Class, Capitalism, and Construction: 
Winnipeg’s Housing Crisis and the 
Debate over Public Housing, 1934–1939

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The collapse of the construction industry during the 1930s resulted in a housing crisis of unprecedented proportions in cities throughout Canada. Winnipeg faced a particularly difficult situation. Beginning in 1934, the city undertook several endeavours to remedy the problem, all of which failed. While the shortcomings of federal housing programmes and reluctant federal and provincial governments were partly to blame for the failure of these local efforts, municipal debates on the subject of housing reveal that reform was also stalled by opposition from the local business elite, whose members disliked competition in the rental market.

DURING THE 1930s, Canadian cities struggled to cope with a significant housing shortage. Between 1931 and 1933, the Dominion Bureau of Statistics reported that, while population growth necessitated the construction of 27,500 dwelling units, only 2,609 had been built.1 By the end of the decade, nearly one-third of municipalities recorded a vacancy rate of zero, while two-thirds of municipalities had vacancy rates below

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1 per cent. Consequently, people across the country were forced to live in overcrowded and unsanitary dwellings. The city of Winnipeg was a case in point.

In analysing housing policy during the 1930s, this study focuses on the policies of two levels of government: federal and municipal. While the federal government did adopt several house construction programmes in the mid-to-late 1930s, these were unsuccessful in addressing housing shortages in Winnipeg and, indeed, in many parts of the country, particularly in the West. Federal programmes generally failed to meet Winnipeg’s housing needs. Furthermore, although there was frequent advocacy for public housing at the municipal level in Winnipeg, it did not result in any construction due to opposition from the local business community and other levels of government. The provincial government, for example, had little to say on housing in the city, perhaps because of the legislature’s largely rural composition, except occasionally to veto municipal decisions. Despite the dogged attempts of some local politicians to introduce housing reforms, inadequate federal programmes and local opposition from property owners combined to inhibit any social housing developments in Winnipeg during the 1930s.

Jill Wade, Richard Harris, and David Hulchanski have begun to engage seriously the early history of Canadian housing. However, relatively little scholarship addresses housing policy prior to the Second World War. Yet the post-war building boom and the government policies that supported it did not develop in a historical vacuum. Winnipeg’s engagement with federal housing programmes illustrates the roots of Canadian housing policy and of the welfare state. This “pre-history” of the Canadian welfare state serves as a reminder that the development of social programmes was intensely resisted by numerous political and economic elites and interest groups.

Municipal Politics in Winnipeg
The legacy of the General Strike of 1919 has given Winnipeg a prominent place in the memory of Canadian labour history, and it gave Winnipeg’s municipal politics a unique character for decades after the strike. As Ed Rea and Brian McKillop have demonstrated, the class divisions that segmented Winnipeg during the strike continued to dominate municipal

politics throughout the 1920s and 1930s. The city remained sharply divided by the overlapping categories of ethnicity, language, geography, occupation, and class. Winnipeggers themselves recognized the class dichotomy within their city, describing municipal politics as a “battle-ground” between established institutions and the political Left. Appreciating this division is essential for understanding the debates over efforts towards housing reform in the city, as all political activity was contested within the broader struggle between “Citizens” and “Socialists.”

The Civic Election Committee (CEC) represented the pro-business interests in Winnipeg. Often known as the “Citizens” since the committee was the political descendent of the Citizens’ Committee of One Thousand during the General Strike, the CEC consisted of Liberals and Conservatives who cooperated for the purposes of municipal elections, largely to ensure that labour candidates were defeated and that business interests were protected. The most important thing a municipal government could do, according to the Citizens, was to run a business-like, efficient administration that kept both taxes and costs low. An advertisement in 1933 proclaimed that CEC candidates stood for “sound government,” “economical methods,” “meeting obligations,” and “impartial judgement.” Consequently, many Citizen aldermen denounced the expenditure of money on housing programmes because these were deemed to be both socialist and an unnecessary burden on taxpayers.

The Independent Labour Party (ILP) was the largest labour party in the city. The ILP manifesto often included statements such as “the social ownership of the means of production, distribution, and exchange is essential to the permanent solution of problems arising out of social and economic ills.” Yet, rather than revolution, ILP candidates suggested that society should be reformed along the basis of “humanity first, not property.” ILP election platforms emphasized efforts to ameliorate the worst conditions in the city: improving unemployment relief and working conditions, developing a city housing programme to relieve slum districts, instituting public ownership of transportation and other services, and shifting the

6 Throughout the article, the terms Citizens and CEC are used interchangeably and have the same meaning.
7 University of Manitoba Archives [hereafter UMA], Ed Rea Collection, MSS 73, box 1, file 1, Stanley Knowles, interview with Brian McKillop, June 14, 1969.
8 Advertisement in *Winnipeg Free Press*, November 24, 1933.
9 *Winnipeg Free Press*, November 8, 1934.
10 *Winnipeg Tribune*, November 27, 1931.
tax burden from workers to businesses.\textsuperscript{11} In opposition to the Citizens’ belief that the city was best run as a business, the ILP argued that municipal government existed to serve the needs of the people, not of capital.

In the years following the General Strike, Citizen aldermen generally outnumbered labour aldermen. This remained true until 1934, when there were equal numbers of labour and Citizen representatives on council.\textsuperscript{12} The mayor in 1934 was Ralph Webb, a Citizen, who could cast the deciding vote in favour of the Citizens in the case of a tie. This changed in 1935 when John Queen of the ILP was elected mayor of Winnipeg, giving labour politicians the balance of power. In 1937, Citizens regained control of both council and the mayoralty, although labour politicians continued to hold a significant portion of the seats on council. Citizens continued to control the majority of council seats for the rest of the decade, but Queen returned to the mayoralty in 1938, a post he held until 1942.

Winnipeg was particularly hard hit by the economic turmoil of the 1930s. After experiencing a rapid decline between 1929 and 1933, Winnipeg’s economy rebounded only slightly over the rest of the decade, not returning to pre-1929 levels till the 1940s.\textsuperscript{13} The value of products manufactured in the city plunged from $109.3 million in 1929 to $56 million by 1932, while wages fell by 26.34 per cent between 1931 and 1936.\textsuperscript{14} The municipal government struggled to cope with the ensuing costs of unemployment relief, which peaked at $1.8 million in 1935, thus limiting its ability to respond to other problems facing the city.\textsuperscript{15} In a 1937 report, Graham Towers, president of the Bank of Canada, wrote that Manitoba had been affected worse by the Depression than nearly anywhere else in the country.\textsuperscript{16}

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\item \textsuperscript{11} Weekly News, November 8, 1929 and October 26, 1928; Winnipeg Tribune, November 21 and 24, 1934.
\item \textsuperscript{12} I use the term “labour aldermen” loosely in this context to refer not only to ILP aldermen but also to communists and an independent alderman who had previously been a member of the ILP and continued to support most ILP policies.
\item \textsuperscript{13} Library and Archives Canada [hereafter LAC], RG27, vol. 3355, file 14, “Indexing Numbers of Employment.” If 1933 employment levels equalled 100, the respective rates were 140.4 for 1929, 134.9 for 1930, 115.9 for 1931, 107.3 for 1932, 100 for 1933, 103.1 for 1934, 109.6 for 1935, and 114.4 for 1936.
\item \textsuperscript{14} John Kendle, \textit{John Bracken: A Political Biography} (Toronto: University of Toronto Press, 1979), p. 127; Report of the Royal Commission on the Municipal Finances and Administration of the City of Winnipeg, 1937, H. C. Goldenberg, Chairman (Winnipeg: King’s Printer, 1939), pp. 7–8, 10.
\item \textsuperscript{15} Annual Report of the Commissioner of Finance, Winnipeg City Council, 1936, p. 31. In 1935 the bill for unemployment relief was $1,886,504 and in 1936 it was $1,604,040. By comparison, the second highest category of expenditure was health services on which the city spent $589,050 and $615,812 in 1935 and 1936 respectively. Upwards of 90,000 relief cases were reported throughout the province, causing tremendous financial hardship for both the municipal and provincial governments. See LAC, RG27, vol. 3355, file 14, “Indexing Numbers of Employment.”
\item \textsuperscript{16} Kendle, \textit{John Bracken}, p. 153.
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Domestic and International Influences on Housing Policy

Canada had several models from which to choose as governments considered providing support for housing initiatives. Schemes from continental Europe were generally regarded as overly socialist, with only the British and American approaches receiving serious consideration by Canadian reformers. The British model impressed Canadians because, in the 14 years between 1919 and 1933, over one million houses had been constructed with state assistance, more than half of the houses built in Britain over that period.\(^\text{17}\) It allowed for municipal intervention in the housing market to provide for the general needs of the working class and to focus on slum clearance and rebuilding for the very poor.\(^\text{18}\) Although some Labour municipal governments in Britain followed more socialist policies, conservative organizations in Canada believed that the British model separated the spheres of public and private enterprise so that the two were not in direct competition. The public sphere was limited to slum clearance and the provision of cheap housing at low rentals to those who could not afford market rates.\(^\text{19}\)

The American approach to housing has been described as “private business with a public purpose.”\(^\text{20}\) The New Deal established a Housing Authority as part of the Public Works Administration to work on slum clearance and develop housing projects where local agencies were unable or unwilling to act.\(^\text{21}\) Organizations could obtain money from the United States Housing Authority by raising 10 per cent of the funds themselves and 20 per cent from other levels of government, paying the prevailing wages in their community, renting to only the lowest income group, and eliminating one substandard dwelling for each new one developed.\(^\text{22}\) The American government also established the Federal Housing Administration (FHA) to offer mortgage insurance, promote long-term amortized mortgages, and rationalize methods of property appraisal.\(^\text{23}\)

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\(^\text{17}\) James Craig, “What Can Be Learned from State Housing in Great Britain and the United States,” *Journal of the Royal Architectural Institute of Canada* (May 1934), p. 79. Of the 2,062,000 houses built between 1919 and 1933, 1,122,000 had received state assistance worth a total of £149,000,000.


