The Keepers of the Gate
The Inequality of Property Ownership During the Winnipeg Real Estate Boom of 1881-82

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Résumé de l'article
Des travaux récents faits par des spécialistes ont démontré que l'inégalité existant au niveau de la possession de propriétés immobilières est une caractéristique de la structure sociale urbaine. La présente étude portant sur Winnipeg dans les années 1881 et 1882 examine comment cette inégalité s'est perpétuée, en s'attardant aux stratégies utilisées par d'importants propriétaires fonciers en vue de tirer profit d'un marché immobilier continuellement à la hausse. Ces hommes préféraient investir dans des propriétés données en location, spécialement des propriétés commerciales. Les membres de la bourgeoisie étaient particulièrement bien placés pour agir de la sorte. En effet, parce qu'ils étaient parmi les premiers arrivants, ils avaient pu acheter des terres inoccupées à bas prix pour ensuite les revendre afin d'acheter des immeubles locatifs. Ainsi, une inégalité se reproduisait grâce au transfert d'un premier avantage dont bénéficiaient certaines personnes sur un marché immobilier, celui des terres inoccupées, vers un autre marché, celui des propriétés données en location.
Abstract

Recent scholarship has identified inequality in real property ownership as a constant feature of urban social structure. This study of Winnipeg during the boom of 1881-82 examines the reproduction of that inequality in terms of the strategies employed by major landowners to profit in an inflationary real estate market. Such men preferred to invest in rental properties, especially commercial accommodation. Best able to do so were those members of the bourgeoisie who, by virtue of their early arrival, had acquired cheap vacant land, the sale of which financed their acquisition of rental units. Thus, the reproduction of inequality involved the conversion of prior advantage in one real estate market, that for vacant land, into an advantage in a second market, that for rental accommodation.

Résumé

Des travaux récents faits par des spécialistes ont démontré que l'inégalité existant au niveau de la possession de propriétés immobilières est une caractéristique de la structure sociale urbaine. La présente étude portant sur Winnipeg dans les années 1881 et 1882 examine comment cette inégalité s'est perpétuée, en s'attardant aux stratégies utilisées par d'importants propriétaires fonciers en vue de tirer profit d'un marché immobilier continuellement à la hausse. Ces hommes préféraient investir dans des propriétés données en location, spécialement des propriétés commerciales. Les membres de la bourgeoisie étaient particulièrement bien placés pour agir de la sorte. En effet, parce qu'ils étaient parmi les premiers arrivants, ils avaient pu acheter des terres inoccupées à bas prix pour ensuite les revendre afin d'acheter des immeubles locatifs. Ainsi, une inégalité se reproduisait grâce au
the 1882 council and in January a Special Committee of Investigation into the Assessment of 1881 concluded that McNee had failed to discharge his duties responsibly. The next month City Council appointed three new assessors. Some work had been done on the 1882 rolls in late 1881, but the controversy had halted any progress, and the assessment was not completed until the end of April. Though the scandal cost McNee his job, it was fortuitous for the historian since the assessment was delayed until late in the boom. Thus, the directory and the census near the beginning and the assessment near the end, bracket the most intense phase in the growth of the real estate market.

Those participating in the real estate market can be categorized according to two factors: length of residence in the city and class. Linking the names listed in the 1882 assessment rolls to the manuscript census schedules, the 1881 directory, and the city's first directory (1876) defined three groups: those present for more than five years (from 1876), those present for more than one year (from 1881), and those present for less than one year (only in 1882). For convenience these three groups can be labelled the permanent, the persistors, and the newcomers. The first group consists of 165 men and woman, the second of 777, and the third of 1022, for a total of 2074.

No doubt underenumeration has affected the size of these groups. Winnipeg grew so rapidly in 1881-82 that it could hardly accommodate its population. Finding housing scarce or too expensive, some newcomers just pitched tents on the prairie, and others hammered together shacks from whatever scraps they could find. Considerable residential mobility, especially by boarders and hotel residents, seems likely as some remission was sought from the overcrowding and overcharging. Underenumeration appears to be most serious in the census records and least serious in the assessment rolls: by definition the latter was taken among those who had made a commitment to the city in the form of property occupancy and/or ownership. The 1881 directory proved a useful check to the census, making it possible to identify a man assessed for municipal taxes as persistent if he was listed there but not in the census.

After the total value of the property owned by each individual was established from the assessment rolls, the names were sought in the census and the directories. Because an individual might own several pieces of property within one ward and in more than one of the city's four wards, each assessed person's total holdings had to be established as the first step. Within each ward the task was facilitated by an index to multiple property holdings assembled by the assessors. Between wards the connections could be more difficult since name, occupation, and religion (Protestant or Catholic) were the only variables. Even these were not available in all cases; the occupations of owners of vacant land were provided less frequently than were those for owners of developed property. Prudence guided decisions in such cases and many potential links were ruled out because a positive identification was not possible.

The limited numbers of variables upon which to match entries within and between data sets and the weaknesses of the assessment rolls themselves as sources precluded any expectation of 100 per cent of the total real property assessment being used, but more than 60 per cent by value has been attributed to Winnipeg residents. The volatility of the real estate boom of 1881-82 meant that titles changed frequently — the assessors themselves could not always find owners. Some owners of vacant lots were simply identified as "Non-resident" and others only by their last names. Without recourse to title registries, no additional linkages can be made.

