

# ABSTRACT

## EMPLOYMENT IN MICHIGAN'S STATE GOVERNMENT: A GEOGRAPHIC ANALYSIS

by Gary L. Thompson

One significant industry, government, has rarely been considered in the perspective of economic geography. This study attempts to explain the geographic distribution of state government employment in Michigan. An initial proposition is that the locational orientation of government as an industry is affected by many of the same factors which explain the locational pattern of economic activities in the private sector of the economy. Determining these factors, plus others unique to government, and using them to account for the spatial variation of state employment is a primary objective.

The geographic distribution of state employment in Michigan tends to be unevenly clustered, making government an industry of considerable importance in local economies where concentrations occur. Measuring the magnitude and intensity of state employment in local areas is another objective.

Viewed as a single monolithic industry, Michigan's state government is too complex for locational analysis. The government has been conceptualized as a vast collection of individual establishments, which vary in size according to numbers of employees. This collection

of establishments has been grouped in accordance with the Standard Industrial Classification system into two large categories. Primary governmental establishments are those with decision-making or enforcement functions, such as Courts, State Police Posts, National Guard Armories, and prisons, All primary establishments are uniquely governmental and similar types cannot be found in the private sector. Other types of government establishments, such as schools, retail stores, manufacturing plants, parks, and hospitals, are similar in function to private enterprise operations and are classed as socialized industries.

Establishments, both primary and socialized, have been further grouped into functionally similar classes in accordance with the Standard Industrial Classification system. By investigating each class separately, it has been possible to examine the spatial behavior of state establishments having similar functions and to ascertain the locational factors pertinent to each group. Central functions of the various types of state establishments are examined in order to explain the patterns of spatial distribution, and locational factors have been identified for each group. Data collection was done primarily by computer compilation of personnel records of the Michigan Civil Service Department and by personal interview.

Those factors which are of greatest consequence in explaining the location of state establishments include: (1) orientation to demand; (2) scale economies; (3) land-use intensity; (4) variation in the resource

base and the physical environment; and (5) political decisions. The locations of many large state establishments were selected in the face of political maneuvering. A historical perspective on the political environment at the time of the decision is necessary to understand many specific locations.

In addition to numerous small agglomerations, three major clusters of state employment can be identified in Lansing, Ann Arbor, and Detroit. Intensity of state employment, derived by relating the number of state workers to the size of local labor forces, indicates, however, that Detroit is of slight consequence as a state employment center, but that many areas, including northern sections of the state, depend heavily on state government as a basic industry.

Despite its complexity, the infrastructure of Michigan's government has been simplified through systematic classification and examined with respect to spatial relationships. The approach utilized could perhaps prove valuable in future treatment of government as an industry.

# EMPLOYMENT IN MICHIGAN'S STATE GOVERNMENT:

# A GEOGRAPHIC ANALYSIS

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To Joanne,

who also traveled
the entire journey

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# EMPLOYMENT IN MICHIGAN'S STATE GOVERNMENT: A GEOGRAPHIC ANALYSIS

## CHAPTER I

## INTRODUCTION

In its ability to stimulate curiosity and arouse intellectual interest, few human endeavors are surpassed by government. Perhaps no human institution has been examined from such a variety of perspectives. Studies of government range from the heights of abstract theory to the depths of subjective polemic, and the shelves of most libraries exhibit the entire gamut.

Few efforts, however, have focused specifically on the problem of government as an industry or sector of the economy. The economic significance of government as an industry has long been a tacit assumption but rarely a subject thoroughly investigated.

Economic geographers have often tended in their analyses of spatial variation to gloss over or ignore government, thus omitting one of the world's most dynamic and rapidly developing industries. Within the framework of areal investigation, government has been relegated to political geographers who, by the nature of their interests, have been

hesitant to conceptualize it in economic terms.

## An Economic Geography of Government

This study represents an examination of certain aspects of the state government of Michigan from the basic perspective of economic geography. The central problem, as in economic geography in general, is to develop hypotheses which adequately explain the location of economic activity. Specifically, the distributional patterns of governmental employment will be examined and the observed spatial variation will be accounted for through the use of explaining variables. Variation in the economic impact of government from place to place is closely related to the distributional patterns of government employment. Measuring the magnitude of this economic impact in local areas is a primary objective of this study. It should be added that while this investigation is primarily an economic geography of an industry, any effort which ignored the inherent political characteristics of government would lack an essential dimension.

More specifically, can such a complex, amorphous industry as government be dissected in a manner that clearly shows its functioning components in a spatial setting? What locational factors influence the areal patterns of employment in Michigan's state government? Are there significant regional variations in employment?

Answering these general problems with respect to the state

government of Michigan is the principal objective of this study. For a variety of reasons, a state government appears to be a rational choice for a study of this scope. First, in comparison to higher and lower levels of government, it is probably the least understood by the citizenry. During recent years, the role of the Federal government has been so emphasized that citizens tend to be ignorant of their state government and the services it performs.[1] Much of this ignorance apparently stems not only from a lack of media emphasis but also from a lack of academic investigation. Second, the state level exhibits a complexity illustrative of modern government but still within the capabilities of a relatively limited research effort. National government in its magnitude is beyond this capability. And third, the state government operates nearly free of "security" restrictions; in fact, state records are for the most part considered to be public documents.

Political geographers have adopted the nation-state as a unit of study.[2] Such a unit is, however, unsuited to an analysis of a governmental infrastructure from an economic point of view. More appropriate for economic purposes is the industrial establishment. This fundamental unit, quantified in terms of employment, will be the principal target of locational analysis.

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[1]William B. Munro, The Government of the United States (5th ed.; New York: The MacMillan Company, 1946), p. 590.

[2]Norman J. G. Pounds, Political Geography (New York: McGraw-Hill Book Company, Inc., 1963), p. 18.

## The Nature of Government

Most citizens in modern national states feel competent to discuss the purpose and functioning of any level of government. As a topic of conversation, the intense interest evoked by government suggests an immediacy somewhat similar to weather in the lives of the citizenry. This compulsive interest is often expressed in terms of oversimplified cliches on the part of the laymen. As William Munro succinctly stated, "If the problems of government were as simple as most citizens seem to think they are, we should have found solutions for them a long time ago."[3]

If government deserves consideration as a distinct category of industry, it must be due to the presence of certain unique attributes. Perhaps the most basic characteristic of government is its monopoly of power. Aristotle defined a source of power as an entity "at whose will that which is moved is moved, and that which changes, changes," then listed as illustrations of seats of power "magistrates for cities, oligarchs, monarchs, and tyrants."[4] As Rienow puts it, "The political state or community possesses arbitrary power exceeding that of every other human institution. Indeed it is the only authority that can deprive

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[3]Munro,, Government, p. 8.

[4]Peter H. Odegard, Political Power and Social Change (New Brunswick, New Jersey: Rutgers University Press, 1966), p. 74.

any person of life, liberty, or property."[5] Or, as stated by Odegard, government as a public power system "claims jurisdiction over all persons who reside in a given territory. No one residing in the territory of a public government can escape its jurisdiction. Only public governments can legitimately use physical coercion to enforce their decisions."[6] With this authority to make unquestioned decisions comes the ability to establish a social framework within which groups and individuals can live and work together peaceably. "Without government," as Hobbes wrote long ago, "the life of man would be solitary, poor, hasty, brutish, and short."[7]

Power with reference to nation states is seen in two forms by the political geographer--internal, which is dependent on the political structure of the state, and external, which allows a government to make and implement decisions outside its sovereign boundaries.[8] Internal power has been viewed by some political geographers as essentially non-geographical in nature.[9] However, the governmental establishments used to implement internal power do vary and

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[5]Robert Rienow as quoted in Willis D. Swartz, American Governmental Problems (Princeton: D. Van Nostrand Co., 1957), p. 3.

[6]Odegard, Political Power, pp. 82-83.

[7]James M. Burns and Jack W. Peltason, Government by the People (5th ed.; Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1957), p. 7.

[8]Pounds, Political Geography, p. 17.

[9]Ibid.

interact in space and are thus prime subjects for geographic investigation.

If other classes of industry may be grouped by what they produce, then government can be seen as a producer of supreme decisions.[10] Inherent also in the nature of government is the ability to enforce decisions once they are made. "Without the ability to enforce decisions we cannot speak of power or for that matter of government, for government is simply the making and enforcing of decisions concerning certain kinds of behavior."[11] The ability to make supreme decisions within the spatial limits of sovereignty may then be seen as a basic characteristic of government. Decision-making, an ability unique to government and distinguishing it from other industries, may be termed the most central of all governmental functions.

Maintaining this prerogative of power in complex social circumstances has led to an expansion of the "pure" or decision-making functions and machinery of government. With the rapid increase in number and proximity of human population, government has assumed a more powerful position in order to solve progressively more complex problems. During the past few decades social problems such as increased leisure time, crime, economic and military insecurity, ex-

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[10]C. L. Vinge and A. G. Vinge, Economic Geography (Totowa, N. J.: Littlefield, Adams and Co., 1966), p. 300.

[11]Odegard, Political Power, pp. 76-77.

tremes of wealth and poverty, and labor-management disputes have grown principally in response to the industrial revolution and urbanization. These problems, and others of similar scope, have provided the main stimuli for an enormous expansion of government powers, activities, and services. Governmental institutions with their large labor forces have increased in size and costs.[12]

In the Federal government of the United States and each of the fifty state governments, the decision-making functions, that is the pure or primary functions, of government are carried out by executive-legislative-judicial triumverate. The inability of the orthodox triumverate to make the enormous numbers of decisions required of a modern government led to the establishment of many autonomous agencies (Commissions, Boards, and Councils) which were in turn given the authority to regulate or "decide" within certain areas of human behavior.[13]

## Socialized Industries

Modern government, however, has not confined its activities to the decision-making functions. Since the days when the ancient

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[12]Willis D. Swartz, American Governmental Problems (Princeton: D. Van Nostrand Co., 1957), pp. 6-8.

[13]John M. Pfiffner and Robert V. Presthus, Public Administration (4th ed.; New York: The Ronald Press, 1960), p. 195. See also Vinge and Vinge, Economic Geography, p. 301.

Egyptian state held a monopoly on the production of wax for the preservation of mummies, government has operated establishments outside the decision-making area.[14] As R. W. Brewster says:

> There is a rapidly increasing governmental activity which renders service to the public without immediate reference to compulsion. This use of government as a means of securing individual and group advantages tends to de-emphasize the element of forcible control. To substantiate this point, we need only point to such activities as the building and maintenance of public parks and other recreational facilities, the operation of schools and colleges, the payment of veterans' benefits, the conduct of scientific research projects, the manufacture and sale of electricity, the administration of social security, and the subsidizing of airline and steamship companies.
>
> It is true that underlying these services certain powers of government are found. The need for money requires the use of the taxing power and; in certain instances, the power of eminent domain must be exercised to acquire property. This use of governmental power is secondary, however, to rendering the services themselves and is not necessarily felt by those who receive the benefits.[15]

More simply, in addition to its basic decision-making functions, government has been called on to perform a wide variety of non-governmental functions. There is nothing uniquely governmental about the operation of schools, welfare programs, parks, transit facilities, or liquor stores. All these functions, plus many others which will be examined subsequently, are also performed outside the realm of govern-

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[14]Konstantin Katzarov, The Theory of Nationalization (The Hague: Martinus Nijhoff, 1964), p. 22.

[15]R. W. Brewster, Government in Modern Society (Boston: Houghton-Mifflin Co., 1958), p. 13.

ment in the private sector of the economy. The degree of involvement in these extraneous pursuits reflects to a certain extent the political philosophy of the particular state. Political ideologies range from anarchy, or the absence of government, to the totalitarian philosophies, such as Marxism, which see the state operating almost every class of industry. All political units, then, could be arrayed on a scale showing the degree of governmental involvement in these secondary, non-decision making industries. Few of the world's governments would fall near the "pure government only" end of the scale. Most modern governments operate a broad spectrum of industrial activities. Since the end of the scale showing complete government ownership of industry may be closely identified with the political philosophy of socialism, these various government-operated enterprises may be referred to collectively as "socialized industries."[16]

Governments operate socialized industries in accordance with political philosophy. However, several pertinent economic reasons for government's entry into these areas are often stated. According to H. D. Lasswell, "Many activities have been loaded upon modern governments because of expected economies of large-scale operations."[17]

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[16]Vinge and Vinge, Economic Geography, p. 304.

[17]Harold D. Lasswell, "The Public Interest: Proposing Principles of Content and Procedure," in The Public Interest, Nomos V, ed. by Carl J. Friedrich (New York: Artherthon Press, 1962), p. 73.

Health care, in sanatoria for example, is less expensive per patient on a large-scale basis. Utilities are also subject to this economic law. A single proprietor should serve an area with water, electricity, gas, or sewage lines in order to avoid costly duplication of capital investment and thus higher rates. Since such natural monopolies must exist, the reasoning goes, the government should hold the franchise. Government has also developed a responsibility over industries such as education and highway construction where the benefits of capital investment cannot be precisely determined in dollars and cents. Revenue realized from socialized industrial establishments is often a factor in state commercial ventures. Profits from state operated stores or municipally operated water systems are often major sources of revenue. The conservation of natural resources by government grew not only from a concern over their depletion but also from immediate problems encountered in the administration of Public Domain Lands.[18]

Several cases for dividing governmental functions into two distinct classes (pure government and non-governmental) have been heard before American courts. These cases stem from one of the powers of government--immunity from liability in cases of tort. Governments in the United States have traditionally held themselves to be

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[18]Norman Wengert, "The Ideaological Basis of Conservation and Natural Resources Policies and Programs," Annals of the American Academy of Political and Social Science, Vol. 344 (Nov. 1962), pp. 65-67.

exempt from damage suits by the citizenry, unless it can be proven that the government was engaged in performing a proprietory (non-governmental) function at the time when the damage was inflicted. The term "governmental" is used interchangeably by the courts with "public, sovereign, political, state, mandatory, essential, discretionary, or legislative."[19] The term "proprietary" is often interchanged with "private, corporate, quasi-private, non-governmental, non-essential, ministerial, commercial, or permissive."[20]

Although various tests have been devised for distinguishing between governmental and proprietary functions, these apparently utilized too many criteria and thus the court rulings with reference to specific functions are not at all in unison. As Seasongood put the issue, "No satisfactory basis for solving the problem whether the activity falls into one class or another has been evolved. The rules sought to be established are as logical as those governing French irregular verbs."[21] One of the principal criteria used by the courts to distinguish between the two is the presence or absence of governmental power.[22]

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[19]John St. Francis Repko, "American Legal Commentary on the Doctrines of Municipal Tort Liability," Law and Contemporary Problems, Vol. IX, No. 2 (Spring, 1942), 214-233.

[20]Ibid.

[21]Murray Seasongood, "Municipal Corporations: Objections to the Government or Proprietary Test," Virginia Law Review, Vol. 22 (1936), 910.

[22]Edwin S. Oakes and George S. Gulick, eds., American

## Governmental Establishments

The concept of an "establishment" serves a purpose in economic geography somewhat similar to the "nation-state" in political geography. The idea of a government establishment, which will be used as the basic unit of study, is derived from the Standard Industrial Classification.[23] This system represents an effort to group individual economic units by similar activity--a viable approach which may be adopted to geographic research. A classification system must be suited to specific objectives. The idea of a "natural" classification system, even in biology, has recently been subject to intense debate.[24] An industrial classification system in its definition of industries must be neither excessively gross nor extremely elaborate.[25] "Ultimately, a classificatory system is bound by and must reflect the structure of the industries it attempts to classify. Attempts to depart from this structure are likely to lead to insoluble classificatory problems, to

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Jurisprudence (San Francisco: Bancroft-Whitney Co., 1941), Vol. 38, para. 620, p. 317.

[23]U.S. Bureau of the Budget, Standard Industrial Classification Manual (Washington: U.S. Government Printing Office, 1965).

[24]Robert H. Sokal and Peter H. A. Sneath, Principles of Numerical Taxonomy (San Francisco: W. H. Freeman and Co., 1963), pp. 11-20.

[25]U.S. Department of Commerce, Bureau of the Census, The Compilation of Manufacturing Statistics, by Frank Hanna (Washington: U.S. Government Printing Office, 1959), p. 64.

inability to obtain the required reports, or to the necessity for folding back the classification systems into much 'grosser' categories," adds Hanna.[26]

The SIC consists of ten Divisions, one of which is Government. The classificatory hierarchy proceeds from the Division down, and is broken successively into Major Groups, then Groups, and finally Industries. An Industry consists of a collection of establishments, each producing similar goods or services. The SIC Manual uses this definition of an industrial establishment: ". . . an economic unit which produces goods and services--for example, a farm, a mine, a factory, a store. In most instances the establishment is at a single location; and it is engaged in only one, or predominately one type of economic activity for which an industry code is applicable."[27]

The place of government in the classification is in congruence with the idea that pure or regular governmental functions should be classed separately from the socialized industrial establishments. The Government Division is comprised of Four Major Groups--Federal, State, Local, and International. The first two digits of the four digit industry code denote the Major Group (one of the four levels of government). The last two digits of the code indicate the specific industrial

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[26]Ibid., p. 67.

[27]U.S., Standard Industrial Classification, p. 2.

activity of the establishment. These last two digits may also indicate an establishment with "regular" government functions.

A concept important to the classification of governmental establishments is the "auxiliary unit," which is defined as a spatially separate establishment performing a function complementary to a central establishment located elsewhere.[28] For example, an auxiliary unit such as a warehouse is usually an appendage to some more specific establishment. The auxiliary unit must be classified with the superior establishment. This procedure sets a definite limit to the classification system since it would be theoretically possible to continue dismembering each establishment and classifying each functioning part. An institution might be broken into a number of separate parts such as garages, laboratories, cafeterias, warehouses, parking lots, and health-care facilities. It is much more meaningful, however, in a geographic analysis to identify and classify the functioning entity as a whole establishment--a hospital, for example.

The establishments identified in this study will be mappable entities with clearly identifiable functions. State government presents unique classification problems in that very few completely autonomous establishments exist. Most are subordinate to a central office in Lansing and in turn to one of the branches of government or a commission.

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[28] Ibid., p. 3.

In most government organizations, there are two distinct types of functions. "Overhead" functions are essentially internal housekeeping duties such as personnel and financial management, printing, and equipment maintenance, while "direct services" pertain to the "actual services rendered the public."[29] Thus an overhead function performed in close spatial proximity to the parent establishment will be recognized as an auxiliary unit. An overhead function performed at a location far removed from the parent establishment will be classified as a separate establishment.

In the classification process, careful consideration has been given to all functionally related establishments or auxiliary units in close proximity. If these fit together as subordinate units to perform a single classifiable function, they will be grouped together as a single establishment. Many establishments correspond to subunits of governmental organization, thus reflecting a primary goal that the SIC should conform to the existing structure of American industry.[30]

Economic geographers have sometimes confused occupational or vocational classification, which is based on the type of work each individual performs, with industrial classification, which is based on

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[29]Frederic A. Ogg and P. Orman Ray, Introduction to American Government (8th ed.; New York: D. Appleton-Century Company, 1945), p. 401.

[30]U.S., Manufacturing Statistics, by Hanna, p. 63.

the establishment concept. The division of labor or occupational specialization within an establishment may be extreme.

Occupational classification, however, is not easily adapted to geographic inquiry. The ultimate goal of such classification is to group individual workers into classes based on similarity of work performed.[31] This, unlike industrial classification, is usually done without reference to location in space. The industrial establishment thus represents a logical unit for the geographer to utilize in examining employment patterns.

The chief purpose of classifying governmental establishments in this study is to facilitate geographic analysis. The distributional patterns of similar classes of pure governmental and socialized industrial establishments will be examined and variables to explain the patterns will be suggested.

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[31] U.S. Department of Labor, Dictionary of Occupational Titles, Vol. I (3rd ed.; Washington: U.S. Government Printing Office, 1965), p. xvi.

# CHAPTER II

# GROWTH AND SIGNIFICANCE OF GOVERNMENT EMPLOYMENT

In the United States, about 18 per cent of the labor force is employed by local, state, and federal governments combined.[1] This represents a marked increase since 1900, when only 4 per cent of the labor force was employed by the government.[2] In Michigan the magnitude of government employment can be explained in general by the same variables at work throughout the nation as a whole.

## The Rising Trend of Government Employment in the United States

Especially during recent decades, employment in government has grown at a more rapid rate than other industrial sectors (Table 1).

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[1] The total governmental work force in late 1966 was about 13.6 million. This figure was derived by adding the number of civilian workers (Table 2) and the number of military personnel on active duty. Subsequently, government employment figures refer to full-time-equivalent workers. Part-time employees are equated on a full-time basis of 2,080 work hours per year and added to the full-time total, producing a full-time-equivalent number.

[2] Solomon Fabricant, The Rising Trend of Government Employment, Occasional Paper No. 29 (New York: National Bureau of Economic Research, 1949), p. 3.

Table 1.--Changes in the Civilian Labor Force Employed by Various Industrial Sectors in the United States Since 1920

| Economic Sector | Percentage of the Labor Force | | | | | |
|---|---|---|---|---|---|---|
| | 1920 | 1930 | 1940 | 1950 | 1960 | 1966 |
| Government | 6.8 | 7.8 | 9.8 | 11.0 | 13.7 | 15.8 |
| Manufacturing | 27.3 | 23.7 | 25.1 | 27.4 | 27.4 | 27.6 |
| Wholesale and Retail Trade | 11.9 | 15.4 | 16.0 | 17.6 | 18.6 | 19.1 |
| Services | 5.5 | 7.8 | 8.1 | 9.3 | 12.0 | 13.9 |
| Transportation and Public Utilities | 10.4 | 9.3 | 7.0 | 7.3 | 6.5 | 5.9 |
| Finance, Insurance and Real Estate | 2.9 | 3.5 | 3.3 | 3.3 | 4.4 | 4.5 |
| Contract Construction | 2.3 | 3.5 | 3.0 | 4.2 | 4.7 | 4.8 |
| Mining | 2.9 | 2.5 | 2.1 | 1.6 | 1.1 | .9 |
| Agriculture | 29.7 | 26.4 | 25.5 | 18.2 | 11.5 | 7.5 |

Sources: U.S. Department of Labor, Employment and Earnings, Vol. 13, No. 6 (December, 1966), and U.S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957, pp. 60-73.

In numbers of employees, government is now the nation's third most significant industry, after manufacturing and trade. The progressively higher portion of the labor force employed by government indicates that, if this trend continues, over 25 per cent of all workers will be on government payrolls within the next decade.

Fabricant, in 1948, was unable to find a single government function with declining employment. As he put it, "In no other sector of the economy would we find every major division expanding."[3] He also suggested four factors to explain the historical increase in governmental employment: (1) the population growth; (2) urbanization with its shift of people to areas where more government services per capita are performed; (3) the offering of entirely new types of governmental services; and (4) policies determining the magnitude of the defense effort.[4]

## Regional Variations

As in the entire nation, government in Michigan is the third largest industry in employment. The percentage of Michigan's labor force employed by state and local governments is near the national average (Table 2). The number of state workers in Michigan is almost twice that of federal employees, a departure from the national situation.

The varying intensity of total governmental employment (combined federal, state, and local) from state to state creates strong regional patterns (Fig. 1). Relatively high employment in government is a characteristic of most large western states with low populations. High federal employment accounts for part of this intensity, but apparently some relationship also exists between land area and state

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[3] Ibid., p. 19.

[4] Ibid.

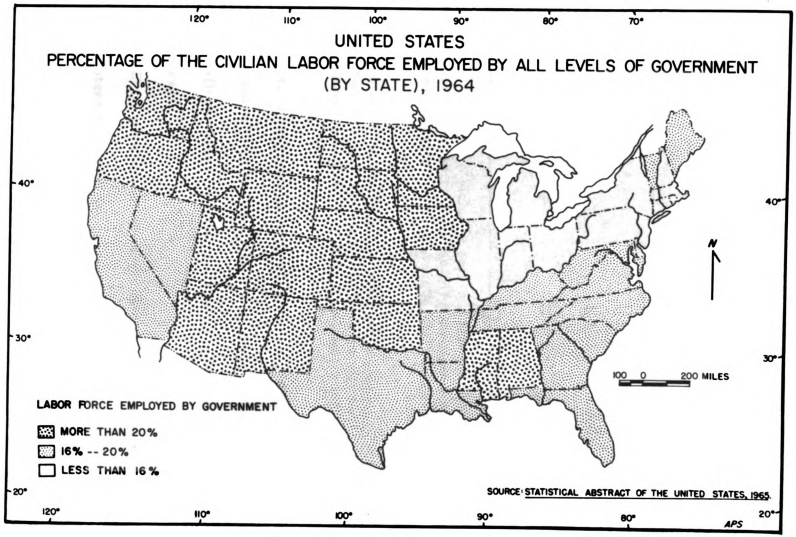

UNITED STATES
PERCENTAGE OF THE CIVILIAN LABOR FORCE EMPLOYED BY ALL LEVELS OF GOVERNMENT
(BY STATE), 1964
120°
110°
100°
90°
80°
70°
40°
30°
20°
N
100 0 200 MILES
LABOR FORCE EMPLOYED BY GOVERNMENT
MORE THAN 20%
16% -- 20%
LESS THAN 16%
SOURCE: STATISTICAL ABSTRACT OF THE UNITED STATES, 1965.
APS

FIGURE 1

Table 2.--Government Employment as a Percentage of the U.S. and Michigan Labor Forces, 1966

| | United States | | Michigan | |
|---|---|---|---|---|
| | Total Number | Percentage of the Labor Force | Total Number | Percentage of the Labor Force |
| Federal | 2,861 | 4.7 | 52 | 1.7 |
| State | 2,211 | 2.7 | 99[a] | 3.0 |
| Local | 6,407 | 8.4 | 292 | 8.7 |
| Total | 11,479 | 16.0 | 443 | 13.4 |

[a]This figure includes both full and part-time employees. Later in this study, certain classes of part-time employees have been excluded from consideration, leaving a total of 71.7 thousand state workers.

Source: U.S. Bureau of the Census, Public Employment in 1966, GE No. 4, p. 15; Michigan Employment Security Commission, "Michigan Manpower Review," Vol. XXII, No. 3 (March, 1967), p. 2.

employment. Low intensity of government employment is a characteristic of the more densely populated states north of the Ohio River and the Mason-Dixon Line. It is in this same region that federal employment is lowest.[5]

State government employment is also generally lower in terms of intensity east of the Mississippi River (Fig. 2). This may

[5]Except for Connecticut, Michigan has the lowest intensity of federal employment in the country. See U.S. Department of Commerce, Bureau of the Census, Public Employment in 1965, p. 9.

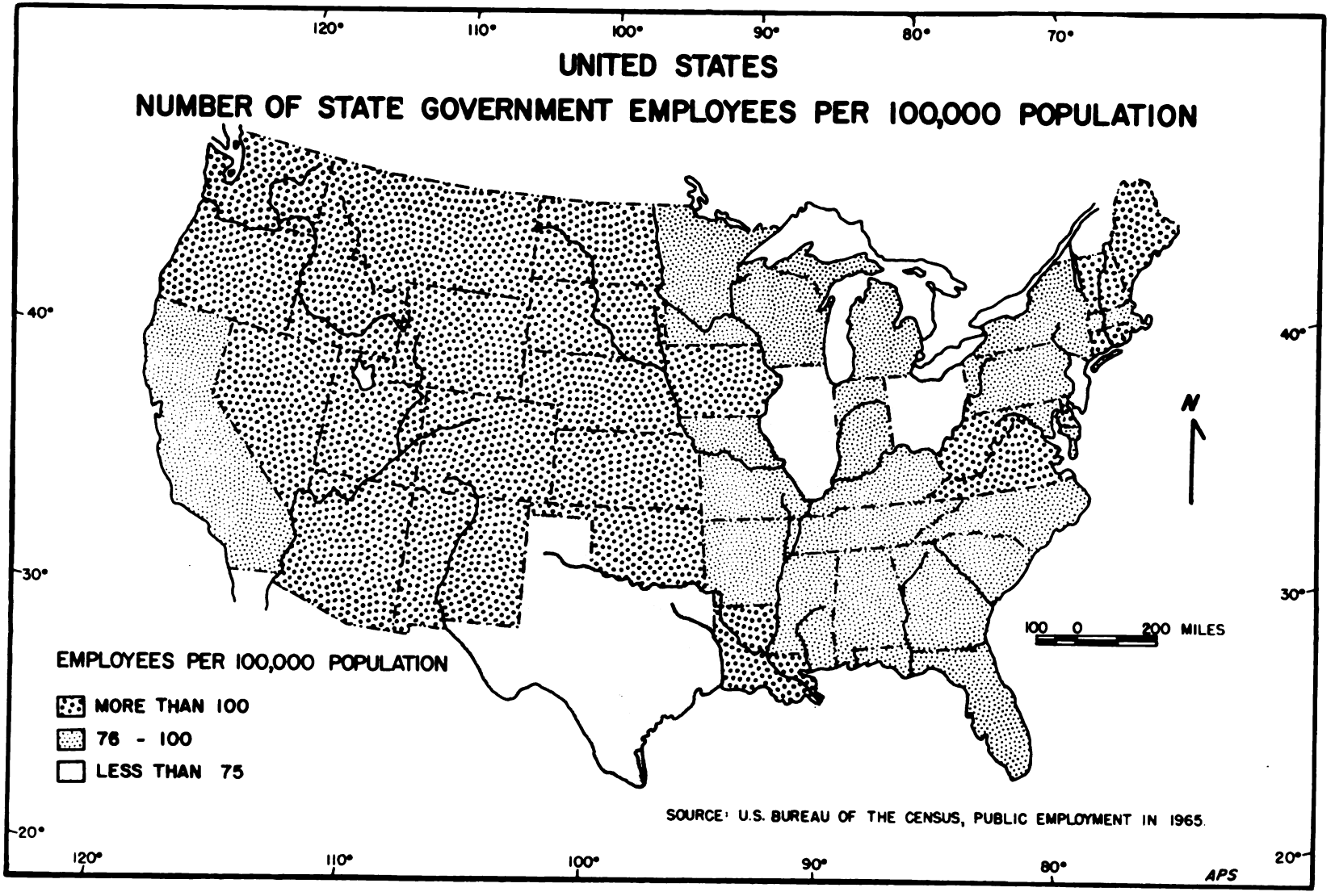

120°
110°
100°
90°
80°
70°
UNITED STATES
NUMBER OF STATE GOVERNMENT EMPLOYEES PER 100,000 POPULATION
40°
30°
20°
N
100 0 200 MILES
EMPLOYEES PER 100,000 POPULATION
MORE THAN 100
76 - 100
LESS THAN 75
SOURCE: U.S. BUREAU OF THE CENSUS, PUBLIC EMPLOYMENT IN 1965.
APS

FIGURE 2

be related to economies of scale realized in large establishments which serve more citizens than in the sparsely populated states. Such a hypothesis could be tested but is not central to purposes of this study. In the southern states, percentages of the labor forces employed by all levels of government are intermediate, between the high intensity of the West and the low intensities of the Northeast and Midwest. Employment in state governments in the South is generally low, but high federal employment tends to compensate for this shortage.

