

Canadian Housing "Policy" in Perspective

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Résumé de l'article

Cet article présente une vue d'ensemble de l'histoire de la politique canadienne en matière de logement. Il passe en revue les origines des programmes implantés de même que les options qui furent rejetées. Il compare également la politique canadienne du logement avec les approches utilisées par les autres états démocratiques prospères du monde occidental pour résoudre leurs problèmes de logement. L'article constate que la politique canadienne du logement ne manque pas d'ironie. En effet, ce sont les programmes d'assistance à la propriété destinés aux groupes à moyen revenu et les subsides aux investisseurs privés qui émergent continuellement au milieu des demandes politiques de financement public de logements locatifs pour les groupes à faible revenu. Par rapport aux autres pays occidentaux, l'engagement ferme du gouvernement canadien vis-à-vis l'assistance au marché reste exceptionnel. La cohésion entre le gouvernement et le milieu des affaires débute dans les années 1930, tandis qu'un gouffre se creuse entre les fonctionnaires fédéraux chargés du logement et les défenseurs du logement social. L'article estime que cette inclinaison de la politique canadienne du logement en faveur des Canadiens mieux nantis, qui n'ont pas besoin de l'aide gouvernementale pour se procurer un logement décent, n'est pas accidentelle mais qu'elle reflète les moeurs du marché qui a façonné tous les efforts fédéraux en matière de logement.

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This paper provides an overview of the history of Canadian housing policy, reviewing the origins of both the programs which were implemented as well as the options which were defeated. Canada's approach to housing policy is also compared to the manner in which other prosperous western democratic states have approached their housing problems. The paper finds that one of the ironies of Canadian housing policy is that homeownership assistance programs for middle income groups and subsidies for private investors have continually emerged in the midst of political demands for publicly subsidized rental housing for low income groups. The Canadian government's rigid commitment to an assisted market approach is exceptional in comparison with other western states. Starting in the 1930s a unity between government and business emerged while a wide gulf remained between federal housing officials and advocates of social housing. The paper argues that this tilt in Canadian housing policy in favour of those Canadians who are least in need of government assistance in securing decent accommodation is no accident, but reflective of the marketplace ethos that has shaped all federal housing efforts.

I Canada's National Housing Policy and the Marketplace Ethos

Until 1968, the Canadian Government had no announced housing goal. That year, for the first time, an objective

was stated publicly: the production of one million units in the next five years. (Report of the Central Mortgage and Housing Corporation Task on Low Income Housing, 1972, 29.)

Housing performance under the National Housing Act has been production orientated, a quantitative operation qualitatively devoid of broad social objectives and economically inaccessible to many Canadians. The production of new houses should be a means to an end,



FIGURE 1. Housing built in Ottawa's Lindenlea neighbourhood under the 1919 federal housing loan program.

SOURCE: Canada Housing and Mortgage Corporation.

not the prime policy objective. (*Good Housing for Canadians*, Report of Ontario Housing Authorities, 1964, 64.)

Land is the space on the surface of this planet — Canadian urban land is that space where the majority of Canadians now live out their brief lives. In these cities, millions of people forget that the interdependence that exists. . . . The essentially exploitative nature of our relationship with space is apparent in the physical aspect of urban Canada. . . . Each decade, as urbanities continue to move to the larger centres, over one-third of the residential space is newly created, yet this tremendous effort is expended to maintain essentially the same excessive machine. Our activity, which is common in the western world, must be recognized to be a horrendous, deliberate, short-term exploitation of the planet. (*Land and Urban Development*. A study prepared for Central Mortgage and Housing Corporation, by Peter Spurr, 1976, 10.)

The preceding quotations were the conclusions of government housing policy analysts, whose analyses of Canadian housing programs led them to the conclusion that a Canadian housing policy did not exist. Indeed, the finding of the CMHC Task Force on Low Income Housing (1972) was so critical of existing programs that it was suppressed and the available copies destroyed; although a member of the task

force managed to have it privately printed under the appropriate title *Programs In Search of a Policy*.

Canadian housing programs prior to the 1964 National Housing Act amendments, which breathed life into moribund efforts in public housing, exhibited a remarkable rigidity in devoting government revenues towards helping those in higher income brackets. From 1949 to 1963, only 11,000 units of public housing were produced, amounting to only .7 per cent of the new residential construction in this era. On the average, during this 14-year period, only 873 units per year of public housing were built. In contrast, in the 8 years between 1964 and 1972, some 96,000 units of public housing were built.¹ The 1964 amendments also provided a special subsection to encourage non-profit housing through loans on generous terms to organizations such as church and self-help groups, the YMCA and service clubs. Only after 1973 did co-operatives become eligible for special assistance under the NHA. Despite the increase in the production of public non-profit and later co-operative housing, the scale of these programs still paled in comparison with such schemes as "Residual Lending," "Home Improvement Loans by Private Lenders" and the more recently created "Assisted Homeownership" scheme, all of which primarily served an already affluent minority.²

Moreover, this tilt in Canadian housing policy in favour of those Canadians who are least in need of government assistance in securing decent accommodation is no accident, but reflective of the marketplace ethos that has shaped all federal housing efforts. Although the Canadian government assumed a responsibility for the encouragement of improved housing conditions with the passage of the Dominion Housing Act in 1935, it was, at that time, as in all subsequent legislation, assumed that this responsibility was to be limited to the improvement of the operations of the private market. Indeed, this position was set forth in the first reading of the 1935 act, in which Liberal M.P. Wilfred Hanbury stressed that, "If we leave the insurance and loan companies, with the experience they have had in these matters, in charge of this affair, we have no need to fear that our (government) money will not be properly spent, and we need have little fear of politics entering in or of bureaucracy, which will undoubtedly creep in if we have a commission."³ Such marketplace values would be echoed in subsequent federal housing legislation.

The influence of prevailing marketplace values can be detected in the careers of a sequence of Canadian civil servants. It was apparent in the first tentative steps towards an involvement of the federal government in housing, as illustrated well by the career of Thomas Adams in Canada, who was a town planning consultant to the Dominion government from 1914 to 1922. Adams, as a sympathetic biographer has pointed out, attained this position "precisely because he identified with the values and aspirations of the Canadian establishment." Indeed, the groups urging Prime Minister Robert Borden for his appointment included such conservative elite bodies as the Canadian Manufacturers Association, the Imperial Order of the Daughters of the Empire and the Hamilton Board of Trade. Adams promoted a hope that "scientific town planning," through the enhanced efficiency it encouraged, would lessen class conflicts. It was not "to inaugurate socialistic extremes, but to forestall them" that he had come to Canada.⁴

Adams did illustrate many ways in which the application of planning techniques could improve the quality of life for all Canadians. These included his recommendations to restrict land speculation, establish more compact urban development, lay out streets according to the land's natural contours, retain trees and green spaces in urban areas and have roads built to the width appropriate to the volume of traffic in them.

Adams claimed too much, however, for the powers of these reforms. They could not secure, no matter how many economies they achieved, affordable housing at acceptable standards of comfort. Consequently, the stage was set for disaster when Adams attempted to secure low income housing by these means in the Unionist government's post-war housing scheme. Adams attempted to make housing affordable for low income groups by imposing price ceilings too

low to obtain an adequate quality of construction. Attempts by contractors to build within these ceilings resulted in shoddy building. This frequently resulted in municipal governments being required to make heavy investments for repairs after the homes came into their possession upon their owners defaulting. The poor results of this program did much to discredit the idea of government-assisted home construction, until Canada was in the depths of the Great Depression.⁵