None the less, the data allows us to account for the ownership of 78.5 per cent of assessed parcels of real property, that is the
Winnipeg Real Estate Boom, 1881-82

60 per cent in individual hands plus corporate and non-resident holdings. Corporate holdings (both religious and business) and land held in trusteeship contributed about 10 per cent of the total. Non-residents, identified as such in the rolls, were assessed for 6 per cent. This seems too small a component of total ownership, especially given the auctions and sales to speculators throughout North America, and suggests that some of the 21.5 per cent left unaccounted for may well have been held by non-residents. A second component of this unaccounted for section can be traced to boarders and hotel lodgers who purchased land on speculation or with the intention of building. Their names would not appear on the rolls as heads of households, and only if they were present for the census or if they leased or owned commercial facilities could they be identified. Some were — 179 men owned property but neither owned nor rented accommodation in their own names. Boarders comprise the weakest category of linkages and numerous possible connections solely on the basis of name had to be rejected.

Linkage of the aggregated assessment data to the manuscript census rested upon identity by name, occupation, and religion. In cases of uncertainty, recourse was made to the 1881 directory. With some imprecision, it was possible to fix approximate addresses to the names in the census by finding names in the directory. Address then became an additional criterion to employ in verifying a link to the assessment.

Class is the second factor in categorizing those who participated in the real estate market. The intent is to determine the degree to which control of the means of production of goods and services in the city was also associated with control of the space required to produce those goods and services and to accommodate those living in or passing through the gateway. This approach follows, with qualifications, from the contention voiced by John Roemer and others that

<table>
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<tr>
<th>Ownership Categories</th>
<th>Developed</th>
<th>Owner</th>
<th>Rental Units</th>
<th>Vacant</th>
<th>All</th>
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<tr>
<td>Individuals in this study</td>
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<td>49.3</td>
<td>61.8</td>
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<tr>
<td>Non-resident</td>
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<td>1.5</td>
<td>7.1</td>
<td>6.2</td>
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<tr>
<td>Corporations (religious and business)</td>
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<td>1.6</td>
<td>11.1</td>
<td>5.6</td>
<td></td>
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<tr>
<td>Trustees</td>
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<td>26.4</td>
<td>21.5</td>
<td></td>
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</tr>
<tr>
<td>Unlinked</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total value ($000)</td>
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<td>10,604</td>
<td>12,428</td>
<td>27,663</td>
<td></td>
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<tr>
<td>Per cent</td>
<td>16.8</td>
<td>38.3</td>
<td>44.9</td>
<td>100.0</td>
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</tr>
</tbody>
</table>

Table 1
Ownership of All Assessed Properties
Per cent of Assessed Value by Property Use

FIGURE 1. Map of the City of Winnipeg, Manitoba, 1874.

The survey of the city plot reveals the influence of the river lots fronting on both Red and Assiniboine Rivers. The Hudson's Bay Company Reserve comprises the gore between the two grids laid over these lots. Note that these estates indicate their pre-incorporation owners.

Western Canadian Pictorial Index, University of Winnipeg. 83-2579.
exploitation rather than the domination of the labour process constitutes the critical component in analysing class relations and that exploitation itself can occur in several markets in which differential property ownership and endowment of skills create unequal competition. The significance of this approach to class is its recognition that surplus value is appropriated not just at the point of production, but also in a variety of exchange processes in labour, credit, and land markets. From this perspective, classes can be defined by the market behaviours their members adopt to maximize the advantages and minimize the disadvantages accruing from their assets in property and skill.9

In 1882 the Winnipeg real estate market was young, dating from the Manitoba Act of 1870 which confirmed existing titles and from the incorporation of the city in 1874. Legal confusion persisted in Manitoba through the 1880s over the security of titles to Hudson's Bay Company lands which were devised following the intestate death of the original grantees, a not uncommon occurrence in the west before 1870. The question of whether the company had granted leasehold or freehold titles was critical, since the former, legally personal property, was not subject to the law of primogeniture which remained in force until 1871.13 Moreover, the commodification of urban space remained incomplete in 1882. The largest single tract of vacant land in the city, the Point Douglas Common (assessed in 1882 at approximately $1,400,000), rested in trusteeship pending the conversion of haying and common property rights to freehold tenure. In consequence those original grantees who anticipated some benefit from the resolution of this question added riders excluding common property rights when they signed agreements to sell town-lots.14 Thus, the boom occurred very near the formation of the real estate market, in fact even before that formation had been completed.

Even at such an early stage, real estate ownership had become considerably concentrated. The analysis that follows ranks those Winnipeg residents listed in the assessment rolls, as owners or occupants of real estate, in percentile groups from least to most wealthy. The first group was in table 2 (the 0-49 percentile) was propertyless. At the other extreme there was one per cent, 22 men, that owned nearly 30 per cent of all property by value, 5 per cent, 106 men, owned 60 per cent of all real estate held by local residents. On the other hand, half of all those on the rolls owned no real estate whatsoever (see Table 2). Because commercial occupancy cannot be easily distinguished from residential accommodation in the rolls, homeownership cannot be analyzed as yet. But it is clear that two-thirds of those who occupied residential and/or commercial space did so as tenants and not owners. Inequality of property ownership, it would appear, constituted an inherent characteristic of the western Canadian urban frontier.

Such behaviour reflects two general propositions that are offered as qualifications to Roemer's theory. First, the same assets endow different marginal advantage in different markets, so an asset in one market may not be an asset in another market. Second, some individuals, deciding that their assets do not bestow sufficient advantage in one market, can opt out of one and into another. Each market presents a dichotomy of possible activities as well as ways of opting out of it: hiring and selling labour power in the labour market or self-employment without hiring labour or investment of capital in the credit or land markets; renting accommodation and owning accommodation for rent in the land rental market or owning accommodation for personal use; buying and selling accommodation in the land ownership market or renting accommodation. Activity, then, is a form of arbitrage. Inherent in this schema, especially over time, is the possibility of some individuals occupying contradictory positions, as both exploiter and exploited, employer and employee, landlord and tenant.10
Percentile rankings were calculated for the distributions of the value of four categories of real property: owner-occupied property, rental units, vacant land, and the total value of real property. All Winnipeg residents listed on the assessment rolls (owners and tenants) were ranked according to the value of their holdings in each category. For simplicity this ranking was divided into eight percentile groups from the poorest 50 per cent (0-49 to the wealthiest one per cent 99 -100). Individuals did not necessarily receive the same ranking in each category since all did not participate to the same extent in each category. Some held one form of property but not another; some held varying amounts of each form.

