

CHAPTER 1

Economic, Cultural, and Political History of Michigan

ECONOMY AND CULTURE

POLITICS

1660 to 1760

About 15,000 Indians lived in Michigan when Europeans first arrived in the area in the early 1600s. The Chippewa (Ojibway) lived in the Upper Peninsula and eastern lower peninsula and the Potawatomi in the southwest. Other tribes included the Sauk, Miami, Huron, and Menominee.

The earliest European immigrants came largely from France, mainly as fur traders and missionaries. Father Jacques Marquette founded the first permanent settlement in Michigan, in Sault Ste. Marie, in 1668; three years later, he founded St. Ignace. The military post at Mackinac Island and Fort Michilimackinac in Mackinac City were built to protect French influence in the region.

Southern Michigan was settled a bit later. In 1690 the French established Fort St. Joseph, near Niles. In 1701 Antoine de la Mothe Cadillac, who commanded Fort Michilimackinac, established Fort Pontchartrain in Detroit, which became a hub of fur trading, a strong defense against British exploration, and the site of early farming.

In search of the mythical northwest passage to the Orient, Samuel de Champlain (the founder of Quebec) sent Etienne Brulé to head west through the Georgian Bay. Brulé reached the Sault Ste. Marie area in 1618. On a later trip in 1621, he traveled as far west as the Keweenaw Peninsula. In the 1630s, Jean Nicolet explored the area of Lake Michigan, reaching Green Bay.

The French settled northern Michigan first because they had made an enemy of the Iroquois Nation in southwest New York, which blocked the French path to Lake Erie and southern Michigan.

By the turn of the 18th century, the British too were interested in Michigan. The French responded by forming an alliance with various Indian tribes, as they had in eastern areas of Canada and America. At the conclusion of the French and Indian War in 1759—which ended with a British victory on the Plains of Abraham in Quebec—the French surrendered Detroit in 1760 to British Maj. Robert Rogers.

1761 to 1836

Life was extraordinarily difficult in Michigan during this period.

Constant skirmishing occurred among the French settlers, various Indian tribes, English settlers, and—after the Revolutionary War ended, in

The Indian tribes had found the French to be friendly and respectful, and British ascension incited nearly nonstop skirmishing among European settlers and the Indians. For example, the Ottawa leader Pontiac organized attacks against all British forts in the 1760s, most of which fell.



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1761 to 1836 (cont.)

1783—newly independent Americans. Much of Michigan was unsettled. Control of the few forts shifted among French and British and American governance. Indian raids, spirited by French and British, were common.

After the War of 1812, federal surveyors dismissed Michigan as uninhabitable because of its swamp-land. This finding caused many easterners to settle and farm in Illinois and Missouri rather than Michigan.

Compounding problems of settlement was the lack of clearly defined property rights. Not until treaties clearing the way for titled land were signed with the Indians in 1819–21 did settlers from eastern states begin moving into the Michigan Territory.

In the 1820s and 1830s, settlement surged. New roads were built into the central parts of the territory. The first public land sales were held. Completion of the Erie Canal, in 1825, spurred an influx into Michigan of farmers from New England and New York. The territory grew faster than any other part of the United States.

In 1820 Michigan had 8,896 people, excluding Indians. By 1830, the population had grown to 32,000.

Michigan saw little action during the Revolutionary War, and even afterward, the British settlers ignored the new U.S. government. Fort Detroit remained in British hands until 1796, and in 1812 the British and their allies, the Shawnee, who were led by Tecumseh, regained control of Detroit and Mackinac Island; many U.S. settlers were slaughtered at Frenchtown in Monroe County in 1813. It was not until 1815 that the British surrendered Mackinac Island to the United States.

The Northwest Territory was formed under the Ordinance of 1787, and the county of Wayne was defined as including most of Wisconsin, all of Michigan, and northern sections of Indiana and Ohio. Later, Minnesota, Iowa, and part of the Dakotas were added. In 1805 President Jefferson declared Michigan a separate territory, with Detroit as its capitol, and named William Hull the first territorial governor.

In 1833 the Michigan Territory had more than 60,000 inhabitants, sufficient to formally seek admission as a state. Voters adopted a constitution in October 1835, and Michigan's acting governor, Stevens T. Mason—who, at age 19, had been appointed by President Jackson—pushed for statehood. But a skirmish with Ohio over the rightful ownership of Toledo (eventually ceded to Ohio in exchange for the Upper Peninsula) delayed statehood until 1837.

 1837 to 1859

In 1840 the new state's population had reached 212,267, and settlers were pouring into Michigan, doubling the population by 1850 and again by 1860. Farming replaced fur trading as the state's primary economic activity.

On January 26, 1837, Michigan became the 26th state. Stevens T. Mason, a Democrat aged 24, became its first elected governor. He led the efforts to establish state-supported schools and to locate the University of Michigan in Ann Arbor. Mason left the governorship in 1840.



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1837 to 1859 (cont.)