The middle-of-the-road approach advocated by the country's first significant planning expert was continued by the foremost shaper of Canadian housing policy, Dr. W. C. Clark, Deputy Minister of Finance from 1932 until his death in 1952. Clark had been a protégé of O. D. Skelton at Queen's University. In 1918, he wrote his first book, which argued against wartime price ceilings, finding them a violation of both the principles of economics and of human nature. The following year, Clark entered the newly formed National Employment Service of the Department of Labour, where he worked at devising methodologies for the compilation and publication of statistics. Returning to Queen's University in 1920, Clark left his position there in 1923 to join the American real estate investment firm S. W. Straus and Company. After the onset of the Great Depression, Clark served as a key civil servant in the Reconstruction Finance Corporation under Herbert Hoover. During the time of his work for Straus, Clark produced a book in defense of the skyscraper, then under attack by such regional planning advocates as Lewis Mumford. In this book entitled *The Skyscraper: A Study in the Economic Height of Modern Office Buildings*, Clark asserted, in a way reminiscent of Adams, that, "we have no quarrel with the idealist, or with the visionary, but only with the idealist whose ideas are half baked and with the visionary whose vision is too limited." For Clark, this meant that legitimate social objectives had to be reconciled with the economics of the marketplace. In his own words, that was to "be flexible rather than arbitrary," being able to "regulate rather than block the natural workings of economic forces" and above all to "prevent parasitic development by making each economic activity bear its own fair costs rather than by attempts at arbitrary prohibition."⁶ During his tenure as Deputy Minister of Finance, Clark sought to achieve his goal of obtaining better housing for Canadians, strictly through the medium of a government-assisted marketplace. Robert B. Bryce, who worked under Clark in the Department of Finance, has recalled that:

He continued to hope that the Government could avoid having to build or own houses directly, even for its own employees and servicemen in isolated areas, and he was uneasy over the rush of events and requirements in the post-war period that made it necessary for the Government to enter actively into a building program of its own. Although conscious of the social welfare aspects of housing, he felt these should be secured by vigorous private or philanthropic enterprise, or by only indirect government action. In his last months, he was still thinking ahead on

housing, and having seen the wheel turn full circle, he was concerned now over the problem presented by the magnitude of the financing requirements for housing on the scale of the busy mid-1950s and the limited funds likely to be available from the life insurance companies and the other lending institutions already in this field.⁷

Other civil servants with a similar belief in the efficiency of the private market further developed Clark's efforts to meet the nation's housing needs through philanthropic housing and government-assisted mortgage schemes. Richard Lobley, a former real estate man, formulated the government's "Philanthropic" or "Limited Dividend" housing program during the Second World War. Lobley was an official of the Rentals Administration Branch of the Wartime Prices and Trade Board headed by Donald Gordon. He devised a Montreal Limited dividend housing scheme which was touted by the federal government as a model means to provide low cost housing for the nation. His plan called for the construction of "Montreal type flats" which were similar to existing slums in their high densities, dangerous wooden outside stairways, and their lack of any central heating. A memorandum from Mitchell Sharp to W. C. Clark has preserved the reaction of the Director of the Housing Branch of the Department of Finance, F. W. Nicholls, to this scheme. Sharp told Clark that Nicholls believed "that the Canadian government would be the laughing stock of the world in building such poorly designed units." Sharp added that, "There was some personal pique in his attitude" since "he felt that the Minister was throwing into the discard all the experience accumulated by the Housing Administration and was willing to accept the advice of a real estate agent."⁸

Another civil servant, David Mansur, was able to solve the mortgage financing problems that confronted Clark at the time of his death and carried this task out with the same belief in the virtues of government-assisted private enterprise that motivated Clark and Lobley. Before assuming government office, Mansur had been chief inspector of Mortgages for Sun Life. The official history of CMHC notes that, "David Mansur's principal ambition in assuming the Presidency of the Central Mortgage and Housing Corporation (here after CMHC) had been to develop a wider and deeper investment in housing."⁹ Humphrey Carver, veteran critic of the lack of social concern in federal housing policy and a long-time civil servant with CMHC, has recalled how this greater investment was achieved through Mansur's "ingenious pragmatism" which expressed itself "principally by eliminating the element or risk for most of the parties involved." For lending institutions, there was the "pool guarantee fund," for investors, the "rental insurance system," and for builders, the "integrated plan," by which CMHC would guarantee the sale of houses built to certain specifications. Mansur "invented and prescribed the rules of these games and it was up to the branch managers to lure the players to the field and keep the ball in play."¹⁰ Carver has noted that during Mansur's Presidency of CMHC, "The only

interested party in the housing scene, which didn't seem to get much attention at the staff meetings of CMHC, was the Canadian family which couldn't afford homeownership." Mansur solved the shortage of mortgage funds which had troubled Clark in 1952 through the 1954 amendments to the National Housing Act which brought the funds of the chartered banks into the mortgage market for the first time. Carver has recalled how the passage of this legislation, "was Mansur's 'Nunc Dimittis' and, having placed the imprint of his philosophy upon the system, he resigned from government service on 1 November, 1954 and, a month later, was succeeded by Stewart Bates."¹¹

Stewart Bates did not share the rigid belief in the virtues of private enterprise and in the values of the marketplace which were held by Adams, Clark, Lobley and Mansur. President of CMHC from November, 1954 until his death in 1964, Bates was the highest civil servant in the nation with responsibility for housing; he met, as Carver has indicated, with "dreadful frustrations" and "died unhappy and disappointed."¹² Although Bates was President of CMHC, he did not have the same authority of a Deputy Minister of a government department. Unlike a government department, CMHC was run like a private corporation. This was expressed in the physical design of its headquarters. Unlike most government buildings, it was, in Carver's words, "designed in red brick American Colonial style, looking not unlike a glorified Howard Johnson's highway restaurant" which fitted into Mansur's desire to design the building to resemble an insurance corporation.¹³ In his attempts to introduce social objectives into the housing policy of CMHC, Bates met with opposition from the company's Board of Directors. In this situation, he was not unlike F. W. Nicholls who, while in charge of the Department of Finance's Housing Administration, was under the authority of the Deputy Minister of Finance, W. C. Clark. On February 12, 1957, Bates received a hostile letter from one CMHC Board member in response to Bates' suggested public housing policy statement. Bates was told by the Board member that his assumption "that public housing is primarily an instrument of social policy to remedy directly the conditions of the poor who are living in bad housing" was all wrong. Instead, public housing projects "should be based on economic and urban development considerations primarily and . . . the needs of individual tenants should be secondary." Also, the hostile director added, "they should be deliberately used to improve the community but only provide a bare minimum of housing for the occupants." Such a policy would "make clear that we are not competing with private enterprise who we assume will be building a more attractive product intended for those who can afford it." In 1960 and 1961, the majority of the Board attempted to cut back the already limited CMHC public housing program.¹⁴

Even when Bates' proposals for a more socially sensitive housing policy were able to pass through the gauntlet of the CMHC's Board of Directors, they met with hostility at the

Cabinet level. Robert Winters, who, as Minister of Public Works had responsibility for CMHC, suggested to Bates that public housing be only undertaken with projects of demolition and redevelopment. Bates subsequently attempted to illustrate to Winters that, "in social terms the need for decent, safe, and sanitary accommodation has no necessary relationship with demolition."¹⁵ Bates' efforts to encourage an expanded public low rent housing program met with a rebuff from Winters eight days later. He was sternly lectured in a memorandum sent on June 8, 1956, by Winters, that, "It was the government's view, which I have stated publicly on a number of occasions, that we would be justified in using public funds for housing only where private enterprise fails to meet the need." Given such unyielding opposition, it is understandable why Bates would install a hi-fi sound system in his office, so that in moments of depression, he could be relieved by fine music of great compassion and inspiration and that he would inject into a highly technical discussion among the embattled CMHC social policy advisory group the comment that, "What we need is a good fight with the reactionaries."¹⁶

II Defeated Options

It is not apparent from the basic drift of Canadian housing policy, but many Canadians undertook efforts to "battle" with the "reactionaries" responsible for the lack of social concern in Canadian housing policy. One of the ironies of the history of Canadian housing policy is that the introduction of a housing policy geared to the encouragement of homeownership emerged in the midst of political demands for publicly subsidized rental housing for low income wage earners. Such demands had been growing during the years of the depression and were conveyed in a number of municipal housing surveys. The first of these was a survey of the city of Halifax undertaken under the direction of the Halifax Citizens' Committee on Housing. The survey found that:

It is quite common to find one or two sinks in a hallway in a building occupied by from three to seven families. Members of families frequently must travel two or three flights of stairs for water supplies. Toilet accommodation is distressingly inadequate and inconvenient.¹⁷

The report concluded that:

