

## Economic Liberalism and the Creation of Post-War Public Housing in Halifax, Nova Scotia

Chris Parsons

In the mid-1950s Halifax underwent a great deal of economic and spatial change. Attempts to reinvigorate the city's ailing economy changed the physical landscape of the Halifax as new buildings and roadways were erected. These changes were part of continent wide building boom as Canadian officials and businessmen set out to create new urban infrastructure to draw residents and shoppers back to Canada's downtowns. The zeitgeist of this new age of Canadian planning in the mid-twentieth century is embodied in the introduction to Robert W. Collier's 1974 book, *Contemporary Cathedrals*:

The most exciting area of the city has become the central business district where redevelopment is replacing aging commercial sections with the new-style, single project, multi-million-dollar, large scale, multi-level, multi-purpose complex. Such developments have been called "vertical subdivisions". Enthusiastic builders call them "cities within cities". They have presented the city with a score of new problems and risks, but they have also tended to reverse the centrifugal movement that was carrying the more attractive elements of the city to its outer rim. While urban planners worried about the decay of the city's core, and downtown merchants gloomily watched trade shift to the suburban shopping centres, enterprising buccaneers suddenly appeared on the scene to reconstruct the city on bold new lines.<sup>1</sup>

These "enterprising buccaneers" required vacant spaces on which to build and in Halifax this required the destruction of a number of working class neighbourhoods. The most famous of these areas was Africville, an African Canadian community on the city's northern edge which was demolished over a

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<sup>1</sup> Robert W. Collier, *Contemporary Cathedrals* (Montreal: Harvest House, 1974), 1.

two year period between 1964 and 1966.<sup>2</sup> While Africville remains the most famous slum clearance in post-war Halifax, it was neither the only nor the first. Prior to 1962, the area just north of City Hall was overcrowded and filled with wooden tenement buildings. The area, known as the Jacob Street neighbourhood, was home to several hundred people, mostly working class families renting rooms from landlords. By 1962, virtually all of the area had been demolished to make way for new apartment buildings and commercial space; the families were relocated. Many of these families moved to a new public housing project in Halifax's north end: Mulgrave Park. First proposed in 1956 and officially opened in 1963, it was explicitly built to house families displaced from the downtown as a consequence of urban renewal. The case of Mulgrave Park demonstrates the ways in which governments do not always merely respond to need, but often create new needs, whether intentionally or not, through the implementation of other policies and projects. The construction of the housing project was not primarily a government attempt to deal with an existing shortage in affordable housing, but was instead a part of a wider redevelopment program designed to create an environment in which private enterprise could provide the residential and commercial development needed for the health of the city as a whole.

Mulgrave Park was not Halifax's first encounter with public housing: the first public housing development in Canada was built in the City's north end in the wake of the Halifax Explosion in 1919. The development, the Hydrostones or Richmond, was a middle income neighbourhood built to replace homes destroyed by the disaster in Halifax's harbour.<sup>3</sup> However, the Hydrostone development was an exception to Canadian pre-1930 housing policy, not the rule. The neighborhood was built as an emergency solution to a disaster which destroyed a part of the city and was aimed at middle class and respectable working class families; it was not a policy response to long term structural poverty. According to Bacher, after 1920, housing was almost a non-issue

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<sup>2</sup> Jennifer Nelson, *Razing Africville* (Toronto: University of Toronto Press, 2008).

<sup>3</sup> John Bacher "From Study to Reality: The Establishment of Public Housing in Halifax, 1930 - 1953," *Acadiensis*, 120; Albert Rose, *Canadian Housing Policies, 1935 - 1980* (Toronto: Butterworth, 1980), 27.

amongst government officials at the federal level until the 1930s, and without federal money projects could not be built. During this period of neglect housing issues were perceived as self solving through the free market - indeed housing crises often appeared to solve themselves due to the cyclical nature of housing problems; post-war housing shortages slowly leveled themselves off as landlords built new buildings or subdivided existing ones and cities expanded. These temporary alleviations of problems were combined with a liberal ideology in which "experts placed the blame for the most serious interludes of crisis on the very persons who suffered from the worst housing conditions."<sup>4</sup> As a result, most federal officials placed housing policy on the back burner believing that it was best left to the free market.