Regional patterns with respect to average monthly earnings of state employees assume the expected north-south dichotomy. Average monthly salaries in Wisconsin and Michigan, though below the level of California and Nevada, are $200 higher than many southern states.[6]

In Michigan, dramatic differences exist in the geographic distribution of employment at the three levels of government. Michigan local government employment varies closely with population, and the federal pattern also exhibits a similar tendency but with deviations representing several large hospitals and central administrative offices. Federal post offices and local schools are closely oriented in space to their markets.

The geographic distribution of Michigan's 71.7 thousand full-time employees, however, indicates only a slight relationship between

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[6] Ibid., p. 14. The average monthly salary for state employees in Michigan was $595 in 1966.

population and employment at the county level.[7] State employment patterns, as discussed subsequently, are dominated by large concentrations, the locations of which cannot be easily explained by close proximity to the citizenry which they serve. The clustering characteristic of state government employment make it a basic (export) industry in many local areas.

Interpretation of maps and other geographic data in subsequent chapters will be facilitated by reference to Figure 3 and Table 3. The locations of state establishments are keyed to a number-letter code.

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[7]This generalization is based on a comparison of scatter diagrams constructed to relate the population of each county and the number of government employees at each level.

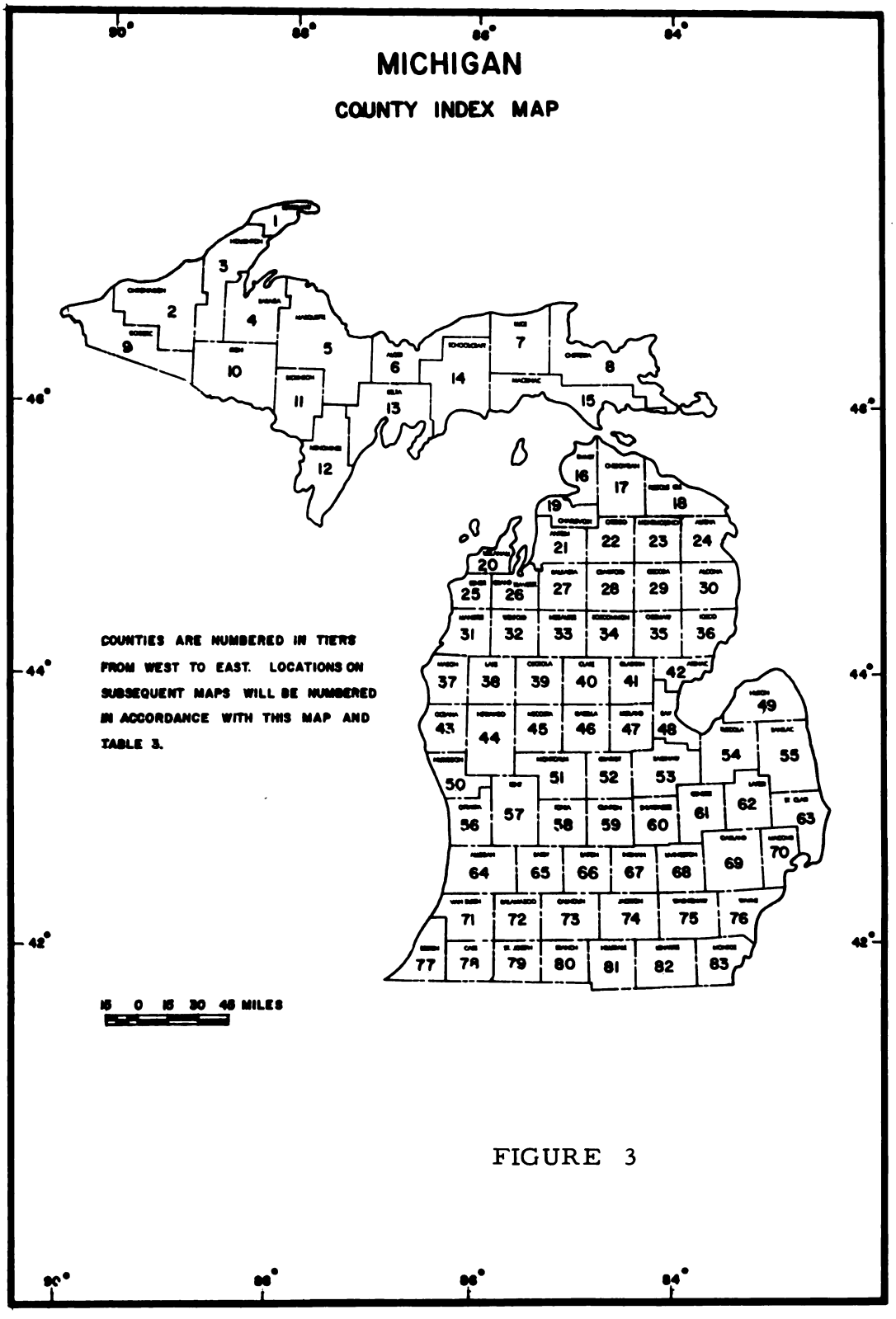

MICHIGAN
COUNTY INDEX MAP
90°
88°
86°
84°
46°
44°
42°
COUNTIES ARE NUMBERED IN TIERS FROM WEST TO EAST. LOCATIONS ON SUBSEQUENT MAPS WILL BE NUMBERED IN ACCORDANCE WITH THIS MAP AND TABLE 3.
15 0 15 30 45 MILES

FIGURE 3

Table 3.--Location Reference List of Michigan Urban Places With State Government Establishments

The location of state government establishments is indicated by a number-letter code. Counties are numbered in tiers from west to east as shown in Figure 3. Urban places in each county are assigned a letter in accordance with the following list. Each locational code is thus composed of a number, indicating the county, and a letter, indicating the urban place. All urban places lettered "A" are county seats. Each urban place in the following table is the site of at least one state government establishment.

Alcona . . . . . 30
- A. Harrisville
- B. Lincoln

Alger . . . . . 6
- A. Munising
- B. Shingleton
- C. Chatham

Allegan . . . . . 64
- A. Allegan
- B. Plainwell
- C. Wayland
- D. Ganges
- E. Fennville

Alpena . . . . . 24
- A. Alpena

Antrim . . . . . 21
- A. Bellaire

Arenac . . . . . 42
- A. Standish

Baraga . . . . . 4
- A. L'Anse
- B. Baraga
- C. Covington

Barry . . . . . 65
- A. Hastings
- B. Middleville

Bay . . . . . 48
- A. Bay City
- B. Munger
- C. Pinconning
- D. Kawkawlin

Benzie . . . . . 25
- A. Beulah
- B. Honor
- C. Frankfort

Berrien . . . . . 77
- A. St. Joseph
- B. Benton Harbor
- C. Niles
- D. Sawyer
- E. New Buffalo
- F. Watervliet
- G. Sodus

Branch . . . . . 80
- A. Coldwater

Calhour . . . . . 73
- A. Marshall
- B. Battle Creek
- C. Tekonsha
- D. Albion

Cass . . . . . 78
- A. Cassopolis
- B. Dowagiac
- C. Jones

Charlevoix . . . . . 19
- A. Charlevoix
- B. East Jordan
- C. Boyne City

Cheboygan . . . . . .17
- A. Cheboygan
- B. Mackinac City
- C. Indian River
- D. Wolverine

Chippewa . . . . . .8
- A. Sault Ste Marie
- B. DeTour
- C. Paradise
- D. Brimley

Clare . . . . . .40
- A. Harrison
- B. Clare

Clinton . . . . . 59
- A. St. Johns
- B. Bath

Crawford . . . . . 28
- A. Grayling

Delta. . . . . 13
- A. Escanaba
- B. Gladstone

Dickinson . . . . . .11
- A. Iron Mountain
- B. Felch
- C. Kingsford
- D. Norway

Eaton . . . . . .66
- A. Charlotte
- B. Grand Ledge

Emmet . . . . . 16
- A. Petoskey
- B. Pellston
- C. Carp Lake
- D. Oden

Genessee . . . . . 61
- A. Flint
- B. Swartz Creek
- C. Mount Morris

Gladwin . . . . . 41
- A. Gladwin

Gogebic. . . . . 9
- A. Bessemer
- B. Ironwood
- C. Watersmeet
- D. Wakefield
- E. Marenisco

Grand Traverse . . . 26
- A. Traverse City
- B. Interlochen
- C. Kingsley

Gratiot . . . . . 52
- A. Ithaca
- B. Alma

Hillsdale . . . . . .81
- A. Hillsdale
- B, Jonesville

Houghton . . . . . 3
- A. Houghton
- B. Calumet
- C. Hancock
- D. Larium

Huron . . . . . 49
- A. Bad Axe
- B. Caseville
- C. Port Austin
- D. Sebewaing

Ingham . . . . . 67
- A. Mason
- B. Lansing
- C. Williamston
- D. Webberville
- E. East Lansing
- F. Haslett

Ionia . . . . . 58
- A. Ionia
- B. Portland
- C. Belding

Iosco . . . . . 36
- A. Tawas City
- B. East Tawas

Iron . . . . . 10
- A. Crystal Falls
- B. Iron River
- C. Gibbs City

Isabella . . . . . 46
- A. Mount Pleasant

Jackson . . . . . 74
- A. Jackson
- B. Brooklyn
- C. Grass Lake

Kalamazoo . . . . . 72
- A. Kalamazoo
- B. Augusta
- C. Comstock
- D. Portage
- E. Fort Custer

Kalkaska . . . . . 27
- A. Kalkaska

Kent . . . . . 57
- A. Grand Rapids
- B. Wyoming
- C. Comstock Park
- D. Lowell
- E. Rockford

Keweenaw . . . . . 1
- A. Eagle River
- B. Mohawk
- C. Copper Harbor

Lake . . . . . 38
- A. Baldwin

Lapeer . . . . . 62
- A. Lapeer
- B. Imlay City

Leelanau . . . . . 20
- A. Leland
- B. Glen Arbor

Lenawee . . . . . 82
- A. Adrian
- B. Onsted
- C. Clinton
- D. Blissfield
- E. Cement City

Livingston . . . . . 68
- A. Howell
- B. Brighton
- C. Pinckney
- D. Whitmore Lake
- E. Fowlerville

Luce . . . . . 7
- A. Newberry

Mackinac . . . . . 15
- A. St. Ignace
- B. Engadine
- C. Mackinac Island
- D. Naubinway
- E. Cedarville

Macomb . . . . . 70
- A. Mount Clemens
- B. St. Clair Shores
- C. Warren
- D. Utica
- E. East Detroit

F. Algonac
G. Romeo

Manistee . . . . . 31
A. Manistee
B. Kaleva

Marquette . . . . . 5
A. Marquette
B. Ishpeming
C. Negaunee
D. Skandia
E. Champion
F. Big Bay
G. Gwinn

Mason . . . . . 37
A. Ludington
B. Freesoil
C. Scottville

Mecosta . . . . . .45
A. Big Rapids
B. Paris

Menominee. . . . . 12
A. Menominee
B. Powers
C. Stephenson
D. Cedar River

Midland . . . . . .47
A. Midland
B. Sanford

Missaukee . . . . . 33
A. Lake City

Monroe . . . . . .83
A. Monroe
B. Erie
C. Rockwood

Montcalm . . . . . 51
A. Stanton
B. Greenville
C. Lakeview

Montmorency . . . . .23
A. Atlanta
B. Hillman
C. Lewiston

Muskegon . . . . . 50
A. Muskegon
B. Muskegon Heights
C. Whitehall
D. Ravenna

Newaygo . . . . . .44
A. White Cloud
B. Newaygo
C. Fremont

Oakland. . . . . 69
A. Pontiac
B. Royal Oak
C. Oak Park
D. Troy
E. Drayton Plains
F. Southfield
G. New Hudson
H. Ortonville
I. Holly
J. Lake Orion
K. Milford
L. Clarkston
M. Birmingham
N. Rochester

Oceana . . . . . .43
A. Hart
B. Pentwater
C. Means

Ogemaw. . . . . 35
A. West Branch

Ontonagon . . . . . 2
A. Ontonagon
B. Bruce Crossing
C. Mass
D. Ewen

Osceola . . . . . 39
A. Reed City
B. Evart

Oscoda . . . . . 29
A. Mio

Otsego. . . . . 22
A. Gaylord
B. Vanderbilt
C. Elmira

Ottawa . . . . . 56
A. Grand Haven
B. Holland
C. Zeeland
D. Allandale

Presque Isle . . . . . 18
A. Rogers City
B. Millersburg
C. Onaway

Roscommon . . . . . 34
A. Roscommon
B. Houghton Lake Heights
C. Houghton Lake
D. Prudenville

Saginaw. . . . . 53
A. Saginaw
B. Birch Run
C. Chesaning
D. St. Charles
E. Bridgeport
F. University Center

St. Clair. . . . . 63
A. Port Huron
B. Marine City
C. St. Clair
D. Goodells
E. Sans Souci

St. Joseph. . . . . 79
A. Centreville
B. Sturgis
C. White Pigeon
D. Three Rivers

Sanilac. . . . . 55
A. Sandusky
B. Peck
C. Deckerville

Schoolcraft. . . . . 14
A. Manistique
B. Thompson

Shiawasse. . . . . 60
A. Corunna
B. Owosso

Tuscola . . . . . 54
A. Caro
B. Unionville
C. Mayville

Van Buren . . . . . 71
A. Paw Paw
B. South Haven
C. Hartford
D. Mattawan

Washtenaw . . . . . 75
A. Ann Arbor
B. Ypsilanti
C. Saline
D. Chelsea

Wayne . . . . . 76
- A. Detroit
- B. Northville
- C. Wyandotte
- D. Livonia
- E. Inkster
- F. Dearborn
- G. Plymouth
- H. Redford
- I. Hamtramck
- J. Lincoln Park
- K. Flat Rock
- L. Highland Park
- M. Grosse Pointe

Wexford . . . . . 32
- A. Cadillac
- B. Manton
- C. Harrietta

# CHAPTER III

## MICHIGAN'S STATE GOVERNMENT: GEOGRAPHIC DISTRIBUTION OF PRIMARY EMPLOYMENT

The most central characteristic of a primary or pure government establishment is the authority to formulate, render, and enforce decisions. The services performed in such establishments are unique to government and cannot normally be observed in the private sector. Unfortunately, the SIC does not provide a detailed classification of primary governmental establishments.[1]

State governments, in the likeness of the federal model, are based on the legislative-executive-judicial framework, and establishments in each of these three branches deserve consideration as centralized power nodes. The independent regulatory establishments, another class created initially by the other branches, often function more or less autonomously. These regulatory establishments, which combine legislative, executive, and judicial powers, will be considered in addition to the three conventional branches. Under these four categories, establishments will be further divided into groups according to more

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[1]U.S. Bureau of the Budget, Standard Industrial Classification.

specific functions.

Employment in primary government accounts for only about 13 per cent of all state employees in Michigan. Many establishments located in Lansing, at the decision-making core of state government, have but comparatively few employees.

The Capitol complex in Lansing serves as a landscape symbol for the concentration of governmental power. In 1847, the designation of Lansing as the new capital city in place of Detroit was made under circumstances of fierce political maneuvering. Legislators were dissatisfied with Detroit because of its peripheral location, high cost of living, and legions of sophisticated urban lobbyists.[2]

The Legislature was in general agreement on the necessity of moving but in complete disagreement concerning an appropriate new location. Most representatives favored their constituent areas. A complete deadlock existed. Even Copper Harbor in the Keewenaw Peninsula was mentioned mainly in jest.[3] When Lansing Township was proposed, it was immediately recognized as a practical compromise. Although heavily wooded and almost uninhabited, Lansing possessed one desirable attribute--centrality.

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[2]Levi Bishop, "Recollections," Michigan Pioneer Historical Collections, Vol. I (1887), p. 513.

[3]Frank E. Robson, "How Lansing Became the Capital," Michigan Pioneer Historical Collections, Vol. II (1888), p. 241.

The skeletal framework of primary government was moved to Lansing, and from this legislative-executive-judicial nucleus, state government establishments have proliferated in all sections of the state. The political process which led to the move was the first of many belabored locational decisions to be made by the state.

## The Legislature

The state legislature, though complex in organization and function, may be conceptualized as a single economic establishment. The House of Representatives and the Senate are centralized power nodes, representing every strata of the social structure and limited in authority only by constitutional guarantees as interpreted by the courts and by the executive veto.

The critical law-making function, however, leads one to overestimate the significance of the legislature as an economic establishment. Including the 148 legislators, it employs only about 450 persons, less than one-half of one per cent of all state employment.[4]

The two law-making bodies function as a single establishment in their sharing of several common service units. These auxiliary units provide clerical, printing, and similar housekeeping services, as well as legal and fiscal advice to both the House and Senate.

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[4]Marjorie Ellis, Michigan Legislative Service Bureau, personal interview, March, 1967.

About 60 per cent of all legislative employees are women, many of whom are specialized legal clerks. Legal and administrative assistants aid legislators in drafting and revising bills to be introduced in session.

The Legislature draws together representatives and senators elected from various areas of the state in accordance with population density. Lansing, in a remarkably centralized location with respect to the population, lies very close to the minimum aggregate travel point for all 148 legislators.[5]

Spatial centralization is crucial to the legislative process because of the necessity of personal interaction. The assembling of representatives and senators in one location to reach collective decisions is an essential democratic institution. In formulating law, levying taxes, and appropriating funds, the Legislature is the core of Michigan's state government both functionally and spatially.

## The Judicial System

Judicial establishments illustrate well the decision-making function of government. Courts are one of the government's most venerable institutions and have long performed their jobs of resolving

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[5]The aggregate number of miles traveled by the 60 Representatives from southeastern Michigan to reach Lansing is about the same as the aggregate mileage for the 14 Representatives from areas north of a line from Muskegon to Bay City.

questions of legal dispute. In any politically organized area, the judicial interpretation of the law stands until altered by due process through the courts, legislature, or constitutional revision.

Michigan's judicial system is organized around a functional and areal hierarchy consisting of four levels of courts. At the base of the system, operating as entities of local governments, are the Justice and Municipal Courts.[6]

The next level is the state system of Circuit Courts. These are located in the familiar county courthouses. A Circuit consists of a single county in highly populated areas; from two to five counties in sparsely populated areas. A single judge rotates among the various courts in the multi-county circuits. In southern Michigan, a single judge may serve as many as 100,000 residents, while in the northern areas some circuits have as few as 30,000.

The Court of Appeals, next higher, was created in 1965 as a shield to partially protect the Supreme Court from the barrage of requests for reviews of decisions made by Circuit Courts. Courts of Appeal are located in Detroit, Lansing, and Grand Rapids, and serve districts of approximately equal population. The Supreme Court, a single establishment, is situated in Lansing along with the administrative office of the entire court system. In addition to these four basic levels there exist several types of special purpose courts such as Probate,

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[6]Detroit's municipal courts are referred to as Recorders Courts.

Common Pleas, and the Court of Claims.[7]

The question of which Courts should be considered as state government establishments can be resolved by including only those with employees paid by the state. The lower courts (Municipal, Justice, and Recorders) are financed locally. Circuit Courts can be considered as state establishments since the judges are paid partially by the state. Clerical and other employees of Circuit Courts, however, are paid from local funds. The Appeals Courts, the Supreme Court, and the Court of Claims are financed entirely from the state budget.

The significance of the state courts as economic establishments may easily be overestimated. Combined, the Supreme, Appellate, and Circuit Courts employ only about 200 people.[8] More than half of these employees work in the eight establishments at Lansing, Grand Rapids, and Detroit. The average salary of judicial employees is over $17,000 per year, reflecting the fact that over 60 per cent of all personnel are judges. This high salary level somewhat increases the economic significance of judicial establishments.

The Circuit Courts are located in county court houses, many

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[7]The Court of Claims, which meets in Lansing, entertains damage suits against the state if the damage was incurred by a proprietary (non-pure) governmental establishment.

[8]Clayton Ploof, Michigan Court Administrators Office, personal interview, March, 1967. Exact employment in March, 1967 was 209.

of which resemble those shown in Figures 4 and 5. In areas of high population, the size of the court (number of judges) is proportionately larger. The demand for judicial services has risen dramatically during the last few years. For example, the number of cases commenced in Circuit Courts increased 21 per cent between 1960 and 1965. The heavier demand for such services has been met by adding additional employees in existing establishments.

There is a marked variation in the per capita demand for judicial services throughout the state. In the Upper Peninsula the rate of criminal court cases per 1,000 population is less than one per year. In the more highly populated counties in southern Michigan, with extensive urban areas, the rate is nearly five times as high.[9]

The Circuit Court system represents a compromise in the desire to have a state judicial establishment in every county seat and at the same time, to reduce the expense of a full-time judge for each establishment. The near proximity of judicial services is perhaps the chief advantage to the citizenry. The Circuit Courts, however, were established at a time of relatively slow transportation and perhaps today could be centralized to serve larger areas. The existence of a state court in each county also facilitates political integration of the state.

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[9]Supreme Court of Michigan, Annual Report, 1965; derived from figures in the statistical appendix by dividing criminal cases begun in each county by county population in thousands.



Figure 4. Court House, Munising, Alger County.



Figure 5. Court House, Crystal Falls, Dickinson County.

As landscape features these judicial establishments exhibit the supreme decision-making power of the state dispersed to every county.

## The Executive Branch

Woodrow Wilson in writing about state government at the turn of the century commented that "The governor is not the executive; he is but a single piece of the executive. There are other pieces coordinated with him over which he has no direct control. . . ."[10] This observation remains valid today. The growth of independent commissions, boards, and councils has left most governors with limited administrative power. In spite of their complex organization charts, the executive branches of most state governments are characterized by a diffused power structure. Many agencies headed by boards or commissions are often more responsive to legislative than to gubernatorial policy.

Several distinct types of pure or power-wielding government establishments are within executive control or closely associated with gubernatorial decision-making and will be considered under "The Executive Branch." These include the Administrative Offices of the Governor, military, police, correctional, tax collection, and Attorney General establishments. The coercive establishments are used in the executive role of enforcing the supreme decisions of the state. Inde-

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[10]Russell M. Ross and Kenneth F. Millsap, State and Local Government and Administration. (New York: The Ronald Press, 1966), p. 325.

pendent regulatory establishments, although customarily considered a part of the nebulous executive branch, are not directly responsible to the governor and will be examined separately later in this chapter. The following summary of functional organization, however, includes all miscellaneous agencies, both executive and independent.

## Functional Organization

Before 1965, Michigan's executive branch consisted of 141 agencies, most of which maintained separate establishments. This functional and spatial fragmentation was induced by a variety of conditions including:

1. a built-in drive for autonomy present in every agency
2. a dissatisfaction with or fear of too greatly centralized governmental machinery
3. the desire to insulate particular types of programs
4. functional links to other levels of government
5. professionalism among state employees
6. hostile clientele and interest groups which influence independent agencies
7. the political division between the governor and other elected officials
8. reform movements for special government functions
9. variable degrees of responsibility to the voters

10. a privileged, independent position secured by having an elective officer as an agency head, earmarked funds, or constitutional status. [11]

One conspicuous problem associated with functional diffusion of the executive branch is the general inability of a state governor to control, direct, or even to guide the various agencies in accordance with an overall program. The Michigan Constitutional Convention, which met in 1961-62, provided for reorganization through the consolidation of like services and a constitutional limit of twenty major executive departments. The implementation of this provision was carried out in late 1965.

Before the consolidation of agencies began, the Governor requested recommendations from each as to which of the twenty new departments would be best suited to absorb their staff and functions. Of the seventy agencies submitting recommendations, forty-nine made strong pleas to remain autonomous and to become one of the twenty departments. [12] Even the Athletic Board of Control with four employees considered that its functions were unique and therefore deserved the status of a separate Executive Department. [13] The sincere arguments

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[11] Modified considerably from James R. Bell and Earl L. Darrah, State Executive Reorganization, A report prepared by the Bureau of Public Administration (Berkeley: University of California, 1961), p. 2.

[12] Michigan State Library, Major Recommendations of Present State Agencies in Planning for Reorganization Under the New Constitution (Lansing: Michigan State Library, 1964), pp. 1-43.

[13] Ibid., p. 20.

advanced underscore the strong desire by government agencies for autonomy, a point which assumes significance when related to spatial fragmentation. Functional and spatial fragmentation appear to be closely related.

The final amalgamation of agencies resulted in the creation of twenty departments (Table 4). In spite of the "consolidation of like services" objective, considerable variety of function remains within many of the new departments. The Licensing and Regulation Department, for example, has responsibilities to regulate the licensing of practitioners of such varied pursuits as mortuary science and forestry. The Commerce Department administers a variety of programs including liquor sales and airport management.

The five "social" departments include Social Services (eleemosynary functions), Education, Mental Health, Public Health, and Corrections. Another grouping of departments contains those three with the primary purpose of providing services to the other fifteen. These administrative services or housekeeping departments are Administration, Civil Service, and Attorney General.

Functional interaction has tended to establish channels of communication among establishments of the various agencies. The necessity for interaction will subsequently be recognized as a localization factor which encourages spatial clustering of administrative offices.

Table 4.--Total Employment in Major Executive Departments of Michigan's State Government, March, 1967

| Departments | Number of Classified Employees | Number of Unclassified Employees |
|---|---|---|
| Mental Health | 12,974 | 0 |
| Highways | 4,978 | 7 |
| Social Services | 4,686 | 121 |
| Labor | 3,179 | 28 |
| Conservation | 1,910 | 4 |
| Corrections | 1,905 | 5 |
| State Police | 1,843 | 7 |
| State | 1,520 | 6 |
| Education | 1,393 | 16 |
| Public Health | 1,351 | 6 |
| Commerce | 1,302 | 13 |
| Treasury | 932 | 12 |
| Administration | 626 | 3 |
| Agriculture | 601 | 30 |
| Military Affairs | 266 | 0 |
| Civil Service | 207 | 0 |
| Licensing and Regulation | 174 | 32 |
| Executive Offices | 161 | 12 |
| Attorney General | 121 | 3 |
| Civil Rights | 87 | 10 |
| Total | 40,285 | 980 |

Source: Michigan Civil Service Commission, Payroll Comparison for March, 1967 (unpublished).

Executive Office of the Governor

The Office of the Governor, one of the twenty major departments (Table 4), is often represented as the apex of decision-making authority in the Executive Branch. Organization charts often show dendritic lines of authority branching out from the governor to include scores of agencies, bureaus, divisions, boards, commissions, councils, and similar units. Although much decision-making authority is concentrated in the gubernatorial office, it is also vested in autonomous agencies with constitutional status, elected officers as agency heads, or earmarked funds. The governor can in fact exert little administrative control over such agencies. Preventing centralization of state governmental machinery under control of the governor has been a common policy in Michigan and most other states.

The decision-making which occurs in the Executive Office in the Capitol complex in Lansing generally involves broad policy and program planning, including the preparation of the state budget recommendation. Consisting of three distinct establishments, the Executive Offices each perform a specialized function. In the Governor's Office located in the Capitol, assistants provide the chief executive with opinions and condensed information on specific problems to aid him in reaching prompt, efficient decisions. These assistants also have responsibilities for developing programs, maintaining liaison with the various agencies and the legislature, and disseminating information to

the public through the news media.

In addition to the Governor's Office in the Capitol, a small branch establishment is maintained in Detroit, reflecting the presence of many state governmental establishments and programs there. The Lieutenant Governor's office, also in the Capitol, performs comparatively few administrative functions.

Another establishment of the Executive Offices, the Budget Division, is also situated in Lansing, though not in the Capitol. Having as its principal duty the preparation of a detailed budget recommendation for submission by the Governor to the Legislature, this establishment can be considered unique to government. Budgeting requires decisions about the investment of state funds in programs and facilities, and this establishment is one of the few that attempts to visualize state government in all its complexity as a single program or industry.

The four Executive Office establishments, three in Lansing and one in Detroit, employ about 140 persons combined. As in the case of the Judicial and Legislative establishments, the executive offices represent a small group of decision-makers located in space and function at the nerve center of state government.