The present study addresses some of the strategies adopted to translate advantage in Winnipeg's labour market into advantage in the land markets. An individual's ability to hire labour or to avoid exploitation inherent in wage labour is taken to indicate advantage in the labour market. Three groups meet these criteria and together they will be defined as the bourgeoisie: those who employ labour, those who do not but are self-employed, and those who are not self-employed but exercise effective control of organizations which do employ labour. Ideally one would like to be able to examine these groups individually as well as collectively. But with the sources available for 1881-82 it is not possible to distinguish between the first two groups. Also, given the lack of organizational complexity of the economy, there probably were too few managers to make as for a meaningful group that directed labour. Similarly those exploited in the urban labour market and those outside of the urban economy (farmers) are defined as a class for the purposes of this analysis since by definition they possessed no labour market advantage to transfer to the land markets. A more comprehensive examination of class relations would demand greater precision in the definition of the class positions of this residual.\\n
Comparisons of the distribution of wealth in various places are difficult to draw. Even if historians, an independent and disputatious lot, could agree upon a way to calculate the distribution of wealth, the apparent precision of the methodology would belie the divergent biases of their sources. Even given such qualifications, the Winnipeg situation none the less seems generally consistent with findings for urban centres at comparable stages of development. Early Chicago, with one per cent owning 52 per cent of taxable property, demonstrated somewhat greater concentration, while property ownership in Hamilton in 1830s may have been somewhat less unequally distributed. The Gini co-efficient for the inequality of real property ownership in Winnipeg approximates that (.908) calculated by Lee Soltow for Milwaukee in 1850.\textsuperscript{16} (see Table 2) Such patterns of wealthholding, as Michael Doucet and John Weaver concluded, question the view that the frontier can be equated with new opportunity and instead imply structural continuity based on the perpetuation of concentrated wealth.

It is too early to know whether the distribution of real-property wealth levelled with time in Winnipeg, though in 1882 the inequality there was comparable to that in more mature communities. The Gini co-efficient of inequality for Winnipeg was equal to non-farm real estate holding generally in the United States in 1870.\textsuperscript{17} The much larger centres of Boston and New York did witness greater inequality than Winnipeg; however, Winnipeg, with 10 per cent owning 74.7 per cent of all real property, closely resembled Richmond, Va., in 1860 where 10 per cent owned 76.6 per cent of wealth. Comparing the figures for Richmond with the earlier findings of Robert Gallman for Baltimore, New Orleans, and St Louis, Clyde Haulman noted a tendency for inequality to diminish with the size of the city.\textsuperscript{18} The case of Winnipeg, about one-quarter the size of Richmond, may help to define the lower threshold of that declining inequality. One might quibble, with little meaningful result, about just what constitutes significance in the levels of inequality, but in the end Doucet and Weaver's thesis remains. It is difficult to object to their dismissal of theories of increasing urban inequality as being "flawed by an excessive nostalgia for the supposed

\begin{table}
\centering
\caption{Per cent of Total Value Owned by Percentile Group for Each Real Property Market}
\begin{tabular}{|c|c|c|c|c|}
\hline
\textbf{Percentile Group*} & \textbf{Developed Owner Occupied} & \textbf{Rental} & \textbf{Vacant} & \textbf{All} \\
\hline
0-49 & & & & .997 \\
50-9 & & & & .899 \\
60-9 & & & & .799 \\
70-9 & & & & .699 \\
80-9 & & & & .599 \\
90-4 & & & & .499 \\
94-8 & & & & .399 \\
99-100 & & & & .299 \\
\hline
\end{tabular}
\end{table}

\textsuperscript{*Percentile rankings were calculated for the distributions of the value of four categories of real property: owner-occupied property, rental units, vacant land, and the total value of real property. All Winnipeg residents listed on the assessment rolls (owners and tenants) were ranked according to the value of their holdings in each category. For simplicity this ranking was divided into eight percentile groups from the poorest 50 per cent (0-49 to the wealthiest one per cent 99 -100). Individuals did not necessarily receive the same ranking in each category since all did not participate to the same extent in each category. Some held one form of property but not another; some held varying amounts of each form.}

\textsuperscript{†A Gini co-efficient measures the inequality in the distribution of a particular variable. It value ranges from 0 (perfect equality) to 1 (total inequality). Perfect equality exists if each percentile group holds a percentage of the value of the variable under examination equal to the percentage of the total population which it comprises. The Gini co-efficient, in effect, summarizes the degree to which all groups hold more or less than an equal share of the variable being studied.}

\textsuperscript{Because of this, aggregating the value of holdings caused the distribution of total real property to be more spread out than the distributions of its component categories.}
The greatest limitation to comparative studies of real-property wealth is that methodological necessity renders them static. In consequence a particular distribution of wealth becomes disassociated from the social processes and relationships that produced it. This situation may facilitate comparisons of wealth across time and space, but it cannot tell us much about how the inequalities were derived and sustained. In other words, inequality, though of similar magnitude in frontier and mature communities, may not be the same in both. It may have different roots and characteristics.