It is not a question whether we shall pay or shall not pay. It is a question of whether we shall pay blindly or intelligently, whether we pay for better housing or the damage done by that which is worse. Housing for the poor we are going to provide, let us make no mistake about that. It is only a question whether we shall house them in hospitals, mental institutions, reformatories and jails; or whether we shall house them in cleanly, light, and sanitary surroundings where both body and soul have a chance.¹⁸

The Halifax survey was one of the first sparks of the growing interest in the housing conditions of low income groups in the depression. Their plight had been ignored during the previous decade's construction boom, but was rediscovered after the collapse of the construction industry. Architects, social workers, planners, unions and construction contractors made bold plans on how they could provide relief from the misery of the slums for the poor and employment for themselves. Their combined body, The National Construction Association, made ambitious proposals for social housing quite similar to those advocated by the CCF's League for Social Reconstruction, itself composed of similarly socially awakened professionals. The LSR's leading formulator of housing policies, Humphrey Carver, expressed the consensus of the expert opinion of the decade in *Social Planning for Canada*. He observed that subsidized housing by providing "healthier and happier living conditions for many of the country's workers" and "less repressive environments for their children" would prove to be a "profitable" expenditure. Carver also took note of how Canada had "the technicians, architects, surveyors, draughtsmen" to do this job, many having long graduated "without having found the jobs for which they are trained."¹⁹

Housing surveys in Hamilton in 1932, in Toronto and Winnipeg in 1934, and Montreal and Ottawa in 1935, all found widespread unhealthy housing conditions and proposed the similar remedy of subsidized rental housing. Indeed, the Dominion Housing Act of 1935 had its origins in a motion of T. L. Church, a former Mayor of Toronto, who buttressed his Parliamentary action with the findings of the Toronto survey known as the Bruce Report.²⁰ Church withdrew his motion after obtaining the promise of the establishment of a Parliamentary Committee on Housing which would draw up a report to provide guide government legislation. After examining expert witnesses and the available census data on housing conditions, the Committee concluded that "a National emergency will soon develop unless the building of dwellings be greatly increased" and stressed, that "there is no apparent prospect of low cost rental housing need being met through unaided private enterprise building for profit." The Committee unanimously called for the provision of public housing with tenancy, "based on total family income and ability to pay economic rent," the establishment of a National Housing Authority and the undertaking of an extensive program of housing repair and rehabilitation. None of these features were, however, found in the subsequent legislation. Although a member of the Parliamentary Committee which had presented an unanimous report, Liberal M.P. Wilfred Hanbury disassociated himself from its conclusion by quoting from Dr. Clark's testimony to the Committee. Hanbury claimed that he was consistent with the Committee's findings, despite the taunts of CCF Member Abraham Heaps, who would later assert that the government's legislation no more resembled the Committee's report, than a pig resembles pig iron.²¹



FIGURE 2. A project built in the late 1940s under the Integrated Housing plan. The house and site plan are typical of the suburban ownership housing subsidized by the 1944 NHA.

SOURCE: Canada Housing and Mortgage Corporation.

The same peculiar twists in the political process that created the Dominion Housing Act of 1935 would be repeated again and again. The National Housing Act of 1938, passed after three years of agitation by municipalities, labour unions, architects, engineers, and construction interests, would be suspended at the outbreak of the Second World War, before a single unit of the public housing made possible under its provisions was produced. No planning was undertaken for wartime housing needs and, as a result of factory inefficiency, the federal government reluctantly, in 1941, began a Wartime Housing Program, providing rental accommodation strictly for munitions workers, with the anticipation that the dwelling units would be dismantled after the war. The National Housing Act of 1944 met demands for low cost rental housing with promises of "philanthropic" experiments along the lines of Loble's "Montreal type flats." With the failure of this and of Housing Enterprises Limited, a joint venture between the federal government and the insurance companies, a temporary program of low cost rental housing for veterans was begun. In 1949, this effort was replaced by the federal government's first permanent program for subsidized rental housing, although this social housing program produced few units. While 40,000 units of rental housing had been produced by various federal agen-

cies in the eight years between 1941 and 1949, only 11,000 units of public housing were produced from 1949 to 1963. The 1949 program was not successful in creating much accommodation; it was a masterful political stroke. Under the terms of the 1949 legislation, a complicated federal, provincial, municipal formula was devised. Consequently, public housing projects had to go through an estimated eighty steps before actually being constructed, this insured that only where the political demands were strongest would any public housing actually be constructed.²² When the legislation was formulated, it was deliberately drafted in such a way as to deflect criticism for public inaction in housing away from the federal government. A CMHC memorandum written at the time stressed that:

The provinces have escaped very lightly over the last 3 or 4 years, and I am afraid the very activities of the Dominion for veterans has created the belief in the public mind that the Dominion is indeed the only authority who can provide public housing. Progress could be made if the thought could be got across that the Dominion accepts some financial responsibility for public housing in an overall social security program, but is incapable of acting alone in the field.²³

Further evidence concerning the deflecting of reason and pressure in the campaign for a social housing policy is found in the fate of the Curtis Report, the most intensive and comprehensive investigation of Canadian housing needs is examined. The Curtis Report was the work of the Subcommittee dealing with Housing and Community Planning of the Advisory Committee on Reconstruction. This study, which was the sole basis of government planning for post-war housing requirements, came about not through the regular process of government but by the exceptional intervention of a single member of the wartime Cabinet of MacKenzie King, the Minister of Pensions and Health, Ian Mackenzie. Mackenzie believed that the Canadian public would want improved social conditions with the coming of peace and consequently was instrumental in obtaining approval for the creation of the Advisory Committee on Reconstruction, chaired by Principal C. E. James of McGill University. The Committee's research director was Leonard C. Marsh who had worked under Sir William Beveridge. Marsh also was a member of the socialist League for Social Reconstruction which had generated policy proposals for the CCF.²⁴ All of the members of the Committee and its various Subcommittees served without pay. The Subcommittee on Housing and Community Planning, headed by Dr. C. A. Curtis of Queen's University, included among its members some of the leading advocates of the establishment of a comprehensive Canadian housing policy. These included Curtis himself, architect Eric Arthur, George Mooney, the Executive Director of the Canadian Federation of Mayors and Municipalities, F. W. Nicholls, and S. H. Prince, Chairman of the Nova Scotia Housing Commission which had been active in support of co-operative housing in that province without obtaining the assistance of the federal government.²⁵ The Curtis Report estimated the need for 606,000 units of new urban houses, 125,000 new units of farmhouses, and substantial improvements on 355,000 existing dwellings. Far more significant than such figures, however, was the Report's emphasis on the qualitative and distributive aspects of housing, and the need for regional planning to ensure a better living environment. The Report stressed the necessity for meeting the housing needs of all income groups. It saw three significant groups in this regard:

(a) those who can afford to build their own homes without assistance; (b) various middle groups who are able to pay an economic rental, i.e. a rental which will meet the costs of housebuilding as a commercial venture, or with appropriate assistance to finance the ownership of homes; and (c) income groups who cannot afford to pay the rents prevalent for satisfactory housing, and who, therefore, live in slum or overcrowded conditions if public housing projects are not available. There is some overlapping in the middle group between those desirous of owning their homes, and those who prefer to live as tenants. There is also a small group, in both rural and urban areas who may be too poor even to afford assisted housing at rates so far achieved on this continent.²⁶

For the "various middle income groups," the report called for a reduction of ten per cent from the existing twenty per cent equity required for a NHA loan, the provision of government mortgage insurance for both the lending institution and the home purchaser, and the broadening of NHA approved lenders to include any approved trustees of trust funds, and by the encouragement of co-operative Building Societies. Income groups unable to pay sufficient rent for adequate shelter were to be assisted through public housing managed by municipal authorities with federal subsidies to pay the difference between the economic rental and the tenant's ability to pay. For both income groups, co-operative housing and housing renovations were to be encouraged through low interest loans. Housing costs were to be reduced through use of the Combines Investigation Act to lower the costs of building material and equipment coupled with an elimination of the sales tax on these items, and through the licensing of contractors and the encouragement of prefabrication techniques.²⁷

