

The History and Future of Detroit

Public Policy 626

Fall, 2015



Model T Ford, 1926

Instructor:

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Speramus meliora, resurgit cineribus (We hope for better things. It arises from ashes)

MOTTO OF THE CITY OF DETROIT

Two individuals played key roles in founding the University of Michigan: Federal Judge Augustus Woodward and Father Gabriel Richard. Father Richard uttered these words after winds in June, 1805 fanned the unattended fires of baker John Harvey, leading to a conflagration that destroyed the entire village of Detroit.

SYLLABUS

(Updated July 29, 2015)

IMPORTANT NOTES

- Classroom meetings will be held in Room 1230 of the Weill Hall Building of the Gerald R. Ford School of Public Policy on Tuesdays and Thursday mornings: September 29 and October 1 and then the next week on Tuesday morning October 6 Thursday morning October 8. Each class will meet from 8:30 to 10AM
- There are only five meetings of this one-credit course. It is necessary to attend all five meetings to receive credit for the course.



- The Saturday, October 3 bus tour of Detroit will depart from the State Street side of the Ford School Building at 9:00 AM promptly. We will return by 5 PM. We will travel in a restroom-equipped comfortable bus. Doughnuts will be available at 8:45 AM, but you need to bring your own coffee or juice on Saturday morning. We will stop briefly for lunch in Detroit's Mexican Village.

“There are cities that get by on their good looks, offer climate and scenery, views of mountains or oceans, rockbound or with palm trees; and there are cities like Detroit that have to work for a living, whose reason for being might be geographical but whose growth is based on industry, jobs. Detroit has its natural attractions: lakes all over the place, an abundance of trees and four distinct seasons for those who like variety in their weather, everything but hurricanes and earth-quakes. But it's never been the kind of city people visit and fall in love with because of its charm or think, gee, wouldn't this be a nice place to live.”

(Elmore Leonard)

Aims of this Course about Detroit:

- To briefly examine the economic, demographic and social trends that contributed to the growth and then the decline of Detroit.
- To link changes in Detroit to the large scale social and economic shifts that shaped this country.
- To provide a perspective about the bankruptcy of Detroit and the many efforts now underway to develop a more prosperous and less racially polarized city.
- To raise questions about the future of cities that prospered greatly during an industrial era when manufacturing changes and employment in that sector plummeted.

WHAT DO YOU MEAN BY DETROIT?

When you hear the word **Detroit** or see it in a headline, what does it mean to you?

- Do you think of the frequently successful athletic teams that represent the city?
- Does it suggest to you the motor vehicle industry?
- Do you think of historically important figures born in Detroit or who lived there for long spans, including Henry Ford, Ty Cobb, Walter Reuther, Joe Louis, Rosa Parks and Barry Gordy?
- Does it mean the 139 square miles with their 684,000 residents that make up the legal entity that entered bankruptcy in 2013 and exited from bankruptcy in 2014?
- What about the 180,000 or so persons who live outside Detroit in places such as Ann Arbor, but are employed in the city of Detroit?
- And then there are business people, investors and philanthropists who are very concerned about what



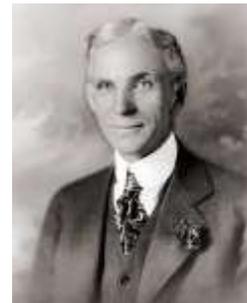
happens in the city of Detroit but may live elsewhere.

- Or when Detroit is mentioned, do you think of the three-county or six-county metropolitan area that occupies much of southeast Michigan?
- This course will focus upon the city of Detroit. But that city is closely linked to a much larger metropolis and is governed by the state of Michigan. What happens in the city of Detroit has great implications for the area and for Michigan but the city operates subject to state laws and regulations. The city's population in 2014 made up about 16 percent of the population of the six-county Detroit metropolitan area which has 4.3 million residents. The Census Bureau also defines a Detroit region that encompasses southeast Michigan, including Ann Arbor and Flint. That Detroit metropolitan region currently has a population of 5.2 million.

Detroit: The Most Important City in the Twentieth Century

No city was more important in the Twentieth century than Detroit.

- The automobile was not invented in Detroit. By the 1890s, the French were producing modest numbers of reliable, expensive vehicles designed for prosperous individuals. But the mass production of a dependable moderately-priced vehicle—one within the price range of farmers and factory workers—was perfected in Detroit in the first two decades of the last century, thanks to Henry Ford, Henry Leland and many others. No single technological development of the Twentieth Century had a greater impact upon how humans live their lives. The mass production of affordable cars changed where people lived, where they shopped, how often they visited their friends and relatives, where they took vacations and how young people courted.