The first steps toward a coherent social housing policy in Nova Scotia occurred in April 1932 when the legislature passed the Nova Scotia Housing Act. The act was essentially a subsidy for landlords and builders and provided financial support to private investors. It did not include any provisions for public housing or rent subsidy, but did allow for the creation of the Nova Scotia Housing Commission (NSHC). The act demonstrated the government's hands off approach to housing, and the belief that subsidies would be both too costly and too damaging to the free market.<sup>5</sup> Despite its limitations the legislation did show that the provincial government recognized that a lack of affordable housing was an issue in the province, particularly in Halifax, and what was in dispute was how the situation should be remedied. It was not until 1934 that anyone was actually appointed to sit on the NSHC and its membership was primarily "moderate supporters of social housing, representing churches and social clubs."<sup>6</sup> The Commission was set up to make recommendations to Premier MacDonald about how to solve the housing crunch, but was stifled by its own liberalism and the unwillingness of government to directly involve itself in the construction of affordable housing. The NSHC was unwilling to suggest direct government intervention but its own proposals of low interest loans and tax breaks for private investors were not enough to entice businessmen to build

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<sup>4</sup> Bacher, *Keeping to the Market Place*, 65.

<sup>5</sup> Bacher, "From Study to Reality", 122-23.

<sup>6</sup> *Ibid.*, 123.

and maintain low rent housing of a reasonable quality.<sup>7</sup> While the government of Nova Scotia recognized in 1933 that there was a lack of affordable housing and struggled for years to find a solution that did not lead to direct government intervention, it would be two more years before the federal government even acknowledged a problem. It was not until the federal government noted the lack of affordable housing in Canada and contributed money to programs for both housing and urban renewal that Halifax began to see major changes in housing policy.

In 1935 R.B. Bennett's government passed the Dominion Housing Act, which "transferred the initiative for social housing from the provincial government to the federal level."<sup>8</sup> Unfortunately, despite the federal government's assumption of this new responsibility, it did not act on it in a meaningful way until 1941. In 1938 the National Housing Act (NHA) was passed but Canada's involvement in the war prevented any real action from being taken. While the war prevented action in the 1938 statute, in 1941 the NHA served as a catalyst for the creation of Wartime Housing Limited, a crown corporation which helped fund almost 46 000 units of public housing. The NHA, most notably, opened up communication between municipalities and the federal government on housing issues. In 1944 a new National Housing Act was passed which increased federal government involvement in housing as part of an attempt to prevent the post-war depression that followed the First World War. In 1945 the Central Mortgage and Housing Corporation (CMHC) was created by the passing of the Central Mortgage and Housing Act. The CMHC was a crown corporation created to assist municipalities and provincial governments in expanding and modernizing housing in Canada. By the early 1950s it had absorbed all the smaller federal organizations and became the sole federal agency responsible for carrying out the goals of the National Housing Act.<sup>9</sup> During the years immediately after the war the CMHC essentially continued the war time housing strategy, creating temporary rentals for veterans and their families. In 1949 the National Housing Act was amended once again to create a program whereby the federal government would pay 75% of the capital costs of

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<sup>7</sup> Bacher, "From Study to Reality", 122-23.

<sup>8</sup> Ibid., 125.