Let us see how inequality in real property wealth began. The fact that Winnipeg, like Hamilton and many other centres, was not originally planned as a town-site necessarily produced inequality. Since farms tend to be larger than city lots, those who owned farms tended to own a large number of city lots after their land had been resurveyed. As

Doucet noted about Hamilton in an earlier study, in 1800 the 30 farms that comprised what became the city were owned by 9 men. Urban Winnipeg developed on land that earlier had been laid out into long, narrow river-front farm lots. What might be termed initial inequality then derived from the conversion of land use. However, the conversion of land to urban use and the necessary inequality so produced was seldom likely to have been, as in the case of more mature cities, an effort to engross wealth. Indeed, to the original owner the land possessed little use value beyond the extent to which he had developed it to provide residential and commercial accommodation. It produced little income beyond the extent to which he had developed it to provide use value to those who wished to lease it from him. Rather its value was that of a commodity. Vacant space may capture ground rent arising from social demand for the use to which it can be put, but appropriation of that rent requires sale of the land. Value can only be realized through exchange.

Nothing in initial inequality presupposed its reproduction. An original land owner seeking to realize the exchange value did not necessarily sell his entire holding to another individual. Large tracts were broken up, seemingly allowing for a spreading out of assessed real property ownership. The records of approximately 75 land transactions conducted by Alexander Logan involving land in the centre of Winnipeg granted to his father as a farm lot are consistent with this. From 1874 to 1881 Logan sold individual lots, in most cases for $100 to $400, to tradesmen and clerks who probably wanted the land for its use value. In 1881 and 1882, however, he sold larger blocks of land to speculators for as much as $11,000. Logan did not appear to be interested in real estate development during the boom, only in realizing the exchange value of vacant land as easily as possible. The decision of a buyer to purchase a given quantity of land depended upon his evaluation of future demand for the potential use value of that land and, of course, upon his ability to finance the purchase. Because of the uncertainty of the future of most new urban centres, the initial exchange value of land was probably lower than in more mature centres. Thus, inequality had a lower cost in such circumstances and was therefore more
easily reproduced, at least until speculative mania drove up exchange values. Once that occurred, inequality had a higher cost of reproduction and one might well expect its reduction in vacant land. Doucet’s study of speculation in mid 19th-century Hamilton, for example, noted a tendency of vacant land ownership to become more widely dispersed over time.23

The 1882 assessment rolls evaluated holdings in three real estate markets. As one might expect, the largest market in terms of value, comprising 45 per cent of the assessment, was that for vacant land. Smaller, at 38 per cent, was the rental property market. Owner-occupied property comprised a third group, at 17 per cent. Divisions between individual and corporate ownership and between resident and non-resident ownership segmented these markets and altered the relative importance of each for any particular segment. For individual city residents, the segment that is the concern of this paper, the rental market, provided the greatest attraction for investment, accounting for 40 per cent of the assessment. Vacant land was reduced to second place at 36 per cent, while owner-occupied property rose in importance to 24 per cent. In terms of numbers of participants, rather than value, however, the balance was again altered. The vacant land market, with 657 Winnipeg residents, was more popular than the owner-occupied market, with 621 owners, or the rental property market, with just 286 landlords.

These measurements of participation in the various markets — value and number of participants — reveal something of the strategy of those who aspired to be keepers of the gateway. As a commodity, vacant land only produced value through exchange; in a rising market this was an incentive to sell. Thus the relatively high degree of inequality, five per cent of the people listed on the assessment rolls owning two-thirds of vacant land value, arose as much from the numerous small holdings as from the several large ones. About one-quarter of all holdings were worth $1,000 or less and the median investment was $3,300, not a terribly large amount if, as one expects, the purchase was leveraged with mortgage debt. In its overall distribution, the level of inequality in vacant land holdings for resident owners approximated that among non-resident speculators (Gini .765). Thus little advantage came from being on the spot. One could just as easily acquire holdings at a Toronto auction. Still, non-resident ownership appears to be less significant than in Hamilton in 1852, suggesting that, despite the possibility of an alternate form of speculation, the Winnipeg boom was a land rush.24

Those rushing to find their fortunes in Winnipeg paused before plunging into the real estate market. Residents of the city for less than one year were significantly less likely than those of longer residence to own vacant land and were consequently over-represented in the landless 67 per cent of this market (see Table 3). Class did not mediate duration of residence as a factor in ownership of vacant land. Although the bourgeoisie in each group attained greater participation in this market, within each group differences between classes were not statistically significant. Even those who had been in Winnipeg from 1876 apparently were not advantaged or disadvantaged significantly by their class background in gaining entry to this market.25 Class appears to have had an indirect effect since members of the bourgeoisie were more likely to remain in Winnipeg for more than one year and 79 per cent of those in the city for more than five years belonged to this class.

When we shift from ownership to the value of vacant land owned, the concentration of wealth in vacant land does appear to have been related to class. There was an association between membership in the bourgeoisie and owning land assessed at more than $6,500, which placed an individual in the wealthiest decile. Below this value, from the 68th to the 89th percentile, class membership was not significant. The fact that the strength of this relationship increased with the duration of residence suggests that class advantage may not have been entirely an imported factor but that benefits from prolonged residence accrued more to the bourgeoisie than to others.26 Notwithstanding the historian’s caveat that more research is needed, class as a longer term rather than an initial advantage might qualify assumptions about the significance of metropolitan connections. Such connections did not from the first distinguish their holder from others, but rather differentiation occurred with time.
owned the most in this market. They fell into three general groups defined by persistence and proximity to the initial inequality of land ownership. First, there were six men who had been granted title by the Hudson’s Bay Company prior to the cession of Rupert’s Land to Canada in 1869. Two accumulations of vacant land, that of James Spence with 303 lots assessed at $226,000 and that of the Reverend Samuel Pritchard comprising 273 lots assessed at $209,500, were relatively intact being near the western and northern limits of the city respectively. The assessed values of these holdings were almost entirely hypothetical and the owners’ investment probably amounted to little more than the cost of a registered survey. The other grantees, A.G.B. Bannatyne, Alexander Logan, William Fonseca, and John C. Schultz, possessed holdings of lesser value and more dispersed location, indicating that they had for some time been selling lots. 27

The weight of the initial inequality remained, however, as the 6 men held 47 per cent of the assessed value of vacant land held by the top 22 men.