## Military Establishments

The state militia is an institution of long standing in the United States. Since World War I, these military organizations have

been known as the National Guard and have been supported financially by the federal government. Ostensibly, the governor is the peace-time commander of the military forces. In reality, he has little to say with respect to the organization and training of the various military units. Still, in emergencies such as natural disasters or massive social upheavals, the governor can activate and use the National Guard as an instrument of state power. The exact relationship of the federal and state government with respect to the National Guard is not clearly spelled out. In a sense, commanding officers serve two masters. The federal government organizes and trains the units and pays about 80 per cent of all costs involved. The National Guard in Michigan is organized as an Infantry Division, each sub-unit being specialized in accordance with federal military dictates.

By long tradition, the local military establishment is the armory, of which there are fifty-seven in various Michigan cities (Fig. 6). Each armory has a small maintenance staff paid by the state. These maintenance workers account for about one-half of the total employment of 250 persons in the Department of Military Affairs.

Other types of military establishments include training areas such as Camp Grayling, 50,000 acres on the logged-out, sandy plains of Crawford County. An abundance of low-value, state-owned land allowed Michigan to create such a large training ground. The camp operates with only sixty employees, principally maintenance and

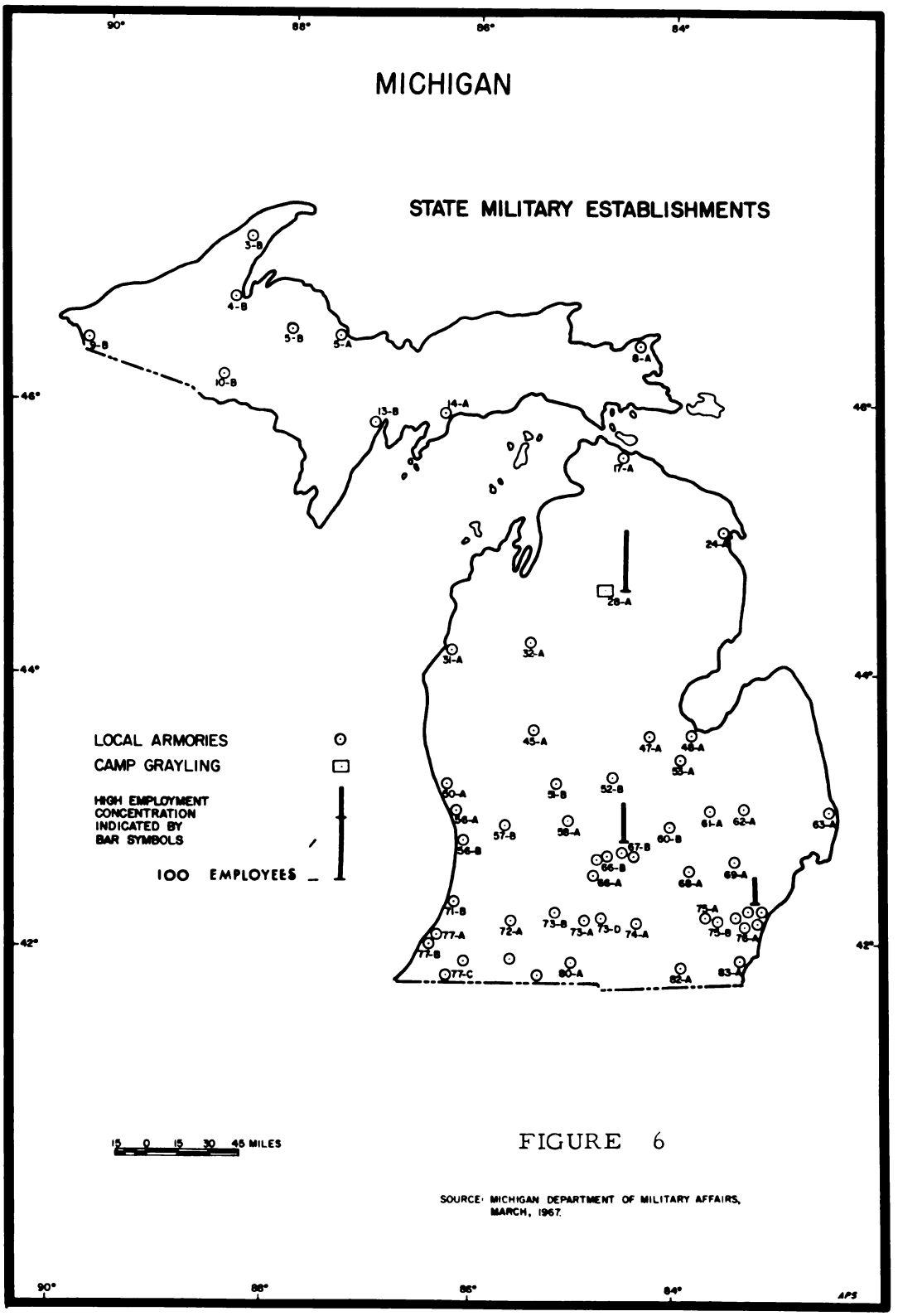



FIGURE 6

SOURCE: MICHIGAN DEPARTMENT OF MILITARY AFFAIRS, MARCH, 1967.

construction workers, but also generates revenue for the local area by being in constant use by National Guard and Army Reserve units from Michigan and other states.

The geographic distribution of military establishments is oriented towards demand in the sense that armories are scattered throughout the state, generally in county seats. There is little interaction among military and other state government establishments.

Another relevant locational factor is purely economic. Depressed areas where unemployment is high tend to have faithful National Guard members who are interested primarily in supplementing their incomes with drill pay. Several large, modern armories in the country of the western Upper Peninsula may be partially explained by this factor. The construction of new armories in this area can be seen as an infusion of federal funds into depressed economies. Local agitation for new armories was partially motivated by a desire for new jobs during the construction period.

Before universal conscription, National Guard units somewhat resembled men's lodges or clubs. Armories, which still operate under local boards of control, tend to serve as community centers for large social events such as dances or entertainment programs. For these reasons, new armories are highly sought after by communities. Political maneuvering is necessary to secure federal approval and funding of new armories. Local contributions are used as enticements for federal

approval. In 1967, for example, the city of Midland pursued a vigorous campaign to secure an armory by offering a large monetary contribution underwritten by the Dow Chemical Company.

The construction program for new armories has been extensive during recent years. New military establishments are impressively designed and landscaped. With the possible exception of those working in the new buildings of the Capitol complex, employees in the new military establishments enjoy probably the most sumptuous quarters of any state workers.

State Police Establishments

Before 1900, the militia in Michigan and most other states functioned as the law-enforcement arm of government. The Texas Rangers and the Massachusetts Constabulary were the only state police forces in the country until the turn of the century.[14] Gradually, the militia became recognized as unsuitable for general police functions. The week-end soldiers who drilled in Michigan Armories were trained in military not police methods.

The Michigan State Police, created in 1919, is often cited as an example of a force holding broad powers to enforce any state laws. Many states limit their police to the enforcement of laws pertaining to

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[14]Ross and Millsap, State Government, p. 461.

motor vehicles. The State Police Department is modeled after a military organization; ranks graduate from Trooper to Colonel (the agency Director).

The spatial organization of the State Police is well defined and easily understood. The basic establishment is the Post, composed of a closely coordinated group of troopers and officers who police a specified area of the state. There are fifty-nine Posts distributed throughout the state (Fig. 7). The geographic distribution of Posts is primarily with reference to area although a concentration occurs in the populous southeastern section, where the number of personnel assigned per post is also greater. The twelve Posts in the Upper Peninsula assure the presence of police power in areas quite remote from some types of governmental services. Posts are also situated along most major highways entering Michigan. Across the state, these Police establishments vary in size from ten to forty employees, most of whom (80 per cent) are troopers who devote many of their duty hours to highway patrol (Fig. 8).[15]

Employees are frequently transferred among the various Posts. Promotions and vacancies prompt many transfers, but the main reason is based on the philosophy that policemen should rotate periodically to prevent undue familiarity with local citizens.

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[15]Michigan State Police Department, unpublished personnel summary records.

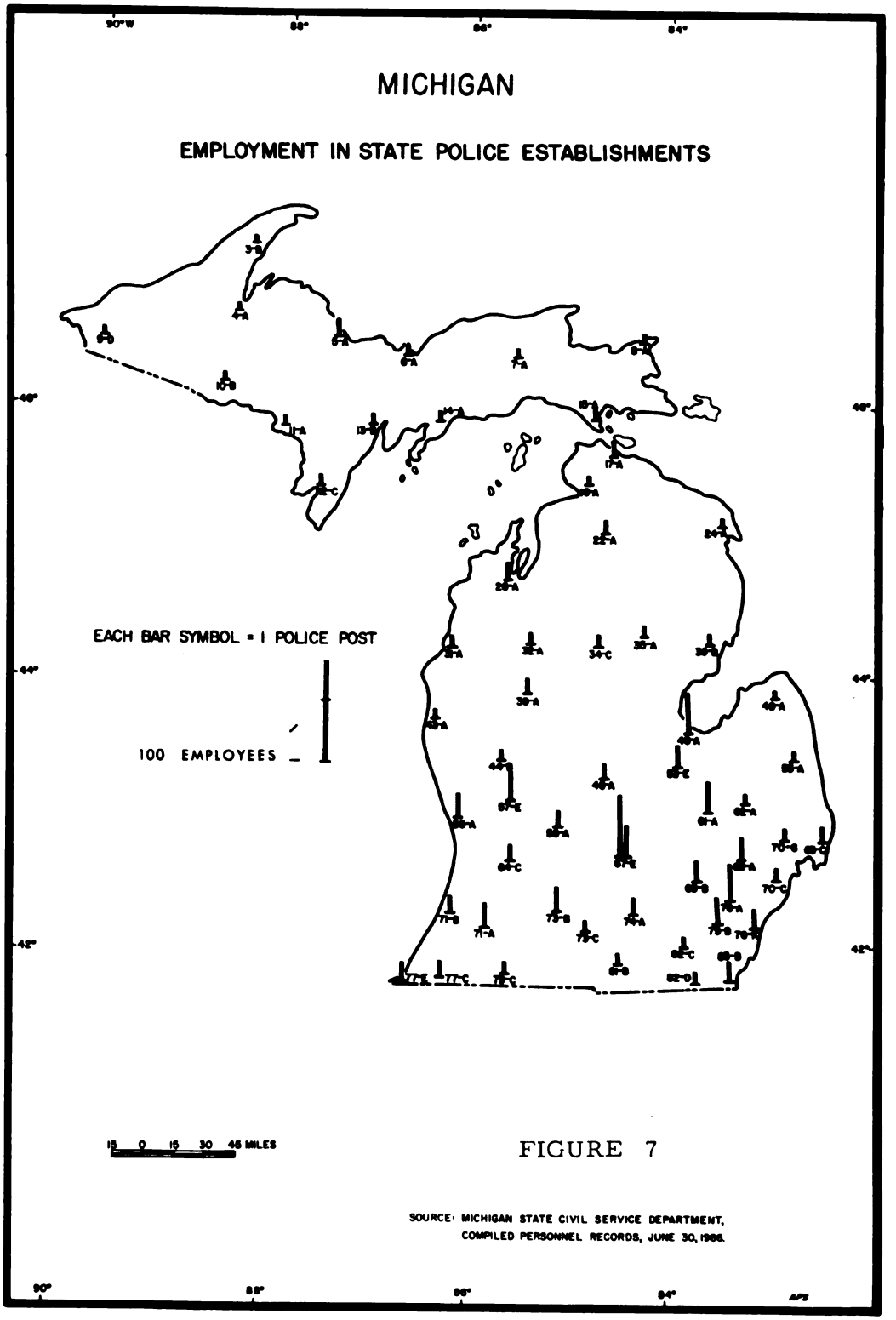

MICHIGAN
EMPLOYMENT IN STATE POLICE ESTABLISHMENTS
EACH BAR SYMBOL = 1 POLICE POST
100 EMPLOYEES
15 0 15 30 45 MILES
SOURCE: MICHIGAN STATE CIVIL SERVICE DEPARTMENT,
COMPILED PERSONNEL RECORDS, JUNE 30, 1966.

FIGURE 7

The State Headquarters, which employs about 100 persons in East Lansing, is a complex establishment including such diverse auxiliary units as a photographic laboratory, personnel office, communications center, and data processing facility. These functions are normally grouped together in any large police headquarters. Certain Posts operate as District Headquarters and direct the police activities in designated areas of the state.

The geographic distribution of State Police employment is somewhat unique in its even dispersal (Fig. 7). Less than 10 per cent of the 1,850 man force works in the East Lansing Headquarters. State Police represent one of the most even geographic distributions of employment in state government. Great stretches of little-used highways in sparsely settled areas require patrolling by the state just as urban expressways are policed by local governments. Through the State Police the power of the state government is present in every area, regardless of population density.

## Correctional Establishments

Those who choose not to abide by the supreme decisions of the government subject themselves to the most overt form of state control--incarceration. A variety of establishments are operated by the state for the purpose of isolating law-breakers from society (Table 5). In modern penology, social rehabilitation of the prisoner in place

Table 5.--Employment and Inmate Population in Correctional Establishments, 1966

| Establishment | Location | Employment | Inmate Population |
|---|---|---|---|
| State Prison of Souther Michigan | Jackson | 880 | 4,231 |
| State House of Corrections and Branch Prison | Marquette | 250 | 726 |
| Michigan State Reformatory | Ionia | 272 | 982 |
| Michigan Training Unit | Ionia | 96 | 389 |
| Technical School | Cassidy Lake | 37 | |
| Conservation Work Camps | Various | 99 | 211 |
| Administrative Offices (Including Parole Offices) | Various | 275 | 842 |
| Boys Training Schools | Lansing, Whitmore Lake | 580 | 900 |
| Girls Training School | Adrian | 228 | 350 |
| Total Employment | | 2,367 | 9,631 |

Sources: Michigan Civil Service Commission, Payroll Comparison for March, 1967 (unpublished); Michigan Department of Administration, State Operations and Local Benefits Budget for Fiscal Year Ending June 30, 1967, p. N-9. Students of the Training Schools are included as "inmates."

of punishment has tended to encourage specialization of correctional establishments. Inmates are segregated according to age and severity of the crime committed, hence establishments range from minimum-security vocational schools for juveniles to the maximum-security prisons.

The decision to construct state prisons was made at the time Michigan achieved statehood--1837. The penal system has since grown into a very elaborate one (Fig. 10, p. 59).

Several towns in the southern part of the state expressed a willingness to become the site of the first penal establishment and Jacksonburg (now Jackson) was selected after landholders donated sixty acres of tamarack swamp along the Grand River.[16] The site was considered central to the population distribution at that time. The first eleven prisoners, all from Wayne County, were confined in a temporary wooden stockade.[17] As an employer, the Jackson Prison became more significant as the inmate population grew. The establishment was seen as playing strictly a punitive role and inmates suffered greatly from inhumane treatment. Just after the Civil War, Governor John J. Bagley remarked: "If there is a dreary spot on the face of the earth, it is inside the walls of Jackson Prison." The death sentence in Michigan was

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[16]Michigan State Prison Commission, The Michigan State Prison, 1837-1928 (Jackson: 1928), p. 11.

[17]Ibid., p. 13.

abolished in 1846 but only to be replaced by strict solitary confinements, a practice discontinued about 1890. Of twenty prisoners released from solitary cells during the Civil War, nine were found to be insane.[18] Whipping, common until the 1930's, was made more painful by applying a brine-soaked cloth to the inmate's bare back before the lashing.

During the 1920's a rapid increase in the size of the inmate population prompted the construction of a new prison immediately north of Jackson to replace the obsolete establishment near the center of town. The extensive complex of cell blocks now known as the State Prison of Southern Michigan employs more than 400 guards and can house about 5,500 prisoners.

One of the largest correctional establishments in the country, the main group of structures covers 57 acres and houses all manners of auxiliary units such as schools, churches, laundries, a library, and a hospital. The economies of scale realized are significant, but such a great concentration of men in a single location in some ways hinders efforts at social rehabilitation.

The Jackson Prison was the state's only penal establishment until 1877, when another was constructed in Ionia. Again the selection of the site was influenced by a gift of land by the recipient city. Intended to function as a reformatory for youthful offenders, the Ionia

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[18]The Osborne Associates, 1940 Survey of Michigan Penal Institutions, p. 4.



Figure 8. Marquette Post, Michigan State Police, situated near the Marquette Prison.



Figure 9. Main cell block and administration building of the State House of Corrections and Branch Prison, Marquette.

establishment was forced to absorb an overflow of older hardened criminals from the prison at Jackson.

Overcrowding of the Jackson and Ionia establishments plus the need for a penal facility to serve the Upper Peninsula motivated the construction of the House of Corrections and Branch Prison at Marquette in 1889 (Fig. 9). Once again a gift of land by local businessmen prompted the specific site selection. The remote location of the Marquette prison has encouraged a dual role for the establishment. It not only receives convicted men committed by the courts from the Upper Peninsula, but has developed a reputation as "Siberia" for the most desperate and unpromising types from the other institutions.

The Michigan Training Unit, a separate establishment opened in the 1950's at Ionia, is designed to complement the Reformatory by educating young inmates for jobs after their release. Similar establishments operated at minimum security, are the Cassidy Lake Technical School in Washtenaw County where individuals who show great promise of adjusting to society are trained for specific vocations. Eleven Conservation Work Camps serve to train reliable young inmates and in the process provide cheap labor in state-owned recreation areas. These camps are situated in proximity to state-owned recreational lands.

The state of Michigan does not maintain a correctional establishment for adult women. All females sentenced to serve time are confined in the Detroit House of Corrections. The low number of

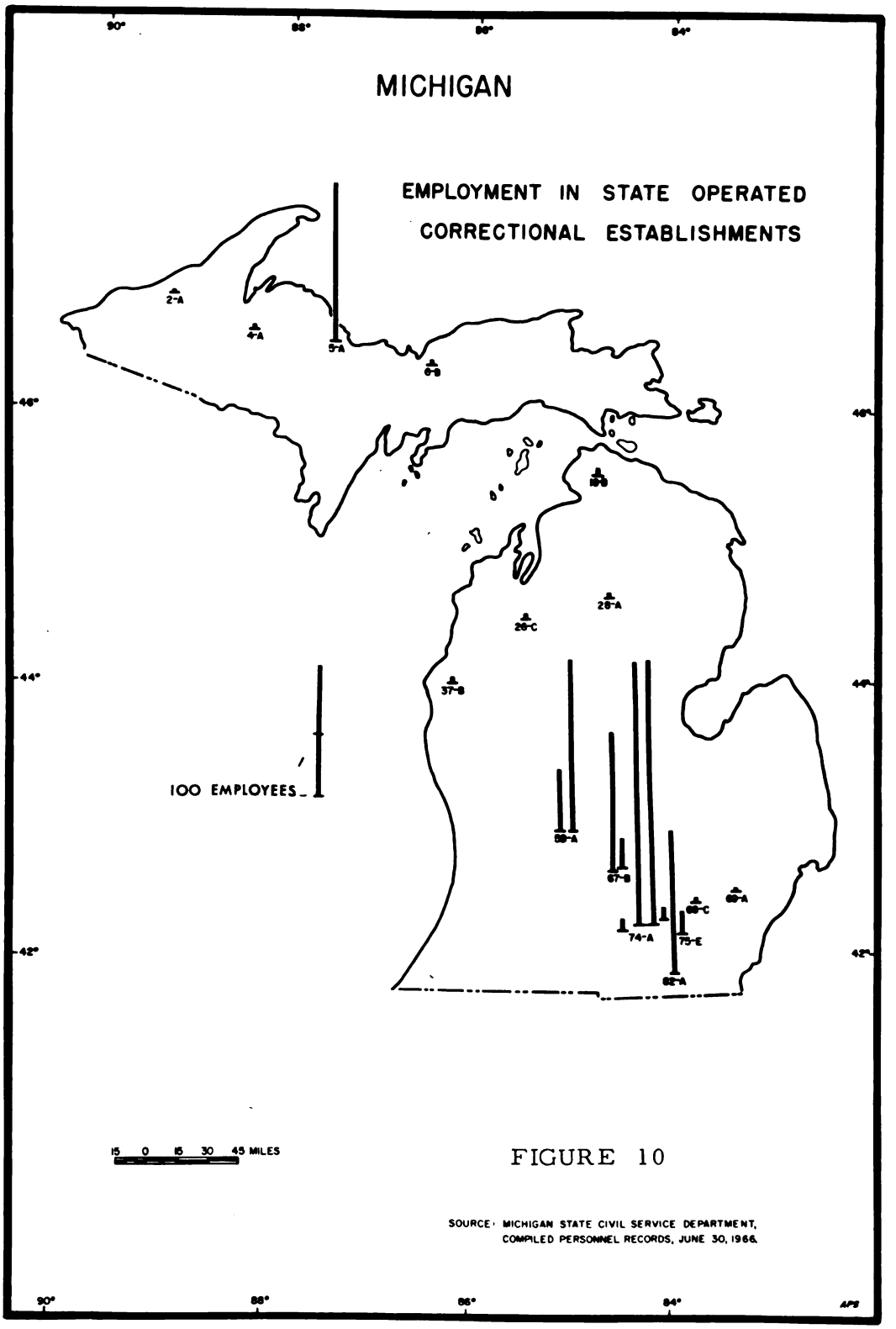



FIGURE 10

SOURCE: MICHIGAN STATE CIVIL SERVICE DEPARTMENT, COMPILED PERSONNEL RECORDS, JUNE 30, 1966.

in absolute terms (Table 6). This shrinking demand for correctional facilities has already caused total employment to drop in some establishments. With a growing population, however, it is likely the number of inmates will again increase in absolute numbers.

Juvenile offenders are placed in training schools--the boys in Lansing or Whitmore Lake and the girls in Adrian. These two establishments, plus two conservation camps for boys, are operated by the Social Services Department rather than the Correctional Department. The young offenders are in a sense incarcerated although the emphasis is on social and academic education at these establishments.

Modern prisons and training schools are complex establishments. Although much of the labor is performed by prisoners, control and maintenance requirements are still high--about one employee for five inmates. Prisons are subject to economies of scale with respect to such costs as employment, food preparation, and medical care. Food costs for each inmate at the Jackson prison are 10 cents per day lower than at some of the smaller correctional establishments in the state.[19]

The most numerous of all correctional establishments in Michigan are the Parole and Probation Offices (Fig. 11). Located with

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[19]State of Michigan, State Operations and Local Benefits Budget for the Fiscal Year Ending June 30, 1967, p. N-9.

Table 6.--Inmate Population of Michigan State Prisons 1920-65

| Year | Average Inmate Population | Inmates/ 100,000 Population |
|---|---|---|
| 1920 | 2,275 | 62 |
| 1925 | 4,292 | 101 |
| 1930 | 7,711 | 159 |
| 1935 | 7,487 | 147 |
| 1940 | 7,656 | 146 |
| 1945 | 7,392 | 135 |
| 1950 | 8,591 | 135 |
| 1955 | 9,547 | 131 |
| 1960 | 9,550 | 122 |
| 1965 | 7,641 | 92 |

Source: U.S. Department of Commerce, Statistical Abstract of the United States, 1938 and 1966; U.S. Department of Justice, Bureau of Prisons, U.S. Prison Statistics, Nos. 30-40.

female prisoners sentenced outside Detroit has discouraged the creation of a state prison for women. The city of Detroit has rarely objected to this unique arrangement, and the state is satisfied to turn this penal responsibility over to another government.

The number of prison inmates has been declining in terms relative to the total population since 1930, and, since 1960, has dropped

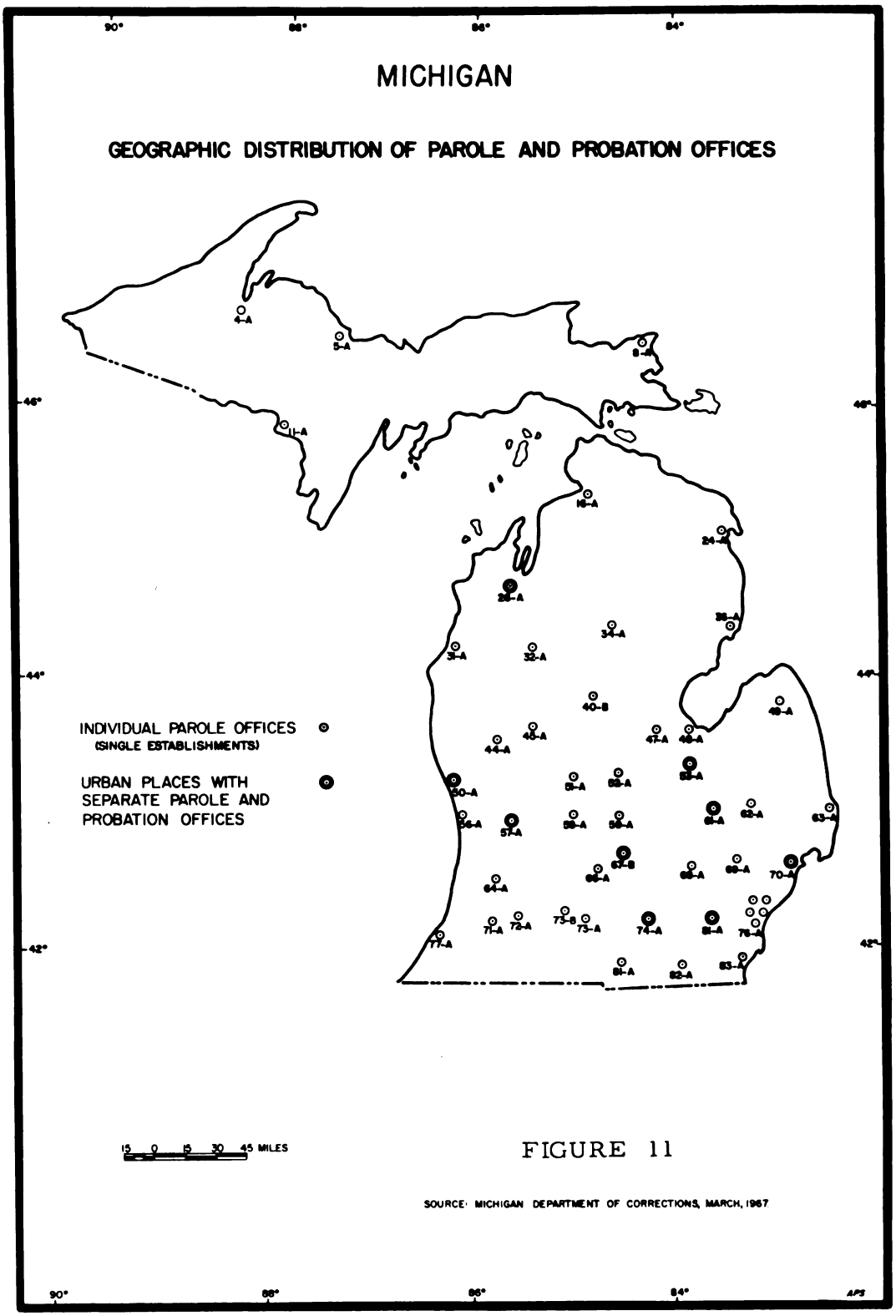

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF PAROLE AND PROBATION OFFICES
INDIVIDUAL PAROLE OFFICES
(SINGLE ESTABLISHMENTS)
URBAN PLACES WITH
SEPARATE PAROLE AND
PROBATION OFFICES
15 0 15 30 45 MILES
SOURCE: MICHIGAN DEPARTMENT OF CORRECTIONS, MARCH, 1967

FIGURE 11

reference to the population density, these forty-eight establishments assure that prescribed standards of conduct are maintained by individuals on parole or probation. Many of these offices are staffed only by a Parole Officer, who also works probation cases. In some of the larger cities, however, separate establishments are maintained to perform probation functions (Fig. 11). In Wayne County, probation offices are operated by local government.

The central administrative office in Lansing has few employees relative to the number of workers in other parts of the state. The central staff comprises only 5 per cent of the total work force in correctional establishments.

Tax Collection and Assessment

State government is given the task of performing a variety of functions which in a business sense are not directly profitable. Benefits derived from such services as police protection, education, and mental therapy cannot easily be summed up in dollars on a quarterly profit-loss statement. To finance these necessary and beneficial but "unprofitable" functions, government must have dependable revenue sources. As a partial solution to the problem, the power to levy taxes, a long standing prerogative unique to government, has been utilized as an indirect pricing system for services rendered.

The job of collecting taxes has been diffused among various

government agencies and, in spite of efforts to centralize the function, six of Michigan's executive departments are engaged in performing this duty.[20] The Revenue Division of the Treasury Department collects about 80 per cent of all tax dollars, including the sales and gasoline taxes, which together account for over one-half of all state tax monies.[21]

Several state government establishments supervise the assessment of local property taxes without actually collecting revenue.[22] Other establishments engage in tax collection but only as a secondary duty. Only two Treasury Department establishments, one in Lansing and the other in Detroit, have tax collection as a primary duty. Both are high-employment establishments, but the apparent centralization of employment is somewhat misleading. Tax collecting requires extensive field work on the part of auditors and investigators. More than 300 of these field employees, are found scattered throughout the state, working from their own homes, to audit accounts of various tax-paying firms and individuals. These field employees file reports directly with the central administrative offices in Lansing or Detroit. These two

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[20]Departments collecting taxes: Commerce, Treasury, State, Licensing and Regulation, Conservation, and Agriculture.

[21]Michigan Treasury Department, Revenue Division, 25th Annual Report, Fiscal 1966, pp. 10-11.

[22]These are establishments of the State Tax Commission and are located in Lansing, Detroit, and Ferndale.

centralized accounting offices, with large clerical staffs, tabulate figures from tax forms and auditors' reports. Economies of scale are a very influential localization factor in such establishments.

