the pawned shoes of the shivering babe, the pennies of the half-starved newsboy, the pledged tools of the workman into the dollars that make its members fat and strong. 251

As for politicians, there was nothing but cynicism. As a Grange leader, quoted in the November 22, 1892 edition of the Sun, declaimed,

Our parliaments are composed largely of the hirelings of railway companies and the laws are made to suit the purpose of their employers ... [Political parties had become] ... essentially a union for political plunder ... 252

The party system was viewed as a fraud since it was "... the anvil on which our chains are forged, partisan politics is the anaesthetic given while it is being done." 253

However, there was one urban class brought into being by industrial capitalism for which the early Grange had a qualified respect: the industrial working class. The one qualification was that the urban working class did not share in the exhilarating benefits of rural life. As the Grange Proceedings pontificated,

... the clear brain and robust constitution to be derived from generations who have acquired them from much contact with pure air, mother earth, and comparative absence of tendency to dissipation will always be in
demand to repair the waste caused by worry of mind and weak constitutions engendered by city life and business.254

Farming remained the most significant vocation since in its absence 
"... mechanics, manufacturers, and all other useful and ornamental arts in which men are engaged cannot prosper."255 Yet with such qualifications the Grange saw in the industrial working class the farmers' natural ally in the struggle for economic and social justice. They began to grope toward a general labour theory of value, though they retained the belief that agriculture always had and always would precede industrial activity in its wealth-producing importance. As the Sun put it in 1892,

On every field that bears a tempting harvest on its breast, on every brick in every building that was ever reared, on every book of value that was ever written, on every thought that burns to light the world, in every workshop, mine, mill and factory -- wherever labour sweats -- are written the credentials of nobility.256

The Grand Master of the Patrons saw the main task as working for the time when "... a common brotherhood will unite the toilers of Canada, relieved from the curse of class legislation and determined to make industrial moral worth, not wealth, the standard of individual and national greatness."257 It was contended that all material wealth was the product of labour, agricultural and industrial.

One thing is certain, that all material wealth is the product of labour. Capital is essentially labour's product and tool, no matter who owns it. The earth in
which man finds the raw material and the natural forces of production is the gift of the Infinite Father to all his children. The right of every man to free access to the storehouse of the Father is an axiomatic principle...

In order to bring about this new order, the "toilers in the factories" must unite with the "toilers in the fields," "their natural allies everywhere." 259

For our purposes, it is sufficient to note that the early efforts at farmer-labour unity failed effectively to materialize. However, the active and militant sections of the organized agrarian petit-bourgeoisie did begin to develop a complete ideology which reflected their real place in the system of production and which, more or less, reflected the interests of the agrarian petit-bourgeoisie as a class. Hann, in his excellent pamphlet on the ideological perspectives of the agrarian petit-bourgeoisie in this early period (on which the preceding characterization depends heavily), sums up the overview of this advanced and organized section of the agrarian petit-bourgeoisie,

The society that the farmers looked forward to was one in which all parts worked together to produce wealth. If wealth continued to be distributed unevenly, then the future seemed to portend dark things. They looked not to the state to correct this maldistribution but to the integrity of every group engaged in the real production of wealth. Farmers and labourers would have to define their interests and demand their just share of the national wealth. Farmers would have to overcome the natural isolation of their occupations.
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with disappointing support among farmers themselves and consequently realizing disappointing results. The whole area of farmer-labour unity, and the inevitable vacillations on the question on the part of the majority of the agrarian petit-bourgeoisie, continued to be the fly in the ointment of constructing the new social order.

Some of the early ideological perspectives were modified and others were abandoned as the organizational and political experience of the agrarian petit-bourgeoisie matured it as a class. The excessive reliance on a pastoral vision of rural life as part of the alternative social order was modified but recurred in various forms and shapes. The appeals to Scripture remained, but became more specific and hence more effective as a political tool. The simplistic economic notions employed to explain reality were replaced by an extremely sharp and effectively detailed understanding of the workings of the Canadian capitalist political economy, at least insofar as it affected the agrarian petit-bourgeoisie.

It is to these changes in ideological perspective and political and economic analyses that we now turn our attention, keeping in mind their roots in the early history of the organized farmers' movement. As the class grew, especially in the West, as its leading section's understanding sharpened, and as the inevitable pressures of capitalism worked out their own logic on the agrarians' condition and prosperity, there is no doubt that the agrarian petit-bourgeoisie matured to a point where it mounted a near-effective assault on the National Policy
and the political and economic institutions that were formed by and implemented that Policy.

The protective tariff had always been an abiding grievance among the Prairie agrarian petit-bourgeoisie since the days of the Manitoba and Northwest Farmers' Protective Union. And, of course, the roots of the protective tariff grievance reached far back into the origins of the Canadian farm movement in general. It was the patent injustice of the protective tariff that crystallized the near united opinion of farmers across Canada during this period. The arguments against the tariff were commonplace enough among free traders the world over. But among those who were farmers and free traders the arguments reached a pitch of anger, disgust and disillusionment that could only finally result in organized and independent political action. As one farmer put it in 1904,

... when governments compel by protective tariffs the consumers of Canada to pay from twenty-five to fifty per cent upon the necessaries of life than their natural value in the world's market ... a few that are loud at clamouring may eke out an unnatural existence or become millionaires at the people's expense ...

However, the motivation behind the grievance went further than the obvious injustice of paying prices higher than the "natural value in the world's market" on necessary commodities. There were deeper economic sources behind such a grievance. The protective tariff meant that the farmers' costs of production were inflated on every item essential to grain production: from wire nails to tractors and
combines. Yet the farmer was forced to accept an unprotected and highly competitive world market situation when he sold his produce. Thus the cash return to the individual farmer was threatened at both ends of the complex process that led from seeding to the sale of grains. At the one end, the farmer's inputs were priced at an unnaturally high price supported by an impenetrable wall of protection. He had no control over this aspect of production, nor did federal governments -- Tory and Grit -- prove responsive to demands for a significant reduction in or abolition of the protective tariff, even on key items such as farm machinery. At the other end, in the world grain market, the farmer had to sell his commodities in a completely unprotected market resulting in wild price fluctuations from year to year, even from month to month. Consequently, each year the farmer faced an uncertain inflow of cash and a certain set of fixed costs of production. The inevitable boom and bust cycle in such a situation came to dominate the farmer's economic life.

As a result, the issue of the protective tariff became a focus of uninterrupted political agitation whose intensity ebbed and flowed with the international price of grains, especially wheat. It should be noted that the tariff agitation paralleled and intertwined with the handling and marketing agitation but never achieved the latter's successes. However, the tariff agitation was more dramatic since it became a serious assault on the whole edifice of the National Policy, constructed by Macdonald's Tories and maintained faithfully
by Laurier's Liberals. As the agrarian petit-bourgeoisie was forced to elaborate its arguments against the protective tariff, their case more and more became a general political assault on the founding principles of the Dominion which had emerged from the confederation of the British North American colonies. Their agitation against the tariff was not only generalized, but the experience of repeated failure to win significant concessions led inexorably down the road of disillusionment with the two major parties and thence to independent political action. It is in this process that we must seek the political roots of the C.C.F. and the Social Credit parties.

Another spectre haunted the agrarian petit-bourgeoisie: that of rural depopulation and the ultimate and irreversible triumph of urban industrial capitalism. They saw this process as largely a consequence of protection. As early as 1875 supporters of the Patrons of Husbandry complained of farmers' sons "rushing into law, or trade, or some other calling ..."263 This early concern about rural depopulation was somewhat naive, attributing its cause to "drudgery in connection with farm life."264 But the concern persisted, especially in Central Canada where rural depopulation was a serious demographic trend during the 1870s, 1880s, 1890s, and early 1900s.

For example, in 1871 about 19 % of Canada's population was classified as urban, by 1881 it was 25 %, by 1891, 31 % by 1901, 37 % and by 1911, 45 % .265 This evident
and dramatic trend was concentrated in the more settled parts of Canada; in the Prairie West the population remained overwhelmingly rural during this period. Consequently, in the period from 1901 to 1930, one can witness a last great national agitational effort to slow, to stop, or to reverse the trend to the decimation of rural Canada. In a sense, it was the last hurrah for the passing, pre-industrial, agrarian mode of life that had persisted prior to industrial capitalism, which, once in motion, proceeded to work its inevitable logic on the demographic landscape. As we will see, the spectre of rural decimation and depopulation contributed in no small measure to the incredible assault launched by the more conscious sectors of Canada's agrarian petit-bourgeoisie. Never before and never since were Canada's farmers so united and strong.

There are three pivotal dates to be noted in this agitation. In 1911 support for reciprocity of a very limited sort threw Laurier out of federal office. In 1914 the Great War cut short the development of independent agrarian political action. In 1919 the organized agrarian petit-bourgeoisie became inexorably committed to independent political action at both the provincial and federal levels. To the developments connected with these dates we now turn our attention.

W. R. Motherwell, the first President of the Territorial Grain Growers' Association (T.G.G.A.), in his 1902 presidential address, put the new aggressive mood in what now appears in retrospect to be moderate and restrained terms,
The day has gone by for our remaining scattered, unbanded communities, a tempting bait to the ambitious designs of others. No one can deny that the farmers extracts the wealth from the soil by his industry and skill, in conjunction with the forces of nature, and no one can deny that in the past his rights have been ruthlessly trodden upon by dealers and transportation companies.266

Motherwell, who became Saskatchewan's Agriculture Minister in 1905 and Canada's Minister of Agriculture in 1921, had not the prescience to realize that in a few years he would be guilty of "ambitious designs" in parlaying his work in the grain growers' movement into high political office. However, the fact that he would be so accused illustrates the rapid political transformation of the movement leading up to the Progressive party. Still, Motherwell was merely reflecting the initial basis of farmer unity: the need to organize. With this principle established and with the significant successes in the organized farmers' assaults on marketing and transportation grievances, the organized grain growers increasingly focussed on the tariff issue. The arguments against the tariff were rooted in principle and self-interest and they came to dominate the agrarian agitation. As Sharp puts it,

"The major concern of western Canadian farmers before World War I was the demand for a lower tariff.267"

This demand led to a general critique of the basis of the National Policy as well as to the development of a complete alternative development design, with the farmer closer to the center of the order of
In developing their critique, the organized agrarians increasingly insisted that "you of the Big Cities" must come to recognize that "this business of backbone farming is the backbone of Business in General." As a contemporary observer, Moorhouse argued that agriculture was the sole source of new wealth.

Day by day the great mass of the toilers in the cities go to work without attempting to understand the fluctuations of supply and demand. They are but cogs on the rim, dependent for their little revolutions upon the power which drives the machinery. That power being Money Value, any wastage must be replaced by the creation of new wealth. So men turn to the soil for salvation -- to the greatest manufacturing concern in the world, Nature Unlimited. This is the plant of which the Farmer is General Manager.

This kind of realization was slow in dawning on the farmer. However, the "upward struggle with market conditions" had fostered this insight along with a sense of abiding grievance with "the currents of organized commercialism."

But all these years times have been changing. Gradually Agriculture has been assuming its proper place in the scheme of things. It is recognized now that successful farming is a business -- a profession, if you like -- requiring lifelong study, foresight, common sense, close application; that it carries with it all the satisfaction of honest work well done, all the dignity of practical learning, all the comforts of modern invention, all the wider benefits of clean living and right thinking in God's sunny places.
And with his increasing self-respect the New Farmer is learning to command his rights, not merely to ask and accept what crumbs may fall. He is learning that these are the days of Organization, of Co-operation among units for the benefit of the Whole; that by pooling his resources he is able to reach the Common Objective with the least waste of effort.

He has become a power in the land.273

With this kind of self-confidence, it is not surprising that the organized agrarian petit-bourgeoisie proceeded to advocate measures that would "revolutionize the whole established commercial system"274 and to inveigh angrily against those "parasites"275 who took for themselves an "Unearned Increment."276 Demands that politicians respond to their proposals, and the politicians' refusals, led to denunciations of "the nose-pulling game of Party Politics."277 "A pitched fight between capitalistic groups and the people at large, led by the farmers ..."278 was envisaged. They were quite sanguine about the outcome, "What chance will Special Privilege have against the public desire for Equal Rights?"279 The choice was clear -- "Is it to be co-operation ... or class warfare?"280 The "Farmers' Parliaments,"281 that is, their organizations, had the only answer. Their solutions were not merely sectional or class solutions, on the contrary, "... the principles for which they stand" [were] "... fundamental to national progress."282 All the great disputes and difficulties of the nation could only be resolved under the farmers' leadership.
They grow the grain. They produce the new wealth from the soil. They are the men who create our greatest asset, everything else revolving upon the axis of Agriculture in Canada.283

If the farmers' national leadership is embraced by all "in the place of deep furrows of dissension there will be the level seed-bed of greater unity and justice among men."284 Such leadership was seen as essential due to the very nature of the farmer's vocation to which he must always return.

Finally, out in the great open spaces, faithful and unassuming and backing his country to the limit, must plod the Man Behind the Plow, working silently and steadily from dawn till dark to enlist and re-enlist the horizoned acres.285

Moorhouse was writing in 1918. No one more accurately portrays the emergence of the self-confidence and grand design that the organized agrarian petit-bourgeoisie developed in the period leading up to political action. However, many of these political developments can be best analyzed in terms of the great tariff agitation, best described in the Poiritits' classic, Sixty Years of Protection in Canada, written just after Laurier's 1911 defeat, and documenting the increasingly sophisticated and general nature of the agrarian petit-bourgeois assault on the tariff and the National Policy. If one can say that the organizational successes of the agrarian petit-bourgeoisie led to increased self-confidence, one can also say it was the development of a critique of the tariff that led the organized agrarian petit-bourgeoisie to attempt to wrest control of the state from those in command.
The Grain Growers' Guide, which published the Porritt polemic, dubbed the protective tariff aspect of the National Policy the "New Feudalism" and led "the revolt against Protection."286 With the betrayal by the Liberals after the 1896 election when they refused to implement free trade and adhered to the Tory National Policy with few changes, the task to change things fell on the shoulders of the agrarians.

After these politicians took service with the overlords on the eve of the general election of 1896, the revolt against the tariff bounties and combines necessarily became exclusively a farmers' movement.287

There were real reasons for this. The farmers believed that they were "forced to carry all the burdens of protection and ... share none of its advantages."288 The other factor in the equation can be subsumed under the fact that, next to the large capitalists in banking, transportation, and manufacturing, the farmers were the best organized class in Canada, and they had already begun to flex their muscles with some considerable effect. Further, it could be argued, at least from the farmers' point of view, that even industrial toilers derived benefits from the tariff in the form of regular and secure employment: an employment which might be threatened by free trade.

Not surprisingly the agrarian tariff agitation constantly put forward the case of agricultural implements to pose their tariff grievances most sharply.289 Agricultural implements were vital inputs into large-scale grain production; hence they were unavoidable costs of production.
Nothing could better illustrate the inevitable tendency of protection to set one class of the community against another — a small class entrenched in privilege against an enormously larger class delivered into the hands of the privileged ... 290

The farmers documented the results of the tariff repeatedly: the same implements, manufactured in Canada, sold at much lower prices in England and the United States. Cheaper implements manufactured elsewhere could not escape import without finding their prices elevated to the point where home-manufactured implements were easily competitive, and often cheaper. 291 It was seen as a "conflict ... between the manufacturers of agricultural implements in three or four Ontario cities and the farmers of the whole Dominion." 292 Further, everyone but the farmers benefited. The workers obtained jobs which were unnaturally created and which might disappear with free trade. The wholesalers and retailers, often tied in with the manufacturers, were assured of a safe franchise unthreatened by upstarts handling new lines of cheaper equipment. The credit institutions made more interest on the higher loans farmers had to float in order to buy the protected implements. The transportation concerns were assured of a guaranteed east-west traffic, free of competitive equipment which could percolate northward through a free-trade boundary. Most of all, of course, the manufacturers benefited due to their access to a strongly protected market. The agrarian petit-bourgeoisie increasingly saw the political system -- which gave birth to tariffs -- as inextricably corrupted by the special
interests so protected by Acts of Parliament. The list of those who came to constitute the "New Feudalism" accordingly grew:

... tariff and bounty beneficiaries, exploiters of railways, cold storage and dry dock subsidies, jobbers in coal, timber and other Government lands, jobbers in sites for post offices and other Government buildings, contractors, owners of Government newspapers, commission men and traders of patronage lists -- who constitute the New Feudalism.293

In other words, the political support necessary for an effective protective tariff opened the door to widespread corruption of all sorts. Thus it fell to the organized farmers to "relieve the people of the burdens and the notorious corruption of the National Policy."294 Remorselessly, the National Policy corrupted both political parties. As Dr. Macphail, a noted farm leader, put it,

We are living under a Government of an interested class, that finds a party in power and keeps it there, until it becomes too corrupt to be kept there any longer, when it seizes upon the other party and proceeds to corrupt it.295

At the same time, such a policy generated regional stress in the place of national unity of purpose, just as it must separate the interests of town and country. The system of protective tariffs favoured the manufacturers at the expense of the farmers and the consumers, the dwellers in the cities at the expense of the rural population, and the comparatively small portion of the Dominion that is comprised in industrial Ontario and Quebec with fragments of Nova Scotia and New Brunswick, at the expense of the great new regions that are being opened out by human labour and perseverance beyond the Great Lakes.296
The agitation did not merely rely on bread and butter arguments centered in self-interest, though such were by far the most compelling aspect of the case against the tariff. However, the case against the tariff was also posed in terms of high policy and principle. The agrarian petit-bourgeoisie's spokesmen never tired of quoting Alexander Mackenzie, the Liberal Prime Minister who had unseated MacDonald during the Pacific Scandal and who had articulated a strong free trade position:

There is no policy more consistent with what we call the Dark Ages of the World than that of Protection as a principle. There is no principle more consonant with the advance of human freedom, no principle more in accordance with the great prosperity that prevails in our time, then that of the absolute freedom of commerce.297

Not only does "protection as a principle" lead to political corruption, it also leads to economic weakness.

With a protective tariff, most of whose schedules are framed at the dictation of the protected interests, and with trusts and combinations firmly entrenched, it is plain that there can be little or no competition; and obviously there need be no great effort on the part of manufacturers for excellence, because whether the output is excellent or otherwise, the market for it is secured by the tariff. Customers are stockaded for the manufacturers.298

Rather than facing competition, the special interests merely have to capture the political parties. Such a situation is not only a "legal provision for corruption on a most extensive scale,"299 it also degrades the political process since "... these privileged classes know
no politics but the 'politics of business.' Principles and ideals in politics are regarded by tariff and bounty beneficiaries as an iridescent dream."300 The debit side of the Protection scale is enormous, including "the cost in money and in political morality to the people of Canada."301 Thus, taken as a whole, the National Policy leads to overwhelming evil: social, political, economic, and moral. It had no redeeming features to commend it to the Canadian people.

... tariff politics are obviously and essentially the most unsocial and most provincial of petty politics. They set every man's hand against his neighbour; class against class; farmers and importers against manufacturers; coal producers against coal consumers; province against province; and colonial manufacturers against manufacturers in the motherland. They are, moreover, utterly antagonistic to any neighbourly policy among nations, and to any larger or noble conception of Empire.302

Thus, the protective tariff poisoned politics from the level of neighbour and class all the way up to any rational imperial politics. The protective tariff aspect of the National Policy was, therefore, the source of all malaise in the body politic.

Such a complete analysis of the tariff and such an all-encompassing analysis of its negative results did not emerge over-night. With the new grain grower organizations, as noted earlier, there had been an encouragement of the membership to join one of the two federal parties. This, in general, meant that the more conscious farmers attempted to become effectively active in the Liberal party. Since
the Liberals were in government, the national agitation focussed on Laurier's administration. It was almost as if the aroused and freshly organized agrarian petit-bourgeoisie were prepared to give the Liberals another chance. This was perhaps understandable. The Liberals historically had been the free trade party and, in general, the party of reform. Liberal parties at the prairie provincial level had proven quite responsive to agrarian demands, and Laurier's Liberals had won federal power, in large measure, as a result of a free trade plank in their platform.

Yet the approach of the organized agrarian petit-bourgeoisie was cautious. They had been disillusioned by the perceived betrayal after Laurier's 1896 victory: during that campaign Clifford Sifton had promised, "Free coal, free oil, free clothing, and free implements you shall have if the Liberal party are returned to power."\(^3\) Although even this limited list of duty free articles was far from principled free trade, it still addressed itself to the rankling sense of economic injustice abroad among the agrarian petit-bourgeoisie. Yet on winning power the Liberals failed to deliver even Sifton's limited list of promises. In 1907 only very marginal reductions were made in selected items.\(^4\) Indeed, Sifton had often gone further during the 1896 election when he promised his Manitobans that a Liberal government in Ottawa would "wipe off the statute book the villainous protection policy" which had "taken the heart's blood out of the people of Manitoba.\(^,\)\(^5\) These were strong promises. The fact that the Laurier
administration failed to deliver did not eliminate the real fact that there was a strong sentiment within the liberal party itself to move to freer trade. Consequently, although the organized agrarian petit-bourgeoisie approached the Liberals carefully from 1896 to 1911, it remained the only political alternative to the hard-nosed protectionist Tory party. These factors, combined with earlier disasters wrought by forays into independent political action, focussed the agitation on an attempt to get Laurier's Liberals to live up to their earlier principles and to act upon them with legislation. Events moved rapidly.

The 1910 Farmers' Platform and the 1911 Reciprocity Election

By 1909 the organized farmers had established themselves nationally with the founding of the Canadian Council of Agriculture. The new national organization moved quickly. By December, 1910, the Council was able to bring 811 delegates to a "Seige on Ottawa."\(^{306}\) There on December 16, 1910 they presented a series of resolutions which came to be known as the "Farmers' Platform of 1910."\(^{307}\) The platform represented the clearest distillation of the agrarian petit-bourgeoisie's thinking up to that point. Of course, the delegates led off their presentation on the question of the tariff demanding reciprocal free trade between Canada and the United States "in all horticultural, agricultural and animal products, spraying materials, fertilizers, illuminating, fuel and lubrication oils, cement, fish and lumber." They also demanded "reciprocal free
trade ... in all agricultural implements, machinery, vehicles and parts of each of these." However, a qualification was introduced by a resolution supporting the Imperial preferential system, although they wanted this phased out in order to establish "complete free trade between Canada and the Motherland within ten years." Furthermore, the delegation declared a willingness to face direct taxation in order to make up the revenue lost to the government by such a gradual move to a free trade policy.

The resolution on the tariff also re-iterated the deep concern of the agrarian petit-bourgeoisie regarding rural depopulation and the rapid increase in urban, industrial population. To quote the petition on this matter,

Believing that the greatest misfortune which can befall any country is to have its people huddled together in great centres of population, and that the bearing of the present customs tariff has the tendency to encourage that condition and realizing also that in view of the constant movement of our people away from the farms, the greatest problem which presents itself to Canadian people today is the problem of retaining our people on the soil, we come doubly assured of the justice of our petition.308

The 1910 Platform also called for various government interventions: a government-owned and operated Hudson's Bay Railway, government ownership of terminal elevators, a government chilled meat industry, federal legislation to aid in the incorporation of co-
operatives, and amendments to the Bank Act and the Railway Act. The document is mute on issues directly of concern to the industrial working class or on general reforms in areas that did not directly relate to the specific interests of the agrarian petit-bourgeoisie. Such an effort, though unsuccessful in general terms, was to be attempted later.

Later that year, in June, 1910, Prime Minister Laurier became the first incumbent prime minister to tour the west. His reception was mixed.

Everywhere he went he was welcomed enthusiastically. But everywhere he went he also found that after the ceremonies of welcome came the farmers' petitions. His reception impressed Laurier and had not a little to do with his marginal support of a degree of free trade with the United States the next year. However, in general terms, he emphatically rejected the Farmers' Platform. Laurier is quoted as saying, "The requests of our farming friends are too radical to stand the test of discussion and have no chance to be adopted in the east." Indeed, Laurier knew well the attitude of the manufacturers of the day. A Toronto meatpacker produced an "Open Letter" in which he lamented the farmers' agitations. He said, in part,

The farmers of this and the other provinces have been diverted from enterprise and have been encouraged to look for returns through agitation, frequently ungenerous and generally wrong, which has had for its key note that farmers were being deprived by the greed of others, of a legitimate share of the returns of their labour.
Laurier therefore found himself trying to strike what he believed to be a reasonably judicious balance between contradictory claims. Indeed, it was in this context that limited reciprocity was adopted as a policy by the Laurier administration. W. S. Fielding, Minister of Finance, speaking in the House of Commons on January 29, 1911, announced a new trade agreement with the United States. The agreement was complex, involving Schedule A articles, which would be reciprocally free, as well as Schedules B, C, and D articles, which laid out mutual agreements on lower levels of tariff. The overall impact was nowhere near what the farmers wanted, but it caused a political furor which led to the Liberal defeat that year. Essentially it established free trade in natural products, especially agricultural products. It also established free trade in a variety of semi-processed industrial commodities: timber, lumber, and related products; brass in bars, coils, or rods; rolled iron or steel, sheets of plates; some steel wire; wire rods; pulp and some other pulp products. The only fully free manufactured items, besides pulp and some paper products, included cream separators and parts, typesetting machinery and parts, and fencing. On farm machinery of all sorts there was an agreed and fixed mutual tariff of 15% ad valorem on some and 20% ad valorem on other items.

Opposition to the agreement from Canadian capitalists was instantaneous and near-complete. At the same time the farmers saw the agreement as a small first step, but an important breakthrough toward
their ultimate goal of free trade. As the Weekly Sun put it, "They [the business community] see that the promised success of the agitation by the farmers for the opening of the American market to farm products may be a prelude to an assault on the whole citadel of Special Privilege." Consequently the organized agrarian petit-bourgeoisie supported the Laurier government in the 1911 General Election. There was no talk of a third party, at least among the most influential agrarian circles in 1911. As the editor of the Grain Growers' Guide commented in 1911,

The formation of a third party is a hazardous undertaking and one which is very liable to the purposes for which it is undertaken. The logical method to be pursued then is for the people to adhere to the respective names of which one designates parties and take charge of the party caucuses and see that the men nominated for Parliament are men who will support the demands of the people.317

The reaction of the industrial, financial, and transportation capitalists was swift and uncompromising. Many prominent Liberals, including Clifford Sifton, the former champion of free trade, broke with Laurier and went over to the opposition. But the spearhead of opposition came from powerful capitalist interests.

Much of the opposition came from the business, financial and manufacturing community in Toronto and Montreal. In the vanguard of the suddenly mounting wave of resistance to reciprocity was a group of eighteen Toronto Liberals led by Zebulon Lash, a leading Toronto lawyer, and Sir Edmund Walker, President of the
Canadian Bank of Commerce. On February 20 they issued a manifesto opposing the agreement and calling upon the country to block its approval. Reciprocity, they claimed, would destroy the Canadian economy which had developed on an east-west axis and would lead eventually to Canada's absorption into the United States.\textsuperscript{318}

Combined with these sentiments, the powerful Canadian Manufacturers' Association "regarded the agreement as the thin edge of the wedge, to be followed by more extreme measures of free trade."\textsuperscript{319} Some manufacturers were directly affected negatively -- especially millers, packers, canners, and brewers -- since "free trade in natural products meant that the prices of their raw materials would rise to American levels."\textsuperscript{320} The arguments that Canadian industry needed protection from foreigners and that Canadian resources should be conserved for Canadians were also mounted. The debate became near hysterical: advocates of the reciprocity measures were accused of being disloyal, even treasonous, annexationists. Not only that, but they were accused of wishing to reduce Canadians to the hewers of wood and drawers of water for American industry. As the Governor-General, Lord Grey, said at the time, "the feeling in Montreal and Toronto against the Agreement could hardly be stronger if the United States' troops had already invaded our territory."\textsuperscript{321} American politicians, like the Speaker of the House of Representatives, Champ Clark, didn't help with their tendency to hyperbole. Clark, at one point, said, "I am for it, because I hope to see the day when the American flag will float over every square foot of the British North American possessions clear to the North Pole."\textsuperscript{322}
Such gaffes were grist for the mills of super-patriots who accused Laurier of the next thing to deliberate treason.

The results of the election were not only a defeat for Laurier's Liberals but a staggering blow to free-traders. Although the total votes cast for each party was close -- 665,594 Tory to 625,103 Liberal -- an analysis of seats won told a much different story. The Tories swept Ontario 73 seats to 13. The Liberals narrowly won Quebec 38 seats to 27. The parties split Nova Scotia, nine seats each. New Brunswick went Liberal eight seats to five. The Tories won all seven of British Columbia's seats. The parties split Prince Edward Island, two seats each. The agrarians rewarded Laurier's small efforts: the Liberals took eight of Saskatchewan's 10 seats and six of Alberta's seven seats. Surprisingly the Tories won Manitoba eight seats to two. Of 221 seats in the House, the Tories took 134 to the Liberals' 87. Once again Canada had voted for the National Policy. The free-traders, even the modest free trade policy of Laurier, had failed to convince the industrialists or the working class. Yet even the staunch free-trading agrarian petit-bourgeoisie was seriously split, as the Manitoban results attested. Clifford Sifton's argument that free trade in natural products would ultimately hurt the farmer had been telling.

Yet, as with all election results, even the losers could find solace. First, only 44,491 votes separated the parties. In every province the vote had been close. Even in Manitoba, the Tories only won by 40,356 votes to 34,781. And in Ontario the Tory victory had
only been by 62,852 votes. Yet on the negative side the Liberals had won Saskatchewan by only 52,924 to 34,700 votes and Alberta by 37,208 to 29,675 votes. Thus, no matter how one examined the results, the only conclusion to be derived was that the issue had been decided everywhere only narrowly against modest free trade.

The 1911 results did not discourage the organized agrarian petit-bourgeoisie, on the contrary they declared that "if a Liberal tariff was unsatisfactory, a Conservative tariff will be doubly so." For them the election only proved "the unfitness of the regular parties to represent the farmers." Thus the big task still lay before the movement,

The victory of the Conservatives ... forms the best possible proof of the immensity and difficulty of the task of education and liberation which still lies before the grain-growers of the West and the common people of Canada who do not belong to the small and privileged class which profits from protection.

According to Sharp, the farmers learned three lessons in 1911. First, the organized agrarians could not effectively influence the federal government of either party when in power. Their marginal success in influencing the Liberal government had been stolen in an hysterical election. Besides, hadn't the Liberals betrayed them in 1896? Second, those who had all along argued that a specifically farmers' political movement was needed had won their point, even though it took some additional time to win the argument. The response to the
1911 election results was a "Second Seige on Ottawa" in December of 1913. This second seige was less naive than the first in 1910.

Faith in the existing parties was at low ebb on the prairies. Western farmers were convinced that neither party was concerned with the problems of the grain growers.

Support for independent political action therefore grew, but there remained strong opponents to such a strategy among sections of the agrarian movement. But "no amount of argument ... could halt the growing sentiment that political action alone could save the western farmer." In other words, rather than retreating from the 1911 defeat, the organized agrarian petit-bourgeoisie went on a new political offensive. Of the year of the Second Seige, one spokesman could still state,

... in 1913 it is still the manufacturers of Ontario and Quebec, who through the power conferred on them by Conservative Governments, and continued after 1897 by the Liberals, levy toll to the full statutory limit on this population west of the Lakes; and like wise on the rural populations in Ontario and Quebec and the Maritime Provinces.

The third lesson the organized agrarian petit-bourgeoisie learned related to their clear and sharp comprehension of the basic sources of the 1911 Liberal defeat. It was due to (1) the power of the Canadian Manufacturers' Association; (2) the position taken by the banks and the "money power;" (3) the railway interests allied against the Liberals; (4) the "loyalty cry" which had beclouded the
real issues of the election; and (5) the history of Liberal support for protection. No historian has improved on that analysis made in medias res. In a sense, the agrarians matured politically after 1911. The solution was to carry on, unbefuddled by the stupid hopes of winning the Liberals, with a clear sense of the basic reasonableness and justice of the free trade, anti-tariff position; and carry on they did.

1911 was an important year for the agrarians for a reason other than the Laurier defeat. In many ways this other significant event impelled the organized agrarian petit-bourgeoisie on to greater efforts than the loss of limited Reciprocity. 1911 was a Census year and the census figures portended an ominous future for the agrarian petit-bourgeoisie. It portended the decimation of rural Canada and the final triumph of urban industrial capitalism. That "greatest misfortune," "to have ... people huddled together in great centres of population," as the 1910 Platform had put it, new appeared on the relatively immediate historical agenda for the agrarian petit-bourgeoisie. The 1911 Census revealed that rural population had declined from 62.4 % in 1901 to 54.4 % in 1911. Urban population had increased from 37.6 % in 1901 to 45.6 % in 1911. More significantly, as Table XIV reveals, more and more people were involved in non-agricultural occupations by 1911 and the trend worsened in each census year.
Table XIV: Per Cent of Labour Force in Agricultural and Non-agricultural Occupations in Canada, 1901-1931

<table>
<thead>
<tr>
<th></th>
<th>Agricultural</th>
<th>Non-agricultural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>40.21</td>
<td>59.79</td>
</tr>
<tr>
<td>1911</td>
<td>34.28</td>
<td>65.72</td>
</tr>
<tr>
<td>1921</td>
<td>32.72</td>
<td>67.28</td>
</tr>
<tr>
<td>1931</td>
<td>28.75</td>
<td>71.25</td>
</tr>
</tbody>
</table>


Moreover, although the absolute number of occupied farms in Canada was not to begin its decline until 1951, in 1911, and especially between 1911 and 1921, the boom in Prairie agriculture was the major factor accounting for the relative stability and slight growth in the number of occupied farms which grew to 682,329 by 1911. However, rural decline had already begun to occur in the Maritimes between 1901 and 1911 (105,232 occupied farms to 104,359). Quebec's 149,701 occupied farms in 1911 declined to 137,619 in 1921. A similar pattern occurred in Ontario (1911 - 212,108, 1921 - 198,053). British Columbia experienced a marginal growth from 16,958 occupied farms in 1911 to 21,973 in 1921. Only in the Prairie West did there continue to be a steady, and
sometimes phenomenal, annual increase in occupied farms until the permanent decline set in in 1936 as a result of the Great Depression. Yet even though the number of occupied farms increased in the Prairie provinces, as early as 1906 the share of rural population as a percentage of total Prairie population had begun to drop rather dramatically, as illustrated in Table XV.

Table XV: Percentage of Rural to Total Population in the Prairie Provinces, 1901-1931

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>75%</td>
</tr>
<tr>
<td>1906</td>
<td>70%</td>
</tr>
<tr>
<td>1911</td>
<td>65%</td>
</tr>
<tr>
<td>1916</td>
<td>64%</td>
</tr>
<tr>
<td>1921</td>
<td>64%</td>
</tr>
<tr>
<td>1931</td>
<td>62%</td>
</tr>
</tbody>
</table>


The reaction of the organized agrarian petit-bourgeoisie to these trends was, naturally enough, strongest in Central Canada, especially Ontario. However, rural depopulation and the consequent decline of the agrarian share of the total population was disturbing in its implications to all agrarian organizations. As we have seen, the Grange had
attributed it to the drudgery of rural life, suggesting that the problem could be solved by a combination of making rural life more congenial and by fire and brimstone appeals to good sense and upright morality. By the time of the 1910 Farmers' Platform the analysis of the causes of rural depopulation had become somewhat more sophisticated. In that document, the Canadian Council of Agriculture blamed the customs tariff, arguing that "the greatest problem ... today is the problem of retaining our people on the soil ..."\(^{337}\) In the later 1916 version of the Platform the analysis had become almost completely economic attributing "the declining rural population ... largely to the greatly increased cost of agricultural implements and machinery, clothing, boots and shoes, building material and practically everything the farmer has to buy, caused by the Protective Tariff, so that it is becoming impossible for farmers generally to carry on farming operations profitably." The 1916 document was more thorough in its analysis by suggesting that part of the problem also lay with "the ruination of many of our smaller industries."\(^{338}\) The 1921 Platform essentially re-iterated the 1916 platform on the question.\(^{339}\) None of the documents suggested a concrete solution to the problem, though presumably it was believed that the abolition of the Protective Tariff would lead to an urban to rural migration of population. Yet, whatever the perceived causes of the trend, rural depopulation was keenly resented by the agrarian petite-bourgeoisie, especially in Ontario. The resentment often spilled over to colour the agrarians' attitude to the industrial workers, rendering
co-operation difficult.

In Ontario, where industry exerted its greatest pull, rural depopulation was most pronounced and most resented. The provincial platform of the U.F.O. placed it first among the reasons for the farmers' entering politics ...

The loss of rural population was attributed by the farmers to the tariff, which favoured industry at the expense of agriculture. The short working-day and high wages of the city, which protected industry and extravagant governments sanctioned, enhanced the attractiveness of the city over the country. These conditions were maintained by legislatures in which farmers had ceased ... to be represented in proportion to their numbers. The remedy for protective tariffs and rural depopulation was therefore to elect farmers to the legislatures ...340

The alternative vision of rural life in the post-1911 era, like the analysis of its woes, had been considerably improved over that offered by the earlier Grange. Gone were the pastoral elegies and romantic pictorials of the Garden-of-Eden-like life to be had in rural Canada. Though the image was considerably more believable now, it was just as hopelessly out of touch with the historical developmental trends inherent in industrial capitalism. In place of the pastoral picture, it painted in sweeping strokes the vision of a pre-industrial and stable economic and social order in which skill and independence were the primary characteristics of all classes. As an agrarian supporter put it in 1913,
The decrease in rural population is not due to the departure from the country of farmers alone. The decline of two other classes contribute to the general result. First the village crafts decayed, and now village commerce is waning.

A village forty years ago was industrially a better place than now. Each hamlet had its corps of trained and skilled workmen with sturdily independent homes, making the rich contribution to community life that skilled craftsmen bring. The essential industries were everywhere represented. The village had a fairly self-sufficing economic life.\(^3\)

That particular commentator's analysis of the cause of the situation was much more germane than many of those proffered by the earlier organized agrarian petit-brougeoisie.

The cause of this loss lies in the genius of the modern industrial world. The processes which have wrought out this modern system destroyed an industrial order which had been in building since the destruction of the ancient Roman civilization. The characteristic mark of this vanished order was household industry engaged in local production for local use. The modern industrial world brought in the factory system and worldwide transportation, each of which owes its rise to the invention of machinery and the discovery of power, and by means of these has developed its characteristic and epitome, the modern city.\(^2\)

This industrial system inevitably destroyed craft industry and led to the proletarianization of the skilled craftsman, drawing him to the city. However, the industrial system also "revolutionized" ... "the art of farming" ... "by the introduction of machinery and power"\(^3\)
giving further impetus to the migration of people to the cities. Typically the solution was posed in moral and ethical terms or in terms of rendering rural life more attractive and agricultural production more profitable. At the same time, the agrarian petit-bourgeoisie sharpened their critique of the industrial system in dramatically economically more democratic ways as they demanded a larger role for the state in the economy. While it was allowed that there had been "an inconceivably great increase in material prosperity" and although "wealth [had] increased enormously, ... an undue share of the reward [had] gone into the hands of the few." This growth had led to "the corporate trust" which, through its great centralized power, could "limit production, control prices, and monopolize markets." It had also led to a remorseless and cruel exploitation of nature and of mankind.

Men are to-day becoming millionaires through selfish exploitation of forest and stream and field and mine and ocean, and of the toil of their fellow men. ...

Thus this "crime" of "the millionaire exploiters of the world's wealth" was to be exposed and denounced. Such critical themes were to be further honed in the agitation leading up to the large, if temporary, victories won a decade later.

The most significant aspects of 1911 remained the double body blow of the defeat of limited Reciprocity and the spectre of rural depopulation. In the coming years more ethical and philosophical decorra-
tions would emerge to make the argument for reversing the National Policy stronger, yet the themes of the economic injustice of the protective tariff and the threat of rural depopulation would remain ideological and material cornerstones of all agrarian agitations. It is perhaps too easy to look back, with the arrogance deriving from hindsight, and to shake one's head at the innocence, and perhaps even the malevolence, of such demands. It is possible now to make a case that the defeat of Reciprocity committed Canada more firmly to the project of nationhood, such as it has been. Indeed a case can be made that the lack of a strong protective tariff would have dwarfed Canada's autonomous industrial growth even more than the branch plant end run around the tariff wall has done. It is also possible to suggest that any effort to reverse the migration of population from rural to urban occupations would not only have required a deliberate policy of checked industrial growth but also an agricultural policy which deliberately held agriculture to earlier and more primitive methods and tools of production. Indeed, one can, today, express amazement at the failure on the part of the organized agrarian petit-bourgeoisie to see the inevitable necessity of the trends they lamented so eloquently and with so much sentimentality and self-importance. Looking back, one can ask why the agrarian petit-bourgeoisie did not see this given the 1911 electoral defeat and the growth of industry and population in urban Canada. However, the 1911 defeat and the 1911 Census did not stop the organized agrarian petit-bourgeoisie, indeed their demands grew larger, better
argued, and more compelling. The defeat and the Census spurred them on to greater effort, greater commitment, and even greater insight. They continued to insist that the policies represented by the protective tariff and by rural depopulation were political questions ultimately, and hence subject to the exertions of human will and intellect. If the people at large had failed to realize the injustice and the patent stupidity of the protective tariff — and other aspects of the National Policy — as well as the ominously negative consequences of rural depopulation, then the organized agrarian petit-bourgeoisie must go to the people in a better organized way and with a more compelling case. In a word, the people had to be educated about the folly that was besetting Canada under Grit and Tory governments. Many historians who dwell on the immanent inevitability of certain social trends fail to share a basic historical insight perhaps too zealously held in those days by the organized agrarian petit-bourgeoisie. That insight is that men make history and that all political and economic policies are subject to the decision and will of men. Perhaps they forgot that history is more than merely an act of organized will, but at least they reflected the basic truism that history possesses the absolutely inevitable only for historians looking backward with more than a justified sense of smugness. The agrarian petit-bourgeoisie simply failed to achieve a full analysis of the social forces with which they had to contend.
The Move to Independent Agrarian Political Action

The period from 1911 to 1919, then, was characterized by a new agrarian petit-bourgeois political offensive, though an offensive somewhat muted by the patriotic demands of the Great War. The period leading up to the Great War of 1914 has been referred to as "the pre-war crusade for democracy."

The agrarian agitation in this period was surprisingly intense and politically more sophisticated. Having seen the Liberals fail to fulfill their promises after 1896, and having seen the massive campaign against Laurier over Reciprocity in 1911, the agrarian agitation, rather than relenting as one might expect, became more sharp and vigorous. The political and economic critique of the forces oppressing the agrarian petit-bourgeoisie was generalized beyond the dismissal of the two existing parties -- which were now increasingly seen as indistinguishable in their loyal service of the money power and vested interest -- to become a critique of capitalism and the operation of parliamentary democracy in Canada. Increasingly, "the protest against the concentration of wealth and political power in the hands of a capitalist plutocracy" became a central theme. The "money power," the "New Feudalism," and the "special interests" with undue influence were increasingly decried. Add to this a condemnation of "partyism" as an enemy of true democracy and one begins to realize just how extensive the agrarian petit-bourgeoisie's critique had become. New forms of democracy were advocated including direct legislation (the initiative, the referendum, and the recall), proportional repre-
sentation, and a third party truly responsive to the people. In economic matters the agitation continued to fight for free trade, but to this position were added stronger cases for anti-monopoly laws, thorough-going taxation reform, and the advocacy of a general social democracy. The agrarians' demands, therefore, were escalated to encompass a complete reconstruction of the economic and political system. Sharp characterizes the views expressed by the Grain Growers' Guide during this period in the following fashion:

The Guide was convinced that the only thing that could prevent hopeless misery for the poorer classes was a "revolution that will shake Canada to its very foundations." This peaceful revolution would be accomplished through the legal exercise of the franchise, but it would constitute a thorough revision of Canadian economic and political life.

Morton agrees with the political significance of the agitation of the period, though with somewhat more restraint:

In its origins the reform movement sprang from various causes, but in its demand for action by the state against certain evils it marked an epoch in the development of Canadian democracy.

The agitation also set its sights on the popular advocacy of socially ameliorative state intervention. There were demands for general social welfare, for the prohibition of liquor, and for measures to ensure world peace. Demands for a higher public morality in politics and economic activity led to a call for the moral cleansing of the whole of national life. It was this agitation, too, which first placed the
issue of the franchise for women in the center of the political
stage. 366

At the same time there were economic forces at work: the end
of the wheat boom was in sight. Population continued to pour in,
settlement spread, towns and even cities sprang up, but there were
ominous indications. In 1912, prices for wheat fell from $1.00/bushel
to 89 cents/bushel, 367 the lowest level since 1906, and wiped out the mar-
ginal price gains made in 1911 over 1910. This softening in wheat
prices occurred in the context of a slight faltering in wheat produc-
tion: wheat production had grown from 132,078,000 bushels in 1910
to 230,924,000 bushels in 1911, only to falter in 1912 at 224,159,000
bushels and to grow again slightly to 231,717,000 bushels in 1913.
In 1914 there was a sharp decline to 161,280,000 bushels. 368 Once
again the world pricing system and production difficulties seemed to
conspire against a permanent agrarian prosperity, particularly since
the costs of living and the costs of agricultural production continued
their remorseless upward spiral. 369

Only the arrival of the Great War in 1914 saved Canada from
economic calamity. 370 In 1913 the wheat boom broke. According to
the Report of the Royal Commission on Dominion-Provincial Relations,

The extravagant boom which attended the
opening of the western wheatlands broke in
1913. It had been based on the inflow of
foreign capital which financed a huge program
of construction. This foreign capital was
attracted by the confidence that wheat could
be profitably grown for export on the
Canadian prairies. In 1912, interest rates
rose sharply in the London money market and, in 1913, the general price level, including the prices of Canadian exports, began to fall.

The stream of capital imports which fed the growing prosperity of the country was checked. The prospects for profitable production of wheat became less rosy. The boom, which had been prolific of frantic real estate speculations, optimistic corporate mergers, and many rash enterprises of a public and private nature, suddenly collapsed.

The Canadian economy was at once faced with severe difficulties. It had been geared to a high rate of investment and construction. Between 1913 and 1914, the value of construction contracts awarded fell 37 per cent. Much of the labour and resources employed in the building of railways, harbours and canals, factories and rapidly growing towns, became idle. The slackening of construction brought a sharp curtailment in the Nova Scotia iron and steel industry, unemployment in the industrial cities of Central Canada and a steep decline in the production of lumber in British Columbia. The fall in export prices was aggravated by drought on the Prairies which cut short the crop of 1914. Caught between decreasing capital imports and falling export values, the economy which the wheat boom had brought into existence revealed its alarming vulnerability to external influences.\[371\]

This depression in agriculture, as well as in other economic sectors, was almost immediately, and most dramatically reversed by the outbreak of war in 1914. In 1915 wheat production rose to 393,543,000 bushels and exports to 235,738,776 bushels.\[372\] Prices for wheat improved astronomically, rising from the 1913 low of 89 cents/bushel to
$1.32/bushel in 1914, and finally reaching $2.24/bushel in 1918.\footnote{373}

Wheat production and exports continued high throughout the war years, with the exception of 1918 when exports dropped to 55,921,319 bushels: a reverse which quickly returned to war time levels by 1920. Until the Great Depression, Canada's wheat production and export levels remained at war-time highs.\footnote{374} Furthermore, settlement in the Prairie West was spurred on by the war-induced wheat boom: both population and the number and size of Prairie farms increased as a result of the war-boom, as Table XVI illustrates.

Table XVI: Population, Number and Area of Farms, and Acreage Under Field Crops in the Prairie Provinces, 1911, 1916, and 1921.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (000's)</th>
<th>Number of Farms (000's)</th>
<th>Area of Occupied Farms (millions of acres)</th>
<th>Area Under Field Crops (millions of acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>1,328,121</td>
<td>199.2</td>
<td>57.7</td>
<td>17.7</td>
</tr>
<tr>
<td>1916</td>
<td>1,698,137</td>
<td>218.6</td>
<td>73.3</td>
<td>24.6</td>
</tr>
<tr>
<td>1921</td>
<td>1,956,082</td>
<td>255.6</td>
<td>87.9</td>
<td>32.2</td>
</tr>
</tbody>
</table>

Source: Fowke, V. C. The National Policy and the Wheat Economy (University of Toronto), 1957, pp. 72-73.

Agriculture retained its critical pre-eminence in the value of
Canada's merchandise exports, yet it began to lose some of its lead over manufactures. As Table XVII dramatically illustrates, the War provided an incredible stimulus to Canadian manufacturing merchandise exports, and hence to Canada's industrial base.

Table XVII: Value of Canadian Merchandise Exports, 1913-1920

(millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Products of the Mine</th>
<th>Products of the Fish</th>
<th>Products of the Forest</th>
<th>Products of Agriculture</th>
<th>Manufactures of Munitions</th>
<th>Misc.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>57.4</td>
<td>16.3</td>
<td>43.3</td>
<td>194.9</td>
<td>--</td>
<td>43.7</td>
<td>0.2</td>
</tr>
<tr>
<td>1914</td>
<td>59.0</td>
<td>20.6</td>
<td>42.8</td>
<td>251.5</td>
<td>0.2</td>
<td>57.2</td>
<td>0.3</td>
</tr>
<tr>
<td>1915</td>
<td>51.7</td>
<td>19.7</td>
<td>42.7</td>
<td>209.1</td>
<td>0.5</td>
<td>85.0</td>
<td>0.7</td>
</tr>
<tr>
<td>1916</td>
<td>66.6</td>
<td>22.4</td>
<td>51.3</td>
<td>352.6</td>
<td>81.0</td>
<td>161.0</td>
<td>6.7</td>
</tr>
<tr>
<td>1917</td>
<td>85.6</td>
<td>24.9</td>
<td>55.9</td>
<td>501.2</td>
<td>281.2</td>
<td>196.2</td>
<td>6.4</td>
</tr>
<tr>
<td>1918</td>
<td>73.8</td>
<td>32.6</td>
<td>51.9</td>
<td>740.4</td>
<td>386.3</td>
<td>250.5</td>
<td>4.5</td>
</tr>
<tr>
<td>1919</td>
<td>77.5</td>
<td>37.1</td>
<td>70.5</td>
<td>469.7</td>
<td>250.9</td>
<td>304.5</td>
<td>6.2</td>
</tr>
<tr>
<td>1920</td>
<td>62.3</td>
<td>42.3</td>
<td>103.3</td>
<td>624.4</td>
<td>12.1</td>
<td>391.9</td>
<td>2.1</td>
</tr>
</tbody>
</table>

First of all, in looking at Table XVI, it should be noted that the War provided an incredible stimulus to the whole of the Canadian economy. However, for our purposes, the figures show that manufacturing's share of the value of Canadian merchandise exports grew from 12% in 1913, to 41% in 1918, dropping only slightly in 1920 to 33% as the value of munitions exports declined. On the other hand, agriculture's share of the value of Canadian merchandise exports grew from 55% in 1913 to 58% in 1914, dropping to 48% in 1918 and only growing to 50% in 1920. Thus, although agriculture continued to be the single most important contributor to Canada's exports, and retained that position throughout the War and immediately afterwards, manufacturing, as a result of the War stimulus, came to be a close second as a contributor to the value of Canada's exports.

Thus from the point of view of the agrarian petit-bourgeoisie, the War brought mixed blessings. On the one hand, the War lifted agriculture (and all other economic sectors) out of its threatening depression and brought expansion and prosperity. On the other hand, the same forces stimulated industrial capitalism and accelerated the social and economic forces of industrialism and urbanization that the agrarian petit-bourgeoisie decried so vehemently. Indeed, employment in manufacturing went up a dramatic 32% between 1915 and 1918, as fully one-third of Canada's manufacturing capacity was given over to the war effort. 

There was another dark side to the economic impact of the War
boom. Between 1916 and 1918 wholesale prices went up 51% and the cost of living rose 34% . Yet there was a decline in real wages. Further, the costs of the war, and demobilization with peace, added $1,680,000,000 to the federal debt. This, together with the debt incurred due to railway nationalization and earlier infrastructure construction, increased the per capita federal debt from $68 in 1913 to $400 in 1921. Provincial and municipal borrowing for capitalization of the new infrastructure to meet the War boom elevated the total per capita debt from $170 in 1913 to $556 in 1921. The burden for financing this debt fell heaviest on the poorer sections of the population, since Canadian governments had only begun to toy with a progressive system of taxation and the basic tax system remained regressive, despite the introduction of income tax. The stage was therefore set for the fiscal crises at all levels of Government which would come during the Great Depression. In the meantime, however, a heavy weight of rising living costs, rising production costs, and rising tax and interest rates dampened the prosperity of the nation as a whole and of the agrarian petit-bourgeoisie in the Prairie West in particular. As well, farm wage rates increased dramatically in this period as industrial competition for manpower forced farmers to pay higher farm wages. Table XVIII tells the full story of this dark side of the war-time prosperity that agriculture was experiencing.
Table XVIII: Indexes of Farm Costs, Canada, 1914 to 1920

(1935-39 = 100)

<table>
<thead>
<tr>
<th>Year</th>
<th>Composite index inclusive of living costs</th>
<th>Composite index exclusive of living costs</th>
<th>Farm Machinery</th>
<th>Tax &amp; Interest Rates</th>
<th>Farm Wage Rates</th>
<th>Family Living Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>84.1</td>
<td>85.3</td>
<td>90.2</td>
<td>55.0</td>
<td>79.7</td>
<td>78.0</td>
</tr>
<tr>
<td>1915</td>
<td>89.6</td>
<td>91.6</td>
<td>96.9</td>
<td>54.5</td>
<td>86.0</td>
<td>82.7</td>
</tr>
<tr>
<td>1916</td>
<td>97.8</td>
<td>100.5</td>
<td>101.7</td>
<td>55.1</td>
<td>102.5</td>
<td>97.6</td>
</tr>
<tr>
<td>1917</td>
<td>128.6</td>
<td>140.5</td>
<td>140.7</td>
<td>62.0</td>
<td>116.5</td>
<td>171.4</td>
</tr>
<tr>
<td>1918</td>
<td>148.2</td>
<td>160.2</td>
<td>164.1</td>
<td>82.1</td>
<td>125.9</td>
<td>190.8</td>
</tr>
<tr>
<td>1919</td>
<td>157.5</td>
<td>167.9</td>
<td>169.1</td>
<td>86.9</td>
<td>127.2</td>
<td>216.4</td>
</tr>
<tr>
<td>1920</td>
<td>180.3</td>
<td>186.5</td>
<td>190.1</td>
<td>92.2</td>
<td>136.7</td>
<td>238.6</td>
</tr>
</tbody>
</table>


The composite index of farm costs, including living costs, better than doubled between 1914 and 1920. And, on the average, as the reader will note, each component of farm costs doubled, with the exception of farm machinery and tax and interest rates, both of which increased by about 1.7 times. Farm wage rates showed the biggest increase, more than trebling between 1914 and 1920, spurring on mechanization. Such in-
Zeroes in costs had ominous implications which were not necessarily apparent during the boom. The agrarian petit-bourgeoisie was somewhat placated by the fact that in the period from 1914 to 1920, farm prices were high and hence slightly better than off-set the increased costs, as Table XIX shows.

Table XIX: Indexes of Wholesale Prices of Selected Farm Products, 1914 to 1920
(1935-39 = 100)

<table>
<thead>
<tr>
<th></th>
<th>Grains</th>
<th>Livestock</th>
<th>Fresh Meats</th>
<th>Milk Products</th>
<th>Eggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>105.4</td>
<td>136.2</td>
<td>94.6</td>
<td>96.5</td>
<td>124.4</td>
</tr>
<tr>
<td>1915</td>
<td>133.4</td>
<td>133.3</td>
<td>90.6</td>
<td>105.0</td>
<td>115.0</td>
</tr>
<tr>
<td>1916</td>
<td>141.5</td>
<td>141.5</td>
<td>103.3</td>
<td>115.2</td>
<td>143.0</td>
</tr>
<tr>
<td>1917</td>
<td>225.3</td>
<td>188.7</td>
<td>138.8</td>
<td>143.8</td>
<td>185.0</td>
</tr>
<tr>
<td>1918</td>
<td>232.6</td>
<td>223.4</td>
<td>173.2</td>
<td>159.2</td>
<td>207.9</td>
</tr>
<tr>
<td>1919</td>
<td>241.1</td>
<td>200.6</td>
<td>174.0</td>
<td>185.9</td>
<td>235.6</td>
</tr>
<tr>
<td>1920</td>
<td>258.2</td>
<td>215.0</td>
<td>180.6</td>
<td>195.8</td>
<td>254.1</td>
</tr>
</tbody>
</table>


All prices improved considerably in the period 1914 to 1920. Grains did best, increasing to almost two-and-one-half times their 1914
price by 1920. All other prices about doubled, with the exception of livestock. However, the most dramatic increases occurred in grains, especially wheat. The problem, of course, was that rises in the costs of production, although off-set by price rises during a boom period, failed to match the serious ups and downs so characteristic of farm prices. Indeed rarely do costs ever decline as much as prices in a period of recession in agriculture. Therefore the period of war prosperity brought permanently higher production costs together with fluctuating farm prices to the agrarian petit-bourgeoisie. Thus although prosperity, of a sort, continued throughout the 1920s, save for the depression of 1920-23, for the agrarian petit-bourgeoisie, it was an insecure and threatening prosperity. Table XX and XXI reflect the pattern of farm costs and farm prices during the 1920s.

Table XX: Indexes of Farm Costs, Canada, 1921 to 1929
(1935-39 = 100)

<table>
<thead>
<tr>
<th>Year</th>
<th>Composite index inclusive of living costs</th>
<th>Composite index exclusive of living costs</th>
<th>Equipment index of Material costs</th>
<th>Farm Machinery</th>
<th>Tax &amp; Interest Rates</th>
<th>Farm Wage Rates</th>
<th>Family Living Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1921</td>
<td>147.4</td>
<td>152.5</td>
<td>147.4</td>
<td>111.4</td>
<td>143.2</td>
<td>184.4</td>
<td>139.9</td>
</tr>
<tr>
<td>1922</td>
<td>131.7</td>
<td>134.1</td>
<td>124.6</td>
<td>89.9</td>
<td>141.1</td>
<td>161.0</td>
<td>127.9</td>
</tr>
<tr>
<td>1923</td>
<td>129.6</td>
<td>130.6</td>
<td>118.3</td>
<td>92.9</td>
<td>138.6</td>
<td>166.5</td>
<td>128.3</td>
</tr>
<tr>
<td>1924</td>
<td>129.3</td>
<td>131.9</td>
<td>122.3</td>
<td>102.4</td>
<td>137.3</td>
<td>160.9</td>
<td>125.5</td>
</tr>
</tbody>
</table>
The composite index of farm costs declined by only 31% between 1920 and 1929. Other indexes of farm costs showed similar rates of decline. Yet farm prices, as can be seen in Table XXI, failed to hold their own and were marked by year to year sharp fluctuations.

Table XXI: Indexes of Wholesale Prices of Selected Farm Products, 1921 to 1929

(1935-39 = 100)

<table>
<thead>
<tr>
<th></th>
<th>Grains</th>
<th>Livestock</th>
<th>Fresh Meats</th>
<th>Milk Products</th>
<th>Eggs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1921</td>
<td>163.6</td>
<td>131.1</td>
<td>124.9</td>
<td>161.9</td>
<td>190.4</td>
</tr>
<tr>
<td>1922</td>
<td>127.4</td>
<td>120.1</td>
<td>114.9</td>
<td>131.2</td>
<td>159.5</td>
</tr>
<tr>
<td>1923</td>
<td>114.9</td>
<td>114.6</td>
<td>109.0</td>
<td>139.9</td>
<td>155.1</td>
</tr>
</tbody>
</table>
Table XXI: continued

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesales</th>
<th>Farm Prices</th>
<th>Wheat Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924</td>
<td>132.9</td>
<td>113.1</td>
<td>106.7</td>
</tr>
<tr>
<td>1925</td>
<td>165.9</td>
<td>123.7</td>
<td>119.4</td>
</tr>
<tr>
<td>1926</td>
<td>150.4</td>
<td>121.4</td>
<td>127.1</td>
</tr>
<tr>
<td>1927</td>
<td>151.7</td>
<td>124.4</td>
<td>130.3</td>
</tr>
<tr>
<td>1928</td>
<td>141.1</td>
<td>149.3</td>
<td>151.4</td>
</tr>
<tr>
<td>1929</td>
<td>142.6</td>
<td>150.8</td>
<td>159.4</td>
</tr>
</tbody>
</table>


As the major and most important example, farm wholesale prices for grains fell about 45% between 1920 and 1929. Further, there were sharp ups and downs in grain prices from year to year during the 1920s. Similarly, other farm prices revealed great instability and irregularity. This problem was all the greater since, prior to the war boom of 1914 to 1919, and the uneasy prosperity of the 1920s, farm production costs had notoriously outstripped prices received for farm products. The price for the most crucial commodity of all for the Prairie West, No. 1 Northern wheat, had dropped in 1929 to $1.24/bushel from its 1918 war-time high of $2.24/bushel. Overall, the price for No. 1 Northern Wheat fell a full 38% , from $1.99/bushel to
$1.24/bushel, between 1920 and 1929. Yet this overall decline was accompanied by extreme ups and downs from year to year, as Table XXII illustrates.

Table XXII: Fort William Price for No. 1 Northern Wheat, 1914 to 1929
(cents per bushel)

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>132</td>
</tr>
<tr>
<td>1915</td>
<td>113</td>
</tr>
<tr>
<td>1916</td>
<td>205</td>
</tr>
<tr>
<td>1917</td>
<td>221</td>
</tr>
<tr>
<td>1918</td>
<td>224</td>
</tr>
<tr>
<td>1919</td>
<td>217</td>
</tr>
<tr>
<td>1920</td>
<td>199</td>
</tr>
<tr>
<td>1921</td>
<td>129</td>
</tr>
<tr>
<td>1922</td>
<td>110</td>
</tr>
<tr>
<td>1923</td>
<td>107</td>
</tr>
<tr>
<td>1924</td>
<td>168</td>
</tr>
<tr>
<td>1925</td>
<td>151</td>
</tr>
<tr>
<td>1926</td>
<td>146</td>
</tr>
<tr>
<td>1927</td>
<td>146</td>
</tr>
<tr>
<td>1928</td>
<td>124</td>
</tr>
<tr>
<td>1929</td>
<td>124</td>
</tr>
</tbody>
</table>


At the same time, levels of wheat production and exports continued high throughout the period of 1914 to 1929, with the exception of 1918 and 1919, both years of very high prices.
Table XXIII: Wheat Production and Wheat and Flour Exports, Canada, 1914 to 1929
(000s of bushels)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat Production</th>
<th>Wheat and Flour Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>161,280</td>
<td>86,750</td>
</tr>
<tr>
<td>1915</td>
<td>393,543</td>
<td>269,158</td>
</tr>
<tr>
<td>1916</td>
<td>262,781</td>
<td>174,565</td>
</tr>
<tr>
<td>1917</td>
<td>233,743</td>
<td>169,240</td>
</tr>
<tr>
<td>1918</td>
<td>189,075</td>
<td>96,960</td>
</tr>
<tr>
<td>1919</td>
<td>193,260</td>
<td>92,500</td>
</tr>
<tr>
<td>1920</td>
<td>226,508</td>
<td>166,315</td>
</tr>
<tr>
<td>1921</td>
<td>300,858</td>
<td>185,770</td>
</tr>
<tr>
<td>1922</td>
<td>399,786</td>
<td>279,365</td>
</tr>
<tr>
<td>1923</td>
<td>474,199</td>
<td>346,567</td>
</tr>
<tr>
<td>1924</td>
<td>262,097</td>
<td>192,722</td>
</tr>
<tr>
<td>1925</td>
<td>395,475</td>
<td>324,592</td>
</tr>
<tr>
<td>1926</td>
<td>407,135</td>
<td>292,880</td>
</tr>
<tr>
<td>1927</td>
<td>479,665</td>
<td>332,963</td>
</tr>
<tr>
<td>1928</td>
<td>566,726</td>
<td>407,564</td>
</tr>
<tr>
<td>1929</td>
<td>304,520</td>
<td>186,267</td>
</tr>
</tbody>
</table>

Source: MacGibbon, Duncan Alexander, *The Canadian Grain Trade*, (Macmillan), 1932, p. 82.
The success revealed in Table XXII had gone largely unrewarded, at least in so far as the establishment of a permanent and stable prosperity for the Prairie agrarians was concerned. Indeed, the agrarian success in settlement and agricultural production had been considerable. Before World War I Canada had ranked in third place as a world exporter of wheat, by 1918 Canada reached second place, and by 1923 Canada had become the world's largest exporter of wheat and flour. Furthermore, the Prairie acreage in field crops had increased by 84% between 1914 and 1920 and the Prairie population had increased by 19%, while the nation's increased by only nine%. If the Prairie West had done reasonably well out of the War and its aftermath, Central Canada, as the focus of capitalist industrialization, had done even better as manufacturing and finance capital grew to maturity. According to the Report of the Royal Commission on Dominion-Provincial Relations,

The Canadian manufacturing industry emerged from the War with a more dominant place in the domestic market, with an enlarged productive capacity, and with improved and diversified facilities.

The demographic consequences were exactly as the agrarian petit-bourgeoisie had feared: Montreal and Toronto grew by 38% between 1911 and 1921, largely spurred on by the War. Generally speaking, then, the Prairies emerged from the War with a continuing, but fragile, prosperity. On the other hand, capitalist industrialization and resulting urbanization had proceeded apace and Central Canada
emerged even more decisively as the industrial heartland of Canada with a more permanent, secure, and resilient base to its economic prosperity. With the Depression of 1920 to 1923, the old arguments about the National Policy re-emerged in their strongest form. It is worth examining now the political developments that led up to the Progressive party's great political challenge of the 1920s.

If there had been a pre-war crusade for democracy, the War itself set the stage for a remarkable agrarian challenge to the course of Canada's development. As we noted earlier, the major impact of the 1911 Reciprocity election had been, on the one hand, to deepen the scepticism of the organized farm movement for both major national political parties, and, on the other hand, to lead to an intensification and broadening of the agrarian agitation. The coming of the War in 1914 interrupted this process only temporarily. The slump in 1913-14 was replaced by the War boom of 1915. The lack of interest in federal party politics that characterized the organized agrarian movement from 1911 to 1914 was replaced by a renewed interest in 1915. However, the War itself temporarily quieted the expression of agrarian grievances, as Morton notes,

The outbreak of war in Europe and Canadian participation in it still further decreased the farmers' interest in federal politics. The war raised other issues. Many farmers were frankly isolationist and accepted Canadian participation reluctantly. Only when they came to see it as a struggle to decide "whether Democracy or Autocracy should triumph" ... did support of the war
accord with their principles. The war also pulled the Canadian economy out of the slump which had begun in 1913 and had become severe by 1914. By 1915, a war boom was under way which was also a wheat boom and a land boom of the same kind as that of 1896-1911. The Canadian West entered a second period of forced growth, which quieted its sectional grievances momentarily but which, in the long run, was to aggravate them intensely.386

Paradoxically, the War laid the basis for an aggravated sense of grievance among the agrarians because of the intense national unity engendered by the early War effort. Very quickly, however, there was a renewed agitation due to disillusionment about the unequal sacrifices being demanded by this War effort, and all earlier grievances were brought into sharper focus. According to Sharp, "The discontent inherited from the pre-war decade was strengthened by events of the war years."387

Although, as we have noted, there was a tremendous war boom which pulled agriculture out of its slump, there were accompanying problems. Spokesmen for the agrarians accused the manufacturers and financial institutions of profiteering from the War and accused the federal government of allowing, indeed, abetting, them to do so.388 War stimulated inflation threatened to rob the boom of its real significance in terms of the actual prosperity of the agrarian petit-bourgeoisie.389 Increasingly, agrarians found it difficult, if not impossible, to obtain credit for the expansion of the wheat economy, and such credit as was available was expensive.390 When the con-
scription debate surfaced, many leading agrarians pointed out that wealth ought to be conscripted before men. ³⁹¹ Revelations of corruption in high places in the government was seen as evidence of the inherent evils of "partyism," which the organized agrarian petit-bourgeoisie had long attacked.³⁹² In such a context the war-time cries for unity increasingly were seen as further evidence of the hypocrisy and abject dishonesty of the political system and the two national parties. It was in this context that the political agitation at the federal level, relatively quiescent since the defeat of 1911, erupted.

The Grain Growers' Guide had kept the debate about "the most effective means of making the weight of agriculture felt in politics"³⁹³ alive in its pages. The various farmers' organizations had continued to discuss the political options before the agrarian movement. The issue that received the most attention remained that of free trade. In fact in 1915 the Grain Growers' Guide came out in favour of the election of independent Members of Parliament committed to free trade and there was general agrarian agreement with the Guide's assertion on May 12, 1915, that,

Week by week the feeling is growing that the only way the West can secure a square deal in federal legislation [on the tariff question] is by sending down to Parliament men free from obligation to either of the old political parties.³⁹⁴

But this was only one of the options discussed and debated. There were three.³⁹⁵ First, agrarians could capture the nominations within the
old parties. This had been tried repeatedly with little success due largely to "partyism." There were few supporters of such a position in the mainstream of the organized agrarian movement. Second, the organized farm movement could found a third party of its own. This was continuously debated in all agrarian organizations and had strong support but never enough to win the day. The opposition to such a proposal for a new party came from a variety of sources: from committed Liberals (and some Tories) who hoped to put pressure on the Liberal party to adopt a conciliatory program towards the agrarians; from those in the movement, especially in Alberta, who feared that founding a third political party must inevitably lead to its own corruption because of the disease of "partyism," and from those who were genuinely convinced that the move into electoral politics would divide and destroy the agrarian movement and all that it had achieved just as, in their view, such a move had done in the United States. The third option, the one that the Grain Growers' Guide and most agrarian organizations supported at least informally, was to nominate farmer candidates in selected constituencies with a view to creating a nucleus around which to form a new party at a later time. On this basis, and around what came to be known as the Free Trade League, political agitation began again in earnest by 1916. As the January 19, 1916 Guide declared,

The biggest question in the West today is that of Free Trade and we believe the organization of a Free Trade League would provide the opportunity for political action whenever it was necessary or wise.396
By August 30, 1916, the *Guide* was less equivocal,

The time has come when the Western representatives should represent Western people and Western views and cut off connections with the privilege-ridden, party blind, office-hunting Grit and Tory parties that make their headquarters at Ottawa.\(^{397}\)

Gradually the agitation developed virtually into an explicit call for a third party.\(^{398}\)

In response to this agitation the Canadian Council of Agriculture issued another Farmers' Platform in December, 1916.\(^{399}\) A good two-thirds of the whole document is taken up once again with the tariff issue. However, there was now more grist for the agrarians' mill. The opening "whereas" clause on the Customs Tariff declared that Great Britain's "amazing financial strength" in prosecuting the war was "due to the free trade policy" and that Canada, therefore, would be well advised to follow the mother country's lead by a gradual reduction of tariffs on British imports. This would help the war effort and cheapen the cost of living to Canadians. The other clauses reveal that the organized agrarians had hardened their position on the tariff question considerably. The tariff was accused of fostering combines and trusts thus exploiting the people through the elimination of competition, the ruination of small industries, and the encouragement to raise prices to the limit. The tariff was destroying agriculture, increasing the gap between rich and poor, and corrupting national life. As revenue alternatives, the document pro-
posed taxes on unimproved land values, a "sharply graduated personal income tax," "a heavy graduated inheritance tax on large estates," and "a graduated income tax on the profits of corporations." The section "Other Necessary Reforms" called for "the nationalization of all railway, telegraph and express companies," a cessation of alienation of natural resources except by lease and public auction, direct legislation, disclosures of donors and expenditures in election campaigns, the abolition of patronage, provincial autonomy in liquor laws, and that the federal franchise be granted to women when a province did so. Thus the renewed agitation was once again given clear expression and a sharp focus by the organized agrarian petit-bourgeoisie. However, the demands of the war did not allow the agitation to flower and bear fruit as the 1917 conscription election was fought.

The western agrarians found that their major political concern was to be overwhelmed in the passion and hysteria of a wartime election.400

The most important thing about the 1917 federal election, for our purposes, was that it was called by the Union Government.401 Tory Prime Minister Borden had invited Laurier's Liberals to join him in a coalition to carry forward the war effort. The Tories believed that conscription would be necessary as the casualty figures and attendant gloom mounted in Europe. They had hoped to secure as much unity as possible, correctly anticipating great opposition to conscription. Laurier had declined the invitation, with an eye to Quebec opinion. As
a result the Liberal party had split and those supporting conscription joined Borden's forces in Parliament to form the Union Government. Suffice it to say that the Union Government won. In the long run, though, this coming together of the Tory party and a large bloc of the anglophone Liberal party confirmed the agrarian spokesmen's repeated assertions that there was no real difference between a Grit and a Tory. In the hysteria of the campaign of 1917 such an insight was not altogether popular, but after the war it came to be seen as a truism among large sections of the agrarian petit-bourgeoisie, especially the organized sections. But the war had destroyed the old party system as it had been known prior to 1917. The destruction was most thorough and complete in the Prairie West. All that was needed was an end to the War for this destruction to become vividly apparent.

With the War's end came increased agrarian agitation as economic conditions worsened rather than improved.

The war at long last was over, but peace seemed to betray those who had sacrificed the most, and the postwar years brought disillusionment, restlessness, and discontent.

Postwar disillusionment was accompanied by industrial strife, political confusion, and international discord. Inflation, unemployment, and a staggering war debt imposed a burden on the average citizen ... Sectional cleavages were renewed with increased bitterness, and for the first time [sic!] class conflict appeared ... 402

The debates regarding independent political action within the
organized agrarian petit-bourgeoisie were spurred on by post-war developments. The emergence of radical trade unionism\textsuperscript{403} seemed to prove to the organized farmers that the existing system was bent on self-destruction. The emergence of working class organizations like the Industrial Workers of the World and the One Big Union frightened the organized farm movement and the Winnipeg General Strike, which the Grain Growers' Guide denounced,\textsuperscript{404} seemed merely a confirmation of their dark fears about the basic madness and incapacity of the existing political and economic system to govern effectively. More and more pressure for independent political action came from below.\textsuperscript{405}

The post-war depression in agriculture and the changing nature of Canada's prosperity,\textsuperscript{406} such as it was, impelled the organized agrarian petit-bourgeoisie into political action. That either the farmers had to "go into politics, or go out of farming,"\textsuperscript{407} was a widely held belief.

The "New National Policy: The Rise and Fall of the Progressive Party

In response, the Canadian Council of Agriculture issued a further edition of the Farmers' Platform in 1918 which was submitted to member organizations in 1919, and revised in 1921 for the purposes of the election.\textsuperscript{408} The document came to be known as the "New National Policy" and was much more far-reaching and complete in its proposals than earlier documents had been. The tariff issue still occupied center stage. The document declared,
Whereas Canada is now confronted with a huge national war debt and other greatly increased financial obligations, which can be most readily and effectively reduced by the development of our natural resources, chief of which is agricultural lands;

And whereas it is desirable that an agricultural career should be made attractive to our returned soldiers and the large anticipated immigration, and owing to the fact that this can best be accomplished by the development of a national policy which will reduce to a minimum the cost of living and the cost of production;

And whereas the war has revealed the amazing financial strength of Great Britain, which has enabled her to finance, not only her own part in the struggle, but also to assist in financing her Allies to the extent of hundreds of millions of pounds, this enviable position being due to the free trade policy which has enabled her to draw her supplies freely from every quarter of the globe and consequently to undersell her competitors on the world's market, and because this policy has not only been profitable to Great Britain, but has greatly strengthened the bonds of Empire by facilitating trade between the Motherland and her overseas Dominions -- we believe that the best interests of the Empire and of Canada would be served by reciprocal action on the part of Canada through gradual reductions of the tariff on British imports, having for its objects closer union and a better understanding between Canada and the Motherland and at the same time bring about a great reduction in the cost of living to our Canadian people;

And whereas the Protective Tariff has fostered combines, trusts and "gentlemen's agreements" in almost every line of Canadian industrial enterprise, by means of which the
people of Canada -- both urban and rural -- have been shamefully exploited through the elimination of competition, the ruination of many of our smaller industries and the advancement of prices on practically all manufactured goods to the full extent permitted by the tariff;

And whereas agriculture -- the basic industry upon which the success of all our other industries primarily depends -- is unduly handicapped throughout Canada as shown by the declining rural population in both Eastern and Western Canada, due largely to the greatly increased cost of agricultural implements and machinery, clothing, boots and shoes, building material and practically everything the farmer has to buy, caused by the Protective Tariff, so that it is becoming impossible for farmers generally, under normal conditions, to carry on farming operations profitably;

And whereas the Protective Tariff is the most wasteful and costly method ever designed for raising national revenue, because for every dollar obtained thereby for the public treasury at least three dollars pass into the pockets of the protected interests thereby building up a privileged class at the expense of the masses, thus making the rich richer and the poor poorer;

And whereas the Protective Tariff has been and is the chief corrupting influence in our national life because the protected interests, in order to maintain their unjust privileges, have contributed lavishly to political and campaign funds, thus encouraging both political parties to look to them for support, thereby lowering the standard of public morality.409

There followed the abiding set of tariff demands which would have reconstructed the Canadian economy. The tariff laws should be amended in
the following manner,

(a) By an immediate and substantial all-round reduction of the customs tariff.
(b) By reducing the customs duty on goods imported from Great Britain to one-half the rates charged under the general tariff, and that further gradual, uniform reductions be made that will ensure complete Free Trade between Great Britain and Canada in five years.
(c) By endeavouring to secure unrestricted reciprocal trade in natural products with the United States along the lines of the Reciprocity Agreement of 1911.
(d) By placing all foodstuffs on the free list.
(e) That agricultural implements, farm and household machinery, vehicles, fertilizers, coal, lumber, cement, gasoline, illuminating, fuel and lubricating oils be placed on the free list, and that all raw materials and machinery used in their manufacture also be placed on the free list.
(f) That all tariff concessions granted to other countries be immediately extended to Great Britain.
(g) That all corporations engaged in the manufacture of products protected by the customs tariff be obliged to publish annually comprehensive and accurate statements of their earnings.
(h) That every claim for tariff protection by any industry should be heard publicly before a special committee of parliament.  

The resulting loss in revenue was to be off-set by a new progressive taxation system including the following provisions:

(a) By a direct tax on unimproved land values, including all natural resources.
(b) By a graduated personal income tax.
(c) By a graduated inheritance tax on large estates.
(d) By a graduated income tax on the profits of corporations.
(e) That in levying and collecting the business profits tax the Dominion Government should insist that it be absolutely upon the basis of the actual cash invested in the business and that no considerations be allowed for what is popularly known as watered stock.

(f) That no more natural resources be alienated from the crown, but brought into use only under short-term leases, in which the interests of the public shall be properly safeguarded, such leases to be granted only by public auction.

The document also contained a whole section devoted to a rational scheme for the demobilization of returned soliders which included the draconian measure of gradual demobilization, "aiming at the discharge of men only as it is found possible to secure steady employment." However, the scheme was rather far-reaching and radical for the day and quite popular, given the difficulties experienced by embittered veterans unable to obtain work. There also was a section on land settlement policy, on state encouragement of agricultural co-operation, and a demand for the public ownership "of railway, water and aerial transportation, telephone, telegraph and express systems, all projects in the development of natural power, and of the coal mining industry." And "to bring a greater measure of democracy in government" the document proposed some rather basic reforms,

(a) That the new Dominion Election Act shall be based upon the principle of establishing the federal electorate on the provincial franchise.
(b) The discontinuance of the practice of conferring titles upon citizens of Canada.
(c) The reform of the federal senate.
(d) An immediate check upon the growth of government by order-in-council, and increased responsibility of individual members of parliament in all legislation, and
(e) The complete abolition of the patronage system.

(f) The publication of contributions and expenditures both before and after election campaigns.

(g) The removal of press censorship upon the restoration of the rights of free speech.

(h) The setting forth by daily newspapers of their ownership and control.

(i) Proportional representation.

(j) The establishment of measures of direct legislation through the initiative, referendum, and recall.

(k) The opening of seats in parliament to women on the same terms as men.

(l) Prohibition of intoxicating liquors as a stronger basis for farmer-labour political unity. The document's

We recognize the very serious problem confronting labor in urban industry resulting from the cessation of war, and we urge that every means, economically feasible and practicable, should be used by federal, provincial, and municipal authorities in retraining and returning the unemployed to work and employ them in the cities and towns; and, further, recommend the adoption of the principle in the future relations between employer and employee — between nominal and employer, 4.13
they had "a comprehensive programme, which, put into effect, would have reshaped the development of the Canadian economy."\textsuperscript{414}

A large part of their arsenal was the post-war Depression. With the cessation of the activity of the Canadian Wheat Board, which had been established to regulate war time wheat sales and prices, free trading was accompanied by a sharp decline in wheat prices.\textsuperscript{415} In August, 1920 No. 1 Northern wheat sold for $2.69\% to 2.74/bushel. By September it had risen to $2.85 5/8/bushel. By December it was $2.00. In 1923 it had fallen to 93\% cents/bushel. Between October, 1920 and December, 1923 the price for wheat declined 67 \%.\textsuperscript{416}

The extent of the depression in Canada is indicated by the 14 per cent drop (1920 to 1921) in the national real income, the 11 per cent drop in the physical volume of business, the 13 per cent drop in the volume of exports, the 30 per cent drop in the gross value of agricultural production and the increase from 4.9 per cent to 12.7 per cent in ... trade union unemployment.\textsuperscript{417}

Very quickly the organized agrarian petit-bourgeoisie won some notable political victories. In the 1919 election, the United Farmers of Ontario won the largest bloc of seats. They had not expected to win and were ill-prepared to govern.\textsuperscript{418} In the 1923 election they went down to inglorious defeat.\textsuperscript{419} The U.F.O. Government was broken asunder by the debate between those who wished to keep the movement an agrarian movement and those who wished to "broaden out" in order to attract a larger base of support. Further, the U.F.O.'s 1920 membership of
60,000 had fallen to 30,000 by 1922. Part of this can be attributed to the failure of the U.F.O. Government to implement the kind of regime promised: they adopted the orthodox cabinet form of government and were forced to jockey continuously for a majority in the Legislature.420

In 1921, the United Farmers of Alberta entered politics and swept the province to govern there until 1935. 421 In 1922, the United Farmers of Manitoba formed the Government there as well. 422 Gradually, the new Manitoba Government edged back into the Liberal fold since the majority of Manitoban progressives had always regarded themselves as "advanced Liberals." 423 With the exception of the U.F.A., none of the Farmer Governments survived the first few years in power intact. Nor were they successful in carrying out the programs upon which they had secured election. Had the U.F.O. succeeded in "broadening out" and permanently surviving as a political alternative, had the U.F.M. not been riddled with fairly loyalist "liberals in a hurry," had the U.F.A. acted more boldly, the historical political topography of Canada would have perhaps been fundamentally transformed. Such "might have beens" are the idlest of speculations, since the very nature of the movement made such outcomes unlikely from the beginning. The divisions within the movement, the vagueness of their programs, the insipid attitude to labour, the ultimately unrealizable goal of returning agriculture to its former position of pre-eminence in a developing industrial capitalism foredoomed the organized farmer governments. They simply could
not agree on an approach to party organization. They simply could not agree on an adequate and effective policy towards labour. They simply could not agree on the role of the state in the economy. On each basic issue, the movement was split irremediably. Inevitably these weaknesses found their expression in the sorry fate of the Progressive party at the federal level.

In the federal general election of 1921 the Progressive party won 65 seats, the second largest group of seats in the House. They declined to become the official Opposition, and, according to most scholars, this was the beginning of their demise. However, that was only a symptom of the deeper divisions and contradictions within the movement we have already noted. The election results were hardly surprising given the 1919 U.F.O. victory and the incredible discontent in the Prairie West. Indeed, the Progressives had expected to do much better. Morton describes the outcome of the election in the following manner,

In the country at large the outcome was at once startling and indecisive. All Canada was split into three parts, a Liberal East, a Progressive West and a divided Ontario. Yet Morton's characterization overly simplifies the results. The fact is that in 1921 the Progressive party had a much broader electoral base than is usually conceded.

As Table XXIV shows, the Progressive party swept the Prairie West, winning 11 of 12 seats in Alberta, 15 of 16 seats in Saskatchewan,
Table XXIV: 1921 Federal Election Results, Seats Won and Votes
Polled by Party and by Province

<table>
<thead>
<tr>
<th>Province</th>
<th>Total Seats</th>
<th>Conservatives</th>
<th></th>
<th>Liberals</th>
<th></th>
<th>Progressive</th>
<th></th>
<th>Other</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>seats</td>
<td>votes</td>
<td>%age</td>
<td>seats</td>
<td>votes</td>
<td>%age</td>
<td>seats</td>
<td>votes</td>
</tr>
<tr>
<td>P.E.I.</td>
<td>4</td>
<td>19,504</td>
<td>37.2</td>
<td>4</td>
<td>23,950</td>
<td>45.7</td>
<td>--</td>
<td>6,453</td>
<td>12.3</td>
</tr>
<tr>
<td>N.S.</td>
<td>16</td>
<td>83,928</td>
<td>32.3</td>
<td>16</td>
<td>136,064</td>
<td>52.4</td>
<td>--</td>
<td>31,897</td>
<td>12.3</td>
</tr>
<tr>
<td>N.B.</td>
<td>11</td>
<td>61,172</td>
<td>39.4</td>
<td>5</td>
<td>76,733</td>
<td>49.4</td>
<td>1</td>
<td>16,223</td>
<td>10.4</td>
</tr>
<tr>
<td>Quebec</td>
<td>65</td>
<td>146,236</td>
<td>18.4</td>
<td>65</td>
<td>558,056</td>
<td>70.2</td>
<td>--</td>
<td>29,197</td>
<td>3.7</td>
</tr>
<tr>
<td>Ontario</td>
<td>82</td>
<td>445,175</td>
<td>39.2</td>
<td>21</td>
<td>338,282</td>
<td>29.8</td>
<td>24</td>
<td>314,092</td>
<td>27.7</td>
</tr>
<tr>
<td>Manitboba</td>
<td>15</td>
<td>42,218</td>
<td>24.4</td>
<td>1</td>
<td>18,816</td>
<td>10.9</td>
<td>12</td>
<td>75,578</td>
<td>43.7</td>
</tr>
<tr>
<td>Sask.</td>
<td>16</td>
<td>37,335</td>
<td>16.7</td>
<td>1</td>
<td>46,448</td>
<td>20.7</td>
<td>15</td>
<td>136,472</td>
<td>61.0</td>
</tr>
<tr>
<td>Alberta</td>
<td>12</td>
<td>35,181</td>
<td>20.3</td>
<td>--</td>
<td>27,404</td>
<td>15.8</td>
<td>11</td>
<td>98,160</td>
<td>56.8</td>
</tr>
<tr>
<td>B.C.</td>
<td>13</td>
<td>74,225</td>
<td>47.9</td>
<td>3</td>
<td>46,249</td>
<td>29.8</td>
<td>2</td>
<td>13,917</td>
<td>9.0</td>
</tr>
<tr>
<td>Yukon</td>
<td>1</td>
<td>707</td>
<td>51.1</td>
<td>--</td>
<td>658</td>
<td>47.6</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Totals: 235 50 945,681 30.3 116,127,660 40.7 65 721,989 23.1 4 183,573 5.9

Votes Cast - 3,123,903

and 12 of the 15 seats in Manitoba with, respectively, a popular vote of 56.8 \%, 61.0 \%, and 43.7 \%. In British Columbia, the Progressive party picked up two seats with 9.0\% of the popular vote. In the Maritimes, although winning only one seat, the Progressives won in excess of 10 \% of the popular vote in each of the three Maritime provinces: no mean achievement. The Progressive party, as expected, won no seats in Quebec with only 3.7 \% of the popular vote. The most impressive political achievement was in Ontario where the Progressives won 24 seats with 27.7 \% of the popular vote. Thus the Progressive party's biggest single bloc of seats came from Ontario, a fact often overlooked by those who insist on the sectional nature of the movement. Of the 721,989 votes (23.1 \% of the popular vote) cast for the Progressives, a full 314,092, or 43.5 \% of the total, came from Ontario. The Prairie West delivered 310,210 votes, or 42.9 \%, of the total. There was no section of the nation, with the exception of Quebec, in which the Progressives had not made a presentable showing, certainly enough to form the electoral base for a new agrarian petit-bourgeois political party with the evident capacity to govern in terms of national support. The fact that the Progressive party was unable to do so had less to do with its sectional nature and its coyness about Parliament and the party system than with the political and ideological ambiguities and contradictions that made up the organized agrarian movement. There was simply no agreement on the items which would be essential for the
organized agrarian petit-bourgeoisie to win the confidence of other classes in the society, especially the industrial working class and the urban petit-bourgeoisie, in order to govern effectively. However, perhaps it was an inevitable problem, given the very nature of the agrarian petit-bourgeoisie as a class, particularly given the hopelessly confused vision of the New Jerusalem that would be constructed which they embraced. The ineffectiveness of the farmer governments in Manitoba and Ontario, particularly their rapid political disintegration, and even in Alberta, if we measure concrete performance rather than electoral success, perhaps would merely have been repeated had the Progressive party won national office.\textsuperscript{427}

Yet it was the organized agrarian petit-bourgeoisie's finest hour in national politics: they had run in 149 seats and won 65 of them.\textsuperscript{428} They appeared to have reached the threshold of similar successes in political action to compare with their successes in business co-operation. The almost over-night disintegration of the Progressive movement is well-described in Morton's \textit{The Progressive Party in Canada} and there is no need to re-hash the details here. Probably it is correct to say that the Progressive refusal to become the official Opposition and thereby to adopt the party system and cabinet government ensured its gradual extinction as an organized political party. Yet no one should be astounded at that principled decision given the previous twenty years of agitation. It would have been impossible for the Progressive party to have embraced the party
system after having denounced it for years as a source of evil and corruption in national political life. Such a decision, had it been taken, would have broken the Progressives in 1921: indeed, such a decision would not have been taken at all or the loose group of M.P.s known as Progressive would have gone their various directions much sooner than they did.

In the 1925 federal election the Progressives contested only 72 of the 245 seats: 24 of 82 in Ontario, 12 of 17 in Manitoba, all 21 in Saskatchewan, 12 of 16 in Alberta, and three of 14 in British Columbia.\textsuperscript{429} Their share of the popular vote plummeted to 9.0\%:\textsuperscript{430} a drop of 14.1\% , They won only 24 seats. In Ontario they held 2 seats with 2.4\% of the popular vote: a drop of 25.3\%. In Manitoba they won seven seats with 21.1\% of the popular vote: a drop of 16.6\%. In Saskatchewan they held only six of 21 seats with a popular vote of 31.8\%: a drop of 29.2\%. In Alberta they held nine of 16 seats with a popular vote of 31.5\%: a drop of 25.3\%. In British Columbia they won no seats with 6.1\% of the popular vote. Nationally, the Progressives' 1921 721,989 votes shrunk to 282,181 votes in 1925: a drop of 60.9\%. Now in truth they could be called sectional. Their years of confusion, disorganization, and indecision in Parliament had lost them much credibility even with their loyal base in the Prairie West and rural Ontario. More galling, perhaps, and ominous for the next election, was the fact that the Conservatives gained 23 of
the Progressive seats to the 18 the Liberals gained. The fact that strongly protectionist Tories would gain so much suggests that free traders among the Progressive electoral base would think twice before splitting the vote and electing Tories.

In the 1926 federal election the Progressives only contested 37 seats: 11 in Ontario, four in Manitoba, 10 in Saskatchewan, and in Alberta. Their popular vote further collapsed to 5.3% representing 171,516 votes: a loss of 76.2% of the votes won in 1921. In Ontario they retained two seats with 4.1% of the vote, in Manitoba four with 11.2%, in Saskatchewan three with 15.6%, and in Alberta, still a bulwark, 11 with 38.7%. Manitoba and Saskatchewan returned to the Liberal fold. The Progressives persisted on into the 1930 federal election to hold 12 seats with 3.2% of the popular vote, with nine of the seats and about half their vote in Alberta. By 1935, 15 of Alberta's 17 seats went Social Credit and only three candidates in Manitoba maintained the lonely vigil, running as Liberal-Progressives.

The Progressives had been truly a meteoric political phenomenon, entering and exiting from the effective political stage in the short space of five years. Yet they had had a significant impact: they had wrung some important concessions from the Liberal government and Canadian politics were never the certainty they had been prior to the phenomenon. Most importantly, and not surprising, the Progressives had won significant concessions for their agrarian base, which perhaps
goes part of the way in explaining their demise. In 1922 they won the restoration of the Crow's Nest Pass statutory freight rates (which were suspended in 1919) on grain and flour in transit by rail to the lakehead, and on a variety of westward bound commodities, including agricultural implements. They also won some tariff relief on agricultural implements and motor vehicles. The 1922 duties on mowers, reapers and binders were lowered from $12\frac{1}{2}$% to 10% ad valorem, and in 1926 they were lowered to six%. By 1926 the duties on cars and trucks were lowered from 35 to 20% ad valorem. The Progressives are also credited with winning significant federally sponsored agricultural credit legislation. And for a time, they appeared to have won the re-establishment of the Wheat Board which had been suspended in 1920, much to the chagrin of most farmers who attributed much of the big drop in grain prices in the post-1920 period to that suspension, just as many of them had attributed the high prices gained during the War to the Board. As it turned out, the Wheat Board victory was short-lived as the Manitoba legislature refused to pass the necessary enabling legislation.

The crisis in the Progressive party merely revealed the crisis at its base: the farmers' organizations confronted serious problems and a massive decline in their memberships in the early twenties. It is ironic, if understandable, that at the height of what appeared to be its greatest political hour, the organized agrarian petit-bourgeoisie appeared to be disintegrating.
Moreover, after 1921, which was the year of highest membership in the farmers' organizations, there was a great falling-off in the number of paid-up members. High cash incomes down to 1920, growing discontent, and the stimulus of political action, had increased the membership to record heights. Thereafter the decline in membership was rapid, from sixty thousand members and sixteen hundred clubs in the U.F.O., for example, to half that number of members and a quarter that number of clubs in 1922. In the U.F.A. the membership fell from thirty-eight thousand in 1921 to fifteen thousand in 1922. The membership of the Saskatchewan Grain Growers' Association decreased from twenty-nine thousand in 1920 to twenty-one thousand in 1922. The membership of the U.F.M. was sixteen thousand in 1920, eleven thousand in 1921, and sixteen thousand in 1922, as it fluctuated with the political action of 1920 and 1922, but by the end of 1923 it had fallen to six thousand. Nor did the membership of the associations increase in succeeding years, as prosperity revived. The organization of the Wheat Pools, the waning of political interest, and the rise of the new Farmers' Union, weakened the farmers' organizations and diminished their political strength in all the provinces except Alberta, where organization made good the loss of members.437

In such a situation there is no wonder that the organized farmers very quickly left overt political action.