\(^\text{19}\) City of Winnipeg Archives [hereafter COWA], Housing Folder 10, Winnipeg Board of Trade, “Housing Conditions in Winnipeg,” June 10, 1937.


Federal money was readily available to municipal and private projects to begin new housing developments aimed at low-income Americans. A flurry of reports from major urban centres, particularly in the East, drove housing to the forefront of public policy in the early to mid-1930s. The Halifax Citizens Committee on Housing published the first major report of the decade in 1932. Rather than adopting a European-style socialist housing plan or the American capitalist model, the Halifax Citizens Committee proposed that the government follow a middle path. It recommended that the provincial government provide low-interest loans to private companies on the condition that the houses produced were rented at low rates. This proposal represented a compromise between a private, market-based ideology and a public system and indicated that there was an increasing willingness to embrace state participation in the economy.\(^24\)

The Bruce Report, published by a committee established by the Lieutenant-Governor of Ontario, Herbert Bruce, analysed numerous dwellings in Toronto in 1934. Of the houses investigated by the report, 96 per cent fell below the minimum standard of amenities while three-quarters fell below minimum health standards.\(^25\) To meet the steep demand for additional dwelling units, the report advocated publicly owned and subsidized rental housing.\(^26\) The cost of rehabilitating existing houses in Toronto to a minimum standard, let alone alleviating the housing shortage, was estimated at approximately $12 million.\(^27\) Reforming housing would clearly be an expensive proposition.

An investigation into housing in Montreal, completed by the Montreal Board of Trade and the Civic Improvement League in 1935, argued that the provision of basic shelter was a public utility.\(^28\) Through a system of corporate ownership and collective management, the Montreal report proposed that 4,000 houses be built annually on fringe land for the next 20 years.\(^29\) Meanwhile, the joint committee proposed that 40 city blocks and 18,000 people should be targeted for slum clearance efforts.\(^30\) Nevertheless, like the Halifax Citizens Committee, the Montreal board

\(^{24}\) Bacher, *Keeping to the Marketplace*, p. 69.

\(^{25}\) Report of the Lieutenant-Governor's Committee on Housing Conditions in Toronto, p. 18. A satisfactory dwelling place was deemed to be one that was free from serious dampness and protected from precipitation and wind; was adequately lighted, heated, and ventilated; was properly drained and furnished with sanitary conveniences; had a place to prepare and cook food and a cool place to store food; and was capable of being kept free of rats and other vermin (p. 14).

\(^{26}\) Bacher, *Keeping to the Marketplace*, p. 69.

\(^{27}\) Report of the Lieutenant-Governor's Committee on Housing Conditions in Toronto, p. 112.

\(^{28}\) Bacher, *Keeping to the Marketplace*, p. 72.


\(^{30}\) Ibid., p. 6.
rejected a European approach, which it described as being “over generous” and “highly extravagant.” Instead, the Montreal committee promoted a British approach of low-interest loans to municipal housing authorities and private building societies.

Those who supported the introduction of a housing scheme believed that Canada was far behind the rest of the world. The *Winnipeg Free Press* proposed that “Canadian pride should desire Canada to be removed from the bad eminence which long neglect of housing conditions has given her, as compared with every other civilized country.” Compared to other Western nations, the *Free Press* argued, “Canada alone has lagged behind. She has neglected this basically important health and social problem and has done virtually nothing.” The Royal Architectural Institute of Canada also criticized Canada’s shortcomings, pointing out that not only had all other Western nations adopted housing plans, but that Canada could not possibly be seen as fighting the depression as long as it did not attempt to eradicate slums and improve housing conditions. For housing reformers, the lack of a housing programme in Canada was a national embarrassment, particularly considering that other Western nations had accepted housing reform as a responsibility of governments.

**The Federal Government’s Response**

The only federal housing programme in Canada prior to the 1930s was established after the First World War when the federal government set aside $25 million for loans to provinces to build housing. Those loans enabled 179 municipalities to build 6,200 housing units. The only people, however, who could take advantage of the programme were “white collar men . . . men who had standing salaries.” Indeed, only the top 20 per cent of income-earners could afford to build a home under the plan. In Winnipeg, the loan programme led to the creation of the Winnipeg Housing Commission (WHC). With WHC assistance, 712 homes were built in the city between 1920 and 1923, and the programme proved to be a great success in Winnipeg. Not only was the WHC profitable (unlike similar organizations in other cities), but, by 1937, it had

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generated over $1 million in tax revenue for the city. However, the
working class could not afford WHC loans. The lone attempt to address
housing problems prior to the Great Depression, therefore, was limited
in scope and failed to aid those who needed assistance to acquire housing.

The federal government only reluctantly began to address the issue of
housing in 1935. Previously, it had suggested that housing was a provincial
and municipal responsibility. Nevertheless, a House of Commons Special
Committee on Housing was established in the spring of 1935. Nearly all
the witnesses who testified before the Housing Committee affirmed the
need for a national social housing policy. Such a policy, it was proposed,
would immediately contribute to alleviating the unemployment crisis
that the country was facing. Construction in Canada had sunk to one-
fifth of 1929 levels by 1934. Since construction provides economic spinoffs
for numerous other industries, reinvigorating the building market was seen
as one way of revitalizing the economy. Witnesses estimated that 93,000
people who had worked in construction were now unemployed and
would, therefore, benefit from such a plan. A Canadian housing plan, wit-
nesses proposed, was not only necessary as a solution to address housing
shortages across the country, but also would be a means of solving the
unemployment problem.

The committee proposed that the “formulation, institution, and pursuit of
a policy of adequate housing should be a social responsibility.” Furthermore,
the committee argued, “there is no apparent prospect for the low rental
housing need being met through unaided private enterprise, building for
profit.” It recommended that the federal government establish a Housing
Authority with the power to initiate, direct, and approve projects to assist
urban and rural housing. This Housing Authority would negotiate with

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38 Winnipeg Free Press, July 18, 1935; COWA, Housing Folder 10, “Memorandum for Mayor Warriner
Re: Winnipeg Housing Plan,” November 15, 1937; COWA, Housing Folder 10, R. A. Sara, “Address
Before the Technical Bureau, Winnipeg Board of Trade,” April 1937.
39 James Struthers, No Fault of Their Own: Unemployment and the Canadian Welfare State, 1914–1941
40 O. J. Firestone, The Labour Value of the Building Dollar: Some Aspects of the Results of Eight Years
Administration Under the Dominion Housing Act, 1935, the Home Improvement Loans Guarantee
Act, 1937, the National Housing Act, 1938, the Home Extension Plan, 1942, and the Housing
Conversion Plan, 1943 (Ottawa: Edmond Cloutier for the Housing Administration, Department
of Finance, 1943), p. 7. If the gross value of construction contracts awarded in 1929 equalled 100,
the total was 79.3 for 1930, 54.7 for 1931, 23.0 for 1932, 16.9 for 1933, 21.8 for 1934, 27.8 for
1935, 28.2 for 1936, 38.9 for 1937, 32.5 for 1938, and 32.5 for 1939. Once the war began, these
numbers improved significantly but still did not reach pre-Depression levels. The value was 60.0 in
1940 and 68.3 in 1941.
41 House of Commons Special Committee on Housing, “Minutes of Proceedings and Evidence No. 11,
42 Ibid., p. 378.
43 Ibid., p. 378.
provincial or municipal governments or private societies to promote construction or the rehabilitation of existing buildings. Finally, the committee concluded that the Housing Authority’s first priority would be to rehabilitate existing housing, but that new buildings could be erected where necessary. Nevertheless, the committee endeavoured to maintain a separation of the private and public spheres by limiting public assistance to homes valued at less than $3,500. Housing assistance, it argued, should only be provided to those who could not afford it themselves.

Canada’s first noteworthy housing legislation was passed in 1935. A part of R. B. Bennett’s “New Deal,” the *Dominion Housing Act* (DHA) was intended to stimulate construction for the purposes of relieving unemployment and to allow those with small or moderate incomes to have homes of their own. In shaping the DHA, Bennett and his cabinet essentially ignored the recommendations of the recently completed Special Committee on Housing. Instead, they adopted proposals made by the Dominion Mortgage and Insurance Association (DMIA), an organization made up of Canada’s largest lending institutions. The result was a radically different plan than the one proposed by the Housing Committee, focusing entirely on a private, market-based solution to the nation’s housing problems.

DHA loans were to be made at an interest rate of 5 per cent. Sixty per cent of a project’s cost was to be lent by an approved financial institution, 20 per cent was to be provided by the government, and the remaining 20 per cent was to be paid for by the homebuilder. The loans were amortized over 20 years, with recipients paying monthly, rather than the semi-annual or annual payments that were common at the time. The government also agreed to provide some security for the financial institution’s portion of the loan, thus minimizing the potential for loss and, theoretically, giving a wider swath of society access to private credit.