Attorney General Establishments

The programs carried out by primary and socialized governmental establishments frequently demand legal counsel. Many of the laws passed by the Legislature and signed by the Governor are statements of general policy and are subject to a range of interpretations. Ultimately, of course, it is the duty of the courts to interpret the law. State government establishments, however, cannot initiate litigation each time a legal clarification is needed.

The Attorney General establishments are by law the only sources of the legal advice for the various state agencies. Attorney General establishments differ little from legal counselling establishments in the private sector and perhaps could logically be classed as socialized establishments rather than pure government.

Legal opinions rendered by the Attorney General must be accepted and adhered to unless revised by a Court. Attorney General rulings in a sense represent definite decisions which guide all other state government establishments. Other functions of the Attorney General include directing and advising County Attorneys, conducting investigations, and representing the state in court.

Michigan's Attorney General system illustrates an efficient solution to the problems posed by the spatial fragmentation of governmental establishments. Individual Attorney General establishments are attached directly to the various state agencies in need of legal counsel. Thus, the Attorney General establishment specializing in the legal aspects of the state tax collection program is located in the same building with the principal tax collecting establishment of the Treasury Department. Attorney General establishments are highly specialized in the legal aspects of some phase of government and each maintains a separate identity in spite of close working relationships with the particular agency to which it is attached.

The geographic distribution of Lansing's ten Attorney General establishments may be characterized as oriented to the points where demand occurs. In the urban area of the capital city, employment is concentrated near the various central administrative establishments which generate a great demand for legal counsel and decisions. Direct contact with the citizenry is minimal. The five establishments in Detroit and the one in Escanaba are situated to serve other state agencies with establishments in those areas.

## Independent Regulatory Commissions

The governmental regulation of business activities is a topic which lends itself to endless discussion of political philosophy. In this

study, only those central functions which define regulatory establishments as a separate economic group require comment.

State governments have shown little hesitancy in applying the governmental prerogative of decision-making to some spheres of business. As Ross and Millsap point out, "It is probably true that the amount of state regulation of business has often exceeded that of the national government."[23]

Establishments Regulating Commercial Activities

Regulation refers to a great variety of governmental controls over business activities. The most common controls involve: (1) setting standards and inspecting for compliance; (2) issuing licenses, franchises, and monopoly rights to operate a business or to practice an occupation; and (3) approving or setting rates and prices. The protection of the consumer is generally the basic motivation for the regulation of business, but the business being regulated may also derive great benefits in the process. Occupational licensing, for example, protects the citizenry by setting qualification standards for doctors, nurses, pharmacists, barbers, plumbers, and others. Occupational licenses, granted by a board composed of practicing members of the profession, may by varying the entrance requirements control their own sizes and to a certain extent salaries. Thus the profession has an opportunity to set

[23]Ross and Millsap, State Government, p. 608.

the standards which prospective new members must meet. Regulation by functionally specialized agencies is not limited to commercial pursuits but extends also into social and personal activities such as civil rights.

Regulatory establishments are called independent for good reason. Their autonomy is derived from the ability to decide issues and implement policy without the approval of the Executive or the Legislature. Typically, such establishments operate under the direction of an elected or appointed commission or board. The autonomy of these quasi legislative-executive-judicial establishments makes them in many ways a fourth branch of government. Most of these establishments are spatially concentrated in the Lansing area (Fig. 12, p. 73).

Public Utilities and Transportation.--All modern governments, regardless of ideological commitments, have moved to some degree of control over that sector of the economy which directly affects the "public interest." A public utility, as defined by Dimock, is "an industry set apart from others by legal designation because of a fourfold duty--to serve and to continue to serve until permitted to discontinue service; to serve all alike on equal basis; to provide service to acceptable quality; and to limit itself to reasonable rates. Further, being subject to these duties, the industry is amenable to whatever regulations the government chooses to impose."[24]

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[24]Marshall E. Dimock, Business and Government (NewYork: Henry Holt and Co., 1958), p. 455.

In Michigan, utilities regulated by the Public Service Commission include electric light and power companies, natural gas companies, telephone and telegraph companies, pipelines, motor carriers, railroads, airlines, and all other public transportation and communications agencies. To these various industries the state government offers monopoly franchises in return for their involuntary submission to regulation. Municipally owned utilities, however, are not regulated by the state.

Functioning principally from a single establishment in Lansing, the Public Service Commission performs a variety of decision-making tasks. Among the controls exerted by the Commission over utilities are the powers to disapprove new rates and to prescribe standards of service. The process of rate regulation is highly technical in nature and decisions must sometimes be made in the face of great pressures applied by the utility companies and other organized interests. Decisions made by the Public Service Commission and its small staff, only slightly more than 100 employees, can be challenged by the large, highly competent legal staffs of the utility companies.

Regulated firms are responsible for filing rates and submitting a variety of reports. Because relatively few on-site inspections are required, many of the basic regulatory processes can be carried out in a single establishment.

The Public Service Commission exemplifies the prime

characteristic of regulatory agencies. This characteristic is the concentration, rather than separation, of power. In such establishments, the legislative power to write law (or at least rules) is combined with executive power to enforce and judicial power to decide with a marked degree of finality. Despite the relatively few employees and a small payroll, the Public Service Commission can be identified as a power node with momentous economic consequences resulting from its policy decisions. The location of economic activities is greatly affected by rate structures of all modes of transportation.

Railroads were among the industries first to be brought under state regulation. Until 1846, many of the roads were actually owned and operated by the state.[25]

Regulatory activities of the state were vested in separate offices of a Railroad Commissioner in 1873, about forty years after the first line began operating from Toledo, Ohio to Adrian in southeastern Michigan. The rail net gradually expanded in the south, sending long fingers into the northern logging country. Lines also crossed the Upper Peninsula from west to east but, because of the lumbering decline during the early 1900's, many miles of trackage in the north were abandoned. At present about 7,000 miles of main-line trackage and about 10,000 grade crossings are subject to regulation.[26] Rail line abandonment

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[25]Michigan Public Service Commission, Annual Report, 1964, p. 13.

[26]Ibid., p. 14.

must have state approval, but rates on interstate traffic are within the pale of federal regulation.

The construction of natural gas pipelines has also resulted in state regulation with focus on commercial and safety considerations. Gas transmission lines enter the state from the south and also fan out from producing fields in Mecosta, Isabells, and Clare counties in the central Lower Peninsula.

The state regulation of telephone service affects operations of the mammoth Michigan Bell system and about seventy-three small independent companies. The independent companies, situated mainly in small towns and rural areas, serve only about 10 per cent of all telephone customers in the state.[27]

Regulation of the motor trucking industry has proven extremely difficult. Mobile units are utilized to check the routes used by the various carriers.

The regulation of all public utility and transportation concerns in the state by the Public Service Commission is accomplished by a staff of about 100 persons. Technical competence improves the efficiency of the regulatory establishment, but it is obvious that the staff is spread thinly in monitoring the operations of such complex and spatially fragmented industries.

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[27] Ibid., p. 42.

The Aeronautics Division of the Department of Commerce has certain regulatory functions with respect to safety and flight scheduling, but most of its functions cannot be considered as unique to government.[28] Consequently, this agency is examined as an establishment of the socialized industries (Chapter IV).

Insurance.--The Insurance Bureau, of the Department of Commerce, functions through a single establishment in Lansing. Its primary functions include the licensing of companies and agencies, the reviewing of policy coverages and rates, and the collecting of taxes levied on various phases of the insuring process. In 1965, the establishment licensed over 31,000 agents, reviewed 33,000 new forms of policies, and received almost 7,000 complaints from insured parties.[29] The establishment employs about 150 persons, most of whom are specialized clerical workers.

Corporations and Securities.--When the state agencies were reorganized under the new constitution, the Corporations and Securities Commission was split three ways and portioned out to separate departments. The chartering of corporations, long a prerogative of state government, was assigned to the Commerce Department along with the responsibility for enforcing the blue sky law forbidding the sale of

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[28]Michigan, State Budget, 1967, p. V-19.

[29]Ibid., p. U-7.

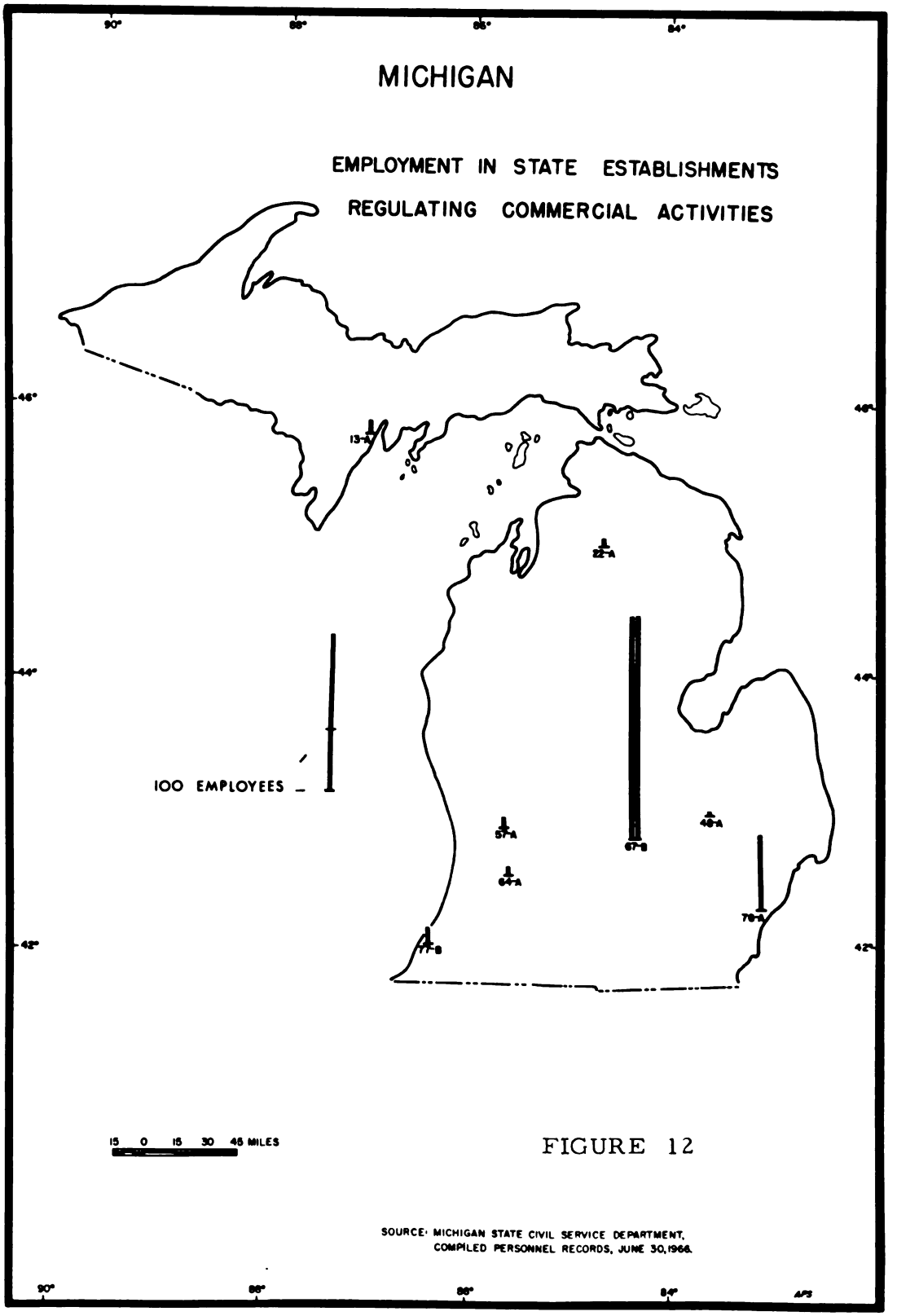

MICHIGAN
EMPLOYMENT IN STATE ESTABLISHMENTS
REGULATING COMMERCIAL ACTIVITIES
100 EMPLOYEES
15 0 15 30 45 MILES
SOURCE: MICHIGAN STATE CIVIL SERVICE DEPARTMENT,
COMPILED PERSONNEL RECORDS, JUNE 30, 1966.

FIGURE 12

worthless securities. Annual financial statements are required of all chartered corporations and are filed in the Lansing establishment. A small Detroit office is maintained for proximity to the corporate headquarters found there, but most of the work is performed by about thirty employees in the central establishment in Lansing. Considering that there are some 60,000 Michigan corporations, it is evident that the objectives of state control are very limited.

Banking and Other Financial Institutions.--The regulation of banking by the state government requires fewer quasi-legislative powers than the regulation of other business activities. The Financial Institutions Bureau of the Department of Commerce enforces the many complex banking laws.

Among the Bureau's functions is the chartering of banks and other financial institutions such as savings and loan associations, credit unions, and loan companies. State law requires the books of all banks to be examined annually. With its current staff of 100 perople, about one-half of whom are field examiners, the agency has been unable to fulfill this legal requirement.[30] This is because of the large number of chartered state banks (over 700) and the growing complexity of the banking business. In addition to banks, there are almost 800 credit

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[30]Byron T. Bennett, Michigan Department of Commerce, Financial Institutions Bureau, Personal Interview, April, 1967.

unions and over 600 savings and loan establishments which also require an annual state audit.[31]

This regulatory program is administered through a single establishment located in Lansing. Bank examiners live throughout the state and travel to the various financial institutions to be audited, a solution adopted by several types of regulatory establishments engaged in on-site inspections throughout the state.

The government has not vested in this establishment any power to influence the economy of the state by setting bank interest rates. The principal functions are to protect the consumer by assuring sound management of financial institutions.

Occupational Licensing.--Twenty-eight separate boards exist to examine and license persons seeking to practice a great variety of occupations (Table 7). Before the administrative reorganization in 1965, most of these boards maintained separate establishments. The Legislature in accordance with the new Constitution left the boards intact but grouped them under the Department of Licensing and Registration. Shortly thereafter, separate functions were centralized in two establishments--one in Lansing and the other in Detroit. This consolidation resulted in a decrease in the total number of employees because of scale economies. Most of the regulated occupations are

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[31] Ibid.

Table 7.--Occupational Licensing Boards and Commissions in Michigan State Government, April, 1967

| |
|---|
| Athletic Board of Control |
| Corporation and Securities Commission |
| Superintendent of Private Employment Bureaus |
| Board of Accountancy |
| Board of Architects, Engineers, and Land Surveyors |
| Board of Barbers |
| Board of Basic Sciences |
| Board of Chiropractic Registration |
| Board of Cosmetology |
| Board of Dentistry |
| Board of Electrical Administrators |
| Board of Registration of Foresters |
| Board of Healing Arts |
| Board of Horology |
| Board of Landscape Architects |
| Board of Medicine |
| Board of Mortuary Science |
| Board of Nursing Science |
| Board of Optometry |
| Board of Osteopathic Registration and Examination |
| Board of Pharmacy |
| Board of Physical Therapy |
| Board of Plumbing |
| Board of Podiatry |
| Board of Registration for Psychologists |
| Board of Real Estate, Residential Builders |
| Board of Residential Maintenance and Alteration Contractors |
| Board of Public Sanitarians |

Source: State of Michigan, 73rd Legislature. Enrolled House Bill No. 1269.

represented in both establishments.

The two licensing establishments are financially self-supporting--the $2 million collected from license fees paid each year by

individuals admitted to the various occupations is approximately equal to administrative expenses. In addition to the 180 employees who work in the two establishments combined, there are eighty-two board members. The variety of occupations licensed by these two establishments is so great that only a list can be included (Table 7). The examination of applicants from each occupation, in accordance with prescribed standards, provides a method for the controlling entry into the various occupations, and can result in higher salaries for the "regulated" members. The desirability of regulation is reflected by attempts of several occupations to bring themselves under state control.

Horse Racing.--The Michigan Racing Commission establishment in Detroit did not fit neatly into any of the newly-created major departments. In its regulatory role, the Racing Commission performs several unique functions. It assigns racing days for each of Michigan's six privately owned tracks, collects a wagering tax, and is responsible for an audit of each day's parimutuel betting. Blood is drawn from the winner of each race and subsequently tested for dope. Because the blood was tested in Department of Agriculture Laboratories, the Racing Commission was placed under that agency during the reorganization.

The Detroit establishment, with only six employees, depends mainly on private auditing firms to do its work. The entire establishment moves to a large Detroit-area race track during the racing

season.[32]

Liquor Control.--The regulation of liquor commerce by governments in the United States reflects the views of the citizenry that such control serves the public interest. In Michigan, two distinct classes of establishments are operated by the Liquor Control Commission. One type is regulatory in nature--issuing licenses, inspecting, and enforcing the liquor-control laws--and is obviously performing primary governmental functions. The other type establishment is the state-owned retail outlet, in direct competition with licensed, private liquor stores. These are examined later as socialized industrial establishments (Chapter IV).

A primary function of the Liquor Control Commission's regulatory establishments is the granting of liquor licenses. All licenses to sell "hard" liquor are allocated on the basis of area and population, and represent a form of monopoly franchise with a guaranteed market. Liquor Control personnel inspect each potential site for package stores, bars, and taverns and investigate the background of the applicant.

Private liquor sales in Michigan are allowed in four types of establishments. Taverns and restaurants may sell only beer and wine for consumption on or off the premises while bars may sell these plus

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[32]Esther McSween, Executive Secretary of the Michigan Racing Commission, Personal Interview, April, 1967.

hard liquor. Package stores sell all kinds of alcoholic beverages to be consumed off the premises, but grocery stores are limited to beer and wine.

Five regulatory establishments combined employ about 150 persons who carry on regional enforcement programs from offices in Lansing, Detroit, Kalamazoo, Traverse City, and Escanaba. Each is the work station for inspectors who travel throughout an assigned area to investigate infractions of state liquor laws. Most of the regulatory work done by the Liquor Control Commission requires inspectors to be physically present in all areas of the state. This requirement explains the pattern of regional branch offices rather than a single large establishment in Lansing.

Agricultural Products.--Regulation of the food industry occurs at many points in the production and marketing process. Most of the regulatory laws are intended to assure sanitary procedures and products. The inspection of agricultural products is carried out at such establishments as farms, meat packing plants, dairies, wholesale warehouses, and grocery stores by inspectors who are trained specialists in particular commodities.

The industries regulated by the Agricultural Department consist of thousands of separate production and processing points throughout the state. Such a regulatory program cannot be conducted

in a single centralized establishment. It is performed instead by a force of almost 400 agricultural inspectors dispersed throughout the state (Fig. 13). Although six branch offices are maintained for administrative control, most of the inspectors work in local areas near their homes.[33]

This type of on-site regulatory inspection requires an extremely dispersed orientation of field personnel. Inspectors must operate independently in performing field duties, often using their homes as offices for clerical work.

All food storage and preparation establishments in the state are subject to inspection for sanitary procedures and products. In 1964, about 25,000 food-handling establishments were inspected. The inspections in that year resulted in 365 convictions on charges of unsanitary conditions or failure to meet quality standards.[34] Of all types of scales inspected, about 10 per cent were rejected as improper weighing devices. About 150 additional fruit and vegetable inspectors are hired during the summer and move with the harvest through the Lake Michigan horticulture belt.

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[33]Charles Cecil, Michigan Department of Agriculture, Personal Interview, April, 1967.

[34]Michigan Department of Agriculture, 21st Biennial Report, 1963-64, pp. 43-48.

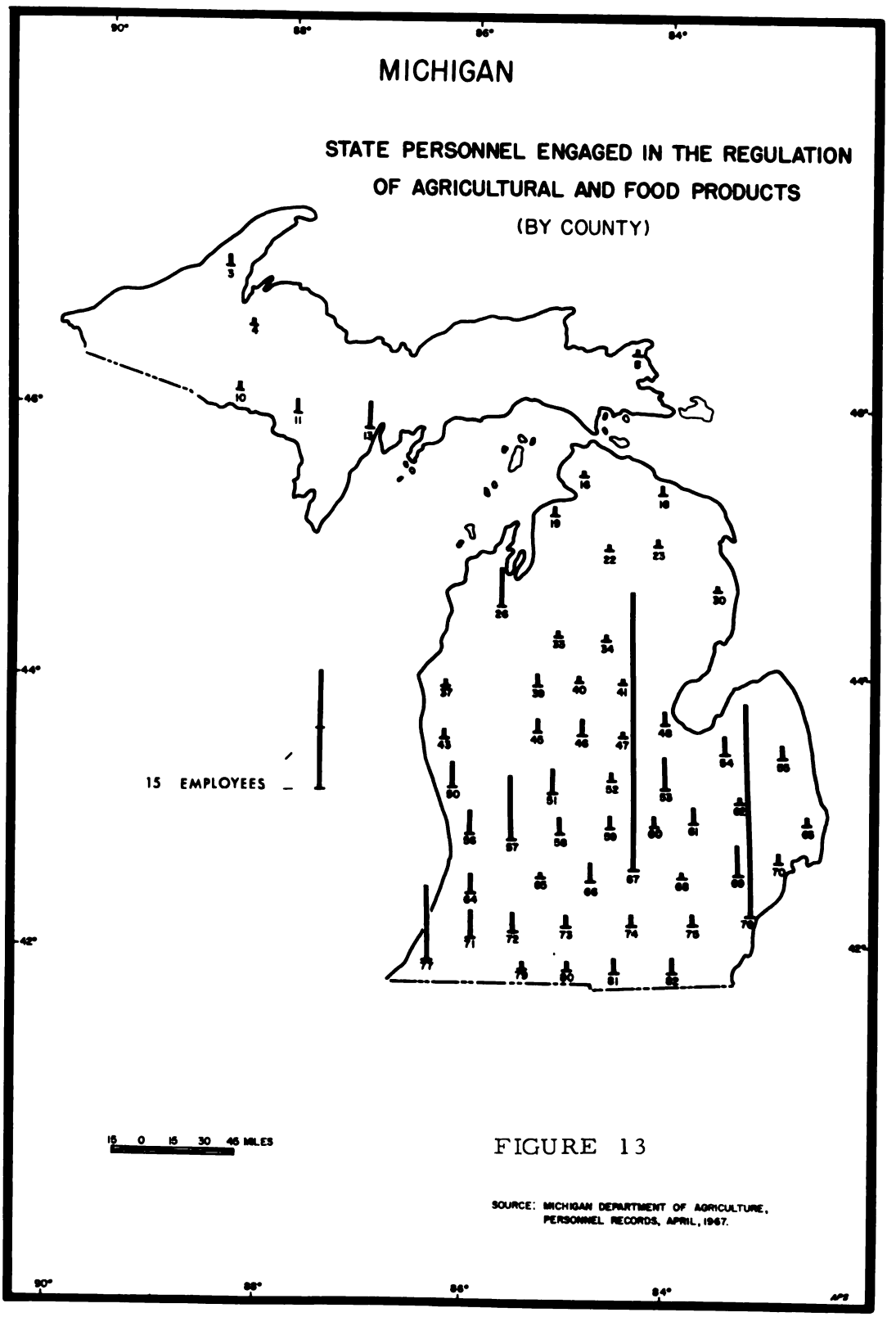

MICHIGAN
STATE PERSONNEL ENGAGED IN THE REGULATION
OF AGRICULTURAL AND FOOD PRODUCTS
(BY COUNTY)
15 EMPLOYEES
15 0 15 30 45 MILES
SOURCE: MICHIGAN DEPARTMENT OF AGRICULTURE,
PERSONNEL RECORDS, APRIL, 1967.

FIGURE 13

A group of about fifty dairy inspectors is responsible for assuring that sanitary methods are utilized in the processing of milk. Quality standards such as butterfat content are also enforced. Tests are made in each of the 460 dairies and milk samples are collected for laboratory analysis. All dairy plants and stores are licensed by the state and failure to meet standards can result in the revocation of licenses.

The effort to eradicate brucellosis and tuberculosis in cattle depends on the work of livestock inspectors throughout the state. About 200,000 cattle are subject to blood tests for brucellosis each year in an effort to prevent the disease from spreading to the human population as undulant fever.

The inspection of meat in slaughter houses is another task accomplished by specialized inspectors. About ninety persons, many of whom are veterinarians, are involved in meat inspection work. During the first four months of 1967, meat inspectors condemned 3,800 swine carcasses as unfit for human consumption.[35]

Miscellaneous laws designed to prevent the spread of damaging insects and plant diseases are enforced by the Agriculture Department. Many of the sixty employees who carry out the program are entomologists. During the summer months as many as 200 workers

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[35]Letter from Dr. Ralph Beebe, State Department of Agriculture, May 17, 1967.

may be added to help do field inspection work.

The regulatory functions of the Agriculture Department are administered in the field by individual inspectors. The extreme dispersion of regulated activities all requiring on-site inspections preclude centralized establishments. The spatial distribution of this type of employment is best explained by referring to the patterns of agricultural activity throughout the state.

Establishments Regulating Non-Commercial Activities

Agencies and establishments described in this section deal with non-commercial activities in the sense that regulations tend to focus somewhat more directly on the individual person rather than on the commercial establishment, i.e., regulations with respect to civil rights, employee accident compensation, and licensing of vehicle operations. The emphasis on such regulatory activities is indicated by the small employment--only 10 per cent of that in business regulatory establishments. The spatial distribution of non-commercial regulatory establishments, like those regulating business, is highly centralized in Lansing and Detroit.

Civil Rights.--Michigan has exhibited a willingness to use the power of the state government in guaranteeing freedom from discriminatory practices to members of minority groups. The Civil Rights Commission was created in 1964 and given the status of a major depart-

ment under the administrative reorganization. The Civil Rights Department (still under direction of the Commission) maintains offices in urban areas having relatively high percentages of non-white population (Table 8). The administrative establishment and two branch offices are in Detroit.

Table 8.--Percentage of Non-White Population in Michigan Cities with Civil Rights Establishments, 1960

| City | Total Non-White Population (SMSA)[a] | Percentage | |
|---|---|---|---|
| | | Of Total SMSA Population | Residing in the Central City |
| Bay City | 674 | .6 | 87.5 |
| Detroit | 566,787 | 14.8 | 86.0 |
| Flint | 37,030 | 9.9 | 94.1 |
| Grand Rapids | 15,274 | 4.2 | 96.4 |
| Jackson | 7,429 | 5.6 | 63.5 |
| Kalamazoo | 6,096 | 3.6 | 90.2 |
| Lansing | 8.354 | 2.8 | 83.9 |
| Muskegon | 12,998 | 8.7 | 87.4 |
| Saginaw | 19,064 | 10.0 | 88.6 |
| Total | 686,684 | 12.0 | 85.6 |

[a]The population figure is for the entire metropolitan area.

Source: Michigan Civil Rights Commission, A Report on the Characteristics of Michigan's Non-White Population, 1966.

The branch offices are intended to receive and investigate complaints of discrimination by individual citizens. Most discrimination

charges are issued by persons refused housing, employment, or educational opportunities on the basis of race, religion, or sex. During the middle 1960's, complaints of discrimination have deluged the various Civil Rights establishments, and a backlog of over 700 uninvestigated claims developed by 1967.[36] The threat of court action has proven effective in enforcing the laws and rules promulgated by the Civil Rights Commission.

In its geographic distribution of establishments, the Civil Rights Department is similar to other independent regulatory agencies which have direct contact with the public. Branch offices are maintained in proximity to the demand in each of the potential social friction points of Table 8. Combined, all Civil Rights establishments employ about 100 people, about seventy-five of whom work in the three Detroit offices.

Labor Conditions. --State governments in general have attempted to assure for laborers relatively safe working conditions and compensation for injuries incurred on the job. Some states, Michigan included, have also tried to guarantee fair wages and hours and to expedite labor-management contract negotiations.

Michigan has had the benefits of significant labor legislation since 1893 when the Legislature passed a comprehensive act regulating

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[36]Thomas E. Johnson, Civil Rights Department, Community Services Division, Telephone interview, May 16, 1967.

working conditions. In 1895, the Governor reported on the success of the new program:

> Under this act, the Commissioner of Labor has appointed factory inspectors, who have inspected more than 8,000 factories, and caused a large number of improvements to be made in machinery, fire escapes, etc., and has also prevented the violation of the law in regard to the employment of women and children, has preserved labor from unfair competition, and has had a tendency to keep children, who have been in factors, and who should have been in school, in their proper places.[37]

The regulatory establishments of the labor department employ about 360 persons. Several independent commissions are included within the department.

The Bureau of Safety and Regulations with establishments in Lansing and Detroit inspects such occupational hazards as steam boilers and elevators throughout the state. The Construction Safety Commission, with establishments in the same two cities, checks construction sites for unsafe situations. The Labor Mediation Board maintains an office in Grand Rapids as well as in Lansing and Detroit. These establishments attempt to expedite negotiations between employers and unions, but have not had compulsory arbitration power. Establishments of the Workmen's Compensation Commission in Lansing, Detroit, and Escanaba assure that all employers carry adequate insurance to cover labor injuries and

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[37]State of Michigan, Official Manual and Directory of the Executive Office, 1896 (Lansing: Robert Smith Printing Co., 1896), pp. 191-192.

that workers who sustain injuries on the job receive just compensation from the employer.

About one-half of all employees working in labor regulatory establishments are found in Lansing, where the functions performed are generally administrative. Field offices are located in proximity to the large urban labor forces of Detroit and Grand Rapids.

Regulation of labor conditions represents a concern by government for individual welfare and an attempt to guarantee a form of basic rights of the individual. In the case of workmen's compensation proceedings, there is direct contact between government establishments and individual citizens seeking redress.

Vehicle and Driver Licensing.--The regulation of automotive transportation is intended to satisfy several governmental objectives--tax generation, the identification of vehicles by ownership, and a degree of safety on the roads and highways. These three functions, which could be performed separately, are accomplished by a single system of closely integrated establishments.