To insure the quality of the residential environment, the Curtis Committee outlined comprehensive measures to reverse the process of the increasing concentration of population in metropolitan areas, the decay of the inner cities, and widespread urban sprawl. It proposed an extensive program to meet rural housing needs. Among the measures advocated were a subsidized rate of interest on loans for home repair, and the erection of houses for farm labourers; a specialized adaptation of the public subsidized housing program for rural villages and communities; the granting of specialized physical goods such as electrical, heating, plumbing and refrigeration equipment and the extension of financial aid to rural community centres.²⁸ These recommendations were integrated with those of other committees, all of which desired to achieve an appropriate balance between rural and urban population, and on which Dr. Marsh also served as the research advisor. The Agricultural Subcommittee of the MacKenzie report recommended such measures as scientific research into the use of agricultural wastes for the products such as ethyl alcohol to be processed in rural industries; and encouragement of handicraft industries; the encouragement of farm co-operatives and credit unions; efforts at a higher standard of nutrition, including a national home beautification program; including the painting of buildings on farms and in rural villages. Likewise, the Subcommittee on Conservation and Development of Natural Resources (Wallace) Report called for a Forest Resources Rehabilitation Act, the development of wildlife resources and tourism. Many of the Wallace Committee's efforts at resource conservation also had an urban application such as planned program of water pollution control works, which were integrated with the concerns of the Curtis Committee to improve the residential environment through town planning.²⁹

The Curtis Committee called for the establishment of the following: a Dominion Town Planning Agency, low interest

long-term loans to municipalities for residential land assembly, federal funding of municipal planning efforts and of university courses in town planning, and making neighbourhood planning a condition of the extension of federally assisted mortgage loans in a given area. It recommended that the British Uthwatt and Scott Committees' findings be further studied for application to the Canadian situation in order to deal with the problem of inflated land values. The Report also outlined steps for the federal government to encourage Provinces to undertake land-use planning on a provincial basis to ensure the preservation of recreational, forest and agricultural land from premature subdivisions, scattered urban uses and ribbon developments.³⁰

The famous Report on *Social Security for Canada* was also undertaken by Leonard Marsh upon the request of the Reconstruction (James) Committee, as was the Curtis Report on housing. In the final summation of its findings, the James Report stressed that its various recommendations should not be viewed in isolation from each other. The James Report stated clearly that:

*It would be partial and inadequate planning to envisage health insurance without better facilities for public hygiene, infant and maternal care, school medical service, hospital and sanatorium facilities and so forth; to institute children's allowances without consideration of such existing provision for children as medical care, educational facilities and nutritional services. The more these implementations are developed, the clearer it will be that social security legislation is not something sufficient to itself but part of a broad program for the improvement of the human resources of the nation in which such things as housing, nutritional policy and education have important places.*³¹

However, it was exactly in the spirit of "partial and inadequate planning" that the Deputy Minister of Finance W. C. Clark and the Federal Cabinet used the James Committee's findings. Despite the impressive statistical basis of the Marsh Report on Social Security, as late as October of 1943, the only Cabinet Minister to support its recommendations for Family Allowances was the James Committee's sponsor Ian MacKenzie.³² Critical in convincing the Cabinet to accept even this limited reform was a significant Cabinet memorandum written by W. C. Clark which depicted family allowances as an alternative to an extensive public housing program along the lines recommended in the Curtis Report. Clark, in this January, 1944 report, stressed that without family allowances, it would be impossible to avoid "municipally managed low rental housing projects," but that "with children's allowances on anything like an adequate scale, it should be possible to avoid such a program."³³ The influence of this memo from Clark upon the federal Cabinet is reflected in Louis St. Laurent's famous speech against public housing delivered on October 27, 1947, during a discussion of "Liberalism in Canada" sponsored by the McGill University Liberal Club. When asked when a Liberal government would

enact legislation for public housing, St. Laurent replied "Not while I am there." St. Laurent stressed that "we don't want to buy votes," "Creating a bureaucratic body to allot such houses would be too easy a means to form a vast Tammany Hall organization with its ensuing corruption." According to a press account of the meeting, St. Laurent argued that, "The government had studied the subsidy problem together with family allowances, and had decided upon the latter plan since the number of children alone determined the amount of the allowance, there could be no favoritism."³⁴ Also, similar arguments were used to win the acceptance of family allowances by the business community. The *Financial Post* quoted Bank of Canada officials who stated that the alternative to family allowances was "the socialization of the entire building industry."³⁵

The National Housing Act of 1944 was passed during the same summer as the family allowance legislation. The limited goals of the former were well reflected in its title as "An Act to Promote the Construction of New Houses, the Repair and Modernization of Existing Houses, and the Improvement of Housing and Living Conditions and Expansion of Employment in the Post-War Period." Even this modest title contains elements of false advertising, as the section of the Act dealing with the repair of existing houses did not come into effect until it was proclaimed by the Governor-General in 1955.³⁶ Despite the recommendations of the Curtis Committee, the terms of credit were not liberalized from the original 1936 legislation on home repair. Consequently, when the one repair section was finally proclaimed into law, it was used not to repair cold, or unsanitary dwellings, but to provide such frills as rumpus-room conversions for the wealthy.³⁷

The 1944 National Housing Act, which provided the basis for all subsequent legislation, perhaps best epitomizes Canadian housing policy's retreat from the goal of providing Canadians with adequate shelter. In the place of such social purpose, the objectives of Canadian housing policy have included the promotion of homeownership, the revival of the real estate business, the provision of profitable outlets for private investment, economic stabilization, the attraction of workers to munitions plants, and the sheltering of angered veterans in the wake of a housing crisis. Perhaps the common thread running through all these objectives is the overriding goal of actually avoiding a government commitment to a housing policy based on social need, for this was viewed throughout the period as a dangerous "socialization" of a major capitalistic institution, the housing industry.

III

International and Theoretical Reference Points

The Canadian government's rigid commitment to an assisted market approach is exceptional, in a prosperous western democratic state. Such a conclusion is apparent from

a comparison with the housing policies of other western European and North American nations. In making such evaluations, the policy categories most frequently employed have been developed by Dr. D. V. Donnison, a British housing authority, as a result of studies undertaken in the early 1960s for the United Nations on European housing policies.

Donnison discerned that three basic housing policy approaches were employed by western European governments. The first he categorized as the "assisted free market" approach, in which government programs sought to stimulate the flow of public and private funds into the housing market, but did not attempt to interfere with the distribution of the housing so produced. By the early 1960s, Donnison found that such housing policies predominated in nations in the early stages of industrialization, ruled by repressive regimes such as Greece, Spain, Turkey and Portugal. He observed that these states' housing resources were often inadequate, and "often wastefully dispersed on a large number of small programs on projects which may confer their greatest benefits on those best able to solve their housing problems," so that, consequently, "building may continue for years at an impressive rate without reducing the hardship of those in greatest need."³⁸

In contrast to this "assisted market" approach are "social" housing policies where government's "principal role is to come to the aid of selected groups of the population and help those who cannot secure housing on the open market."³⁹ Interventions are made to insure minimal housing standards for the protection of public health and needs of those least able to compete in the housing market such as the poor and elderly. Donnison found the housing policies of Britain and Switzerland to have conformed to this standard. In a revised edition of his work, published 15 years later, Donnison observed that the same characteristics are shared in the United States, Canada and Australia.⁴⁰

It is in the United States, where exasperated by racial tensions, the limitations of the "social" housing approach have become most apparent. Social housing programs in nations where basic housing goals are determined by the market tend to be relegated to a second class status, performing a "semi-welfare" function, becoming, in effect, a modernized version of the Elizabethan poorhouse. Catherine Bauer, one of the pioneering advocates of a social housing program in the United States expressed in 1957 her disappointment in the outcome. In America, she noted, while public housing "may be no more monotonous than a typical suburban tract . . . their density make them seem much more institutional like veterans' hospitals or old-fashioned orphan asylums." Consequently, "any charity stigma that attaches to subsidized housing is thus reinforced. Each project proclaims, visually, that it serves the lowest income group."⁴¹ Likewise, in 1972, the CMHC tasks force on Low Income Housing came to the conclusion that the public housing units that had largely been built up since 1964 were plagued by,