By 1923, in fact, the U.F.O. officially declared itself out of politics and devoted itself to educational and co-operative work.438 The S.G.G.A. had never gone into provincial politics and only half-heartedly into the federal fray behind the Progressives.439 The U.F.M. went through a more gradual metamorphosis which brought it back
into the Liberal fold.\textsuperscript{440} The U.F.A. lived long enough as government in Alberta to be completely decimated by the Social Credit party in 1935. In March, 1923 the Canadian Council of Agriculture withdrew its support of national political action, leaving political questions to the various provincial organizations.\textsuperscript{441} This decision also had the effect of removing the national organizing locus for the Progressives.

The decision of the Canadian Council of Agriculture effectively ended the brief intrusion of the organized agrarian petit-bourgeoisie into national politics: indeed, it augured the end of organized agrarian activity in provincial politics, as events were to prove. In future, the actual organizations of the agrarian petit-bourgeoisie concerned themselves with economic action, business co-operation, and pressure group and educational activity. The business of politics was to be left to specifically political organizations. The difficulties encountered in attempting to govern Ontario and Manitoba, as well as the spectacle of Progressive dissension in Parliament, especially between the Alberta and Manitoba groups, re-kindled the argument that political action would breed division and destroy the farmers' organizations. Events had seemed to confirm this contention. In the meantime the agrarian petit-bourgeoisie was busy building those edifices to business co-operation: the Wheat Pools. In the future, political action was not to be eschewed, but it was to take different forms. The agrarian petit-bourgeoisie was far from dead politically:
indeed new parties emerged. However such new parties became dominant only in the Prairie West, particularly in Alberta and Saskatchewan. Manitoba had never been the stronghold of the agrarian petit-bourgeoisie that Saskatchewan and Alberta had been and would remain for a time. As one historian of Manitoba has put it, 

Manitoba has always been as much an extension of Ontario as a part of the Western frontier society. [There was] ... a conservative cast especially to rural Manitoba, in contrast to the more radical nature of farmers' movements in Saskatchewan and Alberta.442

Manitoba's brief flirtation with unorthodox politics, even of an agrarian sort, ended with the gradual absorption of the U.F.M. into the immensely flexible Liberal party.

There is no doubt that the return to prosperity in the 1920s contributed in no small measure to the rapid disintegration of the organized agrarian petit-bourgeois political offensive. And prosperity, of a sort, did return to agriculture after the temporarily disastrous 1920-23 Depression.443 Wheat production, though marked once again by annual shifts, gradually regained and surpassed war-time levels until 1929, when production declined 46% over 1928 levels. Wheat exports, though again marked by annual shifts, quickly regained and far surpassed their war-time levels until 1929, when exports declined a sharp 56% over 1928 levels.444 Wheat prices picked up markedly, though they never regained their war-time highs: for example, the 1923 price for No. 1 Northern Wheat at Fort William
of $1.07/bushel jumped to $1.68/bushel in 1924, thereafter prices were reasonably good until 1930. Despite the decline in production and exports in 1929, the 1928-29 crop year was a good year for the Prairie agrarian petit-bourgeoisie. According to MacGibbon,

Between 1924 and 1929 the grain growers of the Canadian West basked in the sunshine of the great post-war boom. Prices for grain were good and a cycle of generous yields led up to the bumper crop of 1928. During the crop year of 1928-29 there was exported from Canada 354,424,699 bushels of wheat. In addition wheat in the form of flour to the amount of approximately 53,139,487 bushels found foreign markets. For the fiscal year ending March 31 of 1929, the value of wheat exports from Canada is calculated to have been $428,524,326 and the total value of exports of grain and farinaceous products was placed at $553,587,951, or approximately 40 per cent of the total value of Canadian exports.

The boom marked a further and deeper investment in agriculture by the Prairie agrarian petit-bourgeoisie. For example, by 1930 the number of tractors on Prairie farms had reached 85,076 and annual sales in 1927, 1928, and 1929 had exceeded 10,000 units. In 1921 there had only been 38,485 farm tractors on Prairie farms (all of Canada in 1930 only had 110,019 such units). But this was only part of the story of the industrial mechanization of Prairie agriculture. By 1931, there were 133,499 automobiles, 248,547 binders, 8,897 combines, 21,517 motor trucks, and 49,610 threshing machines. (There are no reliable figures for 1921). All this represented an incredible capital investment, but it was only part of the full story.
By 1930 the current values of farm capital in the Prairie provinces ($2,825,300,000) had almost regained their inflated 1921 level ($3,256,505,000), reflecting not only the incredible inflation caused by the war but also the gradual recovery as agriculture expanded and picked itself up. 448 With the recovery, the settlement of the Prairie West was virtually completed from 1920 to 1930 as population increased by 16% in Manitoba, 24% in Saskatchewan, and 33% in Alberta. Further the area of improved lands expanded by six % in Manitoba, 34% in Saskatchewan, and 51% in Alberta. 449 The number of farms in the Prairie West increased from 255,600 to 288,100 from 1921 to 1931. 450

The attention of the organized agrarian petit-bourgeoisie, especially in the Prairie West, during the period after the 1920-23 Depression was focussed on the organization of the Wheat Pools. 451 In 1923 the Manitoba legislature had refused to pass the enabling legislation for the re-establishment of the Wheat Board, 452 which had earlier (1922) been approved by the House of Commons and the Saskatchewan and Alberta legislatures. 453 As a result, the efforts to re-establish the Wheat Board were abandoned as was the voluntary pool project under the leadership of the Canadian Council of Agriculture. 454 Attention therefore was focussed on winning voluntary Pools at the provincial level. By 1928 Wheat Pools in the three Prairie provinces were firmly established, giving potential grower control of the handling and marketing of grains. By 1927, the three Prairie Pools had 141,800
signed-up members and 946 country elevators as well as terminals with a 22,525,000 bushel capacity. In 1926 the Pools had 70% of Prairie wheat and 43% of coarse grains under contract. By 1928 the Canadian Co-operative Wheat Producers, Ltd., the central selling agency for the three Prairie Pools, had offices at Winnipeg, Fort William, Calgary, Vancouver, Toronto, Montreal, New York, London, and Paris, with links to 28 selling agencies in 15 countries. By 1930 the Pools had 242,614 members with 15,646,522 acres under contract, representing 55.5% of Prairie farms. Also by 1930 the Pools had 1655 country elevators, with a 58,000,000 bushel capacity, representing one-third of all country elevator capacity in all the Prairies. They had come a long way since Indian Head and Sintaluta in 1901-02.

Yet, as we have seen, many of the most important of the grievances of the agrarian petit-bourgeoisie could only be addressed and redressed through political action. The tariff, despite the modifications, remained essentially intact. The near-complete reliance on grain production, especially wheat, remained to plague Prairie prosperity. Rural de-population continued and capitalist industrialization and urbanization accelerated unchecked. Vulnerability to the ups and downs of the international market remained. What security which had been won had been won by the self-organization of the Prairie agrarian petit-bourgeoisie into Pools. Control over the cost of production continued to elude the farmer. Railways continued to impose their freight rates with impunity, save for the small measure of relief provided by the
Crow Rates. The political clout of agrarian Canada, and of the Prairie West, continued to be virtually ignored but for this or that gesture of conciliation flung by Liberal or Tory federal governments. And such prosperity as had been won in the 1920s, as it turned out, depended on uncertain markets in an increasingly competitive world market. Therefore, although the organized agrarians' initial ventures into politics had failed significantly, the need for political action remained. The arrival of the Great Depression in 1930 precipitated the agrarian petit-bourgeoisie into Canadian politics once more and with considerably different results. Their biggest mark was made in Alberta and Saskatchewan, the only remaining provinces in which they continued to be the dominant class and, coincidentally, the two provinces which were the most completely shattered by the impact and consequences of the Depression of the 1930s. The forms, even some of the demands, of the renewed agrarian agitation changed, but much of the content remained strikingly the same. As Sharp notes,

> When it [the agrarian revolt] re-appeared under the stimulus of depression and agricultural distress, it came garbed in a new dress and waving new banners, but most of the slogans were the same. They were similar because the fundamental demands were similar ...

And similarly, it might be added, the demands could only be met politically, just as earlier the organized agrarian petit-bourgeoisie had learned that its demands ultimately could only be met politically. This time, however, they came not dressed in farmers' garb but in a
more general wardrobe, as the new political organizations strove to represent and to win a broader than narrowly agrarian base of support.

They had some success.
NOTES AND REFERENCES


2. Ibid., p. 94.

3. Ibid., p. 94.

4. Ibid., p. 94.


11. Ibid., pp. 267-268.

12. Ibid., p. 265.

13. Ibid., p. 265.


15. Ibid., p. 301.


17. Ibid., p. 307.
These included the Reform Association and the Home Rights Provincial League in Manitoba. See Shortt, Adam & Doughty, Arthur G. *Canada and its Provinces: a history of the Canadian people and their institutions by one hundred associates* (Glasgow, Brook & Co.), 1914, Vol. XIX, Prairie Provinces - I, Martin, Chester. "Political History of Manitoba, 1870-1912," pp. 97-143, p. 119. Also see Morton, W. L. *Manitoba: a history* (University of Toronto), 1957, Ch. 9, pp. 199ff. Morton calls the Farmers' Union the Farmers' Protective Union of Manitoba -- the name varies from source to source, but they are all speaking of the same phenomenon.


Cited in *ibid.*, p. 165.

Cited in *ibid.*, p. 165.

Oliver, *ibid.*, p. 165.


34. Ibid., p. 28. In the same period in Manitoba barley production grew from 253,604 bushels to 1,452,433 bushels and oats production grew from 1,270,268 bushels to 8,370,312 bushels. Clearly, though, wheat had outstripped the production of other grains largely due to export demand.


37. Ibid., series L1-6, p. 351.

38. Ibid., series L7-14, p. 352.


40. Ibid., series L139-146, pp. 363-364.

41. It should be noted that we are focusing on wheat prices since wheat was rapidly becoming the dominant agricultural commodity produced for export. But it should also be noted that prices for other grains and for livestock reflected a similar pattern in the period in question, although fluctuations in livestock prices were less dramatic (but livestock had much less significance as an export commodity from the region). Urquhart & Buckley, ibid., pp. 359-360.

42. Ibid., p. 359.


44. Urquhart & Buckley, op. cit., p. 359.


46. Ibid., p. 283.

47. Ibid., p. 284.

48. Ibid., p. 284.

49. Ibid., p. 284.

50. Morton, A. S., op. cit., p. 94.
51. Ibid., p. 94.
53. Ibid., p. 111.
54. Ibid., p. 112.
55. Ibid., p. 111. Clause 15 of the Canadian Pacific Railway Charter of 1880 had precluded competition south of the main line for twenty years.
56. Ibid., p. 117.
57. Ibid., p. 119.
58. Ibid., p. 119.
59. Ibid., p. 119.
60. Ibid., p. 119.
61. Ibid., p. 121.
62. Ibid., p. 121.
63. Ibid., pp. 121-123. See also Morton, W. L., op. cit., ch. 9, "The Triumph of Ontario Democracy, 1881-1888," pp. 199ff. for another, more restrained and disapproving version of the same story.
64. Morton, A. S., op. cit., p. 95.
67. Ibid., p. 115.
68. Ibid., p. 115.

71. Sharp, Paul F. The Agrarian Revolt in Western Canada: a survey showing American parallels (University of Minnesota), 1948, p. 33.


73. Wood, ibid., pp. 138-139.

74. Ibid., pp. 145-146.


77. Ibid., pp. 115-116.

78. Ibid., p. 114.

79. Ibid., p. 117. 207 of the elevators were owned by three line elevator companies; 95 by two milling concerns; and another 120 by individual millers.

80. See Buck, Solon J. The Agrarian Crusade: a chronicle of the Farmer in Politics (Glasgow, Brook & Co.), 1921, for an excellent survey of such movements. Also, see Hicks, John D. The Populist Revolt: a history of the Farmers' Alliance and the People's Party (University of Nebraska), 1931.


82. Wood, ibid., p. 13.


84. Ibid., p. 60.


86. Ibid., ch. VIII, "Economic Activities of the Grange in Canada," pp. 73-90.

87. Ibid., pp. 73-74.
88. Ibid., p. 77.
89. Ibid., p. 80.
90. Ibid., p. 83.
91. Ibid., p. 86.
93. Ibid., p. 92.
94. Ibid., pp. 105ff.
95. Cited in Ibid., p. 104.
96. Patton, Harald S. Grain Growers' Co-operation in Western Canada (Harvard University), 1928, p. 130.
97. Ibid., p. 415.
98. Ibid., p. 27.
99. Ibid., p. 415.
103. Martin, Chester. "Dominion Lands" Policy (Macmillan), 1938, pp. 274-275. The C.P.R. did not surrender its monopoly clause for nothing. As Martin says, "The C.P.R. issue of $15,000,000 in 1888, for instance, was guaranteed by the government on the security of unsold lands and in return for the surrender of the "monopoly clause." (p. 275). The reader will recall that the national charter of the C.P.R. had contained a "monopoly clause" which prohibited "the construction of any other line running northwest and southwest within fifteen miles of the United States boundary." (p. 274).
120. Patton, *op. cit.*, p. 16.
126. See Lingard, C. Cecil. Territorial Government in Canada: the autonomy question in the Old North-West Territories (University of Toronto), 1946, for a discussion of the colonial character of the Territorial Government; also see Thomas, Lewis Herbert. The Struggle for Responsible Government in the North-West Territories, 1870-97 (University of Toronto), 1936.


129. An Historical Analysis of the Crow's Nest Pass Agreement and Grain Rates: A Study in National Transportation Policy, a submission of the Province of Saskatchewan to the Royal Commission on Transportation, Queen's Printer, Regina, 1960, (written by V. C. Fowke, and G. E. Britnell).


131. Ibid., p. 22.

132. Moorhouse, op. cit., p. 43.


134. Moorhouse, op. cit., p. 44.

135. Patton, op. cit., p. 28.


137. Moorhouse, op. cit., p. 45.

138. Ibid., p. 46.


140. Ibid., p. 44.

141. See Chapter III of this work.


143. Ibid., p. 41.

144. Ibid., p. 41.

145. Ibid., p. 42.
146. Ibid., pp. 43-44.

147. Ibid., p. 45. MacGibbon provides a restrained and altogether too sanguine analysis in the section, "Grievances and Remedial Legislation," pp. 45ff.

148. For a good summary of the agitation around the grain marketing issue see Fowke, V. C. The National Policy and the Wheat Economy (University of Toronto), 1957, esp. "Part Two: Grain Marketing Problems in Western Canada, 1900-1920," pp. 85ff.

149. Fowke, ibid., p. 93. Detailed evidence of Fowke's distinction is provided in ibid., Ch. 9, "Western Protest and Dominion Policy," pp. 153ff.


151. Ibid., pp. 434-435.


158. Ibid., p. 435.

159. Ibid., pp. 431, 436.

160. Ibid., p. 432, 436-437.


163. Ibid., p. 109.


172. Ibid., p. 86.

173. Ibid., pp. 87-92.


175. Sharp, *op. cit.*, p. 32.


178. Ibid., p. 70.
179. Ibid., p. 154.
180. Ibid., p. 148.
181. Ibid., p. 148.
182. Ibid., p. 285.
183. Ibid., p. 305.
184. Ibid., p. 330.
186. Ibid., p. 438.
188. Ibid., p. 208.
190. Ibid., p. 74.
191. Ibid., p. 68.
192. Dominion Bureau of Statistics, 1911 Census Reports. Manitoba's 1901 population of 255,211 became 461,394 by 1911; Saskatchewan's 1901 population of 91,279 had become 492,432; Alberta's 1901 population of 73,022 had become 374,295. In 1911, 65 % of the population of the three Prairie provinces was rural, only 35 % was urban.
196. Ibid., p. 68.
197. Ibid., p. 73.
198. Ibid., p. 77.
199. Ibid., p. 77.
200. Ibid., p. 77.
201. Ibid., pp. 82-83.
202. Ibid., pp. 76-77.
203. Ibid., p. 76.
204. Ibid., p. 83.
205. Ibid., p. 83.
206. Ibid., p. 84.
207. Ibid., pp. 78-79.
210. Ibid., p. 359.
211. Ibid., p. 360.
212. Ibid., p. 359.
215. See Patton, loc. cit., for the full story of the early developments which led to these enormous edifices to agrarian business co-operation.

218. Ibid., p. 399.

219. Ibid., p. 405.

220. Ibid., p. 400.

221. Ibid., p. 407.


223. Koester, C. B. "The Agitation for Parliamentary Representation of the North-West Territories, 1870-1881," Saskatchewan History, Vol. XXVI, No. 1, Winter, 1973, pp. 11-23. Koester says in conclusion, "Clearly the National Policy, MacDonald's grand design for rounding out Confederation, stopped well short of anticipating the concomitant question of extending constitutional rights to the settlers of the North-West upon whom the success of the policy depended. Federal representation of a territory thus became an aspect of emerging Canadian federalism as a result of the persistent demands of the territorial population rather than as a part of a predominant pattern of territorial development." (P. 23).


225. Smith, David E. Prairie Liberalism: The Liberal Party in Saskatchewan, 1905-71 (University of Toronto), 1975, esp. Ch. 1 to 5, pp. 3-198. For example, Motherwell, the first President of the T.G.G.A., was Saskatchewan Minister of Agriculture from 1905 to 1918, and federal Minister of Agriculture from 1921 to 1930 (see Turner,


229. It is not being suggested here that provincial politics were ignored by the organized agrarian petit-bourgeoisie but rather that the primary agitation was focussed at the federal level.


234. It should be noted that it is not being suggested that the ideological perspectives about to be characterized were universally held by the agrarian petit-bourgeoisie. Indeed, as the collapse of the U.F.O., U.F.M., and, later, of the U.F.A. provincial governments, as well as the disarray of the Progressive party, were to prove, when it came to the crunch, the movement found itself unable to impose ideological hegemony over the whole of the agrarian petit-bourgeoisie. Yet, as we will see later, the very indecisiveness and internal contradictions which were to wreak such havoc on the movement were themselves features of the newly matured agrarian petit-bourgeois ideology. It is fair to say, though, that, until the 1920s, there was a fairly universally shared ideology among the agrarian petit-bourgeoisie, especially those in the agrarian activist organizations. The fact that the ideology, and the movement, collapsed when faced with concrete tasks says as much about the nature of the class which espoused it as it does about the ideology itself.


Proceedings of the Dominion Grange, XX, pp. 18-19, cited in Hann, ibid., p. 17.


Toronto Sun, November 22, 1892, cited in Hann, ibid., p. 9.


Toronto Sun, July 29, 1896, cited in Hann, ibid., p. 16.

Hann, ibid., p. 10.


Wood, op. cit., p. 53.

Ibid., p. 53.

Approximate calculations from statistics provided in Urquhart and Buckley (eds.), op. cit., series A15-19, p. LLI.

Cited in Turner, Allan R. op. cit., p. II.

Sharp, op. cit., p. 41.

Moorhouse, op. cit., p. II.


Ibid., p. 15.

Ibid., p. 32.

Ibid., p. 15.

Ibid., p. 244.
275. Ibid., p. 245.
276. Ibid., p. 247.
277. Ibid., p. 264.
278. Ibid., p. 281.
279. Ibid., p. 286.
280. Ibid., p. 286.
281. Ibid., p. 282.
283. Ibid., p. 286.
284. Ibid., p. 292.
286. Porritt, op. cit., p. 419.
287. Ibid., p. 420.
288. Ibid., pp. 420-421.
289. Ibid., pp. 421-426.
290. Ibid., pp. 428-429.
291. Ibid., p. 422.
292. Ibid., p. 422.
293. Ibid., p. 419.
294. Ibid., p. 444.
295. Ibid., p. 444.
296. Ibid., p. 1.
297. Alexander Mackenzie, quoted in Ibid., frontispiece.
298. Ibid., p. 10.
299. Ibid., p. 28.
300. Ibid., pp. 28-29.
301. Ibid., p. 33.
302. Ibid., pp. 467-468.
304. Ibid., p. 411.
305. Clifford Sifton quoted in ibid., p. 440.
306. Sharp, op. cit., p. 43.
308. Ibid., p. 298.
310. Ibid., p. 159.
314. For the complete story see Callahan, J. M., American Foreign Policy in Canadian Relations (Cooper Square), 1973; Ellis, L. Ethan, Reciprocity, 1911 (Yale University), 1939; Glazebrook, G. P. de T. Canadian External Relations: An Historical Study to 1914, (Oxford University), 1942; and Masters, D. C. Reciprocity, 1846-1911 (Canadian Historical Association), 1961.
318. Stevens, op. cit., p. 2.
320. Ibid., p. 18.
326. Ibid., p. 50.
329. Ibid., p. 49.
330. Ibid., p. 50.
331. Ibid., pp. 52-53.
332. Ibid., p. 53.
334. Ibid., p. 465.
336. All figures are in Urquhart & Buckley, *op. cit.*, Series L1-6, p. 351.
338. Ibid., p. 300.
339. Ibid., p. 303.
340. Ibid., pp. 72-73.
342. Ibid., p. 62.
343. Ibid., p. 68.
345. Ibid., p. 64.
346. Ibid., p. 64.
347. Ibid., p. 63.
348. Ibid., p. 75.
349. Ibid., p. 75.
351. Ibid., p. 54.
352. Ibid., p. 54.
353. Ibid., p. 55.
354. Ibid., pp. 64ff.
355. Ibid., p. 70.
356. Ibid., p. 73.
357. Ibid., p. 65.
358. Ibid., p. 68.
359. Ibid., p. 69.
360. Ibid., p. 69.
361. Ibid., p. 74.
362. Ibid., p. 44.
364. Ibid., p. 27.
368. MacGibbon, op. cit., p. 82.
371. Ibid., p. 90.
372. MacGibbon, op. cit., p. 82.
374. MacGibbon, op. cit., p. 82.
376. Ibid., pp. 97-100.
377. Ibid., pp. 103ff.
378. Ibid., p. 105.
379. Ibid., pp. 104ff.
383. Ibid., p. 108.
386. Ibid., pp. 40-41.
388. Ibid., p. 111.
389. Ibid., pp. 111-112.
390. Ibid., p. 112.
391. Ibid., p. 112.
392. Ibid., pp. 115-116.
394. Cited in Ibid., p. 41.
395. Ibid., p. 43.
396. Cited in Ibid., p. 42.
397. Cited in Ibid., p. 43.
398. Ibid., p. 44.
400. Ibid., p. 49.
401. There were also a small number of independent agrarian candidates in the election, but they had little success.
403. See Robin, Martin. Radical Politics and Canadian Labour (Queen's University), 1968, esp. ch. IX to XIII, pp. 119ff.
405. Ibid., p. 122.
409. Ibid., pp. 302-303.
410. Ibid., p. 303.
411. Ibid., p. 304.
412. Ibid., p. 305.
413. Ibid., pp. 304-305.
414. Ibid., p. 62.
415. MacGibbon, op. cit., ch. IV, pp. 64ff.
416. Ibid., p. 65.
420. For one account see E. C. Drury's Farmer Premier (McClelland & Stewart), 1966.
421. Patton, op. cit., p. 389. The U.F.A. phenomenon will be discussed more fully in the next chapter.
422. Morton, Manitoba, ch. 16, pp. 380ff.
423. Ibid., p. 397.
425. See ibid., and Young, W. Democracy and Discontent: Progressivism, socialism and social credit in the Canadian West (McGraw-Hill), 1969, for this argument.
426. Ibid., p. 127.
429. Ibid., p. 50.
430. Ibid., p. 49.
431. Ibid., p. 50.
432. Ibid., p. 64.
433. Ibid., p. 77.
434. Ibid., p. 91.
437. Ibid., pp. 211-212.
438. Ibid., p. 216.
439. Ibid., p. 231.
440. Ibid., pp. 226-231.
441. Ibid., pp. 173-175.
442. Donnelly, M. S. The Government of Manitoba (University of Toronto) 1963, p. 58.
444. MacGibbon, op. cit., p. 82.
446. MacGibbon, op. cit., pp. 73-74.
447. Urquhart & Buckley, op. cit., p. 381.
448. Ibid., p. 354.
449. Report of the Royal Commission on Dominion-Provincial Relations, p. 121.
450. Fowke, op. cit., p. 73.
452. Ibid., p. 208.
453. Ibid., pp. 203ff.

454. Ibid., pp. 208, 211

455. Ibid., pp. 252, 256, 257.

456. Ibid., p. 253.

457. Ibid., p. 421.


460. In 1930, 35% of Manitoba's population was "gainfully occupied" in agriculture. The figures for Saskatchewan and Alberta were 60% and 51%, respectively. Report of the Royal Commission on Dominion-Provincial Relations, p. 121.

461. Sharp, op. cit., p. 188.
CHAPTER V

DEFEAT FROM THE JAWS OF VICTORY: THE UNITED FARMERS OF

ALBERTA REGIME, 1921-1935

Alberta was the only province in which the organized agrarian petit-bourgeoisie established clear political hegemony during the agitation which swept Canada in 1921. The United Farmers of Alberta (U.F.A.) held provincial power from 1921 until their utter defeat by the Social Credit League in the 1935 Alberta general election. Nowhere in Canada were the organized agrarians afforded the opportunity for undisputed control of a provincial government that they were afforded in Alberta. From 1921 until their defeat, the U.F.A. governed with a clear and secure parliamentary majority, unlike the United Farmers of Manitoba and of Ontario. The U.F.A. record, their efforts to implement the reforms which inspired the agrarian agitation, must be scrutinized carefully since the roots of the Social Credit movement and doctrine lie in the rich soil of the U.F.A. Indeed, the Social Credit movement grew within the U.F.A. initially, breaking with and turning on the U.F.A. government only as the regime came to be viewed by its own agrarian base as incompetent, unimaginative, cowardly, and even callous in its efforts to cope with the effects of the Depression of the 1930s on Alberta. The Social Credit movement offered the Alberta agrarian petit-bourgeoisie a compelling panacea. It was a panacea which promised to mount a
general assault on highly selective aspects of capitalism as well as on the federal power and the uses to which it was being put, a panacea which would defend and strengthen the agrarian petit-bourgeoisie in its increasingly desperate efforts not only to prosper but quite literally to survive.

During the U.F.A. era the agrarian populist agitation in Alberta was moderate, even conservative, in orientation, and the provincial power, held directly for fourteen years by Alberta's organized agrarian petit-bourgeoisie, was used neither as a means for effective political challenges to federal power and federal policies nor as a means for economic challenges to capitalist development and its consequences. If anything, the U.F.A. believed it had fulfilled its primary objectives merely by filling the Legislature and the Cabinet with the farmers themselves.¹

The U.F.A. came to power after 16 years of Liberal rule (1905-1921). The period leading up to their victory had been characterized, as it had throughout the Prairie West, by all the successes and failures in settlement and economic development which had resulted in an increased and well-organized agrarian petit-bourgeois agitation combined with the aggressive series of class economic activities which brought into existence the edifices of agrarian business co-operation in the grain trade.

Development in Alberta was phenomenal after the turn of the century. A 1901 population of 73,022 had become 374,295 in 1911,
588,454 in 1921, and 731,605 in 1931.² The distribution of the population between town and country was significant in terms of the organized agrarian petit-bourgeoisie's long record of political success in Alberta (see Table XXV).

Table XXV: Rural and Urban Population, Alberta, 1901-1936.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Rural</th>
<th>Urban</th>
<th>% Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>73,022</td>
<td>54,489</td>
<td>18,533</td>
<td>75</td>
</tr>
<tr>
<td>1906</td>
<td>185,695</td>
<td>127,820</td>
<td>57,875</td>
<td>69</td>
</tr>
<tr>
<td>1911</td>
<td>374,295</td>
<td>236,633</td>
<td>137,662</td>
<td>63</td>
</tr>
<tr>
<td>1921</td>
<td>588,454</td>
<td>356,550</td>
<td>222,904</td>
<td>62</td>
</tr>
<tr>
<td>1931</td>
<td>731,605</td>
<td>453,097</td>
<td>278,508</td>
<td>62</td>
</tr>
<tr>
<td>1936</td>
<td>772,782</td>
<td>486,335</td>
<td>286,447</td>
<td>63</td>
</tr>
</tbody>
</table>

Source: The Case for Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, 1938, p. 15.

Furthermore, the incredible rate of growth in population placed enormous stresses on the immature infrastructure of the infant province. The rate of growth in population was in excess of 500% in the century's first decade alone.³ Although population growth in the
second decade tapered off to 57\%, population expansion in the province remained high until the Great Depression.

The growth in population was reflected in economic activity. In the period of 1905 to 1927 there were 169,824 homestead entries in Alberta. By 1930 there were 20,713,847 homestead acres in the province. The boom from 1909 to 1915 never saw the annual number of homestead entries below 10,000. After 1917 there was a steady decline to an average of 1,000 to 3,000 Alberta entries annually. Of course, these figures underestimate the rate of growth of farm units since more land was obtained through purchase than through homestead: even as early as 1902 fully one-half of settlers were on purchased lands.\(^5\) In 1901 there were 9,476 Alberta farm units. By 1921, when the U.F.A. came to power, there were 82,954 farms: a growth of 875\%. Table XXVI provides the full picture.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>9,476</td>
</tr>
<tr>
<td>1906</td>
<td>30,286</td>
</tr>
<tr>
<td>1911</td>
<td>60,559</td>
</tr>
<tr>
<td>1916</td>
<td>67,977</td>
</tr>
<tr>
<td>1921</td>
<td>82,954</td>
</tr>
<tr>
<td>1926</td>
<td>77,130</td>
</tr>
<tr>
<td>1931</td>
<td>97,408</td>
</tr>
<tr>
<td>1936</td>
<td>100,358</td>
</tr>
</tbody>
</table>

Source: The Case for Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, 1938, p. 21.
By 1936 the total area in farm lands was in excess of 40,000,000 acres, of which 18,000,000 acres were improved lands. The total value of agricultural production leapt from $16,428,205 in 1906 to $136,355,276 in 1921 to $242,052,089 in 1929. As in Saskatchewan, wheat was the most important agricultural commodity, rendering Alberta's economy extremely fragile and sensitive to wheat market shifts. Table XXVII provides a summary of the development of wheat production in the province.

As Table XXVII shows, the acres committed to wheat grew from 177,127 acres in 1906 to 4,649,404 in 1921: a growth of 2600%. The value of wheat grew from $2,549,408 in 1906 to $40,756,000 in 1921: a growth of 1600%. This value increased incredibly with the high prices and good crops of 1926 to 1928. Wheat's share of the total value of agricultural production (including grain, root and fodder crops; dairy products; and animals slaughtered and sold) grew from 16% in 1906 to 30% in 1921 to 45% in 1926. The only other province this dependent on a single crop was Saskatchewan where wheat production was even more economically pre-eminent. Fully 57% of Alberta's 1921 field crop was in wheat, by 1925 this had become 75.7%. It would be useful, in Tables XXVIII and XXIX, to compare Alberta's situation with that of other provinces.
Table XXVII: Statistics Concerning Wheat Production in Alberta, 1906-1937.

<table>
<thead>
<tr>
<th>Year</th>
<th>Acres in Wheat</th>
<th>Total Yield in Bushels</th>
<th>Price per Bushel</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906</td>
<td>177,127</td>
<td>3,906,020</td>
<td>$0.65</td>
<td>$2,549,408</td>
</tr>
<tr>
<td>1911</td>
<td>940,164</td>
<td>20,066,987</td>
<td>0.62</td>
<td>12,376,100</td>
</tr>
<tr>
<td>1916</td>
<td>1,567,738</td>
<td>41,610,946</td>
<td>1.33</td>
<td>55,369,406</td>
</tr>
<tr>
<td>1921</td>
<td>4,649,404</td>
<td>53,044,000</td>
<td>0.77</td>
<td>40,756,000</td>
</tr>
<tr>
<td>1926</td>
<td>6,115,000</td>
<td>113,120,000</td>
<td>1.05</td>
<td>118,776,000</td>
</tr>
<tr>
<td>1927</td>
<td>6,251,000</td>
<td>171,277,400</td>
<td>0.98</td>
<td>167,993,236</td>
</tr>
<tr>
<td>1928</td>
<td>6,707,526</td>
<td>155,662,000</td>
<td>0.75</td>
<td>117,008,000</td>
</tr>
<tr>
<td>1929</td>
<td>7,551,215</td>
<td>90,534,000</td>
<td>1.14</td>
<td>103,067,000</td>
</tr>
<tr>
<td>1930</td>
<td>7,164,000</td>
<td>132,900,000</td>
<td>0.39</td>
<td>51,831,000</td>
</tr>
<tr>
<td>1931</td>
<td>7,938,000</td>
<td>140,603,000</td>
<td>0.36</td>
<td>50,617,000</td>
</tr>
<tr>
<td>1932</td>
<td>8,201,000</td>
<td>167,355,000</td>
<td>0.32</td>
<td>53,554,000</td>
</tr>
<tr>
<td>1933</td>
<td>7,898,000</td>
<td>102,334,000</td>
<td>0.45</td>
<td>46,050,300</td>
</tr>
<tr>
<td>1934</td>
<td>7,501,000</td>
<td>112,500,000</td>
<td>0.58</td>
<td>65,250,000</td>
</tr>
<tr>
<td>1935</td>
<td>7,500,000</td>
<td>98,648,000</td>
<td>0.61</td>
<td>60,175,000</td>
</tr>
<tr>
<td>1936</td>
<td>7,537,200</td>
<td>66,000,000</td>
<td>0.92</td>
<td>60,720,000</td>
</tr>
<tr>
<td>1937</td>
<td>7,834,000</td>
<td>74,000,000</td>
<td>0.98</td>
<td>72,520,000</td>
</tr>
</tbody>
</table>

Source: The Case For Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, p. 16.
Table XXVIII: Proportion of Net Value of Production Arising from Agricultural Production in Canada and the Prairie Provinces, selected years, 1920-1934

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada</th>
<th>Manitoba</th>
<th>Saskatchewan</th>
<th>Alberta</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920</td>
<td>41.3</td>
<td>60.0</td>
<td>86.8</td>
<td>72.5</td>
</tr>
<tr>
<td>1925</td>
<td>40.4</td>
<td>61.8</td>
<td>92.8</td>
<td>75.5</td>
</tr>
<tr>
<td>1930</td>
<td>22.8</td>
<td>31.9</td>
<td>56.9</td>
<td>47.0</td>
</tr>
<tr>
<td>1934</td>
<td>28.3</td>
<td>44.8</td>
<td>76.1</td>
<td>66.8</td>
</tr>
</tbody>
</table>

Source: The Case for Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, 1938, p. 94.

Table XXIX: Percentage of Field Crop in Wheat, 1921, 1926, and 1931.

<table>
<thead>
<tr>
<th>Province</th>
<th>1921</th>
<th>1926</th>
<th>1931</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td>48</td>
<td>33</td>
<td>43</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>66</td>
<td>69</td>
<td>67</td>
</tr>
<tr>
<td>Alberta</td>
<td>57</td>
<td>67</td>
<td>57</td>
</tr>
<tr>
<td>All Prairies</td>
<td>60</td>
<td>62</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: The Case for Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, 1938, p. 94.
The Alberta Liberal government presided over this impressive, if vulnerable, economic expansion. Yet marching hand-in-hand with the incredible advances in population and agricultural development were the persisting grievances of the western Territories. Prior to the establishment of the two new provinces, partisan politics in the Territories meant little as the near-unanimous opinion of the people crystallized around demands designed to redress those grievances. Opinion in the Territories was well-united around demands to establish, for example, a more efficient land policy, including: the final settlement of all outstanding land claims of Indian, half-breed, and white settler alike; the opening of cancelled lands; the establishment of a more sensitive residence recognition and of a second homestead right; the reduction in price for pre-empted land; and the postponement of land payments in seasons of drought. Furthermore, and not surprisingly, there was virtually universal support for the repeated demand that revenues from lands, timber, and minerals ought to go to the Territory rather than to the Dominion (just as their control ought to pass to the Territory). Such grievances were reflected, in the most general sense, in the constant and apparently non-partisan demands for responsible government. In this regard, particular political grievances centered around clauses 13 and 14 of the Northwest Territory Amendment Act, 1888 which gave the Lieutenant-Governor the power to select his advisors and the sole right to introduce money bills. These amendments had been widely touted as representing a move to responsible government, a concession
which, in fact, was not to be granted until October 1, 1897\textsuperscript{13} in the context of a refusal to grant the Territory provincial status. As the Montreal Star editorialized on April 8, 1904,

\ldots the people of the Territories are deprived of the control of their public lands, of their minerals, of their timber. They have no power to raise money on their own credit. They have no fixed subsidy, and are dependent on annual doles from the Dominion Government, small and uncertain in amount. They have no power to incorporate railway, steamboat, canal, transportation and telegraph companies.\textsuperscript{14}

In such circumstances, the demand for provincial status tended to unite public opinion and to detract attention from other and perhaps deeper political and economic differences in the Territory.

The Territory's demands regarding provincial status were put most sharply by F. W. C. Haultain in 1903. These included,

1. Equal rights with all other provinces of the Dominion and the same financial compensation that has been given to those provinces;

2. Control of the public domains in the West by the West and for the West;

3. Compensation for the alienation of any part of the public domain for purely federal purposes;

4. The removal of the unjust and onerous C.F.R. exemption from taxation.\textsuperscript{15}

Haultain also vigorously advocated one new prairie province. Without enmeshing us in the details of the political posturing of various groups of federal and territorial politicians, suffice it to say that the
Federal Liberal Government erected two additional Prairie provinces while failing to concede any of the more important demands that provincial status was to deliver. The Dominion retained all public lands, mines, minerals, timber, and royalties obtained therefrom. Further, the terms of autonomy continued to grant taxation exemption to the C.P.R. as well as providing the provinces incomplete and unsatisfactory educational jurisdiction. Not surprisingly the Federal Liberal Government named Liberals to the posts of Lieutenants-Governor in the new provinces, thus ensuring the formation of Liberal governments in preparation for the first provincial general elections. In the 1905 Alberta general election the Liberals won 23 of 25 seats, an election in which "... the decisive factor ... was the Liberal possession of the machinery of provincial and federal administration." 

The Liberals governed without serious difficulty until the election of 1913 when uneasiness about the provincial debt, about the rumours of corruption and bungling surrounding the Alberta and Great Waterways Railway crisis of 1910, and about the threatening pre-war Depression ensured a close contest with the Tories. By the election of 1917 the Tory threat was considerably reduced as the continuous Liberal charge that the Tory party was nothing but "... butler-in-ordinary to the Canadian Pacific Railway company" continued to be widely believed in rural Alberta, where elections were decided. Indeed by 1917 the U.F.A. (the organized expression of rural Alberta) was so powerful that the Calgary Herald was moved to say of the U.F.A. that
"when it comes to an issue they are the bosses of the situation in this province." The Liberals had wisely remained extremely responsive to the U.F.A. and Conservative efforts to win a rural breakthrough by adopting aspects of the U.F.A. agrarian program continued to fail. Some Tories were to find a more successful political home in the U.F.A. later.

The apparent Liberal success was to disintegrate overnight as the "bosses of the situation," the U.F.A., in the context of the national agitation among the organized agrarian petit-bourgeoisie for class political action, turned inexorably toward political action from 1917 to 1921. U.F.A. support for the Liberal party was usually reluctant and grudging, never involving direct endorsement of either candidates or platform. In truth, the U.F.A. suffered the Liberal government as the better of two evils. The U.F.A. decision to go political ultimately rendered the apparent Liberal electoral hegemony in the province as chimerical as the Tory hopes to become agrarian champions had been.

Alberta experienced all the problems characteristic of the Canadian Confederation project from the turn of the century through to the post-world War I era: the slow start in the settlement of the West, the fragile wheat boom of 1896-1913, the threatening depression forestalled only by the War, the struggle for a New National Policy by the threatened agrarian petit-bourgeoisie, and the mixed blessings of the War-induced prosperity with its threat of inevitable post-War Depression. However, due to the rapid expansion of population and
agricultural production, Alberta experienced all these problems in
sharper relief. Consequently, the reverse of the coin which allowed the
Liberal government in Alberta to lay claim to the great successes of the
wheat boom period insisted that the government also accept responsibility
for all the difficulties which were inherent in the boom due to its
character and narrow economic base.

Even the beginning of the "wheat boom" period was not auspicious
in Alberta since "from 1890 to 1897 the years were very lean in a
large portion of Alberta" due to severe drought. Indeed, 1894-1895 in
Alberta was a year of irrigation agitation marking an early, and highly
specific, agrarian demand for positive state intervention
to alleviate their problems. Similar agitations went forward on the
issue of railway construction, seen by many as an essential step in
establishing an agricultural viability which would allow the producer a
decent share of the boom. In 1909, the Liberal party responded by cam-
paigning on the issue of the construction of various railway branch
lines, the most notable of which was the Alberta and Great Waterways
Railway to the Peace and Athabasca regions. This was the beginning
of Alberta's long slide into deep public debt which ultimately was to undo the Liberal government (and later the U.F.A. government).

Heavy public borrowing in order to build the developmental in-
structure - especially in transportation - was characteristically
engaged in by all the provincial and the federal governments. However,
such borrowing in the Prairies very quickly reached dangerous propor-
tions due to the speed and suddenness of expansion and the fragile and uncertain basis of the prosperity of the region. Alberta's public debt grew from nothing in 1906 to $56,200,000 in 1913, of which 37,200,000 involved railway bonds guaranteed by the provincial government. By 1917 this debt had grown to $72,400,000, and by 1920 to $92,300,000. Of a total of $21,300,000 of Government expenditures in 1920, $2,500,000, or about 11%, went on debt charges. A more revealing comparison is to realize that the total revenue from all sources of the Government in 1920 was only $13,000,000. Thus, fully 19% of Government revenue went on debt charges. By 1921, the year of the U.F.A. victory, the public debt had reached $116,100,000, with no sign of a slow down. In the same year, government expenditures had grown to $29,000,000 with $3,800,000, or about 13%, going on debt charges. In that same year the total contingent liabilities of the government of Alberta for railway bonds ($39,600,000) exceeded its total expenditure by nearly $10,000,000. Additionally, total revenues for 1921 declined to $12,100,000. In the eyes of many, particularly the organized agrarian petit-bourgeoisie, what was seen as an orgy of spending by an irresponsible government could not go on.

Hand-in-hand with this public debt, private debt increased apace. Farm credit was such a serious problem that it, of all the various issues, was the one which significantly determined the rise and fall of governments in Alberta. The problem of private debt was so severe that it was estimated that in 1926, 16.9% of the Alberta
wheat crop was required simply to meet interest payments. Estimates of private farm debt are difficult to make; however, informed estimates prepared for the Royal Commission on Dominion-Provincial Relations ascertained that by the time of the Depression in 1932 the private mortgage debt in the Prairies was conservatively $400,000,000: in Alberta alone, $162,000,000. In addition to this private mortgage debt one must add debts arising from agreements for the purchase of land, loans for the purchase of farm machinery, and store credit. Taken together, the total private debt in Alberta was conservatively estimated in 1931 at $315,800,000, on which interest rates varied at between six and 10 percent. Much of this private debt had been accumulated as a result of the expansion in agriculture during the war-time and post-war booms.

The persisting grievances regarding debt and credit, so permanently a part of the agrarian agitation, were exaggerated by an inflationary credit policy pursued by the federal Government to finance the costs of the War. As noted in the previous chapter, this course served to fan the flames of the abiding sense of grievance of the Prairie agrarians. Indeed, the whole War policy and its consequences -- the inflationary credit policy; higher taxes; controlled agricultural prices in the context of industrial war profiteering; the inflationary costs of agricultural implements; the decisive emergence of urban, industrial capitalism as the leading economic sector -- all profoundly alienated the Prairie agrarians. The 1917 Federal general election is
often pointed to as evidence of the isolation of Quebec where the overwhelming majority of voters supported Laurier's anti-conscription candidates against the Union Government. While this is no doubt true, another significant factor is often overlooked: a large bloc of the anglophone rural vote supported Laurier; evidence, in the context of war-time hysteria, of deep, bitter, and abiding alienation of a significant sector of rural English Canada, including 35.5% of Alberta's voters. 40

There is no need here once again to catalogue the many other grievances of the Prairie agrarian petit-bourgeoisie and their fellow agrarians across Canada: these have been well laid out in the previous two chapters. Yet it is essential to recapture a sense of the depth of the agrarian petit-bourgeoisie's alienation from the two established parties and their policies and ultimately from the whole system of parliamentary politics as practised in Canada in that era. The agrarian petit-bourgeoisie had lived under the federal administrations of both parties and had witnessed no significant structural responses to their various agitations. Their cynicism regarding the two federal parties and the terms of Confederation had never been deeper. In this context, it is no wonder that Alberta's agrarian petit-bourgeoisie turned almost overnight (apparently) to support the Progressive party federally and the U.F.A. provincially. The U.F.A.'s curious doctrine of group government 41 (which, incidentally, was never put into effect) must have seemed an attractive option after years of disillusion and disgust with
"the nose-pulling game of Party Politics."\textsuperscript{42} The end of the War, and the impact of the post-War Depression on the Prairie West in general, and Alberta in particular, made the outcome, in retrospect, inevitable.

The 1920-1923 post-War Depression fell heavily and unfairly upon the Prairie agrarians who had financed agricultural expansion on private credit during the war boom. As the Report of the Royal Commission on Dominion-Provincial Relations comments,

> The [downward] movement of prices had drastic effects upon the Canadian economy, not so much because of the extent of the fall (although it was one of the most severe ever experienced following an almost equally abrupt rise) but because of the great disparities which developed. Selling prices (whole-sale prices) fell more rapidly than costs (cost of living, wages, freight rates, interest rates, etc.). Agricultural prices, particularly that of wheat, fell far out of line with the prices of manufactured goods and the cost of living. During the rapid expansion of the War years, Prairie farmers had incurred heavy debts, purchased much machinery, equipment and land at high War prices. When the value of wheat fell by more than 50 per cent, it became virtually impossible to carry these overhead costs and commitments.\textsuperscript{43}

Table XXX reminds us of the uneven, class and regional nature of the 1920-23 Depression (discussed in some detail in the previous chapter). The whole economy slumped, but the agricultural sector experienced a deeper Depression; its grain sector, especially wheat, the deepest. All wholesale prices fell 29% between 1920 and 1921, by 1923 this fall over 1920 prices had reached 37%. Similarly, all export prices
Table XXX: Indices of Prices and Exports, 1920-1923

<table>
<thead>
<tr>
<th>Year</th>
<th>All Wholesale Prices</th>
<th>Export Prices</th>
<th>Farm Products</th>
<th>Wheat Prices</th>
<th>Manufactured Goods Prices</th>
<th>Cost of Living</th>
<th>Value of Exports</th>
<th>Volume of Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920</td>
<td>109</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>160</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1921</td>
<td>71</td>
<td>74</td>
<td>64</td>
<td>66</td>
<td>74</td>
<td>88</td>
<td>64</td>
<td>87</td>
</tr>
<tr>
<td>1922</td>
<td>62</td>
<td>60</td>
<td>55</td>
<td>49</td>
<td>64</td>
<td>81</td>
<td>71</td>
<td>118</td>
</tr>
<tr>
<td>1923</td>
<td>63</td>
<td>59</td>
<td>51</td>
<td>43</td>
<td>66</td>
<td>81</td>
<td>80</td>
<td>136</td>
</tr>
</tbody>
</table>

Source: Report of the Royal Commission on Dominion-Provincial Relations, Book I, King's Printer, Ottawa, 1940, p. 113.
fell 41% between 1920 and 1923. Yet prices for farm products fell 49% and for wheat, 57%, in the same period. Prices for manufactures, the production of which was concentrated in Central Canada, fell 34%. At the same time, the cost of living fell only 19%. Whereas the value of exports fell 20% from 1920 to 1923, the volume actually increased 36%. It was one of the most devastating depressions in the Confederation's history.

In Alberta the Depression, despite its relatively short duration, was disastrous since in 1920 almost 73% of her net value of production was agricultural. The total value of Alberta's crops fell from $204,291,500 in 1920 to $82,780,000 in 1921. 57% of Alberta's field crop was in wheat, the prices for which fell furthest. Manitoba was the only Prairie province with a successfully diversified economic base, including its agricultural base. Alberta had witnessed some development of oil, but its other mineral production, especially coal, lagged and its infant lumber and manufacturing industries were dwarfed by the economic significance of wheat. The same was even more true for Saskatchewan.

It was this sharp, if brief, Depression of 1920-23, more than any other single factor, which elected the U.F.A. to provincial office in Alberta in the 1921 election.
The U.F.A. Goes Political

Although the roots of the United Farmers of Alberta have been traced to the Edmonton Agricultural Society, established in 1879, the organization, as such, began in 1909 when the Alberta Farmers' Association (A.F.A.), Albertan elements of the Territorial Grain Growers' Association, and the Alberta branch of the Society of Equity joined to found the U.F.A. under the motto, "Equity." This unification combined the activist advocacy of the Society of Equity for direct economic and political class action with the A.F.A.'s preference to behave as a more decorous, non-political pressure group with close ties to the government of the day. There were consequently considerable tensions within the new organization; for one, the A.F.A. had been very close to the provincial Liberal government; for another, the Society of Equity's positive attitude toward labour and working with labour was met with a hostility to labour from other affiliating elements, a hostility that outweighed the sympathy for labour among a large minority of the new U.F.A. Despite such tensions, the new organization flourished, growing from 1073 members at its founding in 1909 to 37,000 members at its zenith in 1921.

At the outset, the major purposes of the U.F.A. were three: to engage in co-operative economic action; to pressure for good legislation; and, more generally, to do everything possible to improve the economic, social and political position of the farmer. Structurally, the U.F.A. set up three organizational divisions -- edu-
cational, political, and economic -- to pursue these objectives.

Additionally, the constitution trod a narrow path between autocracy and democracy. Although the Convention, held annually, was supreme, "the executive dominated U.F.A. affairs." The executive committee -- composed of the President and four Vice-presidents -- together with the Board of Directors (with a representative from each Federal electoral district) ruled between Conventions. Very quickly the executive committee became "the real centre of power in the U.F.A.," as the Board met less and less frequently and was called upon to make fewer and fewer decisions. By 1915, the executive committee became more than merely initiators, they came to screen all resolutions coming from the locals to the Convention and increasingly they came to write many of the resolutions which were finally considered by Convention. Gradually a full-time bureaucracy was established which, together with the executive committee, came to dominate not only the organization between Conventions but the Convention itself. An example of this increasing entrenchment and domination was annually reflected by Henry Wise Wood's Convention chairmanship: he was not particularly democratic and became noted for interrupting and replying immediately to speakers from the floor with whom he disagreed (all with the warm support of a healthy majority of the delegates). This executive domination of the U.F.A. is important to keep in mind as we discuss the debate within the organization leading up to political action since most of the executive, and especially Wood, opposed direct political action and
only responded to irresistible pressure from below to go political. U.F.A. political activists faced therefore their first and most difficult battle within the U.F.A. itself and this situation was to become characteristic as a reluctant leadership was retained to fight a battle in which it had little confidence either in its necessity or its possible outcomes. Later, and similarly, the reluctance of the U.F.A. leadership to respond to rank-and-file pressure was to result in the organization's membership swinging overnight to support Aberhart and Social Credit.

The debate regarding direct class political action had been a central one in the U.F.A. from its founding onwards. W. J. Tregillus, Wood's predecessor as President, had always advocated the establishment of a third party and during his tenure as U.F.A. president the relationship with the provincial Liberals was always uneasy. However,

The election of Henry Wise Wood signified a return to co-operation with the provincial Liberals. Wood, the acknowledged leader of the conservative wing of the U.F.A., vigorously pursued a policy of official political non-partisanship combined with a pragmatic support for the Liberal government of the day. However, there was strong support for class political action within the U.F.A.'s base, just as there was across the country among the organized agrarian petit-bourgeoisie, and political activists formed the Non-partisan League (N.P.L.) and went directly to the U.F.A. rank-and-file.
The N.P.L.'s electoral successes in October of 1917 and growing general agrarian support for class political action made inevitable the January, 1919 U.F.A. Convention decision to go political. According to Macpherson, the N.P.L.'s program and activities

... won such response that the U.F.A. leadership was forced to take over the League organization and principles and embark on direct electoral action itself.65

The depth of the U.F.A.'s break with Alberta's Liberals (and a comment on Wood's enormous flexibility) was revealed by the hitherto closeness of the relationship between the U.F.A. under Wood and the Liberals. Liberal Premier Stewart's son was a U.F.A. member and the only reason Premier Stewart himself was not a member was due to the U.F.A.'s strictly enforced constitutional provision, which was in effect until the U.F.A. went political, forbidding membership in the U.F.A. to holders of political office.66 Indeed, according to press reports at the time some among the U.F.A. bruited the idea of asking Stewart to head up the U.F.A. government after their unexpected victory.67 Annually, the U.F.A. met with the Cabinet and usually found a receptive ear for much of what they advocated. Following the dominant Anglophone Liberal groups, Wood, himself, had supported the Union Government in the 1917 federal election and was rumored to have been offered a federal Cabinet post along with Crerar.68 This closeness helps explain the U.F.A.'s leadership's deep reluctance about going political independently.
The dramatic nature of the leadership's reversal is put into sharp relief when we remember that Wood's fundamental reluctance to going political was re-expressed at the 1918 U.F.A. Convention when he said, "This is no time for radical, impractical enterprises, no time to listen to hysterical, unthinking advisors." Throughout 1917 Wood had repeatedly documented the dangers of political action by reminding the U.F.A., in articles and speeches, of the disastrous experiences of American agrarian organizations which had gone political. However, Wood and the more moderate elements of the U.F.A. failed to stop the movement for political action as the N.P.L.'s strength grew, whereupon Wood became alarmed at the prospect of the more radical N.P.L. controlling agrarian politics in Alberta.

The N.P.L. program was much more specific than the U.F.A.'s was to be and, contrary to Macpherson, certainly more radical. The N.P.L. advocated the provincial public ownership of monopolies, public utilities, terminal elevators, and flour mills. They advocated the establishment of provincial banks which would provide credit at cost. They campaigned for progressive taxation on income, estates, and corporations. In an effort to achieve a more responsive democracy the N.P.L. proposed the implementation of the initiative, the referendum, and the recall. All such policies were not too much at variance with what the U.F.A. supported and what the Progressive party proposed during the 1921 federal general election, although the N.P.L. public ownership plank went much further. Another principle the N.P.L. campaigned
on, and which struck a deep chord of approval among the U.F.A.'s base, was the abolition of the party system and its replacement with a "business government" based on a system of unaffiliated representatives under constituency control rather than Cabinet rule. The U.F.A. took over this perspective completely in its agitation for election, though it took no steps toward its implementation upon victory.

The singular issue which provoked Wood's concern, and which was the rock upon which the federal Progressive party was to founder, was the N.P.L.'s advocacy of a "broadening-out" of the political organization to include an alliance of farmers, workers, and returned veterans. Wood denounced this, arguing that only farmers should be in the organization and that no formal organizational ties should be established with non-farm groups, although a passive form of co-operation by omission was not precluded. In April of 1921, Wood put it this way:

Any attempt by the farmers and organized labour to frame a joint platform would weaken the force of both labour and farmers.

Everytime the door of the farmers' organization as been opened, nobody has walked through it into the organization, but the entire organization has walked out.

No farmers' organization has survived the "open door."74

There was particular concern about an "open door" to labour, or any form of formal organizational affiliation, since there was strong support for such an alliance even among the older elements from the
Society of Equity as well as among the new and more aggressive N.P.L. which had 6,000 members, most of them in the U.F.A. Such concern regarding labour, particularly its political direction, cannot have been but inflamed by events like the Western Canada Labour Conference, which met in Calgary on March 16, 1919, the largest and most militant trade union meeting held in Canada to that date. The Conference called for the "abolition of the present system of production for profit, and the substitution for it of production for use." Many agrarian populists could live with that rhetoric. But support for "industrial soviet control" and a resolution expressing "full accord and sympathy with the aims and purposes of the Russian Bolshevik and German Spartacist revolutions" could not have won much support, even among the most militant of the U.F.A.'s rank and file. Yet the influence of labour, if the N.P.L.'s grand alliance came to fruition, would have undoubtedly been great.

The prospect of the N.P.L., as an alliance of farmers, workers, and veterans, leading the way successfully in third party politics in rural and urban Alberta convinced Wood and the U.F.A. to reverse their position completely. During the Cochrane by-election in November of 1919, Wood had been transformed from demure Cassandra to the leading campaigner on behalf of the U.F.A.'s candidate. At one speech he said,

\[
\text{We want to mobilize our class opinions.}
\text{We have never had a class opinion, and}
\text{the consequence has been that so far as}
\text{politics was concerned, half of you}
\text{always went to the polls and killed the}
\]
votes of the other half. Could anything be more foolish? Our tactic is to make our class articulate. 79

The N.P.L. refused to divide over the issue of broadening-out, and, capitulating to Wood prior to the Cochrane by-election, advised its members "to amalgamate with the U.F.A." 80 Although the struggle to broaden-out continued in the U.F.A. sporadically, it was never successful and the U.F.A. remained exclusively an agrarian organization. Of course, the most significant result of the whole N.P.L. interlude was that the U.F.A., by January, 1920, was irrevocably committed to political action in the provincial general election expected in July of 1921. 81

The Liberals were disconsolate. Premier Stewart had attended the January, 1920 U.F.A. convention to plead with them not to enter politics. In his eloquent appeal he said,

... Every political party attracted scamps. The farmers' party, if they formed one, would be no exception, and ... it would be better to weed out the slackers who did not perform rather than to have a wholesale slaughter of the whole system. 82

He was listened to, and ignored. The organized agrarians had tried that route since 1896 to no avail.

The Tories were less unhappy. Indeed, later they opposed the U.F.A. only in four seats and a former leader, George Hoadly, ran for the U.F.A. and became the Minister of Agriculture. The Liberals were quite bitter and continued to try to forestall the U.F.A.'s entry into
politics through various Liberal overtures to the U.F.A. leadership to try to strike a deal. They all failed, although, interestingly, John Brownlee, the U.F.A. and U.G.G. lawyer, supported the notion of doing a deal with the Liberals. 83

When the people of Alberta went to the polls on July 18, 1921, after a whirlwind election campaign that had demonstrated a massive sense of agrarian unity, 84 the U.F.A. won an unexpected victory. 85 The U.F.A. had fielded candidates in only 45 of the 61 seats, winning a stunning 38 seats with only 28.8% of the popular vote. 86 They had won an undisputed majority of seats and the right to form the government. Labour had fielded 10 candidates, winning four seats with 11.4% of the popular vote. The Tories had run in only 13 seats, winning one with 11.6% of the vote. The Liberals, running in 59 seats, won a heart-breaking 15 seats with 33.8% of the popular vote. Three independents also won seats. The U.F.A. seats were overwhelmingly rural, which, due to traditional rural over-representation, explains the fact that the U.F.A.'s 28.8% of the vote could win 38 seats, while the Liberals' 33.8% could only win 15 seats.

During the election the Edmonton Journal had complained about "... the chaos in our politics." 87 This sense of uncertainty was not only reflected in the final results but had been sensed by the U.F.A. leadership during the campaign. On July 6, 1921, Wood, speaking at a Macleod nominating convention, had optimistically stated,

I have not been very anxious to have the responsibility of the government
of Alberta fall upon the U.F.A. at this time, but there is a tide now rolling that I believe is irresistible and that I think is going to sweep the U.F.A. into power ... 88

Two days later, Wood was reported to have had doubts about winning power, setting his sights on putting 20 farmers into the next Legislature. Yet, in the same breath, he again referred to "... an irresistible tide moving over Alberta." 89 Even on election day, characterized by the heaviest vote in Alberta's history, Premier Stewart was still forecasting an easy Liberal majority, predicting 35 Liberal seats. 90 The next day Stewart found himself about to become the Leader of the Opposition of a small contingent of Liberals, a lone Tory, and a corporal's guard of Labour members, known to be sympathetic to the U.F.A. 91

The U.F.A. had essentially fought the campaign locally with very little province-wide direction. Indeed, the election manifesto on which the U.F.A. stood was not widely publicized until after the election. 92 It is worth quoting the "Election Principles and Platform" in total, as it appeared in the Grain Growers' Guide of 17 August, 1921, before discussing it.

U.F.A. Election Principles and Platform

Believing that the present unsettled conditions in Canada politically are due in large measure to dissatisfaction with the party system of Government, and,

Believing that the present political institutions fail to measure up to the
requirements of present day conditions in that the present system has failed to develop a sufficiently close connection between the representative and the elector and that the people desire a greater measure of self government.

Recognizing the rights of all citizens, believing that it is the duty of every citizen to exercise his rights of citizenship in the most efficient manner, and in the best interest of social progress, and believing that individual citizenship can only be made efficient and effective through the vehicle of systematically organized groups;

We, the United Farmers of Alberta, base our hope of developing a social influence and a progressive force, on becoming a stabilized, efficient organization. We therefore place primary emphasis on organization.

Our organization is continuously in authority, and while through it we formulate declarations of principles, or a so-called platform, these are at all times subject to change by the organization.

We are a group of citizens going into political action as an organization. Each elected representative is answerable directly to the organization in the constituency that elected him.

We aim to develop through the study of social and economic problems an intelligent responsible citizenship.

Thus organized citizenship becomes the vehicle not only of intelligent voting but also of intelligent guidance of elected representatives.

A full recognition of the supremacy of the organization in all things does not nullify the importance of a platform. Recognizing this importance we submit the
following as a suggested platform to be used by the U.P.A. Provincial Constituencies in the coming election: --

Reconstructive Legislative Program

1. Representation of all classes of the community in the legislature according to their numerical strength. This to be brought about through proportional representation, and a preferential ballot in single member constituencies.

2. We endorse the principle of the initiative, referendum and recall.

3. That thirty days' public notice be given before the issuing of the writ for any provincial election.

4. That no government be considered defeated except by a direct vote of want of confidence.

5. Administration of the affairs of the province with the greatest measure of economy that is consistent with efficiency.

6. Abolition of the patronage system in the conduct of all provincial business.

7. That a Highways Commission be created whose function it shall be to supervise and control all Provincial Road work and expenditure for that purpose, which commission shall supplant the present method of party control and patronage.

8. Education: To provide as far as possible equal opportunities for all children of all the people by gradually extending and improving educational facilities.

9. Public Health: Adequate provision for the maintenance of the health of the people as the duty of the government.
10. **Prohibition:** To enact and enforce such legislation for the control of the liquor traffic as the people may sanction by referendum. Prohibition is an integral part of the farmers' platform and the U.F.A. will use its influence in that direction.

11. **Natural Resources:** We stand for the immediate handing over of the natural resources by the dominion to the province of Alberta and the conservation and development of these for the benefit of the people.

12. That encouragement be given to cooperative efforts in the marketing of the products of the farm, and along lines calculated to reduce the cost of production, distribution and living.

It is important to examine this manifesto carefully, both because it has been so rarely reproduced and because so much myth surrounds it in the minds of partisans of the populist movement. The manifesto's preamble complained, typically, of the party system and posed the alternative of group government together with an elaborate justification of responsible, democratic citizenship through organized groups representing the various classes in society. As we've noted earlier, this was never implemented, nor were the measures proposed to bring this about ever explained in detail. Perhaps that explains why very little was done to enact them. In fairness, the U.F.A. government made a gesture in the direction of its theory during its first term when Alex Ross, a Labour member, was included in the Cabinet as Minister of Public Works. This did not remain a tradition.

Of more interest, perhaps, is the U.F.A.'s so-called "Recon-
structive Legislation Program," containing 12 explicit planks. It is worth examining the fate of those planks. Plank One was never implemented. Plank Two was never implemented. Plank Three was implemented in practice. Plank Four was never implemented, despite an internal crisis over the issue. Plank Five, economy and efficiency, was to become a major focus of the new Government. Planks Six and Seven were implemented, at least according to the prevailing practice of patronage characteristic of that day, a not inconsiderable reform. Planks Eight, Nine, 11, and 12 could be and were subscribed to by any party of the day: they were so vague that any government would and could claim to be implementing them. In all fairness, though, and in order to do justice to the U.F.A., the fact that education and public health figured so prominently in their platform ensured that in future such issues would have to be addressed centrally by all parties seeking electoral support. As well, on the natural resources question, the Alberta Liberals were equivocating and had failed to prosecute the issue as vigorously as many Albertans would have liked. Plank 10, regarding Prohibition, was carried out, but to the dissatisfaction of all parties to the dispute.

However, let us concede that historians are often much more sensitive to political platforms and whether they were carried out than the electorate to whom they were immediately addressed. The fact is that the issues which really caught fire in 1921 in Alberta were the U.F.A.'s critique of the party system and their proposals for the system's transformation; the demand for thirty days between issue of
writ and the election; the call for a direct want of confidence rule in the Legislature; the call for the "administration of the affairs of the province with the greatest measure of economy that is consistent with efficiency;" and the promise of an abolition of the patronage system. The most exciting aspect of the election, regardless of promises and platforms, of course, was that Alberta's farmers had gone into politics. For the population, both the supporters and opponents of the U.F.A., this was the key issue. Opponents of the U.F.A. saw it as the beginning of class government. Supporters of the U.F.A. saw it as the first real possibility for a fundamental transformation of the political system, and ultimately of the social and economic system, in ways more congenial to the organized agrarian petit-bourgeoisie.

At the January, 1921 Convention, attended by 1465 delegates and characterized by a tremendous sense of unity, U.F.A. President Wood's address had set the tone for the election, fought, as it was, in the midst of one of the worst agricultural depressions in experience, when he said,

So far as the present is concerned, we are certainly hard hit. We are in an acute stage of economic sickness, but with proper care we will soon be convalescing and eventually regain health and vigour.

During the speech Wood had re-iterated aspects of his social theory and his notion of group government. But his practical comments were of more interest in terms of the election and of the course the U.F.A.
government was to follow. He complained that agriculture was in the "vanguard" of the cost of the post-war reconstruction since "agriculture, as the basic industry, is the great economic burden bearer ..." Furthermore, the price of labour had gone out of sight:

If the price of labour remains anywhere near the level of last season, they [Alberta's farmers] will have to curtail their farm operations as near as possible to their own force, as they cannot hope to come out even on the production of labour hired at such prices ...  

The only solution for each farmer, therefore, was to practice "rigid and systematic economy" as well as to organize his class. Similarly, the government must accept "the absolute necessity for a more rigid practice of economy." This theme was to recur throughout the U.F.A.'s tenure in office.

After the election Wood was asked about the priorities of the new government. At the top of the list was the "scrapping ... of ... political machines" and the ejection of "all political hangers-on" from government. When asked for a message for the people, Wood replied,

I sincerely hope that never again will we see the elected members of the provincial legislature building and operating a political machine.

When asked about the most pressing problem facing the new government, Wood replied,

... the first duty would be to reorganize the government on a basis of efficiency in the administration of affairs in an economical, business-like way.
The Grain Growers' Guide picked up the themes, extolling "the destruction of the Party system" in Alberta and suggesting that political patronage, especially in roads and telephones, ended the day after the election. The Grain Growers' Guide also promised economy.

The new government comes into power fully appreciative of the nature of the task which lies before it. Responsibility is accepted solely as a trust .... The government inherits a legacy of problems financial and industrial. The need for the utmost economy in administration is realized.

The Guide went on to ridicule those with "predictions of blue ruin to follow the presupposed class legislation of a farmers' government" since the U.F.A. clearly had "the simple intention of advancing the welfare of the province as a whole." Earlier, during the election, The Globe had also felt compelled to rush to defend the U.F.A.'s real designs. Responding to those who associated the U.F.A. with communism, The Globe commented,

It is important that these attempts to couple the "Reds" of Canada with the United Farmers in the West and in the East should be exposed promptly and fully .... The farmers of Canada ... are the natural enemies of Communism .... The farmer is the greatest bulwark in all civilized states of the right of private property .... Canadians are not going to be fooled with the lie that the farmer is a friend of revolution and the associate of revolutionists.

Of course, the Guide and The Globe were considered to be the farmers' press.
Other newspapers were less sympathetic, predicting, as the Edmonton Journal did, "chaos in our political institutions."\textsuperscript{104} However, by mid-August, 1921, even the Edmonton Journal had been placated when its editorial stated,

There is certainly nothing to get excited about in connection with the course the new Alberta premier has pursued.\textsuperscript{105}

The Financial Post, on the other hand, began what was to be a long feud with the new U.F.A. government with the following post-election comment:

As an organization they [the U.F.A.] have never done anything to promote better agriculture. Their time has been taken up in demanding this, that and the other extreme forms of legislation which they fancy would improve their position and get them bigger pay for their produce, but the improving of farming as an industry has not interested them in the least.\textsuperscript{106}

The Financial Post continued to attack the "so-called agrarians who would legislate prosperity by class measures, who advocate political principles for promotion of the industry along lines where it will yield great wealth to the individual without undue expenditure ... of time and labour."\textsuperscript{107} The Financial Post relented in its feud only when confronted in 1935 with the even greater nightmare of Social Credit.

The new government was undoubtedly a new departure in Canadian politics, particularly since, unlike the U.F.O. in Ontario, the U.F.A. had a solid legislative majority if not an undisputed popular mandate. It was the first time that the organized agrarian petit-bourgeoisie
had clearly won the undisputed control of a provincial government. In a sense, too, the U.F.A. did embark on "class legislation," though not in the narrow sense attributed to them by the editorial writers of the opposing press. They had not only won the mandate to govern as the organized expression of a class, the agrarian petit-bourgeoisie, but also to govern the whole society, all classes, in a more democratic and effective way and to show that they, of all classes, were best equipped to manage the affairs of government and to bear the weight of office in a responsible and uncorrupt manner.

No less than 34 of the successful U.F.A. candidates identified themselves as farmers. The only prominent non-farmer was J.E. Brownlee, the U.G.G. and U.F.A. lawyer. During its whole period in office, only four non-farmers would make it into the U.F.A. Cabinet. (The Liberals had only had two farmers in its Cabinet during its period in office.) Two of these non-farmers were included in the first Cabinet; J.E. Brownlee as Attorney-General and, a Labour member, Alex Ross as Minister of Public Works. Even by 1935, 30 of 36 M.L.A.'s on the U.F.A. side were farmers, while there were three lawyers and three teachers. Clearly, the U.F.A., at least in terms of its occupational make-up, was a government of the organized agrarian petit-bourgeoisie, itself the most advanced and conscious sector of the agrarian petit-bourgeoisie. It is worth examining, briefly, how the U.F.A. exercised the leadership of its class and of Alberta as a whole.

The rank-and-file of the U.F.A. expected immediate results from
its government and this was reflected in the unsettled nature of the new, U.F.A. dominated Legislature. This unsettledness, which was so serious that often the Government went into the Legislature not sure that it could pass its legislation, continued until the Government had clearly rejected the want-of-confidence plank and had unmistakably asserted its support for, and intention to continue, the British parliamentary system in the Alberta Legislature. Demands for an end to foreclosure, for a debt moratorium, for a better seed grain advance plan, etc. were all rejected out-of-hand by the Government, although they found their way into the speeches of U.F.A. backbenchers. Disillusionment very quickly set in and the annual U.F.A. Convention became the battleground between such demands emanating from the U.F.A. membership and the Government's refusal to yield to them. In 1922, at the height of the Depression, Premier Greenfield responded to one such plea for debt relief from a U.F.A. local, thusly:

> The tendency to look for Government assistance in any time of stress has been growing rapidly in the last few years and, in my judgement, has been responded to too freely by Governments, with the result that the morale of many of the people of Western Canada has been weakened, and the old spirit of "get in there in spite of setbacks" is rapidly disappearing.

Indeed, having won power largely as a result of the Depression, Greenfield, who was also Provincial Treasurer, introduced a parsimonious budget which cut existing services, attempted to eliminate waste, and
rejected any proposed new services. Greenfield suggested that "the allies against the farmers are high freights, labour, machinery and money ...", and especially "the centres of world finance." His solution to the Depression was not particularly reassuring:

Many of our general financial problems can be solved by time, and time only. There is no immediate remedy. The natural laws of economics must take their course.

In 1923, contrary to U.F.A. Convention demands, the new Government proceeded to end the practice of seed grain advances, started by the Liberals in response to the impact of the Depression. The 1923 Budget continued the themes from 1922, insisting that all government expenditures had to be reduced to "the limit of sound economy." Greenfield, in the same speech, also denounced Government paternalism, complaining that "in recent years ... our people have learned to lean unduly on the Government for assistance" and lashing out at the "lavish meeting of exceptional conditions." Suddenly the theory of class government was turned on its head: now the classes in society were called upon to co-operate for the sake of the Government's balance sheet.

I desire to have the people of this Province understand clearly that the sympathetic co-operation of all classes of our citizenship is required in whatever efforts may be necessary to re-instate our expenditure programme to an amount that will fall reasonably within our income.
By 1924, when the Depression turned around, the Government had cut 196 staff from the civil service since its election and Reid, the new Provincial Treasurer, could say, "Hold on with courage, the future has great things in store for you." Against such a point of view, it was no wonder that "... farmers by 1925 had ceased to petition the government with hastily conceived panaceas for their dilemmas. Simultaneously much of their economic interest had shifted away from the U.F.A. to the co-operative marketing pools." Indeed, by 1923-24 the U.F.A. membership had dropped from its high of 37,721 in 1921 to 15,000. By 1925-26, the U.F.A. had become an "efficient government in a prosperous period." As Betke puts it,

Alberta farmers were now to experience an era of competent government administration under Brownlee's leadership at the same time that U.F.A. activities stagnated.

Indeed, in the 1926 election, Brownlee, who was appointed Premier in November of 1925, refused to campaign on any new promises for programs, saying,

On our record for the past five years, and that alone we are going to the people. Rather than make promises I may be unable to fulfill, I would rather go down to defeat ....

The main campaign theme was "economical administration and constructive policies." At the polls, the U.F.A. did even better than in 1921, running in 46 seats (of 60) and winning 43 of them with 40.5% of the
popular vote. However, there was a 40% decline in voter turnout: in 1921, 298,177 votes were cast; in 1926, only 175,137 votes were cast. Turnout remained low until the Social Credit sweep almost doubled the turn-out in 1935. After the election, Brownlee refused to invite a Labour member into the Cabinet and proceeded to govern as if the U.F.A. were a traditional party in the British parliamentary system: all without any interference from Wood and the U.F.A. organizational leadership.

To be fair, the Government had little choice regarding its tight-fisted approach to spending. In 1921, the U.F.A. Government faced a public debt of $116,100,000 which continued to grow, reaching $159,900,000 in 1930. Liberal Government expenditures in 1921 were $29,000,000. The U.F.A. approach reduced this to $23,200,000 in 1922, $17,600,000 in 1923, and $20,900,000 in 1924. By 1929, expenditures were nearly in line with government revenues. Debt charges continued to take a great share of government expenditures.

There was, however, a significant change in the expenditure patterns of the Alberta Government after the U.F.A. took office. The U.F.A.'s denunciation of Liberal profligate spending was taken seriously and the new government not only proceeded to engage in extensive cutting but in some re-ordering of expenditure priorities. In 1921, of $29,000,000 of expenditure by the Liberal Government (representing, in a year of serious Depression, an increase of 36%
over 1920's expenditures), 12% went to Education ($3,400,000),
3% to Public Health ($1,000,000), and 2% to Public Welfare ($600,000). 142
In 1922, the first year of the U.F.A.'s regime, of $23,200,000 of
expenditure (representing, as promised, a cut of 20% over 1921
expenditures), 16% went to education ($3,600,000, up 6%), 7% to
public health ($1,600,000, up 60%), and 3% to public welfare ($700,000
up 17%). In 1921, the Liberals spent 15% of total expenditures on
agricultural programs ($4,300,000), 1% on the public domain ($200,000),
8% on highways ($2,300,000), 19% on telephones ($5,400,000), 15% on
railways ($4,400,000), and 13% on debt interest ($3,800,000). In
1922, the U.F.A. spent 16% of total expenditures on agricultural
programs ($3,800,000, down 12%), 1% on the public domain ($300,000
up 50%), 6% on highways ($1,400,000, down 39%), 13% on telephones
($2,900,000, down 46%), 5% on railways ($1,200,000, down 73%), and
16% on debt interest ($3,800,000, unchanged). Overall the U.F.A.
during its time in office spent 11% of its expenditures on general
government compared to the Liberals' 20%.

In his last Budget Speech, C. R. Mitchell, the Liberal
Provincial Treasurer, had pleaded,

In this third year of reconstruction, it
seems to me there is a greater need than
ever for all diverse elements in this
country, whether political or not, to get
together and attempt a solution of common
problems. Opposition is not always a
corrective, or even a palliative. When a
common object is sought there is more to be
gained by co-operation than in any other
way. 143
Of course, Mitchell was making a last minute appeal to the U.F.A. to stay out of politics, his leader having been rebuffed repeatedly by U.F.A. Conventions. However, the first year of U.F.A. rule had proven Mitchell and the Liberal chorus, which had claimed that all was being done that could be done, decisively wrong. The U.F.A. did deliver — overall expenditures were cut drastically at the same time as social expenditures in education, health and welfare were increased significantly.

The U.F.A. ruthlessly cut those areas they considered to be most extravagant and patronage-ridden — highways, telephones, and railways — and which they considered to be undue burdens on the population in a time of serious agricultural depression. And the cuts were even more drastic by 1923 when total expenditures were cut by a further 24% (1923 expenditures were 39% down over those in 1921). However, in line with the U.F.A. Government's opposition to leaning unduly on the government, serious cuts were made in all areas in 1923, much to the consternation of many among the U.F.A. rank-and-file. There were significant tax cuts, but the pattern of revenue generation stayed quite close to that characteristic of the Liberal period. Of course, the U.F.A. Government had little choice in the matter, the value of Alberta's crops, which was $204,291,500 in 1920, had fallen to $94,369,600 in 1922: a fall in dollar value of $109,921,900, or 54%, in the context of serious inflation (which would mean a greater fall in real value). In such a situation expenditures could not
have remained at the level they had reached under the Liberals. The
significant point, though, is that the U.F.A. took their promises about
economy in government quite seriously, one might say by 1923, even
ruthlessly. The pattern of expenditure priorities remained, however.
Table XXXI tells the comparative story of expenditure priorities between
the Liberal and U.F.A. administrations.

Parsimony in government spending became an absolute virtue in
the U.F.A. regime even after the Depression had ended and the boom of
the 1920s had become firmly established. By 1926 the government was
still cutting its expenditures and eliminating positions from the
civil service. Increasingly, the U.F.A. Cabinet came to reflect the
conservative wing of the agrarian movement which argued that the least
government, especially in economic matters, was the best government.
The spirit of co-operation (as distinct from the practice) became the
key to a harmonious social order and the cement which would bind together
hitherto antagonistic social classes. R. G. Reid, the U.F.A. Provincial
 Treasurer in 1926, characterized the government's development
strategy in the following terms:

We, ourselves, of course, realize the
greatness and importance of our unde-
veloped riches, since it is upon these
that our faith in Alberta is built; but
this should be a matter of more general
knowledge, for we need capital to make
this wealth completely available; we
need man-power to do the work that re-
 mains to be done; we need an access of
the spirit of co-operation to make all
these things contribute to our pros-
perity in the most effective and last-
ing way.
Table XXXI: Expenditures of Alberta Governments, 1905-1935

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</tbody>
</table>

Source: Hanson, Eric John. *A Financial History of Alberta, 1905-1950*, unpublished Ph.D. dissertation, Clark University, n.d., pp. 42, 189, 250, 346, 480. See Appendix B of his work for Dr. Hanson's methods of calculation in which he combines income and capital expenditures. All figures are rounded and should be viewed as close approximations provided for the purposes of comparative analysis. The category "Other" is excluded, hence percentages do not add to 100.
Above all, according to Reid, for Alberta to "take-off," the "right kind" of settler was needed; "settlers who can pass the test of average intelligence, who are capable of hard work and of sticking to the land."\(^1\)

As the boom picked up, the U.F.A. credited agriculture, unfettered by government interference, with the recovery: a recovery in which the nation's "common interests ... merged." Speaking in 1928, the U.F.A. Provincial Treasurer had this to say,

... the flow of wheat to the markets of the world is the life stream of Canadian business, and the economic health of Canada will vary as the harvest varies. Townsmen and countrymen, workmen of the cities, industrialists and farmers will alike be affected by these prosperous conditions, for in the crop returns their common interests are merged.\(^2\)

Indeed, there was much truth in these remarks: although the primacy of agriculture in the Canada of 1928 might be sceptically re-examined, there can be no doubt about the assertion that "... 1927 will go down in history as Alberta's year."\(^3\) The value of Alberta's agricultural production had reached $330,143,152 in that year, averaging $4385 per farm unit.\(^4\) But, according to the U.F.A. Cabinet, this did not mean that the government should allow things to get out of hand: the U.F.A. administration continued to refuse the eight-hour day to the labour movement\(^5\) and continued to practice rigid economy in government spending. The Provincial Treasurer put it most emphatically:

The measure of prosperity achieved is legitimate ground for satisfaction;
but does not justify extravagance in either public or private expenditure. What has already been won has been at the cost of strenuous endeavour, and can only be retained by the continual exercise of thrift. 154

This thrift, and Government's view of its own role in society, was reflected most dramatically in the fact that Alberta had the lowest taxation rate compared with value of net production west of Quebec. 155 Furthermore, government expenditure in 1927 was kept to $26,100,000, $3,100,000 less than the last year of Liberal rule and only $2,900,000 more than the first year of U.F.A. rule. 156 Education spending was about the same as in 1922, public health spending was marginally up, as was public welfare spending. Spending on agricultural programs, reflecting the boom, was down drastically ($600,000 compared to $3,800,000) while spending in other economic areas was relatively the same. Debt interest now consumed $7,300,000, or 28% of the government's total expenditure. Clearly, the U.F.A. government did not believe the government should intervene in the economy unduly, especially in times of prosperity. And although the U.F.A. had promised and delivered economy in government, it had not managed to deal with the problem of the deepening public debt: even strict economy had had no impact there. As for private debt, it was assumed that there, too, strict economy on an individual basis would solve the problem. As with the public debt, this was no solution since, just as the province was faced with the construction of infrastructure, so each individual farmer
was faced with the expansion and mechanization of his farm, a process which was inevitably dependent on credit. Thus the question of credit continued to be a central concern among the U.F.A. as an organization, the U.F.A. provincial government, and the U.F.A. federal M.P.s.

At their 1923 provincial Convention, the U.F.A. delegates had again demanded a publicly owned provincial bank as a means of providing the farmer with cheap credit and only narrowly defeated a call for the provincial government funding of private farm debt.\(^{157}\) Even at the more staid Saskatchewan Grain Growers' Association Convention of that year, credit and banking was a big topic.\(^{158}\) The sentiment was so strong in the West that the Financial Post worriedly commented on the "... tremendous pressure from below for public credit."\(^{159}\)

These sentiments and this pressure had been echoed in the speeches of many Progressive M.P.s, particularly those from the Prairies, in the House of Commons the previous Spring. On March 20, 1922, William Irvine, Progressive M.P. (Labour) for Calgary East and a key publicist in the agrarian movement, gave a long and detailed diagnosis of the Depression in which he concluded,

... the paralysis of industry in Canada is not due to lack of demand; it is not due to a lack of natural resources; it is not due to a lack of plant; it is not due to a lack of people to operate these plants; but it seems to be due to a lack of finance, to a lack of financial credit ...\(^{160}\)

Having eased up to his conclusion, Irvine became even more emphatic, asserting that "... credit is the breath of life to industry ...,"\(^{161}\)
"... the base of our industrial pyramid," and that "... the basis of our industrial troubles ..." was "... the credit system." Irvine repeated this theme in all its variations and concluded that all groups -- manufacturers, capitalists, farmers, bankers, and workers -- should "study credit and the Douglas system." The analysis was picked up by other Progressive M.P.s and driven home again and again. T. Sales, M.P. for Saltcoats, speaking on June 6, 1922, wondered "... what it is that stands between the man who grows the stuff and the man who wants to eat it." D. F. Kellner, M.P. for Edmonton East, asserted, on May 30, 1922, that interest and debt were the biggest problems and that "... we shall have to change our credit system" since "our people are fast being divided into two classes, one paying interest and the other collecting it." O. R. Gould, M.P. for Assinaboia, re-echoed the theme of the centrality of credit and interest to the problems of the Dominion, as did W. C. Good of Brant. R. M. Johnson, M.P. for Moose Jaw and J. F. Johnston, M.P. for Last Mountain, re-iterated similar themes, the first focussing on the problem of credit and "the economic government of the country" and the latter on the national debt. W. J. Ward of Dauphin, C. Wallace Stewart of Humboldt, A. M. Carmichael of Kindersley, Milton N. Campbell of Mackenzie, G. G. Coote of Macleod, Robert Gardiner of Medicine Hat, R. A. Hoey of Springfield, and J. S. Woodsworth of Winnipeg Centre, all picked up the themes of credit, interest, banking, currency, and purchasing power in this stormy Spring session of 1922. It is not
being suggested that these were the only issues raised by the Progressive M.P.s; but it is being suggested that such issues were considered central and dominated a good deal of the speaking time of Progressive M.P.s, especially those from the West. Indeed, G. G. Coote, M.P. for Macleod, put it most succinctly when he said, "this banking question is getting to be a rather burning one in Western Canada" and suggested that there was a clear "... need of some new system of credit in this country."\(^{170}\)

In contrast, the talk of provincial banks, provincial funding of farm debt, new systems of currency, and cheap interest profoundly worried and embarrassed the U.F.A. Government. The 1923 U.F.A. Convention, as we've noted, had almost passed a resolution calling for the issue of provincial bonds to liquidate farmers' debts: it was narrowly defeated only with the personal intervention of Attorney-General Brownlee.\(^{171}\) The same Convention also unanimously re-affirmed the U.F.A. demand for a publicly owned provincial bank to provide credit at cost. The previous year, 1922, the Convention had also called for the issuing of currency by the Provincial Government. The Government had emphatically refused all such policy initiatives, basing its refusals on the opinion of constitutional experts. Yet U.F.A. Locals continued to pass resolutions, and The U.F.A. newspaper continued to write articles, supporting the increasing agitation in favour of the Douglas System of Social Credit.\(^{172}\) The Government's concern was deep since they believed that such talk would threaten the province's financial position. On
February 3, 1923, Premier Greenfield warned that "... bond houses and those who deal in our securities are beginning to ask some very awkward questions." Indeed, as early as its first Throne Speech, the Government had clearly forewarned supporters of its concern for the attitudes of investors when it committed the Government to "... strict economy and careful administration in order to maintain unimpaired the credit of the Province." The Government's concern was well-founded. Not satisfied with characterizing the U.F.A. provincial banking resolution as "communistic banking," the Financial Post warned the Government and the Legislature that investors would withhold loans until the province's laws governing credit were clarified and acceptable. By April 20, 1923, the Government had satisfied the demands of the investors by allowing appeals to judges by either party of a debt settlement under the Province's debt legislation.

However, the Government continued to be exasperated with the credit agitation in its own ranks. H. W. Wood, given the crisis and the implications of the Social Credit agitation, intervened successfully in the organization in order to put an end to such initiatives with the result that

after mid-1923, the government received little correspondence from U.F.A. local organizations. Membership sagged and fewer local meetings were held each year. Once again government perogative was emphatically asserted against the overwhelming sentiment of the membership. However, the membership
may have been silenced by prosperity and government intransigence regarding Social Credit, but they did not forget their sympathy for that particular package of panaceas.

While dealing with the initiatives from the U.F.A. rank-and-file in the context of threatening noises from investors, the U.F.A. Government also, in the Legislature, had to deal with its own back-benchers. While the Journals of the Alberta Legislature, including the annual Throne Speeches, reveal that the U.F.A. Government responded to and remained faithful to many of the organized agrarian petit-bourgeoisie's demands on the federal government, on provincial matters there were serious divisions.

Each year the U.F.A. annually passed resolutions demanding that natural resources revert to provincial control and insisting on strong pro-Alberta terms for the ultimate settlement of the issue. (This is in marked contrast to the Liberal Government which, in their last year in office, had equivocated on the issue.)\(^{178}\) As well, each year the U.F.A. Government took strong stands supporting agricultural marketing issues, the fight for freight rate reductions, the re-establishment of the Wheat Board (even calling a special session to pass legislation to concur with the federal government's Wheat Board legislation),\(^{179}\) complaints about federal regulation of banking and credit, tariff reduction demands, taxation reform, a more responsive railway policy, etc. Indeed, there was little the U.F.A. was not prepared aggressively to demand of the federal government. Such demands were
put with massive unity in the U.F.A. ranks. The divisions and the issues over which division occurred were more interesting.

In the first instance, and in the first session, the Government refused to implement the U.F.A. platform promise asserting that the Government would resign only upon the passage of a direct vote of want of confidence, thus freeing members to keep the Government in office at their pleasure while selecting, according to conscience and local sentiment, which government measures members would support. Premier Greenfield was unequivocal when he rejected the policy, saying, "The Government might, at some time in the future, feel itself so committed to some question of policy that the defeat of the measure would of necessity require the Government's resignation." Former Liberal Premier Stewart could not have put this cornerstone of Cabinet government any better. U.F.A. backbenchers did not immediately take Greenfield's statement to heart and, until about 1923, the Legislature remained somewhat unpredictable, the Government often never knowing how it would come out on a vote.

The matter and the question of principle was a serious one: on the one hand, the Government threat of resignation was key to maintaining discipline among backbenchers under the British Parliamentary system; on the other hand, the capacity of members to be unfettered representatives of their constituents, a key element of the U.F.A.'s theory of parliamentary reform, group government, and ending partyism, was dependent on the members assurance that their principled rejection
of particular programs or measures would not inevitably end in an
election. Eventually, the Government was able to convince its back-
benchers to air such differences as they may have had in caucus rather
than in the House: in accord with normal British parliamentary prac-
tice. This agreement essentially ensured that the U.F.A. regime became
a typical Cabinet form of government.

Notwithstanding this agreement, other issues continued to
cause controversy in the House among U.F.A. backbenchers. Resolutions
lamenting the problems of farm credit with banks and commercial in-
terests continued to be presented and often passed if they required
no provincial action. When they required provincial government
action -- as in the March 23, 1923 call for the public ownership of
credit -- they were defeated, often with the Liberals voting in support
of the U.F.A. government loyalists and U.F.A. dissidents joining Labour
in support of such measures. When faced with agitation about the
need to regulate the grain trade, while agreeing with the demands that
the federal government should do so and supporting co-operatives and
pools, the U.F.A. government refused to use its licensing powers as an
indirect means of regulation. The Government even resisted minor,
albeit high in public profile, reforms such as taking over Government
House for provincial use or sale since it was an extravagance and a
burden on the people. Occasionally, controversial policy resolutions
would be passed but not acted upon, as in the case of the resolution in
favour of public development of power passed in March of 1929.
Some of the more controversial issues were raised by the Labour members in the House, whose support for the government was increasingly reluctant as the years of U.F.A. power went by. Those among the Labour members, and their supporters, who had hoped for a pro-labour government were quickly disabused, particularly after the 1926 election. The organized agrarian petit-bourgeoisie's attitude toward labour had always been ambivalent: labour was not universally believed to be the natural ally of the farmer among many in the movement, despite the valiant efforts of those who argued such a case. A poem having some currency and circulation at the time ("The Obliging Farmer" by Herne Liddell of Summerview, Alberta) reflects this ambivalence.

The Manufacturers' Association Sings:

Suppose a labor union
  Must work a shorter day
How can the fact'ry owner
  Induce his mill to pay.
Why, sho! It comes as easy
  As barking to a pup;
He sells unto the farmers
  And shoves the prices up.

The Politician Sings:

Suppose the cost of living
  Is making hot air fly,
We launch a king's commission
  To dust the public's eye.
When that will work no longer
  And mad consumers frown,
We turn onto the farmers
  And shove their prices down.
The Financiers Sing:

Suppose the nation's war debt
Should be too big to pay
We'll circumvent the problem
In just the same old way.
We'll raise the farmers' taxes
If that won't fill the cup,
Why, then, on farmers' imports
We'll shove the duties up.

All Together Sing:

A very useful army
These noble sons of toil,
The horny handed mossbacks
Who cultivate the soil.
Among the ranks of labor
They're now the last resort,
For those who live by parties
The sole remaining fort.

Chorus:

The farmers should remember
These days of labor strife
To be contented with the place
They occupy in life.
So hark to Mister Cockshutt
Ye Grits and Tories true
And keep the farmers in the place
The Lord has called 'em to.187

This attitude -- not one of hostility, but of ambivalence based on the farmer's perception that labour's demands helped to worsen his situation -- was current among many in the U.F.A.

Labour had been hopeful during the early days of the U.F.A. regime. They had obtained a seat in the Cabinet, reasonable labour
legislation (though far, far from what they wanted), and an increased minimum wage for women. However, the Government very quickly made it clear that it did not intend to be overly sympathetic to Labour's demands. The government's policy of rigid economy in expenditure, even in times of prosperity, failed to live up to Labour's expectations regarding appropriate levels of spending in health, education and public welfare. Labour leaders were especially incensed at the Government's rigid parsimony on the question of relief. But labour had other, more serious disputes with the Government, such as the hiring of 42 special police in 1922 for use during the strike in the Edmonton coal district and the Government's refusal (with Liberal support, while some U.F.A. members supported Labour) to hold a public inquiry into the coal industry. The Government made one concession to Labour demands by passing the Alberta Mineral Taxation Act in 1923; however, most mine owners refused to pay and the legislation was disallowed by the federal government on April 29, 1924. The U.F.A. never again defied federal constitutional authority.

In the meantime, Labour continued to question the use of police in strikes and to call for an inquiry into the coal industry on an almost annual basis. Further, the U.F.A. Government continued to resist the calls for the eight hour day, better labour legislation, stronger social legislation in general, higher minimum wages, better unemployment relief, etc., which regularly emanated from the Labour members and were regularly endorsed by Labour Conventions.
These developments, characteristic of the U.F.A. government's first two terms, reflected and, in turn, accelerated the growing disenchantedment between the Government and the U.F.A. rank-and-file, on the one hand, and the government and Labour, on the other. The government was unable, or unwilling, according to their lights, to use the provincial government, both its constitutional authority as well as its political influence, in ways to bring about, or attempt to bring about, the deeper social and economic changes for which elements of the organized agrarian petit-bourgeoisie and organized labour continued to agitate.