A second group within the circle of 22 major owners was made up of four men who had arrived in the early 1870s. Either they were real estate agents, like Mark Fortune who had arrived in Winnipeg in 1870 from Ontario by way of California. Or like William Nassau Kennedy, an officer in the Wolseley expedition, they were in an advantageous position to speculate. Kennedy as registrar of the County of Selkirk felt the pulse of the real estate market and could locate property likely to appreciate in value. 28 As a group, their holdings (accounting for 22 per cent of the value assessed against the wealthiest one per cent in the vacant land market) were scattered. They had bought land where they perceived a possible advantage. Their parcels, while varied in value, tended toward the lower end. They probably counted on a high volume business.

The third and largest group, of 11 men, had arrived more recently and were less imaginative in their acquisitions. The greatest part of their holdings (31 per cent of the wealthiest percentile’s investment) was located in the Hudson’s Bay Company Reserve. Presumably they had been convinced by the company’s promotion of the tract as the future locus of residential exclusiveness and, along Portage Avenue, of commercial opportunity. 29 For example, Allan Macdonald, a lawyer and protonotary, possessed 13 lots valued at $105,500, and D. E. Sprague, a lumber merchant, claimed 12 lots assessed at $136,000.

All three groups in this élite displayed an interest in the rental property market. One suspects that they diverted revenue from one market to the other. Their attraction to the rental property market was evidence that in 1882 Winnipeg was for rent. Seventy per cent of the residential and commercial units in the city, 1415 of 2047, were rented. In terms of the value of accommodation available, the rental and owner-occupied markets resembled one another. The median assessment in each market was identical, $4,500. They differed in the composition of that value: 82 per cent of the value of the rental market was in its land, whereas only 73 per cent of the value of owner-occupied property was in the land. More investigation into this situation is required, but several possible explanations might be offered. Location may have been a factor that determined a higher land value for rental units, or more land may have been attached to the property. The latter may have been the case where a rental preceded further subdivision and/or development. But probably the lower value reflected a desire to maximize the return from the use of space at the lowest cost. Complaints about excessive rents and poor quality were common. As the agent managing the interests of the former Lieutenant Governor Alexander Morris reported: “Rents are enormous.” At the end.
of the boom, a house and lot worth $2,500 (the lower end of the housing scale) rented for $40 a month, roughly a gross return on investment of 20 per cent per annum. Depending upon the amount of mortgage leverage, the return on actual invested capital could have been considerably higher.

More than the vacant land market, local men operated the rental market. Winnipeg residents owned two-thirds of its assessed value and among them that value was highly concentrated. One per cent of those residents named on the rolls, 22 men, held 45 per cent of the locally owned value; five per cent held 83 per cent. Non-resident ownership of rentals was less concentrated and thus more unequally distributed, suggesting difficulties in the amassing of large holdings by absentee landlords. Only two — former Lieutenant Governor Alexander Morris of Toronto, and J. Robertson of Van Kleek Hill, Ont. — held rental property comparable to that of individual members of the wealthiest resident percentile.

Rental property ownership was more strongly associated with length of residence than ownership of any other form of property (see Table 4). Only five per cent of those in the city for less than a year and 19 per cent of those resident for one to five years owned property which they let. Moreover, unlike the situation in the vacant land market, the first year of residence did not act as a threshold after which the association of ownership with length of residence stabilized; rather the association strengthened. Put another way, the distribution of rental ownership among the persistent more closely resembled that of newcomers than that of the permanent population.

Longevity appeared even more important in explaining membership in the wealthiest five per cent of owners, those owning more than $15,000 in rentals. More time in Winnipeg did not make the persistent population significantly more likely than the newcomers to be represented among this group. Owners with more than five years' residence, however, were much more likely to be rental owners than newcomers and the persisters together. Moreover, among the permanent population, the bourgeoisie had established control of the rental market. Half of this class owned property for rent; one-quarter were among the wealthiest five per cent. This relationship suggests an ability and a preference of those who had been in the city the longest to dominate the rental market rather than the vacant land market. They could have more easily purchased vacant land than invest in rental property, since units of the former were considerably cheaper, but they chose rental investment. The overlap of the wealthiest one per cent of vacant land owners with the wealthiest one per cent of rental owners provided further evidence of such a preference for rental property.

Ten of the 22 wealthiest landlords were also among the wealthiest one per cent of vacant land owners and nine of the ten had more valuable rental than vacant property. Their holding of vacant land clearly distinguished them from the other 12 major rental owners, who as a group held vacant land valued at only nine per cent of their rental property. The four with the least vacant land had all resided in the city for no more than five years and may never have evinced much interest in such investments. But, the other eight had been resident for much longer, six for at least ten years. Though none had received title from the Hudson's Bay Company before 1869, their longevity makes it almost certain that they must have acquired interests that they subsequently converted to other uses either through sale or development.