HENRY FORD

- Currently there is much discussion of changes in the income distribution; that is, a greater concentration of income going to the rich with a decreasing share going to the middle class and the poor. There is nothing automatic about the distribution of income. People make decisions. Policies are influential. Detroit was the center for the development of the financially secure blue-collar middle class. Vehicle manufacturers paid high wages to get men to work at difficult and often dangerous jobs assembling cars. After Congress passed the Wagner Act in 1935, managements were obligated to bargain with unions. Following years of bitter labor management conflict, the United Auto Workers and the three largest auto producers



WALTER REUTHER

signed the “Treaty of Detroit” in 1950 providing workers with many of the benefits associated with the Scandinavian democracies: wages indexed for inflation, health care for a worker and his/her family, generous vacations, beneficial pensions and supplemental unemployment insurance. This served as a model for workers in many manufacturing industries and in governmental employment.

- A generally liberal political coalition governed the United States for most years from the election of President Roosevelt in 1932 until the nation's voters selected President Reagan in 1980. Congress enacted numerous laws benefitting the working class, creating Social Security, providing health care for the elderly, support for schools and universities and generous programs designed to aid both city residents and farmers. Late in that span, the liberal coalition endorsed civil rights for minorities, for women and for those with physical limitations. For the most part, members of industrial unions very strongly supported the Democratic Party and the policies their representative enacted in Congress. Indeed, for much of post-World War II era, the United Auto Workers and other industrial unions were the biggest financial supporters of the Democratic Party and their candidates for president.



ROSIE THE RIVETER

- The ingenuity of Detroit's engineers and the strong backs and arms of one-half million defense workers made the city the true Arsenal of Democracy in World War II. Arms manufactured in Detroit allowed the British to hold off the Germans at the start of that conflict and then permitted the United States to fight and quickly

defeat enemies in two distant theaters. Detroit was the manufacturing colossus that made a great contribution to the Allies rather prompt and simultaneous defeat of potent enemies in both Europe and Asia.



- Detroit does not differ from other Eastern and Midwest cities in facilitating European immigrants. Germany, Canada and Eastern European nations were the typical origins of immigrants coming to Detroit. But no city in the United States experienced more racial conflict than Detroit. It is the only city in which the federal military has been sent to the streets four times to prevent blacks and whites from killing each other. Troops were deployed in Detroit twice

in the 19th Century—in 1833 and 1863—and twice in the 20th Century—in 1943 and 1967. Black-white conflict, I believe, was played out more vividly and persistently in Detroit than in any other United States city.

- Only New York and Chicago have more extensive arrays of architecturally significant buildings and public sculptures than Detroit. Because of a favorable concatenation of wealth, engineering skills, entrepreneurship and a great interest in architecture from the 1890s—when skyscrapers were first designed in Chicago—to 1929 when the Depression terminated construction; many of the nation's most attractive buildings were erected in Detroit. There is a marvelous array of public art throughout the city, a city that now contains 140 public parks.



GUARDIAN BUILDING BANK LOBBY

The City of Detroit—The Bankruptcy of 2013 and the Future

In 1950 Detroit was, arguably, the most prosperous city in the nation. Thanks to the automobile industry, men in Detroit had higher earnings than those of men in all other large cities. But that prosperity did not last. After 1950s, there was a tremendous suburbanization of population, of manufacturing employment, of wholesaling and of retail trade. The city's population and tax base persistently got smaller. The economic recession that began in 2008 accelerated the city's decline.

In March of 2013, Governor Snyder—acting in accord with a law hastily enacted by the legislature in the final week of 2012—determined that the city government of Detroit would soon run out of money to pay its bills. He appointed a University of Michigan graduate, Kevyn Orr, who is a bankruptcy attorney, to administer all financial aspects of the city's government. Mayor Bing and the City Council lost their ability to make any substantial decisions. Orr examined the books, decided the city was insolvent and, in July, 2013 sought federal court bankruptcy protection. In September, 2013, Federal Court Bankruptcy Court Judge Steven Rhodes approved the city's request for bankruptcy. The bankruptcy process required that the debtor—the city government of Detroit—negotiate with its creditors. Kevyn Orr proposed many such settlements. In



KEVYN ORR

September, 2014 a bankruptcy trial began in which debtors who felt they were poorly treated tried to get Bankruptcy Judge Rhodes to alter the settlements proposed by Emergency Manager Orr. Judge Rhodes approved most of the settlements, freeing the city of almost seven billion dollars in obligations. In addition, the bankruptcy process reserved about \$1.3 billion for investments in the city's infrastructure and blight removal in the next decade. The bankruptcy came to an end in December, 2014. Kevyn Orr completed his job as Emergency Manager and governance of the city was returned to Mayor Duggan and the elected City Council. However, a state appointed panel will closely monitor or control the city's spending and borrowing.

