

Michigan Political History Society NEWS

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Three cents for the Governor

By Lois Lee



Former Michigan governor, William Comstock

Editor's note:

Ms. Lee's exploration of Governor William Comstock's initiation of the three-cent sales tax in the 1930s earned her first place in the Michigan Political History Society's annual Essay Contest. A resident of St. Charles, Ms. Lee is a student at Saginaw Valley State University. Excerpts from her prize-winning essay follow:

In his novel, "The Grapes of Wrath," **John Steinbeck** portrayed the struggles of a family nearly broken by catastrophic conditions, now known as the Dust Bowl years, in midwestern America during the 1930s. Dire conditions were not, however, limited to that section of the country. The stock market crash of 1929 and subsequent banking crises resulted in a nationwide economic depression which leaders in local, state, and national government had to address. Michigan was no exception.

The first crisis faced by Governor **William A. Comstock**, elected to Michigan's highest office in 1932, was a bank crisis. Historian **F. Clever Bald** recorded in his book, "Michigan in Four Centuries," "...From December 1929 to December 1932, as a result of failures and merg-

ers, the number of banks was reduced by about 25 percent, and deposits declined 32 percent. Nearly two hundred banks had failed." This number represented nearly one-quarter of the banks in Michigan. Clearly, bank depositors were worried and began to withdraw money.

Through the Reconstruction Finance Corporation, the federal government could assist banks in such dire straits, but the 1932 Congressional act stipulated that such borrowing must be publicized. When that was done, public reaction to withdraw funds was even swifter. The Union Guardian Trust Company, one of the two largest Detroit-based banking groups — and one of the only six banks left in Detroit at the time — asked for some \$44 million from the RFC. This was in addition to \$16 million borrowed just a few months earlier. The loan was refused, stating that there was not enough collateral to justify such a loan. However, an alternative was proposed.

The RFC offered to provide part of the loan if local depositors would provide the rest. Local depositors included General Motors Corporation, Chrysler Corporation, and **Henry Ford**. Ford refused the offer, and Governor Comstock was called in. It was 1933, and he had been in office for only six weeks. The crisis was reached on Monday, February 13, already a bank holiday since Lincoln's birthday had fallen on Sunday. Comstock issued a proclamation closing all banks for eight days. He would later extend the banking holiday on a limited basis. It was not a popular beginning to the state's first completely Democratic administration.

William A. Comstock was born in Alpena July 2, 1877. The son of a lumber dealer and businessman, Comstock worked during his teen years for an electric railroad company operated by his father. No stranger to

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banking policies and practice, the 1899 graduate of the University of Michigan was president of State Savings Bank of Alpena by 1909.

His political career began in Alpena where Comstock was first a Democratic party chairman, then a city councilman, and finally elected mayor in 1913. From 1920 to 1924, he was Democratic state chairman. During 1924 to 1930, Comstock was a Democratic national committeeman. Committed to his political party, it has been reported that Comstock's three unsuccessful bids for the governor's seat in 1926, 1928, and 1930 were sought primarily to keep a Democratic nomination on the ballot. The Republican stronghold in Michigan was firm until 1932, when the voters of Michigan, as well as the nation, reacted to the financial crises of the country by electing Democrats. Not only was the conservative Democrat voted into office, but Democratic state legislators were overwhelmingly victorious. . .

The depression of the 1930s was felt early here because of Michigan's industrial structure. While **Governors Fred Green** (1927-1930) and **Wilber Brucker** (1931-1932) addressed the earliest depression-era impact, Comstock needed to devise a method of funding a relief program demanded by the public. . .

Since the major source of revenue for the state had always been from property taxes, it was evident in Comstock's administration that there would have to be a shift in tax structures. Tax delinquency had increased dramatically when Comstock took office. By 1933, property tax delinquency rates were the highest in the country.

A cooperative Democratic legislature canceled interest

and penalties on some delinquent taxes, postponed tax sales, and provided for the payment of delinquent taxes over a period of ten years. As a result, no annual tax sale was held from 1932 to 1938. . .