By the time of the election of 1930, in which only 188,219 electors voted (compared to 278,177 in 1921), the Government was able to win a majority (39 of 63 seats), while losing only four seats and 0.9% of the popular vote compared to 1926. The Tories remained alive, winning six seats with 13.5% of the popular vote, while the Liberals held 11 seats with 24.6% and Labour four with 7.6%. In its 1930 Speech from the Throne, presented six months before the June, 1930 election, the Government spoke about "the temporary recession in business and industry throughout the Dominion." Nothing more was said in the Speech about the crash that had occurred. R. G. Reid, Provincial Treasurer, speaking a month later during the budget debate, tried to be re-assuring and philosophical:

In the economic world there are actions and reactions as elsewhere. There is the ebb and flow of industrial and speculative currents. There is progress and recession. If these forces meet with
interference, whether natural or artificial, they will seek other channels. The recent collapse of the stock market tends to improve bond prices. The stopping of credit for industrial expansion slows up business. We see the inevitable consequences of unsound speculative activity being re-enacted today, as they have been many times in the past in well-defined cycles. The economic factor, however, that most affects Western business is the production and sale of grain and livestock, and the money returns they bring to the farmer. Commerce and Industry in turn are dependent on the prosperity of the farmers, as are all other lines of activity in countries where Agriculture is the main source of wealth.

Increasingly the U.F.A. government seemed out of touch with national or even provincial realities, and this was brought home unmistakably during the Depression. Reid's analysis seemed to be based on a reality already 10 years gone in Canada and rapidly disappearing in Alberta: agriculture was simply not as central as the U.F.A. assumed in Canada as a whole and it was still being threatened at home in Alberta by urbanization and the development of other economic sectors. This initial analysis of the Depression may have won the nod of approval among the farming population, for a time, but it won the government few friends in the coal fields and in the cities and towns of Alberta as the ranks of the unemployed working class, swelled by failing farmers, grew.

Reid went on to point out that 1929 had been a good year in agriculture (value of production -- $242,052,089), only slightly worse
than 1928. The session was notable for its lack of concrete measures: the Government congratulated itself (it was an election year) on the settlement of the natural resources question, came out in favour of a national health insurance scheme and a national unemployment insurance scheme as well as announcing, regretfully, that there could be no tax cuts. 195 Premier Brownlee did find the time, however, to amend the resolution supporting public ownership of power development, passed the previous year, with the following emasculating qualification: that the Government would undertake "... the whole or such part of power development as the Government from time to time ... may consider economically sound and expedient." 196 Such was the Government's initial response to the Great Depression. In fairness, no other government did any more, perhaps some even did less. But the stage was set and the Government failed to respond very effectively. Indeed, the Great Depression, and the Government's apparently cavalier approach to it, would complete the erosion, already well under way, of its popular support.

The Ascendancy of the Social Credit League

The immediate impact of the Great Depression on Alberta was severe 197 and, as each Depression year went by, ultimately devastating. It was a calamity of national and international proportions; but, in Canada, it was more calamitous for the regions principally economically dependent on the production of primary products and most calamitous for
those regions mainly engaged in the production of primary food products. According to the Rowell-Sirois Commission Report:

By 1933 the value ... of world trade had fallen nearly 50 per cent from the level of 1929. About half of this contraction was due to the fall in prices and half to the shrinkage in volume. These decreases, because of their nature, fell with particular severity upon the debtor countries and the exporters of primary commodities .... At the bottom of the decline world industrial production had fallen 37 per cent from 1929. Three out of every ten of the world's industrial wage-earners were out of work.

The Canadian staple-based economy experienced the brunt of the Depression since one-third of Canada's national income was derived directly from abroad and two-thirds of Canada's exports were raw materials. Canada's economic success, such as it had been, had largely derived from the extraction and export of raw and semi-raw materials (food-stuffs, newsprint, lumber, minerals) to foreign markets. Crucial to this capacity was an expensive transportation system and basic infrastructure which had been built on borrowed foreign capital. The result of this was:

The application of this capital and of advanced techniques to virgin resources became the principal basis of our economic life. It involved a narrow specialization in the production of a few export staples, heavy fixed charges, and a precarious dependence upon the commercial policies of other countries.

These factors were worsened by the fact that Canada's two leading
exports -- wheat and newsprint -- faced a problem of world over-production and severe downward price pressures as well as a seriously over-extended internal credit system. All these factors combined to produce a rapid and steep fall in export prices with particularly disastrous consequences for Canada (see Tables XXXII and XXXIII).

Table XXXII: The Decline in Export Prices and Economic Activity, Canada, 1929-1933.

<table>
<thead>
<tr>
<th>Year</th>
<th>The Prices of 17 Major Exports</th>
<th>Export Prices of Major Farm Exports</th>
<th>All Wholesale Prices</th>
<th>Index of Employment Productivity</th>
<th>Index of Industrial Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929 July</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1930 June</td>
<td>82</td>
<td>70</td>
<td>90</td>
<td>93</td>
<td>80</td>
</tr>
<tr>
<td>1930 December</td>
<td>66</td>
<td>42</td>
<td>80</td>
<td>87</td>
<td>74</td>
</tr>
<tr>
<td>1931 June</td>
<td>62</td>
<td>42</td>
<td>74</td>
<td>83</td>
<td>64</td>
</tr>
<tr>
<td>1931 December</td>
<td>61</td>
<td>41</td>
<td>72</td>
<td>80</td>
<td>61</td>
</tr>
<tr>
<td>1932 June</td>
<td>54</td>
<td>37</td>
<td>68</td>
<td>72</td>
<td>59</td>
</tr>
<tr>
<td>1932 December</td>
<td>47</td>
<td>30</td>
<td>66</td>
<td>67</td>
<td>52</td>
</tr>
</tbody>
</table>

Table XXXIII: Canadian Export Prices, 1929-1933

<table>
<thead>
<tr>
<th>All Exports</th>
<th>Wheat</th>
<th>Cattle</th>
<th>Lumber</th>
<th>Newsprint</th>
<th>Copper</th>
<th>Dried Codfish</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ex. gold)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1929</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1930</td>
<td>84</td>
<td>70</td>
<td>87</td>
<td>87</td>
<td>100</td>
<td>75</td>
</tr>
<tr>
<td>1931</td>
<td>66</td>
<td>44</td>
<td>59</td>
<td>75</td>
<td>91</td>
<td>50</td>
</tr>
<tr>
<td>1932</td>
<td>60</td>
<td>41</td>
<td>46</td>
<td>67</td>
<td>79</td>
<td>38</td>
</tr>
<tr>
<td>1933</td>
<td>60</td>
<td>45</td>
<td>37</td>
<td>68</td>
<td>62</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Report of the Royal Commission on Dominion-Provincial Relations, Ottawa, King's Printer, 1940, Book I, p. 146.

Clearly, in Canada, "those furthest out on the long arm of this lever were the farmers, the fishermen, the lumbermen and the miners, in whose rigid costs (freight rates, taxes, mortgage interest and cost of equipment) the fixed interest charges were expressed." The problem of indebtedness was so severe that by 1932-33 servicing the debt took fully one-third of the total receipts derived from Canada's exports.

The incidence of the Depression, due to the regionally based structure of the Canadian economy, fell heaviest on the farmers and other primary producers, especially in the Prairie West, as well as, obviously, on the unemployed across the country and the investors in
common stock. In fact, those industries which were protected by tariffs actually did relatively better in the Depression since their prices declined considerably less than the decline either in the cost of living or in wholesale prices. By 1933, the cost of living had declined 22%, prices of tariff-protected manufactures by only 14%, all wholesale prices by 30%, export prices by 40%, and farm prices by 49%. Canada's farmers' share of the national income fell from 15% in 1929 to 7% in 1933, whereas the share of the national income won by wage and salary earners in the tariff-protected industries improved marginally (1929, 14%; 1933, 15%). As well, salaries and wages in the naturally sheltered industries and occupations (transportation and communication, merchandising, government and education, banking, insurance and the professions) improved their relative positions: earning 29% of the national income in 1929 and 35% by 1933. Table XXXIV reflects the disparity in the incidence of the Depression in terms of occupation and region as expressed in declines in net money income. Table XXXIV reveals that prairie farmers were the hardest hit in terms of net money income declines, their 1932-33 income representing a 94% decline over their 1928-29 income: more than double the decline in national income. Other producers of primary products and workers in export industries and construction experienced declines in excess of 50%. On the other hand, those involved in the so-called sheltered industries and economic activities experienced declines of
Table XXXIV: Depression Decreases in Net Money Income

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Change in 1932-33 Average Income from 1928-29 Average Income.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture - Prairies</td>
<td>-94</td>
</tr>
<tr>
<td>Fisheries</td>
<td>-72</td>
</tr>
<tr>
<td>Salaries and Wages in Construction</td>
<td>-68</td>
</tr>
<tr>
<td>Agriculture - Eastern Canada and B.C.</td>
<td>-64</td>
</tr>
<tr>
<td>Salaries and Wages in Exporting Industries</td>
<td>-50</td>
</tr>
<tr>
<td>Total National Income</td>
<td>-41</td>
</tr>
<tr>
<td>Dividends received by Stockholders</td>
<td>-40</td>
</tr>
<tr>
<td>Salaries and wages in the Protected Manufacturing Industries</td>
<td>-37</td>
</tr>
<tr>
<td>Income of Small Business and the Professions</td>
<td>-36</td>
</tr>
<tr>
<td>Salaries and Wages in the Sheltered Occupations</td>
<td>-30</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>-18</td>
</tr>
<tr>
<td>Bond Interest, Property Income from Life Insurance and Interest on Farm Mortgage Received by Individuals</td>
<td>+13</td>
</tr>
</tbody>
</table>

Source: Report of the Royal Commission on Dominion-Provincial Relations, Ottawa, King's Printer, 1940, Book I, p. 150.
money income considerably below that reflected in total national income. A notable exception to the general pattern, and one to keep in mind, is the fact that those involved in the private credit business actually experienced a 13% increase in money income during the period under consideration. These decreases in net money income by occupation, region, and economic activity category found a regional reflection in the per capita income declines experienced by each of the provinces. This comparison is provided in Table XXXV.

Table XXXV: The Decline in Provincial Per Capita Incomes, 1928-29 to 1933.

<table>
<thead>
<tr>
<th>Province</th>
<th>1928-29 Average $ Per Capita</th>
<th>1933 $ per Capita</th>
<th>Percentage Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saskatchewan</td>
<td>478</td>
<td>135</td>
<td>72</td>
</tr>
<tr>
<td>Alberta</td>
<td>548</td>
<td>212</td>
<td>61</td>
</tr>
<tr>
<td>Manitoba</td>
<td>466</td>
<td>240</td>
<td>49</td>
</tr>
<tr>
<td>British Columbia</td>
<td>594</td>
<td>314</td>
<td>47</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>278</td>
<td>154</td>
<td>45</td>
</tr>
<tr>
<td>Ontario</td>
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<td>Nova Scotia</td>
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<td>Canada</td>
<td>471</td>
<td>247</td>
<td>48</td>
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Source: Report of the Royal Commission on Dominion-Provincial Relations, Ottawa, King's Printer, 1940, Book I, p. 150.
As the Table reveals, in the case of Alberta, per capita income fell from third place, second only to B.C. and Ontario and well above the national average in 1928-29, to fifth place, well below the national average in 1933: reflecting a decline of 61%. The only province which experienced the Depression more seriously, in terms of income declines, was Saskatchewan.

The political consequences of the Depression were to renew the vigorous expression of the traditional agrarian petit-bourgeois grievances regarding their place in the Canadian political economy: grievances about the tariff, the grain pricing system, the credit system, corporate monopolies, though far from new, took on a new urgency in the context of the Great Depression. Such agitations were joined increasingly by those mounted by the unemployed and the organized working class on similar issues, but with a different focus.

The serious fluctuations in grain prices had led to another Royal Commission on grain futures whose Report, although it gave considerable space to the complaints of farmers' organizations, failed to support the agrarian agitation by concluding that trading in grain futures was good for agriculture and good for the farmer. This 1931 conclusion must have been rankling to farmers as the Depression worsened. The agitations around credit, which had continued through the twenties and intensified with the Depression, met a response in the form of a Royal Commission on banking and currency (which included J. E. Brownlee as one of its members). Although the Commission's
Report failed to support Social Credit ideas and other measures of radical monetary reform, it did document the serious problems of credit in agriculture, and finally recommended a central bank for Canada and a special rural credit scheme. The impact of the Report was that it had confirmed the depth of the problems without proposing serious or sufficient measures for their solution. Another Royal Commission, whose Report was released at the height of the Depression and had a big impact, confirmed and supported yet another area of agrarian petit-bourgeois and working class grievance: the growth of corporate monopolies and consequent economic abuses. The Report revealed that there had been 374 consolidations between 1900 and 1933 which had absorbed 1,145 concerns. Further consolidations were accelerating, the highest number occurring from 1924 to 1931. The Report documented, described and criticized the growth of monopoly and its resulting destruction of small enterprise and ultimate control over pricing, leading to prices much higher than would have existed under competitive conditions. Further, the Report documented the unfair (and unavoidable) impact of the situation on the primary producer. The Report concluded that "... important and far-reaching intervention by government ..." was essential; including:

1. ... in certain industries, such as public utilities, monopoly control requires complete regulation or government ownership;
2. ... in certain industries competition can be satisfactorily restored by state action;
3. ... in some imperfectly competitive industries attempts to restore competition must be supplemented at least by some sort of maximum price control, profit restriction, or other method of regulation. 213

This Report was to have a wide currency among trade unions and farmers' organizations in the Prairie West.

The findings of such whirlwind Royal Commissions were of small consolation to the people of Alberta sliding deeper and deeper into Depression: indeed, their effect was to give the official stamp of approval to many of the grievances of farm and labour groups while bitterly disappointing them by failing to recommend the measures deemed essential to turning the situation around. Both organized labour and the organized agrarian petit-bourgeoisie became even more disappointed with the measures adopted by the U.F.A. provincial government for coping with the situation. Indeed, and as an example, Brownlee's membership on the Royal Commission on Banking and Currency served more to discredit him than to discredit the unorthodox measures being widely advocated to deal with the people's credit problems.

The January 29, 1931 U.F.A. Speech from the Throne, 214 was considerably less sanguine than the previous year's had been. Now the Government spoke frankly of "the general economic and industrial depression" resulting in "extensive unemployment and distress" and proposed a number of measures to cope: public works and other relief programs; extension of the work of the Debt Adjustment Bureau; consolidation of tax arrears and time extensions; measures to "promote and
stabilize agriculture," especially "practical instruction;" and the perennial "strictest economy" in government spending. A month later, the Provincial Treasurer was more optimistic during his Budget Speech, speaking of an upward swing, although agricultural prices had gone lower than at any time since the early 1880s.

Having regard to the confused political and financial conditions throughout the world, it is more difficult to forecast the future than has been the case in former periods of depression. There have been, however, since the New Year, signs indicating that the bottom has been reached and that the pendulum has again started its upward swing.215

Mr. Reid, and the U.F.A. Cabinet, were not alone in their optimism; they were, in fact, in August company. Wall Street was foreseeing a steady improvement in 1931.216 And H. R. Stevens, the federal Minister of Trade and Commerce, said, on 3 January, 1931,

Expert opinion inclines to the view that the fall of wholesale prices has nearly spent its force ... [he saw the ... inauguration of new enterprise and the increase of employment.217

Premier Brownlee tried to carry this optimism to the angry ranks of Alberta labour, which had reported starvation in the mining camps of Alberta and had denounced the government's relief policy,218 when, in an address to the Alberta Federation of Labour Convention, he said that "... the bottom of the cycle of depression had been reached and that an appreciation of one another's standpoint and co-operation were required to bring conditions back to normal."219 Reception to his
speech was cool. His message to the Vancouver Board of Trade was similar when he asserted that Alberta would lead the return to prosperity.\textsuperscript{220} No report was given on his reception by Vancouver’s businessmen.

Meanwhile, the Premier and his Cabinet were having as little luck imparting a sense of optimism in the House. Labour members continued to attack the Government for using special police to support mine owners during increasingly bitter strikes,\textsuperscript{221} to attack the Government’s relief programs and to demand an unemployment insurance scheme.\textsuperscript{222} Meanwhile U.F.A. members continued to press for laws exempting farmers from seizures for debt.\textsuperscript{223} The Government responded by putting and supporting a unanimous protest resolution regarding freight rates,\textsuperscript{224} a near-unanimous resolution against the tariff and a call for reciprocal trade with Great Britain,\textsuperscript{225} an agreement to guarantee the Canadian Wheat Pool’s debt resulting from a 1929 crop overpayment,\textsuperscript{226} and a resolution demanding federal government support for 70 cent wheat.\textsuperscript{227} While the Government was purveying optimism, it found its worst reception at the 1931 U.F.A. Convention.

Significantly, and in apparent response to the crisis of the Depression, Alberta’s farmers began to return to the U.F.A. The disappointment engendered by the government’s record in the twenties combined with the prosperity of the last few years had resulted in the U.F.A.’s membership declining to 13,588\textsuperscript{228} by 1929 (it had been 37,721\textsuperscript{229} in 1921: a drop in eight years of 64\% ). A certain renewed
enthusiasm, or perhaps desperation, was reflected at the 1931 Convention as a significant number of delegates, now representing 17,486 members, came with strong opinions regarding what their government ought to be doing. The mood of some of the U.F.A. rank-and-file was reflected in the following resolution presented from the Stettler Local:

That the present economic system be abolished, and a system of production for use instead of profit be substituted.

This sentiment expressed one of many of the controversial proposals discussed and defeated or adopted. The U.F.A.'s women's section recommended a ban on immigration and, in their report to the Convention, argued that intermarriage between whites and orientals was bad. Secession and reciprocity with the United States obtained strong support, and was only tabled with some difficulty. The Convention supported a new concept in currency -- "wheat dollars" -- which they argued ought to be accepted by governments for farm taxes. In supporting this notion as well as the general thrust toward currency and credit reforms, such as the National Credit Plan, which were widely and very seriously discussed and supported, William Irvine, M.P. for Wetaskiwin, approved and said,

There is only one way to right the present condition in the financial world and that is to go right to the bottom of the whole system, the poor are becoming slaves and the rich are becoming richer.

As usual, Irvine urged consideration of the Douglas system of Social
Credit. To say the least, the Convention was difficult to control.

Premier Brownlee, just back from his speech to the Vancouver Board of Trade, spoke out against secession and reciprocity, urging that the practical solution was to concentrate on selling the farmers' grain. The Convention adopted a number of policies, almost all of which the government ignored if they required questionable provincial action: a 70 cent fixed wheat price was affirmed and a call for an investigation of grain speculation and a compulsory pool was adopted; long term loans for livestock producers were demanded; there was a demand for the establishment of a provincial credit system as well as a number of other smaller reform demands and common expressions of grievance.

By 1931 it was clear to all but the most blindly loyal that the optimistic talk was just that. The situation worsened. The 1931 wheat crop was fairly good, 140,603,000 bushels on 7,938,000 acres (contrary to popular myth, Alberta did not suffer heavily from drought), but it brought only 36 cents a bushel on the market. Agricultural credit had all but dried up; in fact, a U.F.A. investigation found only 16 of 134 banks surveyed in the province to be satisfactory in their approach to farm credit. The situation was so bad that, uncharacteristically, Premier Brownlee, in February of 1931, complained publicly of the "stringent policy" of "Canadian banks." Finally, banks began to threaten that no credit would be available to farmers in Alberta without government guarantees. The provincial debt for seed grain
advances and other forms of agricultural relief continued to rise and the government was inundated with individual appeals for direct relief.²⁴¹ In 1931 the government was again forced to raise taxes and to cut services in a desperate effort to meet the crisis: agricultural expenditures in 1931 took $6,600,000 (19% of the total expenditures) of the budget, public welfare took another $2,300,000 (6%, and debt interest took $7,600,000 (21%). This shift in expenditure priority necessitated serious cuts in education and public health. In 1931, 75% of Alberta's wage-earners had fallen below the $1500 annual income mark, 58% below $950, and 38% below $450.²⁴² Finally, the overall provincial and municipal expenditures on relief in 1931 of $6,700,000 had increased the deficits of the provincial and municipal governments from $5,000,000 to $9,100,000.²⁴³ All indications were that the situation would worsen in 1932.

The U.F.A. Government delayed the 1932 Legislative session to February, and one is justified in speculating that this had as much to do with a desire to weather the anticipated storms of the January Alberta Federation of Labour and United Farmers of Alberta Conventions as with any other possible motive. Though Prime Minister R. B. Bennett thought that the crisis had passed in early 1932,²⁴⁴ the Alberta Federation of Labour disagreed in no uncertain terms. Premier Brownlee was, in accord with past practice, once again invited to speak to the A.F.L. Convention. He was defensive in his remarks, justifying government
programs involving cutbacks in services and direct relief. The A.F.L. delegates were unconvinced. They proceeded to go considerably beyond bread and butter issues, calling for the public ownership of banks, insurance companies, all power developments and the land. There was also a call for a national public housing scheme and for a provincial moratorium on home mortgages. The strongest words (other than those directed against the "monied interests") were reserved for the U.F.A. Government's relief system: it was denounced as unfair and too stringent in its levels of allowable relief. The level of relief for two was set at $4.25 per week, although in some cases it was reported that this could go as low as $1.50 per week. (1931 average weekly wages in Alberta were $17.12 in all industries; $5.90 per week in agriculture and $20.31 in non-agriculture). One delegate said,

It now appears as if we shall have the dole, whether we want it or not, and if Labour does not protest very strongly we shall have just as small a dole as the governments think they can get away with.

The U.F.A. Government's relations with Labour never improved. Things became so bad that Premier Brownlee began to red-bait labour demonstrations, and, reportedly, actually advised an unemployed Hunger March to be "moderate" and "prudent." It increasingly became near open political warfare between the U.F.A. Government and organized labour.

The U.F.A. Government did not have much more luck in coping
with the 1932 U.F.A. Convention, maintaining a narrow majority support among the delegates only with difficulty and the delegates' loyalty became increasingly reluctant. Henry Wise Wood's retirement as President of the organization the previous year and his replacement by the less commanding figure of Robert Gardner robbed the Cabinet of one of its most imposing pillars of strength at the top of the organization. The failure the previous year to swing the Government around to a more innovative and courageous confrontation of Depression-induced problems had contributed to a drop in 1932 membership to 14,486 from 1931's 17,486. Significantly, the membership of males had dropped from 13,882 in 1931 to 10,351 in 1932. Those who remained with the organization came to the 1932 Convention with even stronger measures to propose, many in blanket defiance of the Government. One delegate reflected the mood of many when he said,

> Away with this idea we are afraid to embarrass the provincial government. We are afraid of nothing. Let us stand up for our rights.\(^{254}\)

One unsuccessful resolution which had considerable support urged the suspension of bank interest.\(^{255}\) Another came out strongly for free trade and an amendment was almost passed which would have recommended a bonus on farm products.\(^{256}\) The Convention proceeded to condemn the Provincial Government's land policy, coming out in favour of a land program just short of nationalization of the land: a conscious but voluntary policy of moving toward state ownership of the land through long-term leases with a view to ultimate public ownership. The Conven-
tion also specifically called for the public ownership of utilities, strongly criticizing the Provincial Government for giving away power development to private concerns, and for public ownership of radio broadcasting. The Convention, while strongly attacking Communism, also came out in support of the concept of "the co-operative commonwealth," defined in the following manner:

... a community freed from the domination of irresponsible financial and economic power, in which all social means of production and distribution, including land, are socially owned and controlled either by voluntarily organized growers or producers and consumers or -- in the case of the major public services and utilities and such productive and distributive enterprises as can be conducted most efficiently when owned in common -- by public corporations responsible to the people's elected representatives.\textsuperscript{257}

The strongest confrontation between Cabinet and delegates occurred, however, not on the apparently radical proposal of the co-operative commonwealth, but, once again, on the issue of credit policy.

Premier Brownlee again reported to the Convention that it would be necessary for the government to cut services and to raise taxes in order to meet the crisis. Anticipating a debt moratorium debate, he opposed such drastic remedies proposing, instead, the further and orderly extension of the work of the Debt Adjustment Board on a case-by-case basis, arguing strongly that the province's and the people's credit would disappear if any other more radical course were followed. He
declared the government's policy as follows:

The only course for a government to follow in these times is with all the courage we can command to look for the best, but prepare for the worst.\textsuperscript{258}

Such a policy looked rather anemic alongside the siren song of Social Credit.

The Premier's remarks were followed by a "smashing frontal assault on the financial system" of Canada from the floor of the Convention.\textsuperscript{259} Speaker after speaker denounced the gold standard, called for a complete rationalization of the monetary system, demanded the extension of credit at cost rather than for profit, and called for a public national credit system. Delegates criticized the Provincial Government in strong terms for not being staunch supporters of monetary reform. While denouncing the tariff system once again, delegates demanded that a system of wheat certificates be established and that such certificates be declared legal tender.\textsuperscript{260} The hottest debate occurred around the call that the Provincial Government implement a debt moratorium plan including a drastic reduction or cancellation of interest charges on existing public and private debts. The Premier once again intervened, begging the delegates to forego this mad, if attractive, program. The plan was narrowly rejected in a recorded vote of 95 in favour to 99 opposed: a Pyrrhic victory for the U.F.A. Cabinet.\textsuperscript{261}

The Convention settled nothing and, in the years leading up to the 1935 Social Credit victory, the situation got worse: the es-
transcendence between the U.F.A. organization and the U.F.A. Government became almost complete. The 1932 U.F.A. Convention manifesto was, by today's standards at least, "a strange mixture of co-operative commonwealth and social credit" ideas. As it turned out, the U.F.A. Government was unwilling to adopt either set of ideas aggressively, losing for itself any hope of retaining the major part of its mass base. While Premier Brownlee and his Cabinet were taking hesitant and moderate steps to deal with the crisis, the rank-and-file was pushing for the simple and drastic solution of a debt and tax moratorium as an interim program to the wider reforms implicit in the ideas of social credit and the co-operative commonwealth. Meanwhile, U.F.A. backbencher M.L.A.s and federal M.P.s were joining the popular agitation and began to denounce the "despotic sway" of the "money kings of our day." Only the threat of an election kept the uncertain loyalty of many U.F.A. M.L.A.s. One U.F.A. Director begged Brownlee to "give some hope to the debt-ridden people of this Province that we are trying to do something for them." Another ominously reminded the Government that the farmers were "looking to us for leadership in what perhaps constitutes the greatest crisis of their lives." Brownlee's wish, above all else, to protect the credit of the province just did not seem to be appropriate when set in balance to the grievances fanned to white heat by the Depression, reflected in a pathetic "flood of letters and petitions to the Premier's Office pleading for debt relief." Betke summarizes the situation:
As the government time and time again had to declare itself impotent to eliminate farmer grievances in the degree farmers wished, the pressure of depression conditions inflamed tempers and eroded loyalties. 268

Even the Calgary Albertan's editorial writers seemed more sensitive to what was happening than the U.F.A. Government when they said of the 1932 Convention,

The present U.F.A. Convention is marked by a more radical note than previous conventions, and that is saying a good deal. It is to be expected, however, since the stress of the times has forced in varying degrees radical thought, not only upon the farmers of Alberta, but upon business men who three years ago would hardly admit that they could find a flaw in our present system. 269

The struggle increasingly carried over into the Legislature. The February 4, 1932 Speech from the Throne responded to the demands from the A.F.L. and U.F.A. Conventions in two ways: it was somewhat longer and it contained the following rebuke:

It is well to remember that the basic causes of our difficulties lie beyond the power and jurisdiction of this Assembly ... 271

The Speech did, though, concede that the Provincial Government had "the obligation to ameliorate conditions" while insisting "that the maintenance of the financial soundness and credit of the Province is of vital importance." The Speech therefore re-iterated the Government's commitment to public works, direct relief, and debt adjustment while exhorting the population to embrace "the spirit of the pioneers and
have the determination, fortitude and courage to meet and overcome emergencies." Although the Legislature was to be "asked to give approval to retrenchments in public expenditure which would not be considered under normal conditions, and at the same time to consider ways and means of augmenting public revenues," the Speech did claim to see some evidence that the "negative trends have spent themselves."

The Speech concluded with a sense of restrained and nature optimism:

Possessing a heritage so richly endowed by nature, our people, schooled to overcome economic adversity, may, if the financial security of the Province is assured, look forward with confidence to the future.

The Budget Speech, a month later, repeated similar themes, including the appeal to reason regarding the limited powers of a province. The Provincial Treasurer said,

It is with reluctance ... that I present a budget which calls for a decrease in services and at the same time, an increase in taxation. I do so, however, with this assurance, that the people of Alberta realize the financial difficulties of the world, and expect this Government to face the facts in order that the stability of this Province and the functions of Government may be maintained.

The Session was stormy. On February 25, 1932, Labour introduced a long and controversial resolution containing a number of provisions: that the Crown should own the lands remaining in the Province and that there be no new alienations of natural resources but that they should be publicly developed; that the government move directly into
the operation of selected businesses; and that the government create and use new provincial credit facilities. The resolution concluded by declaring the Government's "aim and purpose to develop toward a socialization of the means of production and distribution." The resolution was defeated the next day: nine in favour, 43 opposed.

On March 8, 1932, partially in an effort to cope with the continued concerns regarding credit from its own members, the Government presented a resolution, which was passed unanimously, tossing the hot potato of monetary and credit reform to the federal government where, they felt, it ought to be.

[Resolved] that this Assembly respectfully urge upon the Dominion Government the necessity of an inquiry into the relationship of the supply of money and credit to the present low price level of commodities and in connection therewith to investigate the advisability of substituting for the present gold covered domestic currency, a managed currency, linked to an Empire Monetary System, and free of entanglement with any standard commodity ...

This, and other manoeuvres like it, failed to avoid the inevitable confrontation.

On April 2, 1932, two U.F.A. M.L.A.'s put the following resolution to the Assembly:

Whereas agriculture is the basic industry of the Province of Alberta; and
Whereas a state of emergency exists which threatens the very existence of the farming industry; and
Whereas most of the debts of the farming population were contracted during
the existence of much higher prices of farm products; therefore be it
Resolved, That there should be passed a moratorium preventing suit or distress or other means of collection of debts against those actually engaged in farming operations, except by agreement between debtor and creditor, that the creditor will accept wheat on the basis of $1.00 per bushel.277

The resolution was defeated, but the split between the Government, on the one hand, and the U.F.A. Organization, including some M.L.A.'s and federal M.P.'s, on the other, became more and more a matter of public discussion.

In the autumn of that year, 1932, the Social Credit movement in Alberta was launched by school teacher and part-time radio evangelist William Aberhart who began to introduce Social Credit ideas into his religious radio broadcasts.278 The story of Aberhart's Social Credit League's campaign has been told in detail in many published works and a number of dissertations,279 therefore there is no need to re-iterate the full story here. The significant point is that ideas of monetary and credit reform, Douglas Social Credit most prominent among them, which had had a significant following for many years in Alberta thanks largely to the agitations of the organized agrarian petit-bourgeoisie, were rapidly becoming a popularly perceived panacea to the particular character of the Depression crisis in Alberta.

Public and private debt, particularly the interest charges on that debt, were central to Alberta's crisis in the Depression years. In 1932, debt interest charges took fully 29% of the Provincial Government's
total expenditures, in 1933 they rose to 32%, falling marginally to 28% in 1934. In 1932 such payments almost equalled total combined Provincial Government expenditures in education, public health, and public welfare. Besides the provincial debt, for which the provincial government was directly responsible, one must add the considerable municipal and school board debts throughout the province. As we've noted above, private farm mortgage debt in Alberta by 1932 was estimated at $162,000,000, and much higher if all forms of private debt were taken into account. Hundreds of farmers were forced to appeal to the Debt Admustment Board for some compromise arrangement in order to avoid foreclosure. Many experienced foreclosure. Yet ironically, agricultural production remained at good levels, while prices were impossibly low. The result was that the fruits of the farmers' production were siphoned off to finance and re-finance debts acquired from expansion during earlier, more prosperous times. This "poverty in the midst of abundance," a Douglas Social Credit notion that Aberhart was to use to good effect, was increasingly seen to be unnecessary and unjust, especially in the context of the national calamity of the magnitude of the Depression and more especially when it was seen that financial institutions were doing very well even during the Depression.

Aberhart was able to use a particular and crude re-interpretation of Social Credit doctrine, one which Major Douglas himself was to repudiate, which capitalized on the very real crisis of debt and depression as well as on Alberta's political legacy of popular support
for monetary and credit reform, to march irresistibly into provincial office. Almost overnight, Aberhart was able successfully to challenge the U.F.A. for the undisputed political leadership of Alberta's agrarian petit-bourgeoisie. Interestingly, Aberhart, uncommitted as he was to notions of group government and strictly class organization, was able also to win the political leadership of Alberta's small working class from the Labour party. This political coalition, which included the urban petit-bourgeoisie and significant elements of the professions, found its uneasy ideological unity in the Aberhart rendition of Douglas Social Credit, and its organizational unity in the undemocratic Social Credit League. But in 1932, Aberhart's inauguration of the Social Credit campaign was hesitant, the soon-to-be Premier himself evidently unaware of the political explosiveness of the situation. Certainly, initially, the U.F.A. Government saw little significance in this part-time evangelist's foray into doctrines of monetary and credit reform. They were too busy dealing with those espousing such doctrines in their own ranks. Other doctrines, as well, were gaining adherence among the U.F.A. rank-and-file.

In January, 1933, the split between the U.F.A. Government and the U.F.A. organization, when the U.F.A. voted to affiliate with the Cooperative Commonwealth Federation, became nearly irreconcilable. The U.F.A., out of the January, 1933 Convention, issued a "Declaration of Ultimate Objectives of the United Farmers of Alberta." The document re-affirmed the 1932 Convention commitment to the idea of "a
Co-operative Commonwealth and declare it to be our ultimate objec-
tive ..." The document went on to call for the "nationalization of
currency and credit," a planned economy, and the "public ownership
or socialization of all natural resources, industrial and distribu-
tive equipment essential to the welfare of society." The U.F.A.
Board of Directors modified and expanded this last public ownership
position by adding,

Therefore, as initial steps with this
end in view, it will be necessary to --
(i) obtain political power.
(ii) nationalize or socialize the
monetary system, which is the key factor in
the means of distribution.
(iii) pass legislation guaranteeing
security of tenure by instituting a per-
petual use lease on homes and land, instead
of titles.

We recognize the necessity of the right
of the title and possession of all natural
resources being vested in the state. In
the progressive steps toward this end,
socialization of certain natural resources
and utilities would be imperative such as --
1. Health, educational and recrea-
tional facilities.
2. Receiving facilities, including
sites for elevators, stockyards, creameries,
packing plants, warehouses, etc.
3. Transportation facilities ...
4. Power plants, factories, workshops,
coal mines, oil fields, etc. ...
5. Telephone, telegraph, radio broad-
casting ...

For all practical purposes, the U.F.A. government ignored both the
document and the fact of affiliation with the C.C.F. During the 1933
Session only Labour M.L.A.'s introduced aspects of the Co-operative
Commonwealth program as resolutions in the House. On the other
hand, calls for currency and credit reform abounded throughout the Session. On March 7, 1933 the House passed a resolution calling for a managed monetary system under national control. 284 On April 7, the House unanimously passed a resolution, addressed to the House of Commons, affirming "the necessity and urgency of immediate action in bringing about the reduction of interest rates on all public and private debts by negotiations, agreements, arrangements and necessary legislation ..." 285 Labour also suggested some rather basic monetary innovations, while bitterly attacking the Government's budget cuts, when it moved the following resolution:

Whereas this Government, by its budgetary proposals, appears to be leading this Province to a condition of near stagnation and a sacrifice of many essential social improvements achieved since 1905 ... Therefore this Assembly advises His Majesty's Government to reconsider the estimates, with a view to devising some financial means of maintaining the economic and social activities of the Province, even to the extent of organizing a provincial medium of currency that will enable goods and services to be exchanged until such time as the inevitable changes in our national system of finance are brought about. 286

Labour's effort to coat its important denunciation of the Government's budget priorities with the sugar of currency reform failed to win much support on the U.F.A. backbenches: their motion was defeated 54 to four.

While the merits of Social Credit and the Co-operative Common-
wealth programs for coping with the Depression were being batted back and forth in the House, Aberhart’s campaign for Social Credit became more and more intense. 287 By 1933 Aberhart was holding public meetings on Social Credit as well as emphasizing Social Credit as against religious doctrines with more and more frequency and effect during his radio broadcasts. In the winter, spring and summer of 1933 Aberhart was inundated with requests for talks on Social Credit. In response he began to train a cadre of public speakers and to produce printed propaganda to supplement that contained in lectures and radio broadcasts. Much of these printed materials became material for the network of Social Credit study groups which sprang up throughout the province as well as useful pamphlets, later, during the election. During this period, Aberhart also successfully waged a struggle with the more orthodox, Douglasite Social Crediters for the undisputed leadership of the movement in Alberta. Until the spring of 1935, the only formal Aberhart-dominated organization of Social Crediters was a body called the Central Council of the Calgary Prophetic Bible Institute. All study groups organized throughout the province (except the orthodox, New Age Clubs), were under this organizational authority; there were no conventions, no elections involving Social Crediters as such. All this activity received very little press notice until January, 1934, when, due largely to the controversy over Social Credit at the U.F.A. Convention, Social Credit ideas came to dominate the Province’s politics. 288
The January, 1934 U.F.A. Convention had been forced, by popular

demand, to debate Social Credit at its Convention. The debate was

inconclusive, if heated, but it resulted in a resolution demanding

that the U.F.A. Provincial Government thoroughly investigate Social

Credit and its application to Alberta's problems. William Irvine,

M.P., supported this idea and, as he had done in 1923, was also de-

manding that the House of Commons Committee on Banking and Commerce

call Aberhart and Douglas before it to consider Social Credit doc-

trines. The proposal for an official, Government organized Legis-

lative investigation into Douglas Social Credit was also supported at

the 1934 Alberta Federation of Labour Convention. This chorus, was,

later in the House, to be joined by the Liberals in their eager attempt

to deepen the split within the U.F.A. Clearly, the Provincial Govern-

ment, however reluctantly, was forced to act.

The pressure on the Government from the U.F.A. rank-and-file

was enormous. The agitation for Depression remedies -- whether Social

Credit or the Co-operative Commonwealth -- had served dramatically to

increase the U.F.A.'s membership in 1934. The 1934 Convention was

heated; calls for monetary reforms of various kinds were commonplace.

These included: a publicly-owned Central Bank, a reduction in mort-

gage interest to 4 1/2%, a short-term and intermediate credit system,

the insurance of Dominion currency notes to fund agricultural mortgages

at low rates of interest as they fell due, and a punitive tax on in-

come derived from interest rates over 3%. At the same time there
were heated and often confused debates around the idea of the Co-operative Commonwealth, most particularly on the issue of the nationalization of the land and the "use-lease" proposals. Many, like Irvine, felt the two sets of ideas could be reconciled: he supported principles of both the Co-operative Commonwealth and Social Credit, though he continued to see Social Credit reforms as more important. At one point in the debate he said,

The debt creating system should be abolished and in its place should be established the use of social credit at cost.

It is fair to say that many among the U.F.A. membership shared the conviction that ideas of the Co-operative Commonwealth and of Social Credit could, indeed, should, be reconciled. Increasingly, the fact that the Provincial Government seemed to be avoiding both sets of ideas, angered many U.F.A.ers, particularly when they were confronted by Government loyalists with direct predictions of defeat if the Government went too far, too fast down either road. Interestingly, in the House, the supporters of Social Credit refused to accept such arguments as readily as supporters of the Co-operative Commonwealth did: defiant Social Credit motions continued to come from the U.F.A. backbenchers, yet Co-operative Commonwealth motions continued to come mainly from Labour members.

The February 8, 1934 Speech from the Throne spoke of a "trend towards recovery," and was generally guardedly optimistic,
even speaking somewhat provocatively:

The period of reconstruction upon which we have now entered presents serious
problems the solution of which involves
new conceptions of human rights and
social justice. 298

These "new conceptions" were never clearly articulated in Government
programs. However, in some minds the new conceptions involved Social
Credit, in other minds, the Co-operative Commonwealth, and, in still
others, both.

On March 1, 1934 a Liberal resolution calling for an inquiry
into the Douglas system of Social Credit was passed. 299 On March 2,
1934, a Government resolution, in response, was more general, com-
bining a call for an inquiry into Social Credit with calls for investi-
gations of Government supported measures to meet the Depression crisis
in agriculture.

That the Committee on Agriculture be
called to enquire into any matters per-
taining to the present condition of
Agriculture with a view to suggesting
possible ways and means of assisting
the industry to regain its stability
and, without restricting the generality
of the foregoing, for the purpose of con-
sidering:

1. The organization and administration
of the Debt Adjustment Act and the
Debt Adjustment Bureau and any pro-
posals or plans for improving the
administration thereof and particu-
larly to consider any plans or propo-
sals for the purpose of reducing debt
or interest charges in meritorious
cases.
2. Recommendations with respect to the revision of the Bank Act.

3. Any System of Social Credit.

4. Provision for short term and intermediate credit. 300

It should be noted that items one, two and four reflected important areas of Government policy. During the Session, any further resolutions on the four areas were referred to the Committee, which immediately began its hearings under the spotlight of enormous publicity.

The evidence given by Douglas and Aberhart received the widest publicity and gave Aberhart a useful public platform, despite the fact that, as hoped, Douglas' and Aberhart's testimony conflicted; with Douglas conceding reluctantly the unlikelihood of establishing Social Credit in one province and Aberhart insisting that it could indeed be done. 301 The Government had seriously miscalculated: rather than discrediting Aberhart the effect of the committee hearings was to increase enormously his stature in Alberta's public life. By the time he gave his evidence in March of 1934, Aberhart's Social Credit League, founded officially in January, 302 was strong and getting stronger. Indeed, indications were, with hindsight, that Aberhart was toying more and more with the idea of going political. For example, during the January, 1934 Calgary by-election Aberhart had called for a vote for Social Credit, which was seen to mean to vote for those who supported the idea of Social Credit. 303 Yet this had not proven a useful guide to Social Credit stalwarts: the Labour-C.C.F. and the
Progressive Labour candidates came out for Social Credit and the Liberal candidate (who was successful) promised a sympathetic examination of the idea. Furthermore, the U.F.A. was riddled with prominent supporters of Social Credit. Increasingly, the one fact that distinguished Aberhart from all other Social Credit supporters or sympathisers was his insistence that a plan could be devised and implemented in Alberta alone, a contention he held to with blind tenacity against all comers, including Major Douglas himself. Aberhart's probable political intentions were, in retrospect, implied if not clearly revealed in the quip he made during his testimony before the Agricultural Committee when he said, on March 19, 1934, "I hope I do not get the idea of wanting to come back," after having commented on this being his first visit to the Legislature. \(^{304}\) Such a remark suggested that he was perhaps contemplating just such an idea. It is certain, though, that many of his prominent supporters and closest advisors were urging political action.

The Agricultural Committee's official report was disappointing for Social Credit supporters. On April 11 and 12, 1934, the Committee reported back to the House, recommending some modifications in the Debt Adjustment Act and in the administration of the Act as well as presenting two resolutions to be forwarded to the Federal Government calling for a publicly-owned Federal Bank and for a better system of rural credits. \(^{305}\) On April 13, the Committee reported on the Social Credit inquiry:
Your Committee has held several sessions and heard the evidence of Messrs. William Aberhart, Herbert C. Boyd, and Larkham Collins.

Major C. H. Douglas, the originator of the Douglas System of Social Credit, addressed the Committee in support of his scheme ...

Your Committee is of the opinion that while the evidence given disclosed the weaknesses of the present system and the necessity for controlled Social Credit, it did not offer any practicable plan for adoption in Alberta under the existing constitutional condition ...

If the Government had hoped that this conclusion would have put the Social Credit spectre to rest, even among members of the U.F.A., they were sadly mistaken. The people were being told that Social Credit was a good thing which could not be done because of the constitution. Aberhart, obviously more aware that the population wanted some solution to their desperate plight rather than constitutional lessons, redoubled his agitation.

The summer of 1934 was a bad one for the U.F.A. Provincial Government. The Agricultural Committee's Report was published, but was received with public hostility. Immediately after its publication, Aberhart went on the attack by publishing his The B.N.A. Act and Social Credit in which he insisted that it was possible to implement Social Credit in Alberta at the same time as he ironically and effectively lambasted those who would hide behind the constitution. Aberhart's highly political answer to those who, while endorsing
Social Credit, insisted legallyistically that it could not be done was not without its popular effect. The population was ready to fight, not to debate the merits of the constitution.

Supporters of Social Credit now "began to insist that something could and must be done to implement his [Aberhart's] programme." Increasingly, Aberhart's supporters urged him publicly to take the movement into politics.

The summer of 1934 also saw Premier Brownlee found guilty in the seduction case that had been pending against him since September of 1933. He resigned as Premier. A divorce scandal had affected the Minister of Public Works and a Highways scandal had been simmering since 1933. The government was clearly in crisis: their respected Premier stood convicted of seduction (or fornication, as Aberhart chose to characterize it); there was clear evidence of some corruption in the awarding of highway contracts; their Minister of Public Works had been involved in a divorce scandal; the ranks of their organization were seriously split over the issues of Social Credit and the Co-operative Commonwealth; and Aberhart, preacher and teacher, clearly a man of the highest moral character, was building a movement which promised to deliver Social Credit in Alberta regardless of what the constitutional experts said. It was in this context, during the summer and autumn of 1934, that mass defections from the U.F.A. to Aberhart's League reached epidemic proportions.

It [the Government's crisis] was much more evident in the sudden decline or
transformation of U.F.A. locals: in many cases their membership deserted almost entirely to Aberhart's movement; in many other cases the local survived only because it had become a Social Credit study group.

To supplement these defections from the U.F.A., Aberhart and Manning went on an extensive speaking tour leaving behind them a string of newly created Social Credit study groups. By the end of the summer the U.F.A. Provincial Government had truly become a Government virtually without a popular mandate and almost without an organization.

The U.F.A. Government approached the 1935 Convention with profound concern. There was no way they would be able to avoid another debate about Social Credit; this time, though, the debate would have to be the centrepiece of the Convention. The Resolutions Committee had been swamped with pro-Social Credit resolutions from the locals. Furthermore, so many U.F.A. locals had become Social Credit study groups that the U.F.A. Executive was forced to invite Aberhart himself to speak at the Convention in support of his Social Credit plan for Alberta. Two days before the Convention, and with good public effect, Aberhart announced his "straw vote" for Social Credit in which he asked how many electors would vote for a "100% Social Credit candidate." The message became clearer that, in all probability, the next election would include a Social Credit option: the question in the delegates' minds was whether the U.F.A. would be that option.

The up-coming battle was billed by the press as a left versus
right battle within the U.F.A. The left included, broadly, those who favoured "the horizontal cutting of debts" (like Chester Ronning) as well as those who tended to line up with ideas of monetary and credit reform including aspects of Social Credit. The right was the establishment. Many delegates were concerned about the apparent split between supporters of Social Credit and those of the Co-operative Commonwealth and many locals, including those which had become Social Credit study groups, had passed resolutions calling for a reconciliation.

On January 16, 1935, the debate between Aberhart and the U.F.A. leadership took place in the context of rumours regarding Aberhart's intentions to contest the coming election. Aberhart spoke for an hour and a half and answered questions for two hours. He was then rebutted by several of the U.F.A.'s leadership. William Irvine stirred things up anew when he came out dramatically for Social Credit, only mildly criticizing elements of Aberhart's plan. This forced the intervention of U.F.A. President Gardner. That evening the resolution calling for the inclusion of Aberhart's Social Credit plan for Alberta as part of the U.F.A. platform in the 1935 election was defeated. It was another Pyrrhic victory. Some effort to placate the Social Crediters in the U.F.A. was made when a resolution by Irvine urging that Douglas be hired by the Provincial Government was passed. (Douglas agreed to come to advise the government as a "reconstruction adviser.") But it did not help, the U.F.A. was totally split even
though the delegates had nominally supported the U.F.A. leadership.\textsuperscript{327}

The next month's Speech from the Throne\textsuperscript{328} revealed that the U.F.A. Government was aware that the movement for Social Credit was far from dead. The Speech noted the marginal improvement that appeared to be underway, but declaimed that "economic conditions are still far from satisfactory," noting the "burden of debt" in agriculture, "much of which cannot be paid in full." However, the Speech went on, this was a federal matter:

The prevailing high rates of interest, and the consequent effect upon agriculture and industry alike are matters of grave and general concern. A resolution will be submitted to you for your consideration urging upon the Government of Canada the necessity for such legislative action as may be requisite for the purpose of effecting a general reduction in the rate of interest payable in respect of all loans or credits of every kind.\textsuperscript{329}

Then the Government left this contentious topic in order to pat itself on the back regarding its record, though, somewhat defensively, it said that the problem of unemployment "can only be solved by action on a national scale."\textsuperscript{330}

The Session itself reflected growing political confusion in the Province. The Liberals put a resolution asking the Government to employ three experts to investigate Social Credit schemes for the Province. It was ruled out of order.\textsuperscript{331} Resolutions regarding debt adjustment, credit relief, lower interest rates, monetary reform, etc. were put repeatedly, many of them coming from U.F.A. M.L.A.s.\textsuperscript{332} On
March 5, two Tories put a resolution to bring Aberhart in as an official expert. It was defeated, though a Liberal re-introduction of the resolution to bring in three experts to plan Social Credit, earlier ruled out of order, was now passed. On March 14, two Labour M.L.A.s called for a re-funding of the provincial debt under the terms of a provincially legislated interest ceiling of 3%. It was ruled out of order. The Government responded by putting a resolution calling for efforts at the re-funding of provincial, municipal, and school board debts at lower interest rates. Next day, April 2, two U.F.A. M.L.A.s put a resolution to engage Major Douglas as a government advisor. It was passed two weeks later only slightly amended. In the dying hours of the Session a demand from the Opposition that the U.F.A. Government declare itself regarding the C.C.F. program was ruled out of order and was not replied to, clearly revealing the Government's hesitant, if not hostile, attitude to the whole C.C.F. project.

The 1935 Budget Speech had tried to respond to the fact of the coming election. It noted the improvement in world conditions and found a reflection of that trend in Alberta: the value of agricultural production had hit its low point in 1933, $119,899,553, but had shown a marked improvement in 1935, when it jumped to $152,878,863. The Speech outlined another, somewhat less, parsimonious budget, concluding, somewhat arrogantly,

It is ... the duty ... of citizens ... to remember that governments, as well as the people they serve, are at the mercy of economic conditions ...
As elected representatives, it is our duty to show courage while the black cloud of economic fear hovers over our people, and to remember always that our economic troubles are man-made and, therefore, can and must be cured through the proper adjustment of human relationships, and through the adoption of cooperative principles in our economic system in place of those destructive competitive practices that have so seriously affected the economic welfare of our people.  

This was the closest the Government had come to any official clear sympathy for principles even remotely close to the Co-operative Commonwealth. However, again it was in the form of a lecture, a sermon, rather than programatic proposals. The Budget itself was clearly an election budget: total expenditures went from $27,700,000 the previous year to $30,700,000 in 1935, the biggest single increase in the form of increases in Government funded agricultural programs. But, as it turned out, it was far too little and far too late.

A transformation was about to occur in the form and content of agrarian petit-bourgeois politics in the province. By 1935 agrarian petit-bourgeois politics had been dominated by the U.F.A. for fourteen years. The U.F.A.'s hegemony was about to end as suddenly and as completely as it had begun: there were no half measures in agrarian politics in Alberta. The U.F.A. regime was collapsing like a house of cards.

The U.F.A.'s diagnosis of the root problems in the political and economic order had been typical of the national organized agrarian
The party system was at fault. Through the party system the economic order itself had been corrupted by special, well-organized, deeply entrenched interests, which, due to their wealth and power, were able to dominate politics by corrupting and dominating the parties and, in turn, dominating and corrupting the economic order and, ultimately, all of civil life. The tariff system, the most unnatural of all economic systems, had been politically established by the major political parties in order to reward the special interests which in turn used their enhanced wealth and economic power further to deepen their control of the parties. This control, mutually reinforcing, made it increasingly impossible to use either of the major parties as vehicles for serious reform. Furthermore, the unnatural economy, dominated by special interests, protected by tariffs, increasingly became more unnatural. Monopolies and trusts emerged, squeezing out the small industrial producer, and exacting excessive tribute from farmer and consumer in the form of high prices, mercilessly inflated behind an impenetrable wall of legislated protection. As a result, concentration accelerated, unjust prices were imposed on necessary commodities with impunity, and the high industrial wages, made possible by the high prices and unnaturally excessive profits, attracted the people from countryside to towns and cities. Thus rural depopulation and urban concentration accelerated.

On the other hand, farmers and other small producers, with no organized power, found themselves unable either to compete with the
large concerns or to gain a decent price in an unprotected market for their commodities. This was especially true for farmers who were forced to buy dear all their necessaries in the home, tariff-protected market and to sell cheap, in the uncontrolled competition of a world market. Furthermore, such small producers and farmers, especially farmers, were vulnerable to a number of other unjust exactions from merchants, mortgage companies, grain traders, and transportation concerns. In this context, the interest rates they were forced to pay on the necessary credits they were forced to seek from private financial institutions reflected merely one of many injustices imposed by the special interests who dominated the parties and therefore Parliament and were able, as a result, to impose their will and to seek their own advantage unconcerned with the general good.

The solution to this sorry state of affairs was not a Bolshevik revolution, nor the massive public ownership of the economy, nor, finally, after many bitter experiences with the Liberal party, reforms through the existing party system. The solution, first of all, was to organize along class lines in order to become powerful in the land, just as the special interests, who were highly organized, had done. Thus the organized agrarian petit-bourgeoisie proceeded to organize themselves and urged other classes to do likewise. Related to this solution was the necessity for economic co-operation: the carrying-over of the principles of social and political self-organization into selected economic areas. Such co-operative economic organization --
a practice engaged in by the special interests when they formed monopo-
lies and trusts, fixed prices and interest rates, and shared out the market -- was not to be done at the expense of individual enter-
prise but to enhance individual enterprise and to ensure a fair profit-
return to the agricultural entrepreneur. Thus the organized agrarian petit-bourgeoisie went into the co-operative buying and some co-oper-
ative production of agricultural inputs and consumer necessities as well as, more massively, into the co-operative marketing of their produce, particularly grains, in order to ensure the maximum return of the final price received to the individual producer.

The proper role of government in these efforts was certainly not to use its legal power to impede, but to facilitate, encourage, and, when necessary, concretely to support, such co-operative enter-
prises. For a time, too, there was a strong sentiment that the state should enter directly into managing some of the grain handling infra-
structure by owning and operating the railways, the elevators, the terminals, and the ports as utilities and at cost. But opinion among the agrarian petit-bourgeoisie remained divided on this matter, and, of course, governments, including those controlled directly by the organized agrarian petit-bourgeoisie and those heavily influenced by it, proved reluctant to pursue such policies with the necessary vigour. Further, there was a strong current of opinion, reflected in the long-
lived agitation for monetary and credit reform, which argued that the state should own the banks and other financial institutions and that
capital ought to be mobilized for the use of actual producers at low
or cost-related interest rates. There was a strong sense of injustice
at the prevailing practice which saw that the passive owners of capital
could make fabulous returns by lending out their capital to others, the
real producers of new wealth, who then proceeded to do the work and
to take the risks for marginal and insecure profits. This, and all
other forms of economic parasitism, were constantly attacked and
denounced. Even later, as the Great Depression deepened and circum-
stance moved the organized agrarian petit-bourgeoisie to advocate the
public ownership of all natural resources, including land, the policy
was heavily qualified by the perpetual use-lease policy which would
ensure individual entrepreneurial ownership in fact if not in law.
The role of the state, then, was significant but always subordinated,
even among its staunchest advocates, to the enterprise and initiative,
if not of the legalistic owners of capital, then certainly of the
actual producers of real wealth, especially the farm producer.

Obviously the traditional parties were not going to carry out
a program motivated by such a critique which would, if the diagnosis
were correct, lead to the gradual but inevitable extinction of many of
the special interests, certainly of those whose existence depended
upon their influence on and control of the party system. Gradually,
after much debate, the organized agrarian petit-bourgeoisie moved to
the position that the principle of self-organization ought to be
carried into the political realm as well as the economic realm. The
organized agrarian petit-bourgeoisie decided to go directly into politics. But their view was not to win power at provincial or federal levels in order to become another special interest which corrupted public life for its own benefit. Rather, their view was that they, the farmers, would go into politics as a class just as other classes -- workers, industrialists, shopkeepers, etc. -- would. The elected representatives of all classes -- bound to their respective classes and controlled through the initiative, the referendum, and the recall -- would meet in Parliaments and Legislatures unfettered by the game of party politics, and proceed rationally to select the most competent members as Cabinet who would then act upon the will of the House. The process was seen to be one of rational discussion and reasonable compromise leading to class harmony and good, fair and economical government.

In 1921 the U.F.A. had gone to the people of Alberta with such a perspective and had won. Their manifesto did not reflect all the principles discussed above, but it was clearly inspired by them. The manifesto diagnosed Canada's "unsettled conditions" as due to the party system of Government. The argument proceeded from there to state the need for a deeper and more responsive democracy, only possible through "individual citizenship ... made efficient and effective through the vehicle of systematically organized groups." In this manner, "organized citizenship becomes the vehicle not only of intelligent voting but also of intelligent guidance of elected representatives,"
each of whom in turn was "answerable directly to the organization in
the constituency that elected him." Thus a U.F.A. M.L.A. was,
theoretically, answerable directly to the U.F.A. local in his con-
stituency and a Labour M.L.A. was answerable directly to the Labour
local in his constituency, etc.

Consequently, the U.F.A. was not presenting itself in 1921 as
a group which could itself presume to govern, but rather merely as one
group representing one class (admittedly the most numerous class in
the Province) whose purpose was to mobilize democratically and to be-
come a vehicle for intelligent and responsible citizenship among its
class members. Their "Reconstructive Legislative Program" (a "so-
called platform," as they apologetically referred to it) was quite
modest. Four of the planks promised specific reforms in order to make
the democratic system fairer, more responsive, and less manipulable:
representation by population and a preferential ballot; the initiative,
referendum, and recall; 30 days' notice for elections; and the
establishment of the principle that there could be no Government defeat
in the House except by "a direct vote of want of confidence." The
fact that many of these (proportional representation of all classes;
the initiative, referendum, and recall; and the want of confidence
rule) were found to be impractical, as with the first two, or incon-
venient, to the U.F.A. Government, as with the last one, does not de-
tract from the fact that they well-reflected the overwhelming sentiment
among the organized agrarian petit-bourgeoisie regarding the minimum
of reform necessary and possible in the Provincial Government.

The fifth plank promised efficient and economical government: a promise that, in fairness, the U.F.A. Government lived up to often to the detriment of many in the class it represented. For the U.F.A.'s view was not that the state ought to be used by whatever class happened to control it in a self-interested way. This had been the case previously, they believed, which they had consistently decried and roundly condemned. Rather, their view was that the state ought to live by the same rules which governed the spending habits of the agricultural producer: no extravagance, no frills, the practice of thrifty, efficient, responsible farm management. The government, therefore, should only do those things which were seen as necessary for the public good, and, of course, the U.F.A. had its own particular notion of the public good which it imposed during its tenure in office. The sixth and seventh planks were related to the notion of the proper role of the state and the decent level (and method) of state expenditure: they promised to abolish the patronage system, which they did (though it reared its ugly head again near the end of the U.F.A. regime) and to create an independent Highways Commission in order to suppress patronage practices in one of the most notoriously corrupt sectors of essential public expenditure.

The eighth and ninth planks laid out clearly the U.F.A.'s view of the proper role of the state in two key areas of concern: education and public health. They committed themselves to work toward equality in educational opportunity for all children (which was largely
viewed as a question of physical accessibility). Further, they embraced, as a state duty, "the maintenance of the health of the people."

Indeed, as we have seen, they took these commitments seriously and significantly changed the pattern of government expenditure priority, compared to the Liberals, to the point where education, public health, and public welfare came to be normally second in expenditure priority only to debt interest payments. Finally, the manifesto expressed support for the policy of developing natural resources for the benefit of the people as well as for the direct encouragement of the co-operative marketing of agricultural products.

Clearly, the U.F.A., from its 1921 manifesto, did not see itself as vulgar class champions of the agrarian petit-bourgeoisie but rather as the organized representatives of that class who would, if given the burden of office, administer fairly, judiciously, and honestly the affairs of the province. Their record in office, despite their failures to fulfill many of the undertakings contained in the manifesto, reflected this commitment. Their view, reflecting at the time the sentiment of the organized agrarian petit-bourgeoisie if not of the whole agrarian petit-bourgeoisie, was that if this kind of government could be established, the other problems, the real and basic ones, facing the producer of wealth could be coped with through co-operation, enterprise, and thrift. Furthermore, most of the more serious reforms to which they stood committed — tariff reduction or abolition; monetary and credit reform; anti-monopoly laws; public ownership of
transportation and other publicly crucial sectors; reform of the House of Commons and the Senate; etc. -- could not be carried out provincially though the provincial government could lend its prestige and support to the agitations for such reforms (as the U.F.A. Government tirelessly did) at the federal level.

Aberhart's Social Credit League's propaganda (and, incidentally, the Co-operative Commonwealth statement of principles) clearly maintained that this traditional posture of the organized petit-bourgeoisie was not enough, particularly in the context of the Great Depression. Co-operation would not bring a living price for agricultural products when that price was nowhere to be had in the marketplace. Calls to the House of Commons for monetary and credit reform would not prevent the foreclosure and seizure of the farms of defaulting farmers whose work and productivity remained high, nor would they stop the lion's share of provincial, municipal, and school taxes, taxes which many had to sacrifice to pay, going as interest and service charges on loans made to settle and build the Prairies. Fair government would not lower the price of production inputs or the cost of living, nor would it put food on the table nor clothes on the back, nor provide jobs for the asking. The Aberhart agitation appealed directly to the agrarian petit-bourgeoisie, around its organized sector, and argued that indeed the Provincial Government could be doing more,limbed it could implement Social Credit and solve all problems of the Depression. Admittedly, Aberhart, unlike the U.F.A., appealed to the working class, the urban
and small town petit-bourgeoisie, the professions, etc., but he had to win the agrarian petit-bourgeoisie to win the province and all his agitations reveal that key awareness. In other words, Aberhart argued that the provincial government could be used directly and aggressively in the interests of the small producer and his allies against the forces of big finance capital and its allies.

The U.F.A. leadership was unable and unwilling to accept such a perspective though many in the rank-and-file were. The U.F.A. Government's assertions that no more could be done than was being done were repeated right up to its defeat.
NOTES AND REFERENCES

1. In his speech to the January 17, 1922 U.F.A. Convention, the first after the July, 1921 election victory, Henry Wise Wood, the dominant leader of the U.F.A., said, "Politically speaking Alberta has undergone complete reconstruction ..." (Edmonton Journal, 17 January, 1922). On the same day, reported in the same edition of the Edmonton Journal, W. Norman Smith, education secretary of the U.F.A., said, "... it is true that the farmers' problems will be solved in the realm of practical business, not in parliaments or legislatures ..." As we will see, the guiding doctrine of the U.F.A. Government came to be that continued sound, practical government by the farmers was all that was required. Later, during the Depression, the U.F.A. rank-and-file would demand more and, upon failing to obtain it, would turn overwhelmingly to the Social Credit.


5. Ibid., pp. 499-500.

6. The Case for Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, 1938, p. 16.

7. Ibid., p. 18.

8. Ibid., p. 94.

9. Ibid., p. 94.


11. Ibid., p. 213.

13. Ibid., p. 247.


15. Ibid., p. 260. For a detailed description of the events leading up to and the terms of autonomy, see MacRae, Archibald Oswald. History of the Province of Alberta (Western Canadian History Co.), 1912, pp. 420-465.

16. Ibid., p. 265ff.


18. Ibid., p. 28.

19. Ibid., p. 29.

20. Ibid., ch. IV, V, & VI, pp. 58ff.

21. Ibid., p. 68.


24. For example, the 1917 Tory election platform included: attacks on the scandal surrounding public guarantees to railways; warnings about the growth of a large public debt without a sinking fund; and criticisms of the various electoral gambits engaged in in order to win the election (e.g., disenfranchisement of soldiers, a snap election, and denial of public inquiries to investigate charges against the government). All these should have touched nerves of support among Alberta's farmers. Further commonalities included the Tory claim to stand for economical and businesslike government rather than partyism, their advocacy of an independent civil service commission, their proposal for the extension of the telephone system and its administration by an independent commission, their support for expanded rural hospital services, their promise of an all-weather road system, and their promise for a re-newed and vigorous fight for provincial control of natural resources: all these and more were common enough demands of the U.F.A. See Thomas, ibid., pp. 175-176.

25. Ibid., p. 177.

27. Ibid., p. 464.


29. Ibid., p. 181. This amount included liabilities, guaranteed by the province, later assumed by the Canadian National Railways, of $22,500,000.

30. Ibid., p. 189.

31. Ibid., p. 200.

32. Ibid., p. 238.

33. Ibid., p. 250.

34. Ibid., p. 253.

35. Ibid., p. 274.

36. Easterbrook, W. T. & Aitken, Hugh G. J. Canadian Economic History (Macmillan), 1967, pp. 506ff. See also Morman, James B. Farm Credits in the United States and Canada (Macmillan), 1924 for a survey of the problem of farm credit. Morman asserts, "The subject of credit for farmers has become one of the leading economic topics in the United States and Canada." (p. vii). Not surprisingly he concludes that existing farm credit is nothing but "financial bondage" constituting "a millstone heavy about [farmers] necks." (pp. 385-86.)

37. The Case for Alberta, Alberta's Problems and Dominion-Provincial Relations, King's Printer, Edmonton, 1938, p. 120.

38. For the basis of the preceeding discussion and the figures used see ibid., pp. 115-124. The Alberta government in 1938 estimated the private debt at a higher figure, $395,000,000.


40. Ibid., p. 96. 306,000 rural voters in English Canada supported Laurier's candidates (about 36% of Laurier's total vote) while 496,000 rural voters in English Canada supported the Union government. This figure included 20.3% of Manitoba's voters, 25.9% of Saskatchewan's, and 35.5% of Alberta's. See Scarrow, Howard A. Canada Votes: A Handbook of Federal and Provincial Election Data (The Hauser Press), 1962, p. 28.


44. Greenfield, H. Budget Speech, March 26, 1923, King's Printer, Edmonton, 1923, p. 3.

45. Report of the Royal Commission on Dominion-Provincial Relations, Book I, King's Printer, Ottawa, 1939, pp. 121-122. The following summarizes the situation: "The economic growth of Saskatchewan and Alberta during this decade was due almost entirely to the expansion in the production of wheat. There was some development of oil in Alberta but the coal mining industry lagged. The importance of this one grain was partly the result of the relatively greater rise in the price of wheat than in the prices of livestock and dairy products, and partly, the result of the rapid mechanization of farms which displaced a large acreage of feed grains. During 1926-28, 81 and 70 per cent respectively of the total cash receipts from the sale of farm products in Saskatchewan and Alberta came from wheat, compared with but 43 per cent in Manitoba. In the same period the two former Provinces derived 62 and 50 per cent of their total incomes directly from agriculture while in Manitoba this percentage was only 25 per cent. The prosperity of Saskatchewan and Alberta was almost completely dependent upon the production of a single commodity of which the volume of production was determined by the extreme variations of a hazardous climate and which was sold on a precarious foreign market."


for the details of the events leading up to the unification of the various organized agrarian currents.


50. Ibid., p. 32. For example, in 1907 Henry Wise Wood explained this hostility to labour by saying, "... the farmer was an employer and a capitalist." (p. 32)

51. Ibid., p. 36.

52. Ibid., pp. 36-37.

53. Ibid., p. 38.

54. Ibid., p. 37.

55. Ibid., p. 39.

56. Ibid., pp. 38-39.

57. Ibid., pp. 40-43.


59. McIntosh, op. cit., p. 53.


61. Ibid., p. 71.

62. Ibid., p. 8.

63. Ibid., p. 72. For a summary of this period, see ibid., ch. IV, "The Movement for Political Action: Stage Two, 1915-1919," pp. 72ff.


67. The Globe, 19 July, 1921. Premier Stewart was unopposed in his seat.

68. Rolph, op. cit., pp. 62-64.

69. Cited in McIntosh, op. cit., p. 88.

70. McIntosh, ibid., pp. 73-74.


72. Ibid., p. 90.

73. For this and what follows regarding the N.P.L. program see: Betke, op. cit., p. 20; McIntosh, ibid., pp. 90-94; Sharp, op. cit., ch. 3; as well as The Alberta Non-partisan, March 15, 1918 and May, 22, 1919.


77. Ibid., p. 188.

78. Ibid., p. 189.


80. McIntosh, op. cit., p. 94

81. Betke, op. cit., p. 30

82. Cited in ibid., p. 29.

83. Ibid., p. 38.

84. See Betke, op. cit., pp. 35ff for a description of the election campaign.

85. Ibid., p. 47.
86. See Scarrow, op. cit., p. 221, for the figures from the 1921 election. Professor T. Flanagan suggests that the U.F.A.'s actual percentage in 1921 was 46. The error, he argues, results from the failure to take into account the influence and ultimate popular vote of multiple member ridings, in "Stability and Change in Alberta Provincial Election," Alberta Historical Review, Vol. 21, No. 4, 1973, p. 4.

87. Edmonton Journal, 8 July, 1921.

88. Edmonton Journal, 6 July, 1921.

89. Edmonton Journal, 8 July, 1921.


93. Grain Growers' Guide. 17 August, 1921.

94. The Guide's correspondent said of the Convention that "on all important questions the delegates were found to be practically a unit when the vote was taken," Grain Growers' Guide, 26 January, 1921.


96. Macpherson, op. cit., contains the best description and analysis of these doctrines.


99. Ibid.

100. Grain Growers' Guide, 17 August, 1921.

101. Ibid.

102. Ibid.
103. The Globe, editorial, 4 July, 1921.
104. Edmonton Journal, 26 January, 1921 and 8 July, 1921.
109. The remaining candidates did not state their occupation.
114. Macpherson, op. cit., provides a good overview of the unsettled nature of the early U.F.A. dominated Legislature.
116. Ibid., pp. 53ff.
117. Ibid., p. 65.
119. Ibid., p. 4.
120. Ibid., p. 14.
121. Betke, op. cit., p. 65.
124. Ibid., p. 5.

126. Ibid., p. 11.


128. Ibid., p. 77.


130. Ibid., p. 82.

131. Ibid., p. 85.

132. Ibid., p. 86.


136. Ibid.

137. Betke, *op. cit.*, p. 83. This was nothing new. As early as March 2, 1922, during the debate on the want-of-confidence issue, Premier Greenfield had said, "I do not think I can conscientiously say anything more than that I will, to the best of my ability, live up to the highest traditions of British Parliamentary procedure." *Journals*, First Session, Fifth Legislative Assembly, Province of Alberta, 1922, Volume XVIII, King's Printer, Edmonton, 1922, pp. 61–62. However, by the time Brownlee took over, there was no longer any serious debate about the issue.


139. Ibid., p. 250.

140. Ibid., pp. 250, 274, and 291.

141. Ibid., pp. 250 and 291.

142. The calculations are based on figures provided by Hanson, *ibid.*, pp. 142, 189, 250, 346, and 480. Hanson's figures combine income and capital
accounts and are rounded. The percentages are rounded. They do not add up to 100% since the expenditure category of "Other" has been excluded.


144. See Betke, *op. cit.*


146. Greenfield, H. *Budget Speech*, March 26, 1923, King's Printer, Edmonton, p. 3.


150. Reid, R. G. *Budget Speech*, February 24, 1928, p. 3.


153. As late as 1929, Premier Brownlee rejected proposals for the eight hour day on the grounds that it would be "unfair to farmers." *Edmonton Journal*, 9 March, 1929.


156. Hanson, *op. cit.*, p. 250.

157. *Financial Post*, 2 February, 1923. By then the membership had dwindled to 14,441, as the *Financial Post* almost gleefully reported.


161. Ibid., p. 219.
162. Ibid., p. 220.
163. Ibid., p. 224.
164. Ibid., p. 223. Irvine provides his understanding of the Douglas system of Social Credit on pp. 221ff.
166. Ibid., pp. 2281-83.
167. Ibid., pp. 2444-45.
168. Ibid., p. 112.
169. Ibid., pp. 220ff and 2692ff.
170. Ibid., p. 2727.
172. See Betke, op. cit., ch. II.
175. Financial Post, 23 February, 1923.
181. Ibid., p. 62.
183. Ibid., p. 131.
189. Ibid., p. 174.
192. For the figures on the 1930 election and what follows see Scarrow, op. cit., pp. 221-22.
196. Ibid., pp. 110-112.
197. See Safarian, A. E. The Canadian Economy in the Great Depression (McClelland and Stewart), 1970 for the full account of the Depression's consequences for the economies of Canada and her regions.
199. Ibid., p. 143.
200. Ibid., pp. 143-4.
201. Ibid., p. 144.
202. Ibid., p. 146.
203. "In 1930 about 40 per cent of all the capital invested in Canadian business (excluding farms) and government securities was owned abroad." Ibid., p. 146.
204. Ibid., p. 146.
205. Ibid., p. 148.
206. Ibid., p. 149. The figures that follow are to be found in tables on the same page.
207. Report of the Royal Commission to Enquire into Trading in Grain Futures, King's Printer, Ottawa, 1931, p. 72.
209. Ibid., p. 81.
212. Ibid., ch. VI, "The Primary Producer," pp. 143ff.
213. Ibid., p. 264.
216. Calgary Albertan, 2 January, 1931.
222. Ibid., pp. 45-46.
223. Ibid., p. 45.
224. Ibid., p. 124.
While there were a number of crop failures in some sections of the Province, the total area affected was relatively small. The average yield per acre of wheat during 1930-37 was only slightly below normal and exceeded that of Saskatchewan by nearly 60 per cent. Furthermore, irrigation in the southwest and a considerable degree of mixed farming elsewhere made Alberta's agriculture more self-sufficient than that of her wheat-growing neighbor to the east. The total cost for agricultural aid in Alberta for the eight-year period amounted to $6.4 million, or less than one-fifth of the cost in Saskatchewan for the single year of 1937. "The incidence of ruinously low prices, however, was perhaps more severe than elsewhere. Owing to the more recent development of Alberta fixed debt charges were relatively higher than in any other province. In addition, farmers had not had time to become as well established. Under these circumstances, the drastic fall in prices of agricultural products produced a relatively greater strain on the farming industry and on governments. Alberta's depression problem was more one of debt and high overhead costs than of widespread destitution." (Author's emphasis)
240. _Ibid._, p. 117.
241. _Ibid._, pp. 113-117.
250. Betke, _op. cit._, p. 129.
251. _Ibid._, p. 130.
259. _Ibid._
260. _Ibid._


279. Irving, *ibid.*, remains the most detailed description of the process by which Aberhart led his movement to power; C. B. Macpherson's *Democracy in Alberta: Social Credit and the Party System* (University of Toronto Press), 1953, 2nd edition, 1962, remains the most cogent theoretical discussion of the political theory of Social Credit and its application under Aberhart; J. R. Mallory's *Social Credit and the Federal Power in Canada* (University of Toronto Press), 1954, is the best, and only, detailed description and analysis of the confrontations between
Social Credit legislation and the federal power of disallowance; John J. Barr's *The Dynasty: The Rise and Fall of Social Credit in Alberta* (McClelland and Stewart), 1974, is a good capsule history of the movement in Alberta.

Unpublished M.A. theses and Ph.D. dissertations on the Social Credit interlude abound. Among the most useful are:


More popular and partisan, and quite useful if read carefully and critically, are the following:

- Hooke, Alf. *30 + 5: I know, I was there* (Co-op Press of Alberta), 1971 (Mr. Hooke was a Social Credit Cabinet Minister for 26 years);
- Johnson, L. P. V. and MacNutt, Ola J. *Aberhart of Alberta* (Co-op Press of Alberta), 1970; and, of course, Douglas, C. H. *The Alberta Experiment* (Eyre and Spottiswood), 1937, is particularly useful, especially since it contains the correspondence between Aberhart and Douglas upon Aberhart’s ascension to the Premier’s Office.

The scholarly articles published are too numerous to mention in a single footnote. They will be footnoted if directly referred to, otherwise, those which were used as background will be included in the Bibliography.

281. The *U.F.A.*, February 1, 1933.


292. The 16 January, 1934 *Calgary Albertan* reported a 1934 membership of 13,000 compared to a 1933 membership of 8,000.

293. *Calgary Albertan*, 17, 18, 19, and 20 January, 1934.


295. Ibid.

296. One delegate at the 1934 Convention said, "It is better that we should go down to defeat than resort to political expediency." *Calgary Albertan*, 19 January, 1934.


298. Ibid.

299. Ibid., p. 85.

300. Ibid., p. 86.


306. Ibid., pp. 262-63.


308. Ibid., p. 95.
309. Ibid.
312. Irving, op. cit., p. 96.
313. Ibid., pp. 103-106.
314. Ibid., p. 113.
315. Ibid., p. 112.
318. Ibid.
321. Ibid.
322. Irving, op. cit., p. 117.
327. Irving, op. cit., p. 118.
329. Ibid.
330. Ibid.
331. Ibid., p. 22.
332. Ibid., pp. 29, 30, 41, 101, 117.
333. Ibid., p. 117.

334. Ibid., p. 146.

335. Ibid., p. 179.

336. Ibid., pp. 242-244.

337. Ibid., pp. 251-252.


339. Ibid., p. 23.

TO SEEK A GOODLY HERITAGE:
THE PRAIRIE POPULIST RESISTANCE TO THE NATIONAL POLICY
IN CANADA

VOLUME 2

by

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M.A., University of Saskatchewan, 1968

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
in the Department
of
Political Science, Sociology and Anthropology

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SIMON FRASER UNIVERSITY
June 1978

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CHAPTER VI

VICTORY AGAIN IN ALBERTA: THE SOCIAL CREDIT REGIME,
1935-1944

During the 1935 Session, Aberhart was able to announce that his straw vote to assess elector support for the idea of 100% Social Credit candidates had shown a 90% favourable return.¹ He had put out his call for 100 honest men. He had accelerated his attacks on the U.F.A. Government: once, on the radio, he accused them of "graft, fornication, and hypocrisy ..." and described them as "reprobates who denied the truth."² By the 26th of March Aberhart and the Social Credit League had a platform to take to the people.³ The platform was a curious document but its wide appeal, given conditions in Alberta, was certainly understandable. It claimed to offer a Social Credit plan for Alberta, to grapple with the problems of debt and unemployment, and to solve the problems facing agriculture. It is worth quoting the document in its entirety.

Ten Planks Make One Platform

1. Finance and the Distribution of Goods
   (a) The Cessation of Borrowing from Outside Sources and the creation of our own Credit, thus gradually eliminating heavy interest charges and retaining our own purchasing power.
   (b) The Distribution of Purchasing Power to bona fide citizens by means of Basic Dividends sufficient to secure the bare necessities of food, clothing and shelter. This distribution is to be
based upon active willingness on the part of the individuals to co-operate in the welfare of the people of the Province.

(c) The Establishment of a Just Price on all goods and services, and the regulation of the price spread on all goods sold or transferred within the bounds of the Province. This Just Price is to be just and fair:
1. To the producers and to the distributors. They should not be required to sell goods for less than the cost of production or of import.
2. To the consumers. They should not be exploited or unduly deprived of fair returns for their purchasing power.

(d) The Establishment of an Authority to deal with production loans.

2. The Present Problem of Debt
(a) Private, or Mortgage and Tax Indebtedness.
1. The Distribution of Basic Dividends and the Establishment of a Just Price will at once begin to give our citizens the ability to cope with the Mortgage Indebtedness at present against their farms and their homes.
2. The increase in Consumption will of necessity make a greater demand for services and that will produce wages to help settle these debts.
3. The debt Adjustment Act will be amended to prevent hasty foreclosure on all property and adequately to meet the requirements of all classes of debtors.
4. Later, as prosperity returns under Social Credit, interest-free loans may be granted to liquidate or refund the present interest-bearing mortgages.

(b) The Municipal and the Provincial Debts.
1. Bonds could be offered to our citizens to liquidate this indebtedness at a lower rate of interest.
2. This would decrease the amount of taxes levied in proportion to the success of this proposition.
3. The Problem of Unemployment
   (a) Social Credit at once removes the demoralizing effect of Unemployment by the issuance of Monthly Dividends based on the Cultural Heritage of Citizenship.
   (b) The Increase in Consumption would of necessity result in increased employment.
   (c) The Issuance of Basic Dividends would retain our young people longer in schools of training and thus prevent them from entering the Labor Market.
       The increase in Dividends for people who have reached the age of fifty would tend to remove older men from productive employment. Thus, there would be more employment for those who were better able to perform it.
   (d) Every sympathetic consideration will be extended to those in immediate need.

4. The Problem of Education
   (An Eighteenth Century System can never handle a Twentieth Century Problem)
   (a) Our schools should at once be made to supply the training that the New Social Order demands.
       Up to the present the University requirements for an academic preparation has predominated our Educational System. Only a small percentage of our students ever enter University.
   (b) Further attempts should be made to bring the various Provincial Educational Systems into greater harmony.
   (c) The Basic Monthly Dividends will at once remove the hindrances to any student proceeding along any line of instruction that appeals to him.

5. The Basic Industry -- Agriculture
   (a) The Just Price for all products will remove the necessity of selling under the cost of production.
(b) The Marketing of Agricultural and Dairy products must be assisted:
1. By taking definite steps to find exports markets.
2. By pressing for lower and more equitable freight rates.
3. By seeking a revision of the system of grading farm products.
4. By attending regularly to the Market Roads.
5. By encouraging the feeding, breeding and finishing of better livestock in Alberta.

(c) The Development of the Industry should be encouraged in the following ways:
1. By a careful investigation of the irrigation projects of the Province.
2. By an aggressive policy of Noxious Weeds eradication.
3. By a survey and the formation of a definite policy regarding the Drought Area of Alberta.
4. By improving the regulations regarding grazing and hay leases.
5. By amending the Homestead Laws to make it possible for settlers to establish homes for themselves.
6. We are heartily in favor of assisting in the continuance of Rural School Fairs, and Boys' and Girls' Club Work within the Province.

6. The Public Health Problem
(a) Definite action should immediately be taken to provide satisfactory health attention for the people in all parts of the Province, and any patient of a hospital should be permitted to secure any type of qualified, licensed practitioner he or she may desire.
(b) We are favorable to the ultimate introduction of State Medicine into the Province.

7. The Administration of Justice
(a) We favor the revision of the rules of Court procedure, the reduction of costs, and the introduction of facilities for arbitration and conciliation.
We shall support the maintenance of Order and Law by means of an efficient Police Force.

8. Labor, Industry and Communication
   (a) We shall encourage the establishment of essential industries within our Province.
   (b) We favor a complete reorganization of the Alberta Government Telephone System for the purpose of making it efficient.
   (c) We will support and encourage an efficient inspection of all industries to see that all laws for health safety and payment of all labor and industry are safely guarded.
   (d) We favor the amendment to the present Compensation Act with a view to providing just compensation to all workers.

9. General Reorganization
   (a) Every Department of the Government needs to be reorganized and to be put on a business basis to eliminate the present enormous waste of taxpayers' money.

10. Planning
    (a) A thorough survey of Alberta's productive resources and the relationship of these resources to domestic consumption requirements and export markets must be at once undertaken.
    (b) The methods of taxation must be brought under immediate consideration for revision and improvement.
    (c) The Social Credit Government when in power will pass legislation to the effect that candidates submit to voters right of recall if they fail to carry out the proposals made prior to election.

It is necessary to pause here to examine this document and the famous Social Credit Manual, Aberhart's effort to illustrate the
application of Social Credit doctrine to Alberta, in order to discern the transformation that Aberhart's League was about to make in the form and content of agrarian petite-bourgeois politics in the province.

Aberhart has been variously painted, especially by his political opponents, as a demagogue, a complete opportunist, an unprincipled embodiment of unbridled political ambition, and much more. Some suggest that he had his eye on politics all along and merely used Social Credit to get into office. We are not interested in that aspect of the controversy which continues to surround Aberhart. Such contentions can be proved or disproved depending on the selection and interpretation of the evidence and often we tend to revile and hate in those with whom we disagree precisely those qualities we celebrate and admire in those with whom we agree. Whatever Aberhart's motives were from the outset, the point is that the way in which he approached his agitation for Social Credit, culminating in the 1935 electoral triumph, endeared him to the agrarian petite-bourgeoisie. His was a non-partisan movement, against the old-line parties, to win Social Credit to benefit all the people: but one would be remiss if one did not admit that free, or cheaper, access to credit would be most beneficial to the small producer. He was not a seeker of office but a seeker of Social Credit. He went to the U.F.A., at Convention and in the Legislature and, later, at many local meetings, to ask them to take up the cause of Social Credit. He asked the same of the Tories and the Liberals. He dragged his feet (or appeared to) when his
supporters argued for political action, agreeing only reluctantly after the people had directly advised him in his famous straw vote. He himself was not a candidate, awaiting the call to be M.L.A. and Premier when his supporters clamoured for his leadership after the election. The ultimate test of his sincerity would have occurred only had the U.F.A. capitulated and adopted Aberhart's plan for the 1935 election. However, he had an out here when he spoke always of "100% Social Credit candidates," clearly the U.F.A. Cabinet and many M.L.A.'s would not have qualified.

The point is that he was seen to be non-partisan, politically reluctant, and leary of the siren call of high political office, all postures which could only have enhanced his reputation in the eyes of an electorate dominated for 14 years by the U.F.A. Until the actual election campaign itself, his agitation for Social Credit was neither billed nor widely perceived as a campaign for political office. Rather it was billed and widely seen as a disinterested and selfless effort at education to convince the people and their leaders of the practicability of Social Credit in Alberta. Later, his denunciations of the moral crisis and the apparent corruption in the U.F.A. Cabinet were in the tradition of the agrarian crusade, despite their colour and exaggeration. Most importantly, like the U.F.A. of 1921, when he spoke of the problems of debt, depression, unemployment, despair and degradation, Aberhart was reflecting the real concerns of the population, especially the rural population, in an aggressive, angry, and outraged
manner, while the U.F.A. Government, when speaking on the same issues in 1935, seemed to be counselling passivity and patience due to constitutional constraints. In short, Aberhart articulated the grievances of the people, offered to lead them in dignified resistance, and revealed that he had insight into the nature of those problems (even though, as it turned out, his solutions proved chimerical).

Aberhart's Manual was published in June, 1935 and, in its Preamble and in the very first section of the text, he insisted that what he was presenting was not a detailed plan for Social Credit in Alberta. That project awaited victory and the hiring of Social Credit experts to be carried out. Yet throughout the Manual's pages it is clear that it is assumed that Social Credit could be applied to Alberta without reservation and that, if not a detailed plan, Aberhart was providing the basic outlines of just such a plan.

Aberhart's basic premise did not really seem to be a radical departure from those which had earlier informed agrarian politics:

It is the duty of the State ... to organize its economic structure in such a way that no bona fide citizen ... shall be allowed to suffer for lack of the basic necessities of food, clothing, and shelter, in the midst of plenty ... 6

Indeed, few but the most Neanderthal of Tories would have disagreed with this premise though they might quibble about whether the state should merely provide the bare necessities as against actively organizing the economic structure. However, in order to give this premise effect, according to Aberhart, Social Credit was necessary. But a few
misconceptions had to be cleared up.

... Social Credit is not based on any confiscation scheme by which we take the wealth of the rich ... to give to the poor. Social Credit recognizes individual enterprise and individual ownership, but it prevents wildcat exploitation ... ⁷

Aberhart then argued that neither "the surplus of goods" nor "the lack of employment" were causes of the Depression, rather they were merely symptoms of the deeper causes. In the context of the Depression when huge surpluses were being destroyed for lack of a viable market, ⁸ Aberhart's remark that, "putting quotas on production ... is ... criminal, while there are still people in need. Sabotage or willful destruction is also vicious ..." ⁹ must have struck a responsive chord among the population. Further, his remarks about make-work schemes, so commonplace a response to the Depression's unemployment, certainly must have appealed to urban workers degraded on such projects.

The lack of employment is not a cause but a symptom of our real trouble. It was the inventive genius of men that created the machine to do the work so man might have leisure. Leisure is not idleness. It is the opportunity to do the work which the man desires to do. Merely smashing up or ditching machines would be the work of idiots. Producing unnecessary employment through great schemes of public works is merely a palliative and a very poor one at that, for it creates an immense debt which will produce taxes beyond the dream of mankind. Besides these great schemes of public works would not decrease unem-
employment unless you refuse to use machinery. It is generally understood by those who have examined the case, that unemployment is a permanent disability of the modern state. ¹⁰

Aberhart proceeded to identify the root of the trouble. First, "there is a lack of purchasing power in the hands of the consumer."¹¹ This was self-evident. Second, "wildcat profiteering is going on"¹² which further eroded purchasing power by ensuring that less could only be purchased with more. And third, surplus funds increasingly were being diverted from commerce and industry to bond investment with the result that interest rates were kept high, thus retarding "the flow of credit."¹³ The remedy for the disease was Social Credit. Aberhart then proceeded to educate the reader regarding Social Credit doctrine, beginning with its three main concepts.

The Cultural Heritage was "the inheritance that falls to the right of the individual citizen living within the bounds of the province." All consumers of the province had "a right to a share in the production of the natural resources of the province."

At the present time this great wealth is being selfishly manipulated and controlled by one or more men known as the "Fifty Big Shots of Canada." Social Credit claims that this cultural heritage is the property of the individuals who are bona fide citizens of our province, and should never be allowed to go entirely to the control of any small group of men.¹⁴

The Basic Dividends were the means by which "the cultural heritage is made operative." Dividends would be issued monthly in
order "to secure for the individual citizen the bare necessities of food, clothing, and shelter."15 The dividend was to go to everyone, whether employed or not, not as cash, but in the form of "non-negotiable certificates." "This would at once remove all relief and dole from our land and recover the morale of our people."16 Aberhart embarked upon a convoluted discussion of these "non-negotiable certificates" which would ensure the circulation of credit and the bare necessities of life to each consumer.17

The final central concept Aberhart presented was "the unearned increment" or "price spread." Aberhart conceived this as the increase in price that was "not earned by the owner or the producer of the goods."18 Aberhart failed to distinguish this concept from the notion of profit with any clarity; indeed, his examples -- selling land for more than you paid for it and the price of coal being determined by effective demand -- suggest that he was talking about profit. Unlike the earlier use of the term, unearned increment, in the agrarian agitation -- in which a genuine and honest profit was the rightful due of the useful producer or entrepreneur whereas an unearned increment was seen as a profit earned due to manipulation or to serving no useful, productive function -- Aberhart's use of the term was ambiguous, if emotive, at best. But to those who were experiencing "poverty in the midst of abundance," and who were keenly aware of the gross injustices endemic to the system, the idea of the "unearned increment" struck a responsive chord.
Aberhart then described his "wondrously simple plan." Basic dividends would be distributed to every citizen in the form of credit to provide the essentials of life. A price control system would be imposed "to fix a Just Price at which goods and services will be available." Finally, "provision will be made for a continuous flow of credit." Aberhart promised these could be implemented "without a very great upheaval ... but they will effectively change the whole system in a very short space of time" creating new life in business and increasing consumption and therefore production and therefore employment for Alberta's citizens.

In Aberhart's plan, the state was "viewed by its citizens as a gigantic joint-stock company with the resources of the province behind its credit." Each citizen was thus seen as a shareholder and therefore entitled to the basic monthly dividend: immediately, those 21 years and older, $25; children up to 16 years old, $5; those 17 and 18, $10; those 19, $15; those 20, $20. The dividends were to be adjustable according to the prevailing standard of living as time went on.

These dividends are not to be given on a basis of so much work done, but as a bare support of citizenship, loyalty to the state and the best interests of the country.

The Just Price was to be "determined from time to time by "a commission of our best experts from every sphere of life." This price must give the producer, importer, or distributor, a fair commis-
tion on turnover, and, at the same
time, must not exploit the purchasing
power of the consumer. Excessive pro-
fits will thus be eliminated.26

The means by which Aberhart promised to ensure the "Continuous
Circulation of Credit (Not Money)" was even more fascinating.

Credit is the life blood of the State
or community. Under no circumstances
must it be allowed to stop its flow.
All basic dividend credit and all sal-
aries, or wages or incomes from what-
ever source, must be expended by the
end of the year following the receipt
of the same.27

However, Government Bonds could be purchased with any surplus income.
Aberhart proceeded to promise producers an assured, no-interest credit
system.

In order that credit may be adequate to
provide and distribute goods, the state
must be prepared to issue credit without
interest ...28

The mechanisms proposed by Aberhart's Manual to carry out the
Social Credit project were considerable, ill-defined, and often over-
lapping -- Provincial Credit Houses and Branches, Commissions of
Just Price Experts, State Credit Houses and Branches, Basic Dividends
Issuer, the Government Unearned Increment Levy, the Credit House In-
spector, various and sundry Government Committees of Experts, commis-
sions on production and commercial turnovers, definitions of bona fide
citizenship, unearned increments of real credit, increments of associa-
tion -- all these concepts and more figured in Aberhart's blueprint.
The sheer bureaucracy evidently needed to implement the program, assuming it was workable in the first place, would have undoubtedly gone a long way toward solving Alberta's unemployment problem. Yet Aberhart also promised to reduce bureaucracy and to save public money (he would use volunteers to put his program into effect). However, the elaboration of at least the rhetoric of appropriate mechanisms to effect the plan made the whole scheme sound plausible and if it wasn't plausible it certainly sounded desirable. Aberhart, to all challengers, was able to provide an explanation of how the scheme would work, and when his detractors ridiculed and attacked his explanations he simply turned to the people and accused his detractors of being deliberately destructive, supporters of the Fifty Big Shots, or innocently ensnared by a "traditional mind" rather than having a scientific, "engineering mind." Besides, after all, was it not true that the experts would design and put in place the actual plan? Aberhart's contention was only that it could be done and done within "fifteen or eighteen months" though he conceded "that there will be many things that will have to be ironed out as the years go by." 