<sup>9</sup> Rose, *Housing Policy in Canada*, 27-9.

subsidized rental housing, with the provinces paying the remaining portion.<sup>10</sup>

Halifax had benefitted from the creation of Wartime Housing Limited, with 961 units of new housing constructed or under construction in 1942. However, these new units only helped to relieve the added pressure of war time residents in Halifax, most of whom were soldiers and military families. Overcrowding remained a problem despite the increased housing: a 199 unit complex completed in 1942 received 1,000 applications.<sup>11</sup> The city had grown quickly, with its population jumping from approximately 65,000 in the prewar years to 84,195 in 1944. The end of the war did not bring an end to the housing crunch as veterans returning from overseas searched for homes. After the war CMHC assisted in the construction of two buildings that, combined, created 287 new units; they filled up quickly, though, and in 1948 there was a 900-person waiting list for temporary shelters designated for veterans. In 1950 however, most of the housing was sold off to private buyers at a cost of \$1,700 to \$2,300 per unit, well outside of the reach of many veterans.<sup>12</sup> While much of the early veterans housing was sold to private owners, Halifax would become one of the first cities to take advantage of the 1949 amendment to the NHA with the construction of the Bayers Road housing project. Bayers Road accommodated 161 families, and received roughly 1,000 applications. Only families making between \$1,500 and \$3,200 were admitted and rising above, or falling out of, that bracket could lead to eviction.<sup>13</sup> This was Halifax's first post-war publicly operated low income housing project, but, in having to initially turn away 839 families, it was quite clear that the project was unable to meet the needs of the city. Much like the Hydrostones in the wake of the First World War, Bayers Lake was considered an emergency response to a crisis, not part of a sustained response to Halifax's long term housing shortage. Officials in Halifax continued to reject large scale, long term public housing as a solution to the crisis, and instead hoped that private companies would be willing to invest in housing. It was not until 1956 that an attempt to overhaul the city's housing

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<sup>10</sup> Bacher, *From Study to Reality*, 132.

<sup>11</sup> *Ibid.*, 128.

<sup>12</sup> *Ibid.*, 130-2.

<sup>13</sup> *Ibid.*, 133.

would begin in earnest, but public housing would be a side effect of this effort, not the main goal.

Amendments to National Housing Act in 1956 provided municipalities with funding to be used for urban renewal in order "to assist in the clearance, replanning, rehabilitation and modernization of blighted or sub-standard areas,"<sup>14</sup> and Halifax used this newly available funding to commission a report on Halifax's downtown core. A redevelopment plan for Halifax was authored by University of Toronto planning-professor Gordon Stephenson and was submitted to council in 1957. The Stephenson report became the blueprint for slum clearances, rezoning and construction projects that would alter Halifax's physical and social geography over a two-decade period. In July 1956 Stephenson was hired to identify problems facing Halifax's downtown and to make suggestions on how to solve these problems. Stephenson commuted between Toronto and Halifax several times over an eleven-month period and his report was submitted to council on August 28, 1957. The *Mail-Star* reported that council enthusiastically accepted the report and immediately created a three-person committee to investigate the implementation of Stephenson's recommendations.<sup>15</sup> The plan was taken up with great zeal by councillors and at a later meeting one alderman referred to the report as "the Civic Bible for future development."<sup>16</sup> In the years following 1957, the city council and staff would treat it like holy scripture: refusing to challenge its assumptions, taking it as literal truth and attempting to live their lives, at least when it came to city planning, based on its words. Almost every single recommendation made in the report was implemented by the mid-1970s, so a brief discussion of the report's content is useful for understanding the actions of city officials in the following years.

The first thing that becomes obvious when reading the Stephenson Report is that its author spent far more time describing Halifax than he did making explicit suggestions for redevelopment. His descriptions of Halifax are at times laudatory, particularly when he wrote about government buildings such as Province House and City Hall. At other times he is far less charitable. His

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<sup>14</sup> City of Halifax, *A Redevelopment Plan of Halifax: Supplementary Volume*, 1957 (Halifax, NS: 1957), 21.

<sup>15</sup> "Stephenson Report Submitted to Council", *The Mail-Star*, August 29, 1957.