Voters limited property tax assessments to 15 mills, so in 1933, additional revenue from property taxes was not an option. Instead, Governor Comstock succeeded in convincing the legislature to pass an act that shifted property taxes entirely to local units of government. To recover the \$23.5 million lost in state revenue, the three-percent sales tax was implemented, which by 1937 was bringing the state more than \$55 million. Hardly a popular idea among voters, wrote Bald, a popular phrase became common among retailers: "That will cost you a dollar, and three cents for the Governor."

Many direct relief programs were developed during the Depression era. One example: To address the issue of old-age pensions, Governor Comstock approved a state law on July 7, 1933, which established a system of regular payments to "needy citizens over the age of 65 who had been residents of the state for at least five years." The forerunner of Social Security, the law was amended in 1937 to conform to the federal system of Social Security.

During his administration, public relief came to be seen not as a social stigma but as an acceptable way of life. It also ushered in an era that shifted attitudes towards government intervention in private lives. No longer did a man or woman have to worry about the welfare of his or her family because if worst came to worst, there was help from the government. Comstock's programs were designed to meet immediate needs.

Michigan Political History NEWS

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Sharman Moore

Vice President

Robert LaBrant

Secretary-Treasurer

Peter Kuhnmuench

Editor

Charles E. Harmon

MPHS officers elected for 1997-98

Sharman A. Moore has been joined by two new officers as the leadership of the Michigan Political History Society for 1997-98.

Ms. Moore was reelected president for a fourth term. She works in the Elections Division of the Michigan Department of State.

Robert LaBrant was elected vice president. Senior vice

president for political affairs and general counsel for the Michigan Chamber of Commerce, he succeeds **Mark Murray**, who did not seek reelection.

Peter Kuhnmuench, vice president of governmental affairs, Michigan Retailers Association, is the society's new secretary-treasurer. He succeeds **Kevin Kelly**, who also did not seek reelection.

Hart, Downs events held in D.C.

On June 19, 1996, the Michigan Political History Society and Michigan State University cohosted a reception at the Hart Senate Office Building in Washington, D.C., in honor of the publication of "Philip Hart: The Conscience of the Senate."

Published by Michigan State University Press and authored by **Michael O'Brien** of the University of Wisconsin Center-Fox Valley, the book covers the late senator's life as one of Michigan's most distinguished political figures.



Tom Downs responds at his "Toast and Tribute."

Several hundred persons attended, including **Mrs. Jane Hart**, other Hart family members, and most of the Michigan congressional delegation. Current U.S. Senators **Carl Levin** and **Spencer Abraham** gave special tributes to Hart.

Official copies of the biography were presented to the Secretary of the Senate to be housed in the Library of the United States Senate.

MPHS was well-represented with President **Sharman Moore**, **Mark**

Murray, **Tom Cleary**, **Tom Farrell**, and others in attendance. TCI Cablevision and C-SPAN taped the event.

DOWNS' TRIBUTE: Another special 1996 MPHS-sponsored event was the "Toast and Tribute" to the one-of-a-kind Tom Downs, the longtime Democratic Party activist, election process expert, and MPHS

legal counsel.

Lansing attorney **Ted Swift** emceed the tribute. Toasters included **Walter Campbell**, **Robert Danhof**, **Glenn Allen**, **Teola Hunter**, **Robert Traxler**, **Robert LaBrant**, **Lynn Jondahl**, and **Tim Downs**.

It was a great evening for all and a fitting recognition of Tom.



Janie Hart (left) with author Michael O'Brien and MSU President Peter McPherson.

Special Thanks

Special thanks go out this month to **Jim Epolito**, MPHS board member, and his Corporate Communications and Graphics staff at the Accident Fund Company for taking on the responsibilities of producing and printing our newsletter at no charge and handling the

mailing. This is a major undertaking which will permit us to put out a regular publication within the limits of our budget.