Once Social Credit was in place, all problems would be solved. Just Prices would be paid to producers and exacted from consumers. A minimum economic security would be assured via the basic dividend. All would have the opportunity and leisure to pursue self-development. Unemployment would end. Industry would be stimulated. Credit, especially for farm producers, would be without interest, or at least at
cost. Gradually debts would be liquidated. Just Prices and Just Wages would, on the advice of experts, climb with productivity and abundance. Economic justice would be firmly, irrevocably established. This solution to all basic problems of deprivation, want, idleness, and economic insecurity would prove the solution to other vexatious problems as well. "Contentment and happiness will lead men and women from debauchery." The abuse of alcohol would decline if not cease altogether. Wasteful advertising would end. Women would be more independent with the result that "there would, no doubt, be more wholesome marriages contracted .... [Women] ... would not need to marry for a meal ticket." Young people would get all the education they want -- "along any lines of instruction that appeals" to them. Taxation would inexorably decrease. Ceilings on incomes would be imposed, no one would "be allowed to have an income ... greater than he himself and his loved ones can possibly enjoy, to the privation of his fellow citizens." "Crime would be reduced. There would be no need for theft." Social Credit was, therefore, such a basic solution to the root problems of society that inevitably other problems, problems rooted ultimately in neglect, deprivation, and insecurity, would begin to disappear.

Of course, the Social Credit Manual was not an election platform. Although it had a wide distribution, it was more designed for the education of a faithful cadre who would then carry its message to the people. The message, for mass consumption, was simplified into
a number of shorter pamphlets, lectures, broadcasts, etc., the most important of which, publicly and electorally, was the "Ten Planks Make One Platform" (the school teacher in Aberhart always came out). This document distilled Aberhart's version of a Social Credit System in Alberta into 10 succinct and popularly compelling planks stated with the certainty only conviction can bring.

The first and major plank, "finance and the distribution of goods," promised to stop outside borrowing, to distribute purchasing power through basic dividends, to establish the Just Price on all goods and services, and, very importantly and vaguely, to establish a government agency to provide production loans. Here was a promise to break out of the crisis of debt, to put food on the table, to bring fair prices, and perhaps more tentatively, to begin to supply government credit to producers. The second plank, "the present problem of debt," laid out a number of seemingly sensible proposals to deal with the crisis of debt in the interim. For private debt, dividends and just prices would enable citizens to meet mortgage payments, increased consumption would produce more jobs and, hence, more wages, to help pay off debts, and, more specifically, the U.F.A.'s Debt Adjustment Act would be amended "to prevent hasty foreclosure ... and adequately to meet the requirements of all classes of debtors." Later, when Social Credit brought abundance, there "may" be government, interest-free loans to refund private debt. For public debt, the solution was not a default, but the sale of "bonds ... to our citizens to liquidate this indebtedness
at a lower rate of interest." Of course, unemployment would no longer be demoralizing with the dividend to fall back upon and employment would gradually increase. Specifically, though, since a Depression was on, "every sympathetic consideration will be extended to those in immediate need." The first three planks, then, dealt with the key problems in the public consciousness: how to get the economy going and to put money into people's pockets, how to deal with the crisis of public and private debt, and how to deal with unemployment and direct relief in a more effective manner.

The rest of the election program was not all that different from that of the earlier U.F.A. The plank on agriculture, "the basic industry," promised the "just price," of course, which "will remove the necessity of selling under the cost of production." The rest of the agricultural program was quite non-controversial -- most of it was being done anyway -- find markets, fight to lower freight rates, develop new systems of product grading, build better roads, improve the livestock breed, develop more and better irrigation, eradicate noxious weeds, develop a drought policy, establish new hay and grazing lease regulations, continue rural fairs and children's clubs, etc. Plank Six, on public health, promised comprehensive, state medicine, something to which Labour and the U.F.A. had been committed for some time. Plank Seven promised that Justice would indeed continue to be administered. Plank Eight promised new industries, a re-organization of the telephone system, a workplace safety inspection scheme, and "just
compensation to all workers." Plank Nine, again in the solid U.F.A.
tradition, promised a government department re-organization in order
that they would "be put on a business basis to eliminate the present
enormous waste of taxpayers' money." Plank 10 promised economic
planning, though it was short on how this would be done. Although
it was called the "Planning" plank, itmiscellaneously included a
promise to revise and improve the taxation system and to pass a recall
law if elected candidates failed "to carry out the proposals prior to
election." In fairness, without the Social Credit doctrine, the
platform was a simplistic and clumsy potpourri of many of the kinds of
things that the U.F.A. had either fought for or attempted to implement
or had already implemented or had promised to implement. Social
Credit, or, rather, Aberhart's unique popularization of it, was clearly
the centrepiece of the manifesto.

Yet at the same time, it must be noted that Social Credit
propaganda suggested that the movement was the legitimate and linear
descendant of the agrarian protest movement that had brought the U.F.A.
into office. It was not just that the Social Credit doctrine itself
had been picked up and popularized by the agrarian movement, but that
in itself was significant (is it possible to conceive of Aberhart's
success without projecting it against the backdrop of Irvine's and
others' tireless agitation for Social Credit ideas for almost two
decades?). But, clearly, the Social Credit movement's activists in
Alberta had absorbed all the essential grievances that had wide
currency among the agrarian petit-bourgeoisie and that had been so well, though now inadequately, articulated by the organized agrarian petit-bourgeoisie. They were re-expressed, albeit with a new twist, but they were the same old grievances: expensive and bankrupting credit; unjust and insecure prices; a sense of powerlessness against corporations, trusts, monopolies, banks, mortgage companies; a sense of frustration at the lack of responsiveness of parliamentary democracy; a sense that the present system manipulated, degraded, and abused those involved in "the basic industry," agriculture; the long-lived complaints about the National Policy including tariffs, freight rates, and the constitutional straitjacket; a conviction that public office was sought as a personal prize and used badly by those who won it, even when those who won it were one's own. These were all there. They were expressed with a new vigour, a new aggressiveness, and by a new, wholly political, vehicle, but they were not new. One can therefore understand why it was possible for the Social Credit League to go to the U.F.A.'s base and legitimately to claim the right to assume the mantle and to pick up the torch from the tired, jaded, corrupted, compromised, and insensitive office-holders ensconced in Edmonton. At the end of the Manual Aberhart had said, "It is surely evident that if we never begin, we shall never make any headway. We are making history to-day. Let us stand shoulder to shoulder in our endeavour."^{38} When he said that he was not just calling on the agrarian petit-bourgeoisie, and its allies, to fight the Fifty Big Shots and to turn the Depression around,
he was also calling them to return to the first principles of the agrarian movement that had been lost or forgotten or debased by the U.F.A. Government after 14 years in power. In the context of the Great Depression, it was not surprising that they answered Aberhart's call massively, much more massively than they had answered the U.F.A.'s call in 1921.

By the time the official election campaign was on the U.F.A. was in shambles. The U.F.A. in reality ran two campaigns. The U.F.A. Government ran the main campaign on its record around the slogan "careful decision based on sound business principles." The U.F.A. organization, and some of the candidates, ran a more educational campaign, as an affiliate, around the basic principles of the Co-operative Commonwealth Federation. Meanwhile local after local of the U.F.A. went over to Social Credit. The leading U.F.A. spokesman, seven weeks prior to the election, was forced to admit:

Defections from our ranks undoubtedly number many thousands. It is stated that we have become defenders of the status quo. Some are more bitter and charge us with being reactionary. So hard is the lot of some people that they are in a revolutionary frame of mind and find nothing good in what we have done or tried to do.

The major thrust of the U.F.A. campaign was defensive. It offered nothing new to deal with the Depression. It issued no dramatic pronouncements of new, innovative, or aggressive programs. It relied on its record of providing as much economic security as possible,
while maintaining the credit standing of the province, through debt adjustment, agricultural aid, and unemployment and direct relief. It reminded electors of its magnificent highway program, "freed from the party patronage system." It reminded them that the number of schools, and the amount of spending on education, had both about doubled since 1921. It extolled its approach to railway building, to natural resource development, and to constructing a non-partisan and professional civil service. In the area of agriculture, it was argued, the Government had...

... initiated sound agricultural policies to improve the status of the man on the land, and the quality of his products, in order that he might be in a position to obtain the highest possible prices.

It promised to deal with the burden of debt and taxes and pointed to orderly federal, provincial, and municipal negotiations as the route to take. And, despite its inapplicability and the record of the Government itself, the U.F.A. campaign extolled the virtues of group government. Only the Labour party officially carried the Co-operative Commonwealth torch advocating the social ownership of the means of production in order to replace capitalism with a more just system, as well as an impressive and massive package of ameliorative social legislation.

The Social Credit campaign, on the other hand, provided a detailed diagnosis of the diseased state of the economy in which "the focal point of infection is obviously finance," which is "more dangerous
than a military foe."

... here [finance] is a foe more subtly dangerous than any military invader that already has the stranglehold upon our industry and our government, that threatens our jobs, our homes and our very lives. An enemy that not only would steal away our present resources and liberties, but would inveigle us into mortgaging our future and selling our children, and our children's children, into hopeless financial bondage.

Having so graphically diagnosed the disease and the enemy, Social Credit offered a cure whose crisp promise held out more hope than sound business government or federal-provincial negotiations.

The Social Credit program strikes at the root of these problems [debt, economic insecurity, low wages, unemployment, etc.]. It pledges itself, through the use of our credit, to give economic security to the bona fide citizens of this province. This is done through the issuance of basic dividends which is part of the rightful inheritance of the people. It will enable our people to enjoy greater freedom and contentment than they enjoy at the present time. The Just Price feature includes just wages and salaries for all and prevents the exploitation of the employee by the employer. The basic dividend will also give a great source of purchasing power to the people, which will mean more goods sold, more goods produced, more services needed and ultimately will result in less unemployment.

The campaign literature claimed all this could be done with the present provincial powers which gave the province control of its own credit. Thus the province, under the existing constitution, could "restore the
people's credit to the people themselves through Social Credit" as well as establish "a new system of exchange of goods and services whereby we can gradually reduce our present liabilities, and at the same time give purchasing power to the general public." The Social Credit campaign also promised new industries based on local raw materials (the industrial production of woollen and leather goods were used as examples) as a means of overcoming the structural inequities of the National Policy:

Why not have machines in Alberta, save all freight and expense, letting us manufacture the finished article in Alberta, giving our producers a Just Price for their raw materials? Why not? ... A Social Credit government can do this. Let us have a change and a new order.

The implementation of Social Credit would establish such a new order which would be a magnet

... to draw the inventors, the manufacturers, and the people who follow them, and our standard of living will be lifted to higher planes.

The "purchasing power to the extent of food, clothing and shelter" promised to "every bona fide citizen" ... "so they can purchase the goods they require" was thus only the first step in the beginning of a new and abundant industrial order which would see new industries mushroom in the province -- woollen and leather goods factories, brick factories, pulp and paper product factories, food processing factories, etc. -- followed by a mass immigration of skilled and useful people. All this would happen only when the hold of the financial system,
which prevented Alberta's development, was broken once and for all. On August 22, 1935, the Alberta electorate -- still 63% rural and including residents on over 100,000 farms -- went to the polls. 301,752 votes were cast for 239 candidates contesting 63 seats. This turnout of the electorate, a tremendous increase over the 188,219 who voted in 1930, represented 82.6% of the eligible voters. The U.F.A., running for 45 seats, failed to win any with 11% of the popular vote (33,063), a tremendous drop from the 39.4% (74,187) won in 1930. The Tories, running eternally hopeful in 40 seats, won only two seats with 6.5% of the vote, while the Liberals, who had thought they would benefit most from the disintegration of the U.F.A., ran in 61 seats, winning only five with 23.1% of the popular vote. Labour and Independent Labour was decimated, running in 11 seats and winning none with about one-third of the vote they had gained in 1930 (5,310) and only about 1.6% of the popular vote (they had won 7.6% in 1930). The Social Credit was the clear beneficiary of the disintegration of the popular support for the U.F.A. and Labour, running in 63 seats and winning 56 of them with 54.2% of the popular vote. The Social Credit party won all but one rural seat and, unlike the U.F.A. which had never contested the major urban ridings, swept the towns and major urban centers.

The 56 Social Credit M.L.A.s were a more mixed lot, occupationally speaking, than the U.F.A. M.L.A.s had ever been. They included 13 teachers, 13 farmers, eight small-town businessmen, and four insurance salesmen. The professions were well represented: the Social
Credit caucus included four lawyers, two doctors, two clergymen, two engineers, and one chiropractor. They had all been hand-picked by Aberhart in consultation with local leaderships and consequently, unlike the U.F.A. M.L.A.s, they represented no strongly independent local locus of organization. What united them, and had won for them the support of the mass of the population, particularly of urban labour and the rural and urban petit-bourgeoisie, was Aberhart's rendition of Social Credit's solutions to the problems confronting Alberta. The evidence is quite clear. The majority of the M.L.A.s expected that steps would be taken to develop and to implement a Social Credit plan in Alberta at the earliest possible time. Many of them, including Aberhart himself, had not foreseen the implacable opposition they would face in their efforts. Indeed, Aberhart reportedly actually believed that he could expect the full co-operation from the banks in establishing Social Credit. His confidence was such that he obtained the services of R. J. Magor, president of the National Steel Corporation, as a financial advisor much to the distress of Major Douglas and more orthodox Social Crediters.

On August 3, 1935, the Financial Post had ominously predicted that the "election of a social credit government would be considered disastrous by bondholders." By August 28, 1935, Alberta's bond market, which had been strong prior to the election, had collapsed utterly. By August 31, 1935, the Financial Post was describing the situation as a crisis. Editorially, the Financial Post, in retro-
spect, was close to the mark.

If Alberta were a self-governing country, its election results of last week could be interpreted only as a popular mandate for a complete transformation of the political and economic system. But Alberta is only a province with limited powers and almost none of the powers that its new political leader will require to carry out its programme. So instead of a social revolution Alberta faces only chaos.... If the people of Alberta, in electing a Social Credit government, have indicated a callous disregard for the credit of their province, it is, of course, the logical thing for them to do. For they have been working up to such a final expression of opinion for years.67

Faced with a major financial crisis and the remorseless necessity to govern a province that was proving easier to win then to run, Aberhart moved cautiously. Responsibility for establishing Social Credit was more and more clearly shifted to Douglas and other experts who were expected to come up with a plan.68 This was done with some disingenuousness. A month after victory, Aberhart was asking Douglas for

... your proposals as early as possible so something may be done. We are for the most part unable to take any definite action for fear of running ahead of your advice, and we need to have definite instructions as to what should be done by way of preparing for the introduction of the social credit plan. At present we are doing everything we can to clean up house and put everything in first class order.69

Aberhart played a cat-and-mouse game with Douglas for seven months, largely, one suspects, for the primary benefit of his restive Social
Credit colleagues on the backbenches who were demanding decisive action. Declarations that it was in the hands of experts also served to buy him some time with the public. However, to every suggestion made by Douglas, Aberhart raised objections and then proceeded, again, to ask for a plan and to beg Douglas to come. Clearly, in retrospect, Aberhart was buying time, having, as he did, "a mandate for monetary experimentation"70 without the powers to experiment.

The first session of the Legislature dominated by the Social Credit government was awaited with some anticipation. In January, 1936, the Financial Post spoke darkly of the "test looming for Aberhart in [the] new House," crowing that "so far nothing in the direction of social credit has been accomplished," and obviously relishing Aberhart's defensiveness at having not only not delivered the basic dividend but not having come up with any plan to do so, when it reported the novice Premier saying, at a Calgary meeting in response to grumbles about the lack of dividends,

It is only six months [sic] since I got in office and you are impatient. In six months you will have recall legislation in the province and if you want to you can banish me to the tall timbers. You can give me two years or put me out.71

However, the Financial Post's hopeful reporting notwithstanding, prior to his first legislative session, Aberhart was still in the clear ascendancy in Albertan politics, as he was to remain until his death in 1943 and his party was until its defeat in 1971. The Depression,
though moderating somewhat, was still on and Canada's politics had never been so unpredictable since 1921. The October 14, 1935 federal election, besides returning a comfortable Liberal majority and putting Bennett's quixotic New Deal Tories out of office, had revealed the extent of the hold of Social Credit on Alberta and its significant initial foothold in Saskatchewan. Social Credit candidates had won 15 of Alberta's 17 federal seats with 48.2% of the popular vote. The Liberals and the Tories had won one seat each. Again the U.F.A. M.P.s, now running under the C.C.F. banner, were routed, winning no seats with 13% of the vote. William Irvine had sought a Social Credit nomination but had been rejected, in line with Aberhart's policy of rejecting out-of-hand any "brokendown politicians," and went down to defeat as the C.C.F. incumbent in Westaskiwin. The Social Credit party contested 20 of Saskatchewan's 21 seats, winning two with 17.8% of the popular vote. Social Credit efforts at a break-through in Manitoba and British Columbia were disappointing. The C.C.F. ran nationally winning seven seats with 8.9% of the popular vote. The Reconstruction party made a good national showing, winning one seat with 8.7% of the popular vote. Altogether, third parties and independents, reflecting the instability of the Depression, gained 25.4% of the popular vote nationally, not too much less than the united Progressive and independent vote in 1921. The independents included such labels as Communist, Veterans, Anti-Communist, UFO-Labour, Technocrat, Labour and Socialist as well as a smattering of independents from the established parties. In the next
few years, the C.C.F., especially in Saskatchewan, was to go through a tortured and indecisive rejection of Social Credit, the Reconstruction party was to disappear as suddenly as it had appeared, and the Communist party, especially in Alberta, was to swing to a position of critical support for Aberhart and Social Credit, a position they held to until 1939. Fascist movements made a brief appearance, leading up to the 1939 war, eagerly hoping for some common ground with Social Credit.

In such a state of political confusion, Aberhart's hold on Alberta seemed firm, almost unassailable, and his threat in Saskatchewan was real. Indeed, in Alberta, the Social Credit party had won less than 50% of the federal popular vote only in seven seats, of which four were urban seats (two in each of Calgary and Edmonton, yet Social Credit won two of these four) and the other three were rural strongholds of C.C.F. support which, nevertheless, returned Social Credit members. Clearly, Social Credit support had not seriously eroded since the Aberhart provincial sweep.

Consequently, Aberhart was nothing if not confident as he went into his first session of the Legislature as Premier. His detractors, who gleefully anticipated many gaffes and missteps in the House due to Aberhart's inexperience, were gradually shocked into the realization that Aberhart did not even intend to deign to speak in the House, saving his energies for the frequent and lengthy Social Credit caucus meetings, the radio broadcasts, and the public platform. Nothing moved him to speak in the House; the Financial Post's mocking attacks on his "monetary tomfoolery" and convoluted efforts to show the reader that
Aberhart was an "unconscious socialist" and that his ideas on Social Credit were "little short of Communism" were grist for the mill when he spoke directly to the people, but in the House he maintained an impassive and exasperating silence for the most part.

The February 6, 1936 Speech from the Throne, the first for the Social Credit government, was a disappointing document to many orthodox Social Crediters. The speech was, but for one brief mention of Social Credit, businesslike and right out of the U.F.A.'s book: including a clear reiteration of a portion of the 1934 U.F.A. Speech which had spoken grandly of "new conceptions of human rights and social justice." The Speech promised "the strictest economy" and "careful administration" combined with a vague promise of a "profitable investigation" of the "opening up and development of our vast resources, the encouragement of new industries, exploration and research in the extensive northern areas, together with the recovery and rehabilitation of the Southern Irrigation Districts ...." The usual policies -- aid to agriculture, efforts to lower interest rates, more work on education, highways and bureaucratic re-organization -- all were mentioned.

The only real departures from the previous administration were in three areas: Major Douglas, Social Credit and recall legislation. The Speech promised to bring in Major Douglas "to advance the introduction and establishment of Social Credit principles within the Province," despite the fact that Douglas had severed relations with Aberhart on two previous occasions. In fact, unknown to the Social
Credit backbenchers and the public at large, Douglas, in December of 1935 had already disassociated himself from Aberhart when he said,

> Your own pronouncements in regard to the balancing of the Budget and economies to be effected in the administration are integral parts of a policy directly opposite to that which your Government is by name committed, and render it increasingly difficult to make good the promises made to your Electorate.\(^{82}\)

The Speech promised "a measure leading to the formulation and adoption of a plan based upon the principles of Social Credit will be submitted for your consideration," though no such measure existed. Additionally, and of great significance later, the Speech promised the introduction of recall legislation to allow the electorate legally to recall any member.

Undoubtedly the most controversial section of the Speech, from the point-of-view of Social Crediters, promised that

> Estimates will reflect the most rigid economy compatible with the proper and careful administration of the Province until more favourable economic arrangements can be made under the policy of this Government ... [and further that] ... no ill-considered action of to-day will jeopardize the welfare of the future.

The U.F.A. Government had said the same thing, much more eloquently, repeatedly from 1921 to 1935. This was "orthodox retrenchment,"\(^{83}\) as Douglas disgustedly referred to it in his 1937 book on Aberhart's efforts.
The first Social Credit Budget reflected the truth of Douglas' characterization. In the Budget Speech, Charles Cockroft, the new Provincial Treasurer, said,

... this Government will be compelled to call upon the bond-holders to accept the lower rate of interest ... 

This was the closest he came to anything which smacked or hinted of Social Credit. Certainly the rest of the speech and the budget proposals were not Social Credit, either directly or by inspiration. Granted the insistence that the Government intended unilaterally to refund the provincial debt, or parts of it, at 2-3/4 % or 3 % was a shocking prospect to finance capital and delightful to the hard-pressed people of Alberta. Still, it was not Social Credit. Further, the rest of the measures proceeded to impose a heavier tax burden on Alberta’s taxpayers. The proposals imposed a new 2% sales tax, higher income taxes on those earning over $650 annually, and a social services tax at the municipal level. The income tax package included a 2% tax on the first $1000 of taxable income of married persons (a doubling of the previous taxes) with an increase of 1% on each additional thousand of taxable income up to $10,000. Corporation taxes went from 4% to 5% and single persons were to be taxed at a rate 1% higher than married persons. 

The only legislation remotely close to an implementation of Social Credit passed during the session was The Social Credit Measures Act. The Act began with a statutory restatement of Aberhart's
rendition of Social Credit doctrine:

Whereas under modern scientific conditions productive capacity is unlimited; and

Whereas the existence of indigence and unemployment throughout a large portion of the population demonstrates the fact that the present monetary system is obsolete and a hindrance to the efficient production and distribution of goods; and

Whereas discovery, invention and organization have multiplied the possibilities of the resources of the world to such an extent that abundance of production has itself created new problems; and

Whereas it is essential to the well being of the people of this Province that all hindrances to the efficient production and distribution of goods be done away with and that the people of this Province be enabled to enjoy the benefits to which their productive capacity entitles them; and

Whereas the electors of the Province are favourable to the adoption in the Province of a measure based on ... Social Credit principles, ... to bring about the equation of consumption to production, and to afford each person a fair share in the cultural heritage of the people in the Province ...

The Act's provisions began with a declaration that "the people of the Province are entitled to the full benefit of the increment arising from their association." More significantly, however, the Act delegated a great deal of power to the Cabinet, which, by order-in-council, could authorize and implement "any measure designed to facilitate the ex-
change of goods and services" or "to bring about the equation of con-
sumption to production and thus ensure to the people ... the full
benefit of the increment arising from their association." The Act
authorized the appointment of individuals with all the powers of
commissioners under The Public Inquiries Act, with a wide range of
investigatory powers granted to facilitate an examination of Social
Credit and its implementation in Alberta.

The granting of such sweeping, general authority to the Cabinet
was roundly condemned by editorial writers and members of the
Opposition. The Act was repealed in 1937, and the only significant
action taken under its terms, other than the establishment of the
Social Credit Board, was the famous Social Credit registration of the
population during the summer of 1936. This registration turned out
to be another gesture, but one not without some political significance.
The registration was aimed at obtaining the support and co-operation
of the citizenry in building Social Credit in Alberta. Each citizen
was asked to sign one of four types of "convenants" -- as a farmer, as
a citizen, a manufacturer, or a retailer -- whose clauses would govern
the individual's economic behaviour. This process caused a storm of
protest, including accusations of "a fascistic method in public affairs," but significantly it has been estimated that about 370,000 of Alberta's 772,782 people signed these undertakings during 1936.

The 1936 Session also passed legislation of some practical
significance to farmers and workers. The Agricultural Relief Advances
Act was passed "to provide for agricultural relief for necessitous farmers." This Act ensured that necessitous farmers would have the funds in 1936 -- either directly or by provincial guarantee of municipal or individual loans -- to acquire "seed grain, fodder, feed grain, fuel oil and lubricating oil" in order to put in a crop. This legislation was not particularly a new departure, but it was a more sensitive and immediately practical measure than previous responses to the need for state support to ensure agricultural production. In response to demands from skilled sections of the trade union movement which were experiencing cut-rate competition for scarce jobs, the Social Credit government passed The Licensing of Trades and Businesses Act which granted the Cabinet powers to designate trades, to provide for the registration of such trades which would exclude non-registrants from carrying on the trade, and to license and regulate such trades. As well, The Tradesmen's Qualifications Act gave the Cabinet power to designate certain trades as skilled and to require certificates of proficiency for those who carried on the trade. The Session also passed legislation providing for a means to establish a minimum wage for men. The final significant piece of legislation put into effect a long-time principle of the organized agrarian petit-bourgeoisie by making detailed, statutory provision for the recall of members of the Legislature. The Legislative Assembly (Recall) Act provided for an extremely complex process by which a petition signed by 66 2/3% of the eligible voters in a constituency would effectively vacate the seat
of an incumbent and result in a by-election.

The Spring of 1936 was a difficult period for Aberhart and the Social Credit Government. The reaction of many of Aberhart's Social Credit colleagues, especially among the federal group, to the budget and the general lack of movement toward the establishment of Social Credit was somewhat negative. The federal group publicly declared in favour of Douglas and publicly expressed a hope that Aberhart would change his course, withdraw his budget, and return to basic Social Credit principles. In a sense, the concern was well-deserved since Aberhart's budget was widely viewed, by enemies of Social Credit, as "a death blow to Social Credit" since it robbed "the new party of all claim to the possession of a painless cure for hard times." Yet Aberhart, for the time being, retained the control and loyalty of his caucus, and certainly of the mass membership. By March 28, 1936 Aberhart and his colleagues were forced publicly to declare the final break with Major Douglas due to the fact that

... Douglas had lost the confidence of the people who had expected him to seize the opportunity to put his theories to the proof. 

However, Aberhart still had words of hope for the public despite the loss of Douglas, particularly since he had urged them to put such complete faith in experts.

The question of expert advice is one we have not had time yet to consider. The government is determined, however, to get the very best expert advice it can and will proceed with the greatest
possible expedition to the introduction of Social Credit.99

Meanwhile, one of the staunch veteran supporters of Social Credit doctrine, William Irvine, now a defeated C.C.F. candidate for M.P., published an "Open Letter to Premier Aberhart" in which he condemned Aberhart for having failed to deliver his promises, especially his promise for the establishment of Social Credit.100 Prior to 1935, Irvine had, as a positive advocate of Social Credit, published another widely circulated pamphlet in which he suggested that the lack of purchasing power was the root cause of Depression. He had argued, in words later used by Aberhart, that

... to break the power of the controllers of credit, and to secure the use of credit without interest, is the greatest and most important of all the economic problems of our time.101

Furthermore, and significantly, he had advocated a deliberate policy of unilaterally defaulting on the Provincial debt. Aberhart later proved to be an able student of Irvine as well as of Douglas.

There is no doubt that the passage of The Social Credit Measures Act and the resulting "covenant" scheme kept alive some sense of popular support. Yet it was not satisfying many of the more critical minds and secondary leaders in the movement who wanted more basic evidence of a move to establish Social Credit. There is no doubt that the final official and public break with Douglas and his supporters, of which there were many in the movement, did some damage despite the fact that Aberhart and Douglas had already made their differences clear
during the U.F.A. Government hearings. However, in April of 1936 the Social Credit Government made a move that convinced many of its seriousness and closed the ranks of the movement for a time. The Alberta Government formally and officially rejected all efforts at negotiation with the federal government and the bond holders and unilaterally defaulted on an issue of $3,200,000 in provincial 1916 bonds, at 6 % interest, which matured on April 1, 1936: however, it continued to pay the interest. 102 Alberta was the first province unilaterally to default and its decision shocked federal government circles and the financial community, just as much as it captured the imagination of much of the population of Alberta.

The Financial Post lamented that Aberhart appeared "intent to pursue the will o' the wisp called 'social credit'" and warned that "the memory of investors is long." 103 Although Alberta bonds immediately declined to next to nothing in contrast to other Canadian issues (although there was a decline in demand for all western province issues), the investors were concerned that this punishment was not enough since Alberta seemed quite willing to go it alone. Many investors feared that a chain-reaction might set in that began an inexorable process of a "widening of the area of default and repudiation." 104 There was room for this fear, other provinces and cities were talking loudly about the need for lower interest rates on new and existing debt. 105 The Financial Post spoke for the investors and reported "a feeling of helplessness in the hands of deluded monetary 'reformers'" 106 unless
there was federal or court action to stop Alberta. Aberhart defended his Government's actions in front of the Vancouver Canadian Club, arguing that Alberta had only faced reality rather than embarking on a principled policy of repudiation. He said, in part,

>We offered to co-operate in every way possible, except to give over our autonomous rights regarding our credit. We clung tenaciously to our provincial birthright ... I have always believed in fulfilling promises and paying debts. I am not favourable to repudiation in any form, and have never been so. I fully believe in all contractual obligations, and the right of the debtor and of the creditor to bargain ... [but] ... we had not the wherewithal.\[107\]

Aberhart strengthened his case by pointing out that interest payment expenditures alone by the Alberta Government amounted to close to one-half of the provincial government's annual income. By June of 1936 Aberhart had won his point: the federal government was urging voluntary conversion of Alberta's obligations on the basis of three per cent interest, but Alberta continued to hold out for 2-1/2 %.\[108\]

The internal strains in Aberhart's Cabinet brought on by this crisis led the Financial Post hopefully to predict the "collapse" of Alberta's Social Credit Government within a year.\[109\] However, Aberhart had taken other actions to manifest the seriousness of his commitment during the spring and summer of 1936. On May 31, 1936 an Alberta order-in-council reduced the interest rates unilaterally on all public
funded debt by one-half (with a 2% floor). On June 13, again by order-in-council, authority for issuing $2,000,000 worth of "prosperity certificates" was established. The fact that the "prosperity certificates" failed to circulate -- only one in eight were issued, the University of Alberta and the King's Printer, refused to accept them; Aberhart also declined the suggestion that the Cabinet be paid their salaries in the certificates -- did not detract from the fact that their issuance appeared as yet another effort to work toward Social Credit by establishing a provincial medium of circulation.

Indeed, J. W. Glenwright, President of the Edmonton Chamber of Commerce, telegraphed the Prime Minister and begged him "to take prompt action to stop what is clear contravention of Dominion control over currency and legal tender." The culmination of this whole series of crises -- internal dissension within the ranks of Social Credit, the default, the convenant registration, the unilateral lowering of interest rates on public funded debt, and the issuance of prosperity certificates -- was Aberhart's decision to call a Special Session of the Legislature which sat from August 25 to September 1, 1936.

Just prior to the beginning of the Special Session some harsh words were exchanged between Aberhart and the financial community. Aberhart accused the banks of provoking a punitive flight of funds from Alberta, asserting that the banks were "taking out the money now being repaid as fast as they get it." He went on to say, threateningly, "we are not going to take anything from anybody .... The
financiers might just as well know that the jig is up." The financial community responded by asserting that they were really not alarmed by Social Credit and as far as they were concerned it was just "business as usual." Business as usual meant that Alberta bonds were not in demand and it was getting nearly impossible to acquire credit from banks in Alberta without the greatest of security. The Financial Post proceeded to present Aberhart with a birthday gift of a special assessment of Social Credit's one year in power. After a rather unsympathetic, but nevertheless fairly accurate, assessment of the Alberta government's record, the Financial Post concluded:

What does it all amount to?

Casting aside the numerous platitudes and obscurities ... the situation may be summarized:

Taxation has been increased and, without reducing ordinary expenditures, government costs have been cut by sacrificing bondholders.

Social Credit, whatever it may be, has yet to appear on the scene in Alberta ... Meanwhile nearly all Alberta bonds sell at about the same price, indicating they are regarded just as if no interest at all were being paid ...

As for Mr. Aberhart, he is in disfavour not only with investors but with his unconscious teacher, Major Douglas, with the Dominion government, with Alberta business men, and finally with some sections of his own government.

What a year. 115
The Financial Post neglected to mention that Aberhart continued to be in good favour with Alberta's farmers, workers, and many small businessmen.

The Financial Post was less charitable in its editorial marking Social Credit's anniversary. Drawing out a rather extended metaphor, Social Credit was compared to a Santa Clause committed to a "plan for bigger and better Christmases" each month including (1) monthly dividends, (2) interest free loans, (3) primary producer bonuses, (4) government loans to liquidate private debts, and (5) credit accounts for retailers. The editorial concluded rather pompously:

Funnily enough both Social Credit and Santa Claus begin with the same initials. They both end the same way, too. For sooner or later all of us grow up to find that no matter how kindly and benevolent the old gentleman may be in his promises, the only currency he really recognizes -- ultimately -- is cold hard cash.

And Social Credit promises -- like those of Santa Clause -- must sooner or later meet this test.\textsuperscript{116}

The Social Credit government responded, on August 25, 1936, with a six paragraph Throne Speech which justified the Session as due to the "calamitous drought" and "the grave economic conditions resulting therefrom." The Speech unabashedly promised to be Santa Claus. It promised

... further action in regard to the introduction of Social Credit principles, Debt Adjustment legislation, the Reduction of Interest and such other matters as may be deemed necessary for the good and welfare of our people ....\textsuperscript{117}
It was with this Special Session that the Alberta Social Credit government embarked on a course of sustained constitutional confrontation with the Dominion government and economic confrontation with finance capital which was to last for more than two tumultuous years. During this time Aberhart came toe-to-toe with what Major Douglas characterized, fairly accurately if simplistically, as "the Eastern financial interests, acting through the Dominion Cabinet and otherwise" and toyed, even legislatively, with aspects of the original Douglas strategy, proposed from the beginning and earlier recommended to the U.F.A. government, in which the provincial power would be used deliberately in order "to inflict severe penalties upon the financial interests."

The Special Session's legislation represented a frontal attack on finance capital and on the federal government's constitutional authority. The Social Credit government introduced and passed The Alberta Credit House Act designed "to provide the people of Alberta with additional credit." The Act established, on paper, the bureaucracy necessary for the provision of "credit ... for facilitating the exchange of goods and services within the Province" to persons who were eligible for registration. The Act also ratified and validated the order-in-council 1092/36 under which the registration had already begun. The Credit House was designed to "furnish to persons entitled to Alberta credit facilities for the exchange of goods and services in the Province in order to effect equation between the purchasing power of such persons within the Province and production within the Province ..."
Such credit was to be available "to any person engaged in agriculture or manufacture or industry in the Province and to any person ... to defray the cost of the building of a home or the establishment of ... any business, vocation or calling." Such credit was to be free of interest though there was to be a 2% administrative charge. Here, on the face of it, was the fulfillment of a long-cherished dream of the organized agrarian petit-bourgeoisie: free, or at least, cheap, credit. However, the Act went even further: a home for every worker, business or trade for any aspiring entrepreneur, the wherewithal to achieve a measure of economic independence and security relying no longer on the whims of bankers and mortgage companies but on one's own productivity, ingenuity, and acumen. Neither the fact that the Act was impossible to effect, nor that it was repealed a year later, detracted from its immediate political impact.

The Special Session acted to lighten the load of existing private debt as well with the passage of The Reduction and Settlement of Debts Act. The Act covered all classes of private debt but excluded public and publicly guaranteed debts as well as debts owed governments or their agencies. The Act's provisions were quite ruthless, from the point of view of the creditor. The Act limited the extent to which old debts were recoverable to: "the amount of the balance of the old debt outstanding and payable as at the first day of July, 1932 ... and as from the first day of July, 1932, no interest shall be payable on any part of the said amount." The Act stipulated that debts
other than old debt could be recovered at 5% simple interest. No legal proceedings for the recovery of old debt were to be allowed without first obtaining a permit from the Debt Adjustment Board. The consequences of this Act would have been to provide debt relief of unprecedented advantage to the debtor and of unprecedented disadvantage to the creditor. The Act was declared unconstitutional by the Supreme Court of Alberta in 1937, yet it delayed all debt collection action until the legal decision had been made. In essence, then, it provided a breathing space for debtors during which they were free from any proceedings against them.

The next action on the problem of debt included amendments to and a consolidation of the Debt Adjustment Act, 1933. The Debt Adjustment Act, 1936, however, went somewhat further in defending the interests of debtors as against those of creditors. The Act provided that no action of any sort against resident farmers and resident home owners would be permitted for the collection of debts, except debts owed for taxes or hospital services, without a permit from the Debt Adjustment Board. The Act also prohibited proceedings leading to the foreclosure of farmlands which had depreciated in value due to the Depression. However, the Board's major job continued to be to seek and effect a compromise settlement of the debt with the consent of both debtor and creditor. Notwithstanding that, the Act did provide for a compulsory decision by a Referee on any debt upon the application of either party from which there was no appeal. This was true as well for
all Board decisions. No doubt anticipating legal entanglements, the Act provided that the Cabinet could repeal the Act and reinstitute the 1933 version without recourse to the Legislature. (In fact, the 1936 version was repealed in 1937.) As a further measure, The Prosperity Certificates Act was passed essentially to validate the earlier Cabinet action to issue the certificates as well as to make their acceptance voluntary.

As a final body blow to finance capital, the Special Session passed The Provincial Securities Interest Act validating the massive unilateral and compulsory reduction of interest rates imposed by order-in-council 734/36 on May 30, 1936. The Act effected all debentures, stocks, treasury bills, savings certificates issued by and/or guaranteed by the Province except those having to do with the Alberta and Great Waterways Railway. The Act was brief and to the point: it voided all existing agreements and reduced all interest rates by one-half across the board to a minimum of 2% and forbade any court action for redress.

The Financial Post's reaction to the legislative programme of the 1936 Second Session was, without risk of overstatement, frenzied. Social Credit, now, was "not a Santa Claus but a Frankenstein ..." In an unusually virulent attack, for the first time taking the Social Credit government seriously, the Financial Post asserted that

... Alberta's brand of Social Credit is [a] thin disguise for Communism ... there is underway in Alberta an effort at social revolution which may thrust Canada into a
major economic and financial crisis ...
[It] is an unprecedented attack upon
private capital ... akin to the confis-
cation of private property. It strikes
at the very root of commerce, business
and finance in a way which characterized
the early stages of the Russian revolu-
tion ... [There is a] trend to poli-
tical dictatorship in Alberta.126

Later, the Financial Post admitted the broad popular support for
Aberhart's legislation, especially the "laws to cut debts",127 which
were "widely, intensely, dangerously popular."128

The Financial Post alternated its shrill, blanket denunciation
of the Social Credit legislation with efforts to appeal personally
to Aberhart and to prod the federal government into speedy intervention.
Aberhart was reported as "dominated by a handful of radicals" who were
"irresponsible, economically untutored or merely desperate."129 On
the other hand, Aberhart, if he could shake loose from their influence,
"may even prove himself to be a socially minded conservative of deep
human sympathies."130 The Financial Post promised that millions in oil
capital were "poised to enter promising fields" in Alberta "if Premier
Aberhart swings away from [the] left."131 This approach was coupled
with a warning that the Alberta government would collapse if it did not
abandon its "religious and economic lunacies."132 At the same time the
Financial Post reported disapprovingly and worriedly about the federal
government "hands-off" approach to the Alberta situation, which
reflected the fear that swift intervention and disallowance would
increase support for Aberhart. The Financial Post was dubious about
this course.\textsuperscript{133}

By December, 1936 it had become clear that the \textit{Financial Post} had been correct when it said that "little had worked out" for Aberhart and that his ranks were "restive."\textsuperscript{134} The banks, trusts and mortgage companies were either ignoring the legislation or busily challenging it in the Courts. Further, many individuals in the Province, desperate for credit or for a debt settlement arrangement, were also ignoring the legislation, even signing contracts which stipulated that they agreed not to pursue remedies under the new Social Credit laws. However, the hopes for the rapid collapse of the Aberhart government were misplaced. Aberhart and the Social Credit League fought back effectively and aggressively and, as a result, retained the hearts and minds of many Albertans. Aberhart held a series of mass rallies, which received detailed coverage in the \textit{Calgary Albertan}, which had been purchased by the Social Credit League, and continued to promise "a new era of co-operative living."\textsuperscript{135} Social Credit's membership was reported at 34,000 organized into 1100 locals.\textsuperscript{136} The remnants of the U.F.A. had voted to go out of politics and had passed its political torch to the C.C.P.\textsuperscript{137} Labour members were co-operating with Social Credit members on the Calgary city council\textsuperscript{138} and the Alberta Federation of Labour had expressed confidence in the Aberhart administration a year earlier.\textsuperscript{139} Aberhart continued to mobilize the Alberta population for the fight against finance capital. At one rally of 3,000 people he said,
The mortgage companies, the insurance companies and other super-financial agencies realize full well that if Alberta gets to use her own credit instead of letting the money monopolists do it for her -- if you people get free from the clutches of the interest-mongers, you will once more be free men living in a land flowing with milk and honey.

Clearly, on the surface at least, Aberhart was not listening to the siren song of compromise purveyed by the Financial Post. He intended to continue the struggle. Yet many of his own M.L.A.s believed he was not doing enough.

In truth, in December, 1936 nothing concrete had been done to build Social Credit, according to many notable people in the movement. No dividends had been issued and the government had been in power for 16 months. Each measure touted as moving toward Social Credit had failed to bring the system any closer to realization. Granted, the new debt and interest legislation had brought some measure of relief, even if it was only a postponement of the inevitable as the controversy percolated through the Courts. The unilateral reduction in interest on public debt had reduced debt charges' share of provincial expenditures from 25% to 19% ($7,800,000 to $5,200,000) and by 1937 this was further reduced to 17% ($4,600,000). As a result the government was able to give some additional measure of relief to the hard-pressed population and even to expand expenditures slightly in Education (while cutting back a bit in Agricultural programs.) But this was not Social Credit.
The 1937 regular session of the Legislature opened with a de-

fensive Speech from the Throne on February 25. It seemed indeed to

be yet another echo from the U.F.A. repertory of Throne Speeches.

Aberhart was clearly speaking to his own supporters as much as to the

public when the Speech said:

It is well to bear in mind that the

basic causes of these great economic
calamities lie beyond the power and
jurisdiction of this Assembly and that
these major problems should be met on
a broad national scale.

However, the Speech was not dominated by this theme. It spoke of

further measures for "debt adjustment and liquidation," more extensive

public works, the establishment of a provincial marketing board, and, more aggressively,

Further enactments regarding the es-
tablishment of a new Economic Order
will be presented for your considera-
tion in order that the distribution
and consumption or use of our goods
and services may be facilitated with
greater equity and efficiency.

Regarding government spending, the Speech promised a "set of

estimates in keeping with the potential wealth of the Province and

the New Economic Order," estimates, however, which would reflect the

"strictest economy in keeping with sane, sound government." A

fortnight later the government claimed, in response to repeated ques-
tions, that there was a Social Credit plan but refused to reveal it.

On the face of it, the government was, for the first time, in

serious trouble. Late in January, 1937, John Gordon Hargrave, founder
and leader of the British Greenshirts, who had been brought to Alberta as a technical adviser amidst much publicity, had resigned and denounced the government. He said, upon his departure,

I still feel the first Social Credit Government in the world is not yet publicly committed to the principles of Social Credit. I still feel that it lacks technical knowledge and that, as a consequence, it has, over the past 16 months, groped its way like a man stumbling along on a pitch-black night.\textsuperscript{147}

Aberhart's response to Hargrave implied a vague but sinister conspiracy.

I fear this is but another attempt by some unknown person or persons, through the instrumentality of some undisclosed medium, to make our task all the more difficult.\textsuperscript{148}

By early February, the \textit{Financial Post} was again able to announce, this time with more basis in fact, that the "moderates and radicals appear [to be] lining up for a showdown."\textsuperscript{149} Charles Cockroft, Provincial Treasurer, had resigned with much publicity and there were rumours that the Minister of Agriculture and the Attorney General were contemplating similar moves.\textsuperscript{150} Cockroft's reasons for bailing out, it was revealed later, had little to do with Social Credit,\textsuperscript{151} but his decision seemed to lend credence to the thesis that the government was crumbling from within. The 18 month deadline (March, 1937) was approaching and none of the specifically Social Credit promises had yet been fulfilled. Finally, Alberta's Supreme Court had rejected Alberta's debt and interest legislation, prompting the government to issue an order-in-council establishing a 60 day collection moratorium
on private debts in anticipation of new legislation in response to the Court ruling. Aberhart's government was clearly in trouble. Legally, its legislative program was in shambles. Internally, serious rifts, which were to deepen, were appearing in the government's unity. Options were limited but at the same time big promises had been made and had continued to be made. However, Aberhart's trump cards were his immense public popularity as well as his unquestioned personal political hegemony over the membership of the Social Credit League.

Even before the end of the Throne Speech debate, the Social Credit government was faced with publicly expressed opposition from its own backbenches. One backbencher put his concerns quite bluntly:

... we have failed to remove poverty and unemployment as promised.... We have all blundered through from the beginning. We intended to be something different, but while we were making promises of a new movement, we proceeded along old lines.153

In anticipation of the rebellion, Aberhart had appealed directly to the Social Credit League membership for support. No less than three days after the Throne Speech, he declared that he could not fulfill his promise to establish Social Credit and to distribute dividends within 18 months. He appealed for support, during his radio broadcast, according to the Edmonton Journal, in the following terms,

He asked them to pass resolutions at constituency association meetings, advising whether they wished him to resign or continue his efforts toward a new economic order for Alberta ...155
Aberhart's appeal failed to forestall the revolt which was brought most clearly into the open when the budget came down. The budget, introduced by Solon Low, the new Provincial Treasurer, was completely orthodox, focussing, in its most controversial section, on the "burden of debt charges." The first public indication of how far the unhappy M.L.A.s were prepared to go was A. L. Blue's (Ribstone) March 16 intimation that since the budget was not Social Credit it ought not to be accepted by the House. By March 23 a rather large internal opposition had developed when A. Bourcier (Lac Ste. Anne) actually denounced the budget during the debate as totally opposed to Social Credit doctrines, whereupon others joined the attack. The next day, Dr. H. Brown (Pembina) put a resolution to adjourn debate on the budget and, against Aberhart's wishes, it was passed 27 to 25 with 10 abstentions. The internal opposition was determined to refuse money to the government until something concrete was worked out regarding the establishment of Social Credit.

The opposition group was surprisingly strong, claiming the support of from 30 to 35 members and rumoured to be prepared to form a new Government. Three demands were made on the government:

1. a reform of credit facilities in accordance with Douglas doctrine;
2. a dramatic revision of the budget to provide tax relief; and
3. the imposition of a tax on outgoing payments of principal and interest on debt. The final compromise, after much negotiation, was not worked out acceptably until April 8, 1937 when...
Social Credit Act \(^{162}\) was introduced and ultimately passed in the context of Cabinet disclaimers of responsibility for the measure.\(^ {163}\) The new Act repealed The Social Credit Measures Act (1936, ch. 5) and The Alberta Credit House Act (1936, Second Session, ch. 1) and put in their place this much more comprehensive bill which, itself, was repealed the following year.\(^ {164}\)

The Alberta Social Credit Act began with the usual declaration of principles:

Whereas the Province of Alberta being endowed with great natural wealth and being inhabited by a virile, intelligent and industrious people, is capable of producing in abundance, wealth both capital and consumptive, in ample quantities for the needs and advancement of its people;

Whereas the people of Alberta, rich in natural wealth and resources both actual and potential, are yet heavily in debt and have been unable to acquire and maintain a standard of living such as is considered by them to be both desirable and possible;

Whereas the existing means or system of distribution and exchange of wealth is considered to be inadequate, unjust and not suited to the welfare, prosperity and happiness of the people of Alberta ...

However, in its sections, the Act went considerably further than earlier efforts at legislating Social Credit had gone. The Act created and, unprecedentedly, named a five member Board, including some insurgents. Further, it provided that successors to the Board would be appointed by the Legislature, rather than by the Cabinet. The Act
gave the Board powers of appointment of experts, of initiating legis-
lation and of direct reporting to the Legislature, all without refer-
ence to the Cabinet. The Board was also given some direct administra-
tive powers: "to assist the administration of ... Acts ... designed
to facilitate the exchange of goods and services or any proposal ...
calculated to bring about the equation of consumption to production
and thus ensure to the people ... the full benefit of the increment
arising from their association" and to appoint the Provincial Credit
Commission whose members would have 10 year terms. However, the
Cabinet kept control of the purse strings, except insofar as the
members of the Board were entitled to the same perquisites as the
members of any committee of the Legislature. The Cabinet also re-
tained the right to change the Act by order-in-council. Other sections
of the Legislation proceeded to establish, under the control of the
Commission, a "Provincial Credit Account," defined as "the value of the
unused capacities of industries and people of Alberta for the production
of wanted goods and services." The Commission was assigned the duty
to determine an annual retail discount rate, to advance Alberta Credit
at cost to certain persons (broadly, producers or those wishing to
build a home), as well as to collect taxes, to administer securities,
and "to adjust claims, handle settlements and liquidate or adjust
debts ..." Treasury Credit Certificates were to be available for
the retail discount, government services, interest free loans, debt
payments, export subsidies, and consumer dividends. The Act also
seemed to deliver the elusive tax-free dividend by declaring that "after a date fixed by the Board a Provincial per capita consumers' dividend shall be paid on the first day of every month ..." to bona fide citizens of Alberta. However, such payments were to be in Treasury Credit Certificates. The Act also provided for the Alberta Credit House as the mechanism for the distribution of Alberta Credit and the dividends as well as where credit and certificates could be converted into money. Other sections of the Act gave the Commission and the Board sweeping regulatory powers "to make such rules and regulations upon the approval of the Board, as it may be necessary to carry out the provisions of this Act." Further, the Act stated, "the necessary moneys and/or credits for carrying out the provisions of this Act are hereby appropriated." The above characterization certainly does not exhaust the detail and specifics of the 17 page, 51 section Act, but it lays bare the essentials. It was clearly unworkable, even administratively, but it was nevertheless duly passed. Clearly, in retrospect, it was a piece of legislation primarily designed to forestall the internal political crisis the government had faced. Yet it reflected the depth of the commitment to Social Credit doctrine among a majority of the elected representatives, a commitment that had extended to an apparent willingness to cause the fall of the government if necessary. The belief, so effectively purveyed by Aberhart, that the New Economic Order could be built in one province remained firm.

The 1937 regular session did other work of more practical
significance. The Provincially Guaranteed Securities Proceedings Act,\textsuperscript{165} which was declared invalid by the Alberta Supreme Court before the year was out, declared that "no action or proceeding of any kind or description ... for the purpose of the recovery of any money payable in respect of any guaranteed security" would be allowed, "notwithstanding any rule of law or equity to the contrary," without the consent of the Cabinet. The Provincially Guaranteed Securities Interest Act,\textsuperscript{166} essentially enacted a 50\% interest rate reduction on guaranteed securities, only to be invalidated by the Alberta Supreme Court later that same year. The Provincial Securities Interest Act, 1937\textsuperscript{167} essentially re-enacted the 50\% interest rate reduction which had been passed the previous year, only to be again invalidated by the Alberta Supreme Court later in the year. Private debt relief was essayed with The Postponement of Debts Act\textsuperscript{168} which gave the Cabinet power to fix payment dates for all debts under provincial jurisdiction at its pleasure as well as to prohibit the issuance of processes in civil actions and to stay all relevant proceedings. Thus, the Social Credit government continued its campaign against finance capital by attempting to use the provincial power to protect debtors as against creditors. The Co-operative Associations Act, 1937,\textsuperscript{169} a work-a-day piece of legislation, was passed in response to organized agrarian petit-bourgeois demands for changes and for an updating of the older 1922 Act. The Freedom of Trade Union Association Act\textsuperscript{170} established the right to form a trade union to bargain collectively as well as
preventing employers from demanding contracts in which employees surrendered these rights. Further, the Act prohibited any form of intimidation on the part of employers or their agents which interfered with the establishment of a trade union. Such actions revealed a continuing practical sensitivity to the demands of the agrarian petit-bourgeoisie and of the working class and did much to contribute to the generally held belief among farmers and workers that, in addition to fighting for Social Credit, the government was responsive and efficient and fair in the day-to-day administration of the province.

However, the most significant legislation of the 1937 regular session, in terms of the political dynamic of the Social Credit movement, was The Alberta Social Credit Act. The arrival of two new Douglas experts in June, 1937 resulted in a public display of unity in Social Credit's legislative ranks, including the dramatic signing of a loyalty pledge by 49 of the 56 Social Credit M.L.A.s, including all members of the Cabinet.171 The pledge promised support for the Social Credit Board and its experts in their efforts to implement Social Credit. The pledge bound each member,

... to regard it as my first and foremost duty to the people of Alberta in general, and my electors in particular, to uphold the Board and its technicians whilst means are devised by the latter whereby the will of the people of Alberta shall prevail throughout its institutions of production and distribution ... [and further to] avoid recrimination and provocative utterances ... regarding all others who associate themselves with me to achieve this ....172
The Board and its experts worked quickly on the necessary legislation to punish finance capital and to lay the basis for the establishment of Social Credit. A Special Session of the Legislature was held between August 3 and 6, 1937 in order to pass the necessary legislation. It was billed as Aberhart's "fourth start" and it was suggested that Aberhart was, in essence, inviting the banks to help establish Social Credit and, when they refused, to blame them for the failure to achieve the new order. As Aberhart put it, if the banks refuse to meet the situation at once, they would betray an inexcusable indifference to the welfare of our people and their reputation for service to the public would be greatly discredited.

However, the August, 1937 legislation effecting banks was considerably more than a request for help in establishing Social Credit. The Credit of Alberta Regulation Act was an effort to bring the banks to heel and to regulate their activities in ways that would contribute to the establishment of Social Credit. The preamble summed up the general political objectives of the Act:

Whereas Bank Deposits and Bank Loans in Alberta are made possible mainly or wholly as a result of the monetization of the credit of the People of Alberta, which credit is the basis of the credit of the Province of Alberta; and

Whereas the extent to which property and civil rights in the Province may be enjoyed depends upon the principles governing the monetization of credit and the means whereby such credit is made available to the Province and to the People collectively and individually of the Province; and
Whereas it is expedient that the business of banking in Alberta shall be controlled with the object of attaining for the People of Alberta the full enjoyment of property and civil rights in the Province...

The Act provided that all banks and employees of banks were required to be licensed by the Provincial Credit Commission within three weeks of the effective date of the Act. Each license was to be annually renewed. It was required that each application for a license had to be accompanied by a signed oath "whereby the applicant undertakes to refrain from acting or assisting or encouraging any person or persons to act in a manner which restricts or interferes with the property and civil rights of any person... within the Province." Such licenses, which were to cost $100 for each bank building in the Province and $5.00 for each employee, could be unilaterally revoked, suspended or cancelled by the Provincial Credit Commission with the right of appeal to the Social Credit Board unless the bank or individual had been convicted of a violation of the Act in which case there was no appeal. Further, revoked licenses could be renewed at fees of up to 1000 times the normal fee at the discretion of the Commission. The Act went further, providing for Local Directorates "to supervise, direct and control the policy of the business of the Banker... for the purpose of preventing any act... constituting a restriction or interference, either direct or indirect, with the full enjoyment of property and civil rights of any person..." Such Directorates were to consist of three persons appointed by the Social Credit Board and two persons
appointed by the affected Bank. The penalties for banks which carried on "the business of banking" without a license were fixed at fines of from $5,000 to $10,000, and for bank employees, fines of $100 to $1,000 and/or up to one year in goal. Unlicensed bankers were prohibited from seeking redress of any kind "in any court ... in respect of any claim ..."

The second legislative attack on banks was the Bank Employees Civil Rights Act, 177 "an act to provide for the restriction of the civil rights of certain persons," which was preceded by the same preamble as the Credit of Alberta Regulation Act. The Act was brief and to the point, providing that "any person who is an employee of a banker and who is required to be licensed ... shall not while unlicensed for any reason whatsoever, be capable of bringing, maintaining or defending any action in any Court of Civil Jurisdiction in the Province which has for its object the enforcement of any claim either in law or in equity."

The final controversial Act of the Session had as its purpose to prevent efforts to have Alberta's legislation voided in courts for constitutional reasons. The Judicature Act Amendment Act, 1937 (Second Session) 178 was, again, brief and to the point: "no action or proceeding of any nature whatsoever concerning the constitutional validity of any enactment of the Legislative Assembly of the Province shall be commenced, maintained, continued or defended, unless and until permission to bring or maintain or continue or defend such action has first been given by the ..." Cabinet.
The first Act can be seen as an essential first step to bring the banks under provincial regulation in order that the establishment of Social Credit could go forward. The second and third Acts can be seen as efforts to prevent banks or individuals or groups from seeking to invalidate any relevant Social Credit measures now and in future in the Courts, a place where Aberhart had yet to win a legal victory to supplement his political victory.

Everyone expected disallowance of the measures. Indeed, many were worried that the new Lieutenant-Governor had signed the three bills rather than reserving them in order to seek constitutional advice. The Financial Post saw the bills as "a trap laid for Ottawa" in which, upon disallowance, Aberhart would call a "snap election." Mackenzie King's Cabinet disallowed the three Acts on August 17, 1937 without even waiting, as was customary, for petitions from the aggrieved parties to the legislation. King declared that the legislation in question was beyond the Province's jurisdiction and further "would do injury to the public interest of Canada." The disallowance reflected a new departure in the federal government's method of coping with Social Credit. Hitherto, King's attitude had been that he ought not to intervene, thereby increasing Liberal political unpopularity in the West, but that he should allow "the Aberhart regime to suffer for its own excess of zeal." However, there were new pressures. Now the banks, as were all finance capital interests, were positively alarmed at what was going on in Alberta. Furthermore,
it was becoming clear that the political *laissez-faire* attitude on
the part of the Prime Minister and his government had proven to be a
serious miscalculation since "the more radical the Alberta legislation
was, the greater Aberhart's political strength became ... far from
becoming unpopular as a result of its radical legislation ... the
Aberhart government seemed to be more popular than ever."\(^{185}\) Therefore, it was felt essential to wield the federal constitutional power
firmly and decisively rather than to permit Aberhart to continue what
was regarded as political posturing through legislation purely for
popular consumption. Yet it was not a very politically desirable
situation for the federal government to be in since disallowance per-
mitted Aberhart to claim that he was seriously trying to build Social
Credit only to be thwarted again and again by the courts, the federal
government, and the financial interests. Disallowance could, and did,
actually prevent the use of the provincial power to begin doing some-
ting about Social Credit; it could not, however, win the hearts and
minds of Albertans away from Social Credit doctrine.

However, the *Financial Post*, always hopeful, declared in the
aftermath of the disallowance,

> The banks may suffer unpopularity in Alberta, and a politician may find many
> hearers as he attacks them, but the proposition that the banks can be made
to hand out funds to finance Social Credit is straining public credulity too far.
>
> Disallowance by Ottawa of Alberta banking statutes delivered a knock-down blow to
> the Aberhart Social Credit programme ...\(^{186}\)
As usual, the Financial Post was both right and wrong. Banks were unpopular in Alberta and politicians who attacked them found good audiences. And, further, disallowance was preventing the establishment of Social Credit. But Albertan public credulity was far from strained. Indeed, Aberhart, still very popular, boldly announced that he was going ahead with Social Credit despite disallowance. As well, he continued the mobilization of the population against both finance capital and, now, the federal government. A rumour was rife that, as part of its defiance, the Alberta government intended to oust the R.C.M.P. from the province by cancelling its contract and setting up a provincial police force. The Financial Post worriedly reported the "unceasing agitation by Social Credit leaders ... designed to rouse public support." Aberhart and his government struck back at Ottawa with a third 1937 legislative session from 24 September to 5 October during which the legislative offensive was continued. This time three bills in Aberhart's legislative package were reserved by the Lieutenant-Governor "for the signification of the Governor-General's pleasure." Bill 1, The Bank Taxation Act, added new and severe taxes to the existing tax-load on the banks including: "a tax of one-half of one per centum on the paid up capital thereof" and "a tax of one per centum on the reserve fund and undivided profits thereof." According to the Financial Post this constituted a tax increase on banks of 930%. According to Professor Mallory, and quite correctly, this Act had mixed
motives behind it: punitive and reformist.

In a sense it was a straight piece of punitive legislation, quite in line with the strategy which Major Douglas had outlined as a way of bringing the banks to "see reason." The legislation may therefore have been only a bargain-counter and act of retaliation for the initiative which the banks had taken in the disallowance of the legislation of the second session.

To many social crediters, however, it was a measure of fiscal reform dictated alike by the considerations of social justice and monetary theory. On the one hand, it sought to shift the burden of taxation from individuals to "institutions," and, on the other, it enabled the treasury to extract its revenue painlessly from the manufacturers of the circulating medium who -- in social credit theory -- were engaged in an almost costless enterprise.193

In the context of the earlier disallowances, its motives were more clearly the former, at least as far as the banks were concerned.

Bill 8, The Credit of Alberta Regulation Act, 1937,194 was an effort to re-introduce the disallowed The Credit of Alberta Regulation Act, by satisfying the British North America Act's section 91 requirements through a semantic manoeuvre. "Banks" in the earlier legislation became "credit institutions" and "the business of banking" became "the business of dealing in credit." It is not clear whether anyone in Social Credit government circles believed this verbal sleight-of-hand would work. Yet they never had a chance to find out since the bill was reserved by the Lieutenant-Governor.

Bill 9, The Accurate News and Information Act,195 also reserved
by the Lieutenant-Governor, was an effort by the government to force
the printed press in the Province to be fairer in its coverage of the
Social Credit government and its programs and policies. Except for
the Calgary Albertan, which was now owned by the Social Credit League,
Aberhart's radio broadcasts and such other times as could be purchased,
and the public platform, the Social Credit government found itself under
constant press attack: an attack so shrill and patently unfair that
the government felt justified in taking an unprecedented move to control
the press in specified ways. Bill 9 began with the following preamble:

Whereas it is expedient and in the public
interest that the newspapers published in
the Province should furnish to the people
of the Province statements made by the
authority of the Government ... as to the
true and exact objects of the policy of
the Government and as to the hindrances
or difficulties in achieving such objects,
to the end that the people may be informed
with respect thereto.

The Bill would have given the Chairman of the Social Credit Board the
authority to require the publication in any newspaper "any statement
furnished by the Chairman which has for its object the correction or
amplification of any statement relating to any policy or activity of
the Government ... published by that newspaper within the next pre-
ceding thirty-one days." Such statements had to be of the same length,
the same type and situated with the same prominence as the statement
being corrected. Another section went further, requiring that, upon
request, a newspaper had to reveal sources of information and authors
of articles or news-stories. If newspapers refused to co-operate with
the Act the Cabinet, upon the recommendation of the Chairman of the
Social Credit Board, could prohibit the publication of the newspaper,
the publication of the writings of specified persons, or the publica-
tion of information acquired from any specified "person or source."

These three bills constituted the response of the Social Credit
government to the earlier disallowances. However, there was one other
bill of interest to us, a bill that was assented to. The Legislative
Assembly (Recall) Act Repeal Act which, in its operative section,
wiped out the 1936 Legislative Assembly (Recall) Act "as if the Act
hereby repealed had never been enacted." The reason was clear: the
attack on the Social Credit program so apparent in the federal dis-
allowances, in the vilification campaign in the provincial press, in
the courts, in the pages of the national press, had been, in a very
practical way, translated into Okotoks-High River, Aberhart's seat, in
a massive effort to recall Aberhart from the Legislature. The required
petition had come dangerously close to obtaining signatures of the
required two-thirds of the electors in Aberhart's seat.

In all appearances, therefore, the Aberhart offensive seemed
to be faltering and he appeared to be moving to the defensive. The
Financial Post confidently reported that retreat was the "only course
open to the Social Credit chief." It was felt that "the path of
constitutional defiance" had been fruitless. As the Financial Post
put it, amid wild speculation about Aberhart's alternatives,
One course alone is regarded as open to him, namely, to desist from his challenge to constitutional authority, from his attempts at economic dictatorship, and from a general crusade which could only be successful if he had behind him a people reckless to the point of being willing to provoke civil strife.\textsuperscript{199}

The newspaper went even further in an editorial entitled, "Dictatorship in Alberta."

Most people have been of the opinion that anything even remotely approaching a dictatorship would be impossible in Canada, yet Alberta is moving in that direction.

Not only has the Aberhart Government again attempted to invade the legislative field of the Dominion Government and to deny the people of Alberta free access to the courts, but it has also challenged the freedom of the press.\textsuperscript{200}

However, if Aberhart was on the political defensive in Alberta, he didn't seem to know it. The agitation continued. One response to the disallowance of the earlier bills was the publication of the famous "Bankers' Toadies" leaflet by the Social Credit government.

On one side the leaflet said,

\begin{quote}
My child, you should NEVER say hard or unkind things about Bankers' Toadies. God made Bankers' Toadies, just as He made snakes, slugs, snails and other creepy-crawly, treacherous and poisonous things. NEVER, therefore, abuse them -- just exterminate them!\textsuperscript{201}
\end{quote}

The reverse side had a list of nine prominent Albertan citizens known to be enemies of the Social Credit government, including the leader of
the Conservative group who took legal action. Other responses, of a political nature, included mass rallies, broadcasts, study group discussions, and Social Credit Board publications in an effective effort to keep the Albertan population's loyalty and support. Legally, the Dominion and Social Credit governments had to go to prolonged litigation. Reservation powers, disallowance powers, and the right of the Alberta Legislature to pass the three reserved bills were all referred to the Supreme Court of Canada. As well, in January, 1938, the whole Social Credit legislative programme was considered by the Supreme Court for its constitutionality, including the original Alberta Social Credit Act. Not surprisingly, the Court found that the powers of reservation and disallowance had not atrophied because of their lack of use. Further, the Court found the whole Social Credit package to be ultra vires. It was a sweeping legal and constitutional defeat.

There was general rejoicing among the enemies of the Alberta government when this unexpectedly sweeping victory was gained in the courts. It was generally predicted that the Social Credit Board would cease to function now that its powers had been stripped away. While the government had feared an adverse decision on the three reserved bills, the action of the Supreme Court in destroying the legal basis of the whole social credit programme came as a profound shock.

It was thus clear that the Supreme Court of Canada, and now all other courts, would not permit the establishment of a Social Credit system on provincial authority. Yet the struggle was far from over, although
admittedly it took on new forms including continuing use of the provincial power to defend the private and public debtor against the creditor and an effort to expand the movement's influence and support beyond the borders of Alberta. Efforts in the former direction, at least temporarily, proved more successful than those in the latter. By 1938, the Social Credit government's struggle over debt adjustment had not gone well. In particular, the government had lost their efforts in the courts to unilaterally reduce interest which, it was held, was a federal responsibility. However, this did not deter the Social Credit government from continuing its efforts in the 1938 Session.

The 1938 Throne Speech declared,

The year we have now entered may prove a notable one, both as indicating the probable success of the new Economic Order now being made in this Province, and throughout the world to accelerate economic readjustment and the establishment of a new social order.

However, most of the Speech, and of the work of the Session, was work-a-day, promising new advances in the development of the petroleum industry (production had doubled in 1937), in natural resource development, in the re-organization of rural education, in health care and in labour legislation. The Session, however, given the previous year's confrontation and the ongoing legal struggle in the courts, was particularly acrimonious. Increasingly, the government became more and more arrogant in its answers to questions from the Opposition, referring,
for example, to "impertinent insinuations" and "silly questions."\textsuperscript{207} The government side supported an Assembly resolution to arrest a reporter for mis-representation and to incarcerate him "at the pleasure of this Assembly."\textsuperscript{208} Various strong measures were advocated successfully in resolution from the government backbenches, including an inquiry into the take-over of the wholesale and retail distribution of petroleum products,\textsuperscript{209} a strong attack on the tariff and the National Policy,\textsuperscript{210} and a proposal that the principal of all private debt acquired before July 1, 1937 be cut by 50\%.\textsuperscript{211} The government also, in legislation, attempted to re-assembly the pieces of its programme as far as possible.

The \textit{Alberta Social Credit Realization Act}\textsuperscript{212} reconstituted the Social Credit Board with many of its powers of recommendation of "ways and means for the evaluation, conservation, enhancement, advancement and realization of the social credit of the people ..." The Board, in its first report to the Legislature, calculated that the value of provincial resources was ultimately $230 billions and insisted that the standard of living could be increased eight-fold by the orderly development of these resources at one-half of one per cent annually. The Report declared that an average per capita income of $1500 annually was a reachable goal, as well as per capita dividends of $25 monthly, price reductions, and a 50\% tax cut.

Additionally, the government took a new course in taxation in response to its defeats on the Social Credit front. There was a
general increase in corporation taxes, extra taxes imposed on loan and trust companies as well as an increase in the succession duties surtax. In an effort, according to Social Credit doctrine, to shift agricultural taxation from property to production the government had passed The Agricultural Land Relief Act\textsuperscript{214} which allocated 7% of all agricultural production to the government and compelled the dealer who bought the produce "to account for the province's share." This Act was referred to the courts rather than being proclaimed and disappeared from view.\textsuperscript{215} A new tax on banks was also imposed.\textsuperscript{216} The Minerals Taxation Act\textsuperscript{217} imposed a new per acre tax on lands on which mineral rights had been granted. More controversial, The 1938 Securities Tax Act\textsuperscript{218} imposed a tax of 2% of the total owing on mortgages in the province on land, the tax to be paid by those to whom the principal was owed. "These were all aimed at large corporations doing business in the province."\textsuperscript{219} Again, the motivation was both punitive and reformist.

A number of additional measures were introduced in 1938 to protect the debtor. The Debt Proceedings Suspension Act\textsuperscript{220} provided that private debts incurred prior to July 1, 1936 could not be collected through legal action until March 1, 1939. The Debt Adjustment Act, 1937, Amendment Act, 1938\textsuperscript{221} technically attempted to overcome legal objections to earlier measures, but still forbade, upon application by the debtor, the seeking of legal redress on debts incurred prior to July 1, 1936 without the consent of the Debt Adjustment Board. The Limitations of Actions Act, 1935, Amendment Act, 1938\textsuperscript{222} severely
curtailed the legal recourse available to creditors for debt incurred prior to July 1, 1936. The Home Owners' Security Act forbade the foreclosure of any farm home (including the home quarter) to satisfy a mortgage dated before March 1, 1938. Furthermore, and less generously, the Act forbade the foreclosure of any urban home to satisfy a mortgage dated before March 1, 1938 without first depositing $2000 with the Court before the creditor could begin the action. The $2000 was to go to the debtor whose home was successfully foreclosed and sold. Ultimately the plaintiff was entitled to recover either the amount owed him, plus costs, plus the $2000 deposit or the proceeds of the sale, whichever was the smaller amount. The Vendors' and Mortgagees' Costs Exaction Act forbade the collection of any charges and costs other than those ordered by a court. Taken as a whole, "some of these statutes stretched the constitutional powers of the province rather far and almost all of them were highly annoying to the various corporate and creditor interests in the province." This annoyance was reflected well in the local and national press, one example from the Montreal Gazette will suffice.

Unfortunately it [the Aberhart government] has not been content to acknowledge the futility of its main policy and as the only sound alternative to govern the province according to established principles of political economy, justice and good faith, but has now run amok through a field of radical legislation that is without precedent in any country, civilized or savage. It has legalized theft. Having attempted to exploit the banks, to muzzle the press, and to tie the hands of the courts, and
having been frustrated in these efforts, it has proceeded to the enactment of laws which are equally if not more vicious. Notably, it has to its discredit the Securities Tax Act, the Home Owners' Security Act, and an amendment to the Limitations of Actions Act, all passed this year. 226

Meanwhile, save for its militant stance on debt adjustment characterized by its use of the provincial power to defend the debtor (and the province itself), the Social Credit government continued to pursue economic orthodoxy in its budget measures. Indeed, from 1938 to 1944, the central controversial theme in the Provincial Treasurer's budget speeches was the onerous burden of public and private debt in Alberta: 227 a struggle which continued until a settlement was reached in 1945 under the leadership of Premier E. C. Manning. 228

In general, the government was very responsive, by the standards of the times, to the special needs of the people during the Depression and this was reflected in its clear commitment to social expenditures -- education, public health and public welfare -- throughout the period under examination. By 1938, 22% of the provincial budget was going to public welfare, 8% to public health, and 12% to education. Only 16% (as against 28% in 1934 and 25% in 1935) went to debt charges. The Social Credit government was able to maintain and expand its social expenditures because it fixed the amount it was willing to pay on debt charges which never went above $4,600,000 annually from 1937 to 1944 and ranged from 17% of the provincial budget in 1937 to 13% in
1944. Of course, at the time, this was not a subject for much favourable press comment, except in the *Calgary Albertan*, but it certainly captured the sympathy and support of the ordinary people, rural and urban, of Alberta. During its tenure in office no significant sum was given over to Social Credit experiments, save a fraction of a million dollars annually to the Treasury Board beginning in 1938, since the costs for the Social Credit Board were absorbed under General Government, an expenditure category which remained significantly below the expenditures under the Liberals and the early years of the U.F.A. regimes (it ranged from 10% in 1936 and 1937 to 11% from 1938 to 1944). As the 1937 Throne Speech had declared, the Social Credit government remained committed to the "strictest economy in keeping with sane, sound government." 229

1938 was a sort of turning point for the Social Credit government, partly as a result of its legal defeats in the courts and partly as a result of World War II. The government's last general and detailed political and economic statement was made in that year (although the Social Credit Board continued to produce annual reports and propaganda inspired by Major Douglas' message). *The Case for Alberta; Alberta's Problems and Dominion-Provincial Relations*, 230 specifically "addressed to THE SOVEREIGN PEOPLE of Canada," Alberta's official contribution to the Rowell-Sirois Royal Commission, provides an excellent document which illustrates how the historic grievances of the agrarian *petit-bourgeoisie* were fused with little difficulty with Social Credit
doctrines as interpreted by Aberhart. It also remains the last ambitious, aggressive and serious statement of political challenge to the political and economic status quo that was presented by the Social Credit government, except for the case of the continuing debt adjustment controversy.

The Case for Alberta began with a denunciation of the Rowell-Sirois Royal Commission itself, arguing that the Commission would not get at "the fundamental cause of our troubles or an appreciation of the action necessary to deal with them" since,

Under such terms of reference, and with a court of inquiry whose known views were bound by orthodoxy, the case was for all practical purposes prejudiced.

The manifesto, for that's what it really was, proceeded to articulate the traditional grievances of the Prairie agrarian petit-bourgeoisie, most of which they shared with their cousins in other regions: the National Policy itself, settlement and land policies as they had affected the Prairies and other agricultural regions, the unique problems of agriculture due to the cost-price squeeze, the narrow provincial revenue base, etc. The document then proposed a first principle of Confederation:

Sucessful confederation cannot continue when benefits and burdens of national policies are unequally distributed. The benefits of policies instituted for the general good should not in practice be restricted to particular groups or areas. Where national policy, deliberately or by
force of circumstances, impinges unequally on various groups or areas, there should be some corresponding compensation for the loss. 233

Furthermore, the document advocated "a nation-wide minimum standard of living," 234 "the scientific and systematic development of all resources of the Dominion," 235 and "a fundamental reform of the financial system." 236 Most of the document spent its time describing and documenting the economic and political development of Alberta in the context of Confederation and the resulting injustices and distortions in that development which had occurred. Sections spelled out Alberta's grievances emanating from federal land settlement policies, the variability of agricultural income, the problem of private debt ("created by a coterie of politically powerful financiers in complete control of Canada's private monopolistic lending institutions" 237), the inequities of the freight rate structure, the burden of the protective tariff (which cost the average farmer $110 annually 238), the effects of Dominion monetary policy, the market discrimination faced by Alberta's products, the problems of public finance and taxation, the increasingly expensive public service areas incorporated under provincial jurisdiction, and many other more particular areas of grievance. Of course, the document's approach to the classical grievances of the agrarian petit-bourgeoisie was placed firmly in the context of Social Credit doctrine and was generalized to include the grievances of other classes (especially other producers, workers, and
merchants) and of whole regions and nations rooted in a world system of private finance.

It is a feature of the system, operated at present the world over, that as a nation, a province or a state becomes wealthier in a real sense, that is in its ability to produce, so its people become more and more financially impotent, public debts pyramid and taxation increases. The increased ability to produce is not reflected in the purchasing power of the people. In fact, purchasing power relatively decreases, leading to economic impotence. Unemployment, increasing indigence, and health degeneration due to worry and poverty, are the outstanding features of every economically wealthy country. They are the fruits of the present social order and are due to a fundamentally defective financial system. 239

Therefore, "the problems which face Alberta [were] basically economic" 240 and rooted in the nature of the financial system. 241 In 1938, this document best summarized how the Social Credit government viewed the causes of the Depression and the singular remedies to be found in Social Credit reforms.

The document also detailed, in specific terms, what the Depression meant for Alberta in 1938. 242 52,000 people were on relief, including 10,000 unemployed. Dominion, provincial, and municipal taxes took about 30% of the net income of the people. Debt charges and payments, if met, would demand a further 25% of gross income. The "extortionate freight charges" and the tariff annually gouged further shares of Albertans' disposable income. A staggering total debt burden of about $600,000,000, or about $800 per capita, weighed heavily on
the province and its population. "In short, with resources adequate to provide the people of the Province with a balanced productive system and a high standard of living, the people of Alberta are povertystricken, taxed to the limit of human endurance and debt-ridden to a point of desperation." Yet by 1938, the truth was that the Depression had begun to turn around somewhat. Wages were beginning to rise. Employment was increasing. Cash income for farmers began to rise. Production and living costs began to decline. Volume of agricultural production began to rise, although exports remained unpredictable. In short, the Depression was slowly turning around by 1938, though it took the War to bring prosperity to the Prairie region anywhere remotely comparable to pre-Depression days.

It is not therefore surprising that the Second Session of the 1938 Legislature was called primarily to deal with regulating the burgeoning oil and gas industry and not to renew the Social Credit legislative confrontation. However, The Treasury Branches Act, was passed, one of the few monuments to original Social Credit doctrine to survive to the present day. Nor is it surprising that the 1939 Legislature continued to reflect, to some degree, an end to outright constitutional defiance. The 1939 Throne Speech was free of Social Credit promises and the only reference to the inspirational doctrine was oblique when the Speech blamed widespread unemployment and the failure of farms on "the present financial system." Yet the focus of the Speech was on practical measures to rehabilitate such victims of
the Depression "by making our abundant natural resources available." Yet the Legislature, by resolution, continued to voice its commitment to Social Credit and to demand for the province the right "to issue credit in terms of public need" if the federal government continued to refuse to do so. Further, practical demands, with federal implications, in defense of the agrarian petit-bourgeoisie were made by resolution in the House: including a unanimous demand for a guaranteed minimum price for grains, a unanimous denunciation of the freight rate structure, and a unanimous demand for farm implement price relief.

The 1939 legislative package was ambitious and well-calculated to consolidate the government's base of support among farmers and workers, particularly farmers. The Alberta Marketing Act consolidated and updated provincial statutes dealing with the orderly marketing of natural products, particularly agricultural commodities. The Relief Indebtedness Act cancelled farmer indebtedness to the provincial and municipal governments for agricultural relief for seed, fodder, livestock, repairs, etc. incurred from 1908 to 1934 in selected regions of the Province. The legislation imposing extra taxation on corporations and banks was again passed. Further, The Government of Alberta Insurance Act was placed on the books to enable the government to go into the business of fire insurance and re-insurance. The debt struggle was continued with The Limitation of Actions Act, 1935, Amendment Act, 1939, which extended the latest date for actions to
collect debts incurred before July 1, 1936 to July 1, 1942. As well, The Debt Adjustment Act, 1937, Amendment Act, 1939\(^{262}\) re-affirmed the elimination of a controversial section, as the courts had already done, but insisted that its provisions would continue in force up to April 8, 1938. These last two were part of the last stage of the Alberta Social Credit government’s efforts to use the provincial power to protect the debtor against the creditor. Indeed, the whole area of debt adjustment was the source of more lasting consternation to finance capital than the blatantly unconstitutional Social Credit enactments. By 1938-39, petitions for the disallowance of nine Alberta statutes dealing with debt adjustment had been received by the federal cabinet from

... the Canadian Life Insurance Officers Association, the Dominion Mortgage and Investments Association, the Investment Dealers’ Association of Canada, the Edmonton Chamber of Commerce, the Canadian Bankers’ Association, the Hamilton Chamber of Commerce, the Boards of Trade of Toronto, Winnipeg, Calgary, Lethbridge, Montreal, and Three Hills, the Board of Regents of Victoria University, and the Anglican Diocese of Calgary ... [and] ... a great number of individuals and corporations in Canada, the United States, and abroad.\(^{263}\)

An impressive list of enemies.

The federal Minister of Justice had this to say as part of his report to the Cabinet:

Under the guise of establishing a moratorium and of barring stale claims and of taxing property in the province for provincial purposes, the legislature has sought to bring about a general clearance of mortgage debts of the province. Proceedings against the debtor are prohibited
The Legislature of Alberta has not engaged itself genuinely and in good faith in the legislative field ... assigned to it by the British North America Act, but on the contrary, has deliberately legislated in a matter injurious to the public interest of Canada and contrary to the clear intention of the Act of Confederation.

Sir John A. Macdonald could not have said it any better or more crisply.

The Minister of Justice had recommended the disallowance of The Home Owners' Security Act and the 1938 Security Tax Act. This was done.
Additionally, the 1939 session had re-enacted the disallowed 1938 Amendment Act to The Limitation of Actions Act, 1935. The 1939 measure was again disallowed. 265

The War brought a certain lull in the legislative activities of the Social Credit government. It was a false lull: the struggle over the whole debt adjustment scheme was still in the courts and all other measures which either were outright Social Credit laws or were blatantly devised to protect the debtors had been disallowed, as had some of the more aggressive efforts at extra taxation on selected corporations. The short 1940 Legislative Session was a war session in two ways. First, the Speech from the Throne 266 committed the Alberta government to play its part in winning the War. Second, the Speech was an election Speech declaring,

We are determined to provide food, clothing and shelter for the people to the limit of our financial ability, and we will continue our unrelenting fight for monetary reform and social security with the determination to relieve unemployment and banish poverty from Alberta ... No person should be allowed to lose his farm or home ... 267

The Session neither considered nor passed legislation of a seriously controversial nature, however a series of progressive labour laws were passed.

The 1940 Alberta election called to occur on March 21, 1940, just five days before the federal election, was "heavy going" for the "Aberhart machine." 268 The forces ranged against the Social Credit
party were formidable. The most formidable opponent was the so-called Independent Movement which combined Liberals, Tories and some U.F.A.ers (in Edmonton and Calgary they were called the Citizens' Committee) on the sole basis of unity of defeating the Social Credit government and providing a business-like administration. Most of this movement's advertising was shrill. One advertisement in the Edmonton Bulletin accused Aberhart of "thoroughly Nazi practices." Another, in the Edmonton Journal blared "democratic principles and personal liberty are at stake" and "the more we get together the happier we'll be."

The advertisement called upon the electors to engage in "united political action ... to remove the blight of Aberhartism" and "to defeat wasteful extravagant disastrous Aberhartism" and to bring about "a return of prosperity, sanity and good neighborliness." Their program promised orderly and effective debt adjustment, a restoration of public credit through a re-funding of the provincial debt with federal co-operation, and, in agriculture, it echoed many of the things every other party advocated. They took efficient, business-like stands on issues like education, natural resource development, home construction, highways and unemployment relief. The group also promised "the progressive development of a complete health service available to all the people." Inevitably, they promised lower taxes and a reduction in government expenditures. To those who attacked the Citizens' Committee and the Independents as anti-labour and reactionary, the group declared itself "opposed to any reactionary move in connection
with ... labour" and promised "a re-newed and absolute recognition of the right of labour to organize and a strict adherence to the ... right of collective bargaining." Further, the group promised "an end to the present provincial policy of complete isolation from the rest of Canada and the substitution of a policy of co-operation with the dominion and ... provincial governments ... in accordance with the principles of Confederation." As its propaganda developed, the group more clearly revealed its essential anti-Social Credit purposes.

What do the Citizens' slate candidates stand for? (a) First and foremost they stand for restoration of democratic government, and the preservation of those individual liberties that have been so seriously threatened in the past five years. They stand for a free press and unrestricted access to the courts ... They stand for continuation of the agreement with the R.C.M.P. No Gestapo, no storm troopers for Alberta. They believe in Alberta as a part of Canada. We have seen the fruits of isolation. Regardless of what Social Credit members have said, Alberta is not a Sovereign state, and there is a Canadian constitution.

The Social Credit campaign can be summed up in the following slogans: "Vote FOR Something; Not Against Something;" "Confuscius say: When Aberhart Go To Country SOCIAL CREDIT Go To TOWN;" and "Keep Aberhart In and Keep The Sheriff Out." In short, Aberhart, typically, went on the offensive, personally and politically. As a gesture of defiance in answer to those who declared that Aberhart could only personally be elected in a safe rural seat, Aberhart announced as early
as February 29, 1940 that he intended to run in Calgary and said,

This is my answer to those fuddle-brained wise-heads, those know-it-all old line party politicians who have claimed the premier will seek an easy seat in some rural riding. I wonder what they will say now ... [Let them] roll out their barrels of money, these big-shots and their deluded henchmen. I say let them begin at once their double-dealing, gossip-mongering, whispering campaign to their own destruction.

He did not say whether his decision had anything to do with the nearly successful recall efforts in his former rural seat. A week earlier, he had already stated his view of the major work he had accomplished and cavalierly dismissed his earlier promise of dividends. Speaking at Grande Prairie he declared,

I can stand all the abuse heaped upon me when men whose farms I have saved by my debt legislation grip my hands in thanks ... Never mind dividends, let them go. After getting 95 per cent, are you going to pluck me on that?

Besides, hadn't Ottawa and the courts blocked all efforts at establishing Social Credit? As for the election issues, they couldn't be clearer according to Social Credit propaganda.

The issues in this election are perfectly clear.

Firstly, the Social Credit Government is seeking re-election on its record.

Secondly, the Social Credit government is asking for the definite mandate set forth in its clear and comprehensive
platform which is an expression of the ascertained wishes of the people of the province.

Finally, the Social Credit government is asking the people to re-affirm their mandate of 1935 for a reform of the economic and credit structure of the province and specifically in respect of: (a) enabling Alberta to make a maximum contribution to Canada's war effort; (b) providing producers and merchants with interest-free credit facilities; and (c) providing people with economic security and democratic freedom.

The record ... The best health services, the best labour legislation, the best system of education and the most progressive agricultural policies in all Canada. Cessation of borrowing, debt reduction and debt adjustments, lower interest rates all round and proper protection of homes and farms against unwarranted seizures. Exposure of the monopoly exercised by the financial interests. Expanding trade and increasing purchasing power. Increased employment.283

What more needed to be said? The rest of the propaganda focussed on a documentation of the good works accomplished and a promise to extend these under a new mandate, combined with a ridiculing attack on the Citizens' Committees and the Independents.284 In essence, without backing off from the basic tenets of Social Credit doctrine and from the basic correctness of the confrontations with Ottawa and with finance capital, the Social Credit campaign successfully shifted the attention of the voter to its considerable practical accomplishments:

... hours of work, minimum wages, industrial standards and other labour
legislation ... debt protection ... ex-
tension of welfare services ... state
medicine, a new school system, travelling
health clinics, road construction, trea-
sury branches and marketing boards were
the exhibits that the party displayed to
the voter. 285

However, all of this was seen against the large backdrop of Aberhart's
efforts to obtain interest-free credit and his temporarily successful
efforts to protect rural and urban debtors, the former to save their
farms and the latter their homes. In times of extreme economic distress
this remained a considerable comfort, a meagre but nevertheless
essential basis of economic security. Many believed that they had
"Honest Abe" to thank for the continued possession of their farms and
homes.

The C.C.F., running clearly for the first time under its own
name, was the third major party in the election. Its platform was
"drafted with the advice of one of the best-known authorities on con-
stitutional law in Canada, with a view to making all our proposals
conform to the powers of the province ..." 286 It advocated "... the
preservation and development of Alberta's resources for the benefit of
all the people rather than for the enrichment of the few." 287 Debt
relief, in the interests of "economic freedom and security," 288 was
proposed. More far-reaching was the C.C.F. oil policy -- public owner-
ship so that the full 1939 value of $27,347,203 would have gone into
the public treasury rather than the paltry $1,220,955, representing
the entire 1939 provincial revenue from oil, coal and timber. Public
funds ought to have been used for the public development of oil rather than "squandered in useless and abortive experiments." A more conciliatory, and, it was argued, more effective private debt relief program would be established. A crash housing construction program was suggested to deal with the twin evils of unemployment and housing shortages. The establishment of a more professional and secure civil service, free from patronage, and a "universal health service" also figured large in the C.C.F. platform. The platform and tone of the C.C.F. campaign was muted, moderate, rational, posing the C.C.F. as the only progressive alternative "to Aberhartism or negative reaction." Gone were the ringing declarations about the co-operative commonwealth, the public ownership of the means of production, the need to eradicate capitalism. Instead, the C.C.F. presented itself as the cool and "business-like" alternative. Public ownership was to apply mainly to natural resources, especially oil.

On the eve of the election the Edmonton Journal editorial had this advice for Alberta's electors:

No citizen of Alberta who appreciates fully what is at stake in Thursday's election will fail to use his franchise in such a way as to help in assuring the defeat of the Aberhart government.

Many listened to that advice, enough did not. 308,864 voters, 75% of the total eligible, went to the polls. 132,507, or 42.9%, supported Aberhart; the rest split their vote between the C.C.F. (11.1%) and the Independents (45.1%). The C.C.F. won no seats, having fielded
59 candidates. Labour won one seat, having fielded two candidates. Aberhart won rural Alberta and, therefore, won Alberta. In the preferential voting, most Social Credit supporters, according to advice given by the party, gave no second choices ensuring that loyal Social Credit votes cast for defeated Social Credit candidates could not be used by any other. C.C.F. and Labour voters tended to go Social Credit for their second choice, thus ensuring that much of the vote cast for unsuccessful C.C.F. and Labour candidates went Social Credit on the second count. As a result, the Social Credit government emerged with a clear parliamentary mandate, 36 of 57 seats, if a doubtful popular one. Although the Social Credit party won only 35% of the city vote, it managed to maintain a good foothold there, including Manning in Edmonton and Aberhart in Calgary. However, the Edmonton Journal editorial after the election found some optimism in the result:

... there was a decided decrease in the Social Credit vote from that of August, 1935.

The Financial Post could not bring itself to share the optimism:

The result shows the compelling vote-catching effect of blending religion and politics; and the readiness with which some electors can be bamboozled by a government which avows as its official policy, non-payment of debt ... [the] most sinister aspect of the result is the Social Credit success in undermining the simple fundamentals of business morality.
Upon his second, and last, election Aberhart's promise to the people was less extravagant than it had been in 1935: he promised to "give a good honest government, with social services as adequate as conditions allow."303

The 1941 Legislative Session was introduced by an optimistic Throne Speech.304 It had nothing to say about Social Credit but spoke rather of "the bountiful harvest" and promised that "no ill-considered action of today will jeopardize the welfare of the future."305 The session did, however, consider and pass some controversial legislation, particularly those statutes aimed at continuing the struggle over debt adjustment. The Legal Proceedings Suspension Act, 1941306 provided that "all proceedings in every civil action or matter ... pending in any court of the Province in which action or matter there has been raised or put in issue by any party ... the validity or applicability of The Debt Adjustment Act, 1937 ... are hereby stayed for a period of sixty days ..." Further, the Act continued the stay of proceedings indefinitely if the Cabinet, during that sixty days, referred The Debt Adjustment Act, 1937 to the Supreme Court of Canada for a constitutional decision. A further measure added The Debt Adjustment Act, 1937, Amendment Act, 1941 to the statutes covered by the Suspension Act.307

The Debt Proceedings Suspension Act, 1941308 carried the debt collection confrontation further. This Act provided that any private debt created before July 1, 1936 was safe from legal remedy until a
day fixed by the Cabinet. The Debt Adjustment Act, 1937, Amendment Act, 1941 forbade the execution of any legal judgement regarding debt collection without the consent of the Debt Adjustment Board, such consent could be put off "for such length of time as the Board may deem advisable." The Act also provided an extremely complex route of legal appeal of decisions of the Debt Adjustment Board before a jury of six persons with no further appeal. The Orderly Payments of Land Debts Act provided that, regardless of the terms of mortgages or agreements for sale on land, no farmer debtor could be in default (until May 1, 1943) (a) if the crops on the land was under 10 bushels per acre; or (b) if the farmer offered a share of the crops on the land in question to the creditor (one-fifth of the crop if the yield was over 10 bushels but less than 15 per acre; one-quarter if over 15). The Act also protected urban debtors: (a) if such debtors had an annual income of $1000; or (b) if such debtors had an annual income of between $1000 and $1500 then they were required to pay one-tenth of the gross income on their debt (if they earned $1500-$2000/year, they were required to pay 15% of the gross on the debt, and 20% if they earned between $2000-$2500). Actions against farmer or urban debtors could only be taken with the permission of a judge on evidence that they had failed to live up to the terms of the Act. The Act applied to debts contracted prior to July 1, 1936. The Exemptions Act, 1941 exempted the following property from seizure for debts after a successful legal proceeding by a creditor: clothing; household furnishings
to a value of $700; all stock and agricultural produce except that over and above that needed (in itself or converted into cash) to provide food and other necessaries for a year, to pay any debts incurred during the previous six months in order to grow and to harvest crops or to raise livestock, the payment of current taxes and one year's arrears, and the wherewithal for the next year's farming operations; all livestock and equipment necessary for the next year's operation; one tractor and one automobile or truck; seed grain sufficient to seed cultivated land; professional books; the implements of a trade or calling; the home quarter; the house and adjacent buildings. This left, as one can see, little real property with which to satisfy a legally validated claim by a creditor. The Harvesting Liens Act\(^3\) specified the limited extent to which a farmer was liable for advances borrowed in order to put in a crop. As well, the 1941 Session continued Alberta's policy of higher than traditional taxes on corporations.\(^4\)

The Dominion Mortgage and Investment Association petitioned the federal cabinet for the disallowance of three of these Acts: The Debt Proceedings Suspension Act; The Orderly Payment of Land Debts Act; and The Limitation of Actions Act, 1935, Amendment Act, 1941, and one other.\(^5\) The Association said,

... these ... statutes have not been passed to deal bona fide with matters under provincial jurisdiction but they are a continuance of what has been a general attack on the existing credit system of Canada. Institutions, such
as Canadian life insurance companies, loan companies, and trust companies are the chief source of long-term credit in Canada and with the chartered banks constitute the central structure of the established economic system of Canada as it existed at the time of the British North America Act was passed and continuously since. Most of these institutions are federally-incorporated companies. They receive savings from citizens throughout the whole of Canada, and re-invest such savings to a great extent in mortgages. The mortgages and agreements for sale secured on real estate in Alberta held by such institutions aggregate over $50,000,000.315

The three Acts were forthwith disallowed. They were the last disallowances of Alberta statutes save for the vicious anti-enemy alien and Hutterite Land Sales Prohibition Act in 1942. The legal battle for debt adjustment was coming to an unsuccessful conclusion for the Alberta Social Credit government. On March 1, 1941, the courts found The Debt Adjustment Act, 1937, the foundation of Aberhart's legal strategy to defend the debtor against predatory finance capital, to be ultra vires of the Alberta legislature. The federal Cabinet referred it to the Supreme Court of Canada and on December 2, 1941 the Supreme Court agreed that the Act was ultra vires, whereupon the Alberta government appealed to the Privy Council's Judicial Committee, the last forum of legal appeal.