Alexander McIntyre, a wholesale liquor merchant, arrived with the Ontario Rifles in 1870 and became one of the first speculators in Métis land scrip, by which efforts he was reported to have done very well. By 1882 he owned more vacant land, $40,000, than the other 11, but he also held nearly $200,000 in rental property. As his biographer explained, "He furthered the development of the city by transforming unsightly vacancies into improved districts." Early arrival allowed several such men to pre-empt locations which in the long term became highly desirable. One such was H.S. Donaldson, a bookseller and stationer, whose rental units, primarily on Main Street, were valued at $375,000. With other much smaller holdings of vacant lots and owner-occupied accommodation, his was the largest assessment in the city. Archibald Wright, a harnessmaker with a collection of modest holdings, placed among the wealthiest rental owners because of the appreciation of the largest of his several rental units. In 1873 he had erected a commercial block on a Main Street lot previously thought to be of little value because of its proximity to a creek. Nine years later it was assessed at $64,600.
As these two cases suggest, the wealthiest 22 rental owners were attracted to Main Street. About one-third of the value of the built environment of Winnipeg was located on this avenue of commerce and almost two-thirds of its space ($3,200,000 of $5,100,000) was for rent. Twenty-one per cent of that rental value was owned by the wealthiest one per cent of rental owners. Capturing the opportunity derived from Winnipeg’s gateway status did not necessarily involve the pushing of one’s own business. Even if Donaldson became western Canada’s largest stationer, which he probably was, his profits no doubt would not have equalled the rent from his stores. Nor could his own business absorb the amount of capital at his disposal: he himself occupied property on the northwest corner of Portage and Main valued at just $19,000. Owning commercial space for lease enabled Donaldson and other landlords to profit from the conviction of others that commercial gain would be realized in Winnipeg. Just over 62 per cent of the demand for rental accommodation by value came from those in business. The city’s major landlords, then, pursued commercial rather than residential tenants. Most of the rental market’s élite held some housing for rent, but none concentrated upon it and only Alex Logan owned very many units of low assessed value. Presumably rental housing attracted those with smaller sums at their disposal.

Unlike the rental market, the owner-occupied property market was not the first choice for those desiring to control space in the gateway, and the élites of the rental and vacant markets did not overlap with the élite of the owner-occupied market to the same degree. Only 3 of the wealthiest 22 rental owners and 6 of the 22 vacant land owners were also among the wealthiest 22 in the owner-occupied market. Only one of this last select group, James H. Ashdown, ranked among the wealthiest 22 men overall without gaining a similar rank in another élite group.

James H. Ashdown, a wholesale hardware merchant and major supplier of materials for railway contractors, required considerable space for his business and could use it profitably. Yet although he owned Winnipeg’s single most valuable holding, assessed at $110,000, he chose to rent his residence, worth $16,000. Instead of owning his own home, he held rental and vacant land valued at $12,000 and $35,200 respectively, sizeable but not major investments. Ashdown’s decision to invest in short-term instead of long-term housing services reflected his conviction that his capital received a higher marginal return in the rental market and that with more time he could more profitably convert land held for its exchange value to property producing use values. Despite owning the greatest value of owner-occupied property, Ashdown rented his house, which implies his awareness of a threshold to the profitability of investment in the owner-occupied market. The contrast of Ashdown’s holdings with H.S. Donaldson’s land portfolio emphasized the nature of that threshold: only so much capital could be absorbed in either business or residential usage. After a certain point, even the wealthiest businessmen reached the limit of their ability to use space profitably. Capital that could not be used was switched to other markets, land or otherwise. Donaldson had reached that threshold in his business; Ashdown had not. This of course varied with class membership since only the self-employed needed to obtain commercial accommodation and their upper limit clearly varied with the prospects of their ventures.

In consequence of this threshold, the owner-occupied market was the least unequally distributed of the three and the easiest to enter. Nor was class a disadvantage since the same proportion of bourgeoisie and other newcomers bought property for occupancy their first year (see Table 5). Twenty-one per cent of new owners purchased accommodation within a year of their arrival, compared with 17 per cent who acquired vacant land and 5 per cent who acquired rentals. These figures may offer a fair measure of the proportion of the very recent population with sufficient capital and inclination to purchase property soon after arriving in Winnipeg. It may have been, however, that newcomers with capital decided to wait, to figure out the land markets before investing. When they did buy, class seems to have affected their decisions. Bourgeois residents of the city for one to five years were more likely to own their accommodation than to speculate in vacant land; 40 per cent, compared with 27 per cent of other class members, were assessed for owner-occupied property. The variation by class was less in the vacant market, where 49 per cent of the bourgeoisie and 41 per cent of others were assessed for taxes. No doubt some of the vacant lots were owned by people intending to develop them for personal use; class variation suggests that the bourgeoisie was able to achieve this sooner. As well, comparative advantage may have influenced choice. Owner-occupancy may have promised greater relative gains for the bourgeoisie because it removed them from the commercial rental market, an incentive not motivating others.

The value of property occupied did vary with class, although not as much as one might expect. Class was associated with representation in the wealthiest decile less within the permanent population than among either the persistor or the newcomers. Admittedly, relatively few of those resident more than five years were outside the bourgeoisie, but nevertheless they were less likely to be excluded from the top decile than were their counterparts in the other groups.

In general, those men trying to control the gateway to the Canadian west did not invest strategic importance — or much of their money — in the acquisition of real property for personal use. Rather they chose to invest in the ownership of another form of use values, rental accommodation, especially for letting out to commercial tenants. Thereby they shared not merely in the profits of those attracted by the presumption of commercial...
opportunity in the west, but also, because of the very nature of rent, they secured a first claim against the assets of their tenants, should those opportunities fail. Best able to exploit this market were those bourgeois who had arrived early in Winnipeg. No doubt they had pre-empted the best locations, but just as important they had acquired a commodity — vacant land — with which to finance their pursuit of monopoly in the rental market. Implicit in the real estate boom were two interconnected strategies. Most obvious at the time, and to historians since, was the speculative impulse of buyers seeking prizes in the western Canadian lottery. Often forgotten is the truism that buyers must find sellers. The sale of vacant land by those who aspired to become Winnipeg’s gate-keepers transformed value that had been entirely hypothetical into money that could be reinvested in rental accommodation.