Government in this instance is regulating the individual citizen--the vehicle owner and operator. In the commercial regulatory establishments, control is exerted over business activities which might indirectly affect the private citizen. The Department of State, which operates under an elected Secretary of State, carries out all aspects of driver and

vehicle licensing with the exception of manufacturing the metal plates, a job accomplished in state prisons.

The pre-eminence of the automobile in American culture is reflected in Michigan's state government. In terms of employment, the licensing of vehicles and drivers is indeed a significant activity of primary government. The administration of the licensing program is centralized in Lansing, where the vehicle licensing function requires more employees than the regulation of all public utilities, financial institutions, and other commercial activities combined. Ten establishments with a total employment of about 900 persons are found in various nodes throughout the capital city. These establishments operate in a close functional relationship, sharing auxiliary units and facilities.

Millions of license forms are hand processed and filed in these centralized administrative establishments. The central files of titles, registrations, and drivers' licenses require droves of clerical workers. The 4.5 million license plate registration records become completely obsolete annually. To cooperate with law enforcement officers in their efforts to identify vehicles, license plate files are manned around the clock, and a nationwide teletype system links police establishments with files in all other states. The ownership of any automobile in the country can be determined within minutes.

To distribute license plates to the public, the state operates eleven branch tag offices in various Michigan cities. Most license

plates, however, are distributed through 288 contract offices operated by individuals on a fee basis. The orientation of all such establishments is the same as for retail stores--close to the market.

Vehicle licensing should also be recognized as a taxation measure. The revenue generated by the various licensing fees and automobile taxes is collected from the many branch offices by a centralized accounting unit in Lansing.

The licensing of drivers requires a similar set of establishments. The State Department operates thirty-five drivers' license examining stations throughout the state and more are scheduled to be opened. In some cities, vehicle and driver licensing have been combined in single establishments. The examining process generates paper which is eventually deposited in files maintained for each of the 5 million drivers licensed by the state. In each file is a cumulative record of driving violations, used as evidence for suspending or revoking licenses. Both the vehicle and drivers files in Lansing are to be converted to computerized records systems. By 1970, the hundreds of clerical workers should no longer be required, at least for routine filing.

Establishments in this class illustrate the application of modern management principles in that each is highly specialized but performs a complementary function in the overall program of automobile and driver licensing. Small branch offices serve the citizenry through-

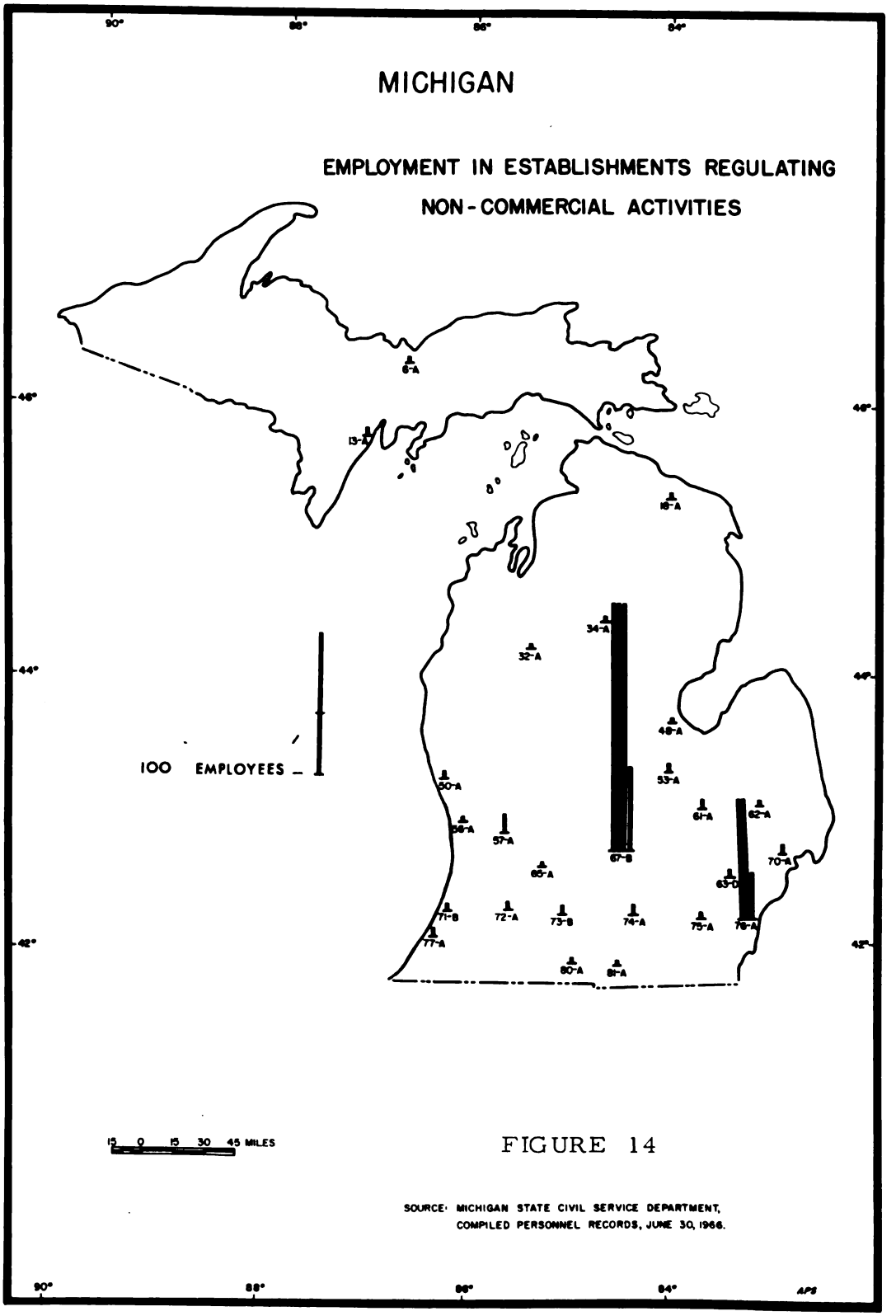



FIGURE 14

SOURCE: MICHIGAN STATE CIVIL SERVICE DEPARTMENT, COMPILED PERSONNEL RECORDS, JUNE 30, 1966.

out the state, but routine processing is done in Lansing where scale economies can be realized in large administrative establishments (Fig. 14).

## Primary Government--A Recapitulation

All primary establishments combined employ only 13 per cent of Michigan's state government workers. The unique decision-making functions of state government are accomplished by a smaller group of employees than would be found in some of Michigan's automobile manufacturing complexes. The four principal types of primary government vary greatly in numbers of employees. Judicial establishments employ only 2 per cent of primary government workers; legislative establishments 5 per cent; independent regulatory 33 per cent; and executive establishments 60 per cent. The Department of Corrections, with large numbers of employees performing routine, low-skill jobs, accounts for about 26 per cent of pure government workers. The tax-collection and regulatory establishments operate with highly-trained nuclei of administrators and technicians who supervise large numbers of clerical workers, mainly women. Employment in the police and military establishments is composed of men trained in these specialities.

The locational orientation of the types of primary governmental establishments varies from extremely dispersed to strongly centralized. Many services are offered throughout the state near the points where

demand occurs, while others are clustered in Lansing (Fig. 15).

Rendering common governmental services directly to individual citizens has resulted in a geographic pattern very similar to that of population. Circuit courts, police posts, armories, parole offices, civil rights establishments, and driver vehicle licensing branch offices are found in all sections of the state. Individuals cannot be expected to travel excessive distances for such governmental services.

Most of the larger correctional establishments are located in the general area where demand is most intense--central and southern Michigan. The specific location of such establishments can vary within a large service region without extenuating costs or convenience.

Establishments which perform on-site inspections have evolved distinct solutions to the problems of offering service in remote sections of the state. The programs are directed from large centralized establishments in Lansing or Detroit, but the field work is done by individual inspectors who work from their homes. This solution to the spatially-rooted problem of administering on-site inspections is economically efficient but depends on independent work and infrequent contact with supervisors. If on-site inspections are but rarely required, the inspectors may work directly from the central establishment and make occasional long distance trips to accomplish their missions. The classes of establishments utilizing this type of employment distribution are tax collection, financial institutions, some types of agricultural products

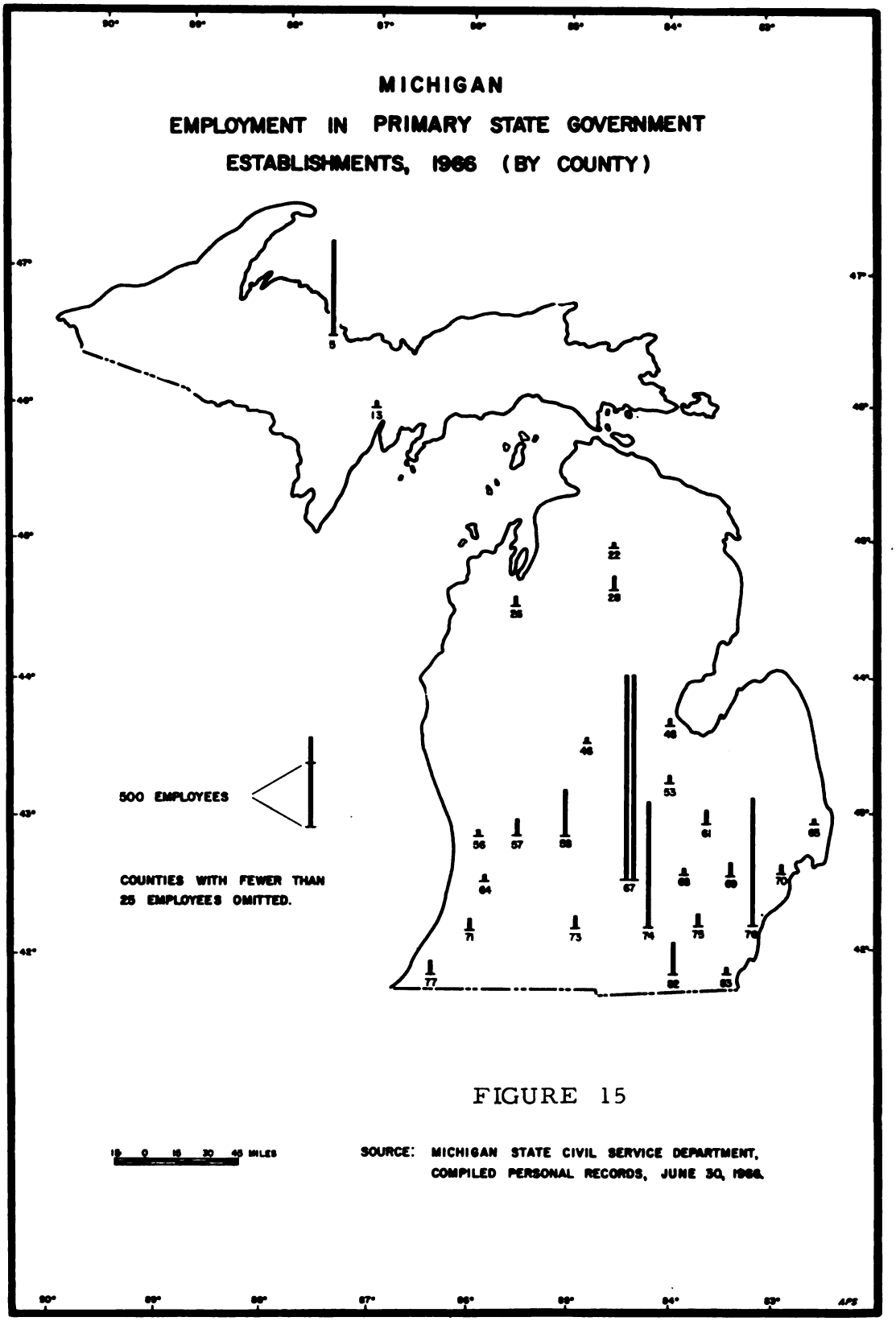

MICHIGAN
EMPLOYMENT IN PRIMARY STATE GOVERNMENT
ESTABLISHMENTS, 1966 (BY COUNTY)
500 EMPLOYEES
COUNTIES WITH FEWER THAN
25 EMPLOYEES OMITTED.
SOURCE: MICHIGAN STATE CIVIL SERVICE DEPARTMENT,
COMPILED PERSONAL RECORDS, JUNE 30, 1966.

FIGURE 15

inspection, and labor-safety regulation.

Establishments administering statewide programs which require neither direct contact with the citizenry nor on-site inspection have highly centralized employment patterns. Policy making establishments such as the Governor's Office and the Legislature function best in centralized establishments where the personal interaction necessary to the basic political processes can occur. Other centralized establishments may regulate industries such as insurance or financial investment companies which are themselves highly centralized in terms of management.

There are almost as many pure government establishments in Detroit as in Lansing (Table 9). In terms of employment, however, Detroit has only one-fourth the number of workers in primary government as Lansing. This apparent contradition is explained by the dominance in Detroit and Wayne County of branch offices with small staffs designed to provide police, military, tax collection, and a variety of licensing and other regulatory services to the high-density population cluster. The average size of primary establishments in Lansing is about seventy employees compared to fifteen in Wayne County.[38]

Pure government establishments in Lansing are primarily

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[38]Computed from data provided by the Michigan Civil Service Commission.

Table 9.--Primary Government in Michigan, Number of Establishments and Employment by Type of Establishment, May, 1967

| Type of Establishment | Number of Establishments | | | | | | Total Employment |
|---|---|---|---|---|---|---|---|
| | Ingham County | | Wayne County | | Elsewhere | | |
| | Establishments | Employment | Establishments | Employment | Establishments | Employment | |
| **Judicial** | | | | | | | |
| Supreme Court | 2 | 35 | 0 | 7 | 1 | 2 | 44 |
| Court of Appeals | 1 | 24 | 1 | 18 | 1 | 11 | 53 |
| Circuit Courts | 1 | 4 | 1 | 27 | 81 | 76 | 107 |
| Total | 4 | 63 | 2 | 52 | 82 | 89 | 204 |
| **Legislative**[a] | | | | | | | |
| House of Representatives | 1 | 267 | 0 | 0 | 0 | 0 | 267 |
| Senate | 1 | 114 | 0 | 0 | 0 | 0 | 114 |
| Service Bureau | 1 | 66 | 0 | 0 | 0 | 0 | 66 |
| Fiscal Agency | 1 | 4 | 0 | 0 | 0 | 0 | 4 |
| Total | 4 | 451 | 0 | 0 | 0 | 0 | 451 |
| **Executive** | | | | | | | |
| Office of the Governor[b] | 2 | 137 | 1 | 3 | 0 | 0 | 140 |
| Military | 4 | 82 | 5 | 39 | 53 | 145 | 266 |
| Police | 1 | 102 | 2 | 66 | 56 | 1682 | 1,850 |
| Correctional | 4 | 279 | 5 | 48 | 68 | 2040 | 2,367 |
| Tax Collection | 1 | 288 | 1 | 115 | 4 | 273 | 676 |
| Attorney General | 10 | 104 | 5 | 18 | 1 | 2 | 124 |
| Total | 22 | 992 | 19 | 289 | 182 | 4142 | 5,423 |

Table 10.--Continued

| Type of Establishments | Number of Establishments | | | | | | Total Employment |
|---|---|---|---|---|---|---|---|
| | Ingham County | | Wayne County | | Elsewhere | | |
| | Establishments | Employment | Establishments | Employment | Establishments | Employment | |
| Independent Regulatory | | | | | | | |
| Public Service | 1 | 101 | 1 | 5 | 0 | 0 | 106 |
| Insurance | 1 | 111 | 0 | 0 | 0 | 0 | 111 |
| Corporations and Securities | 1 | 30 | 0 | 0 | 0 | 0 | 30 |
| Financial Institutions | 1 | 88 | 0 | 0 | 0 | 0 | 88 |
| Occupational Licensing | 1 | 176 | 1 | 30 | 0 | 0 | 206 |
| Racing Commission | 0 | 0 | 1 | 5 | 0 | 0 | 5 |
| Liquor Control | 1 | 69 | 1 | 37 | 3 | 44 | 150 |
| Agricultural Products | 1 | 58 | 1 | 52 | 4 | 300 | 410 |
| Civil Rights | 1 | 6 | 3 | 75 | 8 | 16 | 97 |
| Labor | 4 | 190 | 3 | 129 | 2 | 30 | 349 |
| Vehicle and Driver | 10 | 920 | 11 | 347 | 34 | 136 | 1,403 |
| Total | 22 | 1749 | 22 | 680 | 51 | 526 | 2,955 |
| Grand Total of Primary Government | 55 | 3255 | 46 | 1021 | 315 | 4757 | 9,033 |

[a]In this study, the Legislature is conceptualized as a single economic establishment. For comparative purposes, it is broken into four component parts in this table.

[b]Does not include the Building Division.

Source: Compiled from records of the Michigan Department of Civil Service.

large administrative centers in which governmental policies are formulated and programs implemented. Laws are amplified by regulatory-establishment rules, and inspectors fan out over the state with rule books. The decision-making process usually begins in a Lansing establishment but is carried throughout the state by lower echelon establishments or by individual field inspectors. The central administrative establishments in Lansing are terminals for processing such raw materials as tax forms, license applications, and inspection reports generated by the small establishments in Detroit and throughout the state.

# CHAPTER IV

## MICHIGAN'S STATE GOVERNMENT: GEOGRAPHIC DISTRIBUTION OF EMPLOYMENT IN SOCIALIZED INDUSTRIES

Governments at all levels in the United States have expanded their employment in socialized establishments at a rapid rate during recent years. Most of the increase in state employment can be attributed to the growth of socialized industries.

Many national states hold that industrial establishments will be government owned unless specific reason exists to allow private ownership. In contrast, the dominant political philosophy in the United States allows public ownership of industrial establishments only when the private sector is unable to satisfy demand. Major reasons for government entry appear to be:

1. Situations in which it is physically difficult or inconvenient to collect the fee or charge. Most highways and associated traffic and safety controls are normally made available to users without an immediate charge.

2. Inability to determine precisely who benefits from some industrial establishments and by how much. The direct consumer is not

always the sole beneficiary. For example: society in general benefits from a single individual who receives an education. Benefits of this type are referred to as indeterminant and are a basic motivation for public ownership.

3. Cases of natural monopolies. Maximum efficiencies can be realized by single systems of public utilities such as electricity, water, telephone service, gas, and mass transportation. State government in Michigan has preferred to regulate the prices of utilities rather than act as entrepreneur.

4. High risk or long term programs requiring research and development. The private sector with a short term view of investments is unable to provide such services.[1]

Because of these characteristics, socialized industries tend to underprice their services in relation to benefits rendered. The difference is made up for by taxes, but generally the tax structure relates benefits received and taxes paid only in an approximate way. In fact, taxes represent a pricing system so indirect that few citizens are able to accurately relate the social and economic benefits received to the taxes paid.

The analysis of benefits and costs, or cost effectiveness, represents a serious effort to measure the total social benefits of a gov-

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[1] Modified considerably from Otto Eckstein, Public Finance (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1964), and Robert Dorfman, ed., Measuring Benefits of Government Investments, Studies in Government Finance (Washington: The Brookings Institute, 1965).

ernment enterprise or program and relate these benefits to total cost. It is not surprising that cost benefit analysis developed first in the field of water resources. Government operations in that field are similar to private business, particularly since the water and electricity produced are saleable commodities.[2] Quantitative appraisal of social benefits is very complicated. Thus far, the range of government programs examined in a rigorous cost-benefit perspective has been limited, the results imprecise. At the state level in the United States, employment in the socialized industries far exceeds that in primary government establishments. In Michigan, 86 per cent of all state workers are found in socialized establishments (Table 10). The variety of functions performed in the 803 socialized establishments requires a systematic approach such as the Standard Industrial Classification to facilitate understanding the spatial distribution and locational factors involved.

## Agriculture, Forestry, and Fisheries

### Noncommercial Farms (SIC 9202)

State farms (Fig. 18) have traditionally been associated with institutions such as mental hospitals and prisons with readily available labor. The state prison system still depends heavily on its own production of food. In contrast, Michigan's mental hospitals have withdrawn

[2]Dorfman, Government Investments, p. 8.

Table 10.--Employment in Socialized Industrial Establishments of Michigan's State Governments, May, 1967

| Type of Establishment | SIC | Ingham County | | Wayne County | | Elsewhere | |
|---|---|---|---|---|---|---|---|
| | | Establish-ments | Employ-ment | Establish-ments | Employ-ment | Establish-ments | Employ-ment |
| Noncommercial Farms | 9202 | 0 | 0 | 0 | 0 | 14 | 82 |
| Forestry management | 9208 | 2 | 284 | 1 | 4 | 71 | 856 |
| Fishery services | 9209 | 0 | 0 | 0 | 0 | 9 | 72 |
| Highway construction and maintenance | 9216 | 6 | 649 | 15 | 368 | 107 | 2,784 |
| Printing services | 9227 | 9 | 54 | 1 | 8 | 0 | 0 |
| Fabricated metal manufacturing | 9234 | 1 | 7 | 0 | 0 | 12 | 65 |
| Miscellaneous manufacturing | 9239 | 0 | 0 | 0 | 0 | 13 | 40 |
| Airports | 9245 | 1 | 65 | 0 | 0 | 0 | 0 |
| Bridges and transportation services | 9247 | 2 | 350 | 0 | 0 | 9 | 120 |
| Wholesale and retail trade | 9259 | 2 | 221 | 19 | 181 | 72 | 368 |
| Financial management | 9262 | 6 | 224 | 1 | 12 | 0 | 0 |
| Insurance | 9263 | 2 | 209 | 1 | 20 | 0 | 0 |
| Real estate | 9265 | 6 | 613 | 2 | 75 | 1 | 2 |
| Parks and lodges | 9270 | 1 | 18 | 0 | 0 | 70 | 683 |
| Miscellaneous business services | 9273 | 14 | 488 | 24 | 1,658 | 10 | 20 |
| Automobile repair | 9275 | 4 | 110 | 0 | 0 | 1 | 12 |
| Miscellaneous repair | 9276 | 1 | 8 | 0 | 0 | 1 | 30 |
| Fairs | 9279 | 0 | 0 | 1 | 35 | 1 | 6 |

Table 10.--Continued

| Type of Establishment | SIC | Ingham County | | Wayne County | | Elsewhere | |
|---|---|---|---|---|---|---|---|
| | | Establish-ments | Employ-ment | Establish-ments | Employ-ment | Establish-ments | Employ-ment |
| Medical and health services | 9280 | 5 | 1,606 | 4 | 2,433 | 28 | 14,193 |
| Education | 9282 | 12 | 8,099 | 10 | 3,937 | 97 | 16,429 |
| Museums and gardens | 9284 | 1 | 13 | 0 | 0 | 4 | 16 |
| Social service | 9286 | 6 | 421 | 6 | 1,501 | 90 | 2,041 |
| Miscellaneous services | 9289 | 9 | 887 | 0 | 0 | 14 | 280 |
| Totals | | 90 | 14,346 | 85 | 10,233 | 628 | 38,099 |

Source: Compiled from data furnished by the Michigan Civil Service Department and the various state institutions.

entirely from the agriculture, apparently because farming was not a helpful therapy for patients faced mainly with the stresses associated with urban society. Also, the availability of new therapeutic drugs has resulted in the return of most former patient-workers to society. Long-term patients of today's mental hospitals are too severely handicapped to perform farm labor.[3]

The farms at Jackson, Marquette, and Ionia prisons serve to greatly reduce operating costs. The Jackson Prison is almost self-sufficient in beef and milk production. About one-half of all pork and poultry consumed is produced on the farm, which comprises about 4,500 acres of land. About 30 employees are required to manage and direct the inmate labor. The Ionia and Marquette farms are much smaller and the degree of self-sufficiency much less than that of Jackson.[4]

Michigan State University maintains a variety of farms for educational purposes as a part of the East Lansing complex. These farms are considered in this study as integral parts of the educational establishment.

The Michigan Agricultural Experiment Station, associated with the University in East Lansing, operates ten farms devoted primarily to research involving field crops, fruits, and vegetables (Fig. 18). The

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[3]Robert Simmons, Chief of Management Analysis, State Department of Health, Personal interview, June 20, 1967.

[4]Harold Kachelski, Administrative Assistant, Michigan Department of Corrections, Personal interview, May, 1967.



Figure 16.--A state owned dairy farm near Augusta, Kalamazoo County.



Figure 17.--Conservation Department District Headquarters at Newberry, Luce County.

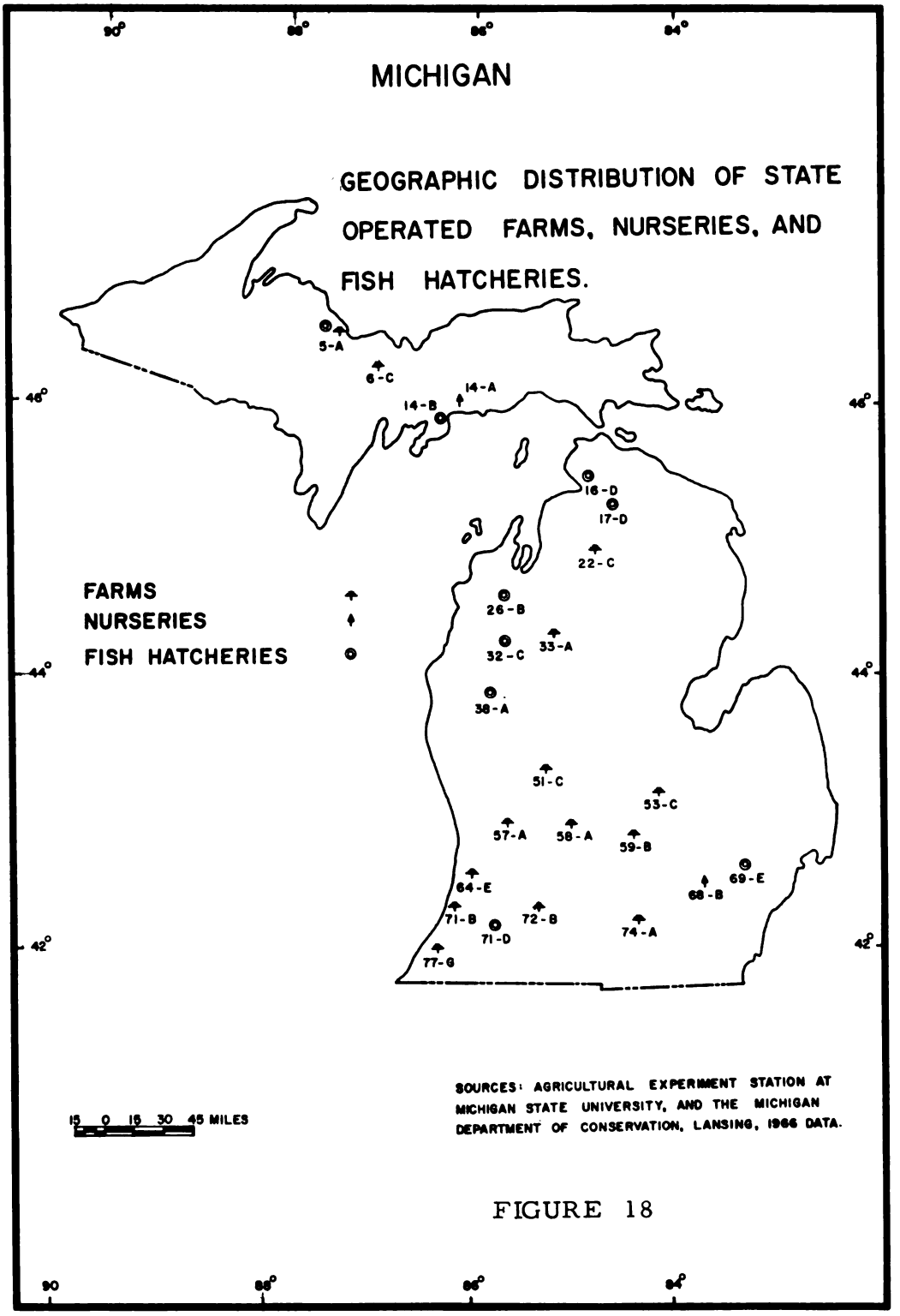

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF STATE OPERATED FARMS, NURSERIES, AND FISH HATCHERIES.
FARMS
NURSERIES
FISH HATCHERIES
5-A
6-C
14-A
14-B
16-D
17-D
22-C
26-B
32-C
33-A
38-A
51-C
53-C
57-A
58-A
59-B
64-E
68-B
69-E
71-B
71-D
72-B
74-A
77-G
46°
44°
42°
90
88°
86°
84°
15 0 15 30 45 MILES
SOURCES: AGRICULTURAL EXPERIMENT STATION AT MICHIGAN STATE UNIVERSITY, AND THE MICHIGAN DEPARTMENT OF CONSERVATION, LANSING, 1966 DATA.

FIGURE 18

geographic distribution of these farms is best explained by the type of crops produced. Four horticultural farms are located in the western fruit and vegetable region at Sodus, South Haven, Fennville, and Grand Rapids. Potatoes are produced in black muck soils of farms located at Laingsburg, Elmira, and Lake City, and sugar beets are grown at an establishment near Chesaning. An experimental farm at Chatham in the Upper Peninsula raises crops suitable to that region's podzol soils and short growing season. Near Gull Lake in Kalamazoo County, an efficient dairy farm sells milk to the same market as neighboring commercial farms (Fig. 16).

Employment at each of the state experimental farms is low, normally one or two permanent staff supplemented by seasonal laborers. These establishments are operated on the general assumption that the farming techniques developed represent indiscriminant benefits to the entire economy of the state, particularly the agricultural sector.