The 1942 Session of the Legislature responded with a Throne Speech which focussed on debt adjustment and said, again, nothing about Social Credit. The major response of the government was
The Legal Proceedings Suspension Act, 1942\textsuperscript{318} which postponed all legal action for debt collection until the appeal to the Privy Council's Judicial Committee was heard. In early 1943 the appeal was lost by the Alberta government as the Privy Council upheld the Supreme Court of Canada's decision.\textsuperscript{319} As a consequence, the Alberta Social Credit government's elaborate debt adjustment scheme came crashing to the ground in legal shambles. The financial interests of Canada were delighted and did little to hide their happiness that the status quo ante had been imposed after a long and costly legal struggle with the provincial power.\textsuperscript{320} At the same time, Aberhart's strategy had had the effect of postponing the day of reckoning for hard-pressed debtors, especially Alberta's farmers, for some six or seven years after the Depression's height. Furthermore, some of the debts for which the financial interests earlier could have pursued legal remedy were now uncollectable under the statute of limitations.\textsuperscript{321} It is also well to keep in mind that in 1943 times were better for agriculture in Alberta as better prices and markets gradually began to become available for agricultural commodities. As Professor Mallory put it,

\ldots real benefits in transitional protection had been gained from the debt adjustment legislation and its destruction in the courts came at a time when the necessity for it had largely passed.\textsuperscript{322}

It is not possible to estimate how many farms and urban homes were saved by Aberhart's debt crusade, such an estimate would depend upon an assessment of how vigorously finance capital would have
pursued a policy of foreclosure on near-bankrupt farms and the homes of unemployed workers. The point is that finance capital had no choice. Credit institutions could not pursue whatever policy they wished and, further, it certainly appeared to thousands of farmers and workers that only Aberhart and his Social Credit government stood between them and rootless destitution. "Honest Abe" may have been ridiculed and vilified in the local and national press, may have been the most hated and feared man in the board rooms of many banks, trust companies, and mortgage institutions, may have been viewed as a crude and opportunistic political manipulator by academics, but there is no doubt that he was praised thankfully daily in the homes of thousands of Alberta's farmers and workers.

The Legislative Session of 1943, Aberhart's last, was introduced by a Throne Speech which again focussed, more defensively than hitherto, on the issue of debt adjustment and, again, promised nothing regarding Social Credit. An effort was made to pick up the pieces of the debt adjustment program, a most humbling task. The Debtors' Assistance Act established the Debtors' Assistance Board with the following duties and powers: "to advise and assist debtors in adjusting their debts and in working out satisfactory arrangements for the settlement of ... debts;" "to arrange meetings between debtors and ... creditors ... to bring about amicable arrangements;" "to advise and assist debtors in the preparation of any plan ... of settlement of their debts before any Dominion Board or Court;" "to aid debtors in
obtaining postponements, adjustments, or extensions of time;" "to act as an intermediary ... between debtors and creditors;" and "generally to render advice and assistance to debtors who are unable to meet their liabilities and who, through proceedings in the courts or otherwise, are being pressed for payment or harassed by their creditors."
The Social Credit government may have lost the war over debt, but where its sympathies lay remained crystal clear, even when expressed in the desiccated language of legislation. The rest of the legislative program was quite work-a-day except for the much publicized The Labour Welfare Act\textsuperscript{325} and The Post-War Reconstruction Act\textsuperscript{326} which was reminiscent of the investigatory and recommendatory powers of the earlier Social Credit agencies. Otherwise, the Legislature contented itself with passing a long resolution demanding that farmers be protected from debt by the federal government now that the Alberta scheme had collapsed.\textsuperscript{327}

In late May, 1943 William Aberhart died. He was succeeded by Ernest C. Manning, "the young man with an old head on young shoulders,"\textsuperscript{328} as Premier. The 1944 Speech from the Throne\textsuperscript{329} ex- tolled Aberhart as "an ardent reformer" with "great humanity and an active interest in human welfare" and then got down to business. It was an election Speech. It promised various measures for "our basic industry, Agriculture." Free hospitalization for maternity cases was promised. Progressive measures in child welfare, public health, and education were promised. Oil would be further developed. An echo
of Social Credit was again heard in the Speech,

My Government intends to pursue, with vigour, its efforts to bring about the reforms of the existing monetary system necessary for the assurance of Social and Economic Security with freedom for all.

The only legislation close to Social Credit was The Alberta Banking Powers Act which merely empowered the provincial cabinet to proceed to attempt, with federal approval, to establish an Alberta Provincial Bank. It must be recalled, however, that in 1944 the whole problem of the settlement of Alberta's public debt remained and that the province continued to pay no more than $4,500,000 annually on debt interest. That settlement awaited Manning's effort to win a mandate for himself as Premier.

Premier Manning and the Social Credit party did not fight the August 8, 1944 election against finance capital, the main enemy identified in the 1935 and 1943 elections. This time it was a fight against socialism and regimentation. The last full-page advertisement of the Social Credit campaign in the Edmonton Journal proclaimed, "Your freedom is at stake!"

What Social Credit Means:

Political and Economic Democracy.

Maximum Personal Freedom with Full Economic Security for All.

Control by the People -- The State is the Servant of the People.

Full Scope for Genuine Individual Enterprise and Personal Initiative.

Vote Social Credit for Democracy and Freedom.
The advertisement reviewed the Social Credit government's record:

Only political group in Canada to urge total mobilization of finance industry and manpower in 1939 for total war effort.

Known and acclaimed throughout the world for determined and persistent fight against financial monopoly.

1. Reduced Provincial Debt by $17,287,159.

2. Improved and initiated the most progressive farm policies in the West.

3. Enacted most progressive and advanced labour legislation in Canada.

4. Provided FREE care for tubercular, cancer and poliomyelitis patients.

5. First government on the continent to provide FREE hospitalization for all maternity cases.

6. Led all Canada in increasing Old Age Pensions.

7. Made Alberta's Educational System the model for all Canadian Provinces.

8. Cancelled 42 million dollars in taxes and relief payments.

9. Improved and extended Alberta's highway system without incurring public debt.

10. First government in Canada to initiate a provincial housing scheme.

11. Saved the Alberta people more than 2 million dollars in reduced insurance premiums.

12. Encouraged Alberta industries and blocked monopoly control.
The advertisement, less prominently, also laid out the program for which a mandate was being sought -- it did not, interestingly, mention negotiating a deal with the federal government and finance capital immediately after the election in order to settle the issue of Alberta's public debt --

1. To continue with unrelenting vigour the all out fight for financial reform.

2. To vigorously develop and expand the Government's program policies in all Departments.

3. To carry through to completion the advanced programme of Post-War Reconstruction.
   (a) Province-wide home building programme.
   (b) Rural electrification under provincial power commission.
   (c) Extensive programme of Highway Construction.
   (d) Land settlement for returned men.
   (e) Other special projects.

4. To preserve what personal freedom Canadians have and continue the battle for democratic reform until every citizen is assured a full measure of economic security with the maximum of individual freedom.

The advertisement, like the campaign, explicitly attacked the C.C.F. much more vigorously than the tangential references to financial reform and the fight against monopoly control reflected yet another attack on finance capital.

Surely you don't want this?

State Socialism -- State Monopoly
All power centralized in the political party in office. The people become servants of the state bureaucracies which control industry, marketing, wages and employment. All economic activity, individual enterprise and personal initiative stifled.

That's what the CCF stand for. Here is their record

- Opposed national defence before the war.

- Opposed overseas service in defence of Canada against Nazi aggression.

- Consistently opposed monetary reform in parliament.

- Supported the Rowell-Sirois Report.

- Introduced Bill 37 -- muzzling freedom of speech.

A vote for state socialism means a vote for Bureaucracy and Regimentation.

A vote for the Independents means a vote for the old discredited pre-war order of poverty ... mass unemployment ... financial bondage ... slums ... economic chaos.

A vote for Social Credit means a vote for democratic freedom and economic security for all.

This advertisement remains a good reflection of how Manning waged the 1944 election. He continued to promise to fight for financial reform, but it was clear, given the last eight years of struggle, that a successful conclusion of this fight awaited federal power, an increasingly unlikely prospect for the Social Credit party.
At the same time, it was clear, given their June, 1944 victory in Saskatchewan, that the C.C.F. was the only serious contender to replace the Social Credit government. Consequently, all stops were pulled out by the Social Credit campaigners, particularly since the C.C.F. was aggressively accusing them of having sold out to "the interests." One Social Credit candidate said at a meeting,

> If you allow this pinkism to get in while the boys are oversear, it won't be long until its red. Before you get through you'll have the national socialism that is in Germany ... what our boys are over there to fight. You won't be able to plan anything -- they'll do the planning.333

The C.C.F. responded by patiently explaining what it meant by democratic socialism and why that road was the most fruitful to pursue in achieving structural reform. The C.C.F. denied that it sought regimentation and pointed out that it was only advocating public ownership in key sectors -- utilities, resources, etc. -- and not the public ownership of farmland, small business or the economy as a whole. Furthermore, C.C.F. speakers were quick to point to the constitutional constraints upon the implementation of their total program, arguing that full socialism, the realized co-operative commonwealth, must await federal power. Notwithstanding that reality, the C.C.F. argued that much could be done in the provincial field, particularly in the area of resources, especially oil, and that a new "beach-head" in Alberta would be crucial in the federal struggle.334 At the same time
the C.C.F. took strong stands against cartels, trusts, monopolies, and "finance." In fact, Saskatchewan's new Premier, T.C. Douglas, announced, during the campaign in Alberta, a plan to try to tax interest payments currently leaving Saskatchewan. He said,

We believe we can get money from the mortgage companies which obtain large sums from the West even though they have not even an office in the West.

Douglas also announced that he was considering the idea of government commodity boards by means of which revenues could be raised and fair prices assured. It very much sounded like Aberhart's earlier policies for "the just price."

We propose to get the money from the people who have it rather than from those who can't afford it ... There are monopolies controlling essential commodities with the prices fixed in Eastern Canada. In Saskatchewan we believe we can tell such monopolies they must sell through a government board and at a fair price. By this method we believe that some of the profits can be held for the people.

Other C.C.F. speakers saw the election of the C.C.F. in Alberta as the next logical step in the progressive movement's evolution, noting that the Social Credit party had accomplished a good deal but that the C.C.F. would "take up where Social Credit left off, and continue more speedily."

Such complicated arguments had heavy going against the Social Credit campaign of smear and vilification. They seemed to have learned the methods well from their own earlier enemies. One cabinet minister
called the C.C.F. "the party of carefully concealed Fascism" which was "a threat to initiative and personal freedom." Premier Manning characterized the election as historic by showing that people neither had "to return to the decadent order of the past nor choose state socialism as an alternative." He continued,

If the people of this province show that they are standing for true political and economic democracy which they themselves brought into being in this province 10 years ago, they will say, in effect, to the rest of Canada that they have an alternative, and a better one, to state socialism.

Another Social Credit speaker accused the C.C.F. of "deception and political trickery" for bringing in outside speakers. At another meeting, the C.C.F. were characterized as "toadstool social reformers that have sprung up lately." This was the usual response to frequent C.C.F. accusations that the Social Credit government had betrayed their own principles. The Premier carried this theme in his message as well, but with a more sinister implication,

These Socialistic soap-box orators keep telling you of progressive reform. They have more to learn about it than you. People forget every night. What were they doing during the days, you, through your government, were being praised for your fight to bring about the conditions they say they are trying to bring about?

The same people who tried to block Social Credit in 1935 and in 1940 are trying again now, only under a different name ... In 1935, it was the old parties. In 1940, it was the three old parties together.
it is the socialistic group. But it is the same hidden hand which brings in outside speakers and storm troopers ...343

In the course of the campaign, the local press changed its position significantly. The Edmonton Journal, editorially, saw the C.C.F. as the main threat and urged electors to defeat "the movement in an unmistakable manner."344 The newspaper kept up a long and detailed campaign against the C.C.F. in its editorial columns. Completely absent were the earlier attacks on Social Credit. However, the Edmonton Journal could not yet bring itself to endorse the Social Credit government. Instead it advocated that

... supporters of the Independent movement would give their second choices to government candidates and the Social Crediters theirs to the Independents. That cannot be too strongly urged on those electors who have rallied behind the two principle groups opposing the C.C.F. ...345

On August 8, 1944 282,106 voters, 69.3% of those eligible (the turnout had been 82.6% in 1935 and 75% in 1940), went to the polls.346 The Social Credit party, with 57 candidates in the field, won 51 seats with 51.9% of the popular vote. The C.C.F. party, with 57 candidates, won only two seats with 24.9% of the popular vote. The Independents, with 36 candidates, won three seats with about 16% of the vote. The Edmonton Journal was pleased.

The socialist program of the C.C.F. does not appeal to the people of Alberta. That was made quite plain yesterday, when, at the hands of the Social Credit government, it met with the severest defeat it
has sustained since it came to the fore in Canadian politics ... What must have counted for a great deal in bringing about this result was the marked strengthening of popular confidence in the Social Credit administration since Hon. E. C. Manning became its head. There has been a steadily growing recognition of the ability and the integrity of the young premier.347

And so it was that the newspaper which had never had a good word to say about William Aberhart embraced Premier Manning on his first day in office with his own mandate. He had, after all, brought off "the decisive rejection of the C.C.F., which was desirable above everything else ..."348 The Financial Post was equally happy about the C.C.F.'s defeat, but qualified its endorsement of the new Manning administration.

The election results do not prove overwhelming support of Social Credit. They show merely that Albertans feared a socialist government, and rather than take a chance on socialism, voters supported the monetary reformists, who have proved harmless in their efforts to achieve their monetary policies, but at the same time have given nine years of good government.349

The bitter vendetta the Financial Post had carried on against the Alberta government since the U.F.A.'s 1921 victory was now over. It now concentrated its considerable venom on the new C.C.F. government in Saskatchewan.

The 1945 Session of the Legislature was opened by a Throne Speech which promised a continued effort to realize Social Credit in
order to assure "a secure and adequate standard of living for all our people." \(^350\) The only statute even close to earlier efforts in the direction of Social Credit was *The Department of Economic Affairs Act* \(^351\) which established a new Department and Minister and replaced the Post-War Reconstruction Committee. Again, it gave the Department the mandate "to further and encourage orderly economic, cultural and social development for the betterment of the people." Its powers were only, again, investigatory and recommendatory. However, Mr. Manning, who was also provincial treasurer, in his budget speech that year finally proposed a scheme to settle the issue of Alberta's public debt by offering holders of the Province's debentures a new 33 year bond at 3\(\frac{3}{4}\)% together with a scaled adjustment for those holders who went along voluntarily with the scheme. \(^352\) This proposal was given statutory effect with *The Provincial Debt Reorganization Act, 1945* \(^353\) passed in the second session of 1945. The Act did not specify the terms of the refunding of the debt but rather gave the Cabinet blanket authority to reach settlements. Alberta returned to the fold as a safe investment in public debentures for finance capital.

The sorry state to which the Social Credit government's efforts to build Social Credit in one province through legislative confrontation (which, so Major Douglas had argued, would at least politically arouse and mobilize the people) had declined was marked by the *Alberta Bill of Rights Act* which Manning introduced and had passed during the 1946 Legislative Session. \(^354\) The Act began with a familiar
preamble which said, in part,

Whereas the discharge of the Province's responsibilities [property and civil rights] necessitates the recognition of certain basic rights and responsibilities of citizenship and requires that its citizens have the necessary access to their resources so that they may produce the goods and services they require and provide for their equitable distribution in a manner that will ensure to all an opportunity to obtain social and economic security with personal freedom; and

Whereas the control of policy with respect to the issue, use and withdrawal of credit primarily determines the extent to which the citizens of Alberta may develop and enjoy the use of their resources and therefore must be a function of the electorate of the Province ...

The Act then outlined the rights of citizenship which included: freedom of religion, freedom of speech, freedom of association, freedom to engage in the work of one's choice, and the freedom to have property. As well, every person under 19 years of age was declared to have the right to the necessities of life, to educational and medical benefits. Citizens between 19 and 60 years had the right to employment or to a social security pension. Citizens 60 years and older had a right to a pension and to medical benefits. The Act also gave the Cabinet sweeping powers of regulation and definition in implementing the rights of citizenship. The Act established a Board of Credit Commissioners with the power to license credit institutions and to issue Alberta Credit Certificates. The Act was essentially a re-play of the earlier efforts to regulate credit in the Province. The last section, however,
provided that the Act would not come into force until it was tested for its constitutionality by the Alberta Supreme Court which, in 1946, declared it to be ultra vires, a position which was upheld by the Privy Council in 1947. The Act was introduced and passed for no other reason than to satisfy rank-and-file Social Credit League demands that there be another attempt to establish Social Credit in the province. Everyone expected it to be declared ultra vires and when it was the decision was greeted "apathetically by most Social Crediters."  

Premier Manning presided over a government which increasingly became an orthodox conservative (small "c") government with little reflection of its earlier confrontation with finance capital either in its rhetoric or in its work. Indeed, he later advocated a political realignment which would have fused the Social Credit party with the Tories. Alf Hooke, a long-time Alberta Social Credit cabinet minister, complained that under Manning "politics in Alberta took a strange turn, with the result that people even today are confused ..." By 1970, after his retirement, Manning had become a director of the Canadian Imperial Bank of Commerce and a federal Senator, both events which were shocking to the "old-time" Social Crediters. In 1971 Alberta elected a Tory government.

Yet, it would be wrong to view the transformation and ideological degeneration of the Social Credit movement as solely the responsibility of E. C. Manning. Perhaps he accelerated the process and perhaps he and his colleagues were overly opportunistic by so quickly adopting an
anti-socialist crusade as their major political raison d'être in 1944. At the same time, as Professor Macpherson has so brilliantly recorded in Democracy in Alberta, the seeds for the ideological degeneration were present from the beginning and were presaged by the degeneration of views explicit in Major Douglas' writings themselves. Increasingly, in Alberta, the more each effort to build Social Credit was blocked, the more the movement's major ideologues, organizationally located in the Social Credit Board, retreated to a conspiracy theory to explain the world. An international conspiracy of financiers ruled the world and stretched its tentacles into every seat of power and courtroom in the world and was even then advocating world government as the last step in imposing a world tyranny. The Annual Report of the Social Credit Board, 1942 took just such a position in all seriousness. It was an "evil plot" of "finance."

It is this hidden hand of "Finance" which rules the world, working cautiously at all times in the shadows.

As Macpherson pointed out, Aberhart himself had moved more and more to embrace a sinister conspiracy theory to explain things. His last radio broadcast before his death was entitled "The Plan for World Control." Manning, always an able pupil, adopted the same line in some of his speeches. However, the propagandists at the Social Credit Board continued to follow Major Douglas' views until their advocacy brought the Board into direct confrontation with the Social Credit government in 1947 with a report which advocated the abolition of the secret ballot,
the right of electors not to be taxed for measures for which they
hadn't voted, and the establishment of a popular democratic "Union
of Voters" as the best form of political organization. 364 The Social
Credit Board was promptly abolished in 1948. 365 Thus the last vestige
of Social Credit ideology was expunged from officialdom and relegated
to the study group sessions and party meetings of the increasingly
fewer Social Credit loyalists.

The Alberta agrarian petit-bourgeois crusade for a new Canada,
in the sense of a new National Policy and a reconstructed political and
economic order, ended with Manning's victory in 1944. Perhaps that
is unfair; one should perhaps concede that it ended in 1937, with
the federal disallowances of Social Credit legislation, and in 1943,
when Aberhart's debt legislation was invalidated. Yet it is also true
that in 1944 Premier Manning was confronted by the C.C.F., another
political movement with deep roots in the agrarian petit-bourgeoisie,
and defeated it with an appeal that put the majority of Alberta's
agrarian petit-bourgeoisie forever, at least to this day, into the con-
servative camp in Canadian political debates. For in 1944, and definitely
by 1946 with his stillborn Alberta Bill of Rights Act, Manning and the
Social Credit League conceded that a new Canada could not be built
except in Ottawa. Furthermore, in effect, the Social Credit League
conceded that the loss of the fight for credit and monetary reform
heralded the end of the use of the provincial power as an instrument for
political mobilization and confrontation in order to fight for basic
political and economic reform of the Canadian political economy.

The alternative proferred by the C.C.F. -- limited public ownership in provincial spheres -- was rejected. However, in Saskatchewan, after much flirtation with Social Credit doctrine, the agrarian petite-bourgeoisie embraced the C.C.F.'s alternative.
NOTES AND REFERENCES

4. Ibid.
6. Ibid., p. 5.
7. Ibid., p. 7.
8. My mother still remembers with vivid bitterness the press stories during the Depression which reported decisions to dump oranges into the ocean and to plough under vegetable crops while she and others like her could not afford fresh fruit or vegetables.
10. Ibid., pp. 10-11.
11. Ibid., p. 11.
12. Ibid., p. 11.
13. Ibid., p. 11.
16. Ibid., p. 15.
17. Ibid., p. 16.
18. Ibid., p. 17.
19. Ibid., p. 17.
20. Ibid., p. 19.
22. Ibid., p. 19.
23. Ibid., p. 19.
24. Ibid., p. 21.
25. Ibid., p. 21.
26. Ibid., p. 21.
27. Ibid., p. 23.
28. Ibid., p. 23.
29. Ibid., p. 42.
30. Ibid., p. 63.
31. Ibid., p. 43.
32. Ibid., p. 43.
33. Ibid., p. 49.
34. Ibid., p. 50.
35. Ibid., p. 53.
36. Ibid., p. 55.
37. Ibid., p. 62.
38. Ibid., p. 63.
40. Ibid., p. 168.
41. Ibid., pp. 165-66.
42. Edmonton Journal, 17 August, 1935.
44. Ibid.
46. Ibid.
57. Ibid.
58. See Scarrow, Howard A. Canada Votes. (Hauser Press), 1962, pp. 221-223 for these and the following figures on the 1935 election.
59. The Communists also benefited: they ran for the first time in 1935 in nine seats gaining 5,771 votes. A variety of other independents won a handful of votes. Although the Liberals increased their vote substantially -- from 46,275 in 1930 to 69,845 in 1935 -- their share of the popular vote actually fell. The Tories, though they ran in 40 seats in 1935 compared to 18 in 1930, actually lost votes (25,449 in 1930; 19,616 in 1935) and saw their share of the popular vote slashed from 13.5% in 1930 to 6.5% in 1935.


64. Financial Post, 3 August, 1935.


67. Ibid.


70. Financial Post, 31 August, 1935.


73. Schultz, op. cit., p. 173. The author was not able to ascertain evidence of efforts by other former U.F.A. M.P.s to gain Social Credit federal nominations.


76. Betcherman, Lita-Rose. The Swastika and the Maple Leaf: fascist movements in Canada in the Thirties (Fitzhenry & Whiteside), 1975, pp. 80-81. Unfairly, Social Credit's political opponents have often implied that a fascist tendency existed in the movement. This may have been theoretically true but never practically so. Aberhart rejected fascist overtures repeatedly and the fascist paper's editor (The Thunderbolt) complained that "Abie is too full of the milk of human kindness ..." (P. 81).
77. Macpherson, C.B. Democracy in Alberta. (University of Toronto), 1962, p. 166. Aberhart, but for a brief intervention in 1936 in response to taunts about the lack of a dividend, did not utter a word in House until February, 1939 when he gave what he called his maiden speech.

78. Financial Post, 1 February, 1936.

79. Financial Post, 26 September, 1935.


82. Douglas to Aberhart, 11 December, 1935.


85. Ibid., and Financial Post, 7 March, 1936.

86. Statutes of Alberta, 1936, ch. 5, King's Printer, Edmonton, 1936.


88. This registration was carried out under the authority of an order-in-council (o.c. 1092/36) which itself found its justification in the Social Credit Measures Act, 1936, ch. 5., Statutes of Alberta, 1936.

89. Alberta Gazette, 1936, pp. 818-826. The Citizens' Covenant said,

"I, ........................................ hereby covenant, promise and agree as follows: --

(1) To co-operate most heartily with the Alberta Government, and with my fellow citizens of the Province of Alberta in providing food, clothing and shelter for every one of us.

(2) To work whenever possible, and to accept my remuneration in Alberta Credit as far as I can reasonably do so. In the event of receiving the whole or the greater part of my income in Canadian Currency, I shall exchange as much of it as is convenient for Alberta Credit."
(3) To make no claim nor demand, at any time, for payment in Canadian Currency, of Alberta Credit held by me.

(4) To tender no Alberta Credit in payment of Provincial taxes, licenses, royalties, fines, etc., until such time as the Alberta Government shall be able to accept all or part on the taxes, etc.

In return for my agreement, I understand that the Alberta Government covenants and agrees as follows: --

(1) To establish, as early as possible, and maintain a just rate of wages with reasonable hours of labour.

(2) To grant interest-free loans in Alberta Credit on such terms and security as shall be mutually agreed upon, not exceeding 2% for administration charges, for the building of a home or the establishment of the Registered Citizen in his own enterprise if conducive to the economic requirements of the Province.

(3) To give monthly dividends to all registered Alberta Citizens, and to increase the same as the total production of the Province will allow.

(4) To redeem when possible, Alberta Credit with Canadian Currency for the purpose of allowing the member to take up residence outside the Province or for other essential requirements.

With full understanding of these several declarations, I gladly enter into covenant with the Alberta Government and with my fellow citizens." (Pp. 819-20).

The Farmers' and Producers' Covenant said,

"(A) That the Farmer or Producer hereby covenants, promises, and agrees as follows:

(1) To produce as much as possible of products to be consumed in Alberta, or elsewhere if there is a surplus.

(2) To co-operate with the Alberta Government in planning the supply of products required for the Province, and the prices at which they will be sold."
(3) To sell at least 50% of his products, over and above that required by himself or his immediate dependents, within Alberta for Alberta Credit, when called upon to do so, provided the price allowed is at least equal to the General Market Price.

(4) To make all reports of sales or purchases and other information promptly when required by the Alberta Government.

(5) To make no demand nor claim at any time for payment in Canadian or Bank Currency of Alberta Credit held by him.

(6) To tender no Alberta Credit in payment of Provincial taxes, licenses, royalties, fines, etc., until such time as the Alberta Government shall be able to accept all or part on the taxes, etc.

(7) To deposit, in case a bonus is given in any sale of surplus products, the proceeds of the sale together with the bonus, in the Credit House of the Alberta Government.

(B) The Alberta Government promises, covenants, and agrees as follows:

(1) To encourage Alberta producers by establishing and maintaining a just price for Alberta products so that the producers may be assured a fair commission above the actual cost of production.

(2) To increase to the greatest extent possible the sale of Alberta products by issuing Alberta Credit in dividends and otherwise which is intended primarily for use in purchasing Alberta-made goods, and products, and the payment of services rendered.

(3) To give, from time to time, bonuses in Alberta Credit to the Alberta Producers so that they may be able to compete on the World's Markets in the sale of their surplus products.

(4) To assist the Farmer or Producer by granting interest-free loans, in Alberta Credit, on such terms and security as shall be mutually agreed upon, not exceeding 2%
for administration charges, for use in production of Alberta goods.

(5) To organize feeding associations, commission merchants or other agencies for the purpose of exchanging for the producer his surplus products and importing goods not made here.

(6) To redeem, when possible, Alberta Credit with Canadian Currency for the purpose of machinery replacement, change of residence outside the Province, travelling, and other essential requirements." (Pp. 824-25).


91. Whalen, Hugh J. The Distinctive Legislation of the Government of Alberta, 1935-1950, unpublished M.A. thesis, University of Alberta, 1951, pp. 75-76. This was confirmed by the Financial Post which reported that farmers were a little cautious in signing covenants but that city people flocked to sign up (22 August, 1936). Clearly many believed that they were signing up for dividends, not merely undertaking a covenant.

92. Statutes of Alberta, 1936, ch. 33.


94. Statutes of Alberta, 1936, ch. 69.

95. Statutes of Alberta, 1936, ch. 82.

96. Financial Post, 14 March, 1936.

97. Ibid.

98. Financial Post, 28 March, 1936.

99. Ibid.


102. Financial Post, 4 April, 1936.
103. Financial Post, 11 April, 1936.
104. Ibid.
105. Ibid.
106. Ibid.
108. Financial Post, 6 June and 13 June, 1936.
110. Alberta Gazette, 1936, o.i.c. 734/36, XXXII, pp. 391-392.
112. Financial Post, 15 August, 1936.
113. Financial Post, 22 August, 1936.
114. Ibid.
115. Ibid.
116. Ibid.
119. Ibid., p. 95.
120. Statutes of Alberta, 1936 (Second Session), ch. 1.
121. Statutes of Alberta, 1936 (Second Session), ch. 2.
122. Statutes of Alberta, 1936 (Second Session), ch. 3.
123. Statutes of Alberta, 1936 (Second Session), ch. 4.
124. Statutes of Alberta, 1936 (Second Session), ch. 11.
125. Financial Post, 19 September, 1936.
126. Ibid.
129. Financial Post, 12 November, 1936.
130. Ibid.
131. Ibid.
133. Financial Post, 19, 26 September & 17 October, 1936.
134. Financial Post, 12 December, 1936.
143. Ibid.
144. Ibid.
145. Ibid.
146. Ibid., March 11, 1937, pp. 42-43.
148. Ibid.
149. Financial Post, 6 February, 1937.
Ibid.

151. Financial Post, 1 May, 1937. Cockroft listed his reasons as: costly errors in financial policy; a bad sinking fund policy; excessive road advances; the inclusion of savings certificates in refunding plans; and Alberta's failure to co-operate with other Western provinces resulting in the loss of Dominion aid.

152. Financial Post, 27 February, 1937.


156. Low, S. E. Budget Speech, King's Printer, Edmonton, March 12, 1937.


161. Ibid.

162. Statutes of Alberta, 1937, ch. 10. See Financial Post, 8 April, 1937.

163. Macpherson, op. cit., pp. 172-73


165. Statutes of Alberta, 1937, ch. 11

167. **Statutes of Alberta, 1937, ch. 13.**
168. **Statutes of Alberta, 1937, ch. 30.**
169. **Statutes of Alberta, 1937, ch. 66.**
170. **Statutes of Alberta, 1937, ch. 75.**
173. **Journals, Alberta Legislature, 1937 (Second Session), vol. XXXVI.**
174. **Financial Post, 31 July, 1937.**
176. **Statutes of Alberta, 1937 (Second Session), ch. 1.**
177. **Statutes of Alberta, 1937 (Second Session), ch. 2.**
178. **Statutes of Alberta, 1937 (Second Session), ch. 5.**
179. **Financial Post, August 14, 1937.**
181. **Financial Post, 14 August, 1937.**
183. **Financial Post, 21 August, 1937.**
186. **Financial Post, 28 August, 1937.**
188. **Financial Post, 4 September, 1937.**
190. **Journals, Alberta Legislature, 1937 (Third Session), vol. XXXVII.**
191. Statutes of Alberta, 1937 (Third Session), Bill 1, reserved for the signification of the Governor-General's pleasure -- October 5, 1937.

192. Financial Post, 2 October, 1937.


194. Statutes of Alberta, 1937 (Third Session), Bill 8, reserved for the signification of the Governor-General's pleasure -- October 5, 1937.

195. Statutes of Alberta, 1937 (Third Session), Bill 9, reserved for the signification of the Governor-General's pleasure -- October 5, 1937.

196. Statutes of Alberta, 1937 (Third Session), ch. 7.


198. Financial Post, 9 October 1937.

199. Ibid.


201. Financial Post, 9 October, 1937. It was probably the first (and perhaps the last time) that the Financial Post ever re-printed a distasteful political leaflet in full.

202. The story of the prosecution and conviction of the individuals who wrote the leaflet, J. H. Unwin, the Social Credit government whip, and G. F. Powell, an English technical "expert" employed by the Social Credit Board, is interesting but not essential to our concerns here. Suffice it to say that they both went to jail and became martyrs to the cause. In retaliation, presumably, Mr. A. H. Gibson, the police magistrate who committed "The Bankers' Toadies Two" for trial, was later fired by order-in-council. See Mallory, op. cit., pp. 81-83.

203. For details of the litigation see Mallory, ibid., pp. 83-90.

204. Ibid., p. 89.

205. For the full story see Mallory, ibid., ch. VI, pp. 91ff.

207. Ibid., pp. 30-31.
208. Ibid., pp. 115-125.
209. Ibid., p. 126.
210. Ibid., pp. 126-127.
211. Ibid., pp. 134-135.
212. Statutes of Alberta, 1938, ch. 3.
215. Ibid.
217. Statutes of Alberta, 1938, ch. 5.
218. Statutes of Alberta, 1938, ch. 7.
220. Statutes of Alberta, 1938, ch. 25.
221. Statutes of Alberta, 1938, ch. 27.
222. Statutes of Alberta, 1938, ch. 28.
223. Statutes of Alberta, 1938, ch. 29.


250. *Statutes of Alberta, 1938* (Second Session), ch. 3.
252. Ibid.
253. Ibid., 28 February, 1939, pp. 45-49.
254. Ibid., 10 March, 1939, p. 74.
255. Ibid., 16 March, 1939, pp. 84-85.
256. Ibid., 23 March, 1939, p. 103.
257. Statutes of Alberta, 1939, ch. 3.
258. Statutes of Alberta, 1939, ch. 32.
259. Statutes of Alberta, 1939, ch. 13, 14, 15, 16, 17, 18, 19.
262. Statutes of Alberta, 1939, ch. 81.
264. Ibid., pp. 112-114.
265. Ibid., p. 117.
267. Ibid.
268. Financial Post, 9 March, 1940.
270. Edmonton Bulletin, 16 March, 1940.
273. Edmonton Journal, 12 and 13 March, 1940.
274. Edmonton Journal, 13 March, 1940.
275. Edmonton Journal, 12 March, 1940.
276. Edmonton Journal, 14 March, 1940.
278. Edmonton Journal, 16 March, 1940.
279. Schultz, "A Second Term: 1940".
280. Ibid., p. 20.
281. Ibid., p. 20.
287. Ibid.
288. Ibid.
289. Edmonton Journal, 12 March, 1940.
290. Edmonton Journal, 13 March, 1940.
293. Edmonton Journal, 16 March, 1940.
294. Ibid.
297. Financial Post, 30 March, 1940. The Financial Post claimed that Aberhart won because he won the "foreign and rural ridings."


299. Financial Post, 30 March, 1940.


301. Edmonton Journal, 22 March, 1940.

302. Financial Post, 30 March, 1940.


305. Ibid.

306. Statutes of Alberta, 1941, ch. 3.


308. Statutes of Alberta, 1941, ch. 41.

309. Statutes of Alberta, 1941, ch. 42.

310. Statutes of Alberta, 1941, ch. 47.


312. Statutes of Alberta, 1941, ch. 49.

313. Statutes of Alberta, 1941, ch. 11, ch. 28, ch. 65, ch. 115.


315. Cited in ibid., p. 118.

316. Statutes of Alberta, 1942, ch. 16.


318. Statutes of Alberta, 1942, ch. 5.

319. Mallory, op. cit., pp. 119-120.

320. Ibid., p. 120.
321. Ibid.
322. Ibid., p. 121.
324. Statutes of Alberta, 1943, ch. 7.
325. Statutes of Alberta, 1943, ch. 5.
328. Manning was introduced this way at a massive Social Credit rally in 1936. Calgary Albertan, 18 January, 1936.
331. Edmonton Journal, 5 August, 1944.
332. Edmonton Journal, 4 August, 1944.
333. N. B. James, Social Credit candidate in Edmonton, Edmonton Journal, 29 July, 1944.
336. Edmonton Journal, 4 August, 1944.
337. Ibid.
339. A. J. Hooke, Provincial Secretary, Edmonton Journal, 4 August, 1944.
341. Edmonton Journal, 2 August, 1944.
344. Edmonton Journal, 8 July, 1944.


348. Ibid.

349. Financial Post, 19 August, 1944.


351. Statutes of Alberta, 1945, ch. 2.


353. Statutes of Alberta, 1945 (Second Session), ch. 1.

354. Statutes of Alberta, 1946, ch. 11.


356. Ibid., pp. 107-113.

357. Ibid., p. 113.

358. Hooke, Alf. 30+5: I know, I was there. (Co-op Press), 1971, p.215.

359. Ibid., pp. 269-270. The Directory of Directors, 1976 reveals that, as of 1976, E. C. Manning was a director of the following corporations: Burns Foods, Canadian Pacific Airlines, The Manufacturers Life Insurance Co., McIntyre Mines, Melton Real Estate, and Stelco, as well as the Canadian Imperial Bank of Commerce. The directorships in the bank and the insurance company would be most offensive to the early Social Credit movement: Aberhart probably would have denounced such a person at least as a "Bankers' Toady."

360. Social Credit Board, Annual Report, 1942, King's Printer, Edmonton, 1943. The publications and annual reports of the Social Credit Board continued to deteriorate. An example of the former is a pamphlet by A. J. Hooke, Board and Cabinet member, called The Eclipse of Democracy, published in 1945 in which a sinister, post-
war financial and socialist conspiracy for world domination was seen as emerging more aggressively from the ruins of World War II. The Annual Reports of the Board also developed this theme: the 1944 Report spoke of the move afoot to set up a "World Slave State;" the 1945 Report said, "Here we have again a glimpse of that close, quiet, collaboration between finance and socialism in their joint plans to centralize all financial and political power." (p. 23) See Hooke, A. J. The Eclipse of Democracy, Social Credit Board, Edmonton, 1945; Social Credit Board, Annual Report, 1944, King's Printer, Edmonton, 1945; Annual Report, 1945; and Annual Report, 1946.

361. Ibid., pp. 10-12.

362. Ibid., p. 18.


365. Macpherson, op. cit., p. 211.
CHAPTER VII

PRELUDE TO VICTORY: THE SASKATCHEWAN ORGANIZED AGRARIAN PETIT-BOURGEOISIE GOES INTO POLITICS

If it is true that the Social Credit movement in Alberta has often been given contemptuous short shrift by Canadian scholars, it is equally true that many Canadian scholars have had an ambivalent love affair with the Co-operative Commonwealth Federation (C.C.F.) in Saskatchewan. Consequently, just as the Alberta Social Credit interlude has not been given enough serious scrutiny, the Saskatchewan C.C.F. interlude has been studied and re-studied to the point where a specific perspective, or set of perspectives, on the movement has come to be accepted as axiomatic rather than problematic. No one would suggest that much of such received wisdom is false -- such as the Saskatchewan C.C.F.'s pioneering efforts in constructing the welfare state and its conscientious efforts to provide fair and relatively incorruptible government -- but none of the received wisdom focusses on the Populist essence of the C.C.F. That is to say, no one frankly concedes that the C.C.F. in Saskatchewan was the political expression of the continuing class struggle of the agrarian petit-bourgeoisie. Such an admission in no way detracts from the historic contributions made by the movement. Indeed, it is possible to suggest that such an admission enables the discerning observer a basis for explaining the specific content and character of such historical contributions as the C.C.F. made (and those
which it shied away from attempting), while at the same time a means is provided for slicing through the ideological mystification that continues to enshroud the early stages of the movement. Only then can the C.C.F. movement be structurally located in its real place in the development of Canadian capitalism.

Saskatchewan was the jewel in Laurier's "wheat boom" crown just as it was to prove to be Macdonald's posthumous nemesis.\(^1\) Saskatchewan was truly the "banner province of Canada"\(^2\) in its early years. Things were considered so good that in 1915 the Federal Department of Trade and Commerce could actually, in all seriousness, proclaim that wheat farming was easy and it was widely purveyed that one's fortune could be made in the new West.\(^3\) Granted some fortunes were indeed made, but few were made by grain producers. At the same time it was true that hard work on decent land held out a tangible security and even, after the initial struggle to get the farm enterprise going, some measure of comfort and prosperity, during years of good crops and adequate prices at any rate. Many certainly found life in the new province at least more promising of opportunities for future prosperity than the lives they had left behind to embark on the uncertain adventure of the agricultural settlement of the Canadian Prairies, the Last Best West. The promise of prosperity, and even its realization, was sufficiently strong that by
the turn of the century its siren song brought tens of thousands who came to stay. In most cases, there was little to go back to and, if the promises contained in much of the immigration propaganda were cruel deceptions, it is equally true that the reality of life in Saskatchewan was sufficiently superior to the old country to keep the people who came.

By 1921, Saskatchewan's 1901 population of 91,279 had increased by more than eight times to 757,510. Although the percentage share of rural population dropped from 84.37% in 1901 to 71.1% in 1921, it is clear that wheat farming, and economic activity directly and indirectly related to the production and transportation of wheat and other grains, dominated the economic life of the province. In 1910, $50,213,376. of the total field crop value of $79,954,963 (63%) was wheat. By 1920, $183,591,920 of the total field crop value of $249,312,552 (74%) was wheat.

The agrarian petit-bourgeoisie, established on 95,013 farms in 1911, occupied 119,451 farms by 1921. In 1921, 92,668 of these farms were wholly owned, 12,942 were rented, and 13,841 were of mixed proprietorship. The land was overwhelmingly owned, however, since of the 44,022,907 acres comprising occupied farms, only 8,599,322 acres (or 20%) were rented. The average size of farms had increased to the point where 67.45% of all holdings were in excess of 201 acres and 31.02% were between 101 and 200 acres. This contrasted with 47.81% and 50.87%, respectively, in 1911. Of the total acreage, in excess of 25,000,000 acres were improved lands. The total value of farm property — including
land, buildings, machinery, and livestock -- had grown from $832,812,560 in 1911 to $1,605,069,196, more than $1 billion of which was land values. The average value of property per farm had grown from $8,766 in 1911 ($29.64 per acre) to $13,814 in 1921 ($37.48 per acre), again most of this was land values. Farm size stratification within the agrarian petit-bourgeoisie was somewhat marked, as Table XXXVI reveals, though most farm units were between 51 and 320 acres by 1926.

Table XXXVI: Farms Classified by Size and Number, Saskatchewan, 1926.

<table>
<thead>
<tr>
<th>Size</th>
<th>no.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All farms</td>
<td>117,781</td>
<td>100</td>
</tr>
<tr>
<td>Under 51 acres</td>
<td>1,226</td>
<td>1</td>
</tr>
<tr>
<td>51 - 160 acres</td>
<td>32,967</td>
<td>28</td>
</tr>
<tr>
<td>161 - 320 acres</td>
<td>42,072</td>
<td>36</td>
</tr>
<tr>
<td>321 - 480 acres</td>
<td>19,111</td>
<td>16</td>
</tr>
<tr>
<td>481 - 640 acres</td>
<td>12,343</td>
<td>10</td>
</tr>
<tr>
<td>641 - 800 acres</td>
<td>4,639</td>
<td>4</td>
</tr>
<tr>
<td>801 - 960 acres</td>
<td>2,490</td>
<td>2</td>
</tr>
<tr>
<td>Over 960 acres</td>
<td>2,933</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Dominion Bureau of Statistics, Census of Saskatchewan, 1926, p. 208. Percentage figures do not add up to 100 due to rounding.

Although income was highly variable, in 1926 the net annual farm income
per farm operator was \$1,416.\textsuperscript{8} Things were so good that the Bank of Canada estimated, with some qualifications, that "... the net cash income of the average citizen in Saskatchewan during this period probably exceeded that in any other economy in the world."\textsuperscript{9} This was clearly an exaggeration, but it is true that at the height of the boom of the 1920's, Saskatchewan's per capita income was higher than the national average and ranked fourth, compared to the other eight provinces, behind British Columbia, Ontario, and Alberta.\textsuperscript{10}

In addition to the 538,552 rural residents, who were most immediately and directly implicated in agricultural production, the Saskatchewan of 1921 boasted an urban population of 218,958, an almost 15 fold increase of the 1901 urban population of only 14,267.\textsuperscript{11} These people lived in seven cities (97,833), 78 towns (60,970), and 345 villages (60,155). For the most part, this urban population was dependent on activities which supported the farmers' agricultural production. Of the "gainfully occupied" males in the province in 1921, 172,240, or 71.14\%, were involved directly in agricultural production: this figure includes those farmers who owned and/or rented the 119,451 occupied farms.\textsuperscript{12} Of the remaining male labour force, only 1212, or 0.5\%, were involved in other primary production (fishing and trapping, logging, and mining), 8,105, or 3.35\%, were involved in manufacturing, 6,103, or 2.52\%, in construction, 6,136, or 2.53\%, in clerical work, and 8,575, or 3.54\%, in labouring jobs. The larger sectors of non-agricultural employment, nearly all of which were somehow related to agricultural
production, were: transportation, 10,140, or 4.19%; commercial and
financial, 16,626, or 6.87%; and service (including professional and
personal), 12,834, or 5.30%.\textsuperscript{13}

No matter how one characterizes the growth in Saskatchewan from
1901 to 1931 the picture is, in general, clear. It was a frontier boom
of incredible magnitude. The world market for wheat had worked its
magic on the Saskatchewan landscape, transforming a wilderness into a
booming, bustling, and settled advanced agricultural community. But
we should not be too carried away. There was a boom, certainly, and even
a degree of uneven prosperity, but hard work, long hours, and low pay
were the order of the day. And among the agrarian petit-bourgeoisie,
the dream of proprietorship never materialized as thousands of the home-
steads established failed to "prove."\textsuperscript{14} A good harvest wage in 1921
was $4 a day and board.\textsuperscript{15} A worker was lucky to get one day off in seven,
and only the most privileged could expect a paid annual vacation.

12 to 14 hour days were considered normal on the farm and not
unusual in the city or town. Regulations governing working conditions,
hours of work, and minimum wages were still hot topics of debate even
though some gains had been made. Such regulations were never established
for farm wage labour.

In other words, it may have been a boom, but for the average
wage worker this meant a high cost of living and fairly low pay: a
labourer, working the maximum 60 hours a week, would pay at least one
week's pay for rent, another week or more for a good but basic diet, and
the rest would be available for such expenses as clothing, furniture, etc. There was unlikely to be much left over to allow him to accumulate even the modest capital necessary to go to homestead the few lands which were still available. Clearly, it was beyond a worker's means to accumulate sufficient capital to purchase an already established farm. However, in Saskatchewan of the 1920's, despite all the problems and difficulties, it was still better to be a member of the agrarian petit-bourgeoisie and it remained a motivating aspiration for most who followed the promises to the Prairies, even for those "temporarily" forced onto the wage labour market.

For most agrarian petit-bourgeoisie the first years were certainly difficult — preparing the land for cultivation, establishing the home and other farm buildings, putting in the first crops — and often represented gruelling toil for all family members in order to make the average 368.1 acre\(^16\) farm a productive enterprise. But it took more than labour. Capital was required for land, machinery, construction materials, seed, and all the sundry essential "start-up" requirements for farm and home. The average estimated capital value per farm in Saskatchewan in 1921 was $13,814,\(^17\) 77% of which was capital value of land and buildings, 12% of livestock, and 11% of machinery.\(^18\) The average value of land per farm was $8,878, the value of buildings, $1,812. Occupied land was worth, on the average, $24.00 per acre, and improved land, $42.36.\(^19\) For the most part, such money capital as was needed to begin the operation had to be borrowed (although much value
would clearly accrue very rapidly with the farm family's labour), hence it was often necessary to begin the enterprise with a mortgage. In 1931, at the end of the boom, Saskatchewan farmers owed $117,620,800 in private farm mortgage debt.\(^{20}\) 56,887 farms, or 41.46% of all farm units, were in debt for an average of $3,139 per farm. The total value of mortgage farm debt represented 17.67% of the 1931 value of all Saskatchewan farms. Much of this debt had been acquired during the boom — a period of good prices and high interest rates — and the inability to meet these obligations, even of paying the interest on the debt, figured large in the Depression disaster.

Hand-in-hand with the burgeoning burden of private farm mortgage debt, the public debt of the province, so essential in building the province's infrastructure with a rapidity matched only during war-time, grew beyond reason. By 1921 Saskatchewan's gross public debt was $50,124,994.99, just over half of which was secured debt (the net unsecured debt was $23,765,302.51). Thus the gross debt per capita in 1921 was $65.95, the net unsecured debt, $31.25 per capita.\(^{21}\) By December 31, 1930 the gross public debt had grown to $85,511,960.25, $99.44 per capita, of which $49,192,100.69, or $57.20 per capita, was net unsecured debt.\(^{22}\) This represented a growth, between 1921 and 1930, of 71% in the gross public debt and 107% in net unsecured public debt. Saskatchewan's capacity to meet her obligations, just as much as the farmers' capacity, was overwhelmingly dependent on good wheat crops and good prices. A major drop in yield or price would generate a crisis,
a drop in both, a disaster.\textsuperscript{23} Apparently a major Depression in which a steep and long-term drop in world prices for wheat would be combined with a devastating drought was the farthest thing from people's minds. The 1873-1893 Depression was a distant memory, the threatened 1912-13 Depression had been averted by the War, and the Depression of 1920-23 had been weathered. Optimism abounded, confidence in the bounty of the future was everywhere evident, and hard work (and a little luck) seemed the only requisite for gaining a goodly share of the general prosperity. That was the popular, public wisdom purveyed by politicians and Boards of Trade. However, elements of the organized sector of the agrarian \textit{petit-bourgeoisie} knew better.

Saskatchewan was without doubt the cradle of the organized agrarian \textit{petit-bourgeoisie} in the Prairies.\textsuperscript{24} It was there, in 1901 at Indian Head, that the Territorial Grain Growers' Association had been founded. It was there that the farmers at Sintaluta successfully took the C.P.R. to court.\textsuperscript{25} It was a Saskatchewan agrarian activist, E. A. Partridge, who visited and studied the Winnipeg Grain Exchange and who successfully advocated the establishment of a farmer-owned grain trading company, the Grain Growers' Grain Co.\textsuperscript{26} Earlier, it had been the Saskatchewan-based Settlers' Union's initial support for Riel's movement which had most deeply disturbed Macdonald. And it had been agrarian agitation, primarily in the Saskatchewan region, which had won representation for the North-West Territories in the House of Commons by 1887.\textsuperscript{27} Indeed, almost all of the permanent successes of the self-
organization of the agrarian petit-bourgeoisie could be said to have begun on a large scale in Saskatchewan: the co-operative movement in general; the Wheat Pools; and, of course, the C.C.F. which, unlike the upstart Social Credit League, won the official blessing of most agrarian organizations and ultimately gained a foothold in the five provinces west of Quebec and a minor one in Nova Scotia. From the outset, it was a province in which agrarian activists held strong opinions, advocated them aggressively, and in which no single individual, like Henry Wise Wood of Alberta, held an undisputed hegemony of leadership among the agrarian petit-bourgeoisie. As a result, it often took longer for the agrarian petit-bourgeoisie of Saskatchewan, which had usually very divided loyalties, to reach a controversial decision with anywhere like the unanimity in Alberta. However, once the battles and debates were over and once the dust was cleared, the projects of the Saskatchewan agrarian petit-bourgeoisie struck deeper roots and survived with a stronger sense of continuity than elsewhere.

The Saskatchewan Grain Growers' Association (S.G.G.A.), established in 1905, had 1434 members in 90 locals, by 1906 the membership had grown to 1967. Its objectives were: "to forward the interests of the grain growers in every honorable and legitimate way," to "watch legislation" affecting grain growers, and to propose new laws supported by the farmers. Senators and Board members of grain companies were barred from membership and no officer was permitted to use the name of the S.G.G.A. in politics. The S.G.G.A. proposed and agitated for a number of
measures: the public ownership of coal and oil resources, compulsory publicly sponsored hail insurance, a farmer-owned bank, a Hudson's Bay rail route, the government ownership of railway lines, a fair distribution of boxcars, federal government-owned terminal elevators, and provincial government-owned inland elevator systems. The S.G.G.A. proposed "that the province's credit be used to secure farm loans at low interest." Calls for measures to bring about cheaper money became annual events, as did attacks on the tariff and calls for free trade. By 1911 the S.G.G.A. membership had grown to 10,570 (there were 5,096 members in the M.G.G.A. and 5,872 in the U.F.A.).

As the organization developed and grew in strength and confidence, in common with its sister organizations, the S.G.G.A. developed a vision of its mission which was broader than the struggle for narrowly defined agrarian petit-bourgeois interests. The S.G.G.A. began to assail the party system, though initially shying away from the open advocacy of building a new party. The S.G.G.A. began to see itself as crusaders for "equity" and "a square deal" for all. They saw their role as promoters of a general "struggle for economic reform," for "moral uplift and social betterment," and for "a nobler citizenship." Their ultimate goal was "true CO-OPERATION" and "the establishment of GOD'S KINGDOM upon earth." By 1918, with a membership in excess of 30,000, the S.G.G.A. Convention Call could assert with a good deal of truth:

Never before have our organized farmers been so great a power for good. Never before have we stood so high in the Councils of the nation and been looked up to for sane leadership as we are today.
In that Call the S.G.G.A. lamented that the farmers were unjustly "loaded with a ruinous proportion of the nation's debt" and ominously (and correctly) predicted a sharp price fall for grains. The next year, 1919, the S.G.G.A. was even more blunt in specifying the general and political nature of "the farmers' fight." Post-war Depression and confidence wrought by their own growth led to the issuance of nothing less than a declaration of class warfare:

Unity and organization of the Allies won the war. It took large numbers to win. Our enemies surrendered when they found they were opposed by superior numbers, thoroughly united and intelligently led.

So far the farmers of Western Canada have had only partial success. They have not been sufficiently well organized to fight together. They must mobilize all their forces and organize for a gigantic war, if they would win in the fight they have undertaken.

The winning of the European war has made Democracy possible in Canada. The enemies over there have been defeated. But our enemies at home, realizing our strength are prepared to fight with the courage of desperation. Let us not underestimate their strength. The battle must be pressed harder than ever.

The declaration went on to argue that the farmers' fight had a great opportunity for victory under 1919 circumstances, since

1. our enemies are scared; 2. our fighting blood is up; 3. we are conscious of our own power; 4. the means of success are at hand; 5. we hear the call to "Go up and possess the land."38

While supporters of the tariff, like the Canadian Manufacturers
Association, may have been outraged at being viewed as enemies of a stature equal to the Kaiser, Saskatchewan farmers responded enthusiastically to the S.G.G.A.'s new militancy: the organization grew to more than 36,000 members in 1919 and a greater part of its annual Convention deliberations became the heated discussion of political action. Community halls across the province rung to the rafters with songs like "The Day of Right," sung to the tune of "The Battle Hymn of the Republic."

The farmers of the prairie lands are massing in their might,
Exulting in a Principle, a Cause for which they fight:
The sacred cause of Justice, the establishment of Right
And Equal Rights to all.

CHORUS
Oh! 'Tis time to get together
You will help us get together;
Pledge we all to stand together,
For the day of Peace and Right.

The farmers of the prairie lands have right upon their side;
Their platform is the people's, democratic, nation-wide;
Their cause, the ancient cause for which brave-hearted men have died --
Of Equal Rights to all.

The farmers of the prairie lands know well the foe they fight,
The Profiteers of Privilege, full armed with legal right;
Against that giant bluff we aim to solidly unite
For Equal Rights to all.

The farmers of the prairie lands today extend a hand
To town and country, East and West, where men for freedom stand;
Their "fiery cross" flames out today till every field be manned
For Equal Rights to all.
The farmers of the prairie lands, their wives and kith and kin,
Link up today with true hearts all to help the fight to win;
Assured that for our Canada a new day will begin
With Equal Rights to all. 40

Another favourite was "The Grain Growers' Militant Song."

Neighbors all with exultation
Join the Farmers' Combination
Spreading wide throughout the Nation

Fighting greed and long oppression
For the good of all

With our forces all united,
Hopes of foes will sure be blighted;
We'll possess the land we've sighted
In the cause that's true. 41

Until the general agrarian petit-bourgeois assault of 1919-1922, the S.G.G.A. had regarded the governing Liberal party as a good friend of the farmer. There is no doubt that the Liberal provincial government was extremely responsive to the views of the S.G.G.A. The relationship was put most succinctly by F. W. Green, S.G.G.A. Secretary at the time, at the 1912 Convention when he said,

One result and test of our strength ...is seen in the effect on both of our political parties. They look upon us as the great index finger which indicates ... the storm centre of public opinion, at least amongst the farmers. We also keep the different departments of our governmental machinery alert, watchful, careful, active, running down the path of duty, trying to fore-stall us in our demands. They are anxious in many cases to do for us the thing they see we are about to ask. They fear us more than they do the opposition. They respect us well and court us tenderly. 42
Clearly, Green was thinking mainly of the ruling Liberals when he spoke.

Although the cosy relationship between the S.G.G.A. and the Saskatchewan Liberals, carefully maintained over the years by the selective interchange of membership between the Cabinet and the S.G.G.A. leadership, would not survive the agrarian upsurge of the early twenties undamaged, nevertheless Green's characterization was quite accurate. Largely at the behest of the S.G.G.A., the Liberal government, in addition to being generally responsive to the views of the organization, had used the instrumentality of the provincial government surprisingly aggressively. The government had become involved in the creamery business, in hail insurance, in telephones, in agricultural credit, in the liquor traffic, and, briefly, in coal mining. Indeed, one commentator characterizes the Saskatchewan Liberal government of the 1905-1917 period as a "well-oiled machine" marked by a certain "eclecticism in matters of policy."44

However, despite the Liberal-S.G.G.A. relationship, in common with their comrades across Canada, the S.G.G.A. continued to debate the need for a new party. For instance, at the 1913 Convention W. J. Rutherford, the Dean of Agriculture at the University of Saskatchewan, had called for a new party with a view to making politics "a holy thing in Canada," and had condemned "the jackals of politics -- the healer, the briber, the grabber of franchises, the seeker of privilege, the plunderer of the poor."45 A similar call was heard at the 1914 Convention from
Such talk was roundly applauded, but a majority of the S.G.G.A. and of its leadership refused to plunge directly into politics. Much of the reason for this was due, as we've seen, to the responsiveness of the Liberal government to S.G.G.A. opinion. But it was more than that, since the Tories often went even further than the Liberals, as they did in Alberta, in endorsing S.G.G.A. policies. As well, and just as importantly, the Liberal government recruited prominent S.G.G.A. leaders directly into the Cabinet. Often such members of the government retained their institutional links with the S.G.G.A., unlike the case of the U.F.A., where it was unconstitutional to hold political office and to be a member of the organization. As well, the S.G.G.A. was never as restrictive as the U.F.A. in their general membership criteria: virtually anyone could belong. Finally, again unlike the Alberta Liberals, the Saskatchewan Liberals were careful to ensure that many of their candidates and successful M.L.A.'s were farmers: for example, in 1917 fully 65% of Liberal candidates were farmers. Professor Smith sums up the closeness of the S.G.G.A.-Liberal government relationship in the following terms:

... Liberal governments in the period (1905-1917) paid special heed to the resolutions of the annual S.G.G.A. conventions. The legislature would adjourn to allow cabinet ministers and ordinary members to attend and participate in convention sessions. The fruit of close consultation between farmer and government in Saskatchewan included such legislation as that providing for municipal hail insurance, credit to farmers through the Farm Loan Board, co-operative creameries, co-
operative rural telephone companies, and, dominating all else, co-operative elevators.\textsuperscript{48}

The Post-War agrarian upsurge disrupted and finally destroyed the arrangement between the organized agrarian petit-bourgeoisie in Saskatchewan and the Liberal government. However, the very closeness of the Liberal-S.G.G.A. relationship made the process of separation more painful, more uncertain, and more drawn out than it had proven to be in Alberta where the organized agrarian petit-bourgeoisie had jealously defended its organizational integrity from the sweet reason of party bosses.

The S.G.G.A. did not hesitate to participate in the founding of the federal Progressive party, sending its top leadership to the January 1, 1920 organizational meeting at Winnipeg.\textsuperscript{49} Although there was much opposition to the idea of going political in the provincial arena, the organized agrarian petit-bourgeoisie's foray into national politics was irresistible even in Saskatchewan.\textsuperscript{50} However, the vehicle selected in Saskatchewan was not the S.G.G.A. itself but rather a new organization, the New National Policy Political Association, which was created with the S.G.G.A.'s blessing with a view to placating those who refused to countenance direct entry into politics under the grain growers' banner.\textsuperscript{51}

In the December 6, 1921 federal general election the organized agrarian petit-bourgeoisie of Saskatchewan delivered 15 of the 16 Saskatchewan seats to the Progressive party with a popular vote of 61.0%. The Liberals held on to one seat with 20.7%, the Tories none with 16.7%.\textsuperscript{52} Indeed, Saskatchewan sent the second largest single bloc of Progressives to
Ottawa: Ontario sent 24. The implications of these results for provincial politics were not lost on either the provincial Liberal government or on its loyal friends within the S.G.G.A., particularly since in the earlier provincial election, held on June 9, 1921, the provincial Progressives had won six of seven seats contested with a mere 7.5% of the vote. Clearly, the December, 1921 federal results suggested that if the agrarian petit-bourgeoisie went political in Saskatchewan with any degree of unity there could be no doubt about the outcome.

Some fancy political foot-work by the Liberal party, combined with indecision regarding provincial politics among the farmers themselves, had forestalled the vigorous and united entry of the organized agrarian petit-bourgeoisie into the June provincial election. On the one hand, the S.G.G.A., and the agrarian petit-bourgeoisie in general, very much supported the New National Policy; on the other hand, there was nothing approaching such unanimity on the question of a provincial political platform. There was no clear and widely accepted idea of what a provincial farmers' government would do that was much different from what the Liberals were doing. The 1920 S.G.G.A. Convention had been especially confused: it had passed a resolution naming a Committee to draft a provincial platform, then the motion had been rescinded, then the Convention asked the Executive to seek the opinions of the locals on the matter and to draft a platform for the next Convention. The Secretary of the S.G.G.A. used his position to sabotage the decision-making process and, even though a majority of locals expressing an
opinion were in favour of provincial political action, most locals did not respond to the Secretary's carefully worded solicitation of opinion. Thus the Secretary, with eager help from loyal Liberals in the organization, thwarted and short-circuited the S.G.G.A.'s serious consideration of the idea of going political at the height of the national upsurge. There is absolutely no doubt that strong and positive leadership would have resulted in the S.G.G.A. going political in the June, 1921 election and winning the election. However, while Liberal S.G.G.A. loyalists were sabotaging the move to provincial politics from within the organization, the Liberal government acted adroitly to forestall the move from without the organization.

In May of 1920, Premier Martin, leader of the Saskatchewan Liberals, publicly refused to "... be responsible for the organization nor for the policies of any Federal Political Party," thus putting the federal Liberals at arm's length. In January of that year, resolutions in the Legislature demanding that the public domain be returned to the province and that the New National Policy regarding the tariff be implemented were supported unanimously and with great fanfare. In November of 1920, another session of the Legislature was called to respond to crop failures and to the depression generally. That session did just about everything the organized agrarian petit-bourgeoisie wanted: it unanimously called for the re-establishment of the Wheat Board and agreed completely that the open market had resulted in a steep price decline for grains; it unanimously demanded that the Federal Government ensure the speedy completion of projected CNR branch lines;
it unanimously demanded the transfer of the public domain to the province;

it unanimously supported the New National Policy on the tariff question once again. However, the Assembly failed to act decisively to protect the farmer debtor in the midst of the Depression. Uncertain if such public displays were enough, Premier Martin increased the farmer members of his Cabinet and ejected a zealously partisan member who was greatly disliked by the farmers. Professor Smith summarizes these moves:

First, he brought in a bona fide farmer, C. M. Hamilton, as minister of Agriculture, who "loudly announced that he will still retain his home on the farm and only spend such time in Regina as his official duties make necessary." Then he got rid of Knowles, the provincial secretary and minister of Telephones, whose Liberal partisanship had affronted the farmers. Finally, he pulled his biggest coup by bringing J. A. Maharg into the Cabinet as minister of Agriculture, Hamilton moving over to Highways. Maharg, who had sat in the House of Commons as an Independent Unionist for Maple Creek since 1917, had been president of the S.G.G.A. for eleven years and had been closely associated with the Saskatchewan Co-operative Elevator Company. His credentials as a non-partisan representative of the Saskatchewan farmers were impeccable.

Armed with such moves, as well as with the opposition within the S.G.G.A. itself to go political, the reassured Liberal government went to the people in what some viewed as a "snap" election, and were returned with a solid mandate.

In exchange for his entry into the Liberal Cabinet, S.G.G.A.
stalwart Maharg had expected Liberal co-operation with the Progressives in the December, 1921 federal general election. This failed to occur as the Liberals proceeded to nominate candidates and to attack the Progressive project as misguided and dangerous. Consequently, Maharg resigned amidst much controversy,\(^66\) and the federal Liberals were decimated despite the fact that they were widely supported by the press in their increasingly unreasonable and excessive attacks on the Progressives.\(^67\) As a result, the estrangement between the Liberals and the organized farmers, only temporarily papered over, became more and more pronounced. Even the Liberal efforts at reconciliation two days after the federal vote by means of a Speech from the Throne which was nothing more than a farmers' document failed to rebuild the bridges burned during the federal fray.\(^68\) The fact that the session contained all the usual unanimous demands -- for the Crow Rates, for branchline completion, for transfer of the public domain, for the Wheat Board marketing, for moves to abolish the tariff system -- did not help the situation, even though most of the resolutions, particularly the one on the tariff, essentially amounted to the Legislature's unanimously adopting the New National Policy.\(^69\)

The S.G.G.A. struck back, to the extent that it was able to, at their 1922 Convention. The tone was set by the report of the Central Executive to the Convention.\(^70\) The Report remarked on the serious decline in prices for grains and livestock:

So greatly did these considerations reduce the purchasing power of the farmers generally throughout the province that even in the most favorable districts where
the yield was comparatively good, our people have experienced the utmost difficulty in providing their families with the reasonable necessaries of life and meeting their most imperative obligations, while in the less fortunate districts there has been much actual suffering.71

The organization was in crisis, just as the agricultural population was. There had been a serious decline in members, to 29,294 in 1920, to 21,270 in 1921, and further to 15,508 in 1922.72 This was attributed to the Depression, to the demands imposed on the organization by the federal election, and a further reason was enunciated:

Doubtless the very extensive campaign of misrepresentation and appeal to prejudice which has for some months been carried on by a portion of the press of this province, quite obviously for no other purpose than to weaken the farmers' movement through arousing suspicion against their own institutions and the officers they place in charge of them, has also added somewhat to the difficulties of the year.

The delegates were angry and they pushed the S.G.G.A. to the offensive. They passed a resolution to go into provincial politics amidst a great deal of criticism of Liberal governments, federal and provincial.73

The Liberals responded by elevating Premier Martin to the bench and appointed C.A. Dunning, a man with a broadly-based sympathy and support among the organized agrarian petit-bourgeoisie, as Premier in April of 1922.74 Dunning proved adroit at forestalling the farmers' political challenge, at least he prevented the decimation of the Liberals by a farmers' party and effectively held the major share of farmer support in the House and in the province.75 During 1922 there were six by-elections
and the S.G.G.A. contested only one of them, and that one unsuccess-
fully.® At the 1924 Convention the S.G.G.A. decided to go out of
provincial politics with virtually no debate.® So ended the Saskatchewan
organized agrarian petit-bourgeoisie's efforts at direct involvement in
provincial politics. They had variously been sabotaged by elements
among their own leadership, outfoxed by the Liberal party, and finally,
having gone political, ruined by their own indecision and lack of a
clear program. The lesson carried away from the debacle was that the
organized farmers ought to stay out of politics in Saskatchewan while
seeking alternative vehicles for realizing the political aspirations of
the agrarian petit-bourgeoisie. At the same time, many among the agrarian
petit-bourgeoisie continued to argue that in Saskatchewan the Liberals
were the farmers' party, as the special session of the Legislature,
convened on July 20, 1922 to pass legislation to enable the re-establish-
ment of the Canadian Wheat Board,® seemed to confirm.

The indecision of the S.G.G.A., and the frequency with which
many of its prominent leaders ended up in bed with the Liberal government,
combined with the Depression to convince more radical elements among the
S.G.G.A. to seek a new vehicle for the organized agrarian petit-bourgeoisie.
In December, 1921, an Ituna town hall meeting of farmers agreed to
establish the Farmers' Union of Canada (F.U.C.).® Initially, it was
agreed that the objects of the F.U.C. would be: "the farmers of Canada
had to unite to I. protect themselves, II. to obtain a complete con-
trol of their produce, III. to market their produce themselves."®
By July, 1922 the Farmers Union of Canada was founded at Saskatoon. Its appeal was based on the double disillusionment at the S.G.G.A.'s apparent inability to act decisively on the marketing question and at the apparent futility and divisiveness of going into politics. Professor Spafford sums up the motivating perspective in the following terms:

The Farmers' Union of Canada was founded on the conviction ... that ... [farmers] ... had been looking in the wrong place for solutions to the recurrent problems of agriculture. Faced with problems, the farmers habitually appealed to governments for remedies; from time to time they tried to build third parties. The results were always disappointing ... The necessary first step was the creation of a single union of farmers of at least national, but hopefully international, scope. Bound together in a strong union, the farmers could then proceed to take the marketing of all agricultural products under their direct control, and ensure that farming would yield an adequate income -- in good years or bad, with or without the sympathetic attention of governments. The Union urged the farmers to turn their attention away from the legislature and apply their efforts instead to the building of agrarian power in the marketplace.81

The F.U.C. organized itself in a manner which, it was believed, would prevent it from suffering a fate similar to that of the S.G.G.A. First, unlike the S.G.G.A., only farmers and members of their families actually engaged in farming were eligible for membership.82 Second, no elected officials of the federal or provincial governments could hold office. Third, no one "holding a paid political office" could act as a
delegate. "Bona fide farmers" were rigorously defined as "a man or woman in actual residence on his or her farm; or a retired farmer, man or woman; or farmer's wife or widow, living off the proceeds of his or her farm and not engaged in other business." No one could hold office "for a period of more than two years in succession." The Central Executive Board was given considerable powers. And, finally, the F.U.C. was "non-party political and non-sectarian." Furthermore, unlike the S.G.G.A. which held its Conventions amid much publicity and which freely published its membership and financial situation, the F.U.C. was fairly secretive, refusing to divulge much information on its state of organization and keeping what was correctly viewed as a hostile press at arm's length. In this way, it was believed, a militant farmers' organization for farmers, unfettered by an influx of non-farmer members or by infiltration by aspiring or prominent partisan politicians, could be structured.

The F.U.C. also took a harder ideological line than the S.G.G.A., forever reasonable and accommodating, ever had dared to take. Not satisfied merely with reflecting their more militant, class struggle stance in their organization's policies and activities, the F.U.C. proclaimed it in the Constitution, clearly with the inspiration of the One Big Union. The preamble of the F.U.C. constitution read:

Modern industrial society is divided into two classes — those who possess and do not produce and those who produce. Alongside this main division, all other classifications fade into insignificance. Between these two classes a continuous struggle
takes place. As with buyers and sellers of any commodity there exists a struggle, on the one hand, of the buyer to buy as cheaply as possible, and on the other, of the seller to sell for as much as possible. In the struggle over the purchase and sale of farm produce, the buyers are always masters -- the producers always workers. From this fact arises the inevitable class struggle.

As industry develops and ownership becomes concentrated more and more into fewer hands; as the control of economic forces of society become more and more the sole property of finance, it becomes apparent the farmers, in order to sell their produce with any degree of success, must extend their form of organization in accordance with changing methods. Compelled to organize for self-defence, they are further compelled to educate themselves in preparation for the social change which economic developments will produce whether they seek it or not.

The Farmers' Union of Canada, therefore, seeks to organize the farmers and calls upon all bona fide farmers to organize, irrespective of nationality or sex, into a farmers' organization, so that they may be enabled to fix their own price above the cost of production, a price reasonable towards producer and consumer.

We, the people constituting the great Agricultural Class, in order to secure equity and justice, and to protect ourselves against the encroachments of special privileges, desire to bind together in an indestructible and indissoluble Union to defend and perpetuate those ideals that have been fostered and advanced by all our agrarian organizations.

In so far as all working classes of Canada have, through the medium of Union, shortened their working hours, increased pay and raised their standard of living, and further, as all organized Capital has by the same means increased the earnings of Banks, Railways, manu-
facturers and all other commercialized interests for, and the benefits derived by these Organized Labor Unions and Organized Capitalists have been paid by the Unorganized Tillers of the Soil, lengthening their hours of labor, reducing the profits accruing to them, increasing their responsibilities and lowering their standard of living.

It is plain that these organized interests have secured their position by the control of legislation, and we farmers, as a class have the power in number, if thoroughly united in a Common Brotherhood, to give sufficient backing to our representations in Parliament, and all other institutions in which we have spent our time and energy in the upbuilding.

Believing this to be a true statement of facts, let us in the future correct the errors of the past.83

Clearly, such a class struggle orientation for the agrarian petit-bourgeoisie, "the Unorganized Tillers of the Soil," did not sit well with either the more staid S.G.G.A. or with prominent western politicians.

In 1923, Clifford Sifton said of the F.U.C.,

[It] is an out and out radical deadbeat organization, appealing directly to the impecunious and those who are so loaded with debt that they do not ever expect to get out of debt.84

To say the least, relations between the S.G.G.A. and the F.U.C. "... were never cordial, and at times were marked by bitter hostility."85

The F.U.C., in its agitational pamphlets, struck out aggressively at capitalism, especially at finance capital, attacking it in terms of the Douglas System of Social Credit. One pamphlet lamented the burden of debt upon farmers and called for a national banking system which would
lend money at cost. Another, explicitly referring to the work of Major Douglas, J. S. Woodsworth, W. Irvine, and Herbert Spencer, concluded that the Douglas Social Credit remedy was vital since the "system of finance" was "the basic cause of our ever-increasing economic troubles." Yet another developed that theme at greater length arguing that farmers lived under "a great pyramid of debt" and that "the only thing we have over-produced is -- Debt." It continued,

It is not then over-production but under-consumption due to lack of purchasing power that ties up industry and causes poverty in the midst of plenty.

The basic cause of Depression, the argument went, was a lack of purchasing power due to the private ownership of the machinery of production and of currency and credit which, in turn, prevented the building of a truly co-operative society. Generally speaking, then, the F.U.C. began and sustained a more complete criticism of capitalism as a system rather than, like the S.G.G.A., focussing on this or that item of policy from a narrower agrarian petit-bourgeois perspective.

The net result of the organizational and ideological toughness of the F.U.C. would probably have been that it would have remained a rather small radical pressure group. Events, however, catapulted it into the leadership of the Saskatchewan agrarian petit-bourgeoisie in the campaign to organize the Wheat Pool. In fact, the few hundred members at the July, 1922 founding Convention grew to about 10,000 by 1924 thanks largely to the F.U.C.'s aggressive advocacy of the contract wheat
pool idea. 89

By the summer of 1923 the federal government finally unequivo-
cally made it clear that it had no intention of establishing a compulsory
wheat marketing board such as had existed during the War. This ended a
long period of debate among the organized agrarian petit-bourgeoisie.

Many argued that a compulsory method of wheat marketing was essential.
Others, including such prominent leaders as Motherwell, Crerar, and
Dunning, 90 opposed the notion of compulsion and supported a voluntary
approach. At the same time, the Legislature re-iterated its support for
negotiations between the three Prairie provinces and the farmers' orga-
izations in order to develop "a co-operative method of marketing"
grains. 91 Annually, the S.G.G.A. had engaged in much hand-wringing
about the need for co-operative marketing, but its leadership repeatedly
failed to develop a workable plan despite continuing demands for such
a plan from the membership. The F.U.C. moved confidently into this
vacuum to advocate the contract wheat pool plan by which farmers would
commit themselves for five years to market their wheat co-operatively.
The idea caught fire and in short order the S.G.G.A. joined the cam-
paign: in fact, the Wheat Pool Board was finally jointly composed of
F.U.C. and S.G.G.A. representatives. By the end of the campaign, 45,000
farmers had signed five-year contracts. By 1926, 73% of seeded
acreage was under contract to the Wheat Pool. 92 However, the F.U.C., due
to its increased prestige, also managed to influence agrarian petit-
bourgeois politics in general in a more militant direction. According to
Professor Spafford,

The Farmers' Union had gone into the Wheat Pool campaign with a few hundred members, it came out with ten thousand. The radicals who had thrown in with the Union when it seemed an agreeable lost cause now found themselves among the leaders of an influential organization. They quickly placed their mark on the Union. There were reports that sheriff's sales of farm property for debt were going without buyers because of boycotts arranged by members of the Farmers' Union. The lodge at Sturgis, the most militant in the Union, caused a stir by circulating a questionnaire sounding out opinion on prospects for "declaring a [debt] moratorium on our own account, being denied this by the Government." Delegates to a district convention of the Union at Canora in 1925 called for "mass resistance" to seizures of property should the Government not produce a debt-adjustment scheme. The same convention asked the Farmers' Union to seek affiliation with the "International Council of Peasants," and went on to censure the Boy Scouts and military cadets as "agencies of the present ruling class."93

The effectiveness of co-operation between the F.U.C. and the S.G.G.A., by 1926 about equal in membership, in the Wheat Pool campaign inevitably led members of both organizations to agitate for amalgamation. To many, indeed most, it made no sense for the leading sector of the agrarian petit-bourgeoisie to be divided into two mass organizations. The amalgamation was consummated in the summer of 1926. The impact of the F.U.C. and of the dramatic success of the Wheat Pool campaign was reflected in the Presidential Address at the last S.G.G.A. Convention. The speech ranged over many topics of particularly agricultural in-
terest, but the greater bulk of it focussed on more general issues. The two-party system was denounced. The burden of public debt and resulting taxation still weighing heavily as a legacy of the Great War was denounced as was the transportation system and the tariff structure. The capitalist financial system was strongly pilloried and measures were demanded which would re-orient the system of credit in order that it would not be profit-oriented but would be designed to provide cheap credit in order to maximize real production. The burden imposed on the West and the Maritimes by the structure of Confederation was lamented. There was a call for more social legislation in order to ensure fair wages, fair prices, and a reasonable security for all, itself a necessary first step in "developing true civilization." The breakdown of the competitive system, and its replacement by a phalanx of co-operative institutions, was foreseen and applauded. Finally, the President appealed for loyalty from the agrarian petit-bourgeoisie for its own perspective and its own institutions.

The quality we need most of all ... is "loyalty"; not loyalty to individuals, but loyalty to ideals and institutions, and a determination that, when we have made up our minds that a certain thing is fundamentally sound, nothing shall make us turn back until we have accomplished what we had in mind when we organized the institution in question.

I trust that this Convention ... shall take the further steps which will lead us toward the goal we have had in mind all through the years ... namely -- more ideal living conditions for the great mass of the people and a world whose
resources and wealth are used for the benefit of all worthy people, a world which we should not be ashamed to turn over to those who come after us, knowing at least that we have done our best to make it a little better world in which to live.\textsuperscript{94}

It is obvious that the impact of the F.U.C. and the Wheat Pool campaign moved the staid S.G.G.A. leftward to a more general stand critical of the existing social system, a tendency which had always been present but not always one which was in the ascendancy in the organization. This was reflected in the new organization, the United Farmers of Canada (Saskatchewan Section) (U.F.C.(S.S.)) which resulted from the fusion. In the negotiations the F.U.C. won each point of key contention, surrendering only the class-struggle preamble of its constitution. The new U.F.C.(S.S.) was more similar to the F.U.C. than it was to the S.G.G.A. Article I, "Objects of the Association," in spelling out the purposes of the new vehicle, was moderate in tone. The purposes were:

To forward the interest of the farmers in any honourable and legitimate way.
(a) ... by suggesting suitable legislation
(b) to promote co-operative buying and selling ... and to carry on ... trade or business ...

Section Two rejected direct entry into politics, stating that "the Association shall be non-sectarian and shall not, as an Association, ally itself with any political party or contribute any ... funds thereto." Membership was strictly restricted to an "... applicant [who] owns or operates or is the wife or husband, son or daughter of one who owns or operates a cultivated farm or ranch, or is a retired farmer, man
or woman, or farmer's wife or widow not engaged in any other business."

(my emphasis) However, a person fulfilling any of the criteria was not necessarily assured membership: membership was not a right, it was a privilege bestowed by the collective group. Thus, in order to become a full member, an applicant had to win three-quarters of the votes of the Local in which he or she sought membership. Further, a vote of two-thirds of the members present at a local meeting could expel any member for good reason. Further, only persons in actual residence on farms or ranches could act as delegates to annual conventions. No elected officer could hold office for longer than two years continuously. No officer could at the same time serve as a director "of any Federal or Provincial commercial organization, or any organization in which his duties, in the opinion of the remaining members of the Board, might be in conflict with his duties as a director of this Association." Four-fifths of the Board could force the resignation of any officer for any reason. Finally, the details of the Constitution (which had 13 articles and 114 sections) conferred enormous powers upon the Board of Directors and the executive committee of the Board.

Clearly, no person who had an unsavoury reputation as a zealous partisan of either of the major political parties was welcome and even those committed to the Progressives had to tread carefully. Furthermore, any farmer involved in non-farming business of any sort -- whether sheriff, lawyer, merchant, etc. -- would not be welcome. Indeed, any one with organizational links of dubious good grace from the point-of-
view of the farmers in the Local would not be enthusiastically welcomed. No longer would the organization of the Saskatchewan agrarian petit-bourgeoisie be the public platform for political opportunists, commercial adventurers, professional gadflies, or any one with questionable motives, any one from a dubious background, or any one who could not, in the first instance, demonstrate his prior commitment to the bona fide, working farmers of the province. The days when the Annual Conventions of the organized agrarian petit-bourgeoisie were political circuses at which leading politicians could strike poses and practice their oratory were irrevocably over.

Parallel to these developments among the organized agrarian petit-bourgeoisie, agrarian petit-bourgeois politics continued to be expressed mainly through the Liberal party where, in 1927, fully 23 of 42 Liberal M.L.A.s reported their occupation as farmers. However, as we've noted, the New National Policy Association, founded in 1920 in order to lead the Progressive foray into politics, had succeeded in 1921 in electing 15 of 16 M.P.s in Saskatchewan. Further, the provincial Progressives had won six of seven seats contested in the June, 1921 provincial election. The near unanimity about going political federally had not been reflected in the debate over provincial action: in-fact, the Federal and Provincial Progressives never formally merged until 1925. This resulted in an improved showing during the June, 1925 provincial election where the Progressives won 23% of the popular vote (57,104 votes versus 13,613 in 1921) but only six of the 40 seats contested.
In common with the federal Progressive disintegration (they only won six of 21 federal seats in Saskatchewan in 1925, three of 21 in 1926, and two of 21 in 1930), the provincial Progressives suffered a similar fate: in the June, 1929 provincial election, the last one contested by them, the Progressives won five of 16 contested seats with 6.9% of the popular vote (24,988 votes). The provincial Progressives failed to capture the political leadership of the increasingly radical agrarian petit-bourgeoisie since they failed to reflect that radicalization in their program. They were incapable of doing so for a variety of reasons. The one detailed historical study of the provincial Progressives in Saskatchewan insists that they were "a thoroughly conservative force." Indeed, examination of the "middle leadership" reveals that they were mainly middle-class and prosperous farmers, well-educated, entirely Protestant, overwhelmingly Anglo-Saxon, actively involved as directors and officers of the S.G.G.A. and/or co-operative institutions, and cautiously moderate in political outlook. Non Anglo-Saxon, non-Protestant immigrant farmers were notable by their absence, and what few workers were active in the movement were skilled tradesmen. This is not surprising since the Progressives' views on labour issues and on immigration were a cauldron of controversy and contradiction. More often than not the anti-labour and anti-immigrant Progressives tended to carry the day. Such basic disagreements -- particularly on such key issues as a labour policy (immigration was less of a problem, most of even the most militant section of the movement was opposed to immigration) -- reflected the
ultimately "untenable and ephemeral nature of Saskatchewan progressivism."\textsuperscript{103} Most importantly, of course, the Progressives could not make the shift to the more radical program implied by the early versions of the co-operative commonwealth notion.

The political situation in Saskatchewan became an unpredictable morass of confusion and contention in the 1920's. Although the Liberal party remained in government, it became a "beleaguered machine."\textsuperscript{104} The Opposition, composed of a confused conglomeration of Tories, Progressives, and Independents,\textsuperscript{105} was united only by an over-riding passion to oust the Liberals. The Liberals, opting for federal and provincial all-out partisanship, dropped all pretence of being a farmers' government. Indeed, all parties claimed to represent the farmers' best interests and they all did, if we judge by the occupational make-up of each group in the House. The organized agrarian petit-bourgeoisie went decisively out of politics with the founding of the U.F.C.(S.S.) and the new organization's ill-feeling toward partisan politics in general and the "old parties" in particular was no secret. Thus every party could and did claim to speak for them. However, with the legitimacy of friendliness of the old S.G.G.A. gone, the Liberals more and more relied on the evocation of partisan loyalty and the judicious application of patronage to stay in power. The divisiveness and chaos of Saskatchewan politics helped, of course, and the U.F.C.(S.S.) decision to reject all politics was a god-send to the Liberals.

The Opposition united in its quest to expose corruption and
patronage and agreed, with a surprising single-mindedness (often, bloody-mindedness) that the Liberal "machine," as it was increasingly referred to, was unfit to govern any right-thinking province. The Opposition, year after year, from 1921 to 1928-29, increasingly focussed their attack on the government via questions designed to elicit evidence of the extensive system of government patronage which was in existence. And although general agrarian interests were reflected in the Legislature with usually unanimous annual ritual re-expressions of agrarian petit-bourgeois grievances -- calls for the building of branch lines, calls for free trade, defenses of co-operative marketing, support for the Crow Rates and lower rail rates in general, condemnations of the tariff, etc. -- more and more the Opposition attacks on the government reflected the growing political controversy in the province itself. As the economy improved, the issues involved became increasingly confused. Part of the problem was that all the political groupings supported the general demands of the agrarian petit-bourgeoisie in rhetoric and resolution and, as a result, the Progressives, even if they had any such desire, had difficulty in developing a distinctive provincial program, in providing a clear and different focus on the issues, and often in even deciding which issues to pursue with any vigour. The Tories had their roots very much in the Provincial Rights movement (the Tories had contested the 1905 election under that banner) and had established much of their provincial distinctiveness in their fights against the terms of autonomy, in their fight against separate schools,
in their repeatedly expressed concerns about non-Anglo-Saxon immigration, and in their history of anti-French, anti-Catholic posturing. Despite its efforts to win the farmers, the Tory party was also forced to carry some of the burden of responsibility for what the federal party had done in establishing the hated tariff system. On the other hand, the Liberals, with their long record, at federal and provincial levels, of support for marginal reform of the tariff system, for relatively unrestricted immigration, for rapid and often ill-conceived development, etc., were still seen as the more sympathetic of the old parties to the interests and concerns of "the little man."

Further, in Saskatchewan, the Liberal party was seen by Catholic and non-Anglo Saxon ethnic groups as their champions. Increasingly, in the 1920's, as things improved economically, the issues that came to dominate public debate were religious and racial. Consequently, the attack on the Liberal government began to reflect such themes as well as continuing to concentrate on patronage and corruption.

The Opposition, under the leadership of the Tories, was aided in this campaign by a new and dramatic extra-parliamentary force: the Ku Klux Klan. The Klan emerged as a frontal attack upon Catholics, non-Anglo-Saxon European immigrants, Jews, Orientals, the French language outside Quebec, and any forces which tended to erode morality, patriotism, English institutions, the Anglo-Saxon "race," and law and order. Organizations like the Orange Lodge, with its slogan of "one school, one language, one flag," and the Tories, had always been staid and careful in their expressions of such concerns. But the Klan was un-
fettered by such reserve. It emotionally and bitterly attacked such groups (which, together, came close to including well over one-third of the population) in language which can only be described as violent, abusive, and potentially dangerous. The Klan received enormous support: membership estimates range from 10,000 to 50,000, the most reliable conservative figure is 25,000.\textsuperscript{108} It united lower-middle class and working class urban members with rural members: it was a sort of twisted platform of bigoted unity. It attracted many community leaders: the Grand Wizard was a prominent Tory;\textsuperscript{109} J. M. T. Anderson, the Tory leader, reportedly helped the Klan organize Saskatoon by providing lists of names;\textsuperscript{110} many prominent Protestant clergymen joined;\textsuperscript{111} members of all political parties ended up in the Klan, but the Tories led the field with the Progressives close behind;\textsuperscript{112} there was also some overlap in membership between the Klan and the U.F.C.(S.S.).\textsuperscript{113} In other words, the Klan appealed to the sentiments of a wide swath of the population and attracted elements which ordinarily had no other reasons to meet in the same organization for common objectives. The Klan was decisive in electing aldermen to city councils, had a big effect on who became mayor in the larger centres, and, in the 1929 election, aided immeasurably in unseating the Liberal government. In fact, in the 1929 election the Tories and Progressives tended to win in precisely those areas where the Klan was well-organized with a strong membership base.\textsuperscript{114}

For our purposes, the significance of the Klan was that it brought into sharp relief the political bankruptcy of the provincial
Progressives. Unable and probably unwilling to gain the blessing of the radicalizing elements of the agrarian petit-bourgeoisie, confused about what kind of alternative they would offer, uncertain about what issues to push, the Progressives degenerated to the point where they submerged themselves in a parliamentary alliance with the Tories and damaged themselves by benefiting from the Klan agitation. Desperate in a search for issues upon which to defeat the Liberal government, the Progressives, quite commendably, joined the Tories in the exposure of Liberal patronage. However, this same desperation led them to pander to, if not, like the Tories, to actively support the Klan campaign of bigoted racial and religious intolerance which painted the Saskatchewan Liberal government as puppets of the Pope, diluters of pure Anglo-Saxon blood through unrestricted immigration, and, therefore, unfit as British patriots. In the 1929 election the newly resuscitated Tories ran in 40 seats, winning 24 of them with 36.5% of the popular vote. The Progressives ran in 16 seats, winning five with 6.9% of the vote, and the Independents ran in 17 seats, winning six with 9.1% of the vote. The Liberals, contesting all 63 seats, won 28 of them with 46.7% of the vote. There was no doubt that there was active co-operation between the Tories and the Progressives: their platforms were very similar and only 12 of the 63 fights were three-way contests. Very quickly the Tories and the Progressives, with the help of the Independents, formed a coalition and replaced the Liberals as government. Imaginatively, and doubtless opportunistically, the new regime was referred to as the
Co-operative Government.\textsuperscript{118}

Needless to say, such a political mess was small consolation to those among the organized agrarian petit-bourgeoisie who felt that political remedies must somehow, someday be sought. The old parties, regardless of the cloaks assumed, were completely unacceptable to the organized sector of the agrarian petit-bourgeoisie. The more conscious sectors had serious reservations about the Progressives, particularly as the federal debacle unfolded and as the provincial group proved inept in providing the necessary decisive political leadership. The independent option, so much a part of Saskatchewan politics, had proven unsatisfactory, if significant in measuring the depth of permanent disaffection among the provincial electorate, especially the farm voter. Despite the fact that the F.U.C. had been, and the U.F.C.(S.S.) was, passionately and explicitly opposed to going directly into politics, there still remained a significant element of the organized agrarian petit-bourgeoisie which continued to agitate for the necessity of direct parliamentary and extra-parliamentary political action under the leadership of class struggle farmers. In 1924 those within the F.U.C. who believed in the necessity for political action had formed the Farmers' Political Association (F.P.A.) to act as the political arm of the organized and conscious agrarian petit-bourgeoisie.\textsuperscript{119} The objectives of the new organization, in the words of its chief spokesman, G. H. Williams,\textsuperscript{120} were:

(1) That normal production must be guaranteed and that maximum of produc-
tion must be steadily sought after;
(2) That the equitable distribution of wealth produced must be effected;
(3) That no economic group must be allowed to dominate the other economic groups of the social structure.121

The Board of the F.U.C. had acted with dispatch to forestall what was seen as an effort to use the organization as a political vehicle, even if the objectives were good ones: Williams, an F.U.C. organizer, had been fired and the lodges had been left in no doubt about the unacceptability of his behaviour.122 The F.P.A. never got off the ground and the activist, class struggle elements which had formed it redirected their energies once again into the F.U.C. and, later, the U.F.C.(S.S.).123

Militants like Williams were concerned that the new U.F.C.(S.S.) would result in the more conservative S.G.G.A. forces smothering the class struggle, activist trends in the old F.U.C. This fear was well-founded: all but one member of the founding executive of the U.F.C.(S.S.) had been high-ranking S.G.G.A.ers and Progressives.124 Therefore the militant agrarians founded the independent Farmers' Educational League (F.E.L.) at the same time as the U.F.C.(S.S.) was founded (July, 1926). The F.E.L. began immediately to draft a manifesto which was ready in time for the 1927 U.F.C.(S.S.) Convention. The document read, in part,

A careful perusal of this preamble and platform will make it obvious to everyone that the League is not in existence as a competitor of the United Farmers of Canada or any other farm organization. It is merely a means of co-ordinating the radical
thinking within these organizations, so there will be less friction and more action.

It is designed to prevent a recurrence of splits in the ranks of the organized farmers through over-conservatism on the part of the recognized leadership. It is a prodding machine; a vigilance committee.

The Farmers' Educational League is an educational and agitational organization which bases its activities on the realities of the class struggle and endeavor [sic] to educate and organize the farmers to change the existing system of exploitation into one that will produce for use and not for profit.

The League will work inside of every existing farmer organization with the object of welding them into a powerful mass movement ... to educate those within and to organize those without these organizations ... with the ultimate objective of a co-operative commonwealth in the full meaning of the term.125

The manifesto closed with a call for farmer-labour unity and for developing a legislative program in preparation for the establishment of a co-operative commonwealth government.

The F.E.L. very quickly developed a great deal of influence. At the first Convention of the new U.F.C.(S.S.) the League had considerable effect on the resolutions and the general tone of the debate. G. H. Williams emerged as the most generally acceptable spokesman for the League and he was nominated for the U.F.C.(S.S.) Presidency at the March, 1927 Convention, which nomination he declined to accept.