47 Arthur Ganong, who had been the chair of the Special Committee on Housing, criticized his own government’s policy on the DHA, proclaiming, “I must say that it makes no provision for housing the low paid worker” (quoted in Hulchanski, “The 1935 Dominion Housing Act,” p. 23).
the appointment of an economic council to study the housing issue. The council, however, was never created. Shortly after the passage of the legislation, the Bennett government was voted out of office and the incoming Liberal government had little interest in the council or the broader issues it was meant to address.\footnote{Kamal S. Sayegh, \textit{Housing: A Canadian Perspective} (Ottawa: Academy Books, 1987), p. 124. Indeed, despite opposition to the Act from many Liberal MPs, it was supported by William Lyon Mackenzie King (who was Leader of the Official Opposition at the time) because he appreciated its limited scope (Hulchanski, “The 1935 Dominion Housing Act,” p. 28).}

In his 1988 dissertation on the topic, John Belec suggests that the DHA represented “one of the earliest, and most significant, pieces of state housing legislation in the creation of the modern Canadian housing market.” Additionally, Belec proposes that the DHA played a pivotal role in the development of the modern mortgage system.\footnote{John Patrick Belec, “The Dominion Housing Act: A Study of the Origins of Canadian Housing Policy” (PhD dissertation, Queen’s University, 1988), p. 16.} In contrast, Alvin Finkel argues that the DHA merely “embodied the major proposals of the Dominion Mortgage and Insurance Association and the Ontario Mortgage Companies Association.”\footnote{Alvin Finkel, \textit{Business and Social Reform in the Thirties} (Toronto: J. Lorimer, 1979), p. 104.} Percy Nobbs, a well-respected housing scholar and one of Canada’s leading housing architects at the time, referred to the DHA as a “comedy of errors” because it merely served to build houses for the wealthy, not for those who needed them.\footnote{\textit{Montreal Gazette}, January 17, 1936.}

John Bacher expresses similar sentiments in his 1993 analysis of the DHA, suggesting that it was a “caricature of the inequities in Canadian society” because it benefited only the rich and middle class while being “wrapped in the rhetoric of concern for the underprivileged.”\footnote{Bacher, \textit{Keeping to the Marketplace}, p. 93.} Similarly, David Hulchanski has argued that “a basic problem of the DHA and the 1938 NHA . . . is that these programs have in fact been influenced, if not designed, by ‘mortgage men,’ often unhampered by . . . the housing realities faced by lower income classes.”\footnote{Hulchanski, “The 1955 Dominion Housing Act,” p. 38.} The primary motivation of the DHA, argues Hulchanski, was to assist the profitability of private firms in the housing market rather than developing housing for those in need.\footnote{\textit{Ibid.}, p. 24.}

Numerous problems plagued the implementation of the DHA. Several lending institutions refused to make any loans whatsoever because the interest they could charge was capped at 5 per cent.\footnote{Robert B. Bryce, \textit{Maturing in Hard Times: Canada’s Department of Finance through the Great Depression} (Montreal and Kingston: McGill-Queen’s University Press, 1986), p. 166.} The institutions

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imitation” of the FHA (\textit{Creeping Conformity}, p. 127). He also observes that the FHA was far more successful in loaning money to a broad social spectrum than Canadian DHA efforts (“Housing and Social Policy,” p. 1171).
\end{quote}
that did participate refused to make any loans that were perceived to be high risk. This meant the exclusion of people with low incomes as well as whole geographical regions of the country. Western Canada was, for the most part, ignored by the lending agencies as companies did not want to lend money at 5 per cent because they feared it would disrupt their higher-interest lending operations. The result was a highly imbalanced distribution of funds. By the end of 1937, Nova Scotia had received $1,259,054, Quebec just over $4.5 million, and Ontario just over $5.5 million. Despite the severity of the housing crisis in Manitoba, the province only received $308,314 to build 48 housing units. Meanwhile, Saskatchewan received $8,200 to build two units and Alberta received no loans. The Mortgage and Trust Companies Association of British Columbia reported that large financial institutions were waiting to implement the DHA in the West, wanting to see first whether the plan was profitable in the East.

Not only was the DHA a dismal failure in the West, but it also failed to assist those with low incomes. A premonition of things to come was the first unit built with DHA funds, constructed in the prestigious Montreal municipality of Westmount for a Montreal Canadiens hockey star. Of the 3,018 units built with DHA loans by 1938, only 66 were valued at less than $2,000. Conversely, 1,240 units valued at more than $4,000, well beyond the reach of a working-class Canadian, were built. As Alexander Officer, head of the municipal health department in Winnipeg, pointed out, the DHA was only attractive to those who had some capital to construct homes of their own. Consequently, the DHA subsidized house construction for the middle and upper classes, while ignoring the shortage of affordable housing for the working class, which was the crux of the nation’s housing crisis. The problems that Winnipeg was encountering in providing reasonable housing for its low-income residents were not addressed by the DHA.

58 Bacher, Keeping to the Marketplace, p. 112.
60 Wade, Housing for All, p. 69.
61 Hulchanski, “The 1935 Dominion Housing Act,” p. 34. The name of the hockey player was not given.
62 Nicolls, “Housing in Canada, 1938.”
63 COWA, Public Health and Welfare File 1535, City of Winnipeg Health Department, “Report of the Nineteenth Annual Survey of Vacant Houses and Vacant Suites in the City Also Total Housing Accommodation and Remarks on Housing in General,” January 1937.
Although R. B. Bennett and his Conservative government were swept from power shortly after passing the DHA in 1935, the Liberal government that succeeded them had no particular interest in a radically different housing policy. Acting on a recommendation of the National Employment Commission, the Liberals introduced the Home Improvement Plan to provide loans to assist home owners to renovate their property. HIP loans were provided at a discount of 3.25 per cent, which meant an effective interest rate of 6.3 per cent. Up to $2,000 could be borrowed on a house, or $1,000 per apartment. Its launch in March 1937 was accompanied by a nationwide advertising campaign. Within its first year, over 28,000 loans had been distributed totalling $11,001,817.52. Unlike the DHA, the HIP allowed Manitobans some success in accessing these funds, as $714,959.73 was lent in the first year in the province and, by 1940, 7,668 loans had been made in Manitoba totalling $2,977,121. Nevertheless, similar to other housing programmes, the majority of funds went to Ontario.

The Home Improvement Plan was never intended to address the lack of housing for lower-income Canadians. As Conservative MP Denton Massey questioned, “what possible good is this plan [HIP] to the man who has been evicted from one hovel after another?” HIP advertising was aimed at the rich and upper-middle class. Advertisements portrayed large houses, ivory fireplaces, air conditioning, crystal mirrors, garages, and other luxuries. Its immediate aims were to reinvigorate the construction industry and provide employment.

The Mackenzie King Liberals retained the DHA until 1938, when they passed an updated version of the Act, now entitled the National Housing Act (NHA). Although Kamal Sayegh has argued that “the NHA not only revoked the DHA but also moved Canada firmly into the public housing field,” the philosophy of the NHA largely followed that of its predecessor. The focus remained on private solutions to the housing crisis. The public funding provided in the NHA was nearly impossible to access. Canadian federal housing policy remained focused on encouraging

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64 Struthers, No Fault of their Own, p. 157.
65 Nicolls, “Housing in Canada, 1938.”
66 Bacher, Keeping to the Marketplace, p. 103; Wade, Houses for All, p. 71. HIP ads ran frequently in the Winnipeg Free Press and Tribune, portraying large houses with several bedrooms, decorative fireplaces, garages, and other accoutrements of a middle- or upper-class lifestyle.
67 LAC, RG19, vol. 706, file 203–1a–3; COWA, File 7119.
70 Bacher, Keeping to the Marketplace, p. 104; Winnipeg Free Press, March 22, 1937.
72 Sayegh, Housing, p. 125.
home ownership, rather than investing in government-owned housing projects.73 Deputy Finance Minister W. C. Clark proclaimed that the NHA allowed the government to say that it was “assisting the man of moderate means to have a home of his own.”74 Rather than a system of public ownership, private loans made with public assistance ensured that individuals, rather than governments, owned the homes that were built under the DHA and NHA.

The new Act liberalized the lending terms of the DHA and provided government security for the loans. F. W. Nicolls, director of housing for the Department of Finance, pointed out that the NHA was not “social legislation”: “We expect to get back every dollar put up.”75 The NHA also offered federal money to pay a portion of the municipal taxes on property for three years, if municipalities agreed to sell that land for the nominal price of $50. In contrast to the DHA, there was a provision to allow the Minister of Finance to loan any unappropriated money in the Consolidated Revenue Fund (not exceeding $30 million) to local housing authorities to build low-cost rental housing.76 This provision, theoretically, created the possibility for municipal governments to borrow from the federal government to create low-income housing. This, however, required enabling legislation from provincial governments. It also allowed the federal government to argue that it had made financial assistance for housing available to a much larger proportion of the population than was eligible under the DHA.