Forestry (SIC 9208)

For many years after the loggers had gone, the stump-covered glacial plains of northern Michigan lay barren. The cutover lands were slow to regenerate a new forest cover, and when the new trees came, they were often weed species and too thick, choking each other for water, air, and sunlight. The scrubby second growth bore little resemblance to the former luxuriant pine forests, and few serious thoughts were given to

wide-scale forest management during the early 1900's.

Large portions of land in northern areas reverted to state ownership after falling into tax arrears. During the 1930's a forest management program was started in an effort to put this idle cutover land into economic production. By 1950, the state had begun to sell timber by competitive bids to private firms. The rapid increase of timber sales in recent years indicates the success of the forest management program (Table 11 and Table 12).

Table 11.--Timber Sales From State Forests, 1950-66

| Year | Millions of board feet | Year | Millions of board feet |
|---|---|---|---|
| 1950 | 34 | 1959 | 105 |
| 1951 | 47 | 1960 | 136 |
| 1952 | 58 | 1961 | 130 |
| 1953 | 45 | 1962 | 127 |
| 1954 | 70 | 1963 | 136 |
| 1955 | 88 | 1964 | 154 |
| 1956 | 99 | 1965 | 148 |
| 1957 | 131 | 1966 | 194 |
| 1958 | 114 | | |

Source: Michigan Department of Conservation, Twenty-third Biennial Report, 1965-66, p. 55.

Table 12.--Regional Distribution of Employment in State Forests in Michigan, July 1, 1966

| Region | State owned land (000's of acres) | Number of state forests | Number of forest management establishments | Number of forest and game management employees[a] |
|---|---|---|---|---|
| Upper Peninsula | 2,028 | 15 | 23 | 350 |
| Northern Lower Peninsula | 1,983 | 14 | 33 | 477 |
| Southern Lower Peninsula | 282 | 1 | 18 | 318 |
| Totals | 4,293 | 30 | 74 | 1,145 |

[a]Compiled from data supplied by the Michigan Civil Service Department.

Source: Michigan Department of Conservation, Biennial Report, 1965-66, p. 141.

Most of the idle land is administered by the State Conservation Department and thirty State Forests have been designated to facilitate management.[5] The Conservation Department has not attempted to acquire ownership of all privately owned land within the areas designated as State Forests, hence these tracts are interspersed by houses, farms, and even cities.

[5]The State Conservation Department administers about 4.3 million acres of state-owned land in Michigan.

Year round employment in the State Forests is not high--about 130 permanent workers. Large numbers of seasonal employees are utilized, however, in addition to inmates from Conservation Work Camps. The forests are managed from establishments known as Area Field Offices of the Department of Conservation. Fifty-three of these small offices are located in the state, concentrated mainly in the forested sections north of a line from Bay City to Muskegon (Fig. 17). These establishments are the work stations for the Area Foresters who supervise the forest management programs in specific regions. The Area Field Offices are the lowest echelon of establishments in the administrative system of the Conservation Department. Next higher in the organization are the fourteen District Offices and above these, the three Regional Headquarters (Fig. 19). The entire system works under direction from the state headquarters in Lansing.

The comprehensive program of forest management includes also game and fish management and fire protection. Area Field Offices perform all these functions and may employ as many as fifteen workers.

This complex administrative system is necessitated by location of the work to be performed. Unlike many centralized governmental establishments which generate work from paper forms and reports, most conservation-forestry work must be done in the various forest tracts. Because the central administrative establishment in Lansing is responsible for work being accomplished in remote locations throughout the state,

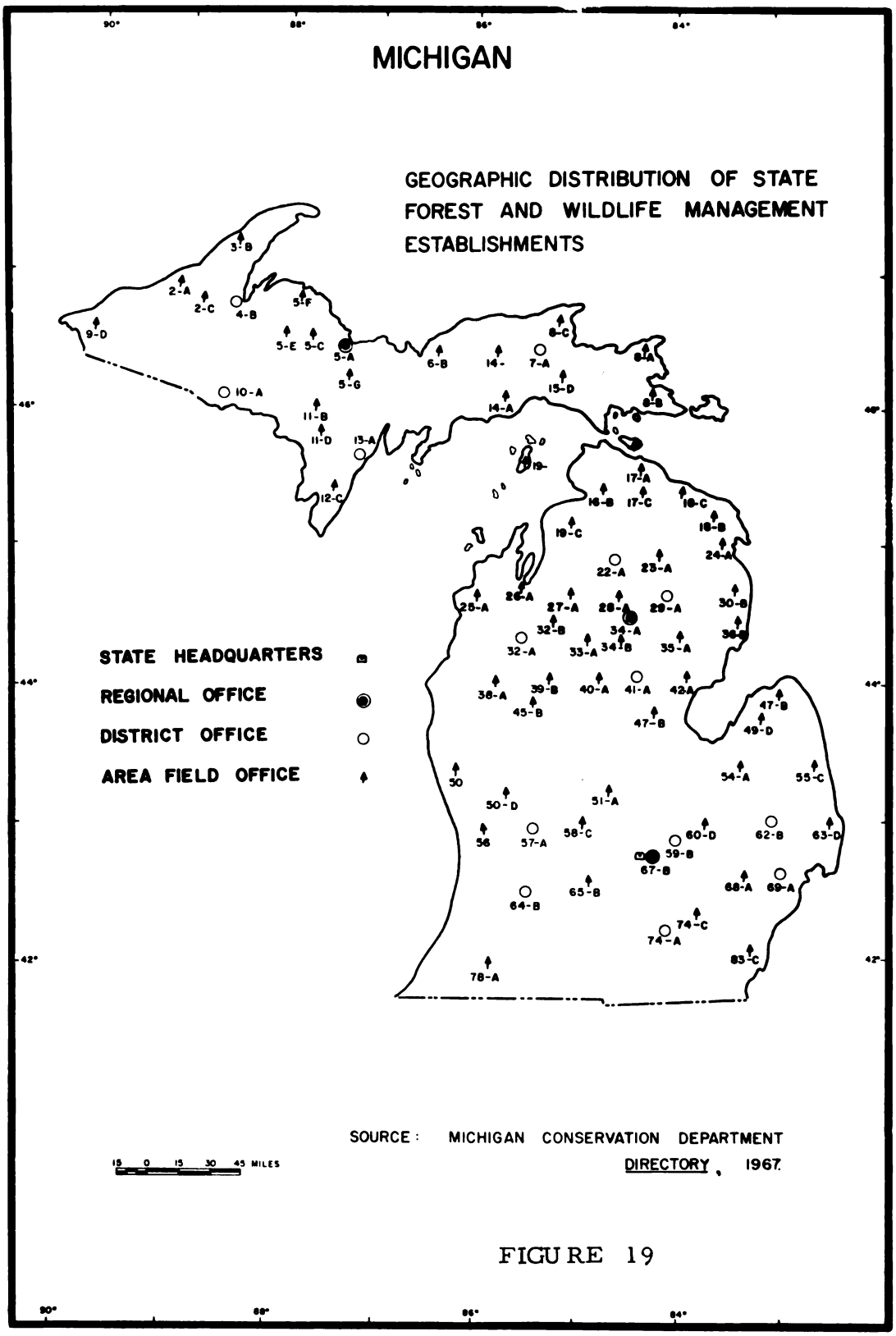

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF STATE FOREST AND WILDLIFE MANAGEMENT ESTABLISHMENTS
STATE HEADQUARTERS
REGIONAL OFFICE
DISTRICT OFFICE
AREA FIELD OFFICE
SOURCE: MICHIGAN CONSERVATION DEPARTMENT DIRECTORY, 1967.
15 0 15 30 45 MILES

FIGURE 19

the strong spatially organized hierarchy of Regional Headquarters, District Offices, and Area Field Offices has evolved. This same type of spatially organized management system is characteristic of several other socialized industries performing work in widespread parts of the state.

During the 1950's, the reforestation program for state-owned land was intensified until 20,000 acres per year were being planted, creating a great demand for seedlings. Although annual plantings are now smaller, the state continues to operate two large nurseries to provide seedlings. The Wyman State Nursery near Manistique in the Upper Peninsula grows conifers exclusively; the Lower Peninsula Nursery near Howell grows both deciduous and coniferous seedlings. The Lower Peninsula nursery was established in order that seedlings would be available for planting in southern and central counties in late March. Seedlings in the Upper Peninsula cannot be taken from the ground until May due to the lateness of the spring season. The southern nursery is located on land having a neutral pH and in close proximity to a source of labor--one of the correctional Conservation Work Camps.[6] In 1965, the two nurseries produced 7.5 million seedlings for planting on state forest lands and distribution to the public for plantings on private land.[7]

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[6]F. J. Hodge, Superintendent of Forest Nurseries, Department of Conservation, Personal interview, June 15, 1967.

[7]Michigan Department of Conservation, Twenty-third Biennial Report, 1965-66, p. 77.

Employment requirements are high during the spring months, but each nursery has only about ten year round workers.

Hunting and Trapping--State Game Management (SIC 9207)

The game management program is administered by the Conservation Department mainly through the same network of Area Field Offices as the forestry program. Its principal objective is to assure the presence of large numbers of game animals, particularly deer, for sport hunting. The preservation of a wilderness ecology is only of marginal concern. Game is seen as a manageable commodity to be protected while reproducing, fed during severe winters, and offered up for recreational killing during the annual fall deer season.

The wild animals of the state are all subject to management practices, but are subject to more intense management on state owned lands. In addition to the State Forests, a number of State Game Areas have been designated. Comprising over 250,000 acres, these areas are utilized as ideal habitats for game production. Wide scale timber cutting provides second-growth browse for deer that would otherwise starve during winter months. "Careful calculations indicate that these cuttings increase the over-winter carrying capacity of the deer range by approximately 100,000 deer per year."[8]

The game management program has resulted from the heavy

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[8] Ibid., p. 83.

pressure exerted by Michigan hunters. Animal censuses are taken to determine the number which hunters should be allowed to kill. The keen interest of deer hunters in the census program is reflected by demands that a private accounting firm evaluate the census methods.[9]

Most game management employees work from the Area Field Offices of the Conservation Department, but each Game Area has several workers. Again the basic orientation of employment is to the forested areas in northern sections of the state.

Fish Management (SIC 9209)

Fishermen in Michigan have the same high expectations as deer hunters. Empty creels bring protests which in turn result in programs to stock streams and lakes with fish. The principal establishments of the fish management program are the eight hatcheries, only one of which is located in the southern part of the Lower Peninsula. The southern station, at Wolf Lake near Mattawan, provides warm-water fish species for the state's more southerly waters. The larger hatcheries are found along the cold trout streams which flow into Lake Michigan and Superior. The sites are near the rivers to be stocked--the Manistee, the Betsie, the Rapid, the Sturgeon and others. Rainbow trout and kokonee (coho) salmon account for about one-half of all fish planted in recent years, reflecting the effort to develop a large anadromous

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[9]Ibid., p. 210.

fish population in Lakes Michigan and Superior for commercial and sport fishing.

The geographic distribution of hatcheries is explained in large part by the continuing presence of the sea lamprey, a predator, in Lake Huron. This high lamprey population caused prohibitive rates of mortality of anadromous fish introduced into rivers flowing east into the lake.[10] Another locational demand for hatcheries is an abundant quantity of cold, unpolluted water. This demand is best satisfied in northern Michigan waters (Fig. 18, p. 105).

## Highway Construction and Maintenance (SIC 9216)

Long before the era of public highway construction in the United States, other countries realized that economic benefits and political integration could result from a well planned and developed road system. The Roman roads, some still in use today, facilitated transportation and communications from the North Sea to Asia Minor. Later, during the Napoleonic period in France, a system of national roads was constructed to converge on Paris from all parts of the country.

The hesitancy of governments in the United States to begin road programs was due in part to the feeling that such programs should be carried out at the local level. Local road builders had improved city

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[10]James T. Wilkinson, Assistant Personnel Officer, Michigan Department of Conservation, Personal interview, June, 1967.

streets and a few stretches of rural roads financed by "subscriptions" from local residents. Toll roads in general were financially unsuccessful.

Before 1905, when Michigan's state government first assumed a degree of responsibility for the construction of public highways, the principal proponents of a government-financed road system were members of the League of American Wheelmen, and "since its members all rode bicycles, their interest appeared to be selfish."[11] The Wheelmen, a vociferous minority, were unable to convince non-cyclists to support road improvement programs. Widespread public support came only with the advent of the automobile.

During the early years of automotive history, a large percentage of car owners were in high-income occupations and were able to exert extraordinary political pressure in favor of government road-building programs. If the automobile had not made its appearance roads might well have remained unimproved.

The assumption of road construction and maintenance responsibilities by the state was in response to the idea that roads, like education, yield great economic and social returns not measured or traced to specific beneficiaries. Thus, the various states concluded that the collective nature of roads should make them a governmental responsibility.

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[11] Frank F. Rogers, History of the Michigan State Highway Department (Lansing: Franklin DeKleine Co., 1933), p. 9.

A great debate was carried on in the years prior to World War I about the ideal configuration of Michigan's highway system. One group, consisting of local businessmen throughout the state, wanted roads that fanned out into the countryside from each market center in order to facilitate the flow of rural products and purchases. Another group, citizens of large urban places, wanted a state trunkline system designed primarily to connect towns, thus improving the distribution of manufactured goods and allowing the individual car owner to range at will across the state on business or pleasure trips.

As more cars were sold, the voices of the farm-to-market road advocates began to blend with and reinforce the chorus demanding a trunkline system. The responsibility for local farm-to-market roads fell squarely on the newly created County Road Commissions, and the state began devoting its efforts to building a trunkline system.

The Department of State Highways has developed into a significant enterprise, with a gross budget of almost $350 million a year and total employment of about 5,000.[12] Yet, the objective of an "adequate" highway system remains elusive. The meaning of "adequate" is constantly being re-defined as new roads are completed and traffic volumes grow more rapidly than anticipated. In spite of enormous capital outlays, an atmosphere of financial crisis seems always to

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[12]Michigan, State Budget, 1968, p. W-4.

persist. Good roads enthusiasts have constantly reminded the citizenry of the lack of road-construction funds. The Report of the Department of State Highways, Fiscal Year 1965 begins:

> . . . Progress in building and maintaining the State Trunkline system was highlighted by announcement of a $1.3 billion construction program for the fiscal years 1966-1972 to alleviate highly congested highways and those which have become critically deficient structurally. But it was overshadowed by the growing menace of a shortage of funds. A pincer-like confluence of forces caused the postponement of several scheduled projects for the year.[13]

The Department consists of a closely integrated collection of establishments similar to a large private corporation. Many of these establishments are highly specialized and are considered in other parts of this study. Only those performing functions closely related to highway construction and maintenance are examined in this section.

The central administrative complex in Lansing is primarily concerned with planning, building, and maintaining the state trunkline system which for the most part connects urban areas with each other. Locational strategy has traditionally been based on building roads in the places where demand is highest, but planners have begun to realize that new highways can radically alter land use, and a more comprehensive approach seems to be evolving. Local and regional political agitation for new roads has often been a factor in highway planning.

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[13]Michigan Department of State Highways, Report for the Fiscal Year 1965, p. 19.

During the past few years, the Department has concentrated heavily on building federally subsidized interstate highways; only a few segments of this system remain unfinished in Michigan.

The final products of the highway establishments are the concrete and asphalt ribbons which spread over the face of the land. Construction and maintenance programs are supervised from the various Highway Department District Offices (Fig. 20). These regional establishments, functionally complex, are granted more autonomy than many governmental branch offices.[14] In all parts of the state, bids are accepted from private contractors for road construction projects. Highway Department personnel then act in the capacity of supervisors and inspectors during construction.

In sixty-two counties, after the project is completed, the state releases the road to the County Road Commissions, which thereafter perform all the required maintenance. The state reimburses these "contract counties" for the maintenance work performed. The remaining twenty-one counties have declined the opportunity to perform maintenance on the trunkline system and, in these areas, the state must perform the maintenance. In these "direct-maintenance counties" there are thirty-four area garages and 1,025 maintenance employees (Fig. 21).

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[14] In collecting data for this study, it was necessary to contact each District Engineer, as the central offices in Lansing had no listing of establishments located in the various Districts.

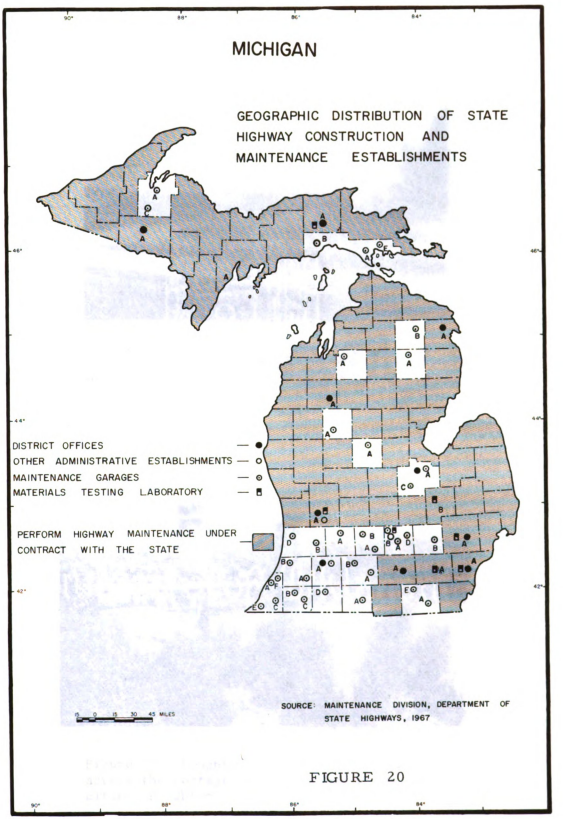

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF STATE HIGHWAY CONSTRUCTION AND MAINTENANCE ESTABLISHMENTS
DISTRICT OFFICES
OTHER ADMINISTRATIVE ESTABLISHMENTS
MAINTENANCE GARAGES
MATERIALS TESTING LABORATORY
PERFORM HIGHWAY MAINTENANCE UNDER CONTRACT WITH THE STATE
0 15 30 45 MILES
SOURCE: MAINTENANCE DIVISION, DEPARTMENT OF STATE HIGHWAYS, 1967

FIGURE 20



Figure 21.--Highway maintenance garages for Mackinac County located on the site of the former Mackinac Straits ferry terminal near St. Ignace.



Figure 22.--Houghton-Hancock lift bridge across the portage canal separating the two cities, Houghton County.

The strong desire of the County Road Commissions to have supreme jurisdiction over all local highways partially accounts for the preponderance of contract counties. Also important is the desire to employ local citizens. In direct-maintenance areas, employees may move from county to county in mobile crews.

The mobility of highway workers makes a study of their geographic distribution difficult. About one-half of all employees are officially listed as mobile, which means that they move from project to project at the discretion of the state or district office. Thus the geographic distribution of employment changes from day to day.

In April, 1967, there were eighty construction-project offices located on-site throughout the state.[15] Many of the 1,900 supervising employees work directly from these temporary establishments, usually housed in condemned buildings within the rights-of-way. One-half of these project offices were situated in eleven counties in southeastern Michigan, indicating the higher level of highway construction activity in more densely populated areas (Table 13).

Highway employment patterns, however, appear to be only slightly related to population density. The various nodes of employment in Figure 23 indicate District Offices or direct maintenance counties.

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[15]Compiled from information furnished by the District Offices of the Department of State Highways.

Table 13.--Employment in Highway Construction and Maintenance Establishments, 1967

| Location of District Offices | Number of Counties | Total Population (000's)[a] | Number of Permanent Establishments | Number of Temporary Establishments | Number of Miles of Roads Under Construction 1967-68 | Number of Personnel |
|---|---|---|---|---|---|---|
| Crystal Falls | 9 | 201 | 3 | 5 | 39.2 | 132 |
| Newberry | 6 | 103 | 5 | 4 | 8.0 | 189 |
| Cadillac | 13 | 180 | 2 | 5 | 11.2 | 180 |
| Alpena | 12 | 137 | 3 | 4 | 57.2 | 122 |
| Grand Rapids | 11 | 901 | 2 | 5 | 51.6 | 176 |
| Saginaw | 11 | 1,002 | 3 | 13 | 92.4 | 438 |
| Portage | 10 | 726 | 19 | 6 | 46.9 | 547 |
| Jackson | 6 | 750 | 6 | 8 | 30.6 | 382 |
| Pontiac | 3 | 1,336 | 1 | 13 | 44.9 | 258 |
| Detroit | 2 | 2,760 | 1 | 15 | 71.0 | 390 |
| Total | 83 | 8,096 | 45 | 78 | 459.0 | 2,815 |

[a]Michigan Department of Health Estimates for July 1, 1964. For planning purposes, the Department of State Highways prefers to formulate its own population estimates.

Source: Data provided by the Department of Public Highways; employees of central administrative office in Lansing are not included.

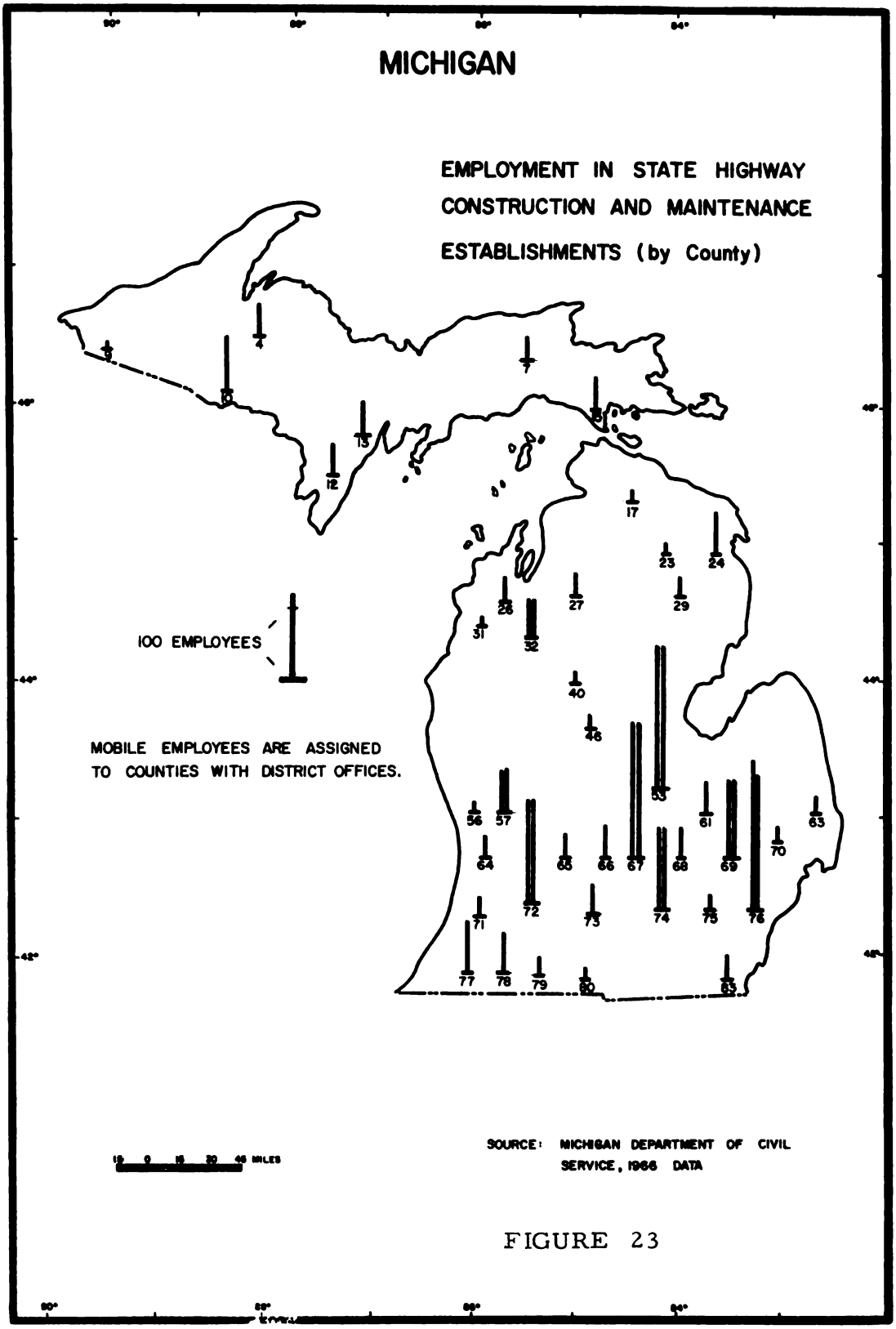

MICHIGAN
EMPLOYMENT IN STATE HIGHWAY CONSTRUCTION AND MAINTENANCE ESTABLISHMENTS (by County)
100 EMPLOYEES
MOBILE EMPLOYEES ARE ASSIGNED TO COUNTIES WITH DISTRICT OFFICES.
SOURCE: MICHIGAN DEPARTMENT OF CIVIL SERVICE, 1966 DATA

FIGURE 23

Lansing still appears as a high employment center in spite of the fact that most of the Highway Department employees in the capital city area work in specialized establishments considered elsewhere in this study. The Department requires many supporting services such as vehicle maintenance, printing, and testing laboratories. If total employment of the agency were considered, one-half would be found in the Lansing area.

## Manufacturing Establishments

The production of material goods by state government is relatively insignificant in comparison to the production of services. Few manufacturing establishments at the state level are allowed to operate in direct competition with private firms. Even attempts by the state to produce goods needed for internal operations have been criticized as unfair competition for private suppliers.

The manufacturing establishments operated by Michigan's state government, while not employing large numbers of workers, are still perhaps more numerous than the average citizen suspects (Fig. 24). A total of thirty-five separate establishments employing about 250 persons are found in the state. These manufactural establishments produce a wide range of goods, most of which are consumed by the state government. The principal motivation of these activities is simply to reduce operating costs by producing for internal consumption. Several

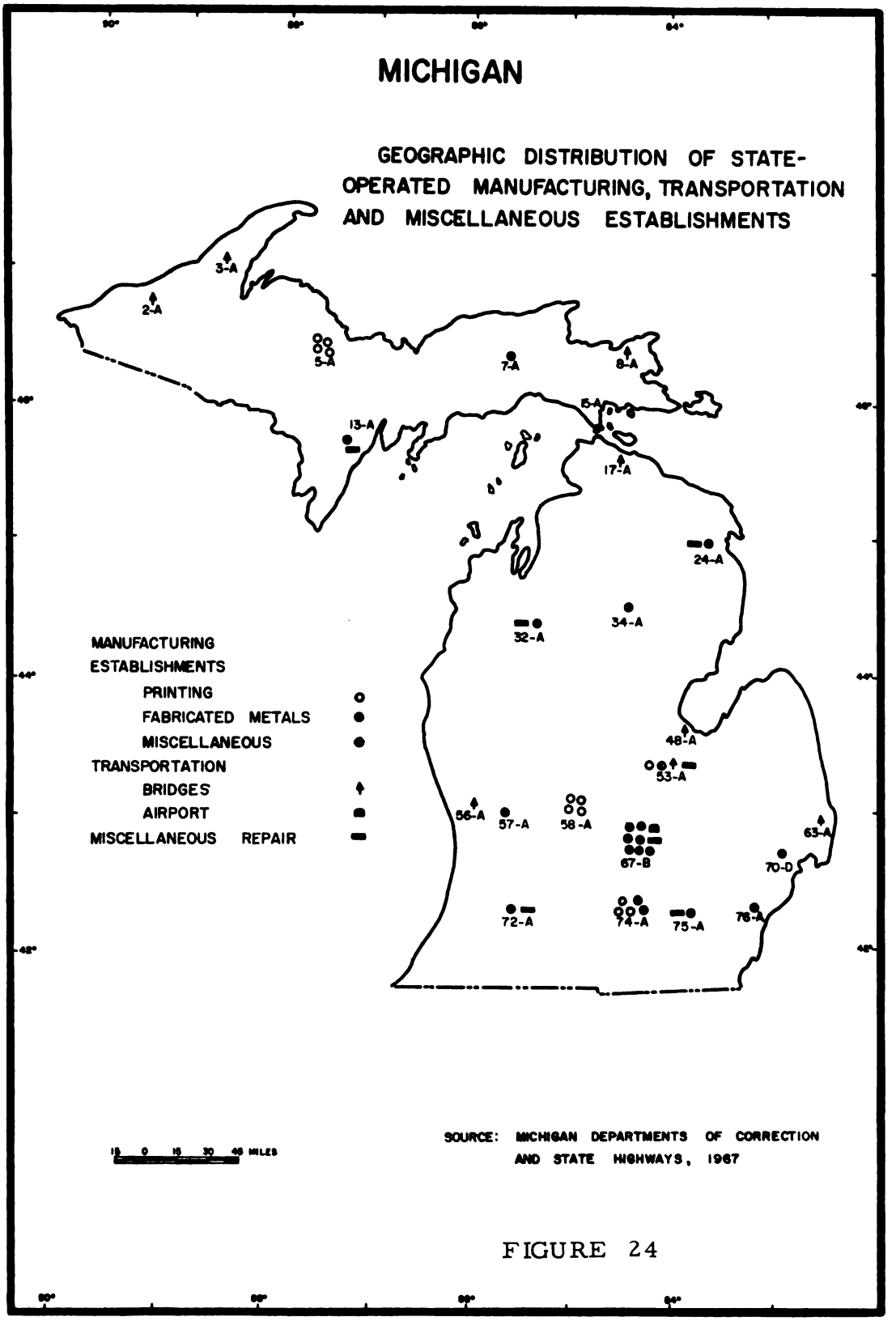

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF STATE-OPERATED MANUFACTURING, TRANSPORTATION AND MISCELLANEOUS ESTABLISHMENTS
MANUFACTURING ESTABLISHMENTS
PRINTING
FABRICATED METALS
MISCELLANEOUS
TRANSPORTATION
BRIDGES
AIRPORT
MISCELLANEOUS REPAIR
3-A
2-A
5-A
7-A
8-A
6-A
13-A
17-A
24-A
32-A
34-A
48-A
53-A
56-A
57-A
58-A
67-B
63-A
70-D
72-A
74-A
75-A
76-A
15 0 15 30 45 MILES
SOURCE: MICHIGAN DEPARTMENTS OF CORRECTION AND STATE HIGHWAYS, 1967

FIGURE 24

are situated in correctional establishments to utilize the abundant labor. The principal motivation for prison industries is to keep inmates busy under the philosophy that "work is the salvation of the mind." The prison factories are administered by the Michigan Prison Industries, a division of the Department of Corrections. Items produced were formerly retailed to the general public, but private citizens mounted an effective campaign against such "unfair" competition and currently prison products may be sold only to tax-supported establishments. This policy still leaves large markets for the plants in the form of mental hospitals, local governments, etc. Prison factories are managed independently from the correctional establishment; each has a staff of state employees, totalling eighty-five workers at Jackson, Ionia, and Marquette combined. These employees supervise about 1,300 inmate workers.[16]

Printing (SIC 9227)

Printing is perhaps one of the most logical manufactural pursuits for state governments. A great demand for blank forms, letterhead stationery, public-relations pamphlets, and educational materials exists in most agencies. To satisfy this demand, which is most intense

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[16]Paul Chase, Deputy Director, Bureau of Administrative Services, Michigan Department of Corrections, Personal interview, July, 1967.

at the nucleus of central administrative establishments in Lansing, the state operates a central printing establishment which serves all agencies. Jobs beyond the capability of office mimeograph machines are submitted to this establishment of the Department of Administration.

