

*"All that is necessary  
for the triumph of  
evil is that good  
men do nothing . . ."*  
— EDMUND BURKE.



# **THE NEW TIMES** SURVEY

**THE AUSTRALIAN**

**LEAGUE OF RIGHTS**

Vol. 27 No. 07

July 2026

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By Helen Khmera

### **The Social Credit Movement in Canada: A Populist Response to Hardship and Alienation By Helen Khmera**

Today, I want to trace the path of one of the most fascinating and unique chapters in Canada's political past—the rise, evolution, and eventual transformation of the Social Credit movement, from its conception by C.H. Douglas, through its momentum in provincial and federal politics in the West, and in this province of Quebec.

It is a history that blended radical monetary theory with Christian evangelism in the West and fiery Catholic populism in Quebec and produced the world's first Social Credit government in Alberta and, decades later, sent shockwaves through Ottawa from the province of Quebec.

Taking off in the crucible of the Great Depression, Social Credit was never just another political party. It was a grassroots revolt against a rigged financial system that left ordinary people—farmers, workers and the little man struggling while banks and distant elites and overlords prospered.

This is not a dry academic subject. It is the story of ordinary Canadians who believed they could fix a broken economy by putting “social credit” — purchasing power—into the hands of the people. It's a tale of charismatic preachers, pragmatic premiers and barnstorming orators. The beginnings are the intellectual roots of Social Credit theory developed by C. H. Douglas.

The story starts not in Canada, but in Britain, with a Scottish engineer named Major Clifford Hugh Douglas. In the aftermath of World War I, Douglas developed “Social Credit” as a response to and critique of the existing monetary system.

Douglas proposed that the nation should issue “social credit”, or debt-free dividends, as purchasing power to citizens to bridge the gap, allowing people

to buy what the economy produced without increasing taxes or debt. He also advocated for a “just price” mechanism to prevent inflation.

Importantly, Social Credit was not socialism; Douglas saw it as a way to preserve private property and free enterprise while correcting the flaws of finance capitalism. Even so, he viewed the banking system and international finance with deep suspicion and requiring critique.

Crucially, Major Douglas strongly opposed the establishment of dedicated political parties as the vehicle for implementing Social Credit monetary reform as did Louis Even and the Pilgrims of Saint Michael. He believed that a group of elected amateurs should never direct a group of competent experts in technical monetary matters. In his view, the proper function of Parliament was not to govern through party discipline but rather to be a channel of public pressure on administrators and experts to deliver the results the people demanded.

Douglas envisioned replacing traditional party politics with a system of “unions of electors” in which elected representatives would implement the clearly expressed will of the public on specific issues. He argued that once Social Credit was properly understood and applied, the competitive party system itself would largely become obsolete. The Union of Electors model became an important force here in Quebec.

Douglas’ ideas gained a small but devoted following in Britain and the Commonwealth, but they remained largely theoretical until they crossed the Atlantic and met the desperate realities of the Canadian Prairies in the Depression years.

In the early 1930s, Alberta was ground zero for economic despair. The province, dependent on agriculture and resource extraction, was devastated by the Great Depression. Wheat prices collapsed, fields became dust due to drought, and farmers faced foreclosure on mortgages held by distant Eastern banks. Debt burdens were crushing, and many felt the traditional parties offered no real solutions.

Enter William Aberhart, a high school principal and charismatic Baptist radio evangelist in Calgary, Alberta. Through his popular Sunday radio broadcasts from the Prophetic Bible Institute, Bible Bill, as he was affectionately known, blended fundamentalist Christianity with fiery denunciations of the financial system. In 1932, he discovered Douglas’ writings and became convinced that Social Credit offered both economic salvation and moral renewal.

Aberhart simplified the complex theory for his audience. He promised that a Social Credit government would issue monthly dividends, famously \$25 per citizen, to boost purchasing power. He railed against the “money power” and called for monetary reform that would put people before financiers. His message resonated deeply with debt-ridden farmers and urban workers who felt

abandoned by the old parties.