The government of the time claimed, as have some historians, that the NHA was a success. Kamal Sayegh argues that “if the Act was intended to spread low-cost housing across Canada, it succeeded.” He points out that over 50 per cent of NHA loans were for homes valued at less than $3,000, while 93 per cent were for projects valued at less than $4,000.77 Across the country, numerous regions benefited significantly from the NHA. Over $25.5 million was spent on projects built in Ontario, while nearly $9 million was spent in Quebec. British Columbia ($7.5 million) and the Maritime provinces also enjoyed many benefits from the NHA. Richard Harris, although critical of the NHA, acknowledges that it did lead to a “small spate of construction” prior to Canada’s entrance into the Second World War in 1939.78 Yet, similar to the DHA, the NHA generally ignored the West and low-income Canadians. A cartoon from the

75 Wade, Housing for All, p. 88.
76 Sayegh, Housing, pp. 125–126; Bacher, Keeping to the Marketplace, p. 117.
77 Sayegh, Housing, p. 126.
Winnipeg Free Press illustrates Western frustration with federal housing schemes (see Figure 1).

The NHA failed low-income and Western Canadians in several ways. Despite provisions within the NHA that allowed for loans for low-cost rental housing projects, not a single municipality took advantage of the programme before it expired in 1940. As a result, no low-income housing projects were undertaken as a result of the NHA. Secondly, under the NHA, wide swaths of the country were once again ignored by financial institutions. Alberta did not receive a single loan under the DHA or NHA. Saskatchewan, which had received only two DHA loans, fared better under the NHA but not substantially so. Meanwhile, the city of Vancouver received twice as many NHA loans as all of Manitoba combined. 79 Federal officials blamed the shortage of construction on the builders (who, they said, refused to reduce building costs) and on provincial and municipal authorities for not being eager to take advantage of the NHA provisions. 80 In Winnipeg, however, the city continued to request federal funds for housing throughout the late 1930s, only to be routinely denied by the federal government. Once again, federal housing legislation had failed to address the needs of Western Canada.

Early Developments in Winnipeg (1934–1936)

By 1934, many Winnipeg politicians were stressing the need to develop municipal housing policies. Mayor Ralph Webb commented, “I have been in many cities of the world and some of the slum conditions I have seen in Winnipeg are about as bad as can be found anywhere.” 81 A municipal survey of 673 slum houses that year found 83 families living in single rooms, 94 families living in two-room suites, and 71 families living in three-room suites. 82 While this survey should not be taken as an accurate portrayal of the city’s housing stock as a whole, it does demonstrate that some neighbourhoods of Winnipeg were experiencing acute overcrowding. Winnipeggers were also paying the highest proportion of their income on rent in the country. 83

79 LAC, RG19, vol. 706, file 203–1A. In 1931, Vancouver had a population of 246,593 while Manitoba had a population of 700,319.
81 Winnipeg Free Press, December 5, 1933.
82 COWA, Public Health and Welfare File 1330, Alexander Officer, “Report of the Fifteenth Annual Survey of Vacant Houses and Vacant Suites in the City Also Total Housing Accommodation and Remarks on Housing in General,” January 1933.
83 Harris, “Working-Class Home Ownership,” p. 128. Winnipeggers paid an average of 26 per cent of household income on rent, tied with Montreal for the highest in the country among major urban centres.
In the summer of 1934, city council developed a $1.5 million self-liquidating plan to provide units to be rented for between $20 and $35 per month. The site, which encompassed two full city blocks, was located only one and a half miles from downtown and was near industrial areas, thus providing easy access to employment. Architects Lawrence Green, Cecil Blankstein, G. Leslie Russell, Ralph Ham, and Herbert Moody proposed building a ring of three-storey apartment buildings around the perimeter of the site with two-storey row houses grouped around service drives in the middle, accommodating up to 588 families. The rest of the grounds, 7.5 acres of the total 16.75, was set aside for parks and vegetable plots. A shopping area stood at the main entrance and office space for doctors, dentists, and other professionals was

Figure 1: This cartoon from the *Winnipeg Free Press* illustrates Western frustration with federal housing schemes. (Source: *Winnipeg Free Press*, March 17, 1937).

84 “Proposed Low-Cost Housing Development for the City of Winnipeg,” *Journal of the Royal Architectural Institute of Canada* (July-August 1934), pp. 109–112. It is interesting to note that, of the 16.75-acre site, seven and a half acres were to be dedicated to open parks.
included to provide amenities for the residents, with the revenue earned by the stores to be used to sponsor a community hall and day nursery (see Figure 2). 85

Despite support from local politicians and national organizations such as the Royal Architectural Institute of Canada, the plan was never carried out due to significant opposition from within the city. The North Winnipeg Taxpayers Association, for example, wrote to council to protest the decision to build houses because, the group argued, there were already numerous vacant houses in the city. 86 Although city council voted to support the $1.5 million proposal, it had no money to spend on this, or any, housing development. 87 Thus it was left to wait for the support of the federal government, which had yet to show significant interest in the field of housing. 88 Federal refusal to assist the project was not

Figure 2: An architectural vision for Winnipeg’s housing plan in 1934. (Source: Journal of the Royal Architectural Institute of Canada (July-August 1934), p. 111).

85 “Proposed Low-Cost Housing Development for the City of Winnipeg,” Journal of the Royal Architectural Institute of Canada (July-August 1934), p. 109. Although all buildings were to be accessible by service lanes, there was to be no through traffic.
86 COWA, Council Communications File 15909, letter from the North Winnipeg Taxpayers Association to City Council, May 15, 1934.
87 The city managed to run “balanced budgets” throughout the 1930s with the exception of money borrowed to pay for unemployment relief. This annual loan amounted to over 10 per cent of the city’s income. See COWA, Winnipeg City Council, Annual Report of the Commissioner of Finance, p. 9.
88 “Webb Declares Homebuilding and Sewage Appealed,” Winnipeg Free Press, June 27, 1934; Bacher, Keeping to the Marketplace, p. 73.
based solely on national policy, however. Prime Minister R. B. Bennett bluntly admitted that he had considered supporting the city’s request but had received petitions from local residents asking him not to assist the municipal plan because it might interfere with property rentals in Winnipeg. He explained that the “lack of support from Winnipeg made it impossible to proceed with [the] project.” Landlords actively sought to avoid competing with the municipal government for tenants, and the proposal died when the Bennett government refused to provide the necessary funding.

Housing remained an important political issue in Winnipeg in 1935. For the first time since the General Strike, labour aldermen held the majority of council seats, and the city had a labour mayor. Upon his election to the mayoralty, John Queen of the ILP declared, “[T]here is undoubtedly a strong case for a housing scheme.” By March, a proposal was in place to borrow $2 million from the Dominion government to build dwellings on city land in the Norquay Park district of the city, between Granville and Disraeli Streets near downtown. Importantly, the committee members believed that the money should be spent without a municipal referendum. The hope was that, since the federal government was considering funding housing, the project might be able to start that summer.

The plan was not without controversy. Alderman Cecil Rice-Jones condemned it as “an absolute outrage” that would “break one-third of the taxpayers!” Other Citizen aldermen were equally critical of the plan. James Barry worried that building affordable rental units would depreciate the value of nearby better housing. F. H. Davidson argued that it was outside the city’s jurisdiction to build houses to sell or rent. Additionally, he declared, the type of people who would live in such houses would just ruin them anyway. Opposition to the $2 million plan, therefore, was centred on financial concerns, whether for the city, the taxpayers, or the surrounding property owners.

The city, however, could not borrow money without a referendum of ratepayers. To avoid such a referendum, provincial approval was required. The provincial government in Manitoba had a reputation for being “cautious, reasonable, and pragmatic,” and its overwhelmingly rural members

89 Bacher, *Keeping to the Marketplace*, p. 76.
90 *Winnipeg Free Press*, June 22, 1934.
91 *Winnipeg Free Press*, December 27, 1934.
92 *Winnipeg Free Press*, February 21 and March 7, 1935; *Winnipeg Tribune*, February 21, 1935. ILP Aldermen Morris Gray and James Simpkin were joined by Communist Jacob Penner in support of the proposal. Cecil Gunn, a “Citizen” alderman, was opposed. Margaret McWilliams, who was not officially among the “Citizen” aldermen but often voted with them, abstained.
94 *Winnipeg Tribune*, March 7, 1935.
95 *Winnipeg Tribune*, March 12, 1935.
were not keen to support what they deemed to be extravagant urban spending.96 Thus, when Bill 98, which sought to authorize the city to create a debt for the purpose of house construction without a referendum, was defeated in its second reading by the Manitoba legislature, the plan died.97

The demise of the $2 million plan in 1935 did not mean the end of the housing debate in the city. In the summer of that year, Alderman Margaret McWilliams released a report outlining the impact of low-quality housing on Winnipeg neighbourhoods. McWilliams, the only female alderman at the time, tended to vote with the Citizens, but also was supportive of a high level of social services and centralized planning.98 Her report studied two areas in poor, working-class neighbourhoods and compared that data to the city as a whole.99 She found that rates of disease, mortality, Children’s Aid cases, arrests, and delinquency were all appreciably higher in poor neighbourhoods (see Table 1). She concluded that the two highlighted areas cost the city $639,000 to service, whereas the rest of the city cost only $612,000 despite the fact that the two areas had only one-third of the total population. These findings provided an additional argument to campaigners for public housing: not only would the rents charged as part of a housing project make it self-liquidating, but the project would also pay off in reduced medical and police costs. Furthermore, her study quantified the link between poor housing and disease as well as, in the minds of many Winnipeggers, between housing and delinquency.