We also give continuing thanks to **Kevin Kelly** and **Joyce Crum** at MSMS for maintaining the member rolls.

State buildings named, dedicated

By Mark Murray



Charles Harmon, MPHS editor and inscription author, with Romney Building plaque.

Two former Michigan governors were honored in recent weeks as state office buildings in Lansing were dedicated to their memories at ceremonies led by Governor **John Engler**.

The *George W. Romney Building*, formerly Olds Plaza Building, was dedicated on June 19. The ceremony was held in the lobby of the building at 111 S. Capitol.

The *G. Mennen Williams Building*, formerly the Law Building, was dedicated on July 1. The ceremony was held in the building lobby at 525 Ottawa.

Several hundred persons attended the two events led by family members, personal friends, former staffers, and various public officials.

The inscription in the Romney

Building recognizes him (governor in 1963-69) as a man "who distinguished himself in government, business, volunteer service, religion, and family life." It continues, in part:

"A forceful and outspoken man, he fought for a broad-based and competitive political system, attacked bigotry and political extremism, and made government more accessible to the people. He believed that the future of our nation depends upon the participation of its citizens and upon their personal responsibilities



Mark Murray and Tom Farrell, MPHS members, at the Williams' Building dedication. They were key figures in bringing off this special function.

to 'obey our creator, respect the law, and serve our fellow man.'"

The inscription placed in the Williams Building recognizes him (governor in 1949-60 and two-term state supreme court justice) as "a vigorous leader and champion of the common good." It continues, in part:

"**G. Mennen Williams** was a tireless and unselfish servant of the public. He was motivated by an unrelenting optimism, anchored by deeply held religious beliefs, and committed to using government as a tool for the betterment of both individual lives and the community."



At the Williams' Building dedication, let to right: Mark Murray, State Budget Director; his mother, Fran, widow of John Murray, Soapy Williams' press secretary; and Marvin Tableman, Williams' aide.

Future feature presentations

The Michigan Political History Society will continue in late 1997 and early 1998 its tradition of sponsoring special events that shed light upon rich and interesting aspects of our political heritage.

The season will begin on September 10 with an overview of *The History of Lobbying*, including its impact on public policymaking and its future. **Tom Cleary** is arranging the event which will include the venerable **Francis J. (Jerry) Coomes** as a leadoff speaker and a panel of other veterans of the lobbying game. The event will be at Lansing's Radisson Hotel.

Other events in the planning stages include:

- A recognition of the life and contributions of U.S. Senator **Arthur Vandenburg**, to be held sometime this fall in Grand Rapids. **Jim Haveman** is heading up this important event.

- An evening with **Bob Perrin** on the life and political impact of U.S. Senator **Patrick McNamara**. Some remember Bob when he was a Detroit Free Press writer and then A.A. to Pat McNamara for over a decade. That event will be held in Lansing.

- A presentation by **Mike Ranville**, local lobbyist and writer, about his recently published book, "To Strike At A King," which digs into the McCarthy era as it impacted upon a Michigan family, and an evening with photographer **Doug Elbinger** to kickoff a pictorial celebration of Michigan's politics in the last quarter century. **Kevin Kelly** and **Sharman Moore** are helping with these events.

From the Editor's Desk:

The passing political scene



Several years ago, I was enjoying a business dinner in Dayton, Ohio, when someone at an adjoining table declared, "The trouble with history is too much of it has already happened."

I looked quickly to see if **Yogi Berra** was in the dining room. He wasn't, and I'll never know who left that observation with me. Inane at first blush, I've decided to repeat it here mainly to consider its incorrectness.

Those of us who enjoy political history know that if we stick around long enough, we'll see issues and conflicts of the past resurface, even more than once. Sometimes only the personalities involved change. A good example is the current debate over direction of the state's transportation hierarchy and whether it should be elective or appointive.