However, he did obtain a seat on the Board of Directors and, in the next
month, a position on the Executive Committee. Although he severed formal links with the League, Williams shared many of its perspectives and clearly pursued most of its objectives in the U.F.C.(S.S.). The next year Williams obtained a U.F.C.(S.S.) vice-presidency in a three-way fight. And the next year, 1929, he won the U.F.C.(S.S.) Presidency in a six-way fight in a victory which many saw as a result of the behind-the-scenes machinations of the League. The perspective Williams carried into the Presidency was far more general and political than that of the other contestants. At one point he said,

I believe that just as long as there is a single farm home in Saskatchewan where poverty looks in at the door, that just as long as there is a single piece of legislation on the statute books that is not in the best interests of the people of Saskatchewan and as long as there is single industry that is not operated and controlled co-operatively, just that long has this organization a duty to perform.

Indeed, this, in somewhat more restrained terms perhaps, was the perspective of the old F.U.C. which had been aggressively kept alive by the F.E.L.

Although the U.F.C.(S.S.) continued to see itself as the organized voice of the agrarian petit-bourgeoisie as a class, it increasingly saw its role, under the influence of the F.E.L. and leaders like Williams, in broader political and economic terms. Nothing demonstrated this crucial fact more clearly than the publications of the organization in selected policy areas. One key area of agitation was debt adjustment. In 1923, the F.U.C. had evolved a debt adjustment plan in order to cope with
the crisis in agricultural credit caused by the Depression. This plan, only slightly amended, was taken over by the U.F.C.(S.S.) and pushed aggressively, especially after Williams' victory (Williams had drafted the original F.U.C. plan). The 1923 plan had been largely ignored and as prosperity returned it increasingly was not seen as an agitational priority. Yet debt remained a central and keenly resented problem of the agrarian petit-bourgeoisie. The Depression of 1929–30 brought the proposal to life again. The plan called for provincial Arbitration Boards in each Prairie province composed of one farmer representative, one creditor representative, and a third person acceptable by the farmer and creditor representatives. According to the proposal, "no judgement, writ or execution" could be issued against a farmer until he had first appeared before the Board. Further, for cases coming before the Board, the Board became the trustees of the Debtor's assets until a decision was reached. All decisions of the Board would be legal and binding on all parties. The plan went on:

4. In each case of funding and amortizing the debts of any farmer, the following amounts shall be set aside to cover living and running expenses and these amounts shall constitute an absolute priority, and in no case become attachable by creditors: in the case of a man farming one quarter section, $800 out of the crop proceeds of such homestead quarter; $600 out of the crop proceeds of the second quarter section farmed; $400 out of the crop proceeds of the third quarter section farmed; and $200 out of the crop proceeds of each additional quarter farmed by such farmer. It is a condition precedent that the average acreage
under cultivation on each quarter section shall amount to at least 80 acres and that, where more than one quarter section is farmed, in the event of the crop proceeds of the homestead quarter not amounting to $800, then the difference between the amount of such proceeds and $800 shall also be set aside out of the crop proceeds of the other land farmed in addition to the former sums named.

5. Next in priority shall follow: Seed, feed, taxes and land payments — land payments being funded and amortized over 34 years.

6. All other debts shall be funded and amortized over a period of 34 years, each creditor participating pro rata in the disbursements.

7. In event of a crop failure in any case where a farmer's affairs are under the administration of the Board, the crop proceeds being found to be less than $800, it shall be permissible for that person to borrow from the Provincial Treasurer a sum equal to the difference required to bring the crop proceeds up to the $800 exemption. This loan shall then become a priority ranking with taxes as a charge on the next crop following the loan.

8. The interest rate on the amortized debt in no instance to exceed 6 per cent, per annum.

9. In all cases the farmer shall decide the medium through which the crop shall be marketed.

10. Full privilege of prepayment at any time.

Clearly the plan sought to establish a quasi-juridical means to reconcile the interest of farmer and creditor on terms which were to the unprecedented advantage of the debtor as against the creditor: the
exemptions left little, especially in a time of serious depression or crop failure, for the creditor to proceed against in order to seek legal remedy. Needless to say, none of the provincial governments, including Alberta's U.F.A. regime, adopted the plan. It was beyond their jurisdiction and Ottawa was not overly sympathetic. Such ideas were anathema to finance capitalists. But it seemed a fair and eminently reasonable plan from the point of view of the agrarian petit-bourgeoisie and as such it became very popular, particularly as what was to become known as the Great Depression began to stalk the land.

Another area of generalized political and economic agitation which the U.F.C.(S.S.) kept alive was the tariff agitation. The disintegration of the Progressive party at Ottawa in no way suggested any lessening of the tariff grievance. In a 1927 submission to the federal government\(^{129}\) the U.F.C.(S.S.) went further than ever before and demanded a whole series of reductions in the tariff, including the establishment of many free items, on crucial inputs into agricultural production. According to their submission the following items should have been duty free: mowers, harvesters, binders, cultivators, harrows, seed drills, manure spreaders, weeders, ploughs, wagons, sleds, buggies, carriages, cutters, vehicles, windmills, wind stackers, separators, milking machines, tractors, engines, all unspecified agricultural implements, wire nails, petroleum products, stoves of all kinds, hand tools, lumber, hardware, cement and lime, and coffins. On other items a schedule was proposed calling for reductions of from 30 to 60% on the 1926 tariff. Further, the call for the gradual move to
free-trade with Great Britain was re-iterated. The presentation clung tenaciously to the argument that agriculture was the bed-rock of the Canadian economy, contributing fully 40.4% of the wealth produced in 1925.

Agriculture is the most important industry in Canada. The conditions under which it is carried on have a greater bearing upon national prosperity than all other factors operating in the economic industrial life of the country ... a prosperous agricultural industry must be the basis upon which we ... build national prosperity.130

The argument continued that since agriculture represented a continuously renewable source of wealth production and since the industry contributed so much to the national wealth, then "the farming industry should be at least as profitable to those engaged in it, as other industries and occupations are."131 The brief proceeded to emphasize its point by illustrating that in 1925, although agriculture produced products in the value of $1,708,568,000 (40.4% of total wealth produced), as an industry it had only paid income taxes in the amount of $273,255, or "less than one-half of 1%" of the total taxes paid ($55,571,961). The argument was brought home:

Farmers are much the same as other classes -- no more honest or dishonest -- and if they are not paying Income Taxes, it is because they have not the net income on which to pay Taxes. And this is the strongest possible evidence that Agriculture, which is the most important industry and the greatest producer of national wealth, is not as profitable to those engaged in it as many other industries and occupations are, which are not nearly so important viewed in the light of the welfare of Canada as a whole.132
The argument went on at greater length to re-confirm the basic economic importance of agriculture, and its relative disadvantage, particularly as compared to industrial manufacturing. For the U.F.C.(S.S.) the biggest problem engendered by the unfair advantage of manufacturing was that it resulted in massive, unhealthy demographic transformations, all in the interest of supporting "unnatural industries." In terms reminiscent of the 1921 New National Policy, the document demanded that the agricultural industry be more positively supported in federal government policies.

We have shown that the drift of population is away from the rural parts to the urban centers, the rural not holding its natural increase, and loosing [sic] greater numbers by migration than are brought in by Immigration, and that the return on investments in agriculture do not compare favourably with the returns on investments on manufacturing industries.

These facts presented for your consideration are sufficient justification for the application that the United Farmers of Canada, Saskatchewan Section Limited are making for an all round reduction in the duty on goods used in producing agricultural products, and commodities which are used in large quantities by farmers. There can be no justification for placing a burden upon agriculture, for which it receives no compensating advantage, (and in the nature of things it cannot,) to benefit industries which are shown by Income Tax returns and the increase in the value of their stocks to be already more profitable than agriculture is. If it were justifiable and economically sound, (which we claim it is not) to give privileges to any industry in Canada, Agriculture should be given any advantages that are given. Other
industries in Canada have enjoyed altogether too long special privileges at the expense of Agriculture, and this is the main reason for Canada's supreme, basic industry being more unprofitable than the secondary industries, which however, important, they may be, must take a subordinate place to agriculture. We, however, are not asking any special privileges for ourselves but asking that some of the special privileges enjoyed by others at our expense be done away with.

We do not feel called upon to prove that any industry effected by the tariff reductions asked for, would not be more comfortable without reductions, and able to enjoy a higher degree of prosperity, with less effort to conduct its affairs as efficiently and economically as its competitors in other countries. What we are establishing is that no industry or group of industries are so important to national prosperity and well being, that there is any justification for putting a burden upon Agriculture for their benefit, if they are so unnatural to the country, that after 40 years of protection they are still in the infant class, and unable to maintain themselves without special privileges being given which are and must be a burden to all other classes in the country, not enjoying these privileges. We submit that if industries are natural to the country, they should by this time, (after having enjoyed special privileges for 40 years) be in a position to maintain themselves without being a burden to other classes. Agriculture has always been compelled to stand on its own feet, buy all its goods in a protected market, and sell in open competition with the world, and besides this has been saddled with artificial burdens for the sake of developing secondary industries.133

The demand for redress was put aggressively:

When the so-called National Policy was first inaugurated and protection first given, Agriculture was promised that it would develop home markets to absorb at satisfactory prices,
goods produced on the farms. This has been proved a delusion and we are still exporting about 80 per cent of the goods produced on Canadian Farms. Agriculture has been the burden bearer for all industries in Canada, both natural and unnatural, that have enjoyed tariff privileges, and agriculture now claims the right to be freed in large measures from these burdens, and insists that other industries do what it has always done, stand on their own feet. Our contention is that any industry enjoying the protection which we are asking to have reduced must accept the onus of proving to the Tariff Advisory Board, that there is any justification for compelling Agriculture, the most important, though less profitable industry, to be hampered in its development, and made less profitable, in order that less important industries which have enjoyed privileges for 40 years, and are already more profitable than agriculture, are made more profitable still by a continuance of these special privileges. In other words the duty devolves upon industries affected by our application to prove to the Tariff Advisory Board that there is justification for any longer continuing to receive at the expense of Agriculture and other classes, privileges which were first given in order that the industries might become established.

We respectfully submit that the leading industries of Canada are no longer in the infant class, and must in the immediate future put their house in order and prepare for the inevitable readjustment in tariff matters, which is due and overdue, and which over-patient Agriculture is entitled to. We are convinced that if the tariff is revised downward instead of detrimentally effecting Canadian industry, it will prove a blessing in disguise.134

Clearly, free trade continued to be the great clarion call of the organized agrarian petit-bourgeoisie, but it was a struggle for fairness and justice, not for special interest or advantage.

We desire to build up in Canada, a well-rounded Dominion, where the best of feel-
ing prevails between class and class, province and province, and believe that this can only be done by treating fairly all classes and parts of the country, and eliminating all special privileges to any class or section. 135

By 1929, in another submission, such arguments, if anything, had become more strongly supported and advocated by the organized agrarian petit-bourgeoisie. 136 However, the 1929 version of the document widened its appeal by showing in some detail the general advantages to consumers in general, and to the nation as a whole, of greatly reduced or abolished tariffs. The submission also showed that its arguments were supported internationally by free-traders the world over, including resolutions passed by the League of Nations. 137 What was being proposed, therefore, were not reforms in the special interest of farmers but reforms which would lead down the road to a more just and rational world economic order.

In addition to its general position on such key legislative matters as debt adjustment and tariff policy, the U.F.C.(S.S.) agitated on all manner of issues. Some were directly in the obvious immediate interests of the agrarian petit-bourgeoisie: "100 Per Cent Control," "Hail Insurance," "Life Insurance," "Report on Milling," "Home Engineering" were some of the pamphlets issued. As well, certain specific political reforms designed to promote peace and a more just social order were agitated for by the U.F.C.(S.S.): immigration reforms, the cessation of cadet training, plans for world peace, the establishment of systems of public health, the need for cheaper funerals, a call for
proportional representation and the preferential ballot, and reforms of benefit to women and children were just some of the areas tackled. Overshadowing all else, of course, was the commitment to the principles of co-operation applied to the social structure as a whole as the road to a much improved social system. Many of these ideas had been current in the S.G.G.A., many more in the F.U.C., however the new U.F.C.(S.S.) made them a larger part of their general agitational work. Final success in redressing the grievances of the agrarian petit-bourgeoisie was seen as ultimately dependent on a successful reconstruction of the social structure, especially the economy, according to the co-operative principles enunciated by the organized agrarian petit-bourgeoisie.

In retrospect everything the U.F.C.(S.S.) did, particularly after the organizational victories of the more progressive elements in 1928 and 1929, seemed a preparation for plunging directly into politics. With a membership which fluctuated between 20,000 and 30,000, with an increasingly well-developed and clear program, with an aggressive leadership traditionally committed to seeking political solutions in some form, there is little doubt that the U.F.C.(S.S.) would not have long remained satisfied with the role of pressure group upon, and petitioner of, legislatures dominated by the old parties. Two events conspired to speed up the move into politics: the campaign for the compulsory Wheat Pool and the Great Depression.

Ever since the fantastic success of the Wheat Pool campaign,
elements of the U.F.C.(S.S.) had continued to press for the establishment of a 100% compulsory Wheat Pool through the passage of legislation. The voluntary pool had worked remarkable well and, it was argued, the compulsory pool would work that much better. Such a conviction was not universally held among the agrarian petit-bourgeoisie, even among its organized sectors. At its November, 1927 Convention, Wheat Pool delegates had passed a resolution calling on the U.F.C.(S.S.) to lead "a thorough discussion of compulsory pooling." At its February, 1928 Convention the U.F.C.(S.S.) passed a resolution favouring the passage of "a law which will make it compulsory for every wheat grower and farmer to market his or her wheat through the Wheat Pool" if and when 75% of the farmers in the province agreed in a referendum. At its November, 1928 Convention the Wheat Pool delegates called for obtaining "an expression of opinion [from wheat growers] regarding the advisability of securing legislation to ... obtain full control" of grain marketing in Saskatchewan. At its February, 1929 Convention the U.F.C.(S.S.) called on its directors to organize a campaign in favour of compulsory pooling by legislation (carried, 585 to 15). However, at its June, 1929 Convention the Wheat Pool defeated a resolution which would have committed the Pool to support the campaign for compulsory pooling. 139

The Depression intervened.

Less than two months after assuming office on September 9, 1929, the Co-operative Government, led by Tory leader Anderson, was confronted with the necessity of dealing with the crash on Wall Street and the onset
of the worldwide Depression. The effect of the crash and the Depression was felt almost immediately by grain producers since their prosperity was most tied to world market conditions. Saskatchewan was the hardest and most suddenly hit of the provinces by the Depression. In 1929, No. 1 Northern wheat sold at Fort William for $1.24/bu. In 1930, the price was $.64/bu. The same pattern of decline was reflected in other agricultural commodities. Per capita income declined, between 1928-29 and 1933, from $478 to $135, a drop of 72%. Overall, farmer purchasing power in Saskatchewan fell by nearly 64%. Almost immediately the farmers' newly built and most cherished institution was at risk: the Wheat Pool had made a serious overpayment to farmers for the 1929 crop due to an error in assessing the final price to be obtained on the world market, resulting in a debt of $15,493,752.

Suddenly, the U.F.C.(S.S.) proposal for a 100% compulsory pool seemed more attractive. A threatened voluntary Pool was much more vulnerable than a Pool through which all wheat had to be marketed. In June, 1929 the U.F.C.(S.S.) Executive had called for a vote among all Pool members regarding the compulsory pool. The Pool had refused to oblige. However, the crisis changed their minds and in June, 1930 a referendum was held in which 71% of Pool members voting (there was a 58% turnout) supported the compulsory pool. The Wheat Pool began to press the provincial government for the appropriate legislation. Reaction against the compulsory pool idea was intense. Many Pool members, including some prominent ones, were still opposed. The Alberta
and Manitoba Pools were not pushing the idea. Many businessmen were upset at the proposal as a dramatic erosion of free enterprise. On the other hand, the U.F.C.(S.S.) vigorously supported the idea, as did the Saskatchewan Association of Rural Municipalities. To press its case the Wheat Pool brought 1500 farmers to the Legislature on 19 February, 1931 to demonstrate in favour of compulsion in marketing. The government acted (though claimed neutrality) by allowing the introduction of the necessary legislation which was duly passed. However, the legislation was challenged in the courts where it was ruled ultra vires. An appeal was not essayed by either the government or the organized farmers. The U.F.C.(S.S.) had already moved on to more general issues and the success in winning the compulsory pool political campaign only further deepened the increasing commitment of the organization, under the impact of the Depression, to mount a more general political crusade for a new social order.

The Depression changed many minds. The fact that compulsory pooling by legislation had come to be widely supported was just one example of this fact. Of course, at first, no one was certain just how long the Depression would last, especially as politicians (particularly incumbents) and experts continued to see better times just around the corner. Short, sharp Depressions had been weathered before and were almost a way of life, but this one, even at the beginning, seemed more ominous. It had followed abruptly upon a good year. Its effects seemed too general, too widespread, too devastating, in comparison to previous depressions. At the 1930 Convention the U.F.C.(S.S.) reflected this unease:
The convention of 1930 met under very trying circumstances. The world crop of 1929 had been larger than expected. The Wheat Pools, expecting a fairly high price for wheat, had made a serious over-payment to the producers which shook the financial structure of the institution. The debacle of Wall Street was still going on at a considerable rate. The farmers, gathering in convention in the midst of these new uncertainties, passed condemnation upon the private financial interests, the governments, the party system, but reaffirmed their faith in pooling.

At the 1928 and 1929 Conventions, the U.F.C.(S.S.) had refused to budge from its firm conviction that it should stay out of politics. In 1930 the Convention again defeated an attempt to amend the constitutional provision which prohibited direct political action. However, significantly, a resolution passed which stated:

... in the opinion of this convention the farmers should set up an organization outside of the United Farmers of Canada for the purpose of more directly seeking and electing representatives to the Legislature and the House of Commons, pledged to support the demands of organized agriculture.

This resulted in the establishment of the Saskatchewan Farmers' Political Association (S.F.P.A.) composed mainly of the remnants of the old Progressive party. The new, more militant leadership of the U.F.C.(S.S.) did not throw the weight of the organization behind the S.F.P.A., even unofficially. The organization survived to be indifferently active in the 1930 federal election but died an unceremonious death shortly afterward (it won only two seats with 12.4% of the vote). However, in the meantime the U.F.C.(S.S.) leadership seized the initiative and began
to organize in order to convince the organization to go political.

In the Fall of 1930 the Executive of the U.F.C.(S.S.) decided to take a coherent program of economic reform proposals to the 1931 Convention. This program was composed simply of all the unfulfilled demands made by the U.F.C.(S.S.) since its inception. As well, U.F.C.(S.S.) President Williams had publicly sent a memorandum of demands to Prime Minister Bennett which, among other things, demanded:

1. a guaranteed minimum grain price of about $1 per bushel, or a system of national crop insurance;

2. the establishment of a board of standards to set up the proper relationship between prices of farm products and of commodities purchased by the farmer;

3. the abolition of the grain exchanges, and the establishment of a one hundred per cent grain pool;

4. lower interest rates to farmers, protection from creditors, and

5. that the export prices of farm commodities be not allowed to set the domestic price by lowering it to the competitive world price.147

Earlier, in October of 1930, Williams had been quoted in the Western Producer as follows:

... some future convention of the U.F.C. shall take the necessary time and trouble to lay down a political policy for agriculture in Saskatchewan ... I hold this opinion so strongly that it has become a conviction. If that is done, it will then remain for that convention to say whether they wish to take political action as an organization ... or whether they wish that an outside political organization be created ... 148
The moves of the leadership toward political action were partly motivated by their own long-held conviction of the need for political action. As well, stark evidence of militancy and self-organization at the local level worried some of the leaders, contributing to their motivation to go into politics. A secessionist movement emerged among U.F.C.(S.S.) activists in the Wynward district and the Farmers' Unity League, the Communist Party of Canada's agrarian vehicle, was publishing its own newspaper and gaining a not insignificant following, especially among the more activist elements. Leadership, therefore, had to come from somewhere and the U.F.C.(S.S.) Board determined that it should come from them rather than from secessionists or communists.

Therefore, the U.F.C.(S.S.) 1931 Convention was mostly devoted to a discussion and debate of Williams' memorandum, the proposals of which, with the exception of the secessionist clause, had come to be known as the Wilkie Charter, and the fairly moderate proposals formulated by the Executive. The decision to enter politics was a foregone conclusion: it was almost unanimous. More surprisingly, the moderate proposals of the Executive were amended on the floor of the Convention in a significantly more radical direction by the rank-and-file delegates. Out of the debate emerged twenty-one specific resolutions which were drafted into a coherent Economic Policy reflecting federal and provincial concerns. This policy was to form the basis of political action. In the meantime, the approval of the locals of the U.F.C.(S.S.) had to be sought regarding the constitutional change to enter directly into politics. By May of 1931 more than 99% of the locals had supported the
constitutional change and rallies in support of the new policy were held up and down the Province. 153 Furthermore, the U.F.C.(S.S.) had committed itself at the Convention to seek an alliance with labour and events moved rapidly in that direction as well. In June of 1931, the U.F.C.(S.S.) and the Independent Labor Party (I.L.P.) sent a joint delegation to present their demands to the Anderson government. 154 As well, the U.F.C.(S.S.) and the I.L.P. carried out a joint agitational effort throughout the year. Formal fusion for political action was imminent; at the same time, there was no doubt that the U.F.C.(S.S.), with 27,000 members, would be the senior partner. The I.L.P. never had more than 500 members. 155

The 1932 U.F.C.(S.S.) Convention refined the policies which had been variously discussed and adopted during the previous two years and issued the U.F.C.(S.S.) "Economic Policy (Saskatchewan)." The "ultimate objective" of the new policy was defined as follows:

In the opinion of the United Farmers of Canada, the present economic crisis is due to inherent unsoundness of the capitalistic system, which is based on private ownership of resources, and capitalistic control of production and distribution that involves the payment of rent, interest and profit. We recognize that social ownership and cooperative production for use is the only sound economic system. 156

In order to achieve this object, the policy called for the public provincial ownership "... of provincial natural resources such as gas, oil, hydro electric power, timber reserves, coal, clay, salt deposits, minerals,
etc." Agricultural land policy, designed to save the individual agrarian petit-bourgeois from finance capital, and not, as the Liberals were to argue, to collectivize agriculture, promised guaranteed security of proprietorship of the family farm, "security of tenure" and debt protection.

Security of tenure to be obtained by issuance of perpetual "use lease" instead of granting of homestead patents or Torrens title.

Substitution of perpetual "use lease" for land titles when, and if requested by present owner or owner who has become operator of farm or ranch.

The prevention of immediate foreclosure due to arrears of mortgage instalments with mortgage, land and investment companies and private individuals by a change of provincial bonds for equity based on actual economic value of land, and not on its speculative price.

The policy promised aid to co-operatives through providing legal safeguards and the passing of legislation "for the creation of commodity marketing and distributing organizations having 100 per cent control of marketing and distribution." Expanded social services were promised, including "the establishment of a state annuity for any one unable to work, owing to age or disability, state life, sickness, accident, crop and fire insurance necessary for the protection of our people." It promised "a businesslike form of government" and the establishment of a legally effective system of recall of legislators. The promised "temporary measures" to deal with the immediate Depression crisis are worth noting: debt adjustment, foreclosure prevention, and "work will be provided for all at such remuneration as will ensure a decent standard of
At the federal level, the first order of business was:

The issue and control of all currency and credit shall be done through publicly owned and operated institutions under the direction of a department of finance.

It also advocated the public ownership of transportation and communication. It demanded the establishment of a "national economic stabilization board" in order to maintain "domestic parity between commodity prices and wages," in order to plan the economy "for the production, distribution and exchange of all essential commodities," and in order to assist "in the development of international trade by mutual, free and non-duplicating exchange of socially necessary commodities." The rest of the federal policy simply re-iterated the provincial policy. The Convention also invited the official participation of the I.L.P. at all future meetings called for the purposes of political action. In a pamphlet issued immediately following the February Convention, the U.F.C.(S.S.) declared that "a satisfactory alliance" had been concluded with the Independent Labor Party of Saskatchewan whose ultimate objective was "the establishment of a Co-operative Commonwealth, with the production for use instead of for profit as its economic basis." To show that the U.F.C.(S.S.) and the I.L.P. were not too immoderate in their ultimate objectives, the pamphlet called to the bar as a witness a declaration made by the United Church in 1931 which had said:

We believe that the competitive system must be transformed into a co-operative system, and that production and distribution, together with the whole fiscal system, must be democratically controlled in the interest of human need rather than for private profit.157
Pope Pius XI was also quoted to good effect, calling for "the breakdown of the dictatorship of capital" and for "the public ownership of industries."

The months from February to July were spent in preparation for the joint Convention of the U.F.C.(S.S.) and the I.L.P., held July 25 to 27, 1932 which became the founding Convention of the Farmer-Labor party. A 15 point program was adopted to be enacted upon election in order to realize the ultimate objective, which remained unchanged. The first three points of the program were reformulated with more clarity.

1. The establishment of a planned system of social economy for the production, distribution and exchange of all goods and services.

2. Socialization of the banking, credit and financial system of the country together with the social ownership, development, operation and control of utilities and natural resources.

3. Security of tenure to be obtained by institution of perpetual "use hold" on home and lands instead of patents or Torrens' title. Substitution of perpetual "use hold" for home and land titles when and if requested by the present registered owner or dispossessed owner, who now occupies under a lease. The prevention of immediate foreclosures, due to arrears of mortgage instalments or purchase agreements with mortgage, land and investment companies and private individuals, by an exchange of provincial non-interest bearing bonds for equity based on actual economic value of the land and homes, and not on their speculative price.

Planning, public credit, publicly-owned resources and utilities, and
the protection of farm and home from foreclosure through perpetual "use hold" were the key elements of the Farmer-Labour party's economic policy. Socialist rhetoric notwithstanding, this was not socialism: this was a program designed primarily to defend the people of the province, and most particularly the agrarian petit-bourgeoisie, from the ravages of the Depression. Its implementation would take key areas out of the private sphere, and generate large public revenues, but it would most significantly keep the small men of property on their land with their right to individual commodity production unfettered. Further, the program would dramatically tip the scales of the relationship under law between finance capital and the agrarian petit-bourgeoisie in the latter's clear favour. The fact that the program promised to save the wage worker's home and to provide work with wages, though of enormous significance in the Depression context, does not in any measure lessen the qualitatively greater benefits the program envisaged bringing to the small owner of productive agricultural land.

The program of 1932 ventured further than that of 1931 by enumerating certain other policies in more detail. Item Four was potentially far-reaching, but its vagueness suggests it was mere rhetoric.

4. Social legislation to secure to the worker and farmer:
   (a) An adequate income and leisure with an effective voice in the management of his industry.
   (b) Freedom of speech and the right of assembly.

The rest of the program enumerated specific reforms to be implemented: social security; electoral reform; debt relief; measures for freer trade;
sexual equality; support for co-operatives; the humanization of the law; socialized health services; and educational reforms were all proposed. But points One to Four were the ones on which the new party would rise or fall in the Depression.

The new party was immediately attacked by the politicians of the existing parties and by the press. The Minister of Public Works called the party a "union of socialists, communists, and men of all shades of radicalism." The press carried on an uninterrupted campaign against socialism and radicalism in all its guises, increasingly focusing on the new Farmer-Labor party. The efforts by the Liberal and Conservative parties and the province's daily press to label the new party communist were legion and unrelenting. Ironically, almost simultaneously, the Communist Party, through the Farmers' Unity League and its newspaper, The Furrow, were vigorously mounting a left-wing attack on this new creature. The partners in the party, especially the U.F.C.(S.S.), responded with a spate of propaganda in an effort to explain their real intentions and to defend themselves from the abuse they confronted. Their most detailed defense was distributed in 1932 and contained a patient and painstaking analysis of the roots of the 1932 program in the overall evolution of the farm movement. The pamphlet began:

Opponents of the economic policy of the United Farmers of Canada are fond of maintaining that the members of the organization have become suddenly radical -- or, as they delight to express it, "Red," with a capital "R" -- almost overnight. Nothing could be further from the truth.
The fact of the matter is, that the present members of the association have arrived at many of their opinions and policies by a process of experience, education and development over a period of years, while others have been bequeathed to them almost intact by former leaders of the farmers' movement.161

The pamphlet argued that the advocacy of the public ownership of selected areas of the economy had a long and honourable place in the evolving policies of the organized agrarian petit-bourgeoisie and had nothing in common with communism or collectivism. Further, the "use lease" proposal regarding farm and home, the most controversial policy, was to be purely voluntary, not compulsory:

Our opponents are apparently unaware of, or else they ignore the fact that in the first place the "use lease" would apply only to crown lands open to settlement, or to lands which have reverted to municipalities for non-payment of taxes, title to which would be transferred to the government on payment of the taxes due; and that in all other cases it would apply only on voluntary application of the owners. We decline to acknowledge as "drastic" a scheme which leaves out all individual owners until they themselves apply for admission.

The new policy on credit, banking and debt was shown to be rooted in the historic agrarian grievances regarding this most vital ingredient in the development of a sound agriculture based on the family farm. Further, the policy did not, as the opposition claimed, mean the unilateral obliteration of indebtedness:

No such wholesale writing off of debts as this has ever been suggested by the U.F.C.,
and legal and binding adjustments are
asked for by the association only when
the debtor and a majority of creditors
have come to an agreement. This atti-
tude is entirely in keeping with that
assumed in regard to the "use lease"
which is to be subject to the owner's
consent.

The pamphlet ended with a defense of the need for a planned economy
and for "protective" social legislation in the context of the Depres-
sion. The government promised by the new party was an eminently rea-
sonable one, one long dreamed of by the organized agrarian petit-
bourgeoisie:

Finally, we favor the institution of a
more business-like form of government,
to supercede the present party form of
government, which we believe has out-
ived its usefulness.

The most savagely attacked clause of the Farmer-Labor party
policy was that which proposed the nationalization of the land and the
establishment of the "use-hold" or lease system. The simple defense
that such a program was purely voluntary did not sufficiently answer
the critics who could and did charge that a farmer in difficult straits
would have little or no real choice but to go along with the system.
Further statements, like that of G. H. Williams in 1933, that "the
basis of the C.C.F. land policy was a recognition of the family farm
as the fundamental unit" did not placate those who feared land
collectivization even it is were called co-operativization. In a
special pamphlet, courageously entitled "Land Nationalization Programme
of U.F.C.," the U.F.C.(S.S.) defended this policy:

One of the most interesting clauses in the new Economic Policy of the United Farmers of Canada is that relating to the nationalization of land (Clause No. 8, Provincial Economic Policy). This proposal will no doubt be attacked as unsound and not worthy of consideration. Nevertheless, it is not by any means so extreme as some people imagine.

It does not mean as one paper stated that everyone "would have to take his orders from the state" or that "there would be a great mass of government officials keeping everybody in order." On the contrary, it would meet the wishes of a great many "who are still anxious to reap reward of their own enterprises and activities" by lifting them out of the "slough of despond," in which they are at present hopelessly immersed.163

The U.F.C.(S.S.) proudly pointed to the fact that the Report of the Royal Commission on Immigration and Settlement, established in 1929 by the Co-operative Government (led by the Tories), had recommended the sympathetic consideration of the "use lease" method of disposing of crown lands.164 Further, the U.F.C.(S.S.) argued that only long-term leases gave stability to agriculture since most lands were mortgaged and thus not fully owned by the individual who worked the land. In bad times, the burden of debt, perhaps based on a land value inflated by prosperous times, became impossible and many farmers were compelled to move to a crop lease agreement with the person or company to whom he owed money for the land he farmed. Thus, in reality, only those who owned land outright had clear security of tenure on any long-term basis. Ownership,
under the present system, was not all that secure:

There are several methods by which a man under the present system may become owner in some sense. He may either own the land outright or he may be a part owner with the mortgagee or by purchase through an agreement of sale. In the latter two cases many farmers have been faced with the proposal to cancel the agreement of sale or mortgage and to sign and comply with the terms of a crop lease instead, which will give security of tenure only from year to year. To the farmer who accepted such a proposal, it means, in most cases, that it is only a matter of time until the "owner" becomes the tenant of the corporation. Bearing these facts in mind we can readily see how the present economic system of production for profit is gradually changing a free province into a province overburdened with debt.

Land nationalization, therefore, "contains, first, the basic principle for the preservation of freedom, individual rights and the dignity of the race in which we pride ourselves." The policy would not mean confiscation, but rather it would prevent confiscation:

Secondly, we refuse to regard it as confiscation of property; and, thirdly, after the value has been built into the land by the application of labor, we do not consider that the agriculturist should be evicted or foreclosed upon, and the result of his labors be confiscated. After all, the question of confiscation is not a one-sided one and values given by labor must be respected. In our opinion, the present system is not in the best interests of the province as a whole and it does not make for social welfare.

The U.F.C.(S.S.) proceeded to establish four classifications of
the province's land as the basis of its proposed land policy. Class 'A' lands were crown lands under the control of the province and presently open for settlement. These lands would be distributed with security of tenure provided by a perpetual use lease agreement. Class 'B' lands were lands which had reverted to the control of the municipalities due to tax default. These lands would come under the control of the provincial government which would pay the tax arrears and assume title. Such lands would be distributed under the use lease system as in the case of Class 'A' lands, except that the original owner would "have first claim to the 'use lease' contract." Class 'C' lands were "lands which are so heavily loaded with debt that it is impossible for the occupant to meet his obligations and provide for the maintenance of the home." This was the most complex situation and the single most widespread problem faced.

Lands under Class 'C' will also be given security of tenure on the same terms as provided in classes 'A' and 'B', but consideration will be given in arriving at the basis of value to both creditor and debtor. Voluntary application must be made in these cases to a board set up by the governments of the provinces to be known as an arbitration board, which board will decide the value of the land based on agricultural productive value in the world's market. The value arrived at by the arbitration board will then be amortised over a term of years. The government will issue bonds to the creditors payable on the amortization plan through a department set up specially for the collection of funds in the form of rentals on such property, which will vary according to the classification of the land. This adjustment of the
farm debts is based on a recognized business principle, which is applied in arriving at a settlement of indebtedness as between merchants and their creditors in every country of the world.

Finally, Class 'D' lands were those lands held outright by individual farmers who wished to carry on with full title. Such lands "can only be nationalized upon the owner making voluntary application to the government." Increasingly, the Farmer-Labor party argued that the basic purpose of its program was to give people security of tenure on their farms, in their homes, and in their small businesses in the face of the threat of the Great Depression.

By 1933 the policy of the Farmer-Labor party had been codified and refined, with no substantive changes, into a manifesto and economic policy for the inevitable 1934 provincial general election. It had also affiliated with the new national C.C.F. and gave provincial articulation to the federal programme which remained slightly more moderate in tone except for the ringing commitment to eradicate capitalism at the conclusion of the famed "Regina Manifesto." The main point was that the organized agrarian petit-bourgeoisie in Saskatchewan, after years of debate, had finally gone political. Although after 1935 the U.F.C.(S.S.) and the C.C.F. (Saskatchewan Section), the name adopted in 1935, would formally go their own ways -- the former an agitational and educational vehicle and the latter a political vehicle -- there remained enormous overlap in leadership and membership between the U.F.C.(S.S.) and the C.C.F.(S.S.). Further, the U.F.C.(S.S.) in going political had tried
to construct an edifice which would attract non-farmers -- workers, small businessmen, professionals, etc. -- to the farmers' political leadership. A federation which would eventually stand on its own had been envisaged from the outset. But as events were to prove -- in program, outlook, leadership -- the C.C.F. remained the political vehicle of the advanced sector of the agrarian petit-bourgeoisie.

A transformation had occurred in the form and content of organized agrarian petit-bourgeois politics in Saskatchewan, just as it had in Alberta. The traditional postures of the organized agrarian petit-bourgeoisie -- the S.G.G.A., the F.U.C., the U.F.C.(S.S.) -- simply could not cope with the Great Depression. The debate regarding direct political action among the organized agrarian petit-bourgeoisie had continued and, despite repeated defeats, the proponents of direct political action had continued to assert that the organized agrarian petit-bourgeoisie had to go directly into politics not only if it wished to achieve its long-term objectives but also if it wished to defend the gains its own self-organization had made. The earlier arguments that most of the political and economic objectives of the agrarian petit-bourgeoisie could be achieved through pressuring and influencing existing parties and governments had seemed valid enough during reasonable times. The continuing arguments that economic self-organization -- mainly through co-operative enterprise -- was the road to enhanced prosperity had seemed well confirmed by the great successes of the Wheat Pool. A deeply held conviction in Saskatchewan that direct political
action by the organized agrarian petit-bourgeoisie would split the movement seemed to have been confirmed by the S.G.C.A.'s experiences and was strongly reflected in the F.U.C.'s almost fanatical rejection of political activity. The U.F.C.(S.S.) had carried on that tradition. But the times were not normal. The Depression shook even the most cherished convictions (and institutions) and it became clear that if the organized agrarian petit-bourgeoisie was to provide the economic and political leadership essential to meet the crisis, it would have to go political. It therefore advocated the application of the co-operative principle -- a principle which had served the agrarian petit-bourgeoisie well -- as the road not only out of the Great Depression crisis but to a qualitatively improved social order. Such a project would necessitate the building of a political movement in order to win the control of the provincial government (and, hopefully, the federal state) and, through constitutional means, to begin the construction of the co-operative commonwealth. Furthermore, the powers, in the immediate sense, of the provincial government would be used not only to defend the small property owner from extinction but also to meet the crisis at a more general level. In order to do so, the organized agrarian petit-bourgeoisie had advocated an alliance of farmers, workers, small businessmen, professionals, etc., under the political leadership of the organized agrarian petit-bourgeoisie, to win the consent of the people in order to begin the humane transformation of the social system from unregulated capitalism to a planned co-operative commonwealth. In the meantime,
in order to meet the emergency of the Depression at the provincial level, it would also use such powers to defend the small property owner and the wage-worker from the worst excesses of the Great Depression. It was not until much later that the alliance bore fruit. From its founding to its victory the C.C.F. remained the political vehicle of the advanced sector of the agrarian petit-bourgeoisie. How well that vehicle would do -- among not only workers, small businessmen and professionals, but, more importantly, among the agrarian petit-bourgeoisie itself -- awaited the inevitable 1934 provincial general election as the five year term of the so-called Co-operative Government came to an inconspicuous end.
NOTES AND REFERENCES

1. The dubious wisdom and justice of the military suppression of the 1885 Saskatchewan Rebellion and the execution of Louis Riel have dogged Macdonald's elevation to secular sainthood in Canadian history.


3. Griffin, Watson. Canada: The Country of the Twentieth Century (Department of Trade and Commerce, Ottawa), 1915, p. 129. For the bitter experiences of one settler who believed the promises, see Fripp, Edward Fitz-Gerald. The Outcasts of Canada, Why Settlements Fail: a true record of "Bull" and Bale-wire, (Blackwood and Sons), 1932.


7. Ibid., p. 199.


13. The female "gainfully occupied" work force in 1921 was only 24,850, 61.32% of which were involved in service jobs and 16.61% or which were involved in clerical work. 9.0% were involved in agricultural occupations.


20. Dominion Bureau of Statistics, Census of Agriculture, 1931, Total Number of Farms, Farm Tenure, Farm Acreage, Farm Values, Mortgage Debt, Farm Expenses by Province, King's Printer, Ottawa, 1932, pp. 16-17.


23. During the years 1920 to 1943, 69.85% of the total income in the Province was derived directly from the sale of wheat. Report of the Saskatchewan Reconstruction Council, King's Printer, Regina, 1944, p. 57.


28. The U.F.A., the U.F.M., the U.F.O., and the U.F.C.(S.S.) all formally affiliated with the C.C.F.

29. Minutes, Sixth Annual Convention, Saskatchewan Grain Growers' Association (S.G.G.A.), Regina, February 20-21, 1907, p. 65, Saskatchewan Archives at Regina. The organization was the Territorial Grain Growers' Association from 1901 until the establishment of the Province.

30. Constitution and By-laws, S.G.G.A., 1907, Saskatchewan Archives at Regina.

31. Minutes, Sixth Annual Convention, S.G.G.A., 1907, resolution #2, Saskatchewan Archives at Regina.

32. Minutes, Seventh Annual Convention, S.G.G.A., 1908, Saskatchewan Archives at Regina.


34. Ibid., p. 16.


37. Minutes, Seventeenth Annual Convention, S.G.G.A., 1918, Saskatchewan Archives at Regina.


40. Ibid.

41. Ibid.

42. Green, F. W., S.G.G.A. Secretary's Report, Minutes, Eleventh Annual Convention, S.G.G.A., 1912, Saskatchewan Archives at Regina.


46. Minutes, Thirteenth Annual Convention, S.G.G.A., 1914, Saskatchewan Archives at Regina. Woodsworth also spoke out against the immigration policy which was threatening to mongrelize the Anglo-Saxon race.

47. Smith, op. cit., p. 55.

48. Ibid., p. 55.


50. Ibid., ch. IV.

51. Ibid., pp. 56ff.

52. Scarrow, Howard A. Canada Votes (Hauser Press), 1962, pp. 34-35.

53. Ibid., pp. 218-219. The Progressives had only fielded seven candidates. The Independent group had, however, fielded 35 candidates, winning seven seats with 25.8% of the popular vote. Even Labor had polled 7,724 votes and won one seat while the Non-partisans had polled 5,137. The Tories had virtually stayed out of the election, fielding seven candidates and winning three seats with 7.4% of the vote.

54. Smith, op. cit., pp. 82-83; Anderson, op. cit., pp. 62-64.


56. Smith, op. cit., p. 85.


60. Ibid., 18 November, 1920, pp. 38-39.
61. Ibid., 24 November, 1920, p. 58.
62. Ibid., pp. 78-79.
63. Ibid., pp. 91-92.
64. Smith, op. cit., pp. 85-86.
65. Ibid., pp. 86-87.
66. Ibid., pp. 90ff.
69. Ibid., pp. 48, 73-74, 81-82, 98.
70. Minutes, Twenty-First Annual Convention, S.G.G.A., 1927, Saskatchewan Archives at Regina.
71. Ibid., "Report of Central Executive to Convention, 1922."
72. Ibid., and Minutes, Twenty-Second Annual Convention, S.G.G.A., 1922, Saskatchewan Archives at Regina.
73. Ibid.
74. Smith, op. cit., pp. 94-95; Anderson, op. cit., pp. 77-78.
76. Smith, op. cit., pp. 95.
77. Anderson, op. cit., p. 78.


82. Constitution and Bylaws, The Farmers' Union of Canada, 1925, Saskatchewan Archives at Regina.

83. Ibid.


88. Stirling, Geo. F., Director of Publicity, Farmers' Union of Canada, Mind Your Own Business, January, 1926, Saskatchewan Archives at Regina.

89. Spafford, "Origins," p. 89. The figure 10,000 is an estimate based on Professor Spafford's calculations of membership derived from the F.U.C.'s financial records.

90. Smith, op. cit., p. 100.


95. United Farmers of Canada, Saskatchewan Section, Constitution and Bylaws, 1927, Saskatchewan Archives at Regina.
96. Parliamentary Guide, 1927, pp. 592ff. Six were lawyers, six were businessmen, and seven were professional men.


99. Courville, op. cit., p. 1

100. Ibid., Appendix A, "Biographical Data on Saskatchewan Progressive Middle Leadership Sample," pp. 223ff. For example, of 29 executive members, Courville found that 10 were farmers, 10 were farmers and involved part-time in other occupations, and seven were non-farmers, including three Members of Parliament, one lawyer, two teachers and one preacher. There was a total absence of small and large businessmen. 13 of the 29 were officers and directors of the S.G.G.A. and/or co-operative institutions. 89% were from Ontario or England.

101. Ibid., p. 57.

102. Ibid., ch. IV, "Crosscurrents of interest and ideology: progressivism and labour and immigration," pp. 72ff.

103. Ibid., p. 105.


105. After the 1921 election the House contained three Tories, six Progressives, and one Labour member, collectively representing 47.8% of the popular vote. After the 1925 election, there were three Tories, six Progressives, and three Independents, collectively representing 46.6% of the popular vote.

106. The Journals, Saskatchewan Legislature, 1923-1929, Vols, XX to XXVII, abound with such questions and such evidence. The going became particularly heavy in the 1928 and 1928-29 sessions, Vols. XXV and XXVI, for the Liberal government as scandal after scandal was exposed.


109. Ibid., pp. 49-50.

110. Ibid., pp. 82-83.


112. Ibid., p. 213.

113. Ibid., p. 223ff.

114. Ibid., p. 255.


118. See Russell, Peter A. *The Co-operative Government in Saskatchewan, 1929-1934: Response to the Depression*, unpublished M.A. thesis, University of Saskatchewan, 1970. The author does not intend to join the debate regarding the relative extent of links between the Klan and the political parties. Nor is it essential to know the extent to which the Klan and the Tories were consciously co-operating. The fact is that the Klan focussed its attack on the Liberal government to the real benefit of the opposing parties. Whether the Liberals would have been defeated without the help of the extra-parliamentary Klan is an unanswerable question. At the same time, it is true that the Klan merely stated in an emotional and extreme manner the bigotries and prejudices generally held in that era by white Anglo-Saxon Protestants, including many who were in the Liberal party. At least one Liberal M.L.A. was a member of the Klan and Premier Gardiner often defended his administration against Klan attacks by showing that his government had not been pro-immigrant and pro-Catholic. He pointed out that Catholics and non-Anglo-Saxon groups were significantly under-represented, according to population, in the civil service and the teaching profession. Thus the Liberals painted themselves as responsibly and judiciously discriminatory and thus tried to show that many of the Klan attacks were unfair and undeserved.


120. G. H. Williams, as Steininger's thesis confirms, deserves, more than any single person, the credit for the successful establishment of the C.C.F. and for the organizational preparation for its 1944 victory. T. C. Douglas had little to do with the nuts and bolts
struggle to build the organization. Regrettably, the received history of the C.C.F. tends to give the credit due Williams to Douglas, who was Premier of the first C.C.F. regime and was the best platform speaker in the party. Williams built the house. When it was ready for occupancy, Douglas, through an internal power struggle, obtained title and moved in. The C.C.F. would have won the 1944 election with either leader, though in national terms, Douglas was undoubtedly the most politically wise choice.

123. Steininger, op. cit., p. 29.
124. Ibid., p. 30.
126. Steininger, op. cit., pp. 31-32.
127. Cited in Ibid., p. 32.
129. United Farmers' of Canada, Saskatchewan Section, Applications for Reductions in the Tariff, Regina, 1927, Saskatchewan Archives at Regina.
130. Ibid., p. 3.
131. Ibid., p. 4.
132. Ibid., p. 4.
133. Ibid., pp. 6-7.
134. Ibid., p. 7.
135. Ibid., p. 8.
136. Research Department, United Farmers of Canada, Saskatchewan Section, Facts, Information and Arguments Regarding the Tariff, Saskatoon, 1929, Saskatchewan Archives at Regina.
137. Ibid., pp. 26ff.
By 1932 the three Prairie governments agreed to guarantee the debts of the Pools. Later the federal government was forced to step in to provide further financial guarantees.

See Russell, op. cit., pp. 70ff for the full story.
157. United Farmers of Canada, Saskatchewan Section, Economic Policy (Saskatchewan); as formulated by the Delegates Assembled in Annual Convention, 1932, Saskatchewan Archives at Regina.

158. This study ignores the welter of events at this time which led to the establishment of the national C.C.F. at Calgary in 1932. The story regarding events in Saskatchewan is told adequately, if somewhat confusedly, by Walter Young in Anatomy of a Party. Dean E. McHenry's The Third Force in Canada also tells the story well. The steps are well known. In 1931 a group of Fabianesque intellectuals formed the League for Social Reconstruction which worked closely with a handful of U.F.A. and Labor M.P.s in Ottawa (the famous "Ginger Group"). In May of 1932, four of these M.P.s put out a call for a Commonwealth party. And in July of 1932 the U.F.A. sponsored a national meeting at Calgary, to which the Farmer-Labour group sent a large delegation, which formally founded the C.C.F. and in 1933 the C.C.F.'s first national convention at Regina adopted the famous "Regina Manifesto," a document drafted largely by the League for Social Reconstruction.

159. United Farmers of Canada, Saskatchewan Section, Seventh Annual Convention, 1932, Economic Policy and Convention Resolutions, Saskatchewan Archives at Regina.


161. United Farmers of Canada, Saskatchewan Section, The Evolution of a Policy, 1932, Saskatchewan Archives at Regina.


163. United Farmers of Canada, Saskatchewan Section, Land Nationalization Program of U.F.C., 1933, Saskatchewan Archives at Regina.


165. Farmer-Labor party, A Summarized Report of the Conferences Held in Regina, December 27 and Saskatoon, December 29, 1933, Saskatchewan Archives at Regina.

Premier Anderson, the Tory leader of that strange creature, the Co-operative Government, had made a speech he was never to live down at Yorkton early in the Depression. In that speech he had promised, "no one will starve."\(^1\) This was hardly a grand promise to unemployed workers and to farmers facing bankruptcy. The Tory capacity of the day, also reflected in the pontifications of R. B. Bennett, for expressing patrician noblesse oblige in a condescending manner, obscured even the minimal, but real, efforts of the governments to cope with the disaster.\(^2\) The government of Saskatchewan, in common with governments across Canada, simply was not equipped -- ideologically or economically -- to deal with a disaster as thoroughgoing as the Depression, particularly as it affected Saskatchewan.

In 1929-30 the province's relief bill was $783,188; in 1930-31, $3,031,957; in 1931-32, $20,682,744; in 1932-33, $13,249,178; in 1933-34, $12,705,455; and in 1934-35, $21,747,248: the total bill to 1937 was in excess of $110,602,638.\(^3\) In 1933, 16.31% of the net income earned in the Province went on taxes, the highest in Canada.\(^4\) The average value of farm property per farm had declined to $7,185 in 1936, per acre to $17.98 (in 1926 it had been $11,405 and $29.24, respectively).\(^5\) The number of farm owners among farmers declined to 60.7%, 20.4% were tenants.
and 18.9% were part owner/part tenant. Some of this trend was due to foreclosure on mortgages and agreements for sale, or for tax arrears, in which a farmer's status was changed from owner to tenant as a result of debt default. The average yield per acre of wheat planted fell to eight bushels in 1936, the lowest since 1919 (it was to fall to 2.5 bushels in 1937). 7 79.09% of the value of Saskatchewan's net production was agricultural in 1935: this value had fallen from $179 millions in 1929 to a little over $94 millions in 1935 (it was to fall to a little over $48 millions in 1937). 8 Wheat accounted for 72.6% of agricultural revenues in 1935. 9 Prices in Saskatchewan for all farm products had fallen precipitously since 1929, as Table XXXVII shows.

Table XXXVII: Estimated Average of Selected Farm Prices in Saskatchewan, 1929-1937.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat</th>
<th>Oats</th>
<th>Barley</th>
<th>Cattle/head</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>$1.03/bu.</td>
<td>.50/bu.</td>
<td>.51/bu.</td>
<td>52.00</td>
</tr>
<tr>
<td>1930</td>
<td>.47</td>
<td>.15</td>
<td>.12</td>
<td>41.00</td>
</tr>
<tr>
<td>1931</td>
<td>.38</td>
<td>.18</td>
<td>.21</td>
<td>29.00</td>
</tr>
<tr>
<td>1932</td>
<td>.35</td>
<td>.13</td>
<td>.19</td>
<td>20.00</td>
</tr>
<tr>
<td>1933</td>
<td>.47</td>
<td>.19</td>
<td>.24</td>
<td>19.00</td>
</tr>
<tr>
<td>1934</td>
<td>.61</td>
<td>.27</td>
<td>.47</td>
<td>18.00</td>
</tr>
<tr>
<td>1935</td>
<td>.60</td>
<td>.17</td>
<td>.24</td>
<td>22.00</td>
</tr>
<tr>
<td>1936</td>
<td>.88</td>
<td>.31</td>
<td>.55</td>
<td>18.00</td>
</tr>
<tr>
<td>1937</td>
<td>1.07</td>
<td>.35</td>
<td>.45</td>
<td>20.00</td>
</tr>
</tbody>
</table>

Source: Submission by the Province of Saskatchewan to the Royal Commission on Dominion-Provincial Relations, King's Printer, Regina, p. 177.
However, there was not a corresponding fall in the cost of living to match this sharp decline in prices, as Table XXXVIII shows.

Table XXXVIII: Index Numbers of Prices Received by Prairie Farmers for No. 1 Northern Wheat, of Prices Paid for 147 Items Farmers Buy, and of Farmers' Purchasing Power, 1928-1937.

1914 = 100

<table>
<thead>
<tr>
<th>Year</th>
<th>Price for Wheat</th>
<th>Cost of 147 Items Farmers Buy</th>
<th>Farmers Purchasing Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>185</td>
<td>159</td>
<td>116</td>
</tr>
<tr>
<td>1929</td>
<td>152</td>
<td>162</td>
<td>94</td>
</tr>
<tr>
<td>1930</td>
<td>154</td>
<td>155</td>
<td>99</td>
</tr>
<tr>
<td>1931</td>
<td>67</td>
<td>138</td>
<td>49</td>
</tr>
<tr>
<td>1932</td>
<td>60</td>
<td>130</td>
<td>46</td>
</tr>
<tr>
<td>1933</td>
<td>52</td>
<td>124</td>
<td>42</td>
</tr>
<tr>
<td>1934</td>
<td>73</td>
<td>124</td>
<td>59</td>
</tr>
<tr>
<td>1935</td>
<td>93</td>
<td>126</td>
<td>74</td>
</tr>
<tr>
<td>1936</td>
<td>97</td>
<td>127</td>
<td>76</td>
</tr>
<tr>
<td>1937</td>
<td>153</td>
<td>134</td>
<td>114</td>
</tr>
</tbody>
</table>

Source: Submission by the Province of Saskatchewan to the Royal Commission on Dominion-Provincial Relations, King's Printer, Regina, p. 179.

The staggering debt-load carried by the agrarian petit-bourgeoisie made the crisis even more catastrophic. A conservative estimate of Saskatchewan farm debt secured on land was $434,000,000 in 1936: almost half of this was on areas affected by the drought. Other debt —
for machinery and other expenses -- was estimated at $91,000,000: over half of which was owed by farmers in drought areas. Thus a conservative estimate of the total debt owed by Saskatchewan's agrarian petit-bourgeoisie in 1936 was $525,000,000. To meet the interest payments on the debt alone in 1936 would have required 50% of the value of the 1935 crop; another 16.6% of the crop value would have been required to meet tax obligations.

Clearly, the immediate problem was to ensure survival and continued productivity through the provision of direct relief. This was effected through the establishment of the Saskatchewan Relief Commission in 1931. The Commission dealt in rural direct relief -- the essentials for livelihood -- which took 36.4% of its funds: the remainder was spent in re-establishing farmers and in maintaining production through providing essential production inputs. Such relief was distributed fairly if grudgingly: an agreement was signed by the applicant for relief that all advances obtained would be repaid. By 1937, fully two-thirds of the rural population was on relief and in excess of one-fifth of the urban population. In the period of greatest crisis, 1930-37, it was estimated by the Rowell-Sirois Commission that "nearly two-thirds of the total municipal-provincial revenues in Saskatchewan" were consumed in relief expenditures. Of all the provinces, the relative burden of relief fell heaviest on Saskatchewan, as Table XXXIX illustrates.
Table XXXIX: Disparities in the Burden of Relief on The Various Provinces, 1930-37.

<table>
<thead>
<tr>
<th>Relative Severity of Burden -- Index of Ratios Provincial Income (National Average = 100)</th>
<th>Relief as %age of Total Provincial Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saskatchewan</td>
<td>367</td>
</tr>
<tr>
<td>Manitoba</td>
<td>115</td>
</tr>
<tr>
<td>British Columbia</td>
<td>100</td>
</tr>
<tr>
<td>Alberta</td>
<td>100</td>
</tr>
<tr>
<td>Quebec</td>
<td>90</td>
</tr>
<tr>
<td>P.E.I.</td>
<td>76</td>
</tr>
<tr>
<td>Ontario</td>
<td>76</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>70</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>67</td>
</tr>
<tr>
<td>All Provinces</td>
<td>100</td>
</tr>
</tbody>
</table>


Clearly, carrying a relief burden more than triple the national average and consuming 13.3% of the provincial income, Saskatchewan would have collapsed without Dominion support. The political price of such support was severe retrenchment, which the Saskatchewan government reluctantly implemented. Loans made by the provincial Farm Loan Board were sharply curtailed: in 1931 $2,633,350 was loaned to 907 farmers, in 1932 this
was cut to $14,743 to eight farmers. In 1932 taxes were increased and new ones levied, including a provincial income tax. Government expenditures were cut. Civil service salaries were rolled back in 1932 by from 9.0 to 14% in 1933 a further cut of from 7.0 to 15% was imposed. No monies were advanced to the Farm Loan Board. No highway construction was to be done. However, the deficit increased as relief costs spiralled and the new taxes produced little extra revenue. It is easy to see that such policies, partly imposed on the Government and partly applauded by it, were political suicide: they satisfied few and angered many.

The Co-operative Government tried to salvage its political reputation by a series of other measures. Tax arrears were a serious problem. The Government moved in 1933 and 1934 to consolidate tax arrears on land and to allow for the temporary, penalty-free postponement of payment. This prevented foreclosure and tax sales, but it only postponed the day of reckoning. As well, it further eroded the ability of municipalities to fulfill their public obligations. In the area of contracted private debt, the Government moved, from 1931 to 1934, through a series of bills, from a conciliatory debt mediation plan to a regulatory debt adjustment program which gave the Government Debt Adjustment Board broad powers to intervene directly in dealings between debtor and creditor.

No creditor was allowed to sue for any kind of contractual debt without first securing permission from the central board; such permission was granted only if the members of the board were satisfied the debt was reasonable and the debtor was able to pay.
The effect of this was to prevent some foreclosures but, again the day of final reckoning was merely postponed as arrears in interest increased while everyone waited for more prosperous days. This debt adjustment program did not solve the problem, nor completely please everyone: it did not go far enough for the U.F.C.(S.S.); it went too far in intervention and regulation for the business community. Other measures adopted by the Government included providing support to prevent the bankruptcy of the Saskatchewan Wheat Pool and the Saskatchewan Co-operative Creamery.$^{23}$ Further, as we earlier noted, the Government allowed the passage of the enabling legislation for the establishment of a 100% compulsory wheat pool, legislation which was later declared ultra vires in the courts.

On February 15, 1934, the Co-operative Government's last Speech from the Throne, said, in part,

"During the past year our people have again experienced unusual difficulties occasioned by abnormal economic conditions which have been world-wide in their scope and which have brought distress and difficulties to the peoples of all nations. Our Province, in addition, has had to face more than its fair share of adversity owing to another disastrous crop failure ... with the result that today approximately 180,000 men, women and children on our farms have been and are being provided with assistance.$^{24}$"

Despite the fact that the Speech saw some portents of prosperity ("our country may again soon be well on the road to definite progress and enduring prosperity"), the message with which the Government went to the people was: the Depression is world-wide; we are doing all we can and
must -- relief, retrenchment, tax and debt adjustment, salvage operations on key co-operative institutions, agricultural production assistance, etc.; no more can be done within the constitutional limits of the powers of a province of the Dominion. The electorate refused to believe such claims and the outcome was widely anticipated as the Co-operative Government prepared to go to the people on June 19, 1934. The Farmer-Labor party (F.L.P.) argued that the government had not done enough, that more could have been done even within the constitution. The Liberals argued that what the Anderson government had done had been done inefficiently and wastefully. Most telling of all was that despite Anderson's promise that no one would starve, it was proven that some had.25 Governments in Canada were falling like ninepins as a result of the Depression: in 1933 -- the Tories in British Columbia fell, as did the Tories in Nova Scotia; in 1934 -- the Tories in Ontario fell; in 1935 -- the P.E.I., New Brunswick and Ottawa Tories fell, as did the U.F.A. in Alberta; in 1936 -- the Quebec Liberals fell. It is no surprise that the Tory ("Co-operative") government in Saskatchewan was obliterated in 1934. Only Bracken's uneasy coalition in Manitoba, rooted in the 1922 U.F.M. victory, survived the Depression. The fall of the Co-operative Government was part of this pattern.

In the 1934 election the Liberal party accused the Anderson Government of "playing politics with relief" and of degrading and humiliating those forced to seek relief by means of the processes required to become eligible.26 The party promised to continue "to render assistance" to those in need but not to do so with so much noise and
fanfare. Further, the Liberals accused the Anderson Government of waste and inefficiency in its relief programs, often distributing relief, and the public jobs generated, on the basis of political allegiance. The Liberals declaimed,

... the Anderson government is hiding behind the "bluff," hiding behind the misfortunes of the people, trying to make the people forget the government's useless extravagance ... the wanton waste of public money, by constantly talking about "RELIEF," by trying to make the people believe that the Anderson government is the only government that would have rendered assistance to the unfortunate ...27

The Liberals promised to assure every "needy family," "food, shelter and clothing;" every farmer, "feed for his stock and seed for his land;" and everyone, "the titles to their own homes."

The Liberals saved their strongest attacks for the F.L.P. If the Anderson government was wasteful and would deal with the crisis by raising taxes and retrenchment, the F.L.P. would take the title to your home and farm away.28 As one pamphlet said,

Coldwell [leader of the F.L.P.] proposes to drive you down deeper still. Why ... he would rob you of the privilege to possess in your own right the proverbial six feet of earth -- a plot of ground sufficiently large to allow your coffin to rest in peace. If he were at the head of the government he wouldn't even give consideration to your debt difficulties until you handed over the ... title to your farm and with it of course, your individual liberty to enjoy the right of ownership -- a freedom for which your forefathers fought for centuries.29

Besides their attacks on the opposing parties, the Liberal party
presented a new platform to the electors to deal with the Depression crisis and to state their position on a number of widely discussed measures. The new debt adjustment policy, wordy and convoluted as it was, pretended to promise complete debt protection through the establishment of Debt Adjustment Tribunals.

Such Debt Adjustment Tribunals shall be available to all resident debtors in the Province of Saskatchewan. The services of such Tribunals shall be free. These Tribunals will sit in such localities as conditions warrant, and be clothed with the necessary power and authority in the case of any debtor who applies thereto, --

(1) To make a full and complete investigation of the affairs of such debtors by ascertaining the value of all his or her real (and) or personal property; the origin, amount and priorities of secured and unsecured debts; and the rates of interest and other charges thereon; the value of his or her farm lands, implements and costs of farm supplies at the time such debts were incurred, the costs of production and the sale prices of farm products at such time; the present value of farm lands and the value and the state of repair of farm implements and the cost of farm supplies, the number and extent of crop failures, the existing sale prices of farm products, the costs of production, the costs of a fair standard of living for the debtor and his family, and the debtor's ability to pay;

(2) And after due consideration of the foregoing factors and such further and other matters as such Tribunals may deem necessary, to bring about, as between debtor and creditor, a fair and equitable adjustment or reduction of such debts, both as to principal and interest, and to consolidate and amortize the same, if found necessary and expedient; to settle all agreements for the repayment of such
debts including the term of years for such repayment and any extensions or repayments thereof; to settle exemptions from all legal process in such manner and to such extent as will secure to the debtor and his family the title and tenure of his lands and implements of production, and the costs of production and living expenses during the whole period of twelve months between successive crops;

(3) To order an individual moratorium with respect to any debtor, if and when the said Tribunals deem necessary;

(4) To take such further and other steps as the experience of the future may disclose the necessity for, to protect the debtor and his family, in order that the object in view may be achieved no matter what difficulties intervene, that object being the reduction of debt to the point at which it can be paid and the re-establishment in Saskatchewan of our farmers and workers in contented and comfortable homes of their own with freedom from the worries of an impossible debt, carrying on their calling under conditions which will ensure them security in their old age, and induce their children to remain with them and succeed them.30

These were heady promises in the context of the Depression; promises which the Liberal government was never to fulfill.

The platform went on to promise to pressure the Dominion government to provide grants to re-establish viable agriculture. And on the matter of unemployment, the Liberal party came dangerously close to advocating state planning and regulation:

Therefore, the Liberal Party of Saskatchewan urges that a National Non-political Commission be established by the Federal Government to administer relief, with power to
take such steps as may be necessary to regulate industry and relieve unemployment throughout Canada, and that such Commission be financed entirely by the Federal Government.31

A publicly owned Central Bank was advocated. A definite policy on "state medicine and health insurance" was promised if elected. Automobile license fees would be reduced and the new Liberal government would ask Ottawa for pensions for the blind. Although there were clearly key differences, the rhetoric of the 1934 Liberal platform was very close to that of the F.L.P.

The Anderson government was really a non-starter. They were now no more than the old Tory party since their former Progressive supporters largely cleaved to the F.L.P. They ran on their record and directed most of their attacks on the new F.L.P., without whose potential base they could not hope to return to power. For its part, the F.L.P. heaped the Anderson Tories together with the Liberals in their attacks on "the old party system of government."32 Despite the hysteria of the attacks upon them, the F.L.P. did not back away from their proposed remedies. Their declaration of policy for the election, with the slogan "Humanity First," was blunt, although more directed now against "the financial interests" than against capitalism in general. In part, the manifesto read,

What do you need at this time? First, to retain your home and land for your use, and prevent its confiscation by the financial interests.

The Farmer-Labor Group (C.C.F.) pledges itself to enact, immediately when returned to power, all the legislation necessary to secure to you the use and possession of your
home and land. As long as you wish to use it, it will be yours to possess and enjoy. Then you may will it to your next of kin or dispose of your interest in it to someone who will use it.

The Farmer-Labor Group pledges itself to prevent your dispossession by financial corporations. No other group promises this. The Liberal Party makes a political football of your necessity and proposes to "pass the buck" to so-called Debt Adjustment Tribunals that may take years to complete their task and then be inequitable in their decisions. Today your danger of dispossession is mainly due to laws made by Liberal Governments in Saskatchewan, e.g. the Judgment Summons Act and the Crop Payments Act, and both parties have continued the vicious Personal Covenant clause. At the session of the legislature which has just ended, the Liberal and Conservative leaders united to keep the Personal Covenant in Saskatchewan mortgages. A Farmer-Labor Government is pledged to abolish it immediately. The safety of your home depends on the election of a Farmer-Labor Government.

Mr. Gardiner says that "the Liberal Party will preserve the equities of both the creditor and the debtor." (Regina, Jan. 1934) He tries to ride two horses galloping in opposite directions! You know that cannot be done. The Farmer-Labor Group definitely places the interests of humanity before those of the financial interests and the bondholders. Save your home by voting Farmer-Labor!

The Provincial debt exceeds 140 million dollars. This huge sum bears high interest to the money-lenders and was accumulated by Liberal and Conservative Governments. Interest or usury is a pillar of capitalist finance. We are in bondage to the financial system. When Liberal and Conservative speakers tell you that these things cannot be done by a Saskatchewan Government, remember that a Farmer-Labor Government is determined to do them. Now is the time to
strike a blow for economic freedom. The Province has the power of moratorium and we propose to use this power to force the financial interests to give our people a measure of justice at this time.

The Farmer-Labor Group will demand from the Federal Government the right that the banks now possess, to deposit Saskatchewan Bonds with the Department of Finance and receive the necessary currency in exchange. We must free our country of the impossible burden of interest and debt. Should the Dominion Government refuse to grant this right, we demand the right to institute our own token system to provide our internal services, such as education, hospitalization, and mothers' allowances. Such tokens have been issued with success in other places. Our social services must be restored and extended. The Farmer-Labor Group is prepared to challenge the power of the money barons. No other group will do so. Vote for economic freedom by supporting the Farmer-Labor Group. 33

Much of the F.L.P. 's propaganda was defensive: arguing that they were not anti-Christian, that they would not engage in out-right expropriation, that they stood firmly for the family farm, etc. The Tory and Liberal campaigns of smear and red-baiting were quite effective.

The results were disappointing for the new party. The Tories, running in 52 of the 55 seats, elected no one with 26.7% of the vote. 34 The Liberals won power, taking 50 seats with 48% of the vote. A handful of independents won 1.3% of the vote and no seats. The Farmer Labor party won five rural seats, and the title of Official Opposition, with 24% of the vote. The distribution of the vote was significant: the F.L.P. won 30% of the rural vote compared to the Tories' 23% and the Liberals' 47%. 35 Thus the F.L.P. had become the second party of the agrarian
petit-bourgeoisie. In the cities, the F.L.P. failed to deliver a single seat and trailed both Tory and Liberal candidates: the F.L.P. took only 20% of the urban vote (in urban areas over 5,000 population), the Liberals 47% and the Tories 33%. In small urban areas (villages and towns with populations between 100 and 1,000), the F.L.P. won 20% compared to the Liberals 51% and the Tories' 29%. For median urban areas (population of 1,000-5,000), the story was worse for the F.L.P.: they won only 15% compared to the Liberals' 52% and the Tories' 33%. The fact that their vote was concentrated effectively in rural areas ensured that the F.L.P. would replace the Tories as the major opposition party among the farmers and in the Legislature. Clearly a comparable breakthrough had yet to be made by the F.L.P. among urban workers and small businessmen. Interestingly, and even more significantly, the F.L.P. did best in the richest and second richest rural areas: the F.L.P. won 30% of the vote in the 16 richest rural areas (Liberals, 50%; Tories, 20%), 28% of the vote in 17 average rural areas (Liberals, 51%; Tories, 21%), and only 23% of the vote in the 19 poorest rural areas (Liberals, 44%; Tories, 33%).

Clearly, the F.L.P., out of the 1934 election, had emerged as the major challenger to Liberal political hegemony among the economically more advanced sectors of the Saskatchewan agrarian petit-bourgeoisie. Among the more decimated sectors, they ran a poor third to the Liberals and the Tories. This should not be surprising: the F.L.P. was the primary creature of the organized agrarian petit-bourgeoisie, the U.F.C.(S.S.), which traditionally encompassed the "middle sort" of farmer; the better
off though not the rich; the ones with a viable stake; those with something to defend and extend; the elements with sufficient consciousness and self-confidence to organize and to fight to improve their position in the economic system. This group found its loyalties divided politically, as they had during the 1920s, between the Liberal party and the self-organized political expression of the class interest of the agrarian petit-bourgeoisie. Despite the failure to win a significant victory, despite the failure to win the support of a larger share of the urban working-class and petit-bourgeoisie, the F.L.P. won the political leadership of that advanced element, traditionally a minority, of the agrarian petit-bourgeoisie which had always resisted those features of capitalism which denied them what they perceived to be their just due as practitioners of "the first industry."

The election of the Liberal party brought no change in circumstances for the people of Saskatchewan. The Depression continued and worsened. The next political test in Saskatchewan was the 1935 federal election (October 14, 1935). Barely two months earlier, Alberta's agrarian petit-bourgeoisie had overwhelmingly endorsed Aberhart and the Social Credit depression remedy, obliterating the U.F.A. regime. Social Credit ideas had long been part of the central baggage of the organized agrarian movement in Saskatchewan and many in the U.F.C.(S.S.) and the F.L.P. endorsed some Social Credit principles enthusiastically. The Social Credit cinderella story in Alberta had its inevitable impact in Saskatchewan where Social Credit advocates began organizing. Things went
so well that the Social Credit party (created overnight with help from Alberta) was able to run 20 federal candidates in Saskatchewan, winning two rural seats, and outpolling the C.C.F. in eight other rural seats, with 17.8% of the popular vote. The C.C.F. was crest-fallen. It also won two rural seats with 21.3% of the vote, narrowly outpolling the Social Credit party 73,505 votes to 61,505. The two seats which had been won had been won with Social Credit co-operation. In Weyburn, the victorious T. C. Douglas was a joint C.C.F.-Social Credit candidate and in Rosetown-Biggar M. J. Coldwell was widely known to have received the unsolicited blessing of the Social Credit party. In the overall vote, the C.C.F. came very close to losing its hold on the political leadership of the radicalizing sector of the agrarian petit-bourgeoisie to the Social Credit upsurge. Of the four seats with significant urban components -- Saskatoon City, Regina City, Prince Albert, and Moose Jaw -- the C.C.F. had not fared too well vis à vis Social Credit. The Social Credit candidates outpolled the C.C.F. in Saskatoon City, 17.6% to 9.8%; in Prince Albert, 19.2% to 8.8%. The C.C.F. candidates outpolled the Social Credit in Regina City by 19.0% to 7.6% and, in Moose Jaw, 13.8% to 13.6%. Of the rural federal seats, as noted, each won two. In the other, the C.C.F. was outpolled by the Social Credit in eight seats, some quite heavily. Clearly, the advanced sector of the agrarian petit-bourgeoisie was seriously split in Saskatchewan, after the Social Credit victory in Alberta, between Co-operative Commonwealth and Social Credit remedies to the Depression disaster.
The political crisis was met by a wide-ranging debate in the C.C.F. regarding co-operation with the Social Credit party and other reform groups. In that debate, the leadership, which was committed to retaining the organizational integrity of the C.C.F. but was not adverse to arranging mutually advantageous "saw-offs" with contending groups, won the battle against other kinds of co-operation. However, it was never certain that, in an open battle on the hustings, the C.C.F. could retain its dominant political position among reform-minded sections of the agrarian petit-bourgeoisie. Social Credit made much of the C.C.F. "use-lease" land proposal and general commitment to public ownership, while the C.C.F. pointed to the futility of focussing solely on Social Credit methods of financial reform as the way out of the Depression. Aberhart's failure to deliver in Alberta helped the Saskatchewan C.C.F. immeasurably as the 1938 provincial election approached. At the same time, the C.C.F. responded to the failures of 1934 and 1935, and to the threat posed by Social Credit, by modifying its policies and platform quite significantly. It is well to remember as well, that, as the Official Opposition in the Legislature, the C.C.F. retained a high profile public platform of reform advocacy on an on-going basis.

The 1936 Convention of the Saskatchewan C.C.F. significantly modified the program of the old F.L.P. by adopting a nine point provincial platform. Gone were ringing declarations about socialism and eradicating capitalism, in their place were calls for the co-operative commonwealth and attacks on trusts, monopolies and "big business."
Gone was the use-lease land program, in fact, gone were any overly complex policy declarations. In their place was a simple, direct, moderate, pragmatic platform. 39

1. To give security to farmers on their farms and to urban dwellers in their homes.

2. To bring about drastic reduction of debt.

3. To provide socialized Health Services.

4. To provide a program of useful public works with wages at trade union rates and to give standardized adequate relief based upon the standard arrived at by the Dominion Bureau of Statistics until work and wages have been provided. In this we shall give special recognition to the unfortunate position of youth and shall make every effort to give youth every opportunity on this programme.

5. To provide equal educational opportunity for all.

6. To provide increased social services.

7. To join with others in bringing about the national issue and control of currency and credit.

8. To actively support a Growers' National Marketing Board whose duty it shall be to market agricultural products and fix for the grower a price which will return to him the average cost of production plus a decent standard of living.

9. To strive for the maintenance of Peace and for the retention and extension of the Democratic rights of the people. The C.C.F. Government will prohibit and remove any act which will infringe upon the rights of citizenship. 40
The Convention also dealt with the debate on co-operation "with all forward-looking groups (Social Credit, Reconstructionists, Communists, etc.)." Resolutions from many constituency associations had come in calling for a "united front against the forces of reaction."

The Convention voted for co-operation in principle but rejected any kind of affiliation. In practice, the conditions necessary, from the point of view of the C.C.F., made it almost inevitable that it would not be possible. Clearly co-operation for the C.C.F. meant, generally, supporting the C.C.F., though some "sawoffs" were not ruled out. As it turned out, the Social Credit took an even harder line, refusing seriously to discuss any kind of co-operation despite strong support for the notion within their own organization.

The decision to modify the platform in a more moderate direction and the decision to retain the C.C.F.'s organizational integrity at all costs was supplemented by a campaign against Social Credit ideas. The next month, at the National C.C.F. Convention, the new land policy of the party was without any reference to the use-lease concept: now the policy was "the reduction of agricultural debt," "legislation to prevent foreclosure and eviction," and "the encouragement of co-operative ownership of industries and marketing organizations upon which the farmer depends." In this manner, the C.C.F. moderated its rhetoric; however, the policy remained the same: the C.C.F. had never stood for a socialist agricultural policy, its land policy had merely been an effort to guarantee security of entrepreneurial tenure to the individual family farmer. The
modifications in policy and rhetoric to stave off the Social Credit challenge were more complex and contradictory. On the one hand, the C.C.F. attacked the soundness of Social Credit doctrine and emphasized provincial constitutional limitations. On the other hand, the C.C.F. began more to emphasize those areas of its policy -- relating mainly to credit -- which were close in content to much of what the Social Credit party was advocating.

As we have seen, particularly in Alberta, the root support for Social Credit and Co-operative Commonwealth doctrines had been in the emerging movement of the organized agrarian petit-bourgeoisie. Until the 1935 Social Credit victory in Alberta, there had been much sympathy among the C.C.F. rank-and-file for Social Credit doctrine. This was true, as well, among the C.C.F. leadership. William Irvine, as we've seen, was an outspoken advocate of Social Credit and J. S. Woodsworth was clearly sympathetic when he said, in the House of Commons, in March of 1935,

I am not advocating what has come to be known as the "national dividend" as part of the social credit scheme ... but I do say that that phase of it contains a real measure of truth, and because it does it is appealing to tens of thousands of people.\footnote{44}

The Social Credit victory in Alberta, the decimation of the U.F.A. and the intrusion of Aberhart's Social Credit organizers into Saskatchewan during the 1935 federal election, changed what sympathy there had been in the C.C.F. leadership circles for Social Credit doctrines. Although two
C.C.F. candidates had been jointly endorsed by the Social Credit party, the two candidates were disciplined rather severely and it was made clear that such joint candidatures would not be acceptable in future. And although Coldwell had Social Crediters to thank for his victory, he increasingly led the campaign in the House of Commons to make crystal clear the distinction between C.C.F. and Social Credit doctrines.

The 1935 League for Social Reconstruction's extended manifesto, Social Planning for Canada, attacked Social Credit doctrine aggressively, speaking of "cranks and demagogues" who,

... by means of over-simplification or fallacious analysis ... assert that the cause of our difficulties lies in the contraction of credit, or in the debt-creating system, or in the 'gold racket' or whatnot ... 45

The League asserted that Social Credit was a futile approach to significant change:

We consider financial and monetary reform an essential part of any attempt at socialization, but ... we differ from monetary cranks in that we do not regard monetary reform alone as a panacea for all our ills ... [based on] half truth and over-simplification ... the secret of the "social credit" appeal lies in its promise to bring forth a new economic order by painless methods -- a twilight-sleep form of social change ... [which] only provides a mental haven to distressed debtors ... a mirage over the waters of despair. 46

In 1936, G. H. Williams, the Saskatchewan C.C.F. leader, reflected this view of Social Credit doctrine, in more appealing and sympathetic terms, in his declaration on radio regarding the C.C.F.'s attitude to co-opera-
This offer of co-operation does not mean I or any other member of the C.C.F. are prepared to accept the Social Credit theory -- "Of Government issue of non-redeemable dividends." I am still as firmly convinced as ever that this theory is an economic fallacy. What is happening in Alberta justified the stand the C.C.F. took. We said Mr. Aberhart would not be able to do what he proposed to do unless he took over the control of at least some of the industries. We suggested that rather than chase an illusion we ought to curtail interest rates and adjust debts and give security of tenure. We suggested that step by step the Province might re-acquire control of its Natural Resources, might take over control of monopolies and thereby put itself in a position to increase the purchasing power of the people by a Work and Wages program. The Alberta Government have found that we were right. They have not issued any social credit dividends, but have at least gone part way on a C.C.F. platform.

We in the Saskatchewan C.C.F. believe that having said our say about the fallacies of the Social Credit theory, we should now applaud what they are trying to do, rather than make their path more difficult by continuous criticisms.

As a matter of fact, I find that a great many who voted Social Credit are now beginning to realize that the people must own before the people can possess; that money and credit is merely a ticket to goods and that those who issue tickets must be able if necessary to redeem their tickets with goods or with other money redeemable in goods. As a result of further study these people are turning now to Social Ownership either through Co-operatives set up by themselves or through public ownership by the Government as the true solution, and are, therefore, joining the ranks of the C.C.F.
This offer of co-operation does mean, however, that the C.C.F. realize that most of the people who have supported Social Credit did so because they want a new deal. The average citizen is not an economist. They have neither the time nor the inclination to delve into economic problems. Realizing this -- the C.C.F. is prepared -- while still maintaining its own economic beliefs based on long years of study and successful application in such countries as Sweden -- to say to the average Saskatchewan citizen -- alright, let us at least get together on certain definite things, which we all agree we can do -- and get them done.\textsuperscript{47}

However, Williams' appeal notwithstanding, the exchanges between Social Credit advocates and C.C.F. advocates became sharper and sharper as the C.C.F. in Alberta struggled to maintain itself and as the C.C.F. in Saskatchewan prepared for the Social Credit invasion during the 1938 election.

The 1934 Program and Manifesto of the C.C.F. had made much of its policies on finance and credit. It had called for the socialization of credit; it had promised to "protect the farmer from foreclosure or eviction under pressure of mortgage companies and other creditors ..."; it had promised debt relief "by reduction of existing debts to the farmer to a point which, while guaranteeing him a decent standard of living, would enable him to free himself from debt in a reasonable time;" it had promised a "publicly owned rural credit system;" it had promised to protect the homes of workers from foreclosure and to provide work to all on "socially useful public works ... financed by public credit."\textsuperscript{48}

Such themes continued to occupy the centre stage of C.C.F. policy decla-
rations, as did rhetoric about purchasing power, the money power, and
the slavery of debt and interest. Increasingly, the C.C.F. also pointed
to those areas of policy which complemented such guarantees from the
ravages of finance capital: social ownership through co-operative and
public enterprise; the means of orderly marketing; and the construction
of a comprehensive, state-funded welfare and health system. Yet the
means to security of tenure -- of the farmer on his farm and the worker
in his home -- continued to be the central feature of the C.C.F. agita-
tion as the Depression deepened and threatened even this small but tangible
evidence of economic security. Again and again, the C.C.F. promised
security of economic tenure, real debt adjustment, and work and wages as
the basis of its total program.

The returned Liberals faced a vigorous C.C.F. Opposition from
1934 to 1938, which became even more vigorous during the period 1938-1944.
Returning to office in the midst of the Depression, the Liberals were
long on promises. The November 15, 1934 Speech from the Throne promised
debt adjustment "rather than postponement," tax relief, and seed relief.
The government's remedy for the Depression sounded good:

   Our credit must be improved by keeping our
   undoubted permanent, relative financial
   strength to the front. It is the opinion
   of my Government that this can be done
   only be [sic] keeping our expenditure,
   provincial, municipal and individual,
   within our revenues; by maintaining our
   people in active productive employment; by
   sane legislation regarding contracts; and
   by meeting our just obligations.49

The C.C.F. Opposition correctly maintained that this was simply a re-
affirmation of retrenchment policies and of the policy to tread softly vis a vis finance capital. The C.C.F.'s amendment to the Speech from the Throne set the tone for their Opposition:

... the Government should immediately inaugurate a planned economy for this Province, to the end that we shall so mobilize our resources as to give security of tenure to our people in their homes and on their farms, provide them with socialized medical services, adequate educational facilities free from political interference, and safeguard their living standards by accepting socialism as the basis of our economic activities, through which we will co-operate for the general good rather than continue to compete for profits.\(^{50}\)

A major focus of C.C.F. Opposition continued to be on the problem of debt, foreclosure and seizure; to remedy this they advocated the public ownership of credit, the provision of credit at cost and the use of other forms of credit rather than bank borrowings (i.e., direct treasury issue).\(^{51}\)

The Liberals were accused of lip-service to needed reforms while pursuing no serious solutions to the crisis at all. The Liberals replied by arguing that their solutions were reasonable, and that the C.C.F.'s were unreasonable and potentially more destructive of the Province's economy than even the Depression. Increasingly, the debate centered around the issue of debt and debt adjustment and reduction as part of a general strategy effectively to cope with the Depression.

By 1938, the election year, the situation continued to worsen, particularly as a result of the 1937 drought, which had been extreme and general. The Speech from the Throne had this to say,
When last you met in this Chamber, it was with the high hope and expectation that Saskatchewan had reached the end of a long series of crop failures in considerable areas of the Province, and that we were moving into a period of greater production. Unfortunately, in 1937 the disaster of drouth became more severe than at any previous time in our history and extended its blight to virtually include the entire Province. This disaster has imposed responsibilities upon my Government, more difficult than those ever before imposed upon any Government in Canada. It has become necessary for my Government to provide, in some measure at least, for approximately one-half of Saskatchewan's total population. In addition, this catastrophe brought with it the problem of furnishing feed and fodder for a large proportion of the livestock. At once the serious and widespread nature of the situation became apparent, my Government instituted immediate and effective measures to deal with it.52

Whether or not the electorate agreed would be tested in the forthcoming election. The C.C.F. Opposition certainly did not. They assailed the Government mercilessly on a variety of issues, from civil service pensions, to assisted immigration, to the weakness of the Government's demand for a Canadian Wheat Board, to the growing public debt (now $191,963,535.13), to patronage. Most importantly, the Opposition pointed out that the debt adjustment policy of the government was not providing a sufficient measure of relief and that the Government's employment policies had not provided sufficient jobs for the unemployed.53 The stage was set for the election.

The C.C.F.'s major problem in the 1938 election was the Social Credit party. Organizers from Alberta had come into the province and
Aberhart, facing implacable opposition from the federal government, the courts, and finance capital, against the implementation of his Social Credit plan, saw the need to win the establishment of a Social Credit system by winning the country province by province. A good place to start was in Saskatchewan where the Social Credit party, on very short notice, had done very well in the 1935 federal election. The C.C.F. tried to work out a deal in line with their policy on co-operation without the loss of their organizational or doctrinal integrity. The Social Credit party in Saskatchewan, after some internal struggle, refused to negotiate seriously: they were out to win the province themselves. The Social Credit party ran 41 candidates, opposing the C.C.F. in 25 seats. The C.C.F. ran 31 candidates (there were 52 seats). Interestingly, negotiations with the Tories brought the C.C.F. better results: the Tories ran in 25 seats but left the C.C.F. a clear field in 17 seats. On the other hand, the C.C.F. left the Tories a clear field in 11 seats. The Liberals contested all 52 seats, and two Liberals fought it out for the same seat. As well, there were three Independent Labour candidates, four Unity candidates, two Labour Progressive candidates, and one independent. The C.C.F. and the Tories did not oppose the Unity candidates or the independent candidates. In other words there was very little real co-operation. But there were many "saw-offs", especially between the Tories and the C.C.F., thanks to negotiations at Ottawa between C.C.F. and Tory notables.

The C.C.F. weathered a major crisis during the 1938 election. As
the second party of the agrarian petit-bourgeoisie, and clearly the party of the organized and leading sector of that class, the party found itself seriously challenged by the Social Credit invasion. The Liberal party also saw the Social Credit party as the major threat in 1938. This should not be surprising. Social Credit had swept Alberta, decimating not only the U.F.A. Government with 14 years in power, but the older parties as well. In the federal election, Social Credit had swept Alberta and done well in Saskatchewan. Aberhart's legislative program was the talk of the country and the nightmare of the business community. The prospect of the Social Credit party, now strong and entrenched in Alberta, adding the Saskatchewan Government to its victories was appalling to Ottawa and to finance capital. Such a success could transform the movement overnight from a dangerous effort at experimentation in Alberta to a devastatingly attractive option to farmers and workers, already politically volatile due to the Depression, across the nation. As a result the C.C.F.'s Depression remedies were virtually buried in the hysterical anti-Social Credit campaign ran by the Liberal government.  

The 1938 Election Manifesto issued by the Liberal party, pompously referring to itself as the Government of Saskatchewan, was the longest such document the party had ever been obliged to issue. It said,

Its term of office has been the most trying and difficult period in the history of Saskatchewan. The Government, nevertheless, has met the situation and dealt with the problems arising therefrom in a manner which, it believes, merits and should receive the approval of the people.
The first responsibility of the Government during this trouble-some period has been to see that all who required assistance were adequately cared for, provision made for the sustenance of their livestock, and the seeding of their crops.

Coincident with this primary duty, the Government pursued a policy of maintaining the credit of the Province, a consideration essential to the securing of sufficient funds to provide for the enormous and extraordinary expenditures that the magnitude and widespread character of the assistance demanded.

The manifesto promised to protect the proceeds of the 1938 crop "for the maintenance of the farmer and his family until another crop is harvested, and for the rehabilitation of ... agriculture." It promised to pursue its program of voluntary debt adjustment in rural and urban areas and claimed credit for a reduction in interest which had taken place. A downward re-assessment of land, continued programs of agricultural assistance, farm rehabilitation and northern settlers' re-establishment would be pursued. Continuing pressure would be applied to the federal government in order to lower tariffs and to secure a better crop insurance plan. The document explained, defended and promised to expand on its record in education, health care, economic development, social services, and co-operative development. The document also pledged the Liberal party to "support all progressive, useful labour legislation ..." The Government promised to continue to pursue a favourable re-funding of the growing provincial debt and to ensure due economy in the administration of government. An unprecedented section (at least since autonomy was won), en-
titled "Support of Confederation," was an obvious swipe at the Social Credit party's entry into the election:

Under the scheme of Canadian Confederation, powers of legislation and governmental activities are divided between the Provincial Governments and the Dominion Government. Briefly, all matters (legislation and governmental activities) concerning all Canada and all the Canadian people are designated to be within the power of the Dominion Parliament, while all other matters concerning a Province and its people are designated to be within the powers of each Provincial Legislature. This division of power and responsibility is essential if Confederation is to be preserved and Canadian people are to remain a united nation.

This Government deprecates the deliberate attempt made in certain provinces to usurp the powers now designated to the Parliament of Canada and to legislate upon matters known to be purely within the domain of the Parliament of Canada, all for the purpose of creating dissatisfaction among the Provinces. Undoubtedly, the persistent pursuit of such a policy will end, ultimately, in the disruption of Confederation.

It is essential that, in a country such as Canada, there should be a strong central Government empowered to deal with all matters of national scope and concern.

This Government of the Province of Saskatchewan deprecates interference in the affairs of this Province by the Government of another Province. The people of Saskatchewan are quite competent and willing to conduct their own affairs in their own way, and through the instrumentality of their own political organizations without the interference of outside governments.59

The document concluded, in a pointed attack on the efforts at co-operation
among its opponents, with a call for stable government of one party rather than a "Government composed of Groups."

The manifesto was rather staid and restrained stuff. The Liberals supplemented it with a dash of hysteria. One pamphlet proclaimed, "Communism is the Threat," "Do you want Alberta's Stalin regulating your daily life?" The pamphlet referred to the provisions of the Alberta Production Tax Act which imposed a 7.0% production tax on agricultural produce, a law that was never put into effect. Another lengthy pamphlet detailed all of Aberhart's broken promises, his "misuse of public funds," his "futile debt legislation," his denial of civil rights, and his general "record of failure." According to the Liberal party, Aberhart was moving toward a "dictatorship" and "the Social Credit party in Alberta" was "in active co-operation with the Communist party and other subversive forces in that province." The piece concluded by envisaging Saskatchewan as an "Alberta Colony" if Social Credit won:

SASKATCHEWAN VOTERS!

Do you realize that the constituencies of the province of Saskatchewan are denied the democratic right to select their own candidates to run on the Social Credit ticket?

Do you know that all Social Credit candidates must bear Aberhart's stamp of personal approval before they can accept nomination?

Do you realize that he thus places in field personally selected nominees who are entirely under his domination and control?

Social Credit success at the Polls means that Aberhart would definitely control the Government and Legislature of the province of
Saskatchewan, as Social Credit members would be his henchmen, his satellites; and would be tolerated only so long as they did his bidding.

Let Saskatchewan voters consider what that would mean to this province:

There is a constant clash of economic interest between Alberta and Saskatchewan: in the development of the North; in the development of the coal-fields of the respective provinces; in the challenge to the Alberta industry of possible discovery of gas and oil in commercial quantities in Saskatchewan.

If Aberhart controls the Saskatchewan Government and Legislature, Saskatchewan's industrial development will be sacrificed to pay Social Credit dividends in Alberta.

Aberhart comes here not to save Saskatchewan farmers from the financial "Big Shots." That's what he says. In reality --

Aberhart comes here in the desperate hope that chance success will distract his own people's attention from the tragic consequence of his failures at home. He is here to milk and bilk Saskatchewan citizens -- if he can. He comes to wreck; not to construct. His intrusion into Saskatchewan's business is a corruptive and disruptive force.

Saskatchewan does not want Aberhart!

There was enough truth in what Liberal propaganda had to say regarding Alberta Social Credit involvement in the Saskatchewan Social Credit organization to hurt the party. Aberhart and other leading figures joined in the campaign and Aberhart dramatically outdrew Liberal notables at rallies. And it was true that Aberhart had played a big role in the final selection of candidates. It was rumoured that the
Alberta Government had donated $100,000 to the Social Credit battle fund in Saskatchewan. Earlier, the C.C.F. leader had had to make a humble trek to Aberhart in Edmonton in a futile effort to work out some kind of co-operation. There was no doubt that Aberhart was out to win Saskatchewan single-handedly. Social Credit propaganda was similar to that which had been so successful in Alberta. The disallowances and court battles had changed not one part of the program and the party put its position aggressively. The Social Credit Manifesto for Saskatchewan asked, "How long must we be the dupes of the Old Line Parties in alliance with the Money Monopolists?" The answer was clear: "People should demand results: then stick together until they get what they want." What the people wanted was a real economic and political democracy where the Money Barons' domination was broken and where there was "equal rights for all -- special privileges to none."

The C.C.F. was caught in the squeeze and it had to fight hard to keep its program in public view and to retain its political base among the agrarian petit-bourgeoisie. The crisis was so serious that the C.C.F. did not even attempt a breakthrough in urban areas, virtually ignoring the working class in its campaign. On the one hand, the C.C.F. joined in the attack on Social Credit. The leader of the C.C.F. now dubbed Social Credit as "the last illusion of Capitalism as a possible stop-gap ..." A C.C.F. election pamphlet warned that "... the Social Credit Government is going to attempt to ... invade Saskatchewan and run a candidate in every constituency, and ... split the reform vote," thus keeping the
Liberals in power.  The pamphlet reviewed the record of efforts at cooperation, laying their failure at the feet of Aberhart and Manning and pointing out, "that Social Credit has failed to give the things it promised in Alberta," and "that those few things it has done were C.C.F. platform, not Social Credit platform." However, the C.C.F. still saved its strongest attacks for the Liberal government.