DETROIT: THE FUTURE

Large cities do not disappear. But they change greatly, especially when their economic base contracts. Many European urban observers and theorists came to Detroit in recent years. They took pictures of abandoned factories, dilapidated homes and empty blocks that have reverted to unkempt fields. Then they described Detroit as the poster child for post-industrial cities and blamed the American system of capitalism for the tragic sites they photographed for their coffee table books. Detroit was—and may still be—the most negatively stereotyped city in the United States.

Despite the tremendous loss of population, jobs and commercial activity, Detroit, remains the heart of the nation's thirteenth largest metropolis. And it is the 18th largest city in the country. Those who spend time in Detroit will learn



INDIAN VILLAGE NEIGHBORHOOD

that there are more than a dozen attractive neighborhoods that either never fell into decline or have been renovated recently. They learn that private employers have invested substantial funds into industrial plants and that medical sector employment is growing and will likely continue to increase as the state's population rapidly ages. The Ilitch family and their collaborators are constructing a \$650 million urban village/entertainment complex on Woodward that will include a new arena for the Detroit Red Wings. Dan Gilbert and his colleagues at Quicken Loans have taken control of more than 60 downtown buildings in hopes of creating a high tech center there. Those who visit Detroit will see that the attractive riverfront north of the Renaissance Center is being developed and that many new condos are coming onto the market every year in downtown and along the corridors that Judge Woodward laid out in 1805.

Private developers and non-profits are using their own resources and a variety of tax abatements to rehabilitate old buildings and construct new ones. Private foundations are investing in the city's educational and social service systems.

Young entrepreneurs are creating an array of new businesses in Detroit's Techtown, at the Green Garage, The Pony Ride and other locations, such as the Russell Industrial Complex. Detroit's elected leaders, much more so than in the past, may now be willing to consider the substantial changes that must be made if Detroit is to become known as a city that lives up to its utopian motto about rising from the ashes. They are challenged, however, by severe financial problems that we will discuss. There are optimists—many of them young people and entrepreneurs—who see great opportunities in Detroit. Land and property are inexpensive. The vehicle industry is presently thriving and recruiting many information technology experts. Perhaps, after Detroit gets through the current bankruptcy, a new and different city will arise from the ashes just as Father Gabriel Richard hoped in 1805.

Detroit is an interesting and exciting place but there are immense challenges. The resident population is not highly educated and few current residents may qualify for the IT and STEM jobs that are becoming available. The stock of housing is poor with about one-third of the home so blighted that they should be razed. And while overt racial conflict has been muted in recent years, black-white economic gaps have gotten much larger. This course will describe many of these issues. Because this is a short, one-credit course, we will move rapidly and may not give much attention to many important issues. If there are topics that you wish to make sure we discuss, please send me a message at: renf@umich.edu.



THE PONY RIDE BUILDING
1401 VERMONT AT PORTER IN THE CORKTOWN
NEIGHBORHOOD OF DETROIT



GREEN GARAGE
4444 SECOND AVENUE

FORMAT FOR THE CLASS AND READING ASSIGNMENT

- There is one book to be read for this class: Revolution Detroit: Strategies for Urban Reinvention by John Gallagher (Detroit: Wayne State University Press, 2013). I have asked the Barnes and Noble bookstore in the Michigan Union to order copies. However, you may be able to locate a lower priced copy from one of the on-line booksellers. It is also available as a Nook Book. Please read this book before the first class meeting on Tuesday, September 29. There are brief reading assignments for the four other classes. These are listed in this syllabus and all of them are available on the C Tools site for this course.
- In each of the four classroom meetings, there will be a presentation at the start. Some time will be devoted to describing concepts, measures, legal decisions and other matters that have or will influence Detroit. There will be time for discussion of these issues with an emphasis upon how the city of Detroit and the metropolis are changing. In each class, there will be time for you to ask questions. ***Please do so.***
- There will be a day-long bus tour of Detroit on Saturday October 3 with a stop in Mexican Village for lunch. There will be several opportunities to take short walks or to take pictures of sites if you wish. Let's hope it is sunny and warm. The cost of the lunch is not included. If you wish to bring a sandwich, please do so. If there are places you think we should certainly visit in Detroit, please suggest them to me: renf@umich.edu.