The medical danger of overcrowded housing conditions had been widely known for a long time, but, as McWilliams cited in her report, people were growing increasingly concerned about the moral consequences of living in slum conditions. Slums were seen as not only an economic or health problem, but also a moral one.100 Consequently, social reformers believed that social and moral reform were inseparable.101 Poor housing was blamed for a breakdown in the family and, consequently, an increase in delinquency. The 1932 report on housing conditions in Halifax commented that the “dark rooms and halls, common toilets and sinks, the enforced

97 COWA, Housing Folder 10, R. A. Sara, “Address Before the Technical Bureau, Winnipeg Board of Trade,” April 8, 1937.
99 Area One ran from the Assiniboine River to Notre Dame Avenue and from the Red River to Sherbrook Street. Area Two included from Notre Dame Avenue to the CPR tracks and Burrows Avenue and from the Red River to Sherbrook Street and Main Street.
101 Ibid., p. 47.
sharing of rooms and beds, are fatal to ideals and to standards of decency and a menace to the moral growth of youth.”

As the *Free Press* put it, slum conditions “breed, prolifically, social evils of every kind.”

The *Bruce Report* in Ontario stated it even more explicitly: “Bad houses are not only a menace: they are active agents of destruction. . . . They destroy morality and family ties. They destroy the basis of society itself by their destruction of self-respect and their promotion of delinquency and crime.”

The struggle for adequate housing was perceived as not only about stopping the spread of physical diseases, but addressing the supposed moral decline of the next generation.

A further problem facing Winnipeg that came to the fore in 1935 was “house farming.” Individuals would rent a house and then derive income by subletting several parts of the home to different families. During his testimony before the House of Commons Special Committee on Housing, Alexander Officer cited the example of an individual who rented a house for $100 and then rented out each room to a different family, collecting $227. This practice often extended to renting parts of buildings that were not suitable for habitation. People were regularly found living in poorly lit and ventilated attics and basements. These were dangerous in case of fire, insufferably hot in summer, and unbearably cold in winter; they provided little daylight and presented tenants with a high risk of asphyxiation from gas fumes. As the shortage of homes became more pressing, this practice intensified, and more and more dwellings were “farmed.”

With McWilliams’s report before council, there was a renewed effort to pass housing reform legislation. In October 1935, Matthew Stobart, an ILP

<table>
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<tr>
<th>Table 1: Data from Margaret McWilliams’ Report on Housing (1935)</th>
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<td>Area 1</td>
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<tr>
<td>Infant mortality (per 1,000 births)</td>
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<td>Incidence of tuberculosis (per 10,000 people)</td>
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<td>Patient days at municipal hospitals (per 1,000 people)</td>
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<td>Children’s Aid cases (per 1,000 children)</td>
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<td>Arrests (per 1,000 people)</td>
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Source: Provincial Archives of Manitoba, File 1056 G628, Margaret McWilliams, “An Investigation into Certain Social Housing Conditions in Winnipeg.”


104 *Report of the Lieutenant-Governor’s Committee on Housing Conditions in Toronto*.

105 Alexander Officer, House of Commons Special Committee on Housing, “Minutes and Proceedings of Evidence, No. 6,” March 21, 1935.
alderman, put forward a motion calling for the city to build low-cost houses for rent or rent-purchase. The plan did not qualify under the DHA because municipalities were not eligible loan recipients under the Act, so the money would have to be borrowed from private sources. This $500,000 plan dedicated $314,000 to build 120 four-room flats, with the balance of the money to be used for rehabilitating older housing stock. The plan, known as Bylaw 14777, passed due to the labour majority on council, with Citizen aldermen such as Cecil Rice-Jones opposing it on the grounds that it neither made economic sense nor addressed the greatest housing need. Unlike its previous effort, the council agreed that it would only borrow money if the plan was approved by city voters during the November elections.

The resulting referendum campaign provides an excellent illustration of the arguments used both for and against housing projects in Winnipeg. Labour aldermen and the Winnipeg Building Trades Council (BTC) were the two major proponents of the housing plan. Alderman Stobart claimed that, in some parts of the city, over 15,000 families lived in fewer than 2,000 homes. Mayor John Queen, meanwhile, used evidence from McWilliams’s report to argue that the council would actually save money because improved housing conditions would reduce the cost of hospital bills caused by the ill effects of overcrowded residences. A short-term expenditure on housing, it was proposed, would save money in the long run.

In a press release published in the *Winnipeg Tribune*, the BTC argued that, although the Home and Property Owners’ Association, which the BTC said was “composed of many real estate agents and those who do the farming on overcrowded houses,” had declared that the housing plan “would spell ruin for Winnipeg,” it would actually provide desperately needed housing. The BTC was interested in improving the construction market in the city, as its members stood to benefit directly from any plan that promoted home-building. They pleaded with Winnipeg voters to “create better homes. Create employment for some tried building tradesmen and others. Give your support to the bylaw in order that Winnipeg citizens get a chance to live in better quarters than at present they are domiciled in.” Thus the housing plan generated support for two reasons. First, it was intended to relieve the drastic shortage in affordable housing that existed in the city. Secondly, many hoped that an

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109 *Winnipeg Tribune*, November 14, 1935. Stobart said that 15,082 families lived in 1,819 homes, an average of approximately 8.3 families per home.
110 *Winnipeg Tribune*, November 15, 1935.
111 *Winnipeg Tribune*, November 21, 1935.
investment in housing would provide construction jobs for Winnipeggers at a time when employment was scarce.

The housing plan was condemned by Citizen aldermen and pro-business community groups. Cecil Gunn, the CEC mayoral candidate in 1935, declared that paying landlords to rehabilitate old houses would be far sounder economically than building new homes.\(^{112}\) It was claimed that hundreds of vacant houses already existed, and constructing new dwellings would be an inefficient use of resources. New housing, the Winnipeg Chamber of Commerce argued, would compete with the existing housing stock, and, as a result, many large one-family dwellings would cease to be revenue-bearing for landlords.\(^{113}\) Alderman Rice-Jones reflected his class sensibilities when he commented during a public meeting that no one would possibly want to live in the proposed flats, as they were so small that the rooms were not big enough to "swing a cat in."\(^{114}\) A final Citizen argument was summed up in a letter to the Winnipeg Tribune, in which the writer commented that, "as a crowning insult to the intelligence of the taxpayer, these spendthrifts have asked us to endorse a blank cheque for $500,000 to build something, some place, some time."\(^{115}\)

One of the leading opponents of the housing proposal was the Home and Property Owners’ Association (HPOA), which described the plan as "unsound and impractical."\(^{116}\) The HPOA fought on behalf of the rate-payers (property owners) of the city. Its mission was "a substantial reduction of property taxes as soon as possible."\(^{117}\) It opposed any measure that could lead to tax increases, whether through housing reform, by cancelling wage rollbacks for municipal employees, or by providing additional unemployment relief. The HPOA was the most influential anti-housing organization in the 1930s, and its membership included much of the city’s Citizen leadership.\(^{118}\) The activity of the HPOA is indicative of the class divide in the city. While labour organizations and progressive religious groups advocated housing reform, the business elite stood staunchly against it. Not only would a municipal housing project

\(^{112}\) “Queen, Gunn, Council, and School Board Candidates Heard from One Platform,” Winnipeg Tribune, November 20, 1935.

\(^{113}\) Public Archives of Manitoba, MG 10 A2, box 13, “Winnipeg Chamber of Commerce Minutes: Council, Executive, General, 1931–1935.”

\(^{114}\) Winnipeg Tribune, November 21, 1935.

\(^{115}\) Winnipeg Tribune, November 16, 1935.


\(^{117}\) Ibid.

\(^{118}\) For example, long-time city Alderman Charles Simonite had previously served on the HPOA executive. With such connections in city hall, it is not surprising that the organization wielded significant influence.
potentially result in a tax increase, but it would also provide competition for the numerous landlords who were members of the HPOA.

Winnipeg’s electoral system gave property owners, not tenants, the right to vote on financial referendums. The property-owning class therefore voted on whether or not to spend tax money to assist those without proper housing. Many of these voters owned rental properties and were not keen on competition from the municipal government. The franchise for the referendum was so limited that, while over 53,000 electors voted in the mayoralty election (and there were restrictions on voting in the mayoral race as well), approximately 15,000 voted in the referendum held simultaneously.119 Needless to say, a house construction plan was a tough sell at the best of times, and it was particularly difficult in a city both so divided by class and in the midst of a tremendous economic depression. Voters overwhelmingly rejected Bylaw 14777, with 11,676 voters (71.4 per cent) opposed and only 4,674 (28.6 per cent) in favour.120 Yet another city council effort had been stymied, this time by the city’s property-owning class.