The transplanted New Englanders and New Yorkers brought with them Yankee values: tolerance, a strong work ethic, and love of education. Dutch farmers settled the southwest, Germans the Saginaw Valley, Irish the southeast, and Finns and Italians the Upper Peninsula.

The Germans, in particular, strongly encouraged creation of public schools in each community. Borrowing from the Northwest Territory's policy, the property tax revenue of one section of each township in each county was dedicated to public schools.

Rapid economic growth prompted land and money speculation, fueled by an unregulated credit and banking system. The boom evaporated in the 1840s, leaving impoverished farmers, failed banks, and abandoned projects, including several grand schemes for state-financed railways and canals. During the 1850s, economic stability returned with agricultural growth and the burgeoning lumber and mining industries.

From 1837 to the 1850s, Michigan politics were decidedly Jacksonian and Democratic, out of loyalty to President Jackson for supporting Michigan statehood. One Michigan county is named after the president and several others after members of his cabinet: Berrien, Eaton, Ingham, Livingston, and Van Buren.

The influx of settlers from New York and New England created a strong liberal, temperance, and abolitionist political ethic. For example, Michigan was the first government unit in the country to prohibit capital punishment, and Michigan's abolitionist sentiment gave birth to the Republican Party, uniting the Whigs and Free Soilers at a July 6, 1854, convention in Jackson.

With the exception of a single term in 1840–41, when Whigs William Woodbridge and James Wright Gordon served, Democrats controlled the governorship from statehood until 1854. In 1854 the new Republican Party's standard bearer, Kingsley S. Bingham, was elected chief executive, and no Democrat managed to win the office back until 1890.

 1860 to 1899

The population of the state reached 749,113 in 1860, and farming, lumbering, and early manufacturing dominated the economy of the last half of the 19th century.

Michigan's climate and fertile soil led to national leadership in wheat production. Fruit production along the temperate Lake Michigan shoreline, sugar beets in the Thumb, and celery in the Kalamazoo area were important cash crops.

Lumbering became a huge industry after the Civil War. Michigan woodlands, producing about a quarter of the nation's total supply, spurred furniture

The Civil War solidified Republican control of Michigan politics. Michigan was fiercely pro-Union, and residents revered President Lincoln.

A major force in state politics was the Grand Army of the Republic—veterans of the Civil War and staunchly Republican. Michigan's Civil War governor, Austin Blair, became one of the most prominent chief executives in America; he marshaled troops to serve in the war and raised considerable money for the effort.

Blair's successor as governor was Henry Crapo, the first of several lumber barons to serve. One of his



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1860 to 1899 (cont.)

manufacturing in Grand Rapids and papermaking in Kalamazoo and produced enormous capital and wealth throughout the state. Another successful industry established in this early period was the production of cereal foods, launched by W.K. Kellogg and C.W. Post.

Railroads transformed Michigan's economy by making it easier to distribute the state's timber, livestock, and food elsewhere in the nation.

Between 1860 and 1890, more than 700,000 immigrants migrated to Michigan, more than half of whom came from Europe and Canada.

grandsons was William C. Durant, the founding president of General Motors.

In 1882 Josiah Begole was elected governor as a Fusionist, a political party that combined Democrats and Greenbackers (who favored paper money and populist ideals). The only other non-Republican governor in this era was Edwin Winans, a Democrat who served in 1891–92. The century ended with the election of the last person from Detroit to serve in Michigan's highest office, Hazen S. Pingree; he led property tax reform and sought unsuccessfully to make taxes progressive and shorten work days.

1900 to 1948

By 1900 the population of the state had reached 2,402,982, and in the next few decades the major turning point in the Michigan economy occurred: Henry Ford introduced the assembly line into the manufacture of automobiles. Ford and such other early auto pioneers such as R.E. Olds, William Durant, and Walter Chrysler set in motion the 20th century's greatest wealth creator—the automobile industry.

Automobile manufacturing created an enormous number of jobs, attracting people to Michigan from Canada, the southern states, and Europe. Between 1900 and 1930, only Los Angeles grew faster than Detroit, the population of which soared from about 286,000 to nearly 1.6 million. Flint grew from 13,000 to more than 156,000.

New immigrants were less likely to be German or English, as in earlier years, and more likely to be Polish, Hungarian, Italian, Greek, and African-American. The old Yankee influence—social, political, and economic—began to wane with the heterogeneous influx.

The Republicans so dominated Michigan politics in the first half of the 20th century that the state came close to one-party control. From 1918 to 1928, not one Democrat was elected to the state Senate and only nine served in the state House.

The Republicans, however, were torn between two factions: Progressives such as Pingree and Chase Osborn and conservatives such as Albert Sleeper. In 1912 the split led to Democrat Woodbridge Ferris—the founder of Ferris Industrial School, now Ferris State University—being elected governor; he later served in the U.S. Senate.

Progressives in both parties introduced such reforms as the secret ballot, referendum and initiative, direct election of U.S. senators, women's suffrage, workers' compensation, and expanded state authority over railroads, banks, insurance companies, and the liquor industry.