REQUIREMENTS

- Attendance at **all five** meetings of the class
- Completion of reading assignments
- Participation in discussions, as appropriate

HOW YOUR GRADE IS DETERMINED:

- In one of the first two classroom meetings, there will be a very brief quiz keyed to chapters of John Gallagher book that was assigned. This will count for 20 percent of your grade.
- Quite likely, I will ask you to write a very brief essay about issues or questions that arise from our Saturday tour of Detroit. This assignment will require about four carefully written paragraphs. It may be submitted on line. The deadline will likely be Thursday October 8. It will count for 20 percent of your final grade.
- You will need to write an "Op-ed" style essay about issues pertinent to the city of Detroit; that is, issues discussed in class or in your readings or topics that arise from our tour. This essay should be no longer than 800 words and should be submitted electronically no later than one week after the date of our last classroom session. It should be sent to renf@umich.edu or posted in the drop box on the C Tools site by Thursday October 15. If you wish to propose an alternative to the Op-ed essay such as adding a webpage to the www.Detroit1701.com site or preparing a CD of Detroit oriented music, please check with me. Or, if you wish, you could submit a short YouTube video of sites in Detroit that meaningful to you.

CLASS MEETINGS AND READING ASSIGNMENTS

- **FIRST CLASS MEETING: TUESDAY SEPTEMBER 29, 2015; 1230 WEILL; 8:30 TO 10 AM**

TOPIC: *The History of Detroit and Its Importance for the Twentieth Century*

Reading assignment: John Gallagher, *Revolution Detroit: Strategies for Urban Reinvention* (Detroit: Wayne State University Press, 2013).

- **SECOND CLASS MEETING: THURSDAY OCTOBER 1, 2015; 1230 WEILL; 8:30 AM TO 10 AM**

TOPIC: *Detroit in Bankruptcy: Did It Have to Turn Out this Way*



HOME OF OSSIAN SWEET

READINGS FOR THIS CLASS (AVAILABLE ON C TOOLS SITE)

KEVIN BOYLE (U OF M GRADUATE) *Arc of Justice: A Saga of Race, Civil Rights, and Murder in the Jazz Age* (New York: Henry Holt and Co. 2004)

PROLOGUE: "America: 1925", Pages 1 to 12

CHAPTER 1: "Where Death Waits", Pages 13 to 43

- **THIRD MEETING: SATURDAY, OCTOBER 3, 2015; BUS TOUR OF DETROIT: 9:00 AM TO 5 PM**

*This tour will depart **promptly at 9 AM** from the State Street side of the Gerald Ford School of Public Policy Building. We will return at 5 PM.*

READINGS FOR THIS CLASS (AVAILABLE ON THE C-TOOLS SITE)

George Galster, *Driving Detroit: The Question for Respect in the Motor City* (Philadelphia: University of Chicago Press, 2012)

Chapter 1. "Sculpting Detroit: Polity and Economy Trump Geology"

Also, Please watch the four minute video "Video about restoring buildings in Detroit" which is in the Videos about Detroit folder in the Resources section of C Tools.



- **FOURTH CLASS MEETING: TUESDAY OCTOBER 6, 2015; 8:30 AM TO 10 AM**

TOPIC: *The Demographic and Economic Trends Shaping the City of Detroit, the Metropolis and the State of Michigan*

READINGS FOR THIS CLASS (AVAILABLE ON THE COURSE TOOLS SITE)

EDWARD GLAESER, *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier* (New York: Penguin Press, 2011)

CHAPTER 2. "Why Do Cities Decline?" Pages 41 to 68

- **FIFTH AND FINAL CLASS MEETING: THURSDAY OCTOBER 8, 2015: 8:30 TO 10 AM**

TOPIC: *Detroit's Future: What will the City Look Like and who will Live There in Twenty Years.*

READINGS FOR THIS CLASS (AVAILABLE ON THE C TOOLS SITE)

Joe T. Darden and Richard W. Thomas, Detroit, Race Riots, Racial Conflicts, and Efforts to Bridge the Racial Divide (East Lansing: Michigan State University Press, 2013)
Chapter 13. "Alternative Future for Residents of Detroit," Pages 297 to 317.

U. S. Department of Housing and Urban Development "Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation. (December 15, 2011).

NOTE: *I maintain a website about the history and future of Detroit:*

www.Detroit1701.org

The pictures on this syllabus are taken from that website where you will find much more information about these and many other sites in and near Detroit.

If you have any questions about this course or this syllabus, please send a message to:

Ren Farley at renf@umich.edu

STUDENTS WITH DISABILITIES If you believe you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course may be modified to facilitate your participation and progress. As soon as you make us aware of your needs, I can work with the Office of Services for Students with Disabilities to help us determine appropriate accommodations. I will treat any information you provide as private and confidential.



RUSSELL ALGER MEMORIAL FOUNTAIN