The overwhelming defeat of Bylaw 14777 was an obvious setback for the cause of public housing in Winnipeg. In 1936, despite the presence of another labour majority on council, the issue of housing was rarely mentioned. The Communists were the only party to put forward a motion on the issue that year. Communist aldermen Martin Forkin and Jacob Penner proposed that the city request provincial permission to borrow $300,000 for the purposes of re-loaning to home owners to rehabilitate their property. The motion was defeated by thirteen votes to three, with only Morris Gray of the ILP voting with the two Communists.121 A small local Communist newspaper, The Crusader, attempted to keep alive the issue of housing, and the party held meetings on the issue, but the politicians and populace of Winnipeg were quiet on housing in 1936.122

The Housing Issue Re-awakened (1937)

It took the effort of a United Church clergyman, Reverend J. W. Clarke, to bring the issue of housing back into prominence in Winnipeg. His addresses to groups throughout the city brought attention to slum neighbourhoods.123 These efforts were assisted by a Free Press exposé of housing conditions in March 1937. On March 15, the newspaper published a story on a Barber Street tenement that housed 40 people, including 12

121 COWA, “City Council Minutes,” Motion 224, March 9, 1936, p. 141.
men living in the cellar, but that had no bath, furnace, or sink and only two toilets.\footnote{Winnipeg Free Press, March 15, 1937.} A day later, a terrace house on Henry Avenue with no furnace or bath was described as holding 45 people.\footnote{Winnipeg Free Press, March 16, 1937.} Other stories portrayed downtown homes that often lacked plumbing, water, sewers, or electric lighting and frequently had severe structural damage, vermin infestations, or both. Tenants complained that their owners “milked” every penny they could get out of the buildings and made no repairs, no matter how small.\footnote{Winnipeg Free Press, March 13, 1937.} The newspaper called for Canada, and Winnipeg more specifically, to move quickly to solve the problems that had been outlined. A shocked city once again engaged in a debate over public housing reform.

A letter to the unemployment relief committee in June 1937 further illustrates the unsanitary and crowded conditions in some downtown accommodation. Bedbugs and cockroaches infested living spaces. In many buildings each room was occupied by a different family, each with a gas stove that was rarely properly ventilated. Eight to ten stoves being used at the same time posed a serious health and fire hazard. It was reported that families on relief with children were forced to live in attics because landlords considered these spaces unsuitable for families not on relief.\footnote{COWA, Public Health and Welfare File 1084, letter from Mr. Argue to the Unemployment Relief Committee, Subcommittee on Housing, June 28, 1937.} Yet, because of the shortage of homes, the municipal health department was unable to enforce its own bylaws. If it were to condemn a house, there was no place for the residents to go, except perhaps to another equally inadequate slum dwelling.

Municipal officials were growing increasingly frustrated with inaction on housing. In his annual report on local housing conditions, the chief of the municipal health department, Alexander Officer, noted, “[W]e cannot effectively deal with the overcrowded conditions under which many families are obliged to live, groups of families in dwellings originally constructed and equipped for one family only, until relief is provided in the erection of suitable places for these people to live.”\footnote{COWA, Public Health and Welfare Folder 1535, Alexander Officer, “Report of the Nineteenth Annual Survey of Vacant Houses and Vacant Suites in the City Also Total Housing Accommodation and Remarks on Housing in General,” January 1937.} He also wrote about the “costliness of the present situation in lives, health, morals, and money.”\footnote{Ibid.} Not only were the monetary costs of the slum neighbourhoods expensive (whether in terms of health, social services, or policing), but it was perceived that the physical health and morality of slum-dwellers were negatively affected.
Housing advocates throughout the 1930s had questioned whether housing for low-income people could ever be provided through private enterprise without the assistance of the state. In 1936, city council adopted a report of the Special Committee on Housing Conditions that claimed that there was “no apparent prospect of the low-rental housing need being met through unaided private enterprise.”\textsuperscript{130} The lack of faith in the market to solve the crisis was widespread by 1937. Alexander Officer declared that the problem could not be successfully addressed by “private enterprise alone, and indeed it can only be adequately solved by a state-aided scheme.”\textsuperscript{131} The annual report of the Winnipeg Housing Commission for 1937 also suggested that “it would appear somewhat doubtful whether any plan for improved housing for those in the lower wage brackets can be made self-supporting without public subsidy in some form or other.”\textsuperscript{132} An increasing number of people in the city realized that some government action would be necessary if a solution was to be found.

Numerous groups took up the issue of housing and lobbied the city to take drastic and immediate action. The Cooperative Commonwealth Federation, Labour Women’s Federation of Manitoba, Winnipeg General Ministerial Association, Greater Winnipeg Youth Council, the Young Men’s Section of the Board of Trade, and the Central Council of Social Agencies of Manitoba all lobbied council for a housing project.\textsuperscript{133} The press, particularly the \textit{Free Press}, provided favourable coverage of these endeavours and publicized the activities of pro-housing groups. There remained opposition in the city, but, by 1937, far more people were aware of the importance of housing, and a wide variety of groups were encouraging their government to pursue a more aggressive housing policy.

The city responded by requesting that the federal government loan the city $400,000 at a low rate of interest and provide an additional $100,000 in the form of an unemployment relief work project. This money would be used either to build or to loan up to 90 per cent of the cost of dwellings of the kind desired by low-wage earners.\textsuperscript{134} Labour aldermen opposed the idea that money could be lent to private businesses as they wanted

\textsuperscript{130} COWA, Housing Folder 7, “Report of Special Committee on Housing Conditions.” Jill Wade has demonstrated how the frustration with federal housing legislation led community groups to launch campaigns for social housing in Vancouver (\textit{Houses for All}), p. 74. The situation appears similar to the conditions described here for Winnipeg.


\textsuperscript{133} COWA, Housing Folder 7, “Housing and Slum Conditions: Excerpts from Minutes of Council, 1937.”

\textsuperscript{134} COWA, Housing Folder 10, R. A. Sara, “Address Before the Technical Bureau, Winnipeg Board of Trade,” April 8, 1937.
the city to own houses built with public money. Meanwhile, on the right, Alderman F. G. Thompson argued that the scheme constituted a threat against present house owners and said that the city would never have stood for it had it not come up “under the camouflage of ‘slum clearance’.”

Outside the council, numerous business-oriented individuals and groups took up the fight against this proposal. The HPOA described city council’s housing proposal as a “muddled affair” that had no clear direction or purpose. Its leaders argued that many people were coming to the city for the purpose of getting unemployment relief and that it would be unjust for ratepayers to have also to provide them with housing. The city’s 32,000 ratepayers, they proposed, produced over 80 per cent of municipal revenue, and their opinion and finances should therefore be properly respected.

G. B. McColl suggested that a housing scheme providing accommodation for less than cost would be suicidal. The only way to solve the housing problem, he claimed, was to reduce taxation.

A slum landlord, who preferred to remain anonymous, declared that many slum residents were better off without water, toilets, or baths. He said that he advocated a “root, hog, or die” policy to make slum-dwellers responsible for their own well-being.

From 1934 to 1937, on a nearly annual basis, the city had endeavoured to acquire money from the federal government or to receive permission to borrow money from private sources to develop a housing project. These efforts failed because of a combination of opposition at both the federal and local levels. Council was also unable to benefit from the Dominion Housing Act because the Act did not allow for loans to be made directly to municipalities. Yet overcrowding continued to worsen.

R. A. Sara, an alderman with a significant interest in the housing issue, declared, “[T]he cancer of our slums gnaws at our vitals, largely unseen and unrealized, but infinitely more dangerous, insidious, and fatal.”

Given these previous failures, the city searched for a new way to tackle the ever-growing housing problem in its working-class neighbourhoods.

The answer the city developed was the City of Winnipeg Housing Company (CWHC), formed in 1937 as a joint stock company that would qualify for DHA loans. There was both local and federal impetus for this new endeavour. W. C. Clarke, the federal Deputy Minister of Finance, suggested the scheme to Winnipeg aldermen and, according to David Mansur, was “particularly anxious to arrange some such scheme.

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135 *Winnipeg Tribune*, June 29, 1937.
136 *Winnipeg Tribune*, April 26, 1937.
138 Ibid.
139 COWA, Housing Folder 10, R. A. Sara, “Address Before the Technical Bureau, Winnipeg Board of Trade,” April 8, 1937.
... rather than face the necessity of bringing in further legislation to provide for real low-cost housing and slum clearance." To run the company, preferred stock was to be sold to "public spirited citizens and companies," while the common stock would be given to the City of Winnipeg in exchange for property. Preferred shareholders were promised an annual dividend of 5 per cent once the company was profitable, with all further profits going to the city.

The CWHC said that its purposes were to provide a competent institution to which DHA mortgages could be made, independent business management in the selection of sites and giving of construction contracts, work for artisans and building mechanics, and moderately priced homes to the many Winnipeggers who needed them, as well as to transform vacant lots into taxpaying properties. The company itself would not build houses but, rather, would act as a service company to help prospective owners select a lot and building plan and secure a DHA loan. Home buyers had to put down a minimum payment of $400, and up to 80 per cent of the value of the home could be lent by Sun Life Assurance and the CWHC. The company was to be governed by a five-member board including the city treasurer, one other city representative, and three preferred shareholders. In addition to giving property to the CWHC, the city provided other assistance as well. Records show that the CWHC frequently borrowed municipal engineers and architects to assist in the technical aspects of housing development.