One C.C.F. pamphlet, entitled, "Are They to Be Trusted?", pointed out that the Liberals had failed to deliver their 1934 promise of debt adjustment, substituting instead "... a standard renewal mortgage agreement which makes the farmer a tenant on his own land, gives him only 10 years to pay, requires a full one-third of the crop for the first three years and payment of all due or past due amounts in the fourth year and the total balance owing in the fourth year, all under penalty of foreclosure." With the Liberals in power, the C.C.F. argued: "interest allowed to pile up until people lose their homes; foreclosures and evictions allowed; advantages given Mortgage and Loan Companies; debts allowed to increase; adjustments not effective." With a C.C.F. Government in power the situation would change: "no interest chargeable in crop-failure years; a cash exemption; adequate debt adjustment; no more foreclosures and evictions; security for our people." Furthermore, the Liberals had allowed the public debt of Saskatchewan to grow to $199,801,851.11 in 1937 from $62,875,048.01 in 1929. The C.C.F. pointed out that interest and debt charges on "all debt, relief and public debt" alone took 52% of the province's revenue. Clearly, it was conceded that much of this was due to
the problems of providing relief to over one-half of the province's population, "but patronage and extravagance ... also played its part."

Another leaflet proclaimed,

The capitalist system is legalized and carried on by the aid of the Government through the medium of the control of the two old parties and both these old parties are committed to the system.

The Conservative Party are now desirous of regulating it to cut its claws -- but not to abolish it.

The Liberal Party has always stood for this system and stands for it now -- with many hypocritical apologies.

And so long as either of these parties is in control of the Government, there is no hope of change for the better. The people cannot defend themselves; there is no escape until they elect a Government composed of those who toil on the farms, or in the mines, or on the railways and in the offices, shops, mills, and factories, including those who are today unemployed. They have an overwhelming majority of the ballots whenever they decide to use them.68

However, that pamphlet went on to state the positive case for the C.C.F. program. Much of it sounded strangely like Social Credit:

The C.C.F. Goal

An older generation has handed down to us a marvellous world of great achievements, as well as tragic failures. It is our duty to take up the torch of scientific knowledge and carry it farther. Our inheritance includes sufficient knowledge of physical science and the technical skill to ensure us that Canada can produce PLENTY and to spare for all of us.
POVERTY IS NOW RIDICULOUS

Our forefathers knew bitter POVERTY because they had neither the knowledge, the tools nor the mechanical power to drive them. They had not studied nature or learned its secrets. But that has passed; and so far as production is concerned, the problem of POVERTY is solved for all time.

Today we know bitter POVERTY because we lack only the right social institutions to distribute that PLENTY with which applied science and skill has endowed us. We lack the power of "Co-operation" to set that plenty in motion. We suffer because we have not studied what we call "human nature" and learned its secrets, and owing to our ignorance our people LIVE AND DIE IN UNNECESSARY WANT AND SUFFERING. We have learned that our system of "every man for himself, and the devil take the hindmost," does not work.

The curtain is being rung down on the CAPITALIST SYSTEM. Working for our own ends separately we have produced chaos, and the hopelessness and helplessness of our people amid the changes of the past four years is tragic in its consequences; owing to the fact that, as we perfect our machinery of production, human labor is less and less in demand.

The alternative was Co-operation, however, not Social Credit.

If this generation of Canadians is to reap the fruits of scientific knowledge and invention; if we are to harvest the progress of generations in education and culture; if we are to live that more "abundant life" which is our inheritance, we must learn and practice "Co-operation."

The argument, Social Credit a la C.C.F., went on:

Over one million people now (1938) walk the streets and highways looking for work. At least another half a million are forced to submit to part-time employment, while prac-
tically all have suffered reduction in earnings. They are willing to help to produce this PLENTY for all, but they are not permitted to do so.

Think of it! Want and the grim fear of want haunting the multitudes of the working class; now, when tools and machinery of production are well-nigh perfect; now, when scientific knowledge for our use in production surpasses the most brilliant hopes of the people of the past.

Think of the brutal meanness of want and the fear of want, hounding the lives of our people, while crops are allowed to rot -- and are in some cases deliberately destroyed -- and while the Government of Canada itself advocates that those who furnish our raw materials must limit their production to "improve the market."

Think of the farmer, who each year renders the community the same service, without which it cannot exist, and which is of the same value each year, having to work night and day to produce our food, which is sold at less than one-half the cost of production.

Think of the thousands of farmers in distress, while the wage-earners in our mills, mines and factories cannot buy what the farmers produce.

STILL YOU HAVE NO LEGAL RIGHT TO DEMAND WORK

No matter how hungry and ragged and shelterless you are, no matter how desperate your wife may be for the wage you are willing to earn, no matter how sorely your little children cry for food and clothing, no matter how many years of schooling your children miss because of your lack of income, no matter how decent or wholesome or religious you are, no matter how thin you have worn your old shoes tramping sore of foot looking for work, no matter even if your body is piteously scarred from your patriotic efforts to defend your country -- still you HAVE NO LEGAL RIGHT TO DEMAND WORK.

But the C.C.F. has a program to meet this new SLAVERY. It proposes that a Canadian citizen should be born into the right to work if he is
willing to work, in the same manner that he
is born into the right to vote if he is will-
ing to register. A Canadian citizen, under the
C.C.F., would be born with the right to share
in the control of our natural resources and
capital equipment, just as he is now born into
the right to share in the control over the
political government. Just as each man has
one vote and no more in a democracy, each man
should have the same share of control over
capital equipment and natural resources as his
fellow citizens.

PRIVATE OWNERSHIP OF PUBLIC PROPERTY IS CAUSE
OF POVERTY AND UNEMPLOYMENT

The fundamental cause of low wages, poverty and
unemployment today is PRIVATE OWNERSHIP of PUBLIC
PROPERTY. Now let us study the A B C of unem-
ployment.

A few Canadians own as their own private pro-
erty, the nation's industrial outfit, including
our forests, mines, mills, banks, and railways.
And by owning this property they are allowed also
to own the right to give or withhold the work
connected with these forms of property.

Therefore, under the wage and profit system of
industry known as "Capitalism," society is
managed for the special benefit of those who
own our industrial equipment. Their income is
in the form of profits -- rent and interest or
dividends are different names for "Profit."

Now, in order to secure profits, two conditions
are absolutely necessary. First, those who do
the work must be paid less than the value of
the goods which they produce. Secondly, there
must be a market in which to sell the goods or
products.

PROFITS LIMIT THE MARKET

The market consists of the consuming power of
those who own the industrial equipment and
the purchasing power of those whose labor creates
the goods. A large part of the owners' consump-
tion is limited only by their desire to enjoy plenty of the good things of this life, but even they cannot begin to consume the production of modern scientific mass production. As for those who work, they would like very much to enjoy the good things but their consumption is limited to the purchasing power of the wages they receive.

Since the great mass are wage earners, we can readily see that the profit system restricts the market. With modern machinery and planned economy they could produce abundantly to satisfy all reasonable human needs, but they are not permitted to do so. They are not permitted to work because they need the goods, no matter how willing they are to do so, but only as long as their work returns "Profits" in a profit-restricted market. Wages only provide the "Necessities of Life" so they are only allowed to produce enough to supply their own "necessities," plus enough to provide necessities, comforts and luxury for the owners.

Economists today agree that we cannot have prosperity unless those who work and who form the great mass of the population, receive enough money to buy back what they produce. Excess production, going back into the business as "Capital" to produce more excess production, causes business stagnation, which forces shutdowns and causes unemployment.

As long as the owners take more in profits than they can possibly consume, and more than is required for new investments actually demanded by industry, they make it impossible, by that much, for the people to buy back what they have produced.

Because the passion for profits is an essential part of monopolies, and because profits cause unemployment, there is only one way for the sick industries of this country to get well, and that is through PUBLIC OWNERSHIP. That is what the C.C.F. means by NATIONALIZATION.
The C.C.F. program calls for the SOCIAL USE AND OWNERSHIP OF ALL ESSENTIAL MEANS OF PRODUCTION AND DISTRIBUTION -- INCLUDING BANKING. This means that the ownership and the social control over all industry, over all transportation, over all banking, would be placed into the hands of a central planning board which would co-ordinate the operation of industry for the social welfare. By the elimination of the motive of GREEDY PRIVATE PROFIT, and by the substitution of SCIENTIFIC PLANNING, prices would be stabilized, money monopoly would cease, and industry would operate efficiently and continuously without the unemployment and poverty which now curses our civilization.

The Canadian nation would be organized for the purpose of securing to all its members the right of access to the means of work and the democratic control of their own means of livelihood, thus making the right to live and to work a right of citizenship, and to share in a joint ownership.

The C.C.F. program does ensure that the community as a whole will partake of the material prosperity within its reach -- that in a Canada in which the means to enjoy leisure and abundance are available for all (and that is our Canada here and now), the duty of the C.C.F. Government will be the proper distribution of that leisure and abundance into the general life of all Canadians.

In this document, it is clear that the rhetoric of the co-operative commonwealth and of social credit are confusedly intermixed to good effect. Through the establishment of true co-operation, poverty in the midst of abundance would be eliminated. However, the document clearly is designed to appeal to the destitute and to the sensitivities of those not so destitute. the C.C.F. also went to great pains to show it had something to offer those who had something to lose.
For those who were not among the dispossessed or about to be dispossessed, that is, for the farmer who was not about to go under or who had already gone under, the C.C.F. had practical remedies. The "C.C.F. Debt Adjustment and Land Policy" program was a farmers' document. It was also very much a Social Credit document, for which reason it is worth quoting at some length.

The C.C.F. believe -- that the present legislation with respect to Mortgage Agreements and Agreements for Sale of land, gives an undue advantage to invested capital, and works a hardship on the struggling homeowner.

In order that we may understand the situation as it exists today, it would be wise to review some of our yesterdays.

All of you, are either the sons and daughters of pioneers, or, have come here, from other climes, other provinces, as pioneers, to carve out a home for you and yours, in this last Great West.

When you sought to build for yourself a homestead, or a business, there were those who said to you, you need Capital; if you do not have it, your progress will be slow and painful. We have Capital. We want it to be put to work, for it can only earn for us if it is at work, so therefore, let us form a partnership. You put in the labor, the experience, the equipment, and we will put in the capital, thus we will form a partnership, and through that partnership, we will develop this last Great West, and make of it a country to be proud of, a country in which our sons and daughters may grow up in happiness and contentment.

A ONE-SIDED PARTNERSHIP

The partnership was formed. People borrowed
Capital and gave mortgages as security, bought land from Land Companies and signed Agreements of Sale.

There was one thing however that these would be partners forgot to tell you. They forgot to tell you that it was the strangest kind of partnership ever devised, for it has now become obvious that it is a partnership in which one partner always makes a profit and the other partner takes all the losses. They forgot to tell you that through this unfair partnership the West when developed would belong to them, and their Sons and Daughters would grow up in happiness and contentment, indeed in luxury, while yours grew up in poverty and despair.

For be it remembered that in any mortgage agreement or even any Agreement of Sale of Land, payments on principal and interest are due and payable each year, no matter what may happen to the crops. There is no attempt to share the losses that occur, which are occasioned not by lack of enterprise on the part of the farmer, or the small businessman, but by weather conditions beyond their control.

Thus people who borrowed during the good years, and made their payments of principal and interest, found they had nothing to pay with in the bad years. In the next good year they tried to catch up, only to find that more bad years came, maybe frost, perhaps hail, or drought or grasshoppers, perhaps drenching fall rains or rust or early snows. A score of perils beset them, and they found they could not keep up with their ever growing debts. The interest piled up and drove them down, down, down into the depths of despair, until the old, old story of borrow $5,000, pay $5,000 and still owe $5,000 became the nightmare of the average struggling homeowner.

The C.C.F. say that kind of thing must stop, and the C.C.F., if elected to power, will end
it by amending the Land Titles Act in such a manner as to require that every Mortgage Agreement and every Agreement of Sale of land, in order to be legal, must contain a clause stating that, in any year in which there is a crop failure, that is to say, in any year when the value of the crop is less than $5.00 per acre, there shall be no payment due on the principal, and no interest chargeable. The life of the contract to be extended by one year each time such a crop failure shall occur.

This will mean that the contract will not be in arrears, in that the payment on principal will be deferred and the contract lengthened by a year each time there is a crop failure. It will also mean, that in the future, mortgages will not grow in the bad years, the interest not only is not payable but also is not chargeable. You will not have any interest to pay in crop failure years, and no interest will be added to your debt in crop failure years.

Such a policy would stop the growth of debts:

Thus once and for all, the C.C.F. will stop the growth of land debts, and for the first time, we will have an equitable, a fair, and a just partnership in Saskatchewan between Capital and Labor. For is it not just that partners should really be partners? If there are gains, share them! If there are losses, share them also! Then, and then only, can we attain to the peace and good fellowship, between Capital and Labor, that will come from justice and fair dealing.

Further, such a policy would keep productive people producing:

The C.C.F. believes that the first principle of a sound national policy is not protection for Mortgage Companies and "Big Business," but rather, that the workman is worthy of his hire.

The C.C.F. insists that the first charge on any piece of land must be a decent standard
of living for the man who operates that land. It is a well known fact, that the people who make that operation possible are not in the final analysis the Mortgage Companies, or Land Companies, who are now the "Secured Creditors" but rather the small merchants who are now the "Unsecured Creditors."

In concrete terms, the C.C.F., as provincial government, would do the following:

Bearing these things in mind, the C.C.F. will end this unfair situation, by amending the Exemptions Act, in such a manner as to provide an exemption out of the cash crop to pay operating expenses, of so much per quarter section, with an additional amount for each quarter section operated, on a sliding scale. When this is done, the farmer will not only have the implements of production exempted from seizure, as is the case today; but in addition thereto, will have sufficient cash from his crop exempt from seizure, to enable him to take care of his yearly indebtedness to the local merchants -- for groceries, clothing, hardware, blacksmithing, etc. We will do this by definite legal exemption rather than by loose promises and wishful thinking, such as is now attempted by the Liberal Party.

This brings us to the problem of those whose mortgage and Land Agreements have already been allowed to grow, beyond all possibility of repayments, and to the problem of merchants, and homeowners, who cannot very well be protected by a crop failure clause in Mortgage and Land Agreements or even by additional exemptions in the Exemptions Act.

The C.C.F. maintain that the Creditor Group must agree to accept a fair adjustment on such debts. They will be given the opportunity to do so. If they will voluntarily agree, all well and good. Should they not be willing to assist in bringing, a New Era
of social justice, then they must be made to accept equitable adjustments, which in that case will be brought about by the government using the Moratorium powers now contained in the present Debt Adjustment Act, and by restraining them from profiting through the conditions that have existed; by so amending the Limitation of Civil Rights Act, as to prevent legal action to recover unjust amounts, which if allowed -- would either dispossess the homeowner, or cause him to be subject to economic bondage -- in the form of debt payments for most, and in some cases his whole life time. We will not allow judgments to be given for unfair accrued indebtedness and we will not allow foreclosures to take place on the homes of those who, through no fault of their own, find themselves unemployed or without crops, or in business difficulties.

However, unlike the Social Credit in Alberta, the C.C.F. would stay within the Constitution:

And right here, my friends, we want to point out that when we say that the C.C.F. is going to do certain things, we are going to stay within the things we can do. We have not very much use for politicians who win elections by promising to do things they can not do, or pass legislation as a blind, which they know is beyond their legislative powers. The Province of Saskatchewan has certain legislative power given to it by the Canadian Constitution. We propose in our program of what the C.C.F. will do, to stay within those powers.

We are not talking for effect, or merely to win votes. What we say we will do -- we will do! Our promises will be published in black and white for all to read. Promises that the C.C.F. is prepared to stand or fall by; not evasions but definite statements, placed on record for all to examine and weigh in the balance.

To those who argued that the C.C.F. could not carry out such a
program, such as the Liberals and a number of legal experts, there was this reply:

It has come to our notice that since the C.C.F. Land and Debt Adjustment Policy has been published an attempt is being made by persons who are interested in perpetuating mortgages and debt, to argue that the portion of the C.C.F. policy which prohibits the collection of interest on land and mortgage agreements in crop failure years by court action, is beyond the power of the Provincial Legislature, because it interferes with interest rates.

This attack is a deliberate attempt to mislead.

What the C.C.F. will do is to exercise the right given to the Province to legislate with respect to Property and Civil Rights, exclusive jurisdiction over which were given to the Provinces by the B.N.A. Act.

It has never been denied that debts and land titles fall within Property and Civil Rights, and legislation with respect thereto is continually being enacted by the provinces.

In 1936 the Saskatchewan Legislature exercised that power and passed an amendment to the Limitation of Civil Rights Acts, prohibiting the use of the personal covenant clause after a foreclosure had taken place. The C.C.F. will extend that principle and amend the Limitation of Civil Rights Act in such a manner as to prohibit any action for recovery of interest or for the payment of yearly principle in crop failure years.

To make the protection permanent the C.C.F. will also amend the Land Titles Act so as to require that all future land and mortgage contracts will contain within them a crop failure clause stating that no interest will be chargeable and no portion of the principle payable in crop failure years.

We have no doubt but that our legislation will be challenged and probably referred to the
Supreme Court in an effort to maintain the strangle hold that Finance now enjoys over Labor. We sincerely believe we are within our legislative rights and that the courts will decide in our favor. We do, however, desire to assure the debt-ridden Farmer and Home Owner that even should we lose the decision in the courts we still will have the undenied and undeniable right to protect them by granting individual moratoriums to the Farmer and Home Owner in every case where an attempt is made by Mortgage Companies to collect interest in crop failure years.

Not one person will argue that the power of moratorium is not possessed by the Provincial Government. The C.C.F. is determined that Humanity will come first in Saskatchewan and will, if necessary, use this power to protect the people of this province, and will keep on using it against the imposition of usury, until the powers of entrenched finance give a square deal to the Farmers and Home Owners of this province.

Aberhart could not have put it any better.

The 1938 election results were disappointing for the C.C.F. They had not run in the urban areas, thus the Farmer-Labor coalition was more myth than fact. However, they had confronted the Social Credit challenge for political leadership of the agrarian petit-bourgeoisie and they had survived. Indeed, if the C.C.F. and the Social Credit had worked out a means of serious co-operation, the Liberal government would doubtless have been defeated. But they had not: they were faced with the more important problem of contending for the political leadership of the agrarian petit-bourgeoisie in a struggle which, electorally, the C.C.F. won despite the sound and fury of the Social Credit campaign. The Tories, running in 25 seats, won none with 12.1% of the popular vote.
The Liberals, contesting all 52 seats, won 38 seats with 45.5% of the vote. The Social Credit party, running in 41 seats, won two seats with 15.8% of the vote (one of these was taken by J. F. Herman, U.F.C. (S.S.) president in 1934-35). The C.C.F., running in 31 seats, won 10 seats with 18.8% of the vote. Two of the Unity candidates won their seats and they, together with six other independent candidates, won 7.8% of the vote.

As a result of the 1938 election, the C.C.F. remained as the Official Opposition and as the second party among the agrarian petit-bourgeoisie. Since they had failed to contest the major urban areas, their support among the urban working class had no electoral reflection (interestingly, the Social Credit had contested seats in Moose Jaw, Prince Albert, and Saskatoon and had done fairly well; a C.C.F. candidate in Prince Albert ran last and two independent Labor candidates in Regina ran fifth and eighth in a field of nine).

An interesting pattern of agrarian petit-bourgeois support emerged in the 1938 results. The C.C.F. had won 10 seats and elected 10 members, all of whom were successful farmers. C.C.F. support was concentrated, as their leader had put it, "... in that portion where crops have been harvested," no insignificant fact in the worst Depression year. Indeed, other studies have pointed to the fact that C.C.F. support was highest among the more prosperous farmers in 1934 and 1938. As a matter of fact, the C.C.F. believed that Liberal threats that relief payments would end if the Liberals were not returned had been used to frighten the less secure farmers to good effect. As well, besides having faced down the Social Credit challenge, the confusion of the 1938 election, with all
the various reform currents campaigning for support (a fact which had been used to good effect by Liberal propagandists who warned of the political instability which would ensue upon the election of a "Mulligan Stew" government), determined the C.C.F. to cease playing games with other groups and parties and to seek single-mindedly unified support for its leadership and program. Furthermore, it was clear that the C.C.F. had to make a break-through among the working class, even if only to split the vote and share the urban seats with the other parties in the field. In the 1938 election the C.C.F. had virtually no program which specifically appealed to the urban working class with the exception of the right to work and wages, hardly a stirring program. This had to be changed for the next election.

The politics of the period from 1938 until the C.C.F.'s victory in 1944 were subdued by the demands of World War II. Despite constant Liberal attacks on its loyalty and silly efforts to equate the C.C.F. to Hitlerism, the C.C.F. flourished in Saskatchewan during this time. Its record as the Official Opposition was commendable: the C.C.F., while supporting the vigorous prosecution of the War, continued to drive home the basic soundness of its program vis a vis that of the Liberal government. Using the War as a reason, the Liberal government extended its life by legislation beyond its legal five year limit in what the Liberal premier later admitted to be "the one serious mistake" made by his government. Increasingly, the Liberal government's record came more and more to be seen as "almost completely housekeeping in nature."
Although the War and the end of the drought slowly began to drag the Province out of Depression, the social and economic burden of the Depression legacy lingered on: debt remained, instability remained, indeed all the basic features of the political economy which had brought the agrarian resistance into existence remained basically unchanged. And the C.C.F. Opposition continued, despite the War, to focus public attention on such issues successfully and the Liberal government failed to respond with any imagination. 77

A good test of the C.C.F.'s growing support was provided in the March 1940 federal general election. Despite explicit Liberal efforts to equate the C.C.F. with communism, National Socialism, and disloyal pacifism,78 the C.C.F. won five Saskatchewan seats with 28.6% of the popular vote compared to the Liberals' 12 seats with 43% of the popular vote. The Tories elected two with 14.1% of the vote and a smattering of independents, unity candidates and others won two seats with 10.9% of the vote. These results were disappointing for the national C.C.F., since they only won eight seats with 8.5% of the vote, but in Saskatchewan the results were heartening. The 1940 election also solemnized the end of the Social Credit upsurge: they won only 3.3% of the Saskatchewan vote and 2.7% of the federal vote. The C.C.F. won no urban seats in Saskatchewan, indeed they never ran in Saskatoon and won only 9.3% of the vote in Regina. In Prince Albert, the C.C.F. won 11% of the vote. The C.C.F. did not contest Moose Jaw. In the rural areas the story was different. Four of the five seats won by the C.C.F. were won with more than 50% of the vote, in-
cluding the Melfort seat where the Social Credit siphoned off 8.2% of the vote. Three of the victories were essentially two-way fights with the Liberals and one a three-way fight. Interestingly, in the seven rural seats in which the C.C.F. was not elected, they ran a very strong second. Provincial power, even in 1940, appeared only to await the next provincial election.

By the 1944 election the C.C.F. had made a number of changes: in 1941 it had elected a new leader, T. C. Douglas; it had refined and generalized its policy; it had developed an urban labor program; and its organization had grown to in excess of 30,000 members. In an unprecedented barrage of propaganda, the C.C.F. carried its message out to the electorate. Some of the propaganda was defensive, explaining the basic unfairness of many of the attacks on the C.C.F. Some of it proudly outlined the C.C.F.'s ten year record as the Official Opposition. But most of the propaganda was aggressive, confident, and positive. The "C.C.F. Program for Saskatchewan" was the most detailed manifesto yet presented by the C.C.F. to the Saskatchewan people. The first section of the program, and a new C.C.F. government's first priority, was the "provision of security," "farm security" and "urban security." "Farm security" was central:

Insecurity for farmers in Saskatchewan may be summed up in two words, debt and eviction. The farmers of Saskatchewan struggle under an enormous burden of debt. In 1900 farms in the province were practically free of debt; in 1940 the Saskatchewan farm debt amounted to approximately 600 million dollars. In addition, according to the Saskatchewan Govern-
ment Brief to the Rowell-Sirois Commission, Saskatchewan farms lacked 200 million dollars worth of equipment, supplies and replacements. That is, in 1940 the farmers of Saskatchewan needed 800 million dollars to pay their debts, replace their equipment, and keep up their homes. Eight hundred million dollars was their net deficit after forty years' work.

Some scaling down of debts has been accomplished under the Boards of Review set up by the Federal Government. Between 1935 and 1941 the Boards reduced the debts of 6,338 farmers from a total of 60 millions to a total of 34 millions. This was a welcome reduction, but it touched only the fringe of the problem, because there are some 140,000 farmers in Saskatchewan and at least 100,000 of these need debt adjustment. In 1940 two Boards of Review considered 1,683 cases. If this rate were speeded up to 2,000 cases a year, it would still take the Boards fifty years to consider all the cases that need attention. Furthermore, many of the debts already adjusted will have to be adjusted again.

Meanwhile foreclosures continue. In 1940 the Saskatchewan Debt Adjustment Board permitted 753 foreclosures, in 1941 it permitted 830, in 1942 it permitted 741. The fact is that the farms of Saskatchewan are passing into the hands of mortgage and loan companies, and farmers are becoming tenants rather than owners. In an unanimous statement of June 17, 1942, the Saskatchewan Co-operative Conference warned that land tenancy will rapidly increase unless drastic measures are taken to protect farm debtors. "Revision of the entire farm debt structure must take place without further delay if the West is to survive within an agricultural economy."

To bring about farm security, it was promised, a C.C.F. government would: "stop foreclosure on and eviction from the farm home;" "protect ... from seizure that portion of a farmer's crop that is needed to provide for his family;" "use the power of debt moratorium ... to force the loan
and mortgage companies to reduce debts and mortgages to a figure at which they can reasonably be paid at prevailing prices for farm products;" "prevent accumulation of new debt;" "encourage the development of the cooperative movement ... to replace capitalism and the profit system by community ownership for common good;" and "press for the closing of the Winnipeg Grain Exchange and the setting of parity prices for agricultural products." Clearly, the 1944 C.C.F. program crystallized and distilled the major demands of the organized agrarian petit-bourgeoisie -- demands developed over decades of agitation. Gone were such proposals as "use-lease" (which had disappeared for the 1938 election), instead, the C.C.F. stood four-square for protected individual private ownership of farm land and pointed accusingly at the rising percentage of rented lands as an example of trends to be lamented.

The C.C.F.'s "urban security" package was a far cry from their simple "work and wages" labor programs of 1934 and 1938. The manifesto argued,

Security for the farmer means tenure of his farm, freedom from debt, and fair prices for what he produces; security for the worker in town and city means regular employment, adequate wages, and a voice in determining the conditions under which he works.

In order to bring about security for workers the C.C.F. promised fairer laws to permit the development of trade unions and to make collective bargaining compulsory for employers successfully organized by a trade union. The manifesto also promised a higher minimum wage and stricter enforcement of minimum wage laws. It promised a universal workmen's com-
pensation program, with higher rates of compensation and no waiting period. Finally, the program promised labour representation on boards and commissions which dealt with labor questions and the establishment of a Department of Labour under a Minister.

By far the greatest portion of the manifesto had to do with the "provision of social services" and "education and democratic rights." "Socialized health services," a long standing organized agrarian *petit-bourgeois* demand, were promised. Increased old age pensions were assured. Pensions for "all who are unable to care for themselves" were guaranteed. Increased mothers' allowances, improved child protection, vocational guidance, youth training, and improved "treatment of wrongdoers" were all promised. A massive reform of the educational system — larger units, improved salaries for teachers, better physical facilities, free textbooks, etc. — was proposed.

The final section of the program was devoted to "planning, public ownership and finance" and was the most controversial. It tried to answer the question "where is the money to come from?" to pay for the C.C.F.'s program. The answer was simple: more of the wealth produced had to be retained in the province:

... the lion's share of the wealth of the province has been stolen from the people who produced it. This must cease. No program of reform is worth the paper it is written on unless it provides for keeping this wealth within the province. The C.C.F. maintains that our natural resources must henceforth be developed in the public interest and for public benefit. They cannot continue to be exploited in a hit-and-miss manner for the benefit of promoters, inves-
tors, and absentee capitalists. The C.C.F. stands for the planned development of the economic life of the province and the social ownership of natural resources.

The program also advocated social and economic planning. However, it failed to detail how the province would engage in such planning except to advocate a massive housing program to be paid for by newly developed natural resources, a crash program of northern development, and "extended training courses... with a view to developing their [the people] skills to a standard of efficiency which will enable them to make the fullest possible contribution to the building of the new world." These proposals were for "post-war reconstruction," but "should be the prelude to permanent peace-time planning of the economic life of our province in the public interest." The document promised, "We must proceed to the public development and public ownership of our natural resources." This plank on public ownership promised to do "a survey and a stocktaking" of the province's natural resources and to "proceed to develop these resources under public ownership."

Specifically, to finance its program, a C.C.F. government would:

1. "save money by the elimination of graft and inefficiency in the public service";
2. press for more Federal funds;
3. "refuse to pay the high interest rates currently levied to service the provincial debt... approximately 48% of the provincial revenue now goes to pay debt charges. If the provincial debt were refunded at a much lower rate of interest... a large sum of money would be released" for other expenditures;
4. establish a Fuel and Petroleum Board to market wholesale petroleum
products; (5) expand the electrical system, generating more revenue; 
(6) establish government marketing boards for the distribution of "staple 
commodities, say food or machinery"; and (7) develop resources under 
public ownership. All these measures, it was argued, potentially, could 
provide the necessary funds to carry out the program.

It was an ambitious program and it required further explanation, 
particularly regarding the more controversial sections. It was most 
important to communicate the fact that the C.C.F. had long abandoned 
its "use-lease" land policy since the Liberals continued to argue that 
a C.C.F. government would take over the farms of the province. The 
C.C.F., again, went on the offensive:

Remember that the same people who tell you 
that the C.C.F. will take away your farm are 
the very ones who for nearly 40 years have 
permitted the Mortgage Companies to take away 
the farms of some of your neighbours. From 
1935 to 1941 the Liberal Government permitted 
12,292 foreclosures and evictions in Saskat-
chewan. Today 25% of the Saskatchewan farmers 
are renters, whereas 30 years ago only 4% of 
the farmers were renters.82

The C.C.F. charged that the Liberal Government had "been the tool of the 
Mortgage Companies and vested interests." Besides, the C.C.F. had no 
intention of socializing the land, and nowhere in its four point land 
policy could there be found evidence of such an intention; indeed, the 
opposite was the case. The policy was, in its simplest form, re-iterated:

1. A C.C.F. Government will protect the 
farmer from unjust foreclosure and eviction.

2. A C.C.F. Government will protect from 
seizure that part of a farmer's crop that 
is needed to provide for his family.
3. A C.C.F. Government will use, if necessary, the power of moratorium to compel reduction of debts to a figure at which they can reasonably be paid with prevailing prices for farm products.

4. A C.C.F. Government will prevent the growth of debt by placing a crop failure clause in all mortgages and agreements of sale.

It was argued that such a land policy, if implemented, would ensure "that, for the first time since Saskatchewan became a Province, the farmer will have security on his farm."

To drive their point home, the C.C.F. declared that it had always been committed to "the family farm as the basis of rural life." The C.C.F.'s aim was "to make life on the farm as rich and satisfying as modern amenities make possible." The C.C.F. would modernize rural Saskatchewan:

The C.C.F. believes that, if a proper agricultural policy is followed, farmers and their families can in reasonable hours of work make a satisfactory living without drudgery and unpaid labor and enjoy the benefits of modern conveniences, modern homes, and modern services.

They do not do so now. Some 96% of farm families in Saskatchewan still have to take their bath in a tub in the middle of the kitchen floor. About the same percentage of farm women carry every drop of water that is used, into the house in a pail, and out again in another pail. 95% have no electricity to use on the farm or in the home, 67% have no telephone, while 28% cannot even afford the few dollars necessary to own and maintain a radio. Over 13,000 families in rural Saskatchewan live in one-roomed
houses, and over 25,000 in two-roomed houses; these two groups make up about 30% of the total number of rural homes. Furthermore, the Saskatchewan farmer and his family have had to put up with inferior and inadequate health and educational services. Nor do many farm families have the wherewithal to enjoy those holidays to which every productive worker is entitled.

The C.C.F. agricultural policy is designed to correct these conditions. It is designed to provide economic security, increase farm income, and improve the standard of living on Saskatchewan farms.

In response to those who argued that the C.C.F. program of public ownership was nothing short of Communism, the C.C.F. again went on the offensive by pointing out that provincial public ownership was just one of many forms of social ownership, the most important of which, co-operative ownership, had been largely pioneered on a grand scale on the Prairies.

Here are some of the ways in which the people may own and control the means whereby they live:

1. Co-operative Ownership. The people of any community may come together, pool their resources, and own a shop or store to distribute at cost such goods as food, clothing, fuel or machinery. They may do the same to provide themselves with credit facilities (as in a Credit Union), health services (as in a medical co-operative), or housing (as in a building co-operative). Groups of primary producers, as farmers, fishermen, dairymen, fruit growers, may in the same way establish co-operatives for the marketing of grain, fish, milk, butter, cheese, and fruit. All these forms of co-operatives, and many others, have been tried in the modern world.

2. Municipal Ownership. The people who live in a rural municipality may decide to use the powers of their municipal government to build and operate, say, a mill for gristing flour or a factory for
making jam. The people who live in an urban area may wish to use their municipal government to own and control bakeries and dairies so that bread and milk may be distributed at cost within this area. This method of social ownership has been used successfully in many countries.

3. Provincial Public Ownership. The community as a province may well undertake under public ownership the development of natural resources such as the water power, the timber, and the mineral wealth within its boundaries. The wealth derived from such development would go then to the enrichment of the people of that province and not, as now, to the enrichment of a few powerful corporations.

4. National Public Ownership. The community as a nation may set up appropriate bodies operating as public service commissions or boards to own and control on behalf of the people of the nation such nation-wide services or utilities as banking, transportation, and communication, and heavy industry. The C.C.F. argued that there were many examples of social ownership — from the local co-op store and the province-wide Wheat Pool to the Bank of Canada and the C.B.C. — all of which had worked well and had served the people well. The C.C.F. would merely handle natural resources the same way liquor, highways, and the C.N.R. were now handled.

Finally, in 1944, the C.C.F. had a specific "Labor and Urban Security" program which it took to Saskatchewan's working class:

1. THE RIGHT TO ORGANIZE: The C.C.F. will make it compulsory for employers to enter into collective bargaining with the labor union selected by the majority of their employees.

2. MINIMUM WAGE ACT: The C.C.F. will increase the rates of wages established by the Minimum Wage Board and will take action to enforce their payment and to extend the act to protect the employees in other low-paid industries.
3. WORKMEN'S COMPENSATION ACT: The C.C.F. will eliminate the three-day waiting period before benefits are paid, and will raise the compensation to a higher percentage of the regular wage paid.

4. LABOR REPRESENTATION ON BOARDS AND COMMISSIONS: The C.C.F. will appoint Labor representatives to all boards, commissions, or other bodies dealing with Labor matters, and will consult with the official organizations of the Trade Union movement before making such appointments.

5. DEPARTMENT OF LABOR: The C.C.F. will set up a Department of Labor with a Minister of Labor in charge.

6. SOCIALIZED HEALTH SERVICES: The C.C.F. will provide a complete system of socialized health services so that all will receive adequate medical, surgical, dental, nursing, and hospital care without charge.

7. OLD AGE PENSIONS: The C.C.F. will raise the amount of the Old Age Pension and will bring pressure to bear on the Federal Government to reduce the age to 65 years.

8. HOUSING PROGRAM: The C.C.F. will press the Federal Government to institute a National Housing Plan to provide low-cost and low rental homes.

9. SECURITY: The C.C.F. will provide for the workers security of tenure in their homes, and will bring about adjustment of debts for urban dwellers as well as for the farmers.

10. UNEMPLOYMENT AND POST-WAR RECONSTRUCTION: Mass unemployment in wartime is not tolerated. In peacetime it should be equally intolerable. The C.C.F. demands that our natural resources, now used to bring about Victory, shall be used in peace-time to bring about security and a higher standard of living. The C.C.F. is determined that we shall not drift back to the
chaos of unemployment and depression which preceded the war; and therefore will formulate definite, practical plans for post-war reconstruction and adjustment of our social and economic life.

As a final touch, and in an unprecedented move, the C.C.F. issued a pamphlet during the election listing all its candidates and their occupations. The list was impressive in that it emphasized the nature of the C.C.F., its membership and the constituencies to which it was appealing. Of the 52 candidates, there were 29 farmers, eight teachers, seven workers, three professionals, three merchants, and two housewives. The professionals included one doctor, one lawyer, and one preacher. Six of the seven workers were railway men, the so-called "aristocracy of labour."

Clearly, if one goes by candidates nominated -- a rather crucial indicator of the vital middle leadership -- the party was a farmers' party which was consciously seeking alliances with other key sectors of the population: workers, teachers, small merchants, some professionals. Interestingly, of the 31 Liberal M.L.A.s who reported their occupations in 1939, 12 were farmers, one was a worker, three were merchants, seven were lawyers, and eight were other types of professionals. According to Professor Smith, of the 1938 Liberal victors, 11.9% were proprietary and managerial, 40.5% were professional, 7.1% were clerical, and 26.2% were agricultural. The contrast between the Liberals and the C.C.F. could not have been more marked.

Liberal propaganda was pathetic. The "Election Manifesto," again pompously issued by "The Government of Saskatchewan," proposed that the Liberal record from 1938 to 1944 was the issue and asked for the
electorate's endorsement. It was defensive. It was more of the same, there was nothing new. It even quoted Winston Churchill, although, to be fair, the Liberal party had no idea that the hero of World War II was about to be turfed from Office. It concluded with a call for caution at a time when the winds of change called for anything but caution (even Ontario had come within a whisker of electing a C.C.F. minority government in August of 1943, giving them 34 seats and 31.6% of the vote).

The Province of Saskatchewan has passed through difficult times. The measure of success achieved in overcoming these difficulties inspires us to face, with confidence and determination, the great tasks ahead. With faith and resolution we join our fellow Canadians in the immediate and most pressing task -- the winning of the war. After the cessation of hostilities other serious problems will confront us. Solutions for some of these have been found; solutions for others are being developed.

To successfully meet and solve the whole complex of post-war problems it is imperative that the Government of the Province should be administered with care and prudence. This is not a time for experimentation with untried theories or for inexperienced hands in control of government; nor is it a time for discarding what has been established by experience and proved by practical test and application.

Only by the return of a Liberal administration can Saskatchewan be assured of efficient administration, sound progress, practical development and the maintenance of the largest measure of democratic freedom.

Little did the Liberal Government know that, indeed, it was "a time for experimentation with untried theories" and "for inexperienced hands in
control of the government." Liberal hysteria and red-baiting, aided and abetted by the press, probably helped the C.C.F. more than it hurt the ascendant party. Professor Smith has this to say,

Once the election campaign formally got underway ... it soon became apparent that ... earlier slurs on the loyalty of the C.C.F. had been only the opening shots in a barrage of abuse and misrepresentation ... Once again, there were appeals to old fears ... the bogey of communism ... the threat of land seizures ... the prediction of a 'rampant' bureaucracy impersonally dictating the fate of Saskatchewan residents ... While this vilification failed to harm the C.C.F., its virulence helped to discredit the Liberals.90

Election day told the story. The C.C.F., running 52 candidates for 53 seats, won 47 seats with 53.1% of the popular vote. The Liberals were decimated, winning only five seats with 35.4% of the vote. All cabinet ministers but two were defeated. The Tories, running in 39 seats, won none with 10.7% of the vote. The Social Credit party only contested one seat and failed to win it. Nine independents got nowhere with 0.7% of the vote. The C.C.F. swept town, city and country. The five seats the Liberals won were all rural. The C.C.F. won all seats which were either urban or had a strong urban presence. Additionally, the C.C.F. won 37 of the 43 predominantly rural seats. The voting pattern was interesting. The C.C.F. won 58.1% of the vote in the rural areas and 38.8% of the vote in the small urban areas (less than 1,000 population).91 In Regina, as an example, the C.C.F. won 60.8% of the vote of skilled workers, 62.1% of the vote of unskilled workers, and 32.2% of the vote of the "middle" classes.92 In general, C.C.F. wins in urban areas were fairly decisive:
in Moose Jaw they won the two seats with a margin of over two to one against the Liberals. The same pattern was revealed in Prince Albert. In Regina, it was a bit tighter, but the defeat of the Liberals was resounding there and in Saskatoon. There is no doubt that the farmers and workers of the province had given the C.C.F. a convincing mandate to carry out their program. Of the 47 successful C.C.F. candidates, 23 were farmers, six were workers (all railway men), seven were teachers, one was a preacher (the Premier), one was a lawyer (a former Social Credit candidate in Moose Jaw), and one was a small-town businessman. The rest did not indicate their occupations, but five of these were rural residents. The Financial Post retained a certain worldly optimism about the election: it saw only moderation in the initial statements of the new Premier, except when "he waxed eloquent on the evils of 'monopoly.'"94

The new C.C.F. government called a special Fall session of the Legislature in order to implement crucial areas of its program. The Speech from the Throne outlined the legislative program for the Tenth Legislature:

1. It must recognize the responsibility of the people of this Province towards members of the Armed Services as they return to civilian life, and it must utilize fully the machinery of government in extending a helping hand to those who have served their country;

2. It must create a governmental organization sufficient in scope to meet the needs of the post-war society;

3. It must implement legislation that will guarantee at least a minimum degree of economic security for the rural and urban working people of the province;
4. It must pass legislation that will endow a greater measure of social welfare upon those who, through no fault of their own, find it impossible to earn a satisfactory living;

5. It must implement legislation that will recognize the increasing importance of social enterprise in the economic life of the community;

6. It must enact legislation that will bring to fulfilment the pledges upon which this Government was elected. It must give direction to the people of this Province in establishing a more satisfactory social organization.

The document also declared that "... the day is past when it can be left to the forces of private enterprise exclusively to develop the resources of the community and to organize its business activity," therefore the new Government committed itself to a program of social and economic planning. It promised legislation to provide security of tenure to the farmer and expanded rights of collective bargaining to the worker. Steps toward socialized health care were to be taken. A larger role for Government in economic life was promised:

It is the feeling of my Government that the time has come when governing bodies must realize their responsibilities in the sphere of economic life. When resources that are rightfully the property of the community are being exploited, then the members of the community must be adequately compensated and protected. When enterprises that should be properly recognized as public utilities are being operated by private interests to the detriment of the general welfare of the people of the Province, then it becomes the duty of the Government to act on behalf of the people to make sure that these enterprises are conducted in such a way as to yield the maximum benefit to the entire community. It is the policy of my Government to achieve these ends by every constitutional and financial power at its disposal.
Furthermore, programs and reforms in the areas of mental health, Social welfare, the re-establishment of veterans, education, and federal-provincial relations were promised.

The Legislative program was ambitious for a three week session. However, the Opposition was small and bewildered: the Liberals had not yet recovered from their decisive defeat. Security of tenure for the farmer was delivered in the form of The Farm Security Act, 1944. The Act first protected the 1944 and 1945 crops by limiting the amount of the crop subject to claims on an indebted farmer, particularly protecting his right to obtain sufficient value from the crop "to pay all unpaid legitimate costs of harvesting the crop and to provide a necessary living allowance for the support of himself and his family until the crop of the following year is about to be harvested and to provide necessary seed and costs of his farming operations until that time ..." The Act also provided for a mechanism of mediation between the creditor and the farmer-debtor. More importantly, the Act provided clear protection to the farmer in times of crop failure by freeing him of the obligation to make any payments on the principal of the debt under such conditions. The Act also provided, in the case of foreclosure, that the "home quarter" would be exempted from such foreclosure. The Exemptions Act was also amended to limit the amount of the crop available for seizure for debt in order to ensure that the farmer-debtor could provide for his family and continue normal operations until the next harvest. Additionally, and less defensively in terms of the agrarian petit-bourgeoisie, the Government established a Department of Co-operation and Co-operative Develop-
ment to "encourage and assist in the organization of co-operative enter-
prises."\textsuperscript{98}

For the working class, the Government established a Department
of Labour\textsuperscript{99} and passed \textit{The Trade Union Act, 1944}.\textsuperscript{100} The latter is of some significance, since it was hailed as the most advanced labour legis-
lation in North America. It assured the right to organize trade unions and allowed a closed shop and the check-off. It detailed and forbade a series of unfair labour practices which could be used to impede trade union organization. Further, the Government delivered its promise to legislate a two-week paid annual vacation for employees (excepting farm labour).\textsuperscript{101}

In terms of public ownership, the Government amended \textit{The Depart-
ment of Natural Resources Act} to allow for government acquisition of "any land or works or land and works by purchase, lease, or otherwise or ... by expropriation."\textsuperscript{102} Further, the amendments permitted the government to engage in the operation of works as well as allowing the government to "do all such things as he [the Minister] deems necessary to develop and utilize the resources of the province." A bill was introduced and passed allowing the Government to go into the insurance business.\textsuperscript{103} Finally, in an effort to encourage development and to pre-
vent speculative holding of lands with minerals, the Government passed \textit{The Mineral Taxation Act, 1944},\textsuperscript{104} imposing a three cent/acre tax on all owners of mineral rights on all lands in the province. Further, the Act imposed a 10 mills on the dollar tax on the assessed value of all minerals. Failure to pay the taxes could ultimately lead to a forfeiture
of mineral rights to the province.

A series of other laws were passed, including one establishing a Social Welfare Department and another allowing for educational re-organization, but the preceding were the key statutes passed. The Farm Security Act and The Mineral Taxation Act were the subjects of petitions for disallowance to the Federal Cabinet by the Canadian Pacific Railway and the Dominion Loan and Mortgage Association. Further, amendments to The Local Government Board Act, which gave the Government, through the Board, the right to enforce final and binding debt adjustments for school districts and municipalities in difficulty, with or without the consent of bondholders, was also the subject of a petition for disallowance. The Federal Cabinet, after much controversy, declined to disallow the Acts. In 1948, the Privy Council declared the crop failure clause of The Farm Security Act, 1944 void. Clearly, the C.C.F. was treading carefully within the constitutional limits of provincial powers.

The Session, therefore, delivered the emergency and re-organizational measures promised in the election (though protection from foreclosure for the urban home-owner equivalent to that guaranteed to the farmer was absent) and set in place its key labour legislation as well as legislation which could form the legal basis for serious moves toward the public ownership of natural resources. It gave nothing to farm wage-labour, nor did it propose concrete measures to solve Saskatchewan's particular economic vulnerability: its dependence on agriculture, especially wheat (we must remember that from 1925 to 1939 81.27% of all value of production in the province was agricultural and that from 1920
to 1943 income from wheat represented 69.85% of the total income earned in the province). Presumably this was to be dealt with as the province diversified its economy under public and other forms of social ownership. The beginning of the construction of the co-operative commonwealth, insofar as it could be done in one province, awaited a full legislative session and a provincial budget.

It is well to remember the situation the new C.C.F. government faced. The legacy of the Depression weighed heavily on the province, real recovery and reconstruction had been postponed by the demands of the War. Further, a lack of return to general prosperity had been justified by the demands of the War, a justification most could accept. The value of agricultural production had really only begun to recover in 1939, when it reached more than $183,000,000 (compared to more than $98,000,000 in 1938 and more than $38,000,000 in 1937). Wheat yields had begun to improve in 1938 and continued to improve thereafter. However, the Depression had accelerated concentration in agriculture: in 1931 the average farm size was 463.8 acres; in 1941 it was 497.6 acres. Gross agricultural sales had jumped from around $70,000,000 in 1931 to more than $180,000,000 in 1941, yet the yearly fluctuations in yield and price remained key problems. By 1941, fully 82.8% of Saskatchewan's net value of production was based in primary industries (this compared to a 44.92% figure for the Dominion as a whole), which meant that the economy remained extremely vulnerable. Most of the secondary manufacturing in the province was in areas directly related to the primary products produced. Saskatchewan's social security costs in 1942 still consumed
18.25% of the provincial government income, compared to a 12.5% national figure. Saskatchewan's housing and community infrastructure was in a terrible state and required massive commitments of labour and capital. The Depression had prevented farmers from keeping abreast of innovations and from replacing machinery, as a result the agricultural industry was in a delicate state.

By 1941, fully 67.46% of the male labour force was involved in agriculture, by 1946 this dropped to 60.14%. Manufacturing had improved: 1941, 4.72%; 1946, 5.60%. The most dramatic rise in non-agricultural employment, however, had occurred in service work: 1941, 6.14%; 1946, 10.71%. The province was thus still overwhelmingly a province of farmers and of agriculture: even those involved in manufacturing, service, transportation, construction, etc. found their prosperity still very much tied into the prosperity of the agrarian petit-bourgeoisie. By 1946, the "farm population" was still 434,619 of a total of 832,688 people and 62% of the population was still classified as rural. The number of occupied farms in 1946 was 125,612, down from the 1936 peak of 142,391. However, only 56.6% were "fully owned" as compared to 66.1% in 1931. Total farm values in 1946 had only barely regained their 1931 levels and were far from matching such values during the boom of the 1920s. By 1946, the value of farm products sold had not yet reached their 1921 value and were far from their 1926 value. Indebtedness remained serious. In 1931, 55,955 farms were mortgaged to a value of $175,770,300, by 1936 the number had grown to 62,160 and the value to $188,118,300. Additionally, 24,808 farms in 1936 reported liens on crops, livestock, or
implements to a value of $12,386,200. By 1941, 57,040 farms reported mortgages totalling $156,353,700 and 19,823 reported liens totalling $9,265,170. By 1946, only 32,096 farms reported mortgages totalling $77,495,400 and 2,211 reported liens totalling $1,395,600. Clearly, the situation was gradually, but slowly, improving: yet the improvement had more to do with generally better conditions than with anything else. As it was, the C.C.F. rode the crest of this slow improvement into office.

Post-Depression land concentration figures are also interesting. By 1946 there were fewer very small farms, fewer middle-size farms, and the larger farms were growing rapidly. Table XL provides the figures. Clearly the compulsion to expand or go under was irresistible. By 1946, the "middle sort" of farmer, with an average acreage of 300-639, continued to be the most numerous group. The marginal small farmer (101-200 acres) was still numerous, more than 29,305, but clearly this group's numbers had declined dramatically. At the other end, the larger farmer, of 640-959 acres, was growing slowly, as was the very large farmer of over 960 acres. The pattern was clear, however: out of the Depression the stronger had grown; the weaker had not. The worst fears of the organized agrarian petit-bourgeoisie were being realized, even in this most agricultural of provinces, with the apparent inevitability of a law of development.

The 1945 Speech from the Throne was acutely aware of the continuing vulnerability of the Saskatchewan economy and the continuing instability of agriculture. A major theme of the Speech was the re-
<table>
<thead>
<tr>
<th>Size of farm</th>
<th>1911</th>
<th>1916</th>
<th>1921</th>
<th>1926</th>
<th>1931</th>
<th>1936</th>
<th>1941</th>
<th>1946</th>
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<tr>
<td>All occupied farms</td>
<td>95,013</td>
<td>104,006</td>
<td>119,451</td>
<td>117,781</td>
<td>136,472</td>
<td>142,391</td>
<td>138,713</td>
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<td>1 - 50 acres</td>
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<td>643</td>
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<td>2,245</td>
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<tr>
<td>51 - 100 acres</td>
<td>598</td>
<td>476</td>
<td>797</td>
<td>1,377</td>
<td>1,691</td>
<td>1,767</td>
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<tr>
<td>101 - 200 acres</td>
<td>48,330</td>
<td>39,256</td>
<td>37,059</td>
<td>33,276</td>
<td>40,689</td>
<td>45,944</td>
<td>39,366</td>
<td>29,305</td>
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<tr>
<td>201 - 299 acres</td>
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<td>37,059</td>
<td>33,276</td>
<td>40,689</td>
<td>45,944</td>
<td>39,366</td>
<td>29,305</td>
<td></td>
</tr>
<tr>
<td>300 - 479 acres</td>
<td>4,783</td>
<td>3,272</td>
<td>4,975</td>
<td>7,753</td>
<td>3,497</td>
<td>5,349</td>
<td>3,272</td>
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<td>480 - 639 acres</td>
<td>10,671</td>
<td>72,458</td>
<td>39,256</td>
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<td>33,276</td>
<td>40,689</td>
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<td>640 - 959 acres</td>
<td>5,916</td>
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<td>960 - 1,279 acres and over</td>
<td>5,916</td>
<td>1,062</td>
<td>7,779</td>
<td>10,062</td>
<td>7,779</td>
<td>10,062</td>
<td>7,779</td>
<td>5,350</td>
</tr>
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settlement and re-establishment of returned veterans. Co-operative farms were indicated as a major option as well as "debt free grants for the purchase of stock, equipment and improvements to returned men settling on crown lands" in order to avoid "the re-establishment of these men on some other basis than one which promises only an accumulation of debt."
The Speech also warned of a possible post-War Depression:

The approaching termination of the War brings nearer to the end the artificially induced prosperity which has marked the war years. Canadians must stand ready to dismantle this economy of war, and rebuild an economy of peace designed to give continuing high levels of production and income, full employment, and attendant social security.117

Saskatchewan was "by the very nature of its economy ... in a particularly vulnerable position." In order to avoid "a repetition of the economic disaster of the 1930s," it was "necessary for this House to lend its untiring efforts to the creation of a more balanced economy ..." The diversification of the economic base of the province, then, would be a priority since "any feasible industrial development in this province would supply a much needed supplement to its agricultural activities."

With this in mind, my Government has already entered upon certain industrial undertakings, and plans to extend activities in this field.

Research would go forward on "the industrial use of farm crops, minerals and forest products." The new Department of Natural Resources and Industrial Development would "examine the possibilities of new industries" and "the feasibility of new industrial undertakings." Such ventures would be funded by the new Saskatchewan Industrial Development Bonds.
Already moving, the government had purchased a brick plant to use the province's clay. The province was moving toward a publicly owned power system with a view to electrifying "the entire province." A woollen mill had been established under public ownership. Encouragement to co-operatives and to co-operative marketing was going forward, particularly in the development of new concerns and agencies. The government was planning a fish plant. The province also intended to go into the transportation business.

The Government also announced big plans in the areas of education, health and welfare. Larger school units would be established. An adult education program was being organized. Free text books for elementary school students would be provided. The Health Services Planning Commission was in place and was proposing to organize the Province into health districts. An anti-V.D. campaign was under way. Hospitals had been improved. Free medical care, free drugs, and free dental care "for Old Age Pensioners, their dependents, and mothers and children in receipt of Mothers' Allowances" was promised. Social security benefits were now "a right ... and not measured out as a matter of charity" and this principle would be "extended to all social services." Plans for rural electrification and rural housing development were in the works. The civil service would be professionalized where "merit alone should determine appointment and promotion." New programs in agricultural development were promised: including extended agricultural representative services, improved veterinarian services, marketing boards for natural products, and tax arrears
and seed grain advances discounts.

The vision that motivated the program outlined by the Speech from the Throne was clear. The Co-operative Commonwealth was viewed as a society whose firm foundation was agrarian petit-bourgeois. The provincial government, within the constitutional limits (federal power was necessary for the full construction of the Co-operative Commonwealth), would use its powers to defend and extend small agricultural production and its economic basis, the productive enterprise of the working farmer. However, the social ownership of selected areas of the economy was essential. Social ownership was conceived in various forms: cooperative ownership, municipal public ownership, provincial public ownership and federal public ownership. The provincial government would use its powers and resources to support and encourage, and even to subsidize, since it was a social good, co-operative enterprises of all varieties. Further, the provincial government would enter into the public ownership of power and natural resources: the one seen as an essential public service which ought not to be left to private monopolies and to private planning for private advantage; the other seen as the people's birthright. As well, due to Saskatchewan's economic vulnerability, the provincial government would proceed to do those things the private sector refused to do: it would embark on a modest industrialization program, linked directly to the natural products of the province, in order to widen and buffer the province's economic base. Wage workers, with the exception of farm wage-labour, would be accorded an unfettered right of combination and collective bargaining and would have a voice in the councils of
decision-making; but it would remain wage-labour and traditional relations of production would obtain. Finally, health, education and welfare services -- a program to provide all the people with access to a minimal economic and social security with dignity, "as a right" -- would be improved, expanded and extended into new areas of public good. This was the vision and to a large extent, insofar as it was able, the C.C.F. proceeded to realize it. Contrary to most accounts of the C.C.F. for this period, the vision of 1934 was intact in that of 1944. There was no "sell-out," yet at any rate, and the thing that strikes one most is the overwhelming continuity between the vision of 1934 and that of 1944-45.

The Legislative program in the 1945 session was an ambitious one. One hundred and eighteen statutes were passed into law; but much of them concerned the normal legislative house-keeping any session had to carry out. The key statutes, designed to give effect to the C.C.F. program, stood out clearly and were the focus of increasingly virulent Liberal attack. The Crown Corporations Act, 1945 provided the Cabinet carte blanche in the establishment of "any designated industrial or commercial enterprise or undertaking, the operation of which on behalf of the province is deemed advisable for the public good." Further, the Act established sweeping rights of expropriation for the Government. The Natural Products Marketing Act, 1945, of great potential importance to the agrarian petit-bourgeoisie, authorized the Cabinet to establish the Saskatchewan Marketing Board and gave the Cabinet sweeping powers to control and regulate "the transportation, packing, storage and
marketing of any natural product" and to establish marketing boards as deemed necessary. However, such boards would be, where possible, co-operative projects and would not be established unless approved by a vote (not less than 51%) of the people engaged in the actual production of the product in question. As well, virtually all indebtedness for seed grains and sundry supplies incurred during the Depression by the agrarian petit-bourgeoisie was cancelled by statute. The Veterinary Services Act, 1945 established district Veterinary Service Boards, funded locally and provincially, to attract veterinarians and generally to coordinate and improve veterinarian services. The Agricultural Representatives Act, 1945 established, under the Department of Agriculture, authority to appoint agricultural representatives and to establish "agricultural conservation and improvement districts." For the working class, amendments to The Workmen's Compensation (Accident Fund) Act provided increased benefits and a higher ceiling for the computation of benefits. Amendments to The Minimum Wage Act gave the Cabinet and Board broader powers of regulation as well as tightened up a few loopholes in the Act by making certain practices for its circumvention illegal. The Trade Union Act, 1944 was amended to tidy it up, but no new major rights were established for workers' trade union organization.

The Budget, the first of the new regime, was introduced on March 15, 1945. There, more than anywhere else, the perspective of the new C.C.F. government was laid out. Things had improved in 1944 over 1943 and prosperity, of a kind, was in the air. Cash farm income had
jumped from in excess of $327,000,000 to in excess of $500,000,000. Average per capita income had reached the all time high of $483, for the first time in 20 years outstripping the per capita income during the boom of the 1920s. Relatively, however, Saskatchewan still earned only 72% of the average per capita income of the country. The government, warned, moreover, that this was a "war-induced prosperity" which had to be measured against "the legacy of the years of drought and depression, and the uncertainties of the future." The Provincial Treasurer enumerated the extent of this legacy:

There is, for example, the accumulated backlog of replacements and repairs of farm implements and machinery, estimated by the Saskatchewan Reconstruction Council as entailing an annual future expenditure of $25,000,000. There is, also, the depreciation of farm homes and buildings, the extent of which may be gauged by the results of a recent survey showing more than 80,000 rural homes in urgent need of rehabilitation. There remains, too, a farm debt problem, which Provincial and Federal debt adjustment machinery served merely to mitigate until the present war-induced prosperity enabled many farmers partially, at least, to retrieve a position they themselves did not create. There has been "recovery" of lost ground, so to speak, but very little actual advancement of the farmer's position. With many of his most urgent needs in short supply or wholly unobtainable, he may have more money in his pocket as result of the unusual conditions he is experiencing of assured markets, and supported prices augmented by Federal payments and bonuses; but he faces considerable, and essential, expenditures once wartime restrictions on material and machinery are removed.

Although other primary production -- saw timber, metallic minerals, coal, fish, and fur -- had improved, largely due to war demand, agriculture
remained "the main industry of the province." Therefore, the Government was committed to a program of diversification based on the development of "other industries closely related to agriculture" in order to realize a better economic balance and "greater stability." However, the constitutional limitations on the province weighed heavily on the realization of such a program, particularly given opposition "from antagonistic governments at Ottawa." However, it was not "the intention of the Government ... to hide behind these limitations." The government's priorities would be reflected in its use of revenues in the expansion of social services, in the building of a more just taxation system, in its efforts to find new sources of revenue "without increasing the burden of the common people," and in its commitment "to utilize all available investment capital for the development of Saskatchewan's resources." The government increased expenditures in the following areas: agriculture, co-operative development, reconstruction and rehabilitation, public works, education grants, health and welfare. The most dramatic increases were in health and welfare as the government moved to implement its socialized health scheme by providing free medical attention to old age and blind pensioners and to recipients of mothers' allowances, as well as providing grants to municipalities and health regions to hire doctors and to build hospitals. The increases in social welfare were due largely to the rise in old age pensions and mothers' allowances. However, the Provincial Treasurer, in his speech, also committed the Government to the use of provincial powers in order, insofar as possible,
to engage in planned economic development and, when necessary, public economic development when private enterprise failed to do the job.

By the end of the year the government was committed to going into the insurance business, the electrical power business, the fur marketing business, the timber business, the box factory business, the fish filleting business, the wool business, the leather business, the brick manufacturing business, and the transportation business. They were all modest operations, with the exception of the Saskatchewan Power Commission and, later, the Saskatchewan Transportation Co. But they did indicate, initially, a certain seriousness about the government's intention to strive to develop publicly-owned industries closely linked to Saskatchewan resources. Clearly the government intended to make essential public services -- like power and transportation -- public enterprises. However, there were no wholesale expropriations, nor was there any clear indication that the government intended to move to implement its commitment to the public ownership, control and development of natural resources. Finally, the Economic Advisory Committee had been established as a first step in implementing the government's intention to engage in economic planning.

The first test of the public reception of the C.C.F. Government's program came with the June 11, 1945 federal election. The national C.C.F. made the biggest push of its young life, running 205 candidates, and winning 28 seats with 15.6% of the popular vote. One seat was won in Nova Scotia, four in B.C., and five in Manitoba. 18 of Saskatchewan's 21 seats went C.C.F. as the party won 44.4% of the popular vote in the
Province. The Liberals won two seats with 32.7% of the vote and the Tories, one with 18.8%. Social Credit contested nine seats in Saskatchewan and won none with 3.0% of the vote. 15 of the 18 C.C.F. seats were won very decisively (eight with more than 48% of the vote). One of the lost seats -- Melville -- was a tight Liberal victory in a two-way fight.

As in the 1944 election, the C.C.F. swept town and country: the three unsuccessful C.C.F. seats were rural. It was a clear popular endorsement of the new C.C.F. Government's first year in power. Indeed, the C.C.F. had distributed a massive pamphlet for the federal election, outlining the accomplishments of the first nine months in office of the C.C.F. government, making it clear that the federal C.C.F. campaign in the province was couched in terms of the record in office of the new C.C.F. Government. 128

At the 1946 session of the Legislature, the Speech from the Throne offered nothing new. 129 However, the Government did announce a beginning of its "inventory" of natural resources with a Royal Commission on Forestry and a survey of trapping lease areas. As well, the Government announced the establishment of a Forest Products Marketing Board to market the province's timber products. The Speech reviewed the development of direct public intervention in the economy via crown corporations: in fish filleting, freezing and marketing; in clay, wool and leather products; in transportation; in electrical power. Further, the speech bragged that its approach to labour had resulted in a year "singularly free from labour disputes." At the same time, the Speech promised
to extend coverage of the Workmen's Compensation and Minimum Wage Acts: the latter was now to be extended to all towns with a population of 500 or more. The Speech also reported on promising developments in the area of the expansion of co-operatives and further efforts in the whole area of co-operative enterprise.

The 1946 Legislative program was less politically ambitious than that of 1945. More of it was housekeeping and re-organizational, but some significant statutes were introduced and passed. The Saskatchewan Government Insurance Act, 1946 expanded the government's role in insurance to include: fire, life, automobile, accident, aircraft, boilers and machinery, guarantees, inland transportation, livestock, plate glass, property damage, public liability, sickness, theft and weather. It also established the Saskatchewan Government Insurance Office to carry out the administration of the insurance program. Furthermore, the Act compelled all institutions and agencies in receipt of public funds, as a condition for obtaining such funds, to use government insurance. As well, the Session passed The Automobile Accident Insurance Act, 1946 making public automobile insurance with the publicly owned S.G.I.O. compulsory, and making premiums and benefits general, universal and "no fault." As well, statutes were passed to normalize the tax obligations of farmers. The Co-operative Associations Act was amended in order to facilitate the development of farm production co-operatives, feed-lot co-operatives, agricultural input provision co-operatives, and other co-operatives to provide a wide variety of services to existing co-operatives. The
amendments also allowed co-operatives to engage in a number of support activities to the basic enterprise. Amendments to The Co-operative Marketing Associations Act made it easier to form marketing co-operatives. As well, the Government completed its administrative re-organization of cities, towns, villages, and rural municipalities with four massive statutes.

In the areas of health and welfare, the Government carried forward its reform and re-organization program. The Health Services Act, 1946 organized the province into health regions and established the right of the Minister to provide health services in such regions. It also established regional health boards with powers, subject to Ministerial approval, to establish a variety of health services. The Act also established the Health Services Planning Commission, appointed by the Cabinet, to advise the Government on its successive moves to completely socialized health services. As well, the Act provided the municipalities with the authority to move on matters affecting the delivery of health care to their residents. The Saskatchewan Hospitalization Act, 1946 provided universal hospital services based on the payment of a premium. A massive Child Welfare Act, 1946 was passed, systematizing the provision of welfare services to children.

The budget was of more interest and significance. 1945 had been a "bust" year for agriculture: cash farm income from the sale of produce fell 20% over 1944 figures, largely due to low yields as a result of widespread drought. The gross value of the wheat crop was only $171,720,000
compared to $256,626,000 in 1944. Furthermore, peace had brought a 13% decline in Saskatchewan metallic mineral production. Coal production had fallen, as had clay production. Oil and natural gas were not yet significant, but the small growth there was seen as "a forecast of greater things to come." Overall, mineral production fell 12% in 1944-45 over 1943-44. Timber production fell 12%, and fish and fur production had declined. But, according to the Provincial Treasurer, all was not discouraging:

The overall picture presented by the figures I have given is, therefore, one of lower production and lower income, due partly to natural causes such as drought, partly to recession of war-time demand at a time when reconstruction requirements were merely beginning to have a compensatory effect, and partly to less tangible factors arising from the close of hostilities and the entry into the transitional period. Nevertheless, business generally continued to thrive, retail sales maintained their high level, municipal finances remained buoyant, and building and construction showed a remarkable increase of 181.5 per cent over the 1944 figure. Factors contributing to this condition are, no doubt, the re-establishment expenditures of demobilized personnel, the long-deferred replacement purchases and the individual post-war projects undertaken for which provision had been made in the reserves accumulated during the period of high production.

Yet there is nothing in this review to indicate that a depressionary cycle is about to follow the wartime period of high production, fair prices, and general prosperity. On the contrary, there is that in it which inspires to confidence rather than to gloom, to expansion rather than to curtailment, to increased production rather than to retrenchment. We know Saskatchewan's capacity to
produce, given anything like favourable conditions. We know something of world needs for the agricultural commodities we can produce in abundance. We know, also, that domestic demand for the goods we can produce will increase as reconversion nears completion, and the reconstruction program swings toward its peak. The challenge of the times is a tremendous incentive to our producers and workers. Let us match initiative, enterprise and energy with the opportunities here at present and in the future, and the expanding provincial economy, wherein industrial development, rightly directed, gradually narrowing the gap between primary and secondary production, will establish in Saskatchewan a new economic basis more closely related to the aspirations of its people.

Such a basis will result not only in a general betterment of economic conditions in the Province, but in greater security for the individual. It was with the aim of building a better-balanced, more rounded economy that the Government has embarked upon an extensive program of industrial development.139

The Provincial Treasurer went on proudly to report on the Government's industrialization program. The government Fur Marketing Service had sold over $800,000 worth of furs since November, 1944. Saskatchewan Leather Products, employing a workforce of 30, was producing 200 pairs of shoes daily and looked forward to diversifying its line of products as new machines were acquired. The corporation was completing the construction of a tannery, expected to employ another 50 persons. Saskatchewan Wool Products Corporation was "producing blankets from wool obtained from Saskatchewan sheep," it was expected to diversify its product line and eventually to employ 50 to 60 people. Two government fish filleting plants were in operation, and three others might be acquired, each...
employing 15 to 20 people. Saskatchewan Clay Products was in brick production and ultimately could produce 10,000,000 bricks annually and would employ 50 people. The acquisition of privately-owned power plants was progressing. The government had provided aid in the establishment of a co-operative horse processing plant. As well, the government had acquired a printing plant. In general, despite the recession, expenditures on health were to increase markedly and the government intended to continue its efforts to reduce the public debt. Interest payments were lower and the government had re-funded much public debt at lower rates of interest.

Furthermore, the Provincial Treasurer and the Premier had trekked to Toronto, Montreal and New York to re-assure investors in general, particularly investors in Saskatchewan bonds.

I cannot speak too highly of the courteous reception accorded us. Much interest was shown in what was happening in Saskatchewan. We learned that much of the false political propaganda directed against the C.C.F. party in general, and this Government in particular, had found its way to the eyes and ears of our investors. It was our task to explain our program, to tell of our accomplishments, and of our plans for the future development of Saskatchewan. We had to correct a great many false ideas that had been created in their minds, deliberately, by writers and speakers from this Province, from those who profess to love Saskatchewan, but would put their party loyalties above the welfare of the province.

We assured the investors, as I stated a year ago in my Budget address, that Saskatchewan always will scrupulously honour its fair and just obligations, that it will meticulously safeguard the savings of those who invest in the resources of the Province, and that we would act in accordance with justice at all times. I am glad to be able to assure hon.
members tonight that these policies have been followed at all times by this Government and will continue to be followed.

The results of such discussions had been gratifying: Saskatchewan's 5% bonds were selling at 113, 21½ points up from April of 1945 and the province's 4% bonds had risen 19 points from 84 to 103. This was proof that "... the investing public [had] regained confidence in the Province and the Government."

The Premier, speaking earlier in the Legislature, had pointed to further evidence of this growing investor confidence: "between July, 1944 and February 19, 1946, 167 new companies ... with an authorized capitalization of $10,681,900," "44 extra-provincial companies" with a capitalization of $44,156,000, and 641 new partnerships had begun business enterprise in the Province. He also re-iterated the industrial strategy of the C.C.F. government:

First, it is to process, wherever possible, and either by means of private industry, public enterprise or co-operative development, our agricultural and other primary products; wherever possible to turn our wool into clothing, our leather into shoes; to run our fish into fish filleting plants; to take the volcanic ash which is lying useless on the prairie and turn it into cleanser; to process the by-products of the farm, and the by-products of the forest; to take the low-grade agricultural product and turn it into anti-freeze, linseed oil, industrial alcohol, and so on. In other words, instead of being exporters of base primary products, wherever we can, to carry those primary products one stage farther along the course of economic development, with small factories in various communities turning these primary products into more saleable commodities.

The second stage is, wherever possible to process products here to provide employment for the people who live on these prairies. I do
not think that the people of this province are prepared, for ever and a day, to be hewers of wood and drawers of water. There should be no need to send elsewhere our wool to be turned into cloth, our leather to be tanned and turned into shoes; but wherever possible to do it here to give employment to those young people who cannot be employed on the home farm, and who are forced to move to other parts of Canada and to the United States after we have spent a good deal of money in educating them and fitting them for life.

The third stage is that we should use those industries which are developed to produce revenue to give to our people a certain measure of social security which heretofore it has not been possible to give them.140

Earlier in the speech, the Premier had indicated that the first industry, agriculture, remained the government's priority and that "nowhere has as much been done, in eighteen months, for the farming population as had been done in ... Saskatchewan."

The new C.C.F. regime had gradually but significantly shifted the provincial government's spending priorities since taking office. In 1943, the Liberal government had spent 28% of its revenue account expenditures on debt charges; 9% on administration and general government; 15% on education; 8% on transportation and communication; 32% on public health and welfare; and 4% on agriculture and public domain.141 In 1944 the pattern was similar: 25% on debt charges; 9% on administration and general government; 14% on education; 9% on transportation and communication; 33% on public health and welfare; and 3% on agriculture and public domain. For 1945, the Liberal budget had committed 21% on debt
charges; 9% on administration and general government; 14% on education; 10% on transportation and communication; 35% on public health and welfare; and 4% on agriculture and public domain. The 1944 Liberal expenditures had risen 11% over 1943. The 1945 Liberal expenditures had only risen by 7% over 1944. However, the 1946 C.C.F. expenditures rose 22% over those of 1945. In the 1946 budget, the C.C.F. government held the line, allowing only a 2% rise in expenditures in 1947. Clearly, the C.C.F. government intended, as the Premier and Provincial Treasurer maintained, to spend more as an activist, interventionist government. Further, although the percentage share of expenditures in administration and general government, education, transportation and communication, and agriculture and public domain did not markedly change between the Liberal years of 1943, 1944 and 1945 and the C.C.F. years of 1946, 1947, and 1948 the total government expenditures were beginning, by 1946, to increase across the board. Further, the C.C.F. government was reducing the share of expenditures committed to debt charges and dramatically increasing those committed to public health and welfare. On a per capita basis, the figures are more demonstrative of the changing priorities under the C.C.F. regime.

Obviously this was not the expenditure priority pattern of a government about to engage in vast investment in public economic development. Clearly, the government's priority remained in expanding government services and in engaging in a general modernization of the province's infrastructure.
Table XLI: Per Capita Expenditure on Revenue Account, Saskatchewan, 1943-1948.

<table>
<thead>
<tr>
<th></th>
<th>1943</th>
<th>1944</th>
<th>1945</th>
<th>1946</th>
<th>1947</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Charges</td>
<td>$8.29</td>
<td>$8.91</td>
<td>$8.05</td>
<td>$8.39</td>
<td>$6.88</td>
<td>$8.00</td>
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<td>Legislation</td>
<td>.19</td>
<td>.19</td>
<td>.50</td>
<td>.23</td>
<td>.32</td>
<td>.27</td>
</tr>
<tr>
<td>Administration &amp; General Government</td>
<td>2.66</td>
<td>3.01</td>
<td>3.27</td>
<td>3.75</td>
<td>3.92</td>
<td>4.25</td>
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<td>Education</td>
<td>4.42</td>
<td>4.81</td>
<td>5.31</td>
<td>6.50</td>
<td>6.82</td>
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<td>Legal and Judicial Administration</td>
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<td>1.36</td>
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<tr>
<td>Transportation &amp; Communication</td>
<td>2.31</td>
<td>3.34</td>
<td>3.86</td>
<td>4.67</td>
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<td>Public Welfare</td>
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<td>11.78</td>
<td>13.19</td>
<td>18.06</td>
<td>18.49</td>
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<tr>
<td>Agriculture and Public Domain</td>
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<td>1.17</td>
<td>1.36</td>
<td>2.03</td>
<td>2.90</td>
<td>4.52</td>
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<tr>
<td>Other Ordinary Expenditures</td>
<td>.14</td>
<td>.96</td>
<td>1.07</td>
<td>2.11</td>
<td>1.41</td>
<td>2.63</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$29.83</strong></td>
<td><strong>$35.35</strong></td>
<td><strong>$37.84</strong></td>
<td><strong>$47.10</strong></td>
<td><strong>$47.32</strong></td>
<td><strong>$62.18</strong></td>
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</tbody>
</table>


The 1947 Speech from the Throne promised further expansion of the C.C.F.'s general program already in place. The government promised that it would continue its pressure on Ottawa for further tax and revenue sharing agreements in order to expand "public investment and social security measures, including health insurance, enlarged old age pensions
and unemployment assistance." 764 veterans had been settled on Crown lands and would soon be joined by 450 more. 500 housing units for veterans had been constructed and more were planned. The government's gradual expansion of its socialized health scheme -- now including hospitals, regional health services, mental health, an air ambulance service, cancer treatment, an immunization program, V.D. control -- was going well. In agriculture, agricultural representative services were to be expanded and more local district boards had been established. Over 300 Agricultural Improvement Committees had been initiated. The government was engaged in a program of conservation of grain and fodder for winter feed in order to stabilize live stock production. Further development of community pastures through re-grassing and irrigation was promised. The government seed cleaning plant had expanded services and storage facilities. The government was providing bursaries for students to study veterinary medicine and had established 11 Veterinary District Boards. More and more the government's agricultural program emerged as one which serviced the agrarian petit-bourgeoisie in immediately practical and educational ways; not one which in any way intervened in the industry except by way of support of the enterprise of the agricultural producer.

More discoveries of natural gas and crude oil deposits had occurred and looked promising, according to the Speech. In other areas of economic development, the government industrialization program was progressing nicely:

The industrial development program of the last two years has resulted in the establishment of
provincially-owned and operated industries, including a brick factory and ceramics works, a woollen mill, a shoe factory, a tannery, two fish filleting plants, a timber marketing agency, a printing plant and a fur marketing service. Work is proceeding on a new publicly-owned and operated sodium sulphate plant. The manufacture of rock wool will commence this year. Investigations are proceeding for the utilization of wood and wood waste, lignite, and other natural resources. In addition to the industrial enterprises, the Saskatchewan Government Insurance Office has carried on a successful insurance business. The Saskatchewan Transportation Company has operated a publicly-owned and operated bus system on the highways of the Province.

These enterprises have indicated the practicability of increased industrial activity as a stabilizing factor in the provincial economy; they have likewise shown that there are fields in which ownership and control by the people through their Legislature can be effectively achieved.

The public power system was expanding. Co-operative development was proceeding well and the government promised further measures to facilitate such enterprises.

In the area of Labour, the C.C.F. program was a blessing to the province:

Since its proclamation two years ago, The Trade Union Act has facilitated a sixty per cent increase in trade union membership. While industrial unrest has disrupted economies in many parts of the world, Saskatchewan has enjoyed a period of relative industrial peace.

Clearly, increased collective organizing had the opposite effect to that which had been predicted by critics of the Trade Union Act: rather than increasing and encouraging industrial strife, it was encouraging industrial
harmony. The Speech promised to reduce the hours of work "in certain types of businesses ... having in mind the need for servicing the agricultural economy." Minimum wages had gone up and the coverage of The Workmen's Compensation (Accident Fund) Act had been increased and extended. Reforms in other areas -- health, education, welfare, municipal re-organization, etc. -- would gradually go forward. The themes were recurring and becoming annually familiar. Nothing startlingly new was promised; there was merely a commitment to continue to build on the basic C.C.F. program.

The Legislative program reflected this fact as well. Of direct interest to the agrarian petit-bourgeoisie, The Farm Security Act, 1944 was amended to extend its crop protection features into 1946, 1947 and 1948. Improvements in the provisions of The Municipal Hail Insurance Act were passed. An Act for the Cancellation of Certain Indebtedness in respect of Advances of Seed Grain and Supplies, 1945 was amended to cancel debts for seed grain and supplies advances for 1935, 1936, and 1937. This brought the figure for debt-write offs for the agrarian petit-bourgeoisie to more than $30 millions. Amendments were passed to The Co-operative Associations Act, which tidied up the Act and detailed the means of establishing co-operative federations. As well, The Co-operative Guarantee Act, 1947 gave the Cabinet the right to guarantee up to 50% of loans made to co-operative associations. This last measure was the most controversial one, however, the government placed a $1,000,000 ceiling on the liabilities the province would underwrite at any one time.

Of direct interest to the working class, amendments to The
Workmen's Compensation (Accident Fund) Act increased benefits and included a provision allowing benefits to be paid to a common-law wife of seven years co-habitation. Amendments were made to The Trade Union Act, 1944 in order to tighten up an employee's protection in the face of potential employer discrimination arising from trade union activity. The Hours of Work Act, 1947, the centrepiece of the C.C.F.'s 1947 labour legislation package, established the 8 hour day and the 44 hour week, guaranteeing time-and-a-half for overtime, without loss of wages. Nine hour days could be permitted in order to give certain employees the five day week. At the same time, the Cabinet had the power to grant exceptions to employers "for such period of time or season of the year as may be considered necessary or expedient having regard to the nature of the work carried on and the conditions of employment and the welfare of the employees." The Act also included a number of enforcement measures. Significantly, the Act excluded many categories of wage-labour: all farm wage labour; unpaid family labour; domestic labour; janitors and caretakers; employees who travelled as part of their jobs; some fire department employees; and all managerial employees. The Minimum Wage Act was amended to give the Cabinet wider powers of enforcement and The Annual Holidays Act, 1944 and The Workmen's Wage Act were tidied up. Finally, The Social Aid Act, 1947 responded to a long-time trade union demand by formalizing access to public assistance for "the necessities of life" as a right under law as long as the person seeking such aid could demonstrate need.
In the realm of public ownership, the government prepared the ground for moves toward a province-wide, publicly-owned telephone system via significant amendments to *The Telephone and Telegraph Department Act*. The amendments provided for the establishment of a Crown corporation in telephones, which had long been generally publicly owned. A statute was introduced and passed absorbing the Dominion Electric Power Ltd. into the publicly owned Saskatchewan Power Commission. The Crown Corporations Act, 1945 was repealed and *The Crown Corporations Act, 1947* was passed, widening the scope of the Cabinet's powers in the establishment of crown corporations. Further, the Act established the Government Finance Office, under the Provincial Treasurer, in order to oversee and co-ordinate aspects of the financial activities of "every department of government, board, commission, office or Crown corporation." As well, the Act established the Industrial Development Fund under the supervision of the Government Finance Office.

A statute of some political interest, although of not very much legal interest, was *The Saskatchewan Bill of Rights Act, 1947* which was introduced with much fanfare and self-congratulation. The Act guaranteed the rights of freedom of conscience, freedom of expression, freedom of association, freedom from arbitrary arrest or detention, and free elections. As well, the Act guaranteed rights to employment, to engage in occupations, to own and occupy property, to access to public places, to membership in professional and trade associations, and to education without "discrimination ... because of race, creed, religion, colour or
ethnic or national origin." Interestingly, the Act did not forbid discrimination based on political ideology or affiliation. Freedom of conscience and association was not defined to forbid discrimination based on political thought, belief or affiliation, even in the view of the resurgent C.C.F. government.

The 1947 Budget was quite expansionary under the economic circumstances: it ultimately provided for a 31% increase in expenditure on revenue account in 1947-48 over that in 1946-47. This was done in spite of the fact that the mild "bust" had continued in 1946: cash income from the sale of farm produce was down again slightly over 1945; the value of cattle and calves improved slightly but that of hogs fell dramatically. Overall, there was a further fall of 4% in cash farm income from the sale of produce. However, the Provincial Treasurer was reassuring:

The overall recession in agriculture, however, is slight and, of course, temporary; and certainly not ominous to anyone aware of the capacity of the province to produce; the skill and adaptability of our farmers, and the almost universal need for the foodstuffs which Saskatchewan can produce in abundance. Resilience is as characteristic of our prairie soil as it is of our people; the Government has implicit confidence in both.158

At the same time, the value of metallic mineral production had slightly improved in 1946 and 1947 promised further gains. New mining developments were going forward and prospecting in the North for minerals had all the features of activity before a boom. Sodium sulphate production, under public ownership, was to begin production in 1947. Coal and natural gas production had improved. Petroleum output had increased tenfold in 1946, under private ownership. Production in forestry, furs and
fish was satisfactory. Potash had been discovered. The Provincial Treasurer, entranced by the future he saw, waxed eloquent:

[There is] ... much to encourage our optimism, much to embolden our enterprise. I turn to a scene of bustling activity, of pioneering in many fields of development. I survey a variety of natural resources beginning at long last to integrate with our agricultural industry, and opening vistas of an industrial future in which dreams of a balanced economy are transformed into realities ... I gain a sense of a Saskatchewan marching toward a new day of wider horizons and greater opportunities for the energies and initiatives of its people. It conjures up a scene of new enterprise and expansion. I see in it complete refutation of the prophecies and the forebodings of those, who fearing some vested interest would be crushed, declared that advent of a C.C.F. Government would drive private capital and private enterprise from Saskatchewan.

Further assurances to private capital were forthcoming from the new Government, including government aid to all forms of enterprise.

Indeed, Mr. Speaker, so long as it is prepared to contribute to the economic advance and security of the people of Saskatchewan, private capital and enterprise need have no concern over the policies of this Government. We recognize fully that, under the existing framework of our national economy, there is wide scope for private capital. It may, with profit, engage in the utilization of our primary products, perform services and provide consumers' goods at lower cost, undertake speculative ventures, and provide training and employment for our people.

In the past, this Government has followed the policy of extending its technical services, not only to assist co-operatives, but also to aid private enterprise in formulating plans for industrial development. Now it is hoped that
a further step can be taken. The time is now ripe, I believe, to set up a revolving fund through which we propose to extend financial aid to co-operatives, municipalities, private firms and corporations seeking to establish approved industrial plants and projects within this province.

Clearly, the Government had no intention of pursuing its 1944 policy of the public ownership of natural resources, nor of further government activity in the industrial and resource development field other than that already in place.

The increases in expenditure were made possible due to an improved subsidy from the Dominion government, but "further ... extension of social services and economic development" awaited more prosperous times. At the same time, the government's vigorous debt reduction program was being pursued through increased payments and refundings at lower rates of interest. As a result, Saskatchewan's bond prices had continued to rise on national and international money markets. Therefore, spending in 1948 ultimately was to reach $62.18 per capita, the increase occurring mainly in the education, health and welfare, transportation and communication, and agriculture and public domain categories. In terms of percentage share in each expenditure category, the government's priorities were reflected in 1948 spending thusly: debt charges, 13%; administration and general government, 7%; education, 13%; transportation and communication, 14%; health and welfare, 38%; and agriculture and public domain, 7%.

By the 1947 Session the Liberal opposition, although still weak and somewhat rudderless, had begun to develop certain themes in its cri-
ticism of the C.C.F. government. The C.C.F. Government was extravagant and wasteful in its spending: an orgy that had continued even into bad times. This excessive spending was imposing a heavy burden of taxation on the people, a burden that, if lifted, could do more to stimulate the economy than all the government enterprises put together. The C.C.F. Government was wasting taxpayers' funds in foolish socialist experiments -- the various Crown corporations -- which were expensive tests of an unproved and distasteful ideology. These corporations were white elephants: they were not returning the promised profits to the public coffers in order to provide the promised tax relief. These socialist experiments were doing immeasurable damage to the province's economy because they frightened private capital away. Further, the C.C.F. Government's commitment to socialism was little different from gradual communism and would lead to bureaucratic regimentation, restrictions on the enterprise and initiative of the people, a massive and expensive bureaucracy dictating to the people, and, ultimately, to the general take-over of private enterprise of all kinds. The Liberals pointed to true free enterprise, a less activist and interventionist government, lower taxes, and a congenial atmosphere for all forms of private entrepreneurship as the road Saskatchewan should take, rather than the present road which led nowhere but to a socialist dictatorship.

The first provincial electoral test, other than the three by-elections which had returned C.C.F. M.L.A.'s to C.C.F. seats, was looming for June, 1948. Before then, the C.C.F. had one more session and one more budget in which to enhance itself for the coming clash. The aware-
ness of the coming election permeated the Speech from the Throne on February 5, 1948. The Speech lambasted the federal post-war decontrol program which threatened agriculture's stability and relative prosperity:

... the economy of the Province is being strained by a national policy of decontrol. Agricultural production, which My Government has sought to increase and stabilize, is threatened by the uncertainties of uncontrolled prices; speculation is replacing orderly marketing; and many of the gains won in agricultural production during the past four years are now being lost. Consumers are finding their purchasing power seriously curtailed by rising prices, and many are hard-pressed to secure the basic necessities of life. As a result, the health of our people will be impaired, and the economy of Saskatchewan may suffer serious and irreparable consequences. My Government reaffirms its belief that upon economic planning of a national and international character, a sounder basis will be established for the production and distribution of the world's wealth according to men's needs. In this principle, the people of Saskatchewan find their best hope for prosperity and peace.159

The Speech went on to document and applaud the Government's valiant efforts at providing programs for agriculture in order to assure stability, prosperity, and modernization. It reviewed the developments toward socialized medicine -- the Hospital Services Plan, the expansion of hospital facilities, T. B. control and prevention, the health region program, popular medical education, etc. -- in the province. A vigorous program of highway modernization was applauded. The reforms in education and municipal re-organization and modernization were listed and cheered. The many social welfare measures were put on public display. Co-oper-
ative development had proceeded well with the C.C.F. in power. Economic
diversification -- in industrial production; mineral production; oil and
natural gas production; sodium sulphate development; rational forestry
policies; public power development, etc. -- was documented proudly.
The strict "... enforcement of laws designed to give security to farmers
in their homes and farms, and to workers in their employment," though
under attack and at risk, would continue to be a priority. In short,
the Speech provided a glowing summary of the C.C.F.'s program enacted
during the Tenth Legislature, yet it promised no new initiatives. This
was confirmed by the legislative program in 1948: it was virtually com-
pletely devoted to housekeeping matters. The new initiatives were
really not new: a new credit union statute was passed\textsuperscript{160} to facilitate
their establishment and an act forbidding the sale of grains in the
province except to the Canadian Wheat Board was passed.\textsuperscript{161} A statute
regulating the manufacture of dairy products was passed.\textsuperscript{162} Of more
political interest, a statute was enacted to ratify the agreement which
had finally been satisfactorily concluded between the provincial and
federal governments regarding compensation for the federal alienation of
natural resources between 1905 and 1930.\textsuperscript{163} In terms of its continuing
commitment to a re-organization of the province's local government system,
a special northern administration district was established.\textsuperscript{164} But
there were no new, dramatic laws placed on the books.

The Budget Speech was an election manifesto which reviewed the
Government's four years in office and defended its program from Liberal
It ultimately provided for a modest increase in expenditure of 5% over the 1947-48 budget. Expenditure priorities remained unchanged and reflected the following character on a per capita basis: debt charges, $8.55; administration and general government, $4.93; education, $9.24; transportation and communication, $7.67; public health and welfare, $23.40; and agriculture and public domain, $4.70. The Provincial Treasurer pointed out, in answer to Liberal charges of extravagance, that Saskatchewan's 1947-48 expenditures were 52.9% higher than in 1943-44. However, the other three western provinces had had much larger growths in expenditure in the same period (B.C., 93.7%; Alberta, 117.0%; Manitoba, 60.5%). Thus, Saskatchewan was just "representative of the Dominion-wide trend in provincial expenditures for economic development and public welfare services," rather than being in the vanguard of government extravagance and largesse.

The province's economy was still uncertain and insecure, if buoyant. There had been a slight drop in 1947 over 1946 in the value of the major crops but "... agricultural conditions in the second post-war year showed the industry in a healthy condition in all its major operations, despite the drought which reduced production in some areas, and despite Federal policies which tended ... to disturb the situation." On the other hand, the value of production of minerals "has been accelerated," the 1945 value of mineral production of more than $21,800,000 had grown to more than $32,300,000: a growth in value of 48% in three years. Gas and oil production value was most gratifying:
growing by 19 times between 1945 and 1947 (from $34,326.55 to $649,000). Though still modest in comparison to other economic sectors, it was nevertheless "an augury of greater things to come." The forestry industry was strong, only slightly down. In fur and fish there were serious problems, but they represented only a small part of total production. Overall, however, the dream of a more balanced economy was closer -- non-agricultural industrial production increased 15% from 1946 to 1947 (to $319,000,000, compared to $327,000,000 for grains alone in the province). Further, there was "a gratifying and significant increase in the number of persons employed in non-agricultural pursuits." And, in this general advance, "government enterprises played a small but interesting part."

The major provincial Crown corporations were doing well. The Telephone System, long a government enterprise and now a Crown corporation, was advancing rapidly. "Even more remarkable strides [had] been taken by the Saskatchewan Power Commission," which now had 3,540 miles of transmission lines with 45,087 services in 343 towns and villages. The Saskatchewan Transportation Company now had 51 buses with 4,600 route miles in the province. The Saskatchewan Government Insurance Office was finding "whole-hearted acceptance by the people of the Province."

These were the Crown corporations singled out for favourable comment by the Government: the winners. The others -- in blankets, shoes, boxes, fur, fish, clay, etc. -- were virtually ignored by the Provincial Treasurer. Their story was far from impressive and the Liberals were
focussing on them in their attacks on the Government. Such continuing attacks on public enterprise demanded further assurances to private enterprise from the Provincial Treasurer:

Yet, significant and gratifying as all this may be, it is obvious that in relation to the overall productivity of the province, the great bulk of our economic life is dependent upon the enterprise of the thousands of private individuals, partnerships, co-operative organizations and private corporations. Nor has this Government any thought that this can or should be otherwise. And we are happy that our repeated assurances and our policies have been accepted by the vast majority of responsible and serious businessmen. The facts are plain and simple. In spite of the deliberate campaign of distortion and scare-mongering -- a campaign fostered by narrow and selfish interests in a futile attempt to discredit this Government, even at the cost of a grave disservice to our Province -- co-operative and private business continues to grow and expand in Saskatchewan ... There is conclusive evidence ... of the growth of co-operatives, of the establishment of new companies, and of the influx of outside capital.

Since the election of the C.C.F. Government, there had been a 67% increase in total co-operative membership and a 11% increase in the number of co-operative establishments in the province, including the Saskatchewan Co-operative Producers' vegetable oil crushing plant, a 1,000 barrel co-operative flour mill, and a 500,000 bushel co-operative grain storage plant. Furthermore, private enterprise was thriving:

Private capital in turn has been active on many different fronts. The most spectacular cases have been in resource development, such as the drilling of wells in and about the Lloydminster oil field ... Prairie Salt company last summer drilled two of its salt wells
and laid foundations of the refining plant in its million-dollar program. Another million dollar investment was involved in the hydro-electric development of the Hudson Bay Mining and Smelter's Power subsidiary at Island Falls on Churchill River. The Pas Lumber Company put into operation its new $100,000 high-utilization mill, signifying a notable advance in the most efficient use of our forest resources. All told, in 1947 136 new companies, capitalized at $18,500,000 were incorporated ... and forty extra-provicial companies capitalized at $40,000,000 were registered ... [and] 660 new partnerships opened up private business.

As further evidence of the Government's attitude, it was reported that the Government's generous program of aid and assistance to co-operative and private business was now in place.

The budget carried many provisions which made it clearly an election budget. For the taxpayers, although unable to announce any tax cuts, the Government was happy to announce no new taxes and no "increase in present taxation ... indeed, of the total estimated revenue considerably less than one-third is to be derived from taxation."