"Poor locations, poor designs, inadequate facilities, insensitive management, discrimination against problem families" which "all result from an attempt to engraft social housing programs on a profit-making production-oriented market mechanism in which the producers conceive of housing as an artifact to be produced, rather than a service to be rendered."⁴²

In nations with "comprehensive" housing policies, the distinction between "market" and "social" sectors becomes diminished as governments undertake the responsibility of guiding all housing production to meet carefully formulated national objectives. A clear definition of such "comprehensive" policies is found in the report of the CMHC Task Force on Low Income Housing. It found that:

Under a comprehensive housing policy, government agencies cannot simply react crudely to vaguely perceived problems. Objectives are set and goals targeted. Research is done to determine as precisely as possible the nature and extent of the problem, the forces at work in creating it, the resources available to deal with it and the best way to organize and allocate them. Careful planning is done.⁴³

Such a definition of a comprehensive housing policy defines the very inverse of the manner by which Canadian housing programs had been formulated from 1935 to the present day. Rather than being the product of a careful analysis of the nation's housing needs, we have noted earlier that housing programs were devised in response to goals largely unrelated to the task of providing Canadians with an improved standard of shelter in a better living environment.

Indeed, it is through an examination of the confidential files of the Canadian government that the "privatism" of Canadian housing "policy" becomes most readily evident. These records reveal a pattern of drift from crisis to crisis, with government throughout appearing more eager to create ingenious schemes relying on business interests to reduce the public's demand for a more socially sensitive housing policy, than to meet evident social housing needs. Requests by municipalities, members of parliament, professional groups, farmers and certain socially concerned elements in the construction industry went unheeded, while the representatives of real estate and financial concerns became barely distinguishable from the government itself. In fact, in the careers of key civil servants mentioned earlier, the connection is manifest. Between the advocates of a comprehensive housing policy and the government, an atmosphere of mutual hostility and suspicion developed from 1935 onwards. Governments ignored the petitions of municipalities, public interest groups were denied access to public officials, organizers of co-operative housing were treated with disdain. Perhaps this division is best brought out in an exchange of letters between J. L. Ilesley, Minister of Finance with responsibility for Housing, and the Minister of Reconstruction, C.

D. Howe, towards the end of the Second World War. The President of Wartime Housing Enterprises Limited's proposals for the Reconstruction and Planning Committees to survey the housing needs of their local communities to ensure efforts for appropriate action under the terms of the National Housing Act were rejected by the Minister of Finance on the grounds that, "the National Housing Act is based wholly on the philosophy of private initiative." Ilsley believed such local committees would only serve to "lead to very widespread pressures upon the Dominion to finance heavily subsidized municipal projects." With family allowances and "ingenuity exercised in the planning and construction of rental housing projects in order to reduce costs to minimum," the government "should be able to meet the housing needs of the lower income groups of this country without embarking on the dangerous expedient of state or municipal housing." Ilsley admitted that "we will have to meet a lot of pressure in this connection from certain municipal councils, from welfare workers and one political party (the CCF), but I trust that we can show the housing problem can be solved under Canadian conditions without going down this dangerous lane."⁴⁴

In contrast to this growing gulf between the federal government and the advocates of a social housing policy, the divisions between government and business became increasingly blurred from 1935 onwards. Despite government discouragement of the formation of local committees of concerned professionals to give advice on social housing needs, it encouraged and even financed business dominated Housing Committees under the National Employment Commission. Later, real estate man-cum-civil servant Richard Loble's plans for Limited Dividend Housing would be lauded by David Spinney, President of the Bank of Montreal. Government housing programs consisted largely of joint ventures in which government provided the risk capital and guaranteed profits. These programs had the effect of proving profitable investments and giving business an aura of social responsibility. But little was actually done to assist those in the greatest need of improved housing, as credit was extended to the higher income groups who had the "soundest" credit ratings. Even whole geographical areas were discriminated against. For example, the entire Province of Alberta did not receive any government-assisted mortgage loans until after the Second World War.⁴⁵

The unity of government and business was symbolized most fully by the creation of the large land development corporation. As mentioned in Ilsley's letter to Howe, the federal government looked to the development of efficient building techniques as the means by which low housing costs could be obtained. W. C. Clark, in an address at Dalhousie University in 1938, stressed that, while "making due qualification for the fine contribution of many small builders, the truth of the matter is that the ablest and most responsible elements in the construction industry have not devoted their attention to the building of houses." The government's first

move towards the creation of the large private land development company was its creation of Wartime Housing Limited, which favoured large scale builders usually employed in industrial and commercial construction, over small scale artisan builders, for its building of temporary wartime houses. This program drew the opposition of Liberal M.P. Hugh Cleaver who, in a memorandum to Prime Minister King, urged that permanent homes for a long-term pool of low cost rental housing be built by artisan builders. This memo drew a hostile response by W. C. Clark, who was puzzled by Cleaver's defense of small builders and also wrote in reply that "permanent housing (as much of it as possible) should be *deferred* to support post-war economic structure."⁴⁶ This policy of deferment was highly successful in that it produced a massive housing shortage after the war, which the existing building industry was hard pressed to meet. Clark used this opportunity to establish an "Integrated Housing Plan" whereby builders who planned entire communities would be given favoured government assistance and short term financing from the chartered banks. Clark, in a memo to the Interdepartmental Housing Commission stressed the need for "Housing Corporations" with sufficient financial resources to be able to purchase a "substantial area of land as the site for integrated community development."⁴⁷ Similar views had been expressed by Clark as early as 1930, when he observed that "the real estate trend of the future . . . will be inevitably in the direction of development in larger units." He maintained that:

Such development will not only contribute enormously to greater economic returns to the individual property owner but will also make possible a more aesthetic design of individual buildings as well as a more harmonious and more socially efficient grouping of buildings.⁴⁸

Not surprisingly, housing corporations assumed an ever increasing share of NHA in those years. By 1961, some 75% of the homeownership NHA loans were made by such large scale "merchant builders." However, the federal government's efforts to promote an efficient building industry, therefore, helped to create an oligopolistic land development industry. The CMHC Low Income Housing Task Force noted in 1972 that six leading developers controlled a lion's share of the potential residential land in twelve leading Canadian metropolitan areas and that land prices had quadrupled in the last two decades. This increase was seen as critical as builders appeared to treat building costs as a markup on land costs. Rather than producing a more attractive living environment, housing units and subdivision layouts became rigidly standardized. Despite this failure, the Task Force noted a continuing inability on the part of government to distinguish between corporate interests and social needs. It noted that CMHC met monthly with the staff of HUDAC (a lobbying organization of the land development industry), but received little input from the actual consumers of housing.⁴⁹

In contrast to the Canadian experience, the nations of West Germany, Holland, Denmark, Norway, Finland, Austria and Sweden all developed comprehensive housing policies, while sharing a similar history of a long period of industrialization and high living standards. The most important reason for the development of comprehensive housing policies in these societies has been the strength of these nations' labour movements. This is shown by such indicators as the high level of union organization of the labour force, long periods of government under labour or social democratic parties and the sustained development of class consciousness among unionized workers. These factors and the impact of comprehensive housing policies have been most pronounced in the Scandinavian nations. Here, under the constant pressure during the twentieth century of a highly class-organized and politically active working class, housing has been progressively removed from the private market to assume a character similar to a social service or public utility.