CWHC shareholders included many of Winnipeg’s largest corporations and wealthiest individuals. The largest shareholder was the Timothy Eaton Company, which purchased 50 shares. The Winnipeg Electric Company, James Richardson, and several large building companies and law firms

140 Winnipeg Free Press, April 29, 1937, quoted in Bacher, Keeping to the Marketplace, p. 108. Mansur was the chief mortgage inspector for Sun Life.
141 COWA, Housing Folder 1, “Resolution Passed by Directors of the City of Winnipeg Housing Company Limited,” April 8, 1938, p. 2. Private citizens were seen by some, such as W. H. Carter of the National Employment Council, as a better judge of appropriate housing schemes than the government. “Public-spirited” citizens, he suggested, would do what was best for the community and would avoid political interests and influences (Winnipeg Free Press, March 18, 1937).
142 COWA, Housing Folder 1, “Resolution Passed by Directors of the City of Winnipeg Housing Company Limited,” April 8, 1938.
143 COWA Housing Folder 1, “Resolution Passed by Directors of the City of Winnipeg Housing Company Limited,” April 8, 1938. It was estimated that the city would obtain $100 per year in taxes from each house that was constructed. See Financial Post, October 9, 1937.
144 COWA, Housing Folder 18, "City of Winnipeg Housing Company Ltd. President’s Report.”
145 Financial Post, October 9, 1937.
147 COWA, File 7119, letter from Frank Halls, President of the CWHC to the Committee on Public Safety, February 17, 1938. It should be noted that, while city employees worked for the CWHC, their pay was still provided by the city.
also held shares. Those who had purchased preferred shares were described as “having only one object in view, unselfishly to improve unemployment conditions in Winnipeg by providing work, and to improve the financial position of the city by increasing the real estate tax income of the city.” Undoubtedly, some shareholders may have had philanthropic motivations, but it is hard to imagine that they were all entirely altruistic. The presence of numerous building companies on the list of preferred shareholders suggests that these companies were hoping to benefit from the building the CWHC was expected to encourage. Additionally, being a shareholder of this company meant having a tremendous influence over the course of housing reform in the city.

To demonstrate its ability to remedy the city’s housing crisis, the CWHC immediately began constructing a model home. A public contest was held to see who could design a house that would cost less than $3,200 to construct, would comply with the DHA, would follow the city’s fair wage schedule, and could be reproduced. The winning bid came from Henry Borger and Son, who offered to build the house for 24.5 cents per square foot. The city provided a lot on Ashburn Street, and construction was completed in the fall of 1937 (see Figure 3).

The model home had three bedrooms, a bathroom, living room, kitchen, and a semi-circular vestibule at the front. A brochure written about the house bragged of its “convenience,” “efficiency,” and “economical planning.” It stated that the “modern plumbing and a step-saving kitchen, complete a design for comfortable living that will make an instant appeal to every home lover. The whole home provides for an easy flow of human life, maximum comfort and minimum labour, making for true dignity in family life.” The local press raved about the home’s modern features. The *Tribune* pointed out that the kitchen was designed by experts so that “there will be no more complaints about having the sink and table too high or too low, or having to do the cooking with your back to the light.” Lest the children be forgotten, there was a clean, safe playroom in the basement. This was, it seemed, the perfect home for the modern family (see Figure 4).

The model home was a popular attraction. During the first two weeks that it was open, an estimated 12,000 people visited the site. Dignitaries such as Norman Rogers, the federal Minister of Labour, toured the

149 COWA, Housing Folder 1, “Resolution Passed by the Directors of the City of Winnipeg Housing Company Ltd.”
150 *Winnipeg Free Press*, July 7 and August 18, 1937.
151 COWA, Housing Folder 3, “A Home You May Own and Pay for Monthly.”
152 Ibid., p. 7.
home, describing it as one of the best demonstration houses he had seen anywhere in Canada. Yet, despite the large crowds and warm reviews, the house drew significant criticism from a diverse assortment of opponents. On council, the main opponent of the house was Charles Simonite, who questioned whether it could be reproduced at the budgeted price of $3,200 because numerous items for the model home had been donated. He maintained that there was no need in the city for additional housing and that the struggle to sell the model home demonstrated this.

Others argued that the house itself was flawed. In a letter to Alderman R. A. Sara, the driving force on council behind the CWHC, James Scott pointed out that the model home was far from the streetcar line and had poor bus connections to downtown. The

156 Winnipeg Tribune, November 13, 1937; Winnipeg Free Press, July 30 and August 18, 1937; Winnipeg Tribune, August 10, 1937. The Building Trades Council also questioned the ability of contractors to build a $3,200 house and still pay fair wages. See Winnipeg Free Press, July 31, 1937.
157 Winnipeg Free Press, December 11, 1937.
158 COWA, Housing Folder 3, letter from James Scott to R. A. Sara, November 6, 1939.
difficult commute made Ashburn Street an inconvenient location for most workers. Many labour aldermen questioned why the model home had been built so far from the city centre that a low-wage earner could not possibly afford to live there because of the cost of

Figure 4: The scientifically designed kitchen of Winnipeg’s model home. (Source: City of Winnipeg Archives).
transportation. The Building Trades Council commented that its members were “thunderstruck at the inconsistency in proposing to build a low-cost house in a locality where a low-wage earner would find it hard to meet taxation payments.” The cost of the home, $30.65 per month for 20 years if $400 was put down as a deposit (the monthly payment could be as low as $26.71 with a deposit of $1,000) far exceeded what the average working-class family could afford to pay. The CWHC had built a wonderful home for the middle class, but middle-class housing had never been the problem. As even the Financial Post would note, the model home, for all its modern conveniences, failed to address the city’s greatest housing need: low-cost housing.

If $30 per month was too much, what then could a working-class family afford to pay for lodging? In 1938, John Queen suggested that, since the average Manitoban earned an income of $929 per year and could spend 20 per cent of that on housing, a family could only afford to pay $16 per month. Meanwhile, Winnipeg’s monthly rent allowance for a family of five on relief was $12 per month in September 1936. Humphrey Carver pointed out that 36 per cent of all Canadian households made less than $80 per month and so could not even afford to pay $16 (assuming that they used 20 per cent of their income for housing). Clearly, if the average worker could afford $16 per month (perhaps far less), a plan that required the expenditure of $30 per month for 20 years, in addition to a deposit of $400, was far out of the reach of Winnipeg’s workers.

After some embarrassing delays, the CWHC finally sold the model home in January 1938 to Gilbert Crook, the chief engineer of St. Joseph’s Orphanage. The model home proved to be the last dwelling ever built by the CWHC. The provincial legislature refused to amend the city charter to allow the City of Winnipeg to sell land to the company in exchange for shares, thus making it impossible for the CWHC to carry

159 Winnipeg Free Press, December 27, 1937. Not only was the house in a bad location in the city, but it was also built in an odd location on its lot. The veranda of the model home stuck out ten feet farther than the adjacent houses, giving it a rather peculiar appearance.
160 Winnipeg Free Press, July 31, 1937. The BTC even suggested that the arrangement of the stairway in the model home was unsuitable for a working man’s house.
162 Financial Post, October 9, 1937.
163 COWA, Housing Folder 14A, “Minutes of a Meeting of the National Executive, Central Management Committee, and Regional Chairmen of the Canadian Federation of Mayors and Municipalities,” May 31, 1938 – June 1, 1938, p. 4.
164 Struthers, No Fault of their Own, p. 221.
166 COWA, File 7119, letter from Gilbert Crook to R. A. Sara, December 16, 1937; Winnipeg Free Press, January 8, 1938.
out its mandate.\textsuperscript{167} Although there is not much evidence that might explain why the request was turned down by the province, newspaper reports suggest that one MLA argued that giving land to the CWHC meant preferential treatment for one firm over all others.\textsuperscript{168} The company continued to exist on paper into the 1940s, eventually deriving some income from war bonds, but essentially was dead by 1938. Winnipeg’s attempt to engage with the DHA had failed, both because of the limitations of the federal legislation and because the solution developed by local leaders failed to address the needs the city faced.

The End of the Decade (1938–1939)

Winnipeg’s city council did move to take advantage of some provisions of the NHA. In late 1938, the city agreed to sell numerous lots for $50 to make them eligible for NHA funding. This allowed the federal government to assist property owners with the municipal taxes on these properties for three years. In February 1939, however, the 	extit{Winnipeg Free Press} pointed out that, although 90 homes had been built on city-owned lots since August 1938 (when the provision was put in place), none had been on $50 lots. The average city lot sold was priced at $350. Most of the $50 lots were in inconvenient locations where people did not want to build.\textsuperscript{169} As a result, the tax payment provision had very little practical effect in Winnipeg.

Overcrowding remained a problem in Winnipeg in the late 1930s. In 1937, 93 dwellings were built, but 227 had been destroyed or converted for other purposes. In 1938 it was reported that, over the previous five years, 601 new dwelling units had been constructed but there had been 12,946 marriages.\textsuperscript{170} The city was losing, rather than gaining, housing stock. The city particularly needed small dwelling units of five rooms or fewer, because this was what people with low incomes could afford. In 1938, however, there were only 24 such units vacant in the city that were habitable without repair.\textsuperscript{171} The vacancies that did exist were located far from the city centre. A year earlier there had not been a single vacancy in the downtown core.\textsuperscript{172} City council estimated

\begin{itemize}
\item \textsuperscript{167} COWA, Housing Folder 1, “Resolution Passed by the Directors of the City of Winnipeg Housing Company Limited,” April 8, 1938.
\item \textsuperscript{168} \textit{Winnipeg Tribune}, April 12, 1938. Hansard records were not kept by the province at the time, so the transcript of the debate is unavailable.
\item \textsuperscript{169} \textit{Winnipeg Free Press}, February 11, 1939.
\item \textsuperscript{170} COWA, Housing Folder 25, Alexander Officer, “Report of the Twentieth Annual Survey of Vacant Houses and Vacant Suites in the City Also Total Housing Accommodation and Remarks on Housing in General,” January 1938.
\item \textsuperscript{171} \textit{Ibid.} A further 42 dwellings were available with slight repair.
\item \textsuperscript{172} The region described stretched from Broadway Avenue to Notre Dame Avenue and from Colony Street to the Red River. COWA, Public Health and Welfare File 1084, letter from Mr. Argue to the Unemployment Relief Committee, Subcommittee on Housing, June 28, 1937.
\end{itemize}
that, if every family was to have a separate dwelling, Winnipeg was short by 6,606 dwelling units, a shortage of 12 per cent of the total housing stock.\(^{173}\)