All in all, therefore,

... this government presents a budget which is designed to enhance the earning power of our people through the promotion of economic development, and a budget which will provide education, health and welfare services which the people ... require.

For the agrarian petit-bourgeoisie, the Government announced that it would spend over $2,000,000 directly on agricultural programs, amounting to $2.45 per capita (Alberta only spent $1.20 per capita and Manitoba, $0.78 per capita), and representing a 414% increase over 1943-44 expen-
ditures. Furthermore, government spending priorities in municipal re-organization, highway construction, school unit enlargement, rural health facilities, and encouragement to co-operative development had greatly enhanced the benefits of rural life in the province. As well, the government's commitment to upgrading the welfare system and to the provision of larger old age, blind, and mothers' benefits had improved the quality of life and established a basic economic security for all. Further reductions in the public debt would occur, thus lowering the amount of interest the province was required to pay (public debt in 1947 was reported at $175.03 per capita compared to $254.16 per capita in 1944). The Province's new "pay as you go" rather than "charge what you can" policy in borrowing money would continue to enhance the Province's credit rating, at the same time as it reduced the debt charges it had to pay.

It will be apparent to the people of Saskatchewan that this government's program is directed toward the stabilization of our economy and the provision of those educational, health and welfare programs which are necessary to the well-being of our citizens. The budget ... is the expression of that policy.

I should like to add that this government's plans represent nothing more or less than the expressed desire of the people of this province to co-operate in the achievement of these objectives. Government is merely the machinery whereby the 842,000 people of Saskatchewan co-operate to build roads, develop their resources, and obtain social security.

By the budget of 1948, therefore, it is clear that the C.C.F.
Government's program had crystallized. Public ownership would not be pursued in natural resource development, this task would be left primarily to private capital under the watchful eye of the provincial government. The government's highest priorities would be in the area of agricultural and co-operative development in the economic sphere and to the general provision of a basic social security through improved and extended health, welfare, and educational programs. Public enterprise would be pursued in limited, if important, fields of service: power, telephones, transportation, insurance. Less and less were the government's industrial plants held up as models for general economic development. Furthermore, the government hesitated at extensive direct encouragement of small-scale, producer co-operatives in farming, fearing further charges of land collectivization. The major changes from the 1944 promises had been in two areas: a retreat from the commitment to the public ownership and development of the province's natural resources, and a retreat from an extensive program of government-owned secondary industries based on the provinces' natural resources. In the areas of central priority, however, the government had delivered its 1944 promises: it had provided security of tenure on the farm, debt reduction and protection, expanded and improved agricultural programs, rural modernization, support for orderly marketing of agricultural products, and programs to diversify the province's economic base. As well, the government had increased the minimum basic economic and social security for all in the form of expanded programs in health, welfare and education. Finally, the
government had delivered its major promises to the urban and small town working class in the form of more favourable laws to facilitate trade union organization, a legislated 44 hour week, a legislated two weeks paid annual vacation, and higher minimum wages. Despite the recurring outbursts from the Liberal party, this was not socialism and collectivism. The test of how well the people of the province had received the program, and the extent to which the Liberals were believed, would occur in the election on June 24, 1948.

The increasing virulence of the attacks by the Liberals, various Chambers of Commerce, and the Bankers' Association put the C.C.F. Government somewhat on the defensive. This was clearly reflected in the Provincial Treasurer's budget speeches and, indeed, especially in 1948, was reflected in the debates throughout the Session. Since many of the attacks charged that the government's economic policies would lead to state control and hence to a loss of freedom, the Premier, in a radio broadcast on March 10, 1948, hid the government's retreat in an apparent political offensive. In the broadcast, the Premier answered the red-baiters by putting on public view his own passionate version of anti-communism. Having done that, and in his general defense of "this thing called freedom," he broadened the definition of freedom from that used by his Government's detractors:

... freedom means much more than the right to vote and speak as we like and the right to a fair trial in the courts. These are freedoms which we have already won, and while we must preserve them, we must not stop there. There is still another freedom to be won, and that is economic freedom, or as President Roosevelt defined it, "freedom
from fear and freedom from want." Political freedom by itself can mean being free to go hungry and without a job; it can mean being free to produce farm commodities below the cost of production. Until we add economic freedom to the political freedom we already have, we will never be entirely free men and women.

After all, what freedom have the men who go down into the mines before the sun rises; who toil in the bowels of the earth all day in order that others may enjoy the fruits of their labor? What do these men know of economic freedom? Someone else controls the means by which they live; all they have to sell is their labor, and they must sell that on someone else's terms. That is why trade unions came into existence -- because the worker sought to have some say regarding his wages, hours and conditions of labor.

What freedom have the farmers who work in all kinds and conditions of weather, only to find that someone else sets the price of their gasoline and their farm machinery? What freedom has the man who sold his coarse grains last October, only to find that the price has gone up 30 to 40 cents a bushel since he disposed of his crop? What about the farmer who sold his livestock last fall to the packing companies and then sees the latter get all the benefit of the increase in price?

What freedom has the consumer, who must pay whatever price is demanded by those who control the economy?167

The Premier went on to argue that "social ownership of the economic means by which we live" was crucial to any civilized definition of freedom. The C.C.F. opposed land nationalization, "because the people still control that natural resource." Small business was fine since it was "still in the hands of individuals, and there is sufficient competition to en-
sure ample protection to the public." However, "wherever the principal
assets of our country are in the hands of monopolies and cartels, we
believe they should be owned by the people themselves. We believe that
when any economic activity controls the life of a people it should be
owned by the people." From there the Premier defended the concept of
social ownership -- in its broadest terms: the family farm, the
family small business, co-operatives, and crown corporations at all
levels of government -- from its critics. But the shift in ideology was
clear: no longer was capitalism as a system to be condemned by the C.C.F.,
only "monopolies and cartels" controlling "the principal assets." No
longer was there any mention of the public ownership and development of
natural resources; indeed, the theme was basically only that there had to
be rational economic planning in order to ensure the stability and se-
curity of the province's economy. 168

The Premier's tack failed to convince the Liberal party. In the
campaign for the June election the Liberals pulled out all stops. The
implacable Cold War ideology that characterized politics in the Western
world from the late forties to the mid-sixties had just begun to be seen
as legitimate. Suddenly, Liberal red-baiting of the C.C.F., which had
served the party ill in the 1944 campaign, became somewhat more effective.
Ideologically and programatically, the C.C.F. Government was on the run,
almost pleadingly. The Liberals pressed their relative advantage during
the 1948 election. One pamphlet set the tone: it was entitled "You're
Next: Mr. Milkman, Mr. Breadman, Mr. Garageman, Mr. Trucker, Mr. Coal
Dealer, Mr. Gasoline Filling Station Operator."
Mr. Douglas won't tell the people who will be socialized next if the C.C.F. is returned to power.

He is asking you to give him a BLANK CHEQUE FOR SOCIALISM.

In 1935, Mr. Douglas revealed his master plan in The Weyburn Review, and he has followed that plan with great accuracy.

He said, "Transportation, communications and electric power must come first in the list of industries to be socialized. Others such as MINING, PULP AND PAPER, and DISTRIBUTION OF MILK, BREAD, COAL, AND GASOLINE ... must next be brought under social ownership and operation."

The Regina Manifesto, basic program of the C.C.F. socialists, calls for state ownership and control of ALL our natural resources and "THE PRINCIPAL MEANS OF PRODUCTION AND DISTRIBUTION."

In an address May 19, 1948 -- the DAY BEFORE he announced the election date -- Mr. Douglas told a meeting in the Labor Temple in Regina that governments "must control the principal means by which they (the people) live."

ARE YOU GOING TO GIVE MR. DOUGLAS A BLANK CHEQUE FOR SOCIALISM OR VOTE INTO OFFICE A GOVERNMENT WHICH WILL PERMIT INDIVIDUALS TO OPERATE THEIR BUSINESSES WITHOUT UNDUE INTERFERENCE FROM THE GOVERNMENT?

Liberal candidates offer Saskatchewan progress and security with freedom -- and an end to fear of a socialist government. 169

Another rather amateurish Liberal pamphlet was a cartoon effort which showed the Premier as "Professor Teecee, world famous conjurer and illusionist" trying unsuccessfully to pull the rabbit of "elusive profits" from the Crown Corporation top hat. 170 Another rather extended pamphlet,
entitled "Introducing Al Sask," was a clumsy red-baiting pot-pourri suggesting that the C.C.F. was guilty of government dictation and socialist indoctrination in the schools, implying that the C.C.F. was introducing back home in Saskatchewan what poor Al Sask had fought against in Europe. However, the Cold War had not yet deepened and Liberal efforts at red-baiting were only slightly more credible than they had been in 1944. Professor Smith has this to say:

It was a vehement campaign in the style of the 1944 battle. C.C.F. administrative policies and reforms were denounced as Leninist, dictatorial, and calculated to lead to a "police state." Socialism was depicted as a bridgehead to communism, and Saskatchewan was compared to Czechoslovakia, which had recently disappeared behind the Iron Curtain. The Liberal remedy for the province's sickness was to get rid of the "outside planners" who were described as "socialist intellectuals who sit in the back room." The Liberal campaign failed only somewhat less miserably than it had in 1944.

But the C.C.F. Government had other worries. Their competitors for the allegiance of the agrarian petit-bourgeoisie were back to haunt them: the Social Credit party, still strong in Alberta, ran 36 candidates in Saskatchewan's 52 seats in the 1948 election. The Social Credit's five-point program was simple:

1. Establish Every Man in His Own Right.
2. Freedom of Enterprise.
3. Reduce Taxes and Debts.
4. Restore Individual and Local Control.
5. Achieve Permanent Prosperity.
Most of the Social Credit propaganda was negative and often bordered on hysteria, focussing on the new Social Credit bogey of socialist regimentation rather than the "Fifty Big Shots" of Aberhart's days. But the Social Credit in Saskatchewan went a step further: they included the Liberals in the socialist camp, and condemned both the Liberals and the C.C.F. as anti-Christian:

The policies of the Liberal and C.C.F. governments have been steadily introducing the anti-Christian Socialist policies which centralize power and control in the hands of the state, which makes the people serve the government rather than the government serve the people. They assume for themselves the care and welfare of citizens the same as a good farmer would look after his horses, whereas in a Christian democracy the duty of government is to make it possible for the people to look after themselves. Through their taxes, controls, restrictions, regulations and inspections they have made it almost impossible for man to look after himself and his family.

The C.C.F. have taken on twenty-three hundred new employees not counting crown corporations. The Liberal government took on seventeen thousand new employees after the peak of the war effort. The C.C.F. have set up ten crown corporations, the Federal Liberal government has forty-one crown corporations. If they are permitted to continue this, soon, everyone will be completely dependent upon the government, then freedom of the individual would be entirely non-existent.

The Social Credit campaign promised everything for everyone: for the farmer, "security of tenure, parity prices, low cost credit, debt revision, ... crop failure insurance;" for the business man, "Social Credit will establish the business man in business;" for the laborer, "Social
Credit will establish the laborer in his trade;" the professional man would be established in his profession; others would be established "in his own right;" and the pensioner would get a much better deal. A Social Credit government would stop what the socialists were doing in the schools:

Socialists in control of the Department of Education are insidiously indoctrinating the children with socialism. They introduced forms in the schools which would encourage the children to spy on their parents. The C.C.F. Department of Education has been so obviously pro-communist that in the Department of Adult Education, the public demand forced the resignations of the director and assistant director, which the C.C.F. had placed in charge with full knowledge of their views. The Liberals have been giving us a planned and controlled policy, the C.C.F. continually demand more planning and more controls. It is the people who should control the government, not the government control the people. It is up to the people to tell the government what they want. Today the government tells the people what it wants and forces them to obey. Social Credit will restore individual and local control.

A Social Credit government would provide a complete solution to the province's ills at the same time as the utmost freedom would be assured for the people now under the socialist yoke.

A Social Credit Government in Saskatchewan will use every legal and possible means to eliminate the present outmoded debt and tax system and work with Alberta and the rest of Canada for the introduction of the Social Credit economic proposals. Anything that is physically possible can be made financially possible, the money system must serve the people, not the people serve the money.
system. Money should be issued debt free, as needed to balance the purchasing power in the hands of the people with the wanted goods and services available for sale. This would be done through subsidies to lower prices and dividends issued direct to the people. This would make it possible for people to buy the goods produced. It would prevent either inflation or deflation, the only limit to our standard of living would be our knowledge, ability and willingness to develop the tremendous resources of Canada. Canada is one of the richest countries of the world.

The C.C.F. made its strongest attacks on the Social Credit party during the 1948 election. One C.C.F. pamphlet, "Facts About Social Credit," argued that the Social Credit movement had gone over to "Big Business."

The Social Credit theory has been so completely debunked and so completely deserted by its own advocates that it has ceased to be a factor in Canadian politics. The so-called Social Credit Party, however, has taken on a new role. It has joined forces with Big Business in an attempt to beat the C.C.F. Social Credit speakers are now going through Saskatchewan making fantastic and irresponsible statements which have no basis in fact. Although they are finding very little support anywhere, we believe the Saskatchewan public will be interested in knowing the facts about Social Credit ...

The C.C.F. pamphlet proceeded to provide those facts:

When the Social Credit party was elected to power in Alberta in 1935 it appeared to be a progressive party. But since that time it has constantly and rapidly moved to the right until today it has replaced the Conservative party as the most reactionary group in Canada. It is no longer a party of the people, but is backed and financed by Big Business.
The party now had "fascist tendencies" and had become a supporter of the most reactionary governments in the world. How far the Alberta government lagged behind the Saskatchewan C.C.F. government in terms of social progress was detailed. Such themes were repeated in a briefer C.C.F. pamphlet, entitled "The Social Credit Hoax." The lead was the essence of this attack:

When the Social Credit party was first elected to power in Alberta in 1935 it appeared to be a progressive party. But it was based upon an impossible theory which was never put into effect. The pretense at attempting to do so was by means of legislation that everyone knew was unconstitutional.

Since the death of William Aberhart, Social Credit has constantly and rapidly moved to the right, until today it has replaced the Conservative party as the most reactionary group in Canada.¹⁷⁵

Save for this critical focus on Social Credit, the bulk of the C.C.F. campaign was aggressive and positive, focussing on the C.C.F. record. The central election pamphlet, entitled "The Sensational Record of a C.C.F. Government: 83 Facts About Saskatchewan," enumerated the government's accomplishments since its election in 1944. The first 17 facts were the most important:

**FARM SECURITY**

1. The Saskatchewan Government is the only Government to protect the farmer's home quarter against foreclosure by the mortgage companies.

2. The provincial power of moratorium is used to protect farmers against unavoidable debts in case of crop failure.
3. An extensive scientific program of soil conservation and development has been undertaken.

4. Great assistance is being given to farmers to build feed and seed reserves for emergencies.

5. An intensive program of insect and weed control has been developed.

6. Saskatchewan has the best assistance plan in Canada for developing veterinary services in all areas.

7. The C.C.F. provides five times as much money for agricultural assistance as that provided by the former Liberal Government.

LABOR SECURITY

8. The right of collective bargaining is guaranteed to all employees.

9. Unfair labor practices, such as the formation of company unions, have been outlawed.

10. To assist employees to become organized, certification of unions has been simplified.

11. Full union security is guaranteed.

12. No one can be fired for union activity.

13. Provision is made for conciliation boards to help labor and management settle as quickly as possible any disputes which arise between them. Saskatchewan has had less labor trouble than any other province.

14. A basic 44-hour week without any reduction in take home pay has been provided for most workers, except in seasonal occupations.

15. Overtime wages must be paid at the rate of time and a half.

16. The minimum wage rate has been raised to the highest in Canada, applying equally to men and women in all towns and cities with a po-
population of 300 or over.

17. All workers except those in certain seasonal occupations are guaranteed two weeks holidays with full pay every year. 176

The rest outlined advances in "Health Security," "Educational Security," "Social Security," "Assistance to Veterans," "Assistance to Co-operatives," "Penal Reform," "Resource Development," "Industrial Development," "Public Insurance," "Highways," "Rent Control," "Debt Reduction," and "Extension of Democracy." Although they appeared near the end of the list, industrial development and resource development were the most economically significant as well as being the most controversial. The C.C.F. government emphasized the positive aspects of their record in these areas:

DEVELOPMENT OF RESOURCES

63. By bringing the lumber industry under public control, the workers have been assured of better wages, the public has been assured of getting lumber for its own use and the price has been kept down to a reasonable level. Profits have gone into reforestation.

64. By planned development of fur conservation areas the income of trappers has been increased and stabilized. They can sell their furs through a government auction at which they obtain the highest prices in Canada.

65. The income of fishermen has been sustained through government action, in spite of bad market conditions.

66. As a result of planned prospecting, Saskatchewan mineral production is already $12,000,000 per year greater than ever before.
67. Before the C.C.F. came to power, there were no oil wells at all in Saskatchewan, but now there are 90 wells in production.

DEVELOPMENT OF INDUSTRY

68. Practically all power developments in the province have been brought under public ownership with the result that services have been greatly increased and the rates to consumers have been cut almost in half.

69. Most of the bus service in the province is now publicly owned, with the result that services have been greatly extended and the profits kept in the province.

70. A publicly owned sodium sulphate plant has doubled the province's output of that product.

71. Experiments are being conducted in the public production of such things as woolen goods and bricks with a view to more extensive development of the province's natural products.

72. Out of eleven crown corporations being operated by the Saskatchewan government, ten are proving successful, with an average yearly profit of about 11 per cent on the investment.

A spate of propaganda put out by the C.C.F. campaign, under the slogan of "Humanity, Security and Progress," repeated such themes in tailored messages to the C.C.F.'s major base: the agrarian petit-bourgeoisie and the working class. The C.C.F. claimed that "a thorough and permanent program" in agriculture "is being developed ... to help the farmer attain all ... essentials for his welfare." Since 1944, the C.C.F. Government had given the farmer protection: The Farm Security Act, debt adjustment assistance, leadership in the "fight for farm rights," the establishment of "feed and seed reserves," veterinary ser-
vices. It had aided agricultural production without interfering: extension of the Agricultural Representative service, the establishment of local agricultural committees to study better production methods under local circumstances, the development of irrigation projects. It had fought for the farmer at Ottawa: demanding new markets, demanding a Hudson’s Bay route, demanding better prices, demanding programs of assistance for agriculture during bad times. Furthermore, the C.C.F. had established new industries to "provide outlets for agricultural products" and had used the provincial powers aggressively to aid in the development of co-operatives of all kinds. The C.C.F. reminded the working class what had been "done for labor" since 1944. Collective bargaining guarantees, simplified trade union certification, the banning of company unions, the protection of trade union activity from reprisal, the establishment of the $18.50/week minimum wage, a law requiring two weeks paid annual vacation, improved accident and death compensation benefits, and a 44-hour week with the same take-home pay had all been brought in by the C.C.F. government.

For more general consumption, the C.C.F. reminded the electors of its advances in social welfare and health. For the old: "increased pensions and complete free health care;" for the young: "mothers' allowances increased," "1800 Government wards placed in carefully selected foster homes," "complete free health care for all on mothers' allowances;" for the blind: "increased pensions and complete free health care;" for the mentally ill: "complete care and treatment provided free to all ...
committed to institutions;" for the unfortunate: "social aid for those in need provided as a right, not as charity;" for the injured: "insurance to protect all citizens against financial loss through injury in auto accidents." The C.C.F. government had provided "free health care for 30,000 citizens as part of the program of social welfare, and all citizens are eligible for free treatment for cancer, tuberculosis, polio, venereal disease and mental illness." The C.C.F. had put in the hospitalization plan: "Every citizen ... is insured against hospital cost by the payment of an annual fee of $5 per person, with a maximum of $30 per family." Hospital beds had been increased by about 60%; the health region plan was functioning; preventive health programs were in place; and an air ambulance service had been set up. Besides such remarkable strides, the Province had reduced its debt by $72,000,000 and the farmers theirs by $212,000,000 during the good C.C.F. years. Larger school units had been organized. Equalizing grants had been provided by the Government. As well, grants to poorer districts had been increased. Text books up to grade eight were free to students. Further, the provincial government was assuming a larger and larger share of the burden of cost for education, relieving hard-pressed local governments. Highways had never been better. The list seemed almost endless, and C.C.F. propaganda repeated it in long and short versions, in versions designed for special groups and in versions designed for everyone. And, to put the icing on the cake, the C.C.F. had this answer to the Liberal and Social Credit campaigns which accused the C.C.F. of dictatorship and communism:
Democratic action is the keynote of the C.C.F. program.

C.C.F. policy is decided by the people.
C.C.F. candidates are chosen by the people.

Annual poll, constituency, and provincial and biennial national conventions are held. (No other party practices democracy in this way.)

No Communists or members of any other political party are permitted to join the C.C.F. ...

The C.C.F. has not at any time accepted Communist overtures and has clearly repudiated support from them or any others. (The Liberals accepted Communist aid and actually published ads showing Communist leaders who supported Liberal candidates.)

The C.C.F. has not compromised with any other party to form a fusion, coalition or any other combination for the sake of power.

The C.C.F. does not ask voters to vote for a "one-man" leadership. The C.C.F. seeks endorsement of a record of achievement, a program for the future, which has been developed by co-operative effort.

Opponents of the C.C.F. still say that a C.C.F. government will destroy freedom. The people of Saskatchewan know that they have gained a greater degree of freedom from want and fear. Not a single traditional freedom has been taken away!

In 1944 you were told that the C.C.F. would take away the farmer's farms, burn churches, destroy unions and socialize all business.

The C.C.F. believes the way to fight Communism and other evils is to improve economic conditions and social services so that Communism will die. The freedom the Old Parties want is the freedom to exploit the people -- the very thing that breeds Communism.
The C.C.F. is the only effective democratic force against Communism or dictatorship because the C.C.F. eliminates poverty, fear and insecurity.181

Significantly, the 1948 C.C.F. campaign promised nothing that was startlingly new. Indeed, the program for the next term was quite innocuous, amounting mainly to a commitment to build on the 1944-48 record:

IN ITS NEXT TERM, YOUR C.C.F. GOVERNMENT WILL --

- Advance its present policies based on Humanity First.

- Strengthen municipal government: a conference to consider municipal finances will be held next fall.

- Endeavour to establish a system of crop insurance on a national basis.

- Press for the closing of the Winnipeg Grain Exchange and for marketing of all grains by the Wheat Board.

- Fight for a reduction in freight rates.

- Assist industrial development in the fields of oil, natural gas, radio-active minerals, chemurgy, and the processing of natural products.

- Extend electric power lines.

- Build and maintain an improved highway system, and press for a Trans-Canada and international highways.

- Extend the bus transport system.

- Urge Ottawa to assume its share of a $50 a month old age pension as Saskatchewan has done.

- Assist in extending regional health services.
- Aid hospital construction.
- Extend more equal educational opportunity to all children.
- Initiate folk festivals to stimulate interest in the culture of the people of Saskatchewan.
- Set up camps to provide summer vacations for children.
- Provide scholarships for needy and deserving children.182

The results, although confirming the erosion of some significant C.C.F. support, revealed that there had not been much doubt about the outcome. The C.C.F., running in all 52 seats, won 31 with 47.6% of the popular vote.183 The Liberals, running in 42 seats, won 19 with 31.3% of the vote; the Tories, running in nine, won none with 7.6%; and the Social Credit, running in 36 seats, won none with 8.1%. Ten independents and candidates of various smaller groups won two seats with 5.5% of the popular vote. The C.C.F. had lost over 5.5% of its share of the popular vote and 16 seats. The Liberals, although winning 19 seats (14 more than in 1944) had experienced a loss in its share of the popular vote, as had the Tories. In other words the disaffected 1944 C.C.F. voter, on the face of it, did not move from the C.C.F. column back to the fold of the old parties: he or she went Social Credit or Independent. Although the C.C.F. won 24 rural seats and all seven seats in the major urban areas, the Liberals had won 19 rural seats. Six C.C.F. rural seats had been won by margins of less than 200 votes, suggesting that the outcome was somewhat tenuous for the C.C.F. in some areas. However, in fairness, as many
again Liberal seats were won as closely over the C.C.F. candidate. The voting pattern of 1944 remained relatively intact in 1948. The rural farm vote went as follows: C.C.F., 45.9%; Liberal, 34.9%; Social Credit, 11.5%. Small towns and villages voted as follows: C.C.F., 40.7%; Liberals, 38.0%; Social Credit, 11.1%. Urban centers went as follows: C.C.F., 57.2%; Liberals, 26.6%; Social Credit, 14.2%. In terms of farm prosperity and party vote, the C.C.F. continued to out-poll the Liberals and the Social Credit among "better off" and "poorer" farmers, although the C.C.F. margin continued to be greater among the "better off" farmers. As well, the C.C.F. continued heavily to out-poll the Liberals among those farmers who were primarily engaged in wheat production. In Regina and Saskatoon, the C.C.F. outpolled the Liberals heavily among "blue collar" workers and significantly among "white collar" workers. Clearly, overall, the C.C.F. remained most significantly rooted among the agrarian petit-bourgeoisie, and among the "better off" sector of that class. However, by 1948 its roots appeared to be the least vulnerable among the urban working class. At the same time, it must be remembered that the working class in the province had significant electoral clout in, at most, 10 seats and an overwhelming clout in only seven seats in the major urban areas. Elections in Saskatchewan in 1948 were still won or lost in the rural areas. The rural farm population in 1946 was still 53.3% of the total population of the province. Rural population, farm and non-farm, still constituted 75% of the province's total population. Only 25% of the population was classified as urban in 1946. And although
more than 92,000 of the 236,920 votes won by the C.C.F. (39%) in 1948 were in the four major urban areas in order to win seven seats (23% of seats won), the rest of the C.C.F. vote was cast in the rural areas to win 24 seats. Clearly, had there been proportional representation the C.C.F.'s increasingly reliable and solid urban, working class vote would have delivered more seats. However, such a re-distribution might have alienated the rural voter who still delivered the major number of seats and the lion's share of the votes to the party and who would still decide elections in the province even with proportional representation between town and country.

It had been in the rural areas of the province that the C.C.F. had almost been defeated. The results forced the Government to take stock. Almost exactly a year later, on June 27, 1949, the federal general election confirmed slight but serious erosion of C.C.F. support in Saskatchewan. The C.C.F.'s share of the popular vote fell slightly from 44.4% in 1945 to 40.9% in 1949. This drop was sufficient to cut C.C.F. victories in the province from 18 seats in 1945 to five seats in 1949. The Liberals won 14 seats with 43.4% of the vote and the Tories picked up one seat with 14.4%. The C.C.F. won three predominantly rural seats and two predominantly urban seats. Although the C.C.F. retained a solid base, receiving less than 30% of the vote in only one seat, 30-39% in eight seats, and over 40% in 11 seats, it failed to retain its 1945 momentum in spite of the fact that, in 1949, all contests were three-way fights. The decline had been serious enough to result in a massive loss of seats, but the C.C.F. still remained the second federal party in Saskatchewan
in 1949. The losses, as those in the provincial election, were politi-
cally serious but not catastrophic. But the federal results confirmed
the need to take stock.

Although the Financial Post felt that the results of the 1948
provincial vote revealed that the "socialists" had been "unmasked" and
that the "virtual defeat" had shown that the electorate saw the C.C.F.
as "a narrow socialistic class party," the C.C.F. Government saw it
differently. The C.C.F. government saw it as evidence that a policy of
continuing consolidation on its 1944-48 program was correct and essential.
No dramatic new initiatives would be contemplated. The legislative
program of the C.C.F. government from 1949 to the 1952 election, as well
as its annual budgets, reflected this fact. There were no new ex-
periments in public enterprise and the government continued to place its
emphasis upon public developments in power, telephones, and insurance.
There were no new initiatives in publicly owned industrial plants, and
those that existed were increasingly put on the rear shelf of public
display. Resource development -- especially of the newly discovered
mineral riches (oil, potash, uranium) -- would be carried out by private
capital under the watchful and helpful eye of the government. Advances
in welfare, health and education were slowed down in order to allow
balanced economic growth and confidence to mushroom. Finally, the C.C.F.
continued its aggressive advocacy of government programs to aid and
further agricultural development and the establishment of co-operative
enterprises. Gone were ringing declarations about the ultimate establish-
ment of the "co-operative commonwealth," gone were the denunciations of
capitalism as a system, in their place was the rhetoric and practice of sound business-like administration, careful management of the province's affairs, a commitment to social security, a dedication to obtaining a decent share of resource profits through taxation and royalty schemes, and a clear intention to provide all essential aid from government necessary for agricultural prosperity and stability.

The Liberal opposition was confused. It had interpreted the 1944 C.C.F. victory as a one-time affair, particularly given the C.C.F.'s rhetoric about socialism, and firmly believed that an anti-socialist crusade would topple the young regime in 1948. This had failed. Despite the deepening of the Cold War, Liberal efforts to equate the C.C.F. with communism seemed comic as the C.C.F. proved itself equal, if more civilized, in its dedication to anti-communism. Consequently, although the Liberals kept the socialist bogey alive, they began more and more to realize that in the 1952 election, a more positive alternative would have to be offered.

The 1952 Liberal campaign, therefore, focussed on provincial issues and tried to present an alternative to the C.C.F. government. It complained about the burden of taxation under the C.C.F., promising tax relief. It lamented about the industrial stagnation which had characterized the C.C.F. years, still suggesting that the fear of socialism had not only kept industry away but had resulted in a flight of industry and population. The Liberals accused the C.C.F. of not really living up to its commitments to the farmers, promising a more sensitive,
farmer-oriented government. In general, the Liberal campaign charged the C.C.F. with holding back progress and prosperity, a progress and prosperity which would come about if the province's government were returned to Liberal guardianship.

In 1952, the C.C.F. serenely ran on its record. The declining population trends inherited from the Liberals had been stopped and population had stabilized. Saskatchewan's per capita income had steadily improved relative to the national average. No government in Canada had done so much for agriculture: in 1952-53 the C.C.F. government would be spending over $3,500,000 directly on agricultural programs. The value of mineral production had more than doubled since 1944: 401 oil wells were drilled in 1951 alone. In 1951, 2000 claims had been staked in the North and 46 mining companies were actively involved in exploration. Uranium had been discovered. The value of forest products produced had slowly increased since 1944. Industrial development had been remarkable. Crown corporations, employing 3000 people, had proven immensely successful. Co-operatives were flourishing and going into industrial production. Much private development had occurred. Expenditures in health would reach more than $18,000,000 in 1952-53; in education grants, more than $8,000,000 (representing a provincial grant of $47.60 per pupil, more than three times the Liberal figure in 1943-44). Social welfare, guaranteeing the essentials of livelihood with dignity, was now a right. Automobile insurance made Saskatchewan the most secure province in which to drive. Highways had never been better. Rural electri-
fication was advancing rapidly. Steps toward a total provincial telephone system had been made. The public debt had been reduced by more than 27% between 1944 and 1951. More than $70,000,000 had been cancelled in relief debts. Municipal taxes were the lowest in the West. The advances made in all areas, according to the 1952 C.C.F. campaign, were endless.

In 1952, the Premier released a personal message to the people, outlining the C.C.F.'s plans for the next term:

There is an old saying that "the proof of the pudding is in the eating." The best proof that the C.C.F. will do what it says is the fact that it has kept its promises in the past. In 1944 the C.C.F. were elected on a program of "social security" and today a host of measures designed to give greater social and personal security to the people of Saskatchewan bear testimony to the manner in which that program has been implemented.

In 1948 the C.C.F. promised to undertake a program of industrial development to supplement our agricultural economy. New industries as well as oil, gas and mineral development show we have kept faith with the electorate.

Now we are presenting a 10-point "Program for Progress" for which we are asking a mandate from the people of Saskatchewan. The best assurance of what we shall do in the future is what we have done in the past.

If you want clean, efficient and honest government -- above all, if you want things done -- vote C.C.F. If you do, I pledge myself and my colleagues to spare no effort on your behalf. Working together we can make Saskatchewan famous throughout Canada for its progressive and humanitarian policies.
The new 10-point program suggested, once again, that the C.C.F. planned no new initiatives, declaring its intention to continue to build on its eight year record. However, it is worth looking at this 1952 program in detail in order to capture a sense of how the C.C.F. had shifted its ground over the years.

$75 million highway and market road program

This will be by far the largest highway program ever undertaken in our province. When it is completed almost 1,200 more miles of blacktop will have been added to the provincial highway system. A further 2,130 miles will have been completely regraded and gravel-surfaced and tied in with the paved main routes. $6 million will be provided for improving municipal northern development roads and a further $4 1/2 million will be devoted to construction and rebuilding of timber and concrete bridges.

Power to 40,000 farms and all towns and villages

C.C.F. government has laid the groundwork for further development of power and rural electrification. The Power Corporation has the basic physical plant and equipment necessary, an efficient and trained staff has been gathered and practical methods have been established. To hit our target of 40,000 farms, calls for a capital investment of $50 million. However, with the practical experience and concrete achievement behind us, we are in a position to tackle this tremendous task of financing and physical construction.

Continued development of Saskatchewan's oil and mineral resources

C.C.F. policies have brought to the province an era of development in the production of gas, oil and other minerals unparalleled in our history. A C.C.F. government will continue to encourage investment in the search
for oil while at the same time its policies of Crown reserves and royalties will retain for the people a large share of the oil discovered. Furthermore every consideration will be given to providing benefits to farmers on whose land oil is discovered but who do not own their mineral rights.

Natural gas in larger cities and intermediate points

Recent gas finds and promising indications of new fields will enable a C.C.F. government to utilize this new resource in the interests of the people. Public ownership of provincial pipelines will assure implementation of these policies — first, natural gas distribution to the greatest possible number of communities as quickly as possible; second, equalization of cost to consumers as far as possible and third, supplying of low cost power to industry to promote further industrialization.

Construction of the South Saskatchewan dam in co-operation with the federal government

Here, three points should again be emphasized. First — the provincial government has already committed itself to its share of the costs, presently set at $33 million. Second — there can no longer be any doubt of the engineering feasibility of the project. American and Canadian engineers have testified that all the engineering problems can be solved. Third — our province and the nation as a whole need this dam and the C.C.F. will never permit the project to rot away as a discarded Liberal election promise.

Reclamation and settlement of new northern areas

Land is our most vital resource. We propose to increase agricultural production still further and to meet the needs of our young farmers particularly by opening up new areas for settlement. The unused land potential of
our province has already been surveyed and mapped. Our policy now calls for a continued program of regrassing, irrigation, drainage and clearing of hundreds of thousands of acres of potentially productive farm lands.

Abolish the Public Revenue Tax December 31, 1952; assist municipalities on basis of need

Abolition of the public revenue tax will make available to municipalities a further $1,600,000 for financing their own operations. The C.C.F. recognizes further that some municipalities have special problems and needs and thus will continue its policy of giving assistance to municipalities on basis of need.

Increased grants for Education

In eight years C.C.F. government has trebled the province's expenditure on education. Increased educational opportunities, especially for rural children, has been our goal. Yet much more remains to be done. Increasing wealth production in our province will enable us to give further assistance to education and by means of higher grants to carry a still larger share of the total financial burden.

Extension of Medical Care Program

A C.C.F. government will continue to press the federal Liberal government to implement its promise of a national health insurance program. If the federal government refuses to implement a national plan or to enter a separate agreement with Saskatchewan to assist us in a provincial plan, then we shall by ourselves, extend our present hospital insurance program to cover other forms of medical care as quickly as it is possible to do so.

Extension of Social Welfare Benefits

The slogan of the C.C.F. is "Humanity First." We believe that a fair portion of our increased wealth should be used to provide increased security for our old age pensioners, recipients of
mother's allowance, handicapped persons and other needy groups in our province. The whole aim in our expansion program of stimulating wealth production is to enable us to raise the standard of living of Saskatchewan citizens and particularly of those in greatest need.

The shift was marked from what had been advocated by the C.C.F. in 1944. In 1944, the C.C.F.'s priority had been to provide security of tenure to the farmer in his home and on his farm and security of employment to the worker. In its 1944 program, the C.C.F. argued that farmer insecurity was the result of debt and eviction. Consequently, it had promised to use the provincial power to defend the agrarian petit-bourgeoisie from the predations of finance capital by preventing foreclosure, providing crop exemptions, and forcing debt reductions and adjustments. As well, the C.C.F. had promised to encourage the development of co-operatives in order "to replace capitalism and the profit system by community ownership for the common good." Further, the C.C.F. promised to press for the closure of that den of inequity, the Winnipeg Grain Exchange. To the working class is had promised laws, which it largely had passed, to encourage collective bargaining, raise minimum wages, improve the compensation system, provide paid vacations, and to reduce the hours of work with no loss of wages. As well, the C.C.F. conception of security, for farmer and worker, had been related to the provision of a minimum social security for all as a matter of right through socialized medicine, higher pensions, and guaranteed social welfare payments to those in need. In order to finance its program, the 1944 C.C.F.
promised that more of the wealth produced in the province would have to be retained for the people's good. There would be economic planning and "the social ownership of natural resources." The C.C.F. of 1944 also had suggested that it would raise funds for the public good by establishing a government marketing board for all wholesale petroleum products, developing the power system, establishing government marketing boards for the distribution of staples, and the development of natural resources under public ownership. Steps toward the social ownership of "the means whereby the people live," on the road to the co-operative commonwealth, would occur through co-operative ownership, municipal ownership, provincial public ownership and national public ownership. At the provincial level, the C.C.F. would encourage the first three. Furthermore, the C.C.F. was committed to the diversification of the economic base of the province in order to overcome the enormity of the province's dependence upon wheat and other agricultural products. This was to be carried forward under public ownership, if necessary, even in the industrial area, particularly in those industries which would directly use the natural products of the province. The vision that the C.C.F. had of the co-operative commonwealth was fairly clear. The government would develop programs to assist and defend the agrarian petit-bourgeoisie in the growth and expansion of agricultural production, the economic foundation of the province. As well, the government would assist, by statute and guarantees and grants, the establishment of co-operative enterprises in all areas where there was a desire to do so. The basic
economic vision was, then, that of the secure small men of property, defended from unjust exactions, carrying on individual agricultural commodity production. When it was mutually advantageous, these small men of property would be encouraged to come together in co-operatives. Furthermore, the government would proceed to improve the quality of life, as well as to provide a guaranteed basic security, by a general modernization of the province's educational system, highway system, health care system, local government system and welfare system. The benefits of urban life would be delivered to rural Saskatchewan. In order to finance such a program, rather than increasing the burden of taxation on farmers and workers, the government would proceed to generate revenue and diversify the economic base by its direct entry into a whole range of economic activities, from utilities to natural resources to industrial production.

By 1952, such motivating visions were notable by their absence. Now the C.C.F. government's priority was a massive highway and "market" road program. Further, electrification would be carried to all towns and villages and to 40,000 farms. There would be "continued development of ... oil and mineral resources" through the encouragement of "investment." Natural gas would be developed and delivered to the "larger cities and intermediate points." Further, cheap power would be provided to industry as a subsidy "to promote further industrialization." More programs to increase agricultural production would be initiated, including a joint venture with the Federal government to build the long-promised
dam on the South Saskatchewan for irrigation and a program of increased settlement in the North. Spending in the fields of education, health and welfare would increase as quickly as conditions allowed. The 1952 program, therefore focussed on selected aspects of modernization -- in highways, in rural electrification, in natural gas development, in irrigation, in agriculture, in economic diversification -- in which the government's role would return to the tradition in Canadian political history: the construction and maintenance of the infrastructure in order to facilitate the operations of private entrepreneurship. Yet, in fairness, in the case of the C.C.F. in Saskatchewan, this return to tradition was balanced against a continuing conviction that a large part of the C.C.F. government's role was to facilitate agricultural development and to guarantee a basic economic, social, health, and educational security for the people of the province.

On June 11, 1952, the C.C.F. strategy paid off once again in handsome electoral dividends. Running in all 53 seats, they won 42 with 54.0% of the popular vote (improving on the 1944 sweep of 53.1%). The Liberals won 11 seats with 39.3% of the vote; the Tories none with 2.3%; and the Social Credit none (contesting 24 seats) with 3.9%. Again the C.C.F. swept city, town, village and country. All 11 Liberal seats were mainly rural. The C.C.F. won the eight seats in the major urban areas (three in Regina, two in Moose Jaw, two in Saskatoon, and one in Prince Albert) and 34 mainly rural seats. The C.C.F. swept 52.1% of the rural farm vote; 47.6% of the small town and village vote; and 59.0% of the vote in urban
centres. Once again the C.C.F. swept "better off" and poorer farmer, and blue and white collar worker. Again the election had been decided and won in the rural areas, to the consternation of the Liberals who still boggled at the idea that prosperous farmers continued to vote C.C.F. The 1952 results dramatically confirmed that the C.C.F. continued to hold the political leadership of the province's agrarian petit-bourgeoisie.

The Saskatchewan of 1951-52 was greatly changed from the Saskatchewan in which the C.C.F. had grown to maturity from 1932 to 1944. Although unable to implement its vision of the co-operative commonwealth, the C.C.F. had presided over the modernization of the province in precisely those directions the organized agrarian petit-bourgeoisie had feared since its inception. The fears contained in the organized agrarian petit-bourgeois critique of capitalism in Canada had been realized in Saskatchewan just as they had been earlier realized in Central Canada. Saskatchewan had suffered a sharp decline in population from its 1936 peak of 931,547 to 831,728 in 1951: a loss of 11%. Rural farm population had dropped from 511,269, or 57% of the total, in 1941 to 398,279, or 48% of the total, in 1951: a fall overall of 22%. Rural non-farm population had fallen from 192,441, or 21.5% of the total, in 1941, to 180,979, or 22% of the total, in 1951: a fall in absolute terms of 6%. Rural population as a whole had fallen from 703,710, or 78.5% of the total, in 1941, to 579,258, or 70% of the total, in 1951: a fall of 18%. At the same time, between 1941 and 1951 urban population had grown from 192,282 to 252,470: a growth of 31%. In 1941, 59% of the labor force
had been involved in agricultural occupations; in 1951, this figure had fallen to 49%. For the first time in Saskatchewan's history, the non-agricultural labor force was larger than the agricultural labor force.

Saskatchewan was also more prosperous by national standards. In fact, in 1951 the average per capita income in Saskatchewan was 117% of the national per capita income. Generally, however, while per capita income had improved markedly, it was still subject to the ups and downs resulting from unstable agricultural prices, as Table XLII shows.

Table XLII: Per Capita Income, Canada and Saskatchewan, 1941-1952.

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<th>Canada</th>
<th>Saskatchewan</th>
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<tr>
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<td>1,395</td>
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Although Saskatchewan was experiencing unprecedented prosperity, often
outstripping the average per capita income of the nation, the ups and downs reflected the deep instability that continued to haunt the province's economy.

Agriculture in 1951-52 was still the overwhelmingly dominant economic sector in the province, despite the successes some of the efforts at economic diversification had won. In 1948, fully 73% of the net value of commodity production in the province was agricultural; in 1952, agriculture contributed 77% of the net value of commodity production. In 1948, fully 56% of farm cash income was still from wheat; in 1952, the figure was 65%. In fact, the share of farm cash income due to wheat went up and down each year, as prices and yields fluctuated, but remained the single most important commodity in the province, as Table XLIII shows.

Table XLIII: Cash Income From Wheat and From All Farm Products, 1944-1952.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Income from Wheat ($000,000)</th>
<th>Cash Income From All Farm Products ($000,000)</th>
<th>% Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1944</td>
<td>305.0</td>
<td>543.2</td>
<td>56</td>
</tr>
<tr>
<td>1945</td>
<td>195.7</td>
<td>409.6</td>
<td>48</td>
</tr>
<tr>
<td>1946</td>
<td>208.2</td>
<td>387.6</td>
<td>54</td>
</tr>
<tr>
<td>1947</td>
<td>227.2</td>
<td>428.5</td>
<td>53</td>
</tr>
<tr>
<td>1948</td>
<td>246.8</td>
<td>534.0</td>
<td>56</td>
</tr>
<tr>
<td>1949</td>
<td>361.6</td>
<td>566.1</td>
<td>64</td>
</tr>
<tr>
<td>1950</td>
<td>214.9</td>
<td>412.5</td>
<td>52</td>
</tr>
<tr>
<td>1951</td>
<td>404.4</td>
<td>636.2</td>
<td>64</td>
</tr>
<tr>
<td>1952</td>
<td>460.3</td>
<td>710.1</td>
<td>65</td>
</tr>
</tbody>
</table>

Gradually, however, mining, electrical power development, manufacturing, and construction were contributing more to the net value of commodity production in the province: in 1952, mining, 3%; electric power, 1%; manufacturing, 8%; and construction, 9%. Still, it was obviously an agricultural economy and the efforts at diversification had been most successful in developing new primary products for export and in some processing of local natural products. Moreover, the growing areas of non-agricultural employment were neither in the new resource areas nor in manufacturing, but in employment in the service, construction, and transportation and communication sectors.

Furthermore, the nature of the agricultural economy itself was changing markedly. Capitalist modernization was working its logic out on the province's agrarian petit-bourgeoisie. Less and less was farming "a way of life" and more and more it was becoming a highly mechanized, industrial capitalist enterprise. Agriculture in the province in 1952 alone had increased production over the 1935-39 average by more than 2.7 times. At the same time, the number of farms in 1951 was 112,018, down from 138,713 in 1941, a fall of 19% in 10 years. The size distribution of farms had changed dramatically: there was an inexorable increase in the average size of farm but, more importantly the number of small farms was declining and the number of larger farms was increasing, as Table XLIV illustrates. The trend toward land concentration in agriculture had become most accelerated after the C.C.F. came to power. Clearly, the C.C.F.'s commitment to the family farm and its
defense had failed to stop or reverse the trend, although it is difficult to assess what impact provincial and federal support policies had on slowing the trend.

Table XLIV: Percentage Distribution of Farms by Farm Size, 1931, 1941, 1946, and 1951.

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 201 ac.</th>
<th>201-479</th>
<th>480-639</th>
<th>640-959</th>
<th>960-1,279</th>
<th>Over 1,280</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>32.3</td>
<td>34.6</td>
<td>14.0</td>
<td>13.4</td>
<td>.........</td>
<td>5.7 .......</td>
</tr>
<tr>
<td>1941</td>
<td>31.3</td>
<td>33.7</td>
<td>14.6</td>
<td>13.7</td>
<td>3.9</td>
<td>2.8</td>
</tr>
<tr>
<td>1946</td>
<td>25.8</td>
<td>34.0</td>
<td>16.0</td>
<td>16.3</td>
<td>4.7</td>
<td>3.2</td>
</tr>
<tr>
<td>1951</td>
<td>18.7</td>
<td>32.6</td>
<td>17.8</td>
<td>19.1</td>
<td>6.7</td>
<td>5.1</td>
</tr>
</tbody>
</table>


Further, in 1951, the net value of production per person gainfully employed in agriculture had increased from $570 in 1941 to $4,779 in 1951, a 838% increase. The total capital investment per person had grown from $800 in 1941 to $3,600 in 1951, a 450% increase. Average capital value per farm had grown from $6,459 in 1941 to $17,781 in 1951, an increase of 275%. The increasing modernization of the farm unit was rewarded in net money income: a capital investment of less than $12,000 returned, on the average, a net income of $800 per worker; of
12,000 to 13,999, $1,125 per worker; of 14,000-15,999, $1,499 per worker; and of over $16,000, $1,643 per worker.

In other words, only marginal gains had been made in economic diversification. However, agriculture had been modernized, further capitalized, and stabilized. In an irony of history, the C.C.F. the political creation of the organized agrarian petit-bourgeoisie, had presided over the triumph of the very tendencies in capitalist agriculture which had impelled the agrarian petit-bourgeoisie to organize in the first instance. At the same time, the C.C.F.'s own provincial programs of defense, aid and support for the agrarian petit-bourgeoisie, and the C.C.F.'s political threats and pressures on Ottawa in order to obtain significant federal aid for agriculture, had doubtless made the transition more painless and more humane. Furthermore, advances in health, education and social welfare did provide a tangible guaranteed minimum security. For those able to make the transition to a more viable farm unit, rural life had been made more congenial and rural services had been upgraded to approach those available in the urban centres.

The C.C.F. then, unable to realize the co-operative commonwealth, as the political expression of the organized agrarian petit-bourgeoisie, had retreated to a provincial strategy in order to protect and defend the agrarian petit-bourgeoisie, and its allies, from the worst effects of an unregulated capitalist modernization. In common with the Social Credit regime in Alberta, the C.C.F., while not able to reconstruct the Canadian political and economic order in more congenial ways, was able
to ensure that capitalist modernization would go forward in ways that
would ensure the orderly survival of those among the agrarian petit-
bourgeoisie who, with some help from co-operative enterprise and govern-
ment programs, could survive.

At its outset the C.C.F. had painted a vision of a new future in
bold strokes: a co-operative commonwealth in which the small man of
property would predominate in a political and economic structure in which
big capitalism would be replaced, progressively, by forms of social
ownership, co-operative and public. Utilities would be publicly owned;
resources would be developed publicly for the benefit of all the people;
public and co-operative industrialization would go forward in selected
areas based on the province's natural products; social and economic
planning would be imposed to forestall the instability and recurring
crises of unregulated capitalism. On an emergency basis, farmers would
be defended from finance capital by the use of the legal powers of the
provincial government. As well, a minimum social, economic and health
security would become a universal human right. Further, the province
would be modernized and its economy diversified to lessen its overwhelm-
ing dependence on agriculture, particularly grains production. Although
by 1952 the C.C.F. had abandoned much of this vision, and the rhetoric,
inspired by the Depression crisis, to go with it, it is fair to say that,
within the limitations of provincial power, the C.C.F. realized its
vision. Certainly it was forced to retreat on the public ownership of
resources and public industrialization, but these were never key elements
of the C.C.F. vision. They were rather seen as potentially necessary means to raise public revenues for government programs and to ensure the diversification of the province's economy. In other areas, the C.C.F. had some success: the farmer was defended, though the trends were not reversed, from the worst effects of capitalist modernization; co-operative enterprises flourished to the point where, today in Saskatchewan, they are a key sector of the economy; and a more sensitive social security and health system was gradually built in order to ensure that no one would be forced to experience the monstrous fear and degradation so many lived through during the Great Depression. The U.F.C.(S.S.), and its creation the Farmer-Labor party, had really not argued that much more could be done with the limited powers of a provincial government.
NOTES AND REFERENCES


3. A Submission by the Government of Saskatchewan to the Royal Commission on Dominion-Provincial Relations (Canada, 1937), King's Printer, Regina, 1937, p. 39. Hereafter referred to as Saskatchewan Submission.

4. Ibid., p. 107.

5. Ibid., p. 139.

6. Ibid., p. 145.

7. Ibid., p. 148.

8. Ibid., pp. 169 and 172.


10. Ibid., p. 194.

11. Allen, W. and Hope, C. C. The Farm Outlook for Saskatchewan, University of Saskatchewan, 1936.


17. *Ibid.*, pp. 53-54
38. See Steininger, Friedrick. 'George H. Williams: Agrarian Socialist, M.A. thesis, University of Regina, 1976, pp. 162ff, pp. for the details of the personal clashes among the C.C.F. leadership resulting from this fact. Douglas, who got his political start as a C.C.F.-Social Credit hybrid, was later to become the C.C.F. Premier of Saskatchewan in 1944. His Attorney-General, J. W. Corman, had run for the Social Credit in 1938. His Provincial Treasurer, C.M. Fines, had openly favoured working with the Social Credit party.


40. Saskatchewan Co-operative Commonwealth Federation, Provincial Platform, C.C.F. party pamphlets, 1936, Saskatchewan Archives at Saskatoon.

41. Proposed Amendments to the Constitutions and Resolutions, C.C.F. Convention, July 15-17, 1936, Saskatchewan Archives at Saskatoon.

42. This was demonstrated in a radio broadcast on the issue by the C.C.F. leader in December, 1936. See "Co-operation," radio address by G. H. Williams, M.L.A., Leader of the Opposition, Saskatchewan Legislature, and President, Saskatchewan C.C.F., December 9, 1936, Saskatchewan Archives at Saskatoon.

43. Steininger, op. cit., p. 239.


46. Ibid., p. 315, 316, 326.

47. Williams, G. H. "Co-operation," text of radio address, December 9, 1936. Saskatchewan Archives at Saskatoon.

48. Program and Manifesto of the Co-operative Commonwealth Federation, C.C.F., Saskatchewan Section, 1934, Saskatchewan Archives at Saskatoon.


50. Ibid., p. 20.

51. Ibid., p. 95.
53. Williams, G. H., Leader of the Opposition, Budget Debate, ibid.
55. Ibid., p. 279.
58. Ibid., p. 2.
59. Ibid., pp. 11-12.
60. Liberal party pamphlet, 1938 election, Saskatchewan Archives at Regina.
61. See "Social Credit in Alberta," Liberal party pamphlet, 1938 election, Saskatchewan Archives at Regina, and for what follows.
62. For example, Aberhart's crowd at Wilkie was 3,000, at Saskatoon, 7,500 (2,500 of whom listened outside to loudspeakers), 4,000 at Prince Albert, and 5,000 at Melville. Gardiner only drew 500 at Prince Albert and a small crowd at Melville. Steininger, op. cit., p. 286.
63. The Social Credit Manifesto for Saskatchewan, Social Credit party pamphlet, 1938 election, Saskatchewan Archives at Regina.
64. Williams, G. H. Social Democracy in Canada, McInnis Brothers, Regina, n.d. (1938?), p. 32, Saskatchewan Archives at Regina.
65. "Is Social Credit Coming or Going?" C.C.F. party pamphlet, 1938 election, Saskatchewan Archives at Regina.
66. "Are They To Be Trusted?" C.C.F. party pamphlet, 1938 election, Saskatchewan Archives at Regina.
67. "Year by Year, the Load Grows Heavier," C.C.F. party pamphlet, 1938 election, Saskatchewan Archives at Regina.
68. See "The C.C.F. Goal," C.C.F. party pamphlet, 1938 election, Saskatchewan Archives at Regina, and for what follows.

70. The Liberals won 38 of 52 seats, the C.C.F. won 10, the Social Credit 2 and the Unity forces 2. The major opposition held, therefore, 14 seats. The combined C.C.F./Social Credit votes in 12 of the seats they had lost would have given them 12 victories. In 4 seats, where they opposed each other, the vote would have been very close. There is no question that had the C.C.F. and the Social Credit combined forces they would have won the province. The straight statistics gave them 24 of 52 seats, 4 were close, and had a unified reform campaign been fought, there would have been, in all probability, a new government after the 1938 election. See Saskatchewan Archives Board, Saskatchewan Executive and Legislative Directory, 1905-1970, 1971, pp. 91-158.


75. Smith, David E. Prairie Liberalism (University of Toronto), 1975, p. 246.

76. Ibid., pp. 242-243.

77. Journals, Saskatchewan Legislature, 1939 through 1944, Vols. XXXVII to XLII.

78. For example, see Liberal Party pamphlet collection, 1940 federal election, Saskatchewan Archives at Regina.


80. For example, see the following pamphlets: "What Does the C.C.F. Stand For? 33 Questions answered by M. J. Coldwell;" "What is it? Who is it? What will it do? A C.C.F. Quiz;" and "Let the Record Speak," C.C.F. party pamphlets, 1944 election, Saskatchewan Archives at Regina.

81. See "C.C.F. Program for Saskatchewan, 1944," C.C.F. party pamphlet, 1944 election, Saskatchewan Archives at Regina, and for what follows.
82. See "C.C.F. Land Policy; Read It; Remember It; Support It." C.C.F. party pamphlet, 1944 election, Saskatchewan Archives at Regina, and for what follows.


85. See "Labour and Urban Security," C.C.F. party pamphlet, 1944 election, Saskatchewan Archives at Regina, and for what follows.


89. See "Election Manifesto," Saskatchewan Liberal Association, May, 1944, Liberal party pamphlet, 1944 election, Saskatchewan Archives at Regina, and for what follows.

90. Smith, Liberal party, p. 247.

91. Lipset, op. cit., p. 198.

92. Ibid., p. 206.


94. Financial Post, 24 June, 1944.


96. Statutes of Saskatchewan, 1944 (Second Session), ch. 30.

97. Ibid., ch. 29.

98. Ibid., ch. 6.

99. Ibid., ch. 7.
100. Ibid., ch. 69.
101. Ibid., ch. 65.
102. Ibid., ch. 8.
103. Ibid., ch. 13.
104. Ibid., ch. 37.
105. Ibid., ch. 44.
108. Ibid., p. 52.
109. Ibid., p. 58.
110. Ibid., p. 59.
111. Ibid., p. 113.
112. Ibid., p. 119.
113. Ibid., p. 153.
114. Ibid., pp. 228ff.
118. Statutes of Saskatchewan, 1945, ch. 17.
119. Ibid., ch. 18.
120. Ibid., ch. 54.
121. Ibid., ch. 75.
122. Ibid., ch. 76.
123. Ibid., ch. 104.
124. Ibid., ch. 107.
125. Ibid., ch. 108.
130. Statutes of Saskatchewan, 1946, ch. 10.
131. Ibid., ch. 11.
132. Ibid., ch. 42 and 43.
133. Ibid., ch. 65.
134. Ibid., ch. 66.
135. Ibid., ch. 29, 30, 31, 32.
136. Ibid., ch. 81.
137. Ibid., ch. 82.
138. Ibid., ch. 91.
141. Journals, Saskatchewan Legislature, 1946, Vol. XLV, Appendices to Budget Speech of the Provincial Treasurer. Legislation, legal and judicial administration, and "other" categories are not reported, hence the percentages do not add to 100%.

143. *Statutes of Saskatchewan, 1947*, ch. 36.

144. Ibid., ch. 49.

145. Ibid., ch. 55.

146. Ibid., ch. 72.

147. Ibid., ch. 74.

148. Ibid., ch. 99.

149. Ibid., ch. 102.

150. Ibid., ch. 103.

151. Ibid., ch. 104.

152. Ibid., ch. 105 and ch. 106.

153. Ibid., ch. 95.

154. Ibid., ch. 10.

155. Ibid., ch. 12.

156. Ibid., ch. 13.

157. Ibid., ch. 35.


161. Ibid., ch. 66.

162. Ibid., ch. 65.

163. Ibid., ch. 16.

164. Ibid., ch. 19.


172. Smith, Liberal party, pp. 258-259.


186. Ibid., p. 247.

187. Ibid., p. 251.

188. Ibid., p. 270.

189. "Better off" means simply the upper half of farmers in terms of value of farm products produced and sold. "Poorer" means the lower half.


199. See "A Message From the Premier," C.C.F. party pamphlet, 1952 election, Saskatchewan Archives at Regina, and for what follows.


203. Ibid., p. 274.


206. Ibid., Vol. 2, Mechanization and Farm Costs, p. 58.

207. Ibid., p. 59.

208. Ibid., Vol. 3, Agricultural Credit, p. 10.
A conclusion is a difficult thing to write. It is especially difficult when one must write a conclusion about sweeping historical social structural transformations, about the rise and fall of classes, about the essence of an epoch or an era in a nation's life. The sheer obviousness of the conclusion, after such a lengthy analysis, makes it no less difficult to set down on paper. Perhaps we are still too close to the events of the Prairie agrarian agitation. There is probably no one from the Prairies who does not know someone of advanced years who lived through the agitations leading up to and during the Great Depression. Recently, books about the era, especially the Great Depression, are commercially successful, no mean achievement in Canada. This generation is clearly reflecting upon the roots of its parents and grandparents and, therefore inevitably, upon its own sense of where it came from. Such reflection often degenerates into sentimental nostalgia, tending to glorify the period. However, I have known no one who remembers, in any serious and probing discussion, those times as anything but difficult, heartbreaking and disillusioning. Perhaps that very dialectic is part of the process of coming to a richer and deeper sense of the real experiences this nation has gone through. Hopefully this present work will contribute to the effort to come to know ourselves for what we were
and, hence, for what we are and for what we may hope to be in the future.
These caveats aside, the conclusions of this present work, tentative and searching though they may be, are obvious.

The concept of Populism, defined with Lenin as the protest against capitalism from the point-of-view of the agrarian petit-bourgeoisie, clearly has much to offer us in our efforts to come to grips with the agitations of the Prairie agrarian petit-bourgeoisie, including the emergence of the Social Credit League in Alberta and the Co-operative Commonwealth Federation in Saskatchewan. The acceptance of the use of the Populist theoretical perspective would make two major and worthy contributions to Canadian scholarship. First, it would shift our focus from an emphasis on the regional aspects of the agitation by insisting that we begin with an analysis which located the agrarian petit-bourgeoisie, as a class, in the development of Canadian capitalism. Such a shift would not entail an elimination of regional analyses, but it would insist that regional analyses must begin with an analysis of Canada's class structure, its evolution, and its particular regional character. Second, it would solve a recurring problem of Canadian scholarship -- the problem of explaining the emergence of apparently contradictory movements, the Social Credit and the C.C.F., from the same class and in the same region -- by insisting that both movements, most importantly, reflected a protest and critique of capitalism, and proposed developmental alternatives, articulated from the point-of-view of the agrarian petit-bourgeoisie. Furthermore, such a perspective leads us out of a narrow and exclusive preoccupation with the development of Canada per
E, and insists that we locate the unfolding of capitalist modernization in Canada alongside similar developments in other times and other places. In other words, the Populist theoretical perspective eschews any notion of Canadian exceptionalism and forces us to locate our analysis of Canada within the general dynamics of capitalist development as it has occurred and recurred in the capitalist world. Obviously not all these tasks have been accomplished or even attempted in this present work. Rather, an effort has been made to employ the general perspective implied in the notion of Populism as a set of responses of the agrarian petit-bourgeoisie to the consequences of capitalist modernization for themselves as a class -- to the case of the Canadian agrarian agitation. Perhaps, at a more general level, this analysis has raised more questions about the evolution of Canadian capitalism than it has answered. Yet some answers, hopefully, have also been provided.

The organized agrarian petit-bourgeoisie dominated the political debates in Canada during the first few decades of this present century. Their domination was ephemeral and extended only to setting the agenda for the debates since, although some concessions were won, the organized agrarian petit-bourgeoisie proved unable to change the course of the development of Canadian capitalism in ways completely congenial to them. The content of the agrarian agitation had deep roots in the development of Canada even prior to Confederation. Indeed, with hindsight, the 1837 Rebellion can be viewed almost as a dress rehearsal for the later agitation. Many of the grievances behind the Rebellion -- agricultural and land policies, the call for freedom of trade, the calls for
democratic reforms, demands that corruption in politics and business end, a sense that the colonial state was used for special interests, etc. -- all were re-expressed later in the agitations on behalf of the New National Policy. Indeed, it could be argued that one can discern only two occasions in Canadian history when a relatively complete alternative developmental design to that which was in place was offered (and found a degree of popular support): in 1837 and later during the height of the agrarian agitation in the 1920's. However, the 1837 Rebellion was crushed and Canada's ruling class stumbled willy-nilly and reluctantly into the so-called National Policy which was to effect the Confederation of British North America. The design of the National Policy is well known and included the following elements: the erection of a tariff wall to encourage domestic capitalist industrialization; the settlement of the Prairie West with farmers who would produce grains, especially wheat, for export and who would serve as a protected market for Canadian manufacturers; and the consequent establishment of a new investment frontier in the new agricultural region. As we've seen, it was really a new variation on an old theme: engage in public investment in the infrastructure in order to provide capital -- financial, industrial, and commercial -- the opportunity to flourish.

However, Confederation took this old strategy a step further. It was a national design, and it was a design whose success depended upon the establishment of a viable capitalist agriculture in the vast unsettled Prairie region. As the plan was conceived, the population which settled the Prairie region -- most importantly the agrarian
petit-bourgeoisie, the most numerous class -- was to serve a number of purposes in the larger evolution of Canadian capitalism. They were to provide a captive market for Canadian manufactures. They were to produce grains for export in sufficient quantities at competitive prices, not only to provide great commercial opportunities in the grain trade itself and to provide a stimulus to industry via the production inputs and other needs of the population, but also to ensure the viability of an expensive transportation system. They were to become creditors for Canadian financial institutions. The grievances, therefore, of the Prairie agrarian petit-bourgeoisie included not only the classical grievances of small-holders regarding their place in capitalism but also those grievances which resulted from the political structure imposed upon the Prairie region by Confederation. Indeed, Confederation itself can be seen as an effort to create a national capitalism in Canada which would lay the foundations for a rapid evolution to a modern industrial capitalist nation.

The fact that the Prairie region was crucial for the ultimate success of capitalism on a national scale in Canada, combined with the fact that the agrarian petit-bourgeoisie would inevitably dominate the region (in numbers and ultimately politically), made the agrarian upsurge, including its modest successes, inevitable. Earlier organizations of the Canadian agrarian petit-bourgeoisie in Central Canada and the Maritimes had long articulated the grievances of the agrarian petit-bourgeoisie in the context of capitalist development. These earlier agitations, besides constructing a panegyric of the role of the
agricultural producer and other small producers, had focussed their criticisms on the forces leading to, and consequences of, rural depopulation; the rank injustice of the tariff system, that most unnatural of economic systems; the horrors of urbanism and industrialism; the outrage of political corruption; the "unearned increment" taken by useless middle-men and other unproductive persons; and the unresponsiveness of the party system and of parliamentary democracy. As such they prepared and shaped the basic ideology which was to characterize the agrarian petit-bourgeois upsurge later. As well, the Prairie agrarian petit-bourgeoisie began to organize and to express their grievances from the beginning of settlement. Such early expressions of grievances on the Prairies included all those articulated by the Central Canadian agrarian petit-bourgeoisie, as well as those of a specifically regional character: most notably, demands for responsible government, calls for more local control, insistence that the natural resources of the region devolve to the region's control, and particularly intense criticisms of the railway and grain-handling system. However, from the outset, the focus of the expression of grievance sprang from a sense that the agrarian petit-bourgeoisie failed to obtain just prices for the products of their labour and enterprise and that farming, as a most vital vocation, failed to receive the recognition that was its due in the councils of national decision-making.

The wheat boom, from 1896 to 1913, resulted in the incredibly rapid settlement of the Prairie region and in the unprecedented upsurge in the agrarian agitation on a national scale. This is crucial to
emphasize. The great assault leading up to 1921 was national not regional in character: the assault involved the organizational unity of the agrarian petit-bourgeoisie, with more or less success, in all regions of English Canada. Obviously, the upsurge depended upon the Prairies -- the only region in which the agrarian petit-bourgeoisie were indisputably dominant numerically and where the strongest organizations of the agrarian petit-bourgeoisie had been constructed. Certainly the success of the agitation, in so far as it was successful, can be attributed to the Prairie agrarian petit-bourgeoisie, due to their dramatic growth in size and to the growing importance of wheat in Canada's national economy. Moreover, in terms of permanence, it was in the Prairies that the agrarian agitation was to have enormous success. The self-organization of the Prairie agrarian petit-bourgeoisie was phenomenally successful and as an organized force they came to play a more decisive political role in the Prairies, where their role was already decisive economically, than the organized agrarian petit-bourgeoisie of any other region. They organized themselves as pressure groups and as co-operatives and achieved remarkable results, particularly in the establishment of Wheat Pools and other co-operative ventures. Indeed, the successes of the organized agrarian petit-bourgeoisie in the area of self-organization in the political and economic spheres developed their self-confidence as a class to the point where they were able to pose a national alternative program and to attempt to win the leadership of the nation through direct political action. Yet the fact that the agitation was national and that it proposed national remedies and a new national purpose cannot be
dismissed as lightly as has often been the case.

The political offensive of the agrarian petit-bourgeoisie focussed primarily on their general grievances in the context of a modernizing Canadian industrial capitalism. The so-called New National Policy, with which the Progressive party went to the electorate in 1921, was a distillation of agrarian petit-bourgeois grievances and their remedies. Needless to say, the organized agrarian petit-bourgeoisie saw such remedies as being in the interests of the nation as a whole, rather than as representing sectional or class interests. In other words, in 1921 the organized agrarian petit-bourgeoisie in Canada offered themselves as the class which could lead, fairly and honestly, in a reconstruction of the Canadian political and economic order. The document of the New National Policy lamented rural depopulation. The document painted a vividly horrifying vision of urban and industrial life. The document argued that the tariff system was the root of all economic problems of the nation, most particularly that of rural depopulation. The tariff system, because it made industry unnaturally profitable and therefore capable of paying high wages, was leading to the triumph of urban industrialism. Rural life was less viable due to the inflated costs of production -- a result of the tariff -- which were imposed on agriculture and small industry. This situation would continue as long as the "Special Interests," which had corrupted the party system by purchasing the two old parties, continued to be in command in Parliament and in the provincial legislatures. In a sense, in the events leading up to 1921, the agrarian agitation focussed political attention on two key
issues: on capitalism and its consequences; and on the need for a deeper and more reformed democracy. However, their analysis, springing as it did from their own class location in a developing capitalism, whose main features they embraced, was hopelessly confused and unclear and consequently their proposed alternative design for Canada was unconvincing to the allies they would have had to win: the urban working class and the urban and small town petit-bourgeoisie. The urban working class was clearly unconvinced by proposals which implied industrial shut-downs, wage cuts, and forced urban to rural migration as the consequences of a "natural" economy, based upon a rural social structure in which agriculture and other small commodity production was pre-eminent, would emerge from the ashes of the old artificial, tariff-induced, urban industrial social structure. The urban and small town petit-bourgeoisie remained largely unconvinced by their uncertain future in such a free-trade, "natural" economy. This was less true in the Prairie west where both the urban working class and the urban and small-town petit-bourgeoisie initially supported the Progressive party. However, it must be recognized that in the Prairie west virtually all classes were dependent upon agricultural prosperity and usually recognized that their interests and those of the agrarian petit-bourgeoisie, for all immediately practical purposes, were indistinguishable.

Indeed, it is here that we can discern the usefulness of the Populist theoretical schema most vividly. The period leading up to and including the Progressive party challenge in 1921, and its decline throughout the 1920's, revealed the two-sidedness -- progressive and
reactionary — of the agitations of the agrarian petit-bourgeoisie. Clearly, economic self-organization in order to establish the co-operative control of the annual harvest and the commercial provision of supplies and inputs cannot be seen as either generally progressive or reactionary. Such measures were primarily designed to enhance economic returns to the agrarian petit-bourgeoisie by ensuring that the fullest possible share of the final price won for their crops would be obtained by the actual producer and by reducing the share middlemen obtained from the prices paid for their supplies and inputs. One may be able to argue that, in an agricultural region, such institutions were progressive by definition since they defended the interests of masses of small-holders from the unjust exactions of big and often distant capital. Yet they were also class institutions designed to benefit the agrarian petit-bourgeoisie in concrete economic ways. Of course, the agrarian petit-bourgeoisie held up co-operation as a general good for its own sake, indeed often suggesting that the whole of Canada would be better run, in all areas, on co-operative principles. Clearly, as well, many of the annual demands made by the various agrarian organizations on provincial and federal governments were often self-interested, though, in fairness, many demands for general reform were also included in such documents. However, in the 1921 agitation an effort was made to provide national leadership in order to reconstruct Canadian capitalism as a system. And it is here that the reactionary and progressive nature of Populism was most clearly expressed. On the one hand, the New National Policy proposed many laudable reforms in order to make Canadian democracy more
responsive. On the other hand, the tariff abolition proposal seemed to represent a conscious policy to move to a "natural," small-producer capitalism in which the "unnatural" industries dependent on tariff protection would wither and die. In the absence of an alternative policy of industrialization and modernization, the central provisions of the document seemed to stand for a deliberate policy of urban depopulation as Canada returned to a more "natural," less advanced stage of economic development. This was nothing less than a policy of reversing modernization, of putting a check on the evolution of industrial capitalism. Indeed, the tariff proposal itself contained reactionary and progressive features. It criticized the nature of capitalism and its consequences for masses of people in Canada. It focussed on the "Special Interests" and their corruption of Canadian political life. It exposed and lamented the use of the state by the "Special Interests" to benefit themselves at the expense of all Canadians and against all the canons of fair play. The solution of this was a deeper democracy: clearly a progressive demand. On the other hand, the move to free trade and the resulting return to an earlier level in the development of Canada's productive forces would have had disastrous and negative consequences for masses of Canada's urban population. In other words, although the agitation put the question of capitalism on the Canadian political agenda, as the Russian Populists had in Russia, the agrarian petit-bourgeoisie shrank from a decisive break with capitalism, i.e., with commodity production. Further, the 1921 document and accompanying agitation revealed the organized agrarian petit-bourgeoisie's lack of real sympathy for the
urban working class, and for its expression of self-organization, the trade unions. While proposals of real benefit to labour had been absent in pre-1921 versions of the New National Policy, the 1921 program was bland and offered labour little. At the same time, long-held agrarian petit-bourgeois opposition to shorter hours and higher minimum wages, and their continuing insistence that such amenities never be granted to farm wage-labour, led the agrarian petit-bourgeoisie, as a whole, to offer little real support to the struggles of the urban working class. Indeed, more than anything else, the divisions among the organized agrarian petit-bourgeoisie and their continuing vacillations in their attitude to labour revealed, simultaneously, the reactionary and progressive nature of the movement.

The fall of the Progressive party was almost as rapid and dramatic as its rise, reflecting and contributing to the disintegration of the national agrarian petit-bourgeois agitation. Their refusal to play the Parliamentary game, the vagueness of their program, the internal rifts, the fundamental disagreements on crucial issue after crucial issue clearly played a large part in this disintegration. Furthermore, the failure of many within the party to win the argument that the Progressive movement to consciously "broaden-out" in order to win the support of other classes ensured that the party would never become a national alternative. As well, the return of prosperity in the 1920's contributed as much to the Progressive decline as the post-war depression had contributed to its rise. One must also recall the concessions won by the Progressive contingent in Parliament -- a return of the Crow rates,
tariff reductions on key commodities, federal agricultural credit legislation, a promise of a return to the Wheat Board -- which tended to win much of the Progressive electoral base back to the Liberal fold. Finally, the failure to win the Wheat Board led, in the mid-1920's, to a near-exclusive focus on the Wheat Pool project by the Prairie organized agrarian petit-bourgeoisie.

Only the United Farmers of Alberta government survived the national agrarian petit-bourgeois upsurge, standing as a lonely beacon to the promise contained in the agitation of the 1920's. Having won power at the height of the agrarian upsurge in 1921, the U.F.A. regime remained in power until its decimation in 1935. As the upsurge quieted, the U.F.A. regime -- successfully moving to orthodox cabinet government and annually repelling the more militant demands put upon it by elements among the U.F.A. rank-and-file -- proved unable and unwilling to deliver the promised results of the agitation. Although the regime continued to be a loyal "farmers' government," in the sense that it articulated the grievances of the agrarian petit-bourgeoisie and loyally demanded federal action to redress them, it did not embark on significant programmatic experimentation at the provincial level. It did not move to provincial public ownership of selected sectors of the provincial economy, despite such demands from its own supporters. It did not agree to use the provincial government in a program to provide cheap credit to the agrarian petit-bourgeoisie, despite increasingly aggressive demands for such initiatives from its own supporters. The U.F.A. regime's attitude toward the working class was indifferently similar to that of the other
provincial governments of the day. The regime elevated parsimoniousness in provincial government expenditure to a high virtue and proved incapable of using the provincial powers, such as they were, in any unique way to serve the agrarian petit-bourgeoisie.

The devastation of the Great Depression impelled the Prairie agrarian petit-bourgeoisie into electoral politics once again. The Great Depression -- which threatened the existence of the strongest institutions built by the agrarian petit-bourgeoisie, the Wheat Pools -- proved a problem of such magnitude that the agrarian petit-bourgeoisie, particularly its organized sector, debated and considered two sets of depression remedies: the Social Credit plan and the Co-operative Commonwealth plan. Both sets of remedies called for a dramatic departure from the traditional political solutions proposed by the organized agrarian petit-bourgeoisie, particularly by the U.F.A. regime in Alberta. Both sets of remedies advocated the use of provincial government powers, and ultimately the federal state, in an aggressive way to reconstruct the economy in ways more congenial to the agrarian petit-bourgeoisie, its supporters and allies. The advocates of Social Credit insisted that the long-term solution to the crisis lay in the use of government powers to establish free, or at least cheap, credit, as well as the emergency provision of more adequate relief, as the basis for salvaging the true free enterprise system based on small production. The argument was posed that by using government powers to check finance capital, it was possible not only to keep the productive individual producing but to replace the domination of finance capital by the real democratic domination of the
small property owner. The advocates of the Co-operative Commonwealth remedy, while agreeing that it was vital to save the individual farmer and worker from the predations of finance capital and to build a truly responsive system of credit based on the maintenance of production to fill human need rather than profit, argued that the social ownership of key sectors of the economy -- through mass individual ownership, through co-operatives, and through public ownership -- was the route to take out of the crisis and to a new order.

The battle among the agrarian petit-bourgeoisie over the two remedies was fought out initially and most dramatically within the U.F.A. from 1930 to 1935. Both remedies had deep roots in the earlier agrarian agitation and both remedies had been popularized by it: there had been a sustained critique of the capitalist credit system and perennial calls for cheaper credit; the Co-operative Commonwealth clearly rested on the argument that the principle of co-operation, so successfully pioneered by the organized agrarian petit-bourgeoisie, could be carried over as the basic organizing principle of the whole political economy. The U.F.A. government, refusing to adopt either set of remedies in any decisive manner, beset by an organization whose membership was adopting one set of remedies or the other, and often both, collapsed under the onslaught of the Social Credit League in the 1935 election. The Social Credit League emerged out of the rank-and-file of the U.F.A., although under the leadership of non-U.F.A.ers, and successfully went around the U.F.A. government and leadership to win not only the mass of U.F.A. members but also the electoral base of the U.F.A.
The Social Credit League in Alberta, which had also appealed successfully to the working class and the urban and small-town petit-bourgeoisie, proceeded, as government, to embark on a series of confrontations with the federal government and with finance capital in its efforts to build Social Credit in one province. As a Populist phenomenon, the Social Credit League in Alberta clearly reflects the simultaneously progressive and reactionary features of the agrarian petit-bourgeois critique of capitalism. On the one hand, the Social Credit government did embark on a sustained program of aggressive use of provincial powers to defend the agrarian petit-bourgeoisie and its allies from finance capital through a series of legislative enactments. This campaign resulted in the disallowance of no less than 11 provincial statutes by the federal cabinet, the reservation of three proposed statutes by the Lieutenant-Governor, and a series of court battles with various organizations representing business interests. Had that legislation been allowed to stand, the province's financial institutions would have been transformed into instruments of cheap credit primarily for the benefit of small producers. The laws in question would have unilaterally cut interest rates, declared a moratorium on debt collection, imposed a general reduction in debts, prevented foreclosure for debt, and transformed banks into community-controlled credit clearing houses. On the other hand, the Social Credit's vision of the nature of the best of all possible worlds was as confused as the Progressive Party's had been: it envisaged a world of small producers, provided with the "life-blood" of economic enterprise -- credit -- and guaranteed a minimum security
through the issuance of dividends charged against the province's credit, freely developing the province's resources to levels of undreamed of prosperity. There was little place for state intervention, though the state would be interventionist in terms of co-ordinating the economy and ensuring the establishment and enforcement of the Social Credit system. Clearly, the vision was merely another variation on that common Populist theme of a return to the more golden past when masses of people were involved in small production, gaining deserved and earned rewards for their initiative, enterprise and labour.

However, at the same time as its efforts to realize Social Credit were being blocked, the Alberta Social Credit government, due to its debt laws, provided emergency relief from foreclosure and created a political atmosphere which made foreclosure and eviction a dangerous option for finance capital to pursue. Furthermore, by putting a ceiling on the amounts it was willing to pay out in interest and debt charges on the public debt, the Social Credit government was able to establish a generous and responsive relief system. As well, the regime began to introduce aspects of "socialized" health, started reform and modernization of the educational system, and, generally, made efforts to diversify the province's vulnerable economy. Additionally, provincial legislation of real benefit to the working class was enacted. However, as its efforts to build a Social Credit system were repeatedly blocked and as it found itself confronted by the C.C.F. (to which the U.F.A. had affiliated) as the major opposition force, the Social Credit movement degenerated rapidly, in its rhetoric at least, to a party of the right. In the
1944 provincial election, Social Credit identified the real enemy of the people as the C.C.F.'s "bureaucratic socialism" rather than the "Fifty Big Shots" of finance capital.

In Saskatchewan, the evolution of the agrarian petit-bourgeois was more complex and confused. The organized agrarian petit-bourgeoisie there, due to internal disagreement and the astuteness of the Liberal government, did not go directly into provincial politics at the height of the national agrarian agitation. As a result, proponents of direct agrarian political action were unsuccessful until the Great Depression, when sheer survival seemed to depend upon direct political action by the organized agrarian petit-bourgeoisie. Yet the organizations of the agrarian petit-bourgeoisie in Saskatchewan -- the S.G.G.A., the F.U.C. and the U.F.C.(S.S.) -- had kept Populist politics of a sort alive through their on-going critique of capitalism and the National Policy in Canada, essentially conserving and husbanding the notions popularized by the Progressive crusade and which had been a part of the general agrarian agitation. When the organized agrarian petit-bourgeoisie in Saskatchewan, the U.F.C.(S.S.), finally formally went political in 1931 as the Farmer-Labor party (F.L.P.), in which the less than 500 member Independent Labor Party was hardly a decisive factor, its road to power proved slower and more difficult than that of either the U.F.A. in 1921 or the Social Credit in 1935. In the 1934 provincial election, the F.L.P.'s program focussed on the provision of security of tenure to the farmer through the "use-lease" program of land nationalization, which, as we've seen, was not a program of nationalization at all, and included a central agitation against finance capital. Out of that election the F.L.P.
won five seats in the more prosperous agricultural districts and became the second party of Saskatchewan's agrarian petit-bourgeoisie. By the federal election of 1935, the newly formed C.C.F. was locked in a serious struggle with the Social Credit party for the political leadership of the more militant and progressive elements among the province's agrarian petit-bourgeoisie. The struggle was confused and unclear. In the course of it, there was serious rank-and-file support within both parties for co-operation in order to defeat the old parties, and this sentiment was reflected in the electoral behaviour of the agrarian petit-bourgeoisie. The C.C.F. leadership came out in favour of co-operation in rather vague terms but, more significantly, moved to modify the more controversial sections of the 1934 program. Most importantly, the 1936 C.C.F. platform had rejected the use-lease proposal, which had caused considerable confusion among the Saskatchewan agrarian petit-bourgeoisie, and had focussed its attention on the issue of security of tenure on the farm and in the home in the face of debt, foreclosure, and eviction. As well, the new version of the platform included a proposed program of debt and interest reduction, a series of reforms of the credit system, and a promise to institute socialized health. Therefore, the C.C.F. platform became virtually indistinguishable from that of the Social Credit party, except for its insistence that Social Credit remedies could not be pursued provincially. By the 1938 provincial election, while aggressively attacking the soundness of the Social Credit system as a real solution to the crisis of capitalism, the C.C.F.'s rhetoric and promises
very closely paralleled those of the Social Credit party: security of tenure on the farm and in the home through protection from foreclosure and eviction remained central, as did debt reduction proposals. However, the C.C.F., strengthened by the failures to realize Social Credit in Alberta and aware that it was a fight to the finish with the Social Credit organization, also began to emphasize its more general critique of capitalism and its advocacy of public ownership in selected economic sectors. Again, the focus of the party was almost exclusively rural and resulted in the return of 10 members, again from the more prosperous agricultural districts. As a result of the 1938 election, the C.C.F. had clearly kept for itself the leadership of the more radical and progressive section of the agrarian petit-bourgeoisie and had remained the second party of the province's agrarian petit-bourgeoisie.

In 1944, the year of the Saskatchewan C.C.F. victory, the C.C.F.'s program still emphasized security for the farmer against the predations of finance capital through measures to establish debt and eviction protection. However, the C.C.F. broadened its appeal by promising labour legislation which would enhance the security of the urban worker through easier trade union organization, higher minimum wages, better compensation benefits in case of accident or death, a shorter work-week, and paid annual vacations. As well, a whole series of measures in the area of health, education, and social welfare reform, designed to establish a universal minimum social security, were promised. A modernization of the province's institutions and infrastructure, and particularly its rural districts, was promised. Finally, the C.C.F. program promised
the aggressive use of various forms of social ownership -- co-operative and public -- in selected areas of the economy, most particularly in resource development and in the establishment of industries based upon the province's own resources. Indeed, the program made much of the need to plan and diversify the provincial economy through whatever form of ownership -- public, co-operative, or private -- was necessary to get the job done.

Upon its victory, the C.C.F. government delivered many of its promises. It passed laws to protect the agrarian petit-bourgeoisie from finance capital by forbidding eviction from the home quarter in the case of foreclosure, by exempting a generous portion of crops from seizure for debt, and by establishing a moratorium on debt payments during times of crop failure. The new government put laws on the books to facilitate trade union organization, to raise the minimum wage, to establish the 44-hour week, and to grant two weeks paid annual vacation. A basic minimum security -- easier access to welfare -- was established on the basis of need and as an automatic right. Educational reform was begun in a serious way. As well, the government began moves towards a comprehensively available health system: however, it shied away from state medicine and took the more conservative health insurance route. Economically, until 1948, the government embarked on experimentation in provincial public ownership of utilities and of certain modest industrial enterprises. It did not pursue the policy of public ownership and development of natural resources, and new resources of importance discovered during C.C.F. rule -- oil, potash, uranium -- were developed as
private ventures. By 1948, and more clearly by 1952, the C.C.F. government had jettisoned its commitment to public ownership, except in utilities and insurance, and had warmly welcomed private capital into the province. Increasingly, its commitment was to the modernization of the province's infrastructure to facilitate private development, small and large, in order to diversify the economy. Indeed, the government, after 1948, slowed down its establishment of new programs in health, education, and welfare, or in any other policy sphere, as it awaited the economic diversification necessary to produce a more stable and secure economy upon which a further extension of social services could be based.

On the basis of the previous comparisons, can the Social Credit in Alberta and the C.C.F. in Saskatchewan best be viewed as Populist responses to the consequences of capitalism in Canada for the prairie agrarian petit-bourgeoisie? Have their differences been exaggerated? Were they, in fact (if not in rhetoric) more similar than different? Are their similarities basic and structural? The answer of this present work has been "yes" to each of these questions.

The differences between the Social Credit in Alberta and the C.C.F. in Saskatchewan increased as time went on. Indeed, it is clear that the C.C.F. in Saskatchewan reluctantly made the transition from being a party of the agrarian petit-bourgeoisie to being a social democratic party with its main constituency, nationally at least, among the Canadian working class. However, the C.C.F. in Saskatchewan continued to have to appeal for success primarily to its agrarian base (this is even true today of the Saskatchewan N.D.P.), which could not hope to win power without significant support from among the agrarian
petit-bourgeoisie). Further, it is clear that the Social Credit in Alberta, over time, became a fairly orthodox "socially aware" conservative party, as E. C. Manning characterized it near the end of his long term as Premier of Alberta. Yet at the beginning, the differences were considered by many of the rank-and-file of both movements, and by many of the leaders, to be so incidental as to not seriously inhibit mutual political co-operation, if not fusion. The main difference between the two movements at the outset was in the Depression remedies each offered to solve the crisis of capitalism: Social Credit or the Co-operative Commonwealth. This difference sprang from differences in their diagnoses of the cause of the Depression crisis. The Social Credit League saw the primary cause of the crisis in the predations of a profit-hungry and irresponsible finance capitalism -- the "Fifty Big Shots" -- which destroyed the operation of the true free enterprise of the actual small producers of real wealth. The C.C.F., while agreeing with this, proffered a more general diagnosis of the problems of the capitalist profit system as a whole, which substituted in all spheres of economic activity -- not just in the credit sphere -- the irresponsible competitive pursuit of profit rather than the co-operative effort to maximally fulfill human needs. Out of such differences came the differences regarding social ownership. While both agreed with, and used provincial powers to facilitate, co-operative forms of "social" ownership, the Social Credit saw state ownership as infringing on the true freedom of individuals by leading inexorably to bureaucracy and dictation. However, the C.C.F.'s commitment to public ("state") ownership proved marginal and increasingly
was abandoned in any but the area in which there was a high degree of public acceptance and a long tradition of support in the agrarian agitation (i.e., utilities and insurance). Clearly, as well, the C.C.F. and the Social Credit differed in much of their political rhetoric, yet, as we've seen in the case of the Saskatchewan 1938 and 1944 C.C.F. campaigns, there was much overlap in rhetoric as well. As time went on, of course, especially after Manning's ascension to power and in the 1944 Alberta election, the Social Credit rhetoric increasingly became that characteristic of an hysterical anti-socialist and anti-communist crusade in which the C.C.F. was the villain of the piece. Yet, too, the C.C.F. joined this crusade in 1948, and after, with its own more modest, less shrill, and more civilized rendition of anti-communism.

The similarities between the two movements and their governments, in terms of what each actually did upon winning provincial power, are significant. Both had similar origins in the organized agrarian petit-bourgeois crusade and both shared the legacy of the Progressive upsurge. In a sense, both reflected a rear-guard action of the national agrarian petit-bourgeois crusade of the 1920's. Impelled into politics once again by the Great Depression, the more advanced sectors of the agrarian petit-bourgeoisie, through the vehicles of the C.C.F. and the Social Credit League, although still proposing national and general remedies, were forced to retreat to purely provincial strategies in the two provinces in which they remained the most numerous class. And it is here that Social Credit and C.C.F. similarities are most marked. Both used provincial powers to defend their major constituency -- the agrarian petit-bourgeoisie --
from finance capital through a series of confrontations in order to provide security of tenure to the individual agrarian petit-bourgeois. The campaign involved measures to prevent foreclosure and eviction, measures to effect debt and interest reductions, and measures to provide exemptions from seizure for debt of the basic means of livelihood and means of continuing production of the agrarian petit-bourgeoisie.

Although most of these measures were either disallowed or declared ultra vires in the courts (the C.C.F. crop failure clause in its Farm Security Act included), their cumulative political effect was two-fold: first, emergency debt relief was provided as the issues were being settled in the courts and, second, a political atmosphere was created which encouraged finance capital to hesitate before embarking on a systematic policy of foreclosure, eviction, and seizure for defaulted debt. Here we find the greatest similarity between the two movement governments: indeed, it was on the issues of debt and credit and security of entrepreneurial tenure that both movements focussed in their drive for power. But there were other similarities.

Both movement governments provided a more responsive agricultural relief package to the agrarian petit-bourgeoisie. This, of course, was more true of the Social Credit government which came to power in the midst of the Depression. However, the Depression, including the problems of crop failure and drought, lingered on into the forties and the C.C.F. proved just as sensitive to them. Furthermore, both movement governments, upon gaining power, wrote off massive debts resulting from years of agricultural relief. It should be noted that these write-offs were
not just for the necessities of life but also for the necessities of continuing production and, as such, they stood as great public subsidies to the agrarian petit-bourgeoisie, unmatched by the benefits offered other classes which had been forced onto the relief rolls. As well, after the Depression debacle, both governments committed provincial resources to massive programs of aid and technical advice to agriculture in an effort to do everything provincially possible to prevent another failure as extensive as the Depression.

Both movements and their governments promised and delivered a great measure of social, economic, and health security to all citizens (this was of particular benefit to those who could not afford such services due to lower incomes). Both provided more general welfare systems for those in need as a right, not as a humiliating privilege. Both provided an increasingly wider range of health services to selected needy groups free of charge (the C.C.F. moved more quickly here), and both took steps toward forms of health insurance. Both provided larger and more generous pensions to the old, the blind, the crippled, and single mothers. Both moved aggressively to equalize educational opportunity by modernizing, extending, and more richly financing the educational systems of the provinces. Both moved to modernize rural society. Both passed laws to encourage and facilitate trade union organization. Both raised minimum wages, established shorter hours of work, provided a better workmen's compensation system, and brought in paid annual vacations (again, the C.C.F. moved slightly more quickly in these areas). In other words, despite their differences in rhetoric, both the C.C.F. and Social Credit governments
pursued the notion that a basic social security must be the right of all citizens, including the means for subsistence with dignity for those in genuine need.

More basically, the C.C.F. and Social Credit governments confronted the fact that their respective provinces were economically vulnerable because of an overwhelming dependence upon agriculture, especially wheat and other grains. In response, despite the C.C.F.'s marginal efforts at public ownership, both governments committed themselves to a massive program of modernizing their provinces' infrastructures as a first step to a diversification of the economy. The modernization of the infrastructure -- reform of the local government system, a modernization of educational services, an extension and upgrading of the highway system, rural electrification, etc. -- was given increasing priority by both governments. This was seen as essential in order, in the first instance, to diversify the provincial agricultural industry into new areas of production, particularly into new cash crops and into a greater and more stable livestock production. This agricultural diversification was facilitated, by both governments, through the use of publicly funded programs of assistance, education, and technical servicing of the agrarian petit-bourgeoisie by provincial government agencies. Of more import, perhaps, the modernization of the infrastructure was seen as essential if the provinces were to open up new resources for development -- particularly mineral resources -- by private capital. Therefore, hand-in-hand with the modernization of the infrastructure, both provincial governments proceeded to attract outside capital to develop new resources in the
northern and southern regions of the provinces. It was here -- in the modernization of the infrastructure and the successful attraction of outside capital for further resource development -- that both governments had their greatest successes at diversifying their respective economies.

The outcome of the Prairie Populist resistance was uneven. Clearly, due to a retreat to exclusively provincial strategies, the agrarian petit-bourgeoisie was unable to reconstruct Canadian capitalism or to revise the National Policy in ways congenial to them. All the trends that the organized agrarian petit-bourgeoisie had lamented continued. Rural depopulation accelerated. Industrial capitalism in urban centres flourished. Agriculture was modernized: holding size enlarged each year, farming became more capital intensive, and modern industrial techniques more and more had to be applied in order for a farm unit to be successful in the marketplace. The governments of the Prairie agrarian petit-bourgeoisie undoubtedly buffered a large part of their constituencies from the worst effects of such changes. The transition was perhaps more humane, but it was clearly not stopped or reversed. Yet both governments did use provincial powers, in so far as they were able, to defend and protect the small agricultural producer as much as possible and to broaden their provinces' economic base. Moreover, their very success in winning provincial power, and the continuing threat they posed at the federal level, forced a series of federal government interventions which, while not reversing the inevitable trends in capitalist agriculture in an industrial capitalist economy, buffered and supported
the barely viable individual agrarian petit-bourgeois in ways which enhanced his chances of survival. When survival was not possible, the transition out of farming was made easier for him. In doing so, the Prairie Populist resistance had not won the complete "goodly heritage" which had been envisioned at the outset of the agrarian agitation, yet it had certainly won for the agrarian petit-bourgeoisie, and for the Prairie population as a whole in certain important ways, a better heritage than the structure of capitalism in Canada had appeared able or willing to deliver.
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