That issue was a major battle in the 1961-62 constitutional convention and nearly prevented the constitution's ratification in 1963.

The winning student essay, "Three cents for the Governor," (cover story) deals with Governor **William Comstock**, who pushed through an unpopular tax because the survival of essential state services required it.

Another article page 4 discusses the dedications of state buildings honoring former Governors **Soapy Williams** and **George Romney**, two outstanding public leaders who faced head-on issues still alive today — human rights, bigotry, volunteerism, public needs, etc., etc. — without relying upon public attitude polls.

This is all part of Michigan's rich and sometimes recurring political history. It's what draws many of us

together to honor these individuals and **Phil Hart** and **Tom Downs** and all that they have represented over the decades.

That's why I belong to the MPHS, serve on its board, and now edit this newsletter which we hope to publish every four months or so. I've taken over for **Mary Anne Ford**, who is now pursuing a graduate degree at The University of Michigan in addition to her duties at the Michigan State Medical Society. We are indebted to her for all of her contributions to our first newsletters.

We welcome *your* comments and *your* contributions. Give me a call at 517-663-5165 or write me at 509 Osborn, Eaton Rapids, 48827. With your help, this should be lots of fun.

— *Chuck Harmon*

Capital marks 150th birthday

By State Senator John J.H. Schwarz



1997 marks Lansing's 150th Anniversary as Michigan's State Capital. To celebrate this milestone, the Lansing Capital Sesquicentennial Commission, with members appointed by Governor **John Engler** and Lansing Mayor **David Hollister**, have planned a gala year of celebration.

On March 16, 1847, Governor **William L. Greenly** signed into law legislation to move Michigan's capital from Detroit to Lansing. Described at the time as a "howling wilderness," the task that faced state officials in moving state records to Lansing and building a temporary capitol was tremendous.

The Sesquicentennial kick-off ceremony took place at the Michigan Historical Museum on March 18 with a reenactment of the 1847 signing. The original signing of this legislation in 1847 caused quite a bit of anger as the

choice of Lansing, known at that time as "Michigan, Michigan," seemed to be very unlikely and rather unpopular with many. A mad race began to the newly designated capital city as land developers, pioneers, government agents, and others began to stake their claims and begin building. By January 1848, a capital city—along with the first capitol building—had been raised, ready to be used as the new legislative session began.

Throughout 1997, other events will be held, including a Birthday Party for Lansing on the Capitol Lawn; a History Mystery Tour (September 12-14); a FestEve 1847 New Year's Party with period dancing, music, and fireworks (December 31); and many others. On January 14, 1998, the 150th year of legislative sessions in Lansing will be celebrated in the Capitol Rotunda. For more information call 517-373-3447.

Find vast resources at the Michigan Historical Center

By Glen L. Bachelder

Editors' note: MPHS member Glen L. Bachelder shares this tour of the treasures of the Michigan Historical Center in Lansing. During the 1960s, Bachelder was an aide to governors Romney and Milliken. A retired state executive, he now pursues his interests in genealogy and history.

One of the treasures of Lansing is the **Michigan Historical Center** west of the Capitol. Officially opened in 1989, it replaced the inadequate and scattered headquarters previously occupied by the Library of Michigan, Michigan Historical Center, Michigan Historical Museum, and the State Archives of Michigan. It features 93-foot-high atrium windows and a 55-foot-tall live Michigan white pine tree in its central courtyard. The Center contains three separate public entities, each of certain importance to Michigan political history buffs.

The **Library of Michigan**, once part of the Department of Education, now reports to the Michigan Legislature. The library's Michigan collection, on the second floor, north, contains published memoirs and biographies of many of the state's past leaders. The library catalog is accessed by computer terminals throughout the facility. The catalog is also accessible via ANSWER, the Library of Michigan on-line system. The Lansing area access number is 517-353-3500; at the host prompt, enter the telnet address of: "libofmich.lib.mich.us." For the list of outstate access numbers or other inquiries, call (517) 373-4466 or e-mail to: "empalmer@libofmich.lib.mi.us." The Documents Section, second floor, southeast, has departmental

publications, including statistical materials which are the grist of the historians' mills. (The library is open 9 a.m. to 6 p.m. weekdays, 9 a.m. to 5 p.m. Saturday, 1 p.m. to 5 p.m. Sunday.)