For almost all of the twentieth century, the labour force of Scandinavia has been at least three quarters unionized. Unlike other European countries such as Great Britain, Germany, France, and Austria, which have seen significant defeats for their labour movements (i.e. the rise of Fascism or prolonged periods of anti-labour conservative parties holding national political office), the pattern in Scandinavia has been of growing labour movement strength throughout the twentieth century. Alone, or in coalitions, the Social Democrats governed Sweden from 1932 to 1976. Apart from the period of German occupation, similar longevity was demonstrated in Norway and Denmark.⁵⁰

In Scandinavia, the political and economic strength of allied co-operative and labour movements have encouraged the socialization of the housing stock through carefully planned combinations of rent controls and shelter subsidies, the elimination of land speculation from the cost of shelter and the use of housing as a vital component of a full employment strategy. These policies have served to minimize cost inflation in housing through speculation and profiteering and have maximized the extent to which housing occupiers, either individually, or corporately, own their homes or have a voice in their management. Most shelter is either built for home-ownership (without speculatively inflated land prices) or constructed by non-profit housing associations and co-operatives. In Sweden, between eighty-five to ninety per cent of the housing annually produced is built on publicly-owned land. Over time, land costs in Sweden have fallen to the point where they represent only five to ten per cent of the cost of a dwelling. Some fifty-eight per cent of the nation's housing is developed by non-profit groups.⁵¹ In addition to being developers and managers of completed rental housing, co-operatives have extended to the building of new accommodation. In Denmark, the largest producer of new housing units is the Arbejderbro, a building co-operative established by the national construction unions. Similarly, in Norway, a

national federation of over one hundred building co-operatives provides technical assistance to consumer co-operative housing groups. It has also established development companies to acquire land and services for municipalities and housing co-ops at a cost basis. Co-ops span the whole range of aspects of the building industry. They include the making of furniture, prefabrication and the extraction of raw materials. Student housing has evolved along co-operative lines, unlike British and North American patterns of university administered halls of residence.⁵²

A high degree of ancillary amenities have been included in the building of new housing in Scandinavia. This has been encouraged by the strength of resident control over housing design and management. Innovative approaches have been taken towards the housing of a wide range of special groups, such as young persons, senior citizens, families with many children and agricultural labourers. Housing facilities for youth have featured furnished rooms and communal facilities, including kitchens, cafeterias, laundries, television rooms and lounges. By law, Danish municipalities must provide day-care facilities, kindergartens, and housing for the aged. All new multiple housing in the nation must also include such facilities. To facilitate the varied needs and capabilities of the elderly, innovative services and facilities, such as pensioners' hotels, shopping assistants, homecare attendants and daily telephone checks for the elderly, have been pioneered in Scandinavia. Service flats for the elderly provide alarm systems or other means of quick access to emergency services. In regions of Sweden that are sparsely populated, mailmen bring food from school kitchens to the elderly who require such assistance. In Denmark, shelter allowances ensure that pensioners do not pay more than fifteen per cent of their income for rent, unless their homes are extremely large and/or their annual income is especially high. Since the mid-1930s, low interest loans have been provided to agricultural workers for the cost of purchasing or building their own homes. Similar assistance and shelter subsidies, combined with rent controls are given to families with large numbers of children. Improvement loans, generally free of interest charges, are extended for the homes of the elderly and handicapped.⁵³

Since most shelter in Scandinavia is some form of social housing, it lacks the stigma characteristic of public housing in the United States, which is reserved for low income groups. Comprehensive rent controls, municipal landownership, strong non-profit and co-operative housing sectors, shelter subsidies and regulations to restrict land speculation have encouraged the socialization of the whole housing stock, except for a small luxury market. In contrast to the North American pattern of attempting to control the lives of low income groups by public health regulations and building codes, shelter subsidies given in the context of a regulated market provide such persons and families an incentive to take the action necessary to obtain improved shelter and living conditions.

The extent to which comprehensive housing policies have been developed has largely been determined by the degree to which a nation's working class has been able to establish control over its social, political and economic destiny. Great Britain illustrates the way that housing policy serves as a barometer to measure the changes in the relative national balance of social forces. The policies advocated by the British Labour Party are basically similar to those pursued by their Scandinavian labour and social democratic counterparts. Although the council housing built by municipalities differs somewhat from the non-profit and co-op projects favoured by European social democracies, labour's interventionist efforts, such as new towns, community land banks and the provision of subsidized rental shelter for a broad stratum of the working class, has a similar thrust towards the socialization of the housing market. The major distinction in the two regions' policies is a product of the less frequent hold of the British labour party on the national government. This is itself a reflection of the relative weakness of the British labour movement. The British labour party governed for only 14 of the 51 years between 1924 and 1975. In contrast, the Swedish Social Democratic Party, during the same period, ruled for 43 years. These differences are a product of quite varied degrees of labour organization and class consciousness. In Sweden, manual workers tend to regard employers and persons from higher social classes as better off than themselves. Such sentiments in Britain are directed to better paid, fellow manual workers. Although fifty-two per cent of Swedish workers feel that the struggle for socialism and social justice should be a major aim of their union, only two per cent of British workers felt their unions should have such objectives. Despite the greater strength of Swedish unions, only five per cent of their members felt their organizations were too powerful. In Great Britain, some forty-one per cent of manual workers believed unions were too strong.⁶⁴

Just as the "design of a medieval church" gives clues as to "the nature of social hierarchy," changes in British housing policy illustrate how alterations to the social order are reflected in the physical design of homes. In Great Britain, this physical expression of changes to the social fabric appeared quite vividly at the end of the First World War over the question if low income housing would be truly "homes fit for heroes" or merely an updated version of the Victorian poorhouse. At the end of the First World War, radical sentiments among immobilized veterans led the British government to conclude that its nation was on the brink of social revolution. Moreover, the situation was such that the home office concluded that "in the event of rioting, for the first time in history, the rioters will be better trained than the police." In such circumstances, it became necessary to persuade British workers that the government intended to introduce reforms to ensure a better life. The then Prime Minister, Lloyd George, saw that such efforts to "persuade the people" would encourage "an easy victory over the Bolsheviks among them." The secretary to the British Local

Government Board bluntly observed that "the money we are going to spend on housing is an insurance against Bolshevism and revolution." In this new situation, council houses would be "on very different lines" than before the war. Demands that such homes should have hot and cold water, a bath, a minimum of three bedrooms, and be "pleasant to the eye" had long been made by such working class housing bodies as the Women's Labour League and the National Housing Association. Long ignored by government, they were now accepted in a revolutionary situation. By the winter of 1920, a rise in unemployment had greatly weakened the British labour movement. This allowed the Unionist and later Conservative government to make substantial reductions in the standards of council housing. By January of 1923, the British Ministry of Health told local authorities that they were no longer required to build homes with bathrooms. In the words of officials, government housing policy would be no longer "led astray by visionaries." It would now seek to supply "the cheapest form of housing which will actually provide accommodation to the poor." No longer would British social housing have "parlours and palace-like amenities in picturesque surroundings."⁶⁵

Standards for council housing were raised by the first labour government of 1924. Since its housing program also provided an effective stimulus to the building industry, it was largely unchanged until the new conservative government's Housing Act in 1933. This increased subsidies for homeownership and restricted new council housing to slum clearance projects. Standards were reduced to such an extent that projects built under the 1933 legislation were so poor in quality that they became used as "dump" estates for difficult tenants.⁶⁶

Divisions over housing policy have remained sharply defined between the Labour and Conservative parties. In the decade from 1945 to 1955, a brief consensus on the basic shape of housing policy did emerge. This was facilitated by the strength of the British Labour Party in these years, in both government and opposition. Conflict returned with the enhanced conservative majority following the elections of 1955. The subsequent Housing Act of 1957 removed government subsidies for new council house construction, unless it was part of an urban renewal scheme, or reserved for senior citizens. At the same time, rent controls were abolished and the security of tenure of tenants reduced. Subsequent sales of rental housing to owner occupiers contributed to a heavy increase in the incidence of homelessness and many exorbitant rent increases. These later received national attention through the linked Profumo and Rachman affairs. Although these conservative initiatives were reversed with the return of labour to power in 1964, housing policy remained a critical point of conflict between the two parties. Even the Labour Party's 1977 Homeless Persons Act, which ensured that homelessness would be dealt with by housing authorities, became a focal topic of debate. Conservatives denounced the

legislation as “a charter for the rent dodger, the scrounger, and for the encouragement of the homeleaver.”⁵⁷

Canada and the United States have had a weaker labour movement than both Britain and Scandinavia throughout the twentieth century. The vast majority of manual workers in Canada and the United States remained unorganized for the first two decades of the twentieth century. Canada and the United States, previous to the Great Depression, had only one government-assisted housing program. Canada had a brief post-war housing effort which, like the British “homes for heroes” experiment, was undertaken primarily to allay post-war labour unrest. The United States adopted a short-lived program of government home construction for defense workers, particularly those in shipyards during World War One.⁵⁸