<sup>16</sup> City Council Minutes, City of Halifax, December 3, 1958, 666.

descriptions of the slums of Halifax are vivid depictions of squalid living conditions, and are critical of landlords and inhabitants. In both his observations and his recommendations, Stephenson made use of a major recurring metaphor: he consistently discussed the city as if it were the body of a living organism. Stephenson used the metaphor of a sick body in need of curing and suggested that by "curing" one section one could prevent the slums from spreading throughout the city. He wrote that "the ill-health of any one part will in time affect the others."<sup>17</sup> In light of his extensive use of biological metaphors, Stephenson's use of the term "the heart of the city" at various points in the report takes on added significance. Just as the human heart pumps blood needed to keep the body alive, the city's heart controlled the economy of the entire region surrounding it and a healthier heart would lead to an economically healthier city, and region, as a whole: "Clearance and redevelopment in the city will undoubtedly increase the efficiency of the hub for the metropolitan region, and remove some of the worst slums in the older parts."<sup>18</sup> While Stephenson believed that various parts of the city had become unhealthy, he still believed that that illness could be stopped. He likened redevelopment to preventative medicine and argued that by investing in slum clearances and redevelopment "now" the city could prevent the blight from spreading and in doing so increase the overall health of the city.<sup>19</sup>

Stephenson was insistent that the clearance of the tenement buildings located between city hall and Cogswell Street was a necessity for the health of the city. He believed that the worst section of this area was the row of low apartment buildings on Jacob Street. Jacob Street no longer exists in Halifax, but it was a short street which ran East/West, perpendicular to Barrington Street in the space which is now occupied by Scotia Square. Stephenson's description of the Jacob Street area, which included Jacob Street, Argyle Street and Market Street, was far from flattering:

in almost every sense, the worst part of the Central area lies between the City Hall and Jacob Street. With the exception of the

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<sup>17</sup> City of Halifax, *A Redevelopment Plan of Halifax*, 1957 (Halifax, NS, 1957), 23.

<sup>18</sup> *Ibid.*, 22.

<sup>19</sup> *Ibid.*

blocks between Barrington and Argyle Streets, it is in a generally deplorable condition. Here are some of the worst tenements, and dirty cinder sidewalks merge with patches of cleared land littered with rubbish. It is suggested that the clearing of this area should have high priority. It will provide well placed and needed sites of commercial premises. In its present state of decay and stagnation it is repelling to good commercial development.<sup>20</sup>

Between 1959 and 1967 residents of the privately owned tenement buildings on Jacob Street and its surrounding regions were evicted, and the buildings were purchased or expropriated from their landlords. The process was slow and done in piecemeal over the course of almost a decade.<sup>21</sup> Stephenson made no mention of the small businesses that were found in the area, nor does he offer any positive descriptions of the social lives of the residents. For Stephenson everything about the Jacob Street area was a blight which had to be removed before it spread to the rest of the city.

The report's major recommendation called for the sweeping away the worst housing in the City, which is in the vicinity of Jacob and Market Streets. This would provide excellently placed commercial sites, and a much needed road improvement by connecting Cogswell Street to Water Street on a new alignment.<sup>22</sup>

In late 1958 and early 1959, Halifax City Council debated how to go about clearing the Central Redevelopment Area. During late 1958 a handful of buildings in the downtown were purchased from their owners for assessed value plus 5%. The majority of the building owners were land lords who lived elsewhere in the city and rented out the properties to low income families and single men. On May 14, 1959 council resolved to hold a public meeting as the first step in the expropriation of more privately owned properties in the

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<sup>20</sup> *City of Halifax, A Redevelopment Plan of Halifax*, 22.

<sup>21</sup> The Cogswell Interchange was not completed until 1974, and slum clearances continued well into the 1970s.

See Doehler, *Scotia Square*, Collier *Contemporary Cathedrals*, and Gertrude Knight, "Letter to Council of September 14, 1972" (MG 100 Vol. 153 #25 Nova Scotia Public Archives).