The **Department of State** has, in its portion, the Museum of Michigan History with a permanent collection showcasing vital aspects of the state's past. On the ground floor is a rotating display which has featured, for example, our maritime heritage, transportation modes, and first ladies' inaugural ball gowns. Museum hours are 9 a.m. to 4:30 p.m. weekdays, 10 a.m. to 4 p.m. Saturday, 1 pm to 5 p.m. Sunday. The complex also houses offices of the Historical Commission, the Great Seal of Michigan, publications (including Michigan History Magazine), historical preservation, and archeology.

The mother lode of material for political historians is the **State Archives of Michigan**, part of the **Bureau of Michigan History, Department of State**. The archives can be accessed by the public on the second floor of the northeast portion of the complex. Established in 1913, the archives are the depository of official acts and historic materials of state and local government. This now encompasses 80 million documents, 330,000 photographs, and 500,000 maps and drawings. Documents include agency files, executive acts, field notebooks, reports, manuscripts, and correspondence.

There is an indistinct line between records management and archives. One person's dross may be another's bonanza. Mountains of state records are stored, reviewed,

culled, and sometimes destroyed. Those which are deemed significant and valuable are accessed into the archives.

On May 19, 1996, Chief Justice **James H. Brickley**, on behalf of the state judicial branch, turned over to the state archives the records of the **Michigan Supreme Court** from 1855 to 1964, adding significantly to the stature and holdings of the archives.

Of major importance to political historians is the distinction between official and personal correspondence. Many state leaders have chosen to donate their personal files to hometown or university and college libraries and archives such as the Bentley Library at the University of Michigan. But some state officers and legislators have chosen to donate their personal files and papers to the State Archives of Michigan.

The official papers of several governors since Woodbridge Ferris are maintained there.

Gubernatorial observers may be interested in Records Group RG 83-1, Lot 126, which contains a transcript of a panel interview in conjunction with Historical Commission Day, 1981, involving governors **VanWagoner**, **Swainson**, **Williams**, and Romney.

While the state archives generally limits its attention to various kinds of documents, its photograph collection includes 20,000 biographical pictures, and the map collection is among the largest in the state.

Michigan is very fortunate to have distinguished library, museum, historical, and archive programs and especially to have one of the nation's finest centers to house them.

Looking back at Michigan political history

25 years ago

It was 1972, and **William G. Milliken** was midway through his first full term as Governor of Michigan. But another governor, **George Wallace** of Alabama, would turn Michigan politics on its ear. On May 16, riding the busing issue throughout the state, Wallace scored an overwhelming Democratic presidential primary upset victory here, garnering over 809,000 votes to 426,000 for **George McGovern** and some 250,000 for **Hubert Humphrey**. Incumbent President **Richard Nixon** would eventually sweep McGovern in the November election and help U.S. Senator **Robert Griffin** win reelection over **Frank Kelley**. Yes, the Eternal General did lose an election.

50 years ago

It was 1947, and **Kim (Kimber Cornelious) Sigler** had begun what was to be a brief stay in the Governor's office. He had ridden his fame as a grand jury prosecutor from Hastings to Lansing, one of the most colorful of Michigan's politicians. But in its 158-day, 1947 regular session, the GOP-controlled Legislature made it clear it had not accepted the fellow Republican as its leader. In his 1953 obituary of Sigler, Detroit News political writer **Will Muller** said that "political malcontents, factional leaders, lobbyists who he had attacked, supporters of the old regime, fought his every proposal." One of his 1947 actions, against the advice of counselors, was the appointment to the State Liquor Control Commission of **G. Mennen Williams**, who would beat him in 1948.