This process did perpetuate inequality in property ownership in Winnipeg. But, to conclude that comparable inequality in real estate ownership in new and old places demonstrates an element of structural continuity in urban morphology is to underestimate the significance of changes in the forms in which wealth was concentrated. By definition, vacant land in a city with constant boundaries is an ever-diminishing supply and, given stable demand, an ever-appreciating commodity. Thus, the strategies which might be adopted to engross value in land form in relationship to the balance among the various real estate markets. Alterations in the balance of exchange and use values in land change strategies. The reproduction of initial inequality involved the adoption of a particular strategy, the transformation of an abundance of exchange values obtained early and cheaply into use values. The real estate boom of 1881-82 created the conditions for that. The irony, of course, was that Winnipeg had to be sold so that it could be rented.
Table 3
In-migrant Group by Class and Percentile Group: Vacant Land Ownership
Per cent of Category in Each Rank

<table>
<thead>
<tr>
<th>Percentile Group</th>
<th>Newcomers Bourgeois</th>
<th>Other</th>
<th>Persistor Bourgeois</th>
<th>Other</th>
<th>Permanent Bourgeois</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-67*</td>
<td>79.7</td>
<td>86.4</td>
<td>50.7</td>
<td>59.3</td>
<td>44.6</td>
<td>51.4</td>
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<tr>
<td>68-9</td>
<td>1.3</td>
<td>1.0</td>
<td>0.8</td>
<td>2.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70-9</td>
<td>6.2</td>
<td>5.8</td>
<td>10.0</td>
<td>20.9</td>
<td>6.2</td>
<td>8.6</td>
</tr>
<tr>
<td>80-9</td>
<td>6.5</td>
<td>4.7</td>
<td>18.0</td>
<td>10.8</td>
<td>20.8</td>
<td>20.0</td>
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<tr>
<td>90-4</td>
<td>3.6</td>
<td>1.2</td>
<td>10.8</td>
<td>3.3</td>
<td>7.7</td>
<td>11.4</td>
</tr>
<tr>
<td>95-8</td>
<td>2.5</td>
<td>0.7</td>
<td>7.7</td>
<td>2.6</td>
<td>13.8</td>
<td>5.7</td>
</tr>
<tr>
<td>99-100</td>
<td>0.2</td>
<td>0.2</td>
<td>2.0</td>
<td>0.3</td>
<td>6.9</td>
<td>2.9</td>
</tr>
</tbody>
</table>

*This group comprises those owning no vacant land.

Table 4
In-migrant Group by Class and Percentile Group: Rental Property Ownership
Per cent of Category in Each Rank

<table>
<thead>
<tr>
<th>Percentile Group</th>
<th>Newcomers Bourgeois</th>
<th>Other</th>
<th>Persistor Bourgeois</th>
<th>Other</th>
<th>Permanent Bourgeois</th>
<th>Other</th>
</tr>
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<tr>
<td>0-85*</td>
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<td>96.5</td>
<td>73.9</td>
<td>90.7</td>
<td>50.0</td>
<td>80.0</td>
</tr>
<tr>
<td>86-9</td>
<td>2.7</td>
<td>1.6</td>
<td>5.3</td>
<td>4.4</td>
<td>8.5</td>
<td>5.7</td>
</tr>
<tr>
<td>90-4</td>
<td>1.8</td>
<td>1.0</td>
<td>11.0</td>
<td>3.1</td>
<td>14.6</td>
<td>11.4</td>
</tr>
<tr>
<td>95-8</td>
<td>2.2</td>
<td>0.7</td>
<td>8.2</td>
<td>1.8</td>
<td>16.9</td>
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<tr>
<td>99-100</td>
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<td>1.6</td>
<td>0.2</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This group comprises those owning no property for rent.

Table 5
In-migrant Group by Class and Percentile Group: Owner Occupied Property
Per cent of Category in Each Rank

<table>
<thead>
<tr>
<th>Percentile Group</th>
<th>Newcomers Bourgeois</th>
<th>Other</th>
<th>Persistor Bourgeois</th>
<th>Other</th>
<th>Permanent Bourgeois</th>
<th>Other</th>
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<tr>
<td>0-69*</td>
<td>79.3</td>
<td>79.0</td>
<td>60.0</td>
<td>73.4</td>
<td>30.7</td>
<td>45.7</td>
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<tr>
<td>70-9</td>
<td>6.9</td>
<td>13.8</td>
<td>6.1</td>
<td>14.0</td>
<td>5.4</td>
<td>2.9</td>
</tr>
<tr>
<td>80-9</td>
<td>6.9</td>
<td>4.5</td>
<td>15.3</td>
<td>9.0</td>
<td>20.0</td>
<td>34.3</td>
</tr>
<tr>
<td>90-4</td>
<td>4.2</td>
<td>1.6</td>
<td>8.8</td>
<td>2.8</td>
<td>18.5</td>
<td>8.5</td>
</tr>
<tr>
<td>95-8</td>
<td>2.7</td>
<td>0.9</td>
<td>7.1</td>
<td>0.8</td>
<td>20.0</td>
<td>5.7</td>
</tr>
<tr>
<td>99-100</td>
<td>0.2</td>
<td>2.7</td>
<td>0.2</td>
<td>2.7</td>
<td>5.4</td>
<td>2.9</td>
</tr>
</tbody>
</table>

*This group comprises those owning no property for their own use.
Notes
This paper draws upon research undertaken jointly by the author with H. J. Mays of the Department of History at the University of Winnipeg. The research was funded in part by a research grant from the University of Winnipeg.