<sup>22</sup> *City of Halifax, A Redevelopment Plan of Halifax*, 53.



downtown core.<sup>23</sup> The public meeting on expropriation took place on June 25, 1959 and was held in the Council Chamber of City Hall, just a few hundred metres from Jacob Street. Notice of the meeting was served two weeks prior through advertising in the local newspapers.<sup>24</sup> The meeting was ostensibly an opportunity for members of the public to provide input on whether or not the proposed expropriations of the privately owned buildings in the Central Redevelopment Area should go forward. However, once the public was given the opportunity to express opinions on the expropriations, city council members ultimately decided the fate of buildings and their residents.<sup>25</sup> While technically expropriation could be challenged in court, only wealthy landowners could afford a lawyer to challenge the city. In addition, only property owners, not the renters who actually lived in the Jacob Street area, had legal standing to challenge expropriation in the courts. Even if a property owner chose to take the city to court, city council believed that the legal system would merely serve as a rubber stamp for council's decision. One Alderman remarked that the city, "wouldn't have to defend an action as it [a legal appeal] would be purely a formality."<sup>26</sup>

Despite council's view that the meeting was nothing more than a procedural hoop through which they had to jump, the public hearing was held and a handful of Haligonians expressed concerns over the city's plan. However, no residents of the area appeared before council to express opinions on the plan; instead only landlords and their representatives spoke. Frank Medjuck, a lawyer representing the owner of 12 buildings in the area and himself a holder of property which was up for expropriation, summed up the concerns of many of the representatives of property owners when he expressed in the meeting that he and his client

object to the terms of compensation. We feel this Redevelopment program is a very good thing. But there first should be individual negotiations for these properties. There are other instances where properties are more valuable and should be discussed on an individual basis."<sup>27</sup>

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<sup>23</sup> City of Halifax, Council Minutes, May 14, 1959, 330.

<sup>24</sup> *Ibid.*, 326.

<sup>25</sup> *Ibid.*, 329.

<sup>26</sup> *Ibid.*, 330.

<sup>27</sup> City Council Minutes, June 25, 1959, 457.

The majority of those who spoke at the meeting supported redevelopment and either wanted the time frame changed or wanted more compensation for property that they, or their employer, owned. The Mayor captured the sentiment of the room when he rhetorically asked as land owner: "You are not objecting to the City taking your property for Redevelopment; you are objecting to the question of compensation?"<sup>28</sup> The discussion that took place that night was a discussion about who would get paid how much and what time lines for sales and relocating businesses would look like. No one expressed concern for the families that were to be evicted from their homes.

Discussions about what to do with the residents displaced by redevelopment took place during the same time period as expropriation discussions but occurred mainly within the confines of the three-person redevelopment committee of the Halifax city council. Stephenson's report called for the building of a new housing project to accommodate the people who would be displaced by the slum clearances. In November, 1957 a plan was formulated to contact CMHC to officially request funding to build a 300 unit public housing project with the city paying part of the province's 25% share. City staff had previously contacted CMHC staff at an informal level and as a result a favourable response was received within a month; the committee then agreed to raise the needed funds through the issuing of 15 and 25 year bonds. The Halifax Housing Authority, a provincially run organization which operated the Bayers Road project, would operate Mulgrave Park after it was completed. The city, the housing authority and CMHC would jointly oversee the construction of the project.<sup>29</sup> This joint oversight of construction would quickly prove problematic.

Early in the process the council's Housing Committee, renamed the Redevelopment Committee in December of 1957, began attempting to micromanage the project, throwing it wildly off schedule. Initially it was projected that the majority of units would be completed on June 1st, 1959, but due to delays it would not see its first family move in until December 21, 1960.<sup>30</sup>

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<sup>28</sup> City Council Minutes, June 25, 1959, 459.

<sup>29</sup> City of Halifax, Redevelopment Committee Minutes. December 9, 1957, 4-5.

<sup>30</sup> City of Halifax, Redevelopment Committee Minutes. May 16, 1958, 3; "First Family Move In," *Mail-Star*, December 22 1960, 1.