Despite the tendency of established experts in the 1920s to decry public housing as un-American or as socialist waste, a new generation of housing reformers, such as Catherine Bauer, would, during the depression era, successfully cite European social housing achievements as models for America. In her influential book, *Modern Housing*, Bauer predicted that “the workers and the consumers” who had established social housing in Europe, would soon bring it to America. In part, this prophecy soon came true because of her own success in stimulating the interest of the American labour movement in social housing. Bauer was hired by the Hosiery Workers’ Union to publicize the success of a pioneering American Federation of Labour project in 1933, financed under the limited dividend housing provisions of the Public Works Administration. Her success in involving unions in promoting social housing soon became marked by Bauer’s position as Secretary of the AFL Housing Conference. Organized labour fully supported the efforts of Senator Robert Wagner to achieve a permanent federal housing agency to promote social housing. It was viewed as providing both jobs and pleasant homes for workers. This support was vital in sustaining Wagner’s 1937 legislation, which was vigorously attacked by private real estate and home-building interests. Public housing can be seen as part of the broader social contract embodied in the later New Deal, which included collective bargaining rights and social security.⁵⁹

Lacking the pressures of a rapidly growing labour movement, proposals for social housing in Canada, quite in contrast to the United States, got nowhere during the depression years. The alliance of unions, enlightened sections of the construction industry, professionals and social reformers, was basically the same as in the United States, but the weakness of the Canadian labour movement meant these groups did not have the political clout to overcome the reservations of the Department of Finance. The situation changed with the rapid increase in unionization during the Second World War and the upsurge of successful strikes following the war’s end. The climate of discontent with the social order fostered what would be until the mid-1960s the

largest Canadian social housing program, the temporary public rental construction of veterans’ and munitions workers’ housing undertaken by Wartime Housing Limited. To replace this large scale effort, the principle of subsidized public housing was finally accepted in the 1949 NHA amendments.

Public housing was hampered in its early development after 1949, not only by the small scale encouraged through provinces placing a large proportion of their costs on municipalities, but after 1956 by the distortions caused by linking the program to urban renewal. Public housing would be where the low income groups displaced by urban renewal would be sent, although often as late as three years after their homes had been destroyed. Urban renewal’s association of public housing with high rise ghettos for the forcibly displaced poor led to strong calls for its abolition by the very socially minded professionals which had originally supported the program.⁶⁰

The alternatives to the rigid system of market housing for those who can afford it and social housing for the poor finally became established with the passage of the 1973 amendments to the National Housing Act. This legislation, with its encouragement of “third sector” co-operative and non-profit housing programs set the nation towards the model of the “comprehensive” policy model favoured in the Dennis Fish Report drafted two years earlier. This legislation had been urged for over a decade from progressive elements within the Central Mortgage and Housing Corporation, but had been resisted by the Corporation’s own directors and the Department of Finance. These changes and an expansion in public land assembly were only achieved because of the still unique situation of the federal government’s reliance for a working parliamentary majority upon the New Democratic Party.⁶¹

After the return of the Liberals to office with a majority government, public land assembly was abolished and third sector housing put under constant review. In 1978, the co-operative program came close to being terminated. This move was only reversed by the combined pressure of the labour and co-operative movement, churches, tenant associations, community groups and social service organizations.⁶²

The retreat of private investors from the building of housing for medium income families resulted in CMHC improvising unusual expedients to lure them back into the housing market. The Canada Mortgage Renewal Plan attempted to cushion homeowners from the worst effects of interest rate fluctuations. This was modest in scope to the Canadian Homeownership Stimulation Plan. This involved an outright grant of \$3,000 to first time home buyers of either a new home or a resale property. This sum expended on this short-lived scheme was almost equal to five years of CMHC’s constrained social housing budget. From June 1, 1982 to January 1, 1984, \$782.4 million was spent of the

special homeownership stimulation scheme. During the period from 1979 to 1983, only \$792.1 million was spent by CMHC on all its varied social housing programs. To stimulate private rental construction, CMHC improvised the Canada Rental Supply Plan. This provided owners of new rental housing projects with interest free loans for a period of 15 years. The only guarantee of ensuring modest quality, as opposed to luxury housing, under this scheme was to limit federal loans to \$7,500 per unit of housing built. With tax incentives included, total federal subsidies amounted to a third of the capital cost of such units, substantially greater assistance than provided to non-profit and co-operative groups. Unlike the late 1950s, CMHC did not respond to difficulties in the housing capital markets by increasing its direct lending activities. In 1983, only 130 direct loans for home construction were made by CMHC.⁶³

The inflated capital and land markets paradoxically caused the single detached newly built home to be only affordable in most Canadian metropolitan centres by pioneering developments of co-operatives. Metropolitan Toronto's first co-operative project involving single detached homes opened in 1979. Named the West Humber Co-operative, it comprised 33 homes. The project was only made possible since it was built on low priced land acquired from the now defunct federal land assembly program. Eight of the community residents earned less than \$13,000 and so were eligible for subsidized rent supplements. The project was sponsored by the metropolitan Toronto Labour Council's Housing Development Foundation.⁶⁴

The lack of access to large landbanks continued to cripple legitimate non-profit and co-operative groups. These became placed at a disadvantage with entrepreneurial builders for limited social housing allocations. The land holdings of developers allowed them to quickly assemble proposals for the hastily announced annual social housing unit allocations to a given Canadian region. Cimpello Charitable Trust was created by the giant corporate developers, the Del Zotto family. The development company's access to massive land assemblies allowed it to garner a substantial percentage of the unit allocations for federally assisted social housing in the Toronto region.⁶⁵

The 50th anniversary of federal housing policies, in 1985, was not a cause for celebration. The crises of unemployment and a tight rental market were, in many ways, more striking than those detailed in the housing surveys prior to the DHA of 1935, written as they were during a period of low rental charges and a depressed real estate market. The situation, since 1935, had grown greatly in complexity. A lengthy, frequently amended National Housing Act had replaced the brief, hastily drafted legislation of the dying days of Bennett's New Deal. Although the details had been altered, the basic outline of Bennett and Clark's seminal legislation remained unaltered. Federal policy continued to do most for those in the least need of housing assistance. Growing

sophistication of the reform-minded interests had made ruses, like the unworkable provisions of the 1935, 1938 and 1944 housing acts, politically unacceptable. Citizen protests had also forced an improvement in the quality of social housing. The grim public housing towers associated with "slum clearance" projects were no longer politically acceptable. Now the forms of social housing that were affordable to low income groups would be of higher quality design and with greater resident participation, but would be funded on so small a scale that they would pose no threat to the private property industry. Both today and in the Great Depression, no federal housing programs would be devised for the truly destitute or single unemployed. Meager shelter allowances for social assistance, then as now, encourage such persons to live in the perpetual poverty trap of emergency shelters.

W. C. Clark was able to achieve his urban vision by developing it along lines compatible with the interests of the nation's financial elite. His polemics in favour of the skyscraper were alien to the attitudes of other Canadian experts in housing and town planning. Consequently, Clark chose as his foremost partner, not a planner, architect or social worker, but the Inspector of Mortgages for Sun Life, David Mansur. Both looked to the federal government as a stabilizer of the private housing market, an attitude which would be enshrined in Mansur's final National Housing Act of 1954.

The visions of individuals helped give shape to the urban landscape produced by the social forces of the nation. Clark especially catered his vision of the model city to the profit margins of the private investors he hoped would build it. In this, the contrast with Carver and Clark is instructive. Carver had a vision of a "compassionate landscape" of the natural environment in harmony with man, as illustrated by his sensitive landscaping projects. Clark's preferences in design were more content to sacrifice such amenities so that private investors could do the job. His taste in housing for middle income groups was along the lines of the stark, barren towers of the Metropolitan Life Insurance Company's Parkchester Apartments. These presented a severe but efficient environment where investors' returns were not eroded by the costs of maintaining trees, flowers and shrubs. Clark had a keener sense than Carver of how his ideals on architectural form were tied to the social and economic order.