Progressive support was so strong that Michigan voted for Teddy Roosevelt for president in 1912, despite his being a third-party candidate.

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1900 to 1948 (cont.)

As the automobile industry grew, so did the unity and activism of the labor force. Michigan witnessed bitter confrontations between unions and large employers. As labor organizing drives became more successful, the benefits and wages of the automobile workplace grew richer and began to spill into other segments of the economy.

The Great Depression of the 1930s took a terrible toll. By 1934, 800,000 of the state's 5 million residents were receiving some form of public relief. Half of the nonagricultural work force was unemployed. But by the early 1940s, World War II and the need for arms production had boosted the industrial capacity of the state and ignited a new era of economic growth.

In the 1920s, Gov. Alexander Groesbeck served three terms and, through creation of the State Administrative Board, consolidated and centralized the executive branch of state government. In 1932 and 1936, Democrats William Comstock and Frank Murphy, respectively, rode the coattails of Franklin Roosevelt into the governor's office.

Thomas Dewey, a native of Owosso, carried Michigan against Democrat Harry S. Truman in the 1948 presidential election. But in the same year, Democrat G. Mennen Williams was elected governor and ushered in a new era of Michigan politics.

1949 to 1982

In 1950 the population reached 6,372,009, and in the decade to follow, the domestic automobile industry reached its zenith.

Without serious competition from other states or countries, Michigan automobile companies spread enormous wealth among workers and employers. In 1955 Michigan's per capita income was 16 percent above the U.S. average—among the highest in the world—and by 1960 the state probably had the world's broadest middle class.

A high standard of living translated into public acceptance of considerable government intervention in the social and economic spheres, as evidenced by Michigan's highway system, construction of the Mackinac Bridge in 1957, and among the nation's most generous education and welfare programs.

In 1960, however, the trickle of imported foreign cars—which later became a flood—began, and Mich-

Gov. "Soapy" Williams transformed the Michigan Democratic Party and state politics. He represented a new coalition of labor leaders, recent immigrants to Michigan, and blacks and created a vibrant two-party system in Michigan.

In 1948 Republicans had controlled both U.S. Senate seats from Michigan, all statewide elected offices, a 95-5 majority in the state House, and 28-4 majority in the Senate. By 1959 Democrats held both U.S. Senate seats, all statewide partisan offices, a dozen of the 34 state Senate seats, and 55 of the House's 110 seats (a tie).

The *one-man, one-vote* apportioning of state legislative districts in the mid-1960s reduced the disproportionate power of out-state, rural areas and greatly strengthened Democratic representation in the state legislature. From 1969 to 1993, Democrats enjoyed uninterrupted control of the state House.



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1949 to 1982 (cont.)

Michigan's primary reliance on the fortunes of the motor vehicle industry showed signs of becoming a serious problem. "When the nation gets a cold, Michigan gets pneumonia" was the epigram summing up the effects that the national recessions had on the state.

Seeds of racial unrest emerged in the 1940s and 1950s as the black population of Detroit and other cities grew, and racial segregation policies came under attack. By the 1960s, urban unrest escalated into the worst civil disturbance in the nation, as rioting cost 43 lives in Detroit.

From 1963 to 1983, liberal Republicans George Romney and William G. Milliken held the governorship (Milliken—who served 14 years—is Michigan's longest serving governor).

Romney was instrumental in rewriting the state constitution and winning voter adoption of it in April 1963. The new and current constitution consolidated executive power in the office of the governor and eliminated several statewide elected positions, such as treasurer, highway commissioner, superintendent of schools, and auditor.

1983 to the Present

From 1980 to 1983, the bottom seemed to have dropped out of the Michigan economy, as two serious national recessions were aggravated by fierce international competition in the automobile industry. Michigan suffered more unemployment than any other state: Some communities, such as Flint, endured an unemployment rate higher than 20 percent. The state's per capita income fell to almost 7 percent below the national average.

Over the last decade, the Michigan economy has become less reliant on the automobile industry. Service jobs have increased dramatically. In the 1990s Michigan has led the nation in economic gains. The state unemployment rate has been below the national average for five years, and the per capita income has risen again above the national average.

After 40 years of liberal domination of Michigan politics, the state has become fairly conservative. The economic anxieties of the 1980s, coupled with social unrest and racial tensions of the 1960s and 1970s, have produced skepticism about government and opposition to taxes, and the fortunes of the Republican Party have risen.

Democratic Gov. James J. Blanchard was upset in 1990 in his bid for a third term. The winner, Republican John Engler, instituted many conservative policies such as ending General Assistance (a public assistance program), reforming other welfare programs, eliminating the inheritance tax, and introducing competition into the state public school system.

Republicans have controlled the state Senate since 1983, but control of the House has shifted between the parties. At this writing, Democrats hold a 58-52 majority in the state House.

Sources for this chapter include the Michigan Manual, 1993-94, pp. 3-24 (published by the Legislative Service Bureau) and Stewards of the State, by George Weeks (published in 1987 by the Detroit News and Historical Society of Michigan).