75 years ago

It was 1922, and Republican **Alex J. Groesbeck** was finishing the first of three terms as governor. He had already turned a state budget deficit situation into a surplus and gained creation of the State Administrative Board. He had also begun a massive road, state office, and hospital building program. "Michigan government became big business...when Groesbeck was inaugurated governor," wrote one political observer. But again the political attention was elsewhere. Republican U.S. Senator **Truman Newberry** had been elected in 1918 but had not taken office until 1922 as a result of a conviction (later overturned) for corrupt campaign practices. He would resign in November, and Groesbeck would name onetime Ford magnate **James Couzens** to his seat.

100 years ago

It was 1897, and Republican **Hazen S. Pingree** had begun the first of two terms as governor. He had spent several years as a "reform" mayor of Detroit and had faced many challenges in his life, including internment in a Confederate prison during the Civil War, but, according to his biographer, **Melvin Holli**, his gubernatorial tenure would be "the most trying years of his life." Pingree would launch, in May 1897, an effort to compel the state's railroads to pay a fair tax on their properties. The effort would consume both of his terms and culminate in a constitutional amendment in 1900.

— C. Harmon

Video library expands



The MPHS-sponsored project of capturing Michigan's political history on videotape expanded recently with the addition of an interview with former U.S. Senator **Robert Griffin**.

Griffin was a Republican member of the United States Senate in 1966-78 and also served in the U.S. House and on the Michigan Supreme Court. He was interviewed by **Dennis**

Cawthorne, Lansing-based attorney/lobbyist and a former GOP leader of the State House.

Other completed videotaped oral histories on hand include those with **Irving Bluestone**, **Tom Downs**, **Doug Fraser**, **Adelaide Hart**, **Elly Peterson**, and **Mildred Jeffrey**.

Also on hand are tapings of various MPHS-sponsored events.

All of the videotaped histories are available at the State of Michigan Library. Tapes and transcripts can be borrowed by calling 517-336-5742.

The cost of completing a videotaped oral history ranges from \$700 to \$1500, depending on the interview's location. We urge MPHS members and friends to consider sponsoring or contributing to future tapings.

Annual member meeting held

The annual membership meeting of the Michigan Political History Society was held on May 29. President **Sharman Moore** provided an overview of the major events of 1996, including:

A presentation by Professor **David Lewis**, University of Michigan, on March 20, on the political impact of **Henry Ford**.

A book-signing event (*Philip Hart: The Conscience of the Senate*) in Washington, D.C., last June, cosponsored with Michigan State University.

A "Toast and Tribute" to Tom Downs on November 12.

Completion of a videotape of former U.S. Senator Robert Griffin.

Officers were elected for 1997-98—Sharman Moore as president, **Robert LaBrant** as vice president, and **Peter Kuhnmuensch** as secretary-treasurer. The members unanimously voted to officially recognize the contributions of **Mark Murray** and **Kevin Kelly**, who stepped down as vice president and secretary-treasurer, respectively.

Mary Brown, former state representative, was elected to the Board of Directors, replacing **Mary Anne Ford**. The members voted to recognize Mary Anne's contributions as newsletter editor and board member. Board members reelected to three-year terms were Kevin Kelly, Sharman Moore, Robert LaBrant, Mark Murray, Sen. **John J.H. Schwarz**, and **Charles Harmon**.

Members were informed that Charles Harmon has agreed to serve as the new editor of MPHS News.

Events to be pursued in 1997 and early 1998 were discussed and are covered elsewhere in this newsletter.

Sharman Moore injured

By C. Harmon

MPHS President **Sharman Moore** was badly injured on May 12 when she stepped out of a car and into a pothole near her office in downtown Lansing.

The result was a broken left ankle, broken right foot, and other injuries. Progressing from a wheelchair to a walker, with lots of therapy, she is back to work parttime.

Her many friends are thankful that Sharman's pothole woes are not permanent.



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