Instead of requesting money under the NHA, city council decided that it would put forward a plan for a $1.5 million housing project as an unemployment relief measure. Unlike in other years, when the city had put numerous relief measures forward for consideration, the housing project was the only one it submitted to the federal government in 1938.\(^{174}\) It justified this decision by saying that 36 per cent of the people on relief in Winnipeg were trade artisans and thus would be directly affected by the construction activity that such a project would provide. The employment of 2,000 relief recipients building houses, the city proposed, would save between $80,000 and $100,000 per month in relief costs. Building houses as a relief measure was seen as an effective way of both dealing with the poor quality housing that many Winnipeg residents inhabited and providing work for thousands of otherwise unemployed craftsmen.\(^{175}\) In addition to providing employment, a housing scheme, unlike other relief projects that had been undertaken in the city (sewage systems, roads, public buildings, or bridges), would be self-liquidating. To city council, such a proposal made significant financial sense.\(^{176}\)

The city proposed that it would supply the land and would request a $500,000 contribution from the federal government with an additional loan of $1 million at 3 per cent interest, to be repaid over 40 years. With this money, the city planned to provide housing at low rents for 500 families.\(^{177}\) The 1938 plan was very similar to the one put forward in 1934 and was designed by the same architectural firm. While on a slightly smaller site than in 1934, 13 acres as opposed to nearly 17, the site was still to be ringed by three-storey apartment buildings with row houses on the inside. Parks were a central feature of the site, and there was to be no traffic inside the development. Units were projected to rent for as low as $19.25 per month for a one-bedroom suite. Only families earning less than $100 per month and not already living in decent accommodation were to qualify to live in these municipal dwellings.\(^{178}\)

As they had done in previous reform efforts, numerous aldermen and community figures opposed the plan. Residents near the site argued that such a development would reduce their property values.\(^{179}\) Alderman F. G. Thompson, who thought that supporters of a municipal housing plan must be either “communists or fascists,” criticized the rental

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174 Winnipeg Tribune, May 18, 1938.
176 Ibid., p. 391.
177 Winnipeg Free Press, May 18, 1938.
178 Winnipeg Free Press, September 23 and November 3, 1938.
179 Winnipeg Free Press, February 13, 1939.
housing scheme, reiterating a familiar argument that the type of people who would rent the homes were not the type who would take proper care of them. A letter to the Free Press that was forwarded to Prime Minister Mackenzie King also demonstrates some of the philosophical opposition to housing plans. J. G. Harvey wrote that “the whole idea is only another means of destroying the self-dependence, self-responsibility, and self-reliance of our people.” In addition to supposedly endangering the independent spirit of Winnipeggers, Harvey also suggested that “not everyone in the West thinks that the people of the rest of Canada ought to take over the burden of unwisely incurred debts or erect dwelling houses in the City of Winnipeg for poor people.” Harvey need not have feared, as the federal government did not provide the funds necessary to complete the project. The federal government decided to invest $100 million on road building as unemployment relief works across the country. This may have been a substantial sum, but it had little effect on urban relief in Manitoba.

As the decade drew to a close, municipal officials tried one last time to prepare a scheme acceptable both to Winnipeggers and to the federal and provincial governments. By this point a sense of desperation had set in, evidenced by Alderman James Simpkin who exclaimed, “stop worrying about the plans and try to get the money first!” A new proposal in 1939 suggested scattering buildings throughout the city rather than concentrating them in one district. These buildings would be four-room cottages made up of two bedrooms, a kitchen/living room, and a bathroom and would cost less than $3,000 to construct. They would not have cellars, being built instead on concrete piers. The low cost of these homes would make them accessible to many working-class Winnipeggers and, it was hoped, would relieve the congestion in existing homes.

Several aldermen and community representatives encouraged council not to send this plan to a referendum, fearing a result similar to that in 1935. Reverend J. W. Clarke, who had brought the issue of housing to the fore in 1937, opposed submission of the housing plan to ratepayers because he felt that tenants should also have a vote if the result was to be truly representative. Similarly, James Cowan of the Greater Winnipeg Youth Conference said that ratepayers formed a small minority of the city mostly interested in obtaining rents by maintaining the status quo, and thus any plan would be defeated in a referendum. The lobbying

180 Winnipeg Tribune, April 21, 1938; Winnipeg Free Press, May 18, 1938.
181 LAC, Mackenzie King papers, Reel C3734, 214131–2, letter from J. G. Harvey to the Right Hon. W. L. Mackenzie King, January 20, 1938.
182 LAC, Reel C3737, 219046–219055, “Report of the Joint Special Committee on Housing Conditions and Special Committee on Unemployment Relief Works,” May 16, 1938.
183 Winnipeg Free Press, April 5, 1939.
184 Winnipeg Tribune, April 5, 1939; Winnipeg Free Press, March 8, 1939.
185 Winnipeg Free Press, April 4, 1939.
of these groups was successful, and the city made an application to the province to request the loan of $300,000 from the federal government under Part II of the NHA, without the permission of ratepayers.\textsuperscript{187} This effort was met with strenuous opposition from the Winnipeg Real Estate Board and the Board of Trade and was eventually defeated by the provincial legislature.\textsuperscript{188}

**Conclusion**

After five years of intensive debate about Winnipeg's housing crisis, a total of one house (the model home) had been built with municipal support. The city's efforts demonstrated the limitations imposed by federal legislation. Winnipeg's city council tried several means of working with the DHA and NHA programmes but was unsuccessful in doing so. Even the Winnipeg Tribune, hardly a bastion of leftist thought, declared that federal housing schemes had yet to touch "the fringe of the slum problem, and [the] problem will not be touched until Ottawa shakes itself out of its comfortable nineteenth-century belief that the average Canadian can, if he tries, make himself a home."\textsuperscript{189} Federal programmes, or the lack thereof, were one significant reason behind the failure of Winnipeg's municipal government to invest in housing.

The federal government, however, should not bear all of the blame for the failure of housing policy in Winnipeg. Although both the DHA and NHA were flawed, opponents in Winnipeg did just as much, if not more, damage to the cause of housing in the city. Whether led by Citizen aldermen or the Home and Property Owners' Association, many influential Winnipeggers worked to stymie each successive housing proposal. Their interest was in the profits they could make renting rooms to the working class, and they did not want to compete with a government housing agency in that field. These elites also had no interest in the potential of increased taxation to pay for a municipal housing scheme. Even when a plan went forward, such as the CWHC's model home, it was of a type unlikely to assist those living in slum conditions. Aggressive and repeated interventions guaranteed that Winnipeg would not have effective housing reform in the 1930s.

By 1941, housing in Western Canadian cities was generally more overcrowded than in Eastern Canada and was more likely to lack sanitary facilities such as toilets and bathtubs.\textsuperscript{190} Other Western cities had also

\begin{itemize}
  \item \textsuperscript{186} Winnipeg Free Press, March 22, 1939.
  \item \textsuperscript{187} COWA, “City Council Minutes,” Motion 366, April 3, 1939, p. 231.
  \item \textsuperscript{188} Winnipeg Free Press, March 8, 1939; COWA, Council Communications 17191, letter from the Managing Secretary of the Board of Trade to Winnipeg City Council, March 6, 1939.
  \item \textsuperscript{189} Winnipeg Tribune, March 22, 1939.
  \item \textsuperscript{190} Michael Doucet and John Weaver, Housing the North American City (Montreal and Kingston: McGill-Queen's University Press, 1991), p. 444. The overcrowding rate (more than one person
failed to implement significant housing reforms or benefit from federal programmes. Jill Wade’s study of housing in Vancouver demonstrates that, although there were several groups (including labour, middle-class reformers, church groups, and women’s organizations) lobbying for housing reform, the city’s property owners and business elite rejected such reforms. Consequently, Vancouver’s City Council did relatively little about housing until 1937.\(^{191}\) Calgary considered developing housing to sell to low-income residents as early as 1929, but this was rejected by an incoming city council over cost concerns. In Edmonton, meanwhile, rate-payers rejected a public housing scheme in 1938. A self-liquidating house construction plan was developed in Edmonton in 1937, but by 1939 had only built 21 houses.\(^{192}\) Even this minimal effort made it one of the most successful municipal housing programmes that decade in Western Canada.

While the situation in other Western Canadian cities was comparable in both the extent of the housing crisis and the inadequacy of federal or municipal programmes to address it, Winnipeg’s strong labour and reform movements were perhaps the most determined in their efforts to address the city’s housing crisis, putting forward new plans on nearly an annual basis. Yet, despite these efforts, property owners and wealthy taxpayers defeated nearly every attempt to address the city’s housing shortage. Additionally, in the absence of support from higher levels of government, Winnipeg, already stretched to its financial limit by the Great Depression, was unable to address housing on its own. As a result, the housing crisis in Winnipeg worsened throughout the 1930s despite the efforts of the city’s housing reformers.

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\(^{191}\) Wade, *Housing for All*, p. 86.

\(^{192}\) Wetherell and Kmet, *Homes in Alberta*, pp. 186, 188.