The effort to economize, by consolidation of all printing, runs counter to the powerful desire for autonomy and self-sufficiency held by each agency. The idea of becoming dependent on a separate printing establishment is so distasteful to certain agencies that they have preserved their own printing capability. This explains the presence of nine state printing establishments in Lansing in addition to the central service shop. In addition, one printing shop is operated in Detroit by the Employment Security Commission, headquartered in that city.

Fabricated Metal Products (SIC 9234)

In terms of employment, the most significant state manufacturing establishments are those producing various metal items. The endless project of placing and replacing traffic-control signs along state highways creates a great demand for the familiar red octagons and yellow triangles. The process of making such signs is relatively simple. Sheet metal is cut, painted with silk screens, and fastened to metal supports. Many of the signs are unique, giving directions or distances, and it is this peculiarity which prevents a single large plant from producing signs efficiently for the entire state. Instead, almost every

highway district has a sign shop, to satisfy demand in the local area. A total of seventy workers are required to produce all the necessary highway signs in the state.

In a similar but much larger establishment at the State Prison near Jackson, the state annually produces about 12 million vehicle license plates. Obviously, the plant is located to take advantage of a captive labor force. Inmates receive wages of 30 to 40 cents per hour.

In spite of its name, the Forest Fire Experiment Station in Roscommon county is primarily a metal fabrication plant. With twenty employees, this establishment is an engineering and machine shop which builds specialized forest-fire fighting equipment such as plows, hoists, and logging forks.[17] It is the state's only heavy machine shop and, as such, is called on to manufacture a great variety of heavy and light equipment not normally available or only at high prices from private sources. This establishment is located in the northern forest region where heavy fire-fighting equipment is most often required.

Apparel and Food Manufacture (SIC 9223, 9220)

The Prison Industries program annually manufactures about 300,000 pieces of personal clothing in five separate factories.[18] At

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[17]Michigan Department of Conservation, Twenty-third Biennial Report, 1965-66, p. 52.

[18]Michigan, State Budget, 1968, p. N-7.

Jackson, cotton yarn is woven into cloth, which is subsequently used in the manufacture of towels, sheets, laundry bags and similar items to be sold to establishments such as prisons and mental hospitals. A shoe factory is operated at Jackson and a garment plant makes tailored clothing and the official state flag. Other garment plants are operated at Ionia and Marquette to produce such items as sport shirts and work clothing.

Food processing and tobacco-products manufacture are carried on at Jackson and Marquette, respectively. The cannery at Jackson uses produce (vegetables and fruit) from the prison farm. These commodities are consumed throughout the state prison and hospital systems.

Furniture and Miscellaneous Items (SIC 9225, 9232)

The wood furniture in many state offices and schools in Michigan has a similar appearance because much of it originated in the woodworking factory at the Ionia Reformatory. Each year about 25,000 pieces of furniture are produced, including sturdy oak chairs and desks, upholstered sofas, and functional bookcases. Metal office furniture comes from a specialized plant at the Jackson Prison.

The Michigan Industries for the Blind at Saginaw, with twenty state employees to supervise thirty-five blind workers, is a sheltered work-shop which manufactures a great variety of light consumer goods

such as brushes and brooms which are marketed to private wholesalers. Brushes from a plant at the Marquette Prison, are used along with cleaning solutions from a soap plant at the Ionia Reformatory, in many state institutions. Another miscellaneous product from a Marquette Prison factory is snow fencing. This finds a ready market with the state and county highway-maintenance units in the northern sections of Michigan.

## Transportation Service

In the United States, government operation of transportation systems has generally been undertaken with reluctance. Governments have preferred to subsidize transportation services and allow them to remain in the private sector. The efforts to preserve private ownership of all transportation systems except highways is reflected in the comparatively small number of state-operated transportation facilities.

### The State Airport (SIC 9245)

During the late 1920's, when airplane fever was sweeping the country, the suggestion that Michigan needed a "state airport" was offered by a small group of aviation buffs. The lack of airport facilities near Lansing was seen as a hindrance to the functioning and development of the state government, but the Legislature might never have taken action had there not been several hundred acres of flat, state-owned

land lying idle just four miles northwest of the Capitol.[19] Merely designating the land as a state airfield was relatively painless.

Today, the Capital City Airport is the location of modern terminal facilities where all of the sixty-five employees of the Michigan Aeronautics Commission work. The Aeronautics Commission performs certain regulatory functions such as registering the 4.5 thousand private airplanes and the 11,000 pilots in the state.[20] In terms of employment, these functions, however, are not as significant as the operation of the airport and the engineering aid given to local Michigan airports. Primary government and socialized industry are intermingled in this establishment, but the latter is more apparent in current operations.

In accordance with the philosophy that state government should not operate socialized enterprises if local governments are willing to assume the responsibility, the suggestion has been made by the Michigan Aeronautics Commission that the City of Lansing should become the owner-operator of the Capital City Airport.[21] The assumption is that air terminals serving the needs of a specific community should be the responsibility of that community. The state owns some ten other airports but these are chiefly emergency facilities, located in isolated

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[19]Dorothy VanderVusse, retired Executive Secretary, Michigan Aeronautics Commission, Telephone interview, July, 1967.

[20]Michigan, State Budget, 1968, p. V-13.

[21]The State Journal (Lansing), July 21, 1967, p. 1.

areas, and without full-time staff.

Bridges (SIC 9247)

Because of Michigan's great bodies of surface water and navigable rivers, overland movement requires numerous bridges. Only at a few points of the Great Lakes and interconnecting waterways is bridging feasible. At Detroit, the traffic volume is sufficiently heavy to allow a private toll bridge across the Detroit River connecting with Windsor, Ontario. In more sparsely populated areas, the state has been instrumental in the construction and operation of nine moveable-span bridges, six of which are toll-free. The three toll bridges--the Mackinac Straits Bridge, the International Bridge at Sault Ste. Marie, and the Blue Water Bridge at Port Huron--are more widely recognized and of greater consequence as economic establishments than the free bridges.[22] Combined they employ about 120 persons, one-half of whom work at various jobs associated with the Mackinac Bridge.

The geographic distribution of the three large bridges is easily understood. The Mackinac Straits bridge resulted from agitation to link the two Peninsulas, thus facilitating the economic and political integration of the state. The two bridges between Michigan and Canada

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[22]The Mackinac and International bridges are administered as autonomous authorities, but are considered in this study as state establishments. The Blue Water and all smaller bridges are administered by the Department of State Highways (Fig. 22, p. 120).

link urban centers on both sides of the border. In both cases, the demands of local interaction added to demands for links in the regional trunkline highway systems of Michigan and Ontario. Government recognized the desirability of these bridges to stimulate regional economies despite the inability of private enterprise to build and operate such facilities with profit. Low traffic volumes on the Mackinac Bridge have resulted in high tolls to meet bond payments, but critics have suggested that the opposite is true--high tolls have meant low traffic volumes. The financial problems experienced by the bridge illustrate the difficulties faced by a state facility constructed to bring indiscriminate benefits to the region, yet forced to depend strictly on the users of the bridge for supporting financial revenue. Such efforts to make state establishments operate as self-supporting private firms ignore the cost-benefit perspective.

## Retail and Wholesale Establishments--The Liquor Monopoly

Governments in the United States are hesitant to operate retail establishments and, in order to do so, must have readily available some motive other than the realization of profit to answer cries of unfair competition from private enterprise. Liquor can be sold by governments under the valid pretext of regulation.

In Michigan, the state operates an impressive system of wholesale and retail liquor establishments. Into mammoth rail terminal

warehouses in Lincoln Park, Lansing, and Escanaba come shipments of spirits from all over the world: whiskey from Kentucky, Scotland, and Canada; rum from Puerto Rico and Jamaica; gin from Great Britain; and wine from the vineyards of California, New York, and Michigan. These regional warehouses operated by the Liquor Control Commission supply the ninety-two state-owned stores which are located generally with reference to the geographic distribution of population (Fig. 25). Almost every county has a state-operated store, normally situated in the county seat (Fig. 26). These stores retail directly to the public and also wholesale to the 8.7 thousand private establishments licensed to sell packaged liquor in the state (Fig. 27).[23]

Table 14.--Regional Distribution of Employment in State-operated Liquor Stores in Michigan, Fiscal 1966

| Region | Stores | Bottles Sold (000's)[a] | Employees |
|---|---|---|---|
| Upper Peninsula | 17 | 2,177 | 45 |
| Northern Lower Peninsula[b] | 21 | 3,914 | 51 |
| Southern Lower Peninsula | 56 | 73,812 | 423 |
| Total | 94 | 79,903 | 519 |

[a]Disregards amount of contents.

[b]North of a line from Bay City to Muskegon.

Source: Michigan Liquor Control Commission, Financial Report, 1966, pp. 14-19.

[23]Michigan Liquor Control Commission, Financial Report, 1966, p. 3. Retailers purchase beverages with less than 16 per cent alcoholic content directly from the manufacturers.

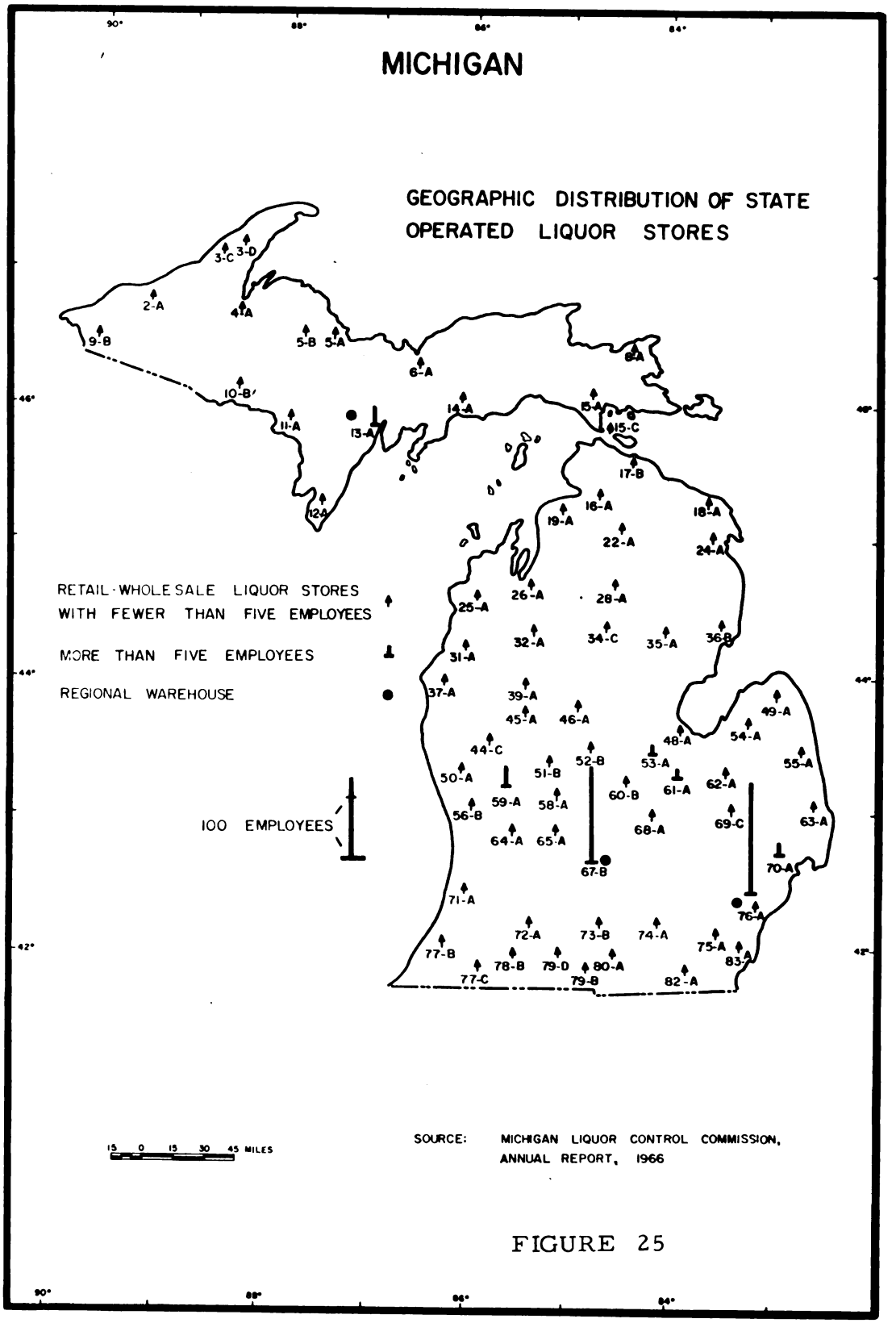

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF STATE OPERATED LIQUOR STORES
RETAIL-WHOLESALE LIQUOR STORES WITH FEWER THAN FIVE EMPLOYEES
MORE THAN FIVE EMPLOYEES
REGIONAL WAREHOUSE
100 EMPLOYEES
15 0 15 30 45 MILES
SOURCE: MICHIGAN LIQUOR CONTROL COMMISSION, ANNUAL REPORT, 1966

FIGURE 25



Figure 26.--Retail-wholesale liquor store at Dowagiac, Cass County.




Figure 27.--Retail-wholesale liquor store and warehouse for all liquor sold in Michigan's Upper Peninsula, at Escanaba, Delta County.

The work force necessary to operate such a system totals about 670 persons, 75 per cent of whom are sales clerks (Table 14). The stores vary in employment depending on total sales. The Flint store, for example, with gross annual sales of about $10 million employs fifteen workers, while the Mackinac Island store, with sales of only $100,000 employs two workers.[24]

In monetary terms, the significance of the liquor monopoly to the state is considerable. In fiscal 1966, with gross liquor sales of $250 million, the state realized a gross profit of $48 million. Liquor taxes, which are also collected by the Liquor Control Commission, contributed another $60 million to the treasury. In other words, total earnings and taxes from state liquor establishments is equivalent to the legislature's appropriation to the two largest state universities combined.[25]

The large liquor inventory represents a source of ready cash for the state. During a financial crisis in 1958, the inventory was quickly reduced to procure funds so that the state payroll could be met, thus prompting the term "liquid assets."

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[24]State of Michigan, Civil Service Department, Payroll Comparison for March, 1967 (unpublished), and Michigan Liquor Control Commission, Financial Report, 1966, p. 19.

[25]The state contribution to the combined budgets of Michigan State University and the University of Michigan totaled $98.4 million in fiscal 1965-66. Revenue generated by the liquor monopoly during the same year totaled $109.4 million.

## Finance, Insurance, and Real Estate

### Financial Management (SIC 9260, 9261)

Budgetary control in Michigan's state government requires accounting techniques similar to those of a large private corporation. From a Lansing establishment the State Treasury Department administers the 420 separate bank accounts maintained by the state. The monumental accounting job is done largely by electronic data-processing equipment, which, in a single year, handles about $2.5 million in cash receipts and issues about 3.7 million payroll warrants.[26] In addition to such regular accounting duties, these establishments exercise judgment on how state funds can best be utilized in short and long term investment markets. Returns in the form of interest are considerable when such large sums are on deposit for even a few weeks.

The Veteran's Trust Fund, which originated after World War II with a $50 million appropriation to be held in trust for veteran's benefits, is an agency almost completely autonomous in terms of state control. During a financial crisis in 1958, however, the Legislature was able to utilize the Trust Fund to meet payroll obligations. The Fund has since been partially replenished. The establishments which manage the fund, one in Lansing, the other in Detroit, make direct grants to

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[26]Michigan, State Budget, 1968, p. F-10.

veterans' organizations such as the American Legion from the interest received on investments. In this manner a statewide system of private veteran service establishments such as schools is largely financed by the state.

State legislators, state and municipal employees, probate judges, and public school teachers all contribute to state-managed retirement funds. The administration of these funds is carried out in three Lansing establishments, each performing the complete range of functions from revenue collections to the mailing of retirement checks.[27]

The Municipal Finance Commission operates as a credit rating bureau for Michigan's local governments seeking to borrow money. It attempts to enhance the credit ratings of Michigan communities by reviewing their ability to pay and the legality of their borrowing procedures.

The geographic pattern of employment in such establishments is highly centralized; all except a branch office of the Veteran's Trust Fund are situated in Lansing. Even those establishments which serve the public directly are not attracted towards the population cluster of Detroit but find that Lansing gives proximity to the machinery of state government and a central position with respect to the area and population of the entire state. Those which manage state accounts perform a crucial

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[27]The official designations of these establishments are the Public School Employees Retirement Fund, Municipal Employees Retirement Fund, and State Employees and the Probate Judges Retirement System.

service and any location except Lansing would hardly be feasible.

Insurance (SIC 9263)

Many citizens do not realize the role of the state government as an insurance carrier offering liability insurance covering job-related and motor-vehicle accidents. The State Accident Fund, with establishments in Lansing and Detroit, writes policies covering workers who receive job-connected injuries, a type of insurance required by law in Michigan. Created before World War I to assure the availability of such coverage, the Accident Fund now competes with private insurance firms which offer similar coverage. The State Accident Fund is a part of the state government only in a marginal sense. Actually, it is effectively insulated from direct control by the state. The enabling legislation disallowed political direction of the Fund.[28]

The Motor Vehicle Accident Fund, a separate organization, is administered by the Secretary of State and is in every sense a government establishment. Located in Lansing and employing 100 persons, it offers financial restitution to those individuals suffering property damage from uninsured motorists.

The location of both principal insurance establishments in Lansing is best explained by the fact that both can operate easily at

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[28]Floyd Lugenbill, Statistician, Michigan State Accident Fund, Personal interview, July, 1967.

great distances from the insured customers. The one small branch establishment in Detroit serves as a point of personal contact for the large number of insured parties and claimants in that area.

Real Estate (SIC 9265)

The state's role as a property holder necessitates a comprehensive real estate management program. Also, the acquisition of private property for such uses as parks or highways requires complex legal activities. The Department of State Highways operates a central right-of-way establishment with about 260 specialized workers, most of whom travel to appraise property and arrange for its purchase by the state. In 1967, this group of right-of-way employees was responsible for the state's acquiring 8,000 separate parcels of land at a cost of $64 million.[29] Right-of-way employees are so mobile that the identification of field offices or a pattern of geographic distribution is difficult. Generally, the work is performed in the advance of highway construction projects discussed previously in this study.

The Department of Conservation also operates an office in Lansing to handle legal aspects of the 4.3 million acres of forest and recreation lands under that agency's control. Leases, sales, purchases and gifts of land are all subject to legal entanglements which require skilled handling.

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[29]Michigan, State Budget, 1968, p. W-20.

To manage state-owned office buildings, the Department of Administration operates a central real-estate management establishment. Housed in the Capitol, this office is also responsible for all lease arrangements between the state and private building owners. The physical management function requires a staff of 100 maintenance workers for the Capitol and two state-owned office buildings in the Capitol area, and about seventy-five workers for the two largest Detroit structures.

Although the state owns land and structures in every county, , the specific agencies which occupy and utilize such property in most cases perform the management and housekeeping functions. The central real-estate management establishments generally perform legal and other administrative functions, and are not attracted towards the actual site of the state-owned property. However, on-site land acquisition activities demand a considerable number of traveling employees. In all, real estate management establishments employ about 600 persons, a reflection of the amount of property owned, occupied, or acquired, by the state (Fig. 30, p. 157).

## Socialized Services

### Parks and Lodging Facilities (SIC 9270)

The demand for outdoor-recreation facilities has been met by a system of state parks in Michigan and other states. Outdoor recreation suggests a wide range of leisure activities. Increasingly, camping

has emerged as a major avocation of contemporary urban dwellers, a phenomenon of twentieth-century America, a side effect of the automobile era.

Today's campers tow miniature versions of their suburban homes over every highway in the state, seeking spots prepared in advance for their arrival. The intense demand for such "parking" facilities has fallen squarely on state government.

The geographic pattern of Michigan's seventy parks administered by the State Department of Conservation can be explained by the interplay of several locational factors. First, by definition, recreational land must have certain desirable attributes such as forest cover, surface water, unusual terrain features, or merely uncluttered space. Today's urban dweller, though not prepared to face the rigors of a wilderness eco-system, apparently desires a change of scene from the manicured suburbs or the sordid central city. In economic terms, recreation cannot compete with high-intensity land uses because social benefits are not generally weighed against the costs. Hence, productive agricultural land or developed urban areas are seldom converted to parks.

Distance from the urban center is also a relevant variable. Motoring itself may be an essential part of the recreational venture, particularly if camping is done along the way. Elaborate mobile camping paraphenalia allow campers to range over both of Michigan's Peninsulas.

Generally, however, demand for recreational areas decreases with distance from urban centers.

The most obvious characteristic of the distribution pattern is the concentration of parks in southeastern Michigan along a southwest-northeast axis from Jackson to Pontiac. Physically, this area is one of considerable relief, particularly in comparison to the flat, lake-bed plain to the southeast, where metropolitan Detroit sprawls. The irregular glacial features of this area were formed at the juncture of two major ice lobes--the Saginaw and the Erie. The resulting interlobate moraines are characterized by numerous small lakes. Soils and relief are not conducive to agriculture. The juxtaposition of such land with the huge urban population of southeastern Michigan has resulted in the development of an extensive network of state parks in that region (Fig. 28). The number of persons using the fourteen parks in the interlobate region of southeastern Michigan is approximately equal to the number using all other state parks combined. Employment in the southeastern parks also corresponds to the high-use rate. During the summer season employment totals about 200 persons or fifteen employees per park, an average much higher than that of other regions.

In southwestern Michigan, relatively few state parks have been created. Four of the five located in that area are along the Lake Michigan shore, where prevailing westerly winds have swept sand from the wide beaches, creating a narrow but rugged band of heavily forested

dunes. The fifth park, Yankee Springs, is situated in the interlobate moraine area of Barry County, a site analagous to the park region of southeastern Michigan. The southwestern parks are well attended, drawing largely from the Grand Rapids, Kalamazoo, Battle Creek, and Chicago areas.

In the northern part of the Lower Peninsula, where physically suitable state-owned land is plentiful, twenty-nine parks are operated (Fig. 28). The large number of parks in this area is, however, somewhat misleading. Of the four regions surveyed (Table 15), parks in the northern Lower Peninsula are smallest in terms of land area and employment per park. The parks in this region average about two square miles and have about eight employees each. Average attendance per park is also far below those in southern areas.

In the Upper Peninsula, the parks resemble those of the northern Lower Peninsula in that most are small and have few employees. Michigan's two largest parks, Porcupine Mountains (Ontonagon County) and Tahquamenon Falls (Chippewa County) are in this region. Mackinac Island State Park, operated by an independent commission, is one of the state's most visited parks.

Apparently, sheer distance from the southern urban areas keeps the patronage of the northern parks relatively low. The parks of the Upper Peninsula suffer from high tolls on the Mackinac Bridge, particularly since trailers subject the traveler to the three-axle rate.

Table 15.--Regional Distribution of Attendance and Employment in Michigan State Parks

| Region (See Fig. 19) | State parks | Average size of parks (acres) | Average Attendance per park 1965 (000's) | Total Number of Employees July 1, 1966 |
|---|---|---|---|---|
| I. Upper Peninsula | 17 | 4,933[a] | 108 | 129 |
| II. Northern Lower Peninsula | 29 | 1,230 | 135 | 237 |
| III. Southwestern Lower Peninsula | 6 | 1,409 | 422 | 79 |
| IV. Southeastern Lower Peninsula | 17 | 3,765 | 300 | 205 |
| Totals | 69 | 1,643 | 195 | 650 |

[a]If Porcupine Mountains State Park is omitted, the average size in the Upper Peninsula becomes 1,598 acres.

Source: Computed from data provided by the Michigan Department of Conservation and Civil Service.

Climate of the north is also a severe constraint. The period conducive to summer recreation is at the most only three months long and even during this time, chilly, wet weather can occur. The northern parks appear to be bailiwicks of determined campers.

Parks illustrate a government response to the popular demand for public recreation facilities. About two-thirds of the annual state expenditures for parks are generated by sales of permits and from

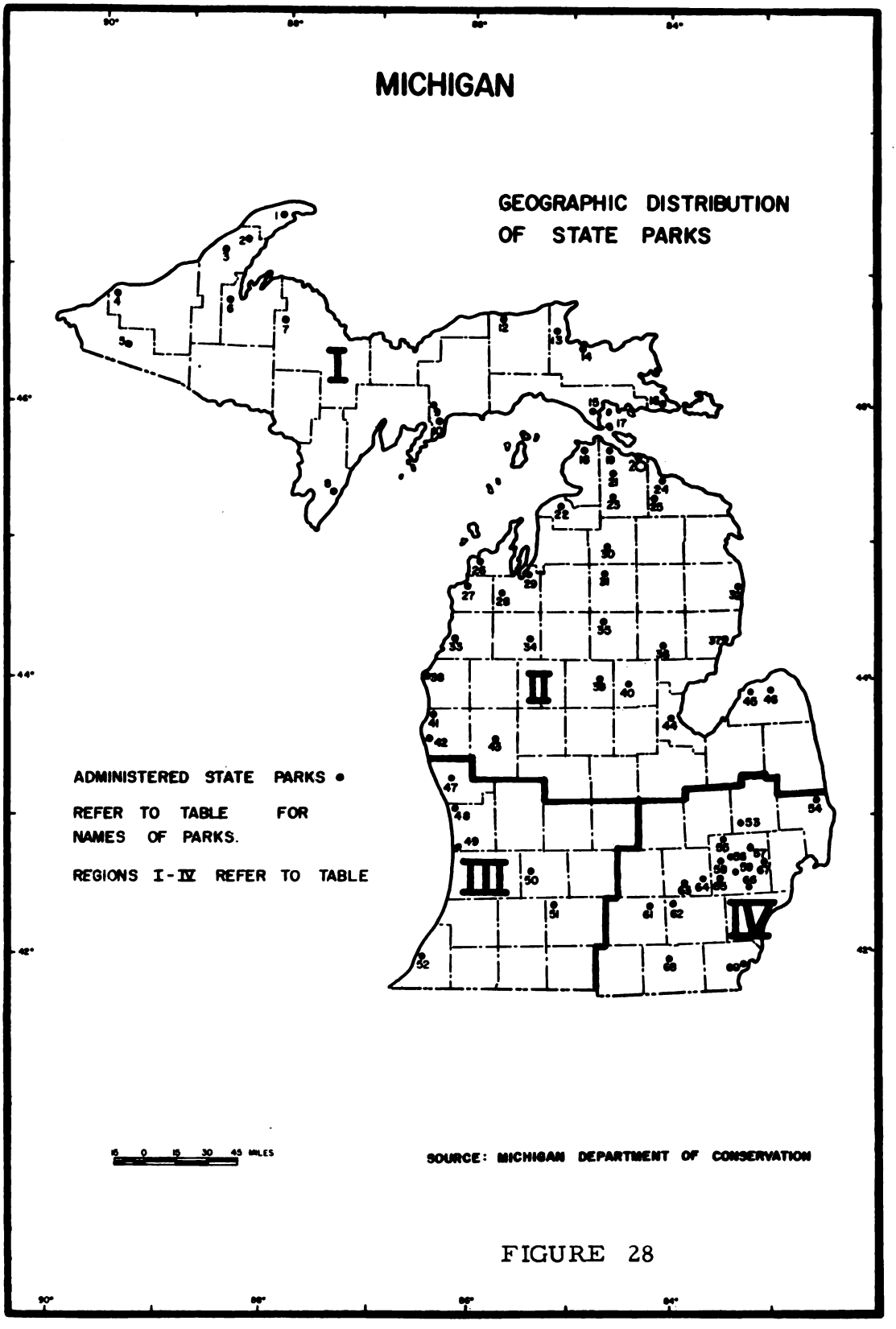

MICHIGAN
GEOGRAPHIC DISTRIBUTION
OF STATE PARKS
I
II
III
IV
ADMINISTERED STATE PARKS •
REFER TO TABLE FOR
NAMES OF PARKS.
REGIONS I-IV REFER TO TABLE
15 0 15 30 45 MILES
SOURCE: MICHIGAN DEPARTMENT OF CONSERVATION

FIGURE 28

Table 16.--Index List of Michigan State Parks (See Figure 28)

Area I--Upper Peninsula

1. Fort Wilkins
2. F. J. McClain
3. Twin Lakes
4. Porcupine Mountains
5. Lake Gogebic
6. Baraga
7. Van Riper
8. J. W. Wells
9. Indian Lake
10. Palms Book
11. Fayette
12. Muskallonge Lake
13. Tahquamenon Falls
14. Brimley
15. Straits
16. DeTour
17. Mackinac Island

Area II--Northern Half-Lower Peninsula

18. Wilderness
19. Michilimackinac
20. Cheboygan
21. Aloha
22. Young
23. Burt Lake
24. P. H. Hoeft
25. Onaway
26. D. H. Day
27. Benzie
28. Interlochen
29. Traverse City
30. Otsego Lake
31. Hartwick Pines
32. Harrisville
33. Orchard Beach
34. William Mitchell
35. Higgins Lake
36. Rifle River
37. Tawas Point
38. Ludington
39. Wilson
40. Muskallonge
41. Charles Mears
42. Silver Lake
43. White Cloud
44. Bay City
45. Albert E. Sleeper
46. Port Crescent

Area III--Southwestern Lower Peninsula

47. Muskegon
48. Grand Haven
49. Holland
50. Yankee Springs
51. Ft. Custer
52. Warren Dunes

Area IV--Southeastern Lower Peninsula

53. Metamora Hadley
54. Lakeport
55. Ortonville
56. Pontiac Lake
57. Bald Mountain
58. Holly
59. Highland
60. Algonac
61. Waterloo
62. Pinckey
63. Brighton
64. Island Lake
65. Proud Lake
66. Dodge Brothers
67. Rochester-Utica
68. W. J. Hays
69. Sterling

concession franchises offered to private individuals.[30] In local economies dependent on tourism, state parks are important both as employers and as strong attractions for great numbers of visitors (Fig. 34, p. 172). Although parks have been accepted as legitimate undertakings by state government in Michigan, lodging facilities still are considered not quite proper. There are only two facilities of this type: one operated by the State Conservation Department, the other by Michigan State University. Neither is generally open to the public.