4 Henderson's Directory of Manitoba, the City of Winnipeg and Incorporated Towns of Manitoba... (Winnipeg: Winnipeg Directory Publishing, 1881).


7 Winnipeg Directory and Manitoba Almanac for 1876 (Winnipeg: Cook and Fletcher, n.d.).


11 A more comprehensive analysis should be possible for 1891 since the manuscript census for that year records the number of employees hired by each of the self-employed. As well, managers comprised a larger group.

12 For a typology of exploitation and class, see: E. O. Wright, "What Is Middle about the Middle Class?" in Analytical Marxism, 127.


19 Doucet and Weaver, "Town Fathers and Urban Community." 78.


21 The exchange value of rental and owner-occupied property is, of course, an element to be figured into this theoretical construct. The former is the most problematic since exchange value is extracted for access to property producing use value and that rent, as David Harvey has explained, is comprised of several components: the exchange value of the land itself, the capitalization of the cost of having produced the use value attached to the land, and the price of producing new use value: to cover the depreciation of existing use value. This theme will be pursued in a subsequent study examining the relative impact of the de-valuation of exchange value with the crash of the Winnipeg land market in late 1882 and the resilience of various forms of property holding. See David Harvey, The Limits to Capital (Chicago: University of Chicago Press, 1982), 232-35, and "Land Rent under Capitalism," in The Urbanization of Capital: Studies in the History and Theory of Capitalist Urbanization (Baltimore: Johns Hopkins University Press, 1985), 90-108.

22 Phi for association between membership in the bourgeoisie and owning property for personal use, newcomers only = -0.03; between membership in the bourgeoisie and owning property for personal use, persistent only = .14; between membership in the bourgeoisie and owning property for personal use, permanent only = .176; between membership in the bourgeoisie and owning property for personal use = .164.

23 Phi for association between being a bourgeois owner of property for personal use and membership in the wealthiest decile of those owning property for personal use, newcomers only = .251, between being a bourgeois owner of property for personal use and membership in the wealthiest decile of those owning property for personal use, persistent only = .327; between being a bourgeois owner of property for personal use and membership in the wealthiest decile of those owning property for personal use, permanent only = .173, between being a bourgeois owner of property for personal use and membership in the wealthiest decile of those owning property for personal use = .301.
This study is part of a larger project on the nature of speculation and physical development. Doucet discovered that non-residents owned 39.9 per cent of all vacant lots in Hamilton in 1852. A comparison is difficult to draw since number of lots is not a meaningful variable to measure concentration of ownership in this study. Large tracts of land remained unsurveyed so that one piece of vacant land might be 30 by 100 feet, while another comprised several acres. Value seems a better variable. Assuming no reason for a lot owned by a non-resident to be of lesser value than one owned by a Winnipeg resident, non-resident ownership accounted for no more than 32.5 per cent of vacant land. This figure is an upward boundary since it includes all land identified as non-resident in ownership as well as all land owned by those whose residence cannot be determined. In all likelihood this inflates the figure.

This study is part of a larger project on the nature of inequality and opportunity in Winnipeg from 1870 to 1891. The modelling of social structures and processes remains incomplete at this stage. For this reason simple methods of bivariate statistical analysis have been employed. Statistically significant associations have been identified with chi square tests, and phi co-efficients have been calculated to measure the strength of associations between dichotomized variables. Phi varies from -1.00 when a perfectly inverse relationship exists to +1.00 when a positive relationship exists. Phi for association between being a newcomer and owning vacant land = -324; between being a member of the bourgeoisie and owning vacant land = 155.

For association between being a newcomer vacant land owner and membership in wealthiest decile of vacant land owners = -0.52; between being a newcomer vacant landowner among the bourgeoisie and membership in wealthiest decile of vacant land owners = 186; between being a persistent vacant landowner among the bourgeoisie and membership in wealthiest decile of vacant land owners = 340; between being a permanent vacant landowner among the bourgeoisie and membership in wealthiest decile of vacant land owners = 329; between being a vacant landowner among the bourgeoisie and membership in wealthiest decile of vacant land owners = 348.


Archives of Ontario (hereafter AO), Alexander Morris Papers, MS 535, R. Morton to Alexander Morris, 30 May 1882.

Gini co-efficient for distribution of rental properties owned by non-residents: 753.

Contingency co-efficient for association between length of residence (less than 1 year, 1-5 years, and more than 5 years) and rental property ownership = .322; between length of residence and vacant land ownership = .311.

Phi for association between less than 5 years residence and ownership of vacant land = -.140; between less than 5 years residence and ownership of rental property = -.283.

Because of the smaller number of rental owners, examining the upper 5 per cent of the market is roughly equivalent to concentrating upon the upper 10 per cent of the other two markets.

Phi for association between being a newcomer rental property owner and membership in wealthiest 5 percentiles of rental property owners = -.127; between being a newcomer or persistent rental property owner and membership in wealthiest 5 percentiles of rental property owners = -.342.

Phi for association between being a bourgeois rental property owner and membership in the wealthiest 5 percentiles of rental property owners, newcomers only = .055; between being a bourgeois rental property owner and membership in the wealthiest 5 percentiles of rental property owners, permanent only = .158; between being a bourgeois rental property owner and membership in the wealthiest 5 percentiles of rental property owners, permanent only = .466; between being a bourgeois rental property owner and membership in the wealthiest 5 percentiles of rental property owners = .351.