The first delay was caused by the Mayor Charles Vaughn's insistence that local architects be hired to design the project despite CHMC already having begun negotiations with a Toronto based firm.<sup>31</sup> Additional delays included a dispute over who would pay for the installation of sprinklers which some councillors felt were a necessity in modern buildings. CMHC stated that since they were not in the original budget, the city would have to pay for them if they wanted them included; this insistence on the city footing the bill quickly caused the Redevelopment Committee to back off of its previous commitment to modernity and safety.<sup>32</sup> The committee's willingness to disregard recommendations by both CHMC and city staff created confusion and cost overruns, as demonstrated in the committee's decision to insist on the use of coal heating for the building, rather than oil. City staff, the architects and representatives from CHMC agreed that the best heating system would be one that ran on oil, but due to previous conflicts with the Redevelopment Committee, it was decided that they would make the final decision. A city staff member presented the joint recommendation of the three groups explaining that an oil system would be cheaper to install, require less maintenance and therefore be cheaper in the long run, be easier to operate, generate less smoke and be less prone to breakdowns. The committee still voted unanimously to have a coal fired system installed.

Mulgrave Park officially opened, with a coal fired heating system and no sprinklers, on June 1, 1961; but the first family actually took up residence in December 1960 and other families slowly moved in after that as units were completed.<sup>33</sup> The final project housed 344 families but was unable to accommodate the number of families who required low rent housing in the city. The tenants of the slums which were cleared to make way for Scotia Square left with little resistance and were promised priority when it came to assigning space in the new Mulgrave Park housing project, which was being built as the razing of tenement buildings began. However, the project was supposed to accommodate low income families from all over the city, not just those displaced by the redevelopment of the downtown core, and there simply were not enough units

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<sup>31</sup> City of Halifax, Redevelopment Committee Minutes. April 9, 1958, 2.

<sup>32</sup> City of Halifax, Redevelopment Committee Minutes. February 13 1959, 3-4.

<sup>33</sup> "Mulgrave Park Opens" *Mail-Star*, June 2, 1961, 1.

to house all those who needed affordable housing. In addition, due to delays in finishing the project, the destruction of tenement buildings on Jacob Street occurred years before the first families to inhabit the apartments in Mulgrave Park moved in. As a result many families simply moved from one overcrowded, dilapidated building on Jacob Street to another even more overcrowded, dilapidated building just down the road or the next street over. Many slum landlords quickly recognized that there were fewer buildings available for low income families and as a result not only put more families into existing buildings without making proper renovations, but actually increased rent. In the winter of 1960 the average rent on Jacob Street was \$7.50 a week for a two bedroom apartment, when the evictions of residents hit their high point the following summer rent skyrocketed and by January, 1961 rent for two bedroom apartments in the area rose to \$15 a week.<sup>34</sup> Even after completion, the housing project managed to provide housing for only a fraction of the Halifax families who needed it.

While Mulgrave Park was touted as a way to solve Halifax's ongoing housing shortage, it was in fact part of a wider urban renewal project. The decision in the late 1950s to build a large housing project with government money should be seen not as a radical break from earlier liberal resistance to direct government intervention in housing, but rather an interesting policy solution to an ideological bind. City officials in the late 1950s continued to prefer private investment in commercial and residential construction over direct government intervention both for ideological reasons - a belief that housing was a commodity like any other and that a shortage in commodities is best solved by the open market - and limited fiscal resources. The redevelopment was not primarily a direct intervention in affordable housing by the government, but instead private investors, given land at a premium and aided by city spending on roads and other infrastructure, would spend private capital to build commercial buildings and high end residential space. In order to make it politically palatable the municipality would pay less than 25% of the cost of creating an inadequate number of affordable housing units. The government would, in the long run, recoup its expenditure on public housing through money saved on medical and

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<sup>34</sup> "Rentals in Slums Show Sharp Rise in the last 12 Months", *Mail-Star*, January 25, 1961.

policing costs, and the increased property tax revenue. Policy makers saw the plan not as an interference with private investment in affordable housing so much as an attempt to provide an environment in which private investors would be given every opportunity to solve the city's long term economic problems and turn a profit at the same time.