During the Great Depression, when federal housing legislation was largely peripheral to national urban development, the inabilities of housing reformers to perceive the nature of opposition to their visions of a more equitable distribution of shelter did not have serious consequences. Their energies were somewhat deflected by maladroit moves, such as the congratulations extended to the federal government after the 1938 National Housing and Town Planning Association conference. However, these social reformers did not lend their names to policies that hurt the housing conditions of working class families. While the professionals would begin their careers in situations akin to farce, the end bore a

greater resemblance to tragedy. The results were more serious when reform-minded experts became involved with federal housing policies, after World War Two. These did become a critical force in shaping the national urban future. This became most apparent with the advent of urban renewal. Through it, social reformers, such as Albert Rose and Humphrey Carver, ended up in giving a gloss of social concern to projects which fundamentally aided business elites at the expense of working class communities. A. N. Lithwick, dean of a later generation of urban researchers and Associate Deputy Minister of the short-lived federal Ministry of State for Urban Affairs, pronounced the urban renewal experience to be a battle of “the elite developers, financiers and businessmen against the interest of the weaker, though usually larger group.”⁶⁶ This obituary to urban renewal was only made after a generation of planners had striven to design it and social workers attempted to minimize the pain of the process to its victims.

Indeed, the widespread devastation and disruption caused by urban renewal, hyperbolically compared by Paul Hellyer to the explosion of an atomic bomb, produced the same kind of innovative reactions which the Anglican priest and social worker, S. H. Prince, observed in the wake of the Halifax disaster. In response to the harshness of the bulldozer approach to urban redevelopment, the “third sector” co-operative and non-profit housing forms emerged in the nation. Although these forms were not extensive enough to reverse trends of displacement created by the new appeal to the upwardly mobile of the slums once slated for demolition, they have increasingly pointed out as an alternative to the assisted private market approach.

Alternate, socially focused currents forced the first federal housing program into being and always have been an important consideration in the minds of federal decision makers while new policies are being devised. Increasingly, these groups have displayed greater power and sophistication as was evident in the 1978 negotiations which saved the fledgling Canadian co-operative housing movement. Also, a shift has emerged in the philosophical basis of national economic planning. The field of “Canadianism” is no longer viewed, as it was upon Clark’s death in 1952, as the preserve of liberal continentalists. Gradually, it has shifted to the view of one of Clark’s contemporary critics on housing matters, Canadian philosopher, George Grant. Grant has observed that while Canadian homes have “the monotony of mass production” so favoured by Clark, they lack “the attractiveness of careful planning.” He has also defined the basic perimeters of the national housing policy debate. This, he has posed in terms of cities being “worlds in which human beings attempt to lead the good life” rather than “encampments on the road to economic mastery.”⁶⁷ Between Grant’s and Clark’s poles of market place and community values, Canadian housing policy will fluctuate for the foreseeable future.

NOTES

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2. George Fallis, *Housing Programs and Income Distribution in Ontario* (Toronto: Ontario Economic Council, 1980), 12-26.
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4. John Weaver, “The Halifax Relief Commission and Town Planning, 1918-1921,” *Plan Canada* 15 (1976): 41.
5. Thomas Adams, “In Defense of the Regional Plan of New York,” *The New Republic*, 6 July 1932, 207, 208; Lewis Mumford, “The Plan of New York: 11,” *The New Republic*, 22 June 1932, 141.
6. Robert B. Bryce, “William Clifford Clark, 1889-1952,” *The Canadian Journal of Economics and Political Science*, 19 (1953): 415.
7. *Ibid.*, 417, 418.
8. Memorandum to Dr. Clark re Montreal Housing Scheme from M. W. Sharp, Public Archives of Canada, *Department of Finance Papers*, Vol. 715, File 203C-12.
9. The Central Mortgage and Housing Corporation, “Housing in Canada 1946-1970,” in *Canadian Housing A Reader*, ed. Kamall & Sayegh (Waterloo: University of Waterloo, 1972), 66.
10. Humphrey Carver, *Compassionate Landscape* (Toronto: University of Toronto Press, 1975), 108.
11. *Ibid.*, 112.
12. *Ibid.*, 134.
13. *Ibid.*, 112.
14. Dennis and Fish, *Programs in Search of a Policy*, 174, 293.
15. *Ibid.*, 173.
16. Carver, *Compassionate Landscape*, 138.
17. Subcommittee on Housing and Community Planning, *Report of Advisory Committee on Reconstruction* 4:237, (Ottawa: King’s Printer, 1944), 237.
18. *Report of Vancouver Council of Social Agencies on Housing, 1946*, Public Archives of Canada, Department of Finance Papers, Vol. 715, File 203C.
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20. *House of Commons Debates*, 1935, 4:2765, 2766.
21. *Ibid.*, 4:2765, 2766, 3945.
22. Carver, *Compassionate Landscape*, 109-111; The Ontario Association of Public Housing Authorities, *Good Housing for Canadians* (Toronto: 1964), 1, 39.
23. Dennis and Fish, *Programs in Search of a Policy*, 132.
24. J. L. Granatstein, *Canada’s War* (Toronto: Oxford University Press, 1975), 254, 255.
25. Subcommittee on Housing and Community Planning, *Report of Advisory Committee*, 4.
26. *Ibid.*, 11.
27. *Ibid.*, 17-22.
28. *Ibid.*, 205-222.
29. Agricultural Subcommittee Reconstruction Committee, *Report of the Advisory Committee on Reconstruction*, 20-45; Subcommittee on Natural Resources, *Report of the Committee on Reconstruction*, 1-27.
30. Subcommittee on Housing and Community Planning, *Report of Advisory Committee*, 159-182.
31. Advisory Committee on Reconstruction, *Report of the Advisory Committee on Reconstruction* (Ottawa, 1944), 33.
32. Granatstein, *Canada’s War*, 281.
33. *Ibid.*
34. *The Globe and Mail*, 28 October 1947, 1.
35. *The Financial Post*, 29 July 1944, 2.
36. Dennis and Fish, *Programs in Search of a Policy*, 47; Michael Audain, “Transforming Housing into a Public Service,” *Plan Canada* 23 (1973): 95.

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59. Graham Fraser, *Fighting Back* (Toronto: Hakkert, 1972), 60-109; Gordon Pape, *Montreal at the Crossroads* (Montreal: Harvest House, 1982); Franklin J. Henry, *The Consequences of Relocation: A Study of Hamilton's North End* (Hamilton: 1974), *passim*.
60. Carver, *Compassionate Landscape*, 189.
61. Mark Goldblatt, "Saving a Movement," Public Archives of Canada, Alexander Laidlaw Papers, PAC, MG31, B-32, Vol. 23, File 23-6.
62. Canada Mortgage and Housing, *Annual Report, 1983*, 34.
63. *Ibid.*, 4-66.
64. Barbara Baker, "Latest of 35 Metro Co-ops First to Offer Single Houses," *Globe and Mail*, 13 August 1979, Clipping in PAC, MG31, B-36, Vol. 23, File 23-3.
65. Paul Weinberg, "Del Zotto Dealt in for 'Non-Profit' Development," *Toronto Clarion*, 27 November 1979; The development company in question was Del Zotto Enterprises. One of its executives, Angelo Del Zotto was charged by an Ontario Royal Commission with introducing "a sinister array of characters" (i.e. organized crime figures) into the Ontario construction industry to serve as labour racketeers and to intimidate the competitors of a subsidiary lathing company. See Justice Harry Waisberg, *The Report of Certain Sectors of the Building Industry* (Toronto: Queen's Printer, 1974), 41-48, 143, 199-209, 229; Angelo Del Zotto also bribed an Ontario Housing Corporation official: See Kozer Worthier "Chemalloy Confusion Continues," *Financial Post*, May 1970, 40; the Cimpello Charitable Foundation worked closely with the Del Zotto companies in all its non-profit projects, including its property management firm, Del Realty. This was seen as an asset by CMHC Toronto director Tom Hughes. He maintained that large apartment buildings cannot "be run by tenants," see Weinberg, *Del Zotto*.
66. A. N. Lithwick, *Urban Canada: Problems and Prospects* (Ottawa: 1970, CMHC), 38.
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