In 1934–35, Aberhart organized study groups across the province. When the United Farmers of Alberta government showed little interest in adopting Social Credit, his followers formed the Alberta Social Credit League. The party contested the 1935 provincial election barely months after its formal organization. The result was incredible: Social Credit won 56 of 63 seats in the provincial legislature with over 54% of the popular vote and became the world's first Social Credit government. Aberhart soon entered the legislature and became Premier.

The victory was a classic populist surge. It drew support from rural Protestants, working-class Calgarians, and those disillusioned with the status quo. Implementing pure Social Credit required control over banking and currency—powers reserved to the federal government under the British North America Act according to the federal government in Ottawa. Aberhart's attempts to pass radical legislation, such as the Accurate News and Information Act (which aimed to regulate newspapers) and debt adjustment measures, ran into constitutional roadblocks, court challenges, and federal disallowance.

Aberhart's government implemented some reforms, however. It reduced interest rates on provincial debt, provided some relief to debtors, and maintained a conservative approach to fiscal management once in office. But the promised dividends never materialized on a large scale. Over time, the party moderated. Aberhart died in office 8 years later, in 1943, and was succeeded by his protege, Ernest C. Manning.

Manning, a more pragmatic and administratively astute leader, purged the party of all genuine Social Crediters and morphed it into a conventional party committed to fiscal conservatism, anti-socialism and Christian values. Under Manning, Alberta benefited enormously from the post-war oil boom. The government invested in infrastructure, education, and health while keeping taxes relatively low and promoting private enterprise. This nominal Social Credit party won election after election—nine consecutive majorities—governing Alberta until 1971, when Peter Lougheed's Progressive Conservatives finally defeated them.

The long reign helped shape Alberta's distinctive political culture: skeptical of Ottawa, pro-resource development, and socially conservative. (This same anti-establishment culture launched a movement for Alberta sovereignty that may or might not result in a referendum for independence in the fall of 2026.)

The Alberta success inspired Social Credit movements elsewhere. Federally, the party won 17 seats in the 1935 election, mostly from Alberta. Support in the West fluctuated but remained a factor, especially in British Columbia, where W.A.C. Bennett would later lead a successful provincial Socred government from 1952 to 1972, focusing on infrastructure and development rather than pure

monetary theory.

However, the movement's most dramatic expansion came from within Quebec. While Western Social Credit was rooted in Protestant evangelism and prairie populism, its Quebec variant took on a distinctly Catholic, French-Canadian flavour infused with anti-establishment fervour.

In 1939, Louis Even and Gilberte Cote-Mercier founded the Union of Electors as the political expression of the Pilgrims of Saint Michael. The movement promoted orthodox Douglas Social Credit, emphasizing monetary reform and a vision of society organized around "unions of electors" that would hold politicians accountable to citizens rather than the traditional accountability structured around party discipline. The PSM combined Douglas Social Credit economic reforms with strong Catholic social teaching.

For years, the Union of Electors operated more as a pressure movement and educational organization than a conventional party. It published newspapers and held rallies, criticizing the financial system and Quebec's traditional elite.

One early recruit was a young automobile salesman and radio personality named Real Caouette from Abitibi. Caouette brought charisma, oratorical fire, and a direct connection to working-class and rural Quebecers. In 1946, he won a federal by-election under a Social Credit banner, though he lost in the general election in 1949. Tensions grew between the Quebec purists and the more moderate Western leadership under Manning, who had distanced the Alberta government from some of Douglas' ideas and purged elements associated with controversy in the wake of World War II.

In the Annual Report of the Pilgrims of St. Michael in 1955, Real Caouette is pictured with the membership. I refer you to this report which illustrates the huge impact the Pilgrims of St. Michael had in Quebec at the time. The Annual Meeting was in Quebec City where the White Berets gathered at the National Assembly. It is awesome to consider the amount of populist sentiment marshalled by the Pilgrims of St. Michael at that time.

By 1958, Caouette broke with Louis Even and Gilberte Cote-Mercier to form a Quebec wing of the federal Social Credit Party. This marked a shift toward conventional electoral politics while retaining some fiery populist energy.

The Creditists exploded onto the national stage in the 1962 federal election led by Caouette, who delivered impassioned speeches across rural Quebec—often attacking banks, big business, and the old parties. They won 26 seats in Quebec with about 26% of the provincial vote. Nationally, the Social Credit party won 30 seats, holding the balance of power in a minority Parliament under Lester B. Pearson's Liberal party.

This was a remarkable achievement. Caouette's message resonated with voters in Quebec's regions who felt neglected by the Quiet Revolution's urban focus,

by Ottawa, and by the established parties. He promised monetary reform, lower taxes, and a voice for the “little people.” His folksy, sometimes bombastic style—complete with vivid attacks on the “high finance” establishment—made him a household name.

Internal tensions soon surfaced. The Quebec caucus vastly outnumbered the handful of Western Socred MPs. In 1963, the party split in the west and in the east. The split highlighted the cultural and ideological divide: the West had largely abandoned strict Social Credit economics for pragmatic conservatism, while many Quebec Creditistes clung more closely to the original monetary vision, albeit adapted to local grievances.

Throughout the 1960s and into the 1970s, the Creditistes remained a force in Quebec federal politics under Caouette. They often acted as kingmakers or vocal opposition in minority Parliaments. Caouette’s health declined, and he stepped down as leader in 1976, dying shortly after.

Leadership passed to others, including Fabien Roy, but the party’s support eroded in the face of the rising Quebec separatist sentiment and the Parti Quebécois, the Liberals under Pierre Trudeau, and changing economic realities. By the 1980 federal election, the Creditistes were shut out of Parliament and the federal Social Credit Party formally dissolved a decade later, in 1993.

The federal success inspired a provincial counterpart. In 1970, the Ralliement Creditiste du Quebec was founded as a distinct provincial party, contesting the Quebec election that year and winning 12 seats under Camil Samson. It represented an attempt to translate federal momentum into provincial power during the Quiet Revolution and rising separatist sentiment. However, it struggled with internal leadership disputes and competition from the established Union Nationale and the emerging Parti Quebécois. The provincial party dissolved in 1978 without forming a government, marking the end of organized Social Credit efforts in Quebec provincial politics.

What are we to make of the Social Credit movement today? In Alberta, it provided stable, conservative governance for 36 years, overseeing the transition from agrarian poverty to oil-fuelled prosperity while maintaining a distinctive populist-conservative ethos that still holds in provincial politics. In Quebec, the Creditistes gave voice to regional alienation and economic discontent in a province dominated by other cleavages—language, religion, and nationalism. Federally, it demonstrated how a single-issue populist movement, amplified by charismatic leadership and economic grievance, could disrupt the conventional party system and force national parties to pay attention to the regions.

Social Credit parties never implemented Douglas’ monetary theories anywhere in Canada. Constitutional limits, practical governance, and evolving economic conditions saw them evolve into something more conventional.

In the broader sweep of Canadian history, Social Credit stands as a powerful reminder that politics is often driven by real economic pain and a sense that the system is stacked against ordinary people. It was a movement of protest that became a party of government, then fractured along regional lines, and finally faded as new issues—Quebec sovereignty, Western alienation and globalization efforts—replaced the monetary questions of the 1930s.

Yet its spirit lingers. In an era of rising populism, concerns about debt, inflation, consolidating government control, central banking, and the power of financial institutions, the questions Social Credit raised remain relevant: Who controls the creation of money? How do we ensure that the economy serves people rather than the other way around? How do we balance regional grievances with national unity?

In conclusion, the Social Credit movement—whether in Aberhart’s radio sermons, Manning’s steady provincial administration, the force of the Union of Electors, or Caouette’s barnstorming campaigns across rural Quebec—all embodied a deeply Canadian impulse: the belief that ordinary citizens, armed with the right ideas and leaders who spoke their language, could challenge entrenched powers and demand a fair deal.

Interestingly, in this regard the Pilgrims of Saint Michael — the group behind the Union of Electors and at whose headquarters I have the privilege to speak today — had the clearest understanding of Major Douglas’ original vision. They long insisted that genuine Social Credit should not be delivered through conventional political parties at all. While the formal Social Credit parties have now all disappeared from the Canadian political landscape, the non-partisan educational and activist movement they founded continues its work to this day, still promoting the core ideas of monetary reform and citizen empowerment outside the constraints of partisan politics. \*\*\*

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