The Haven Hill Lodge in Oakland County was constructed as a family dwelling unit by the late Edsel Ford in the 1930's. After the kidnapping of Charles Lindberg's child, Edsel Ford apparently feared a similar plot against his family. In response, he built the mansion on a secluded knoll and allowed a pack of mastiff dogs to roam the grounds. After World War II, the Ford family transferred ownership of the mansion and grounds to the state with the agreement that it be used to promote conservation. Today, the Lodge is operated by ten employees of the Conservation Department for high-level group conferences dealing with various governmental and private programs.

The second lodging facility, at Gull Lake in Kalamazoo County, was originally the mansion of the late W. K. Kellogg. It is operated by Michigan State University as a lodge facility for conferences and as a

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[30] Ibid., p. Q-27.

biological research laboratory. Summer classes in laboratory and field techniques are held for university students.

Miscellaneous Business Services (SIC 9273)

Employment Offices.--Private employment offices were common long before governments entered the business of job placement in the 1930's. The Michigan Employment Security System is operated by the state but is heavily funded by the federal government. The result of this arrangement in Michigan and most other states has been the development of autonomous agencies manned with state personnel but with operational responsibilities towards the federal government.

The basic establishment of the system is the local Employment Office, of which there are seventy-two throughout Michigan (Fig. 29). The principal function of these offices is to match job seekers with vacancies. To accomplish this, a staff of interviewers ascertains the applicants' skills and training and then arranges personal interviews with private firms seeking workers.

In addition to job placement, the employment offices receive and pay unemployment compensation claims. Seven offices handle unemployment claims only. Job training programs are carried out and extensive statistical analyses of manpower and the labor market are accomplished.

The network of local employment offices is highly market

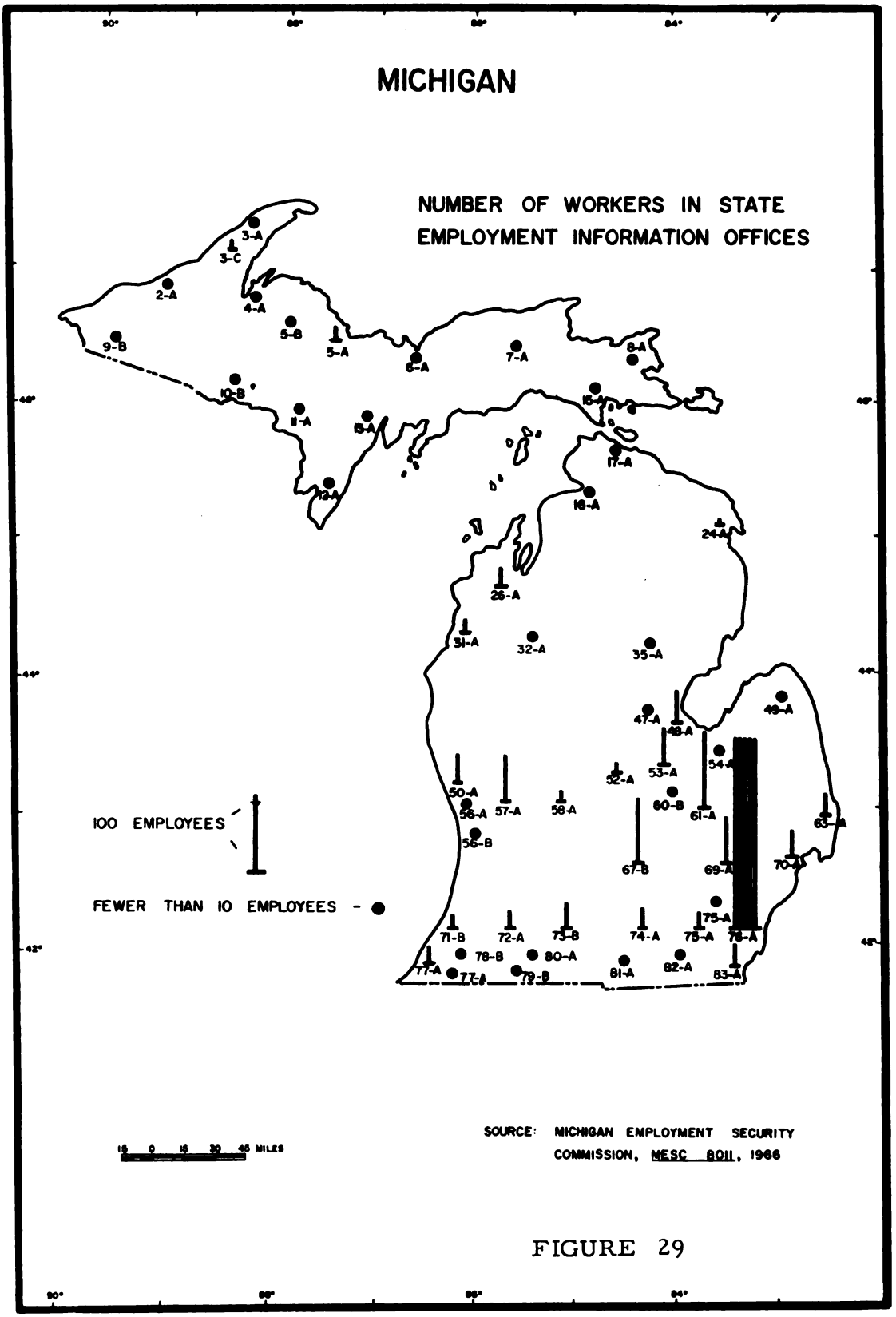

MICHIGAN
NUMBER OF WORKERS IN STATE EMPLOYMENT INFORMATION OFFICES
100 EMPLOYEES
FEWER THAN 10 EMPLOYEES
15 0 15 30 45 MILES
SOURCE: MICHIGAN EMPLOYMENT SECURITY COMMISSION, MESC 8011, 1966

FIGURE 29

oriented. The system is administered from Detroit, with Lansing having only an ordinary branch office. The urban centers of intense manufacturing activity in southern Michigan represent the principal demand points for unemployment benefits and job placement. The Detroit area alone has twenty-one separate establishments which employ about 1,650 workers, or about 60 per cent of all the workers in the system (Fig. 29).[31] The mining areas in the western Upper Peninsula, where unemployment rates are sometimes as high as 10 per cent of the labor force, also have many establishments and employees.

The Michigan employment offices in cooperation with other states also attempt to place workers in available jobs throughout the country if there is a willingness to migrate. Each summer, the employment offices make an effort to recruit migrant farm workers to harvest Michigan cherries, cucumbers, celery, and other fruits and vegetables.

The economic consequences of the local employment offices program are substantial (Table 17). The offices themselves employ 3,000 Michigan citizens.

Personnel Management. --The development of comprehensive civil service systems in state governments was hindered for many years by the system of political patronage. The federal social relief programs

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[31]The total employment throughout the state was 2,838.

Table 17.--Regional Comparison of Applications for Jobs and Unemployment Benefits in Michigan, Fiscal 1966

| Region | Job Applications[a] | Job Placements | Unemployment claims filed[b] |
|---|---|---|---|
| Upper Peninsula | 14,023 | 4,978 | 12,044 |
| Northern Lower Peninsula | 19,315 | 5,318 | 20,273 |
| Southern Lower Peninsula | 161,205 | 70,445 | 118,587 |
| | 263,019 | 153,724 | 147,213 |
| Total | 457,562 | 234,466 | 298,117 |

[a]Includes new applications only.

[b]Each applicant is counted only once during the year.

Source: Michigan Employment Security Commission, Annual Report, 1966, pp. v, xiv, and xv.

begun during the 1930's stipulated that each recipient state should create a merit system for the personnel administration of those agencies receiving federal funds. Many states still operate merit or civil service systems only for the four state agencies receiving federal aid.[32] Michigan, however, extended the system to cover almost all state employees except those in higher education.

A primary objective of the civil service system is to fill

[32]In most states, federal funding requires merit systems for the following state agencies: health, welfare, employment security, and crippled children.

government jobs on the basis of personal merit rather than political influence of the applicant. Also, modern personnel management techniques increase the efficiency and the standardization of employment practices among the various agencies. Equal pay for equal work has been facilitated by the development of systems of detailed occupational classification. Employees are given the right to appeal against discriminatory practices. The benefits to the public of an efficient civil service system with strong legislative and executive support are immeasurable. Like most central service establishments, the Civil Service Commission is strongly oriented to the point of demand. Proximity to the concentration of administrative offices in Lansing is necessary as intense interaction occurs between the Civil Service establishment which employs about 200 workers, and all state agencies. The examination program, however, requires testing job applicants in all parts of the state, a problem solved by utilizing local monitors. In this manner it is not necessary for citizens to travel long distances to be tested for state jobs, and the Civil Service Department does not have to operate branch offices throughout the state. Although the demand for information about state employment by Detroit residents is large, that city is served by only a small branch office.

Data Processing.--Electronic data processing methods and equipment are in common use by the central administrative establishments for the routine, repetitive tasks involving data manipulation. An

attempt was made in 1966 to centralize all computer equipment and employees in one large state data center, but the effort was less than a total success due to the tremendous volume and extreme variation in type of work required by the different agencies. The Department of Administration still operates the principal computer establishment in Lansing and provides service to four other departments. Another, operated by the Department of State, is utilized to store driver and vehicle licensing records. Combined, the two Lansing establishments employ about eighty persons. Six facilities in the Lansing area and two in Detroit are small units and must be considered as auxiliary to central administrative establishments.

Record Storage. --After many valuable records were destroyed in a fire which gutted the Lewis Cass office building in 1951, the state created a separate records-storage establishment in Lansing. Situated in the urban fringe where land use intensity is low, the records warehouse preserves all documents of possible value, destroying those of lesser importance only after a lapse of several years. Records of historical value are preserved in a special archival section of the records-storage establishment.

Purchasing. --Tremendous economies are realized by the state through a program of consolidated purchasing for all agencies. As a single purchaser, state government creates a large demand for such

things as food products, drugs, paper, office equipment, and construction materials. Consolidation of orders reduces unit costs through volume discounts and savings in transportation charges.

Most of the sixty employees are located in the Purchasing Division of the Department of Administration in Lansing, where agency requisitions can easily be received and consolidated. Warehouses in Lansing, Cadillac, and Escanaba receive and store commodities for distribution to the various state establishments. The agency purchases Michigan products which meet state specifications, seeking others elsewhere. Michigan manufacturing and agriculture are sufficiently diversified to supply about 70 per cent of all purchases.[33]

Testing Laboratories.--Research facilities are an integral part of Michigan's colleges and universities and cannot be considered separately; health-related laboratories are considered later in this study in accordance with the SIC. Another type of laboratory not at all related to health is operated by the state for the purpose of testing highway construction materials. In these establishments, concrete is tested for strength, soil for texture, and asphalt for composition. Obviously, highway construction in various state areas cannot be stopped while samples of materials are sent to the Lansing laboratory to be tested for

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[33]Philip Anderson, Director, Purchasing Division, Department of Adr. inistration, Personal interview, February, 1967.



**Figure 30. Cadillac Square Building, in Detroit's central business district, the location of many state administrative offices.**



**Figure 31. Office buildings under construction in the new capitol complex, Lansing; state Capitol in the background.**

acceptability. To provide field services, eight highway materials testing laboratories are scattered throughout the state in proximity to road construction projects. Half of them are located permanently near Highway Department District Offices, while others occupy temporary sites. About 450 persons, many of whom are technicians, work in the various laboratories.

Mail Distribution. --The distribution of mail to state government establishments scattered throughout the Lansing area requires a central postal system. Operated by the state under contract with the federal government, the central postal establishment distributes mail directly to agency mailrooms, which in themselves are complex auxiliary units of central administrative offices.

Public Relations. --The desire to publicize programs, alter opinions, and create impressions motivates this class of establishments. Four of the seven public relations establishments in Lansing are in the business of promoting agricultural industries. The Michigan Cherry, Apple, and Bean Commissions, as well as the Potato Industry Council, financed by levies on the various crops, are state-sanctioned operations to encourage consumption of these various commodities. The three remaining establishments function in the interest of the tourist industry, highway construction industry, and the fishing and hunting sports. In Detroit, the Michigan Council of the Arts promotes the higher culture

of the state. Many other agencies maintain public relations staffs as auxiliary units. The clustering of public relations establishments in Lansing indicates a desire to locate near the nerve center of government rather than near the market for the promotional activities. It appears that these establishments consider government to be a principal market for their services.

A separate type of public relations establishment disseminates information to tourists entering the state by automobile. The Highway Department operates eight such tourist information offices on principal highways near border points (Fig. 40, page 208).

Automobile Repair and Service Establishments (SIC 9275)

To provide transportation necessary to perform such work in local areas, all state agencies combined own an estimated 5,000 motor vehicles.[34] Only four agencies, including two universities, purchase vehicles directly from manufacturers. All others utilize those under control of the central motor pool of the Motor Transport Division, Department of Administration. This Lansing establishment keeps about seventy automobiles ready for daily dispatch and assigns 1,400 to agencies on a permanent basis. The dispatch office is located near

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[34]Gerald G. Gleason, Administrative Assistant, Motor Transport Division, Department of Administration, Personal interview, July, 1967.

the Capitol where demand is greatest. Also operated by the Motor Transport Division is a large new parking facility beneath the new Capitol development complex.

Four maintenance garages are situated in the Lansing-East Lansing area to handle the concentration of state automobiles. Most state garages outside Lansing are operated by the Department of State Highways and have been discussed previously as Highway Maintenance establishments (Fig. 20). The Conservation Department operates a single vehicle maintenance garage at Gaylord, but like the State Police, depends heavily on local private garages across the state to perform maintenance jobs on vehicles. The only large garage operated by the State Police is near the headquarters in East Lansing. State military vehicles are maintained by using units in local armories. However, a central maintenance facility for more difficult repairs is located in Lansing. In all, about 140 employees, concentrated in Lansing, are necessary to maintain state motor vehicles.

Miscellaneous Repair Establishments (SIC 9276)

Most large state establishments have auxiliary maintenance units for equipment repair. Traffic-signal repair is so important, however, that separate specialized establishments are found in six Michigan cities (Miscellaneous Repair establishments in Fig. 24). Each establishment has fewer than five employees, most of whom are electricians.

Educational Services (SIC 9282)

The educational process has been gradually removed from the home and vested in specialized establishments. Schools were, and to some extent still are, operated by interest groups, particularly the church. The state entered the education field when it became obvious that great social and economic benefits accrued from a well educated citizenry. The church was interested primarily in accomplishing its own objectives, and private industry found it impossible to operate most types of educational establishments profitably.

Because all benefits realized by a society from its educational establishments cannot easily be identified or precisely measured, it is impossible to set a price which reflects their actual value. For this reason, the entire citizenry, which benefits indirectly, supports schools financially through government.

Public School Administration. --The most basic educational establishments in Michigan are the public schools, which are administered by separate units of local government--school districts. The state government, however, maintains close liaison with the public schools through efforts to provide financial assistance, set uniform standards, and improve the general quality of education.[35] The state establishments

[35]State government must also serve as a connecting link between the federal programs of educational assistance and the local school boards.

responsible for administering these programs are clustered in the Lansing area. Seven separate administrative establishments, each specialized in some aspect of public education, are scattered throughout the capital city and together represent the central administrative machinery of the Department of Education. The geographic centralization of these establishments results from their functional interdependence.[36]

Actual work performed by the 250 employees of the education establishments depends heavily on various reports, applications, and records submitted by the state's 1,900 school districts. Traveling consultants and inspectors visit local school districts but as yet regional branch offices have not been opened. With the increasingly complex role played by state and federal governments in education, it would appear inevitable that a system of regional administrative offices, oriented to serve the local school districts, will eventually emerge.

Special Education Establishments. --The state has assumed the responsibility for offering highly specialized educational programs to physically handicapped persons. Local school districts cannot afford the expensive equipment and specialized teachers required to educate a small number of blind or deaf students. By operating specialized establishments to serve all such disadvantaged students in the state, great

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[36]Donald Lillerose, Personnel Officer, State Department of Education, Personal interview, March, 1967.

economies of scale are realized. The education received by each student is greatly improved with subsequent benefits to society.

Thus the School for the Blind at Lansing and the School for the Deaf at Flint relieve local school boards of large financial outlays to serve such handicapped students. Originally, both schools were combined in a single establishment, founded in the city of Flint, in 1854. Eventually, it was realized that the blind and deaf required different educational programs, and the School for the Blind was moved to Lansing in 1879.[37]

Both schools are significant employers. The School for the Deaf has about 200 workers to care for and teach the 450 deaf students, who come from seventy-four counties in the state to attend regular classes from kindergarten through high school. The School for the Blind with 150 workers, also operates a complete school system for its 300 students. In both schools, many employees are needed to provide domestic services for the children who live in cottage dormitories.

Vocational Education. --Job training, particularly the rehabilitation of persons crippled by injury or disease, has become a major activity of state government. Aided by federal matching funds, vocational rehabilitation programs employ about 450 workers in the state.

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[37]State of Michigan, Michigan Manual, 1961-62 (Lansing: Michigan Secretary of State, 1961), p. 268. The original establishment in Flint was known as an asylum.

Through twelve district offices, which are located strictly with reference to population, disabled persons are trained for jobs.

Most rehabilitation training is done by private firms on a contract basis; however, a state operated in-residence school is located at Plainwell in Allegan County. In this school, known as the Michigan Rehabilitation Institute, 280 students are trained in such skills as radio-television repair, upholstering, woodworking, and drafting.[38]

In addition to rehabilitation, a program to develop vocational education in the public school systems is administered by an establishment in Lansing. No students are trained directly by this office.

The idea of vocational education in rural areas was developed originally during early days of the cooperative movement in Scandinavia, and has since spread with great influence through most western countries. The Cooperative Extension program administered by Michigan State University attempts among other things to encourage the diffusion of farm-management principles. In addition, the Cooperative Extension Service abets the 4-H clubs of the state and widely disseminates modern advice on home economics.

As an industry, the extension service employs more people than several of the state operated colleges. Extension establishments

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[38]Helen Brown, Personnel Officer, Michigan Department of Education, Vocational Rehabilitation Division, Personal interview, July 5, 1967.

are located in seventy-nine counties, mostly in county court houses, and have an average of about three employees each. In addition, another 105 workers are employed in the state headquarters on the university campus in East Lansing (Fig. 32).[39]

The geographic distribution of extension-education establishments reflects an attempt by the state and federal governments to carry vocational education to individuals in rural areas rather than leave the responsibility on the farmer to travel a great distance to a regional educational facility. As Michigan's farm population continues to decline, cooperative extension work is being oriented more towards urban citizens.

Institutions of Higher Education. --Education beyond high school is becoming the rule rather than the exception for young people in Michigan. During recent years, a remarkable growth in college enrollments has required a rapid expansion of higher educational facilities. State-operated colleges and universities currently account for about 60 per cent of the total enrollment beyond high school, with community and private colleges absorbing the remainder.[40]

The institutions of higher education employ about one-half of

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[39]Michigan State University, This is Michigan State University, 1967 Facts Book, p. 24.

[40]State of Michigan, Report of the Citizens Committee on Higher Education, March, 1965, p. 4.

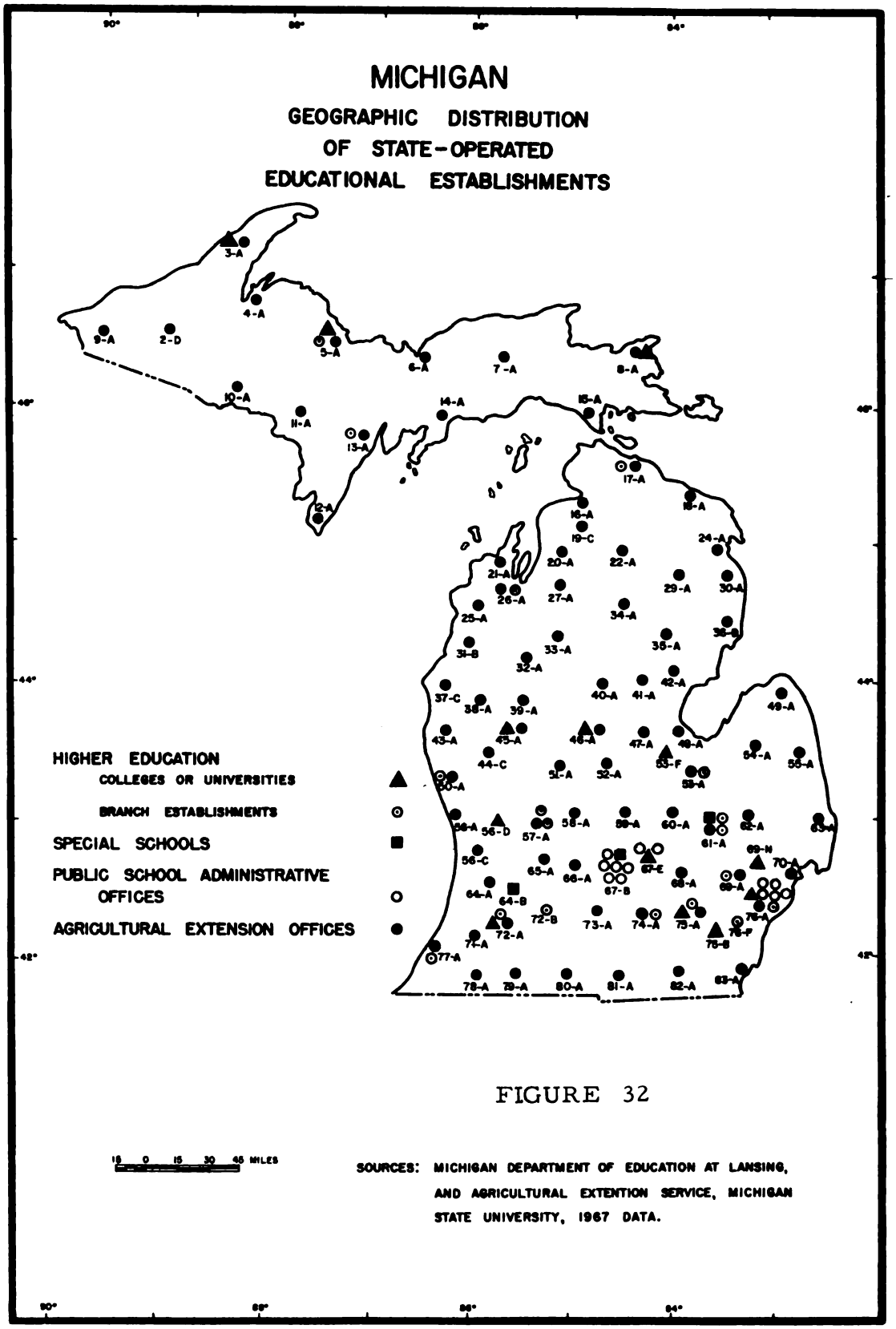

MICHIGAN
GEOGRAPHIC DISTRIBUTION
OF STATE-OPERATED
EDUCATIONAL ESTABLISHMENTS
HIGHER EDUCATION
COLLEGES OR UNIVERSITIES
BRANCH ESTABLISHMENTS
SPECIAL SCHOOLS
PUBLIC SCHOOL ADMINISTRATIVE OFFICES
AGRICULTURAL EXTENSION OFFICES
15 0 15 30 45 MILES
SOURCES: MICHIGAN DEPARTMENT OF EDUCATION AT LANSING, AND AGRICULTURAL EXTENTION SERVICE, MICHIGAN STATE UNIVERSITY, 1967 DATA.

FIGURE 32

all state personnel in primary and socialized industries combined. There are, in addition to the 34,000 full-time employees, at least 20,000 part-time workers, mainly students.[41] Determining the exact numbers of part-time workers in higher education establishments is very difficult and such employees have of necessity been omitted from subsequent consideration (Table 18, page 176).[42]

Colleges and universities are important basic industries in several Michigan cities and enhance the clustering characteristic of state government employment. To understand the geographic distribution of higher education establishments, it is necessary to briefly inspect the locational decisions in a historical perspective.

In 1817, an act was adopted by the territorial government in Detroit creating "the Catholepistemiad, or University, of Michigania."[43]

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[41]Compiled from figures provided by the State Bureau of Higher Education and questionnaires sent to individual schools.

[42]The Michigan Employment Security Commission includes part-time student workers in its monthly total of state government employment. By subtracting all other classes of employees, it is possible to estimate the number of part-time college and university workers as approximately 23,000 in the entire state. This author is of the opinion that some of the figures provided by the various institutions are not accurate enough to be considered. Central Michigan University, for example, reported 33 part-time workers while Michigan State University reported almost 10,000. Obviously, the Central figure excluded student employees, who usually work a few hours a week and earn the minimum wage. It is not feasible to convert these workers to a full-time equivalent and to include such employees would mean overstating their economic significance.

[43]Willis F. Dunbar, The Michigan Record in Higher Education (Detroit: Wayne State University Press, 1963), p. 25.

A visionary scheme, the university never developed to the point of accepting students in Detroit. With the founding of state universities along the eastern seaboard, agitation for an active state university in Michigan began during the 1830's, at a time when a great influx of settlers was occurring in the Lower Peninsula. In 1837, the Legislature created an entirely new institution, The University of Michigan. The Ann Arbor Land Company by its donation of forty acres of land was able to persuade the regents to locate the school in their city rather than Detroit. The land company was chiefly motivated by the desire to increase the value of adjacent real estate.

The University at Ann Arbor was intended by the state to be the administrative core of a state-wide system of higher education. Branch schools were established in sixteen Michigan cities, but only nine of these were granted financial assistance from the parent school.[44] The University was initially financed by funds from the sale of land granted by the federal government to the state. Direct state appropriations became available by 1869.[45] The lack of financial support was instrumental in the University's decision to break affiliations with all

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[44] Ibid., p. 64. The nine branch schools receiving aid were located in Detroit, Monroe, Pontiac, Kalamazoo, Niles, White Pigeon, Tecumseh, Ann Arbor, and Romeo.

[45] Wilfred B. Shaw, ed., The University of Michigan, an Encyclopedic Survey, Vol. I: History and Administration (4 vols.; Ann Arbor: University of Michigan Press, 1942), p. 34.

branch schools in the 1840's. Also, during the same period, the State Supreme Court ruled that the intent of the federal land grant for education was to support "one institution in one place."[46]

The decision for the University to develop as a single institution in Ann Arbor greatly affected the geographic distribution of higher educational establishments founded subsequently. With little centralized planning, a system of autonomous, self-governing institutions evolved.

Decisions concerning the location of the newer schools were accompanied by progressively more spirited political struggles. As the full economic impact of such large establishments became evident, local communities made more vigorous efforts to become the site of a new college.

As the movement to establish normal schools for teacher training spread through the Midwest, the Michigan Legislature approved the first such school in 1849, at a location to be selected by the governing board. Ypsilanti was selected over four other cities, mainly because it offered the highest supporting contributions--$13,500 in cash and a promise to pay the principal's salary for the first five years.[47] Proximity to the University of Michigan, only twelve miles away at Ann Arbor,

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[46]Dunbar, Michigan Education, p. 67.

[47]Daniel Putnam, History of Michigan State Normal School (Ypsilanti: Scharf Tag, Label, and Box Co., 1899), p. 14.

was not intially an important localizing factor. The Michigan Normal School (now Eastern Michigan University) was seen as a completely different type of institution. However, in early years the students found the locations advantageous--the University was predominantly male, the Normal School female.

Agitation for a school to teach scientific agriculture culminated in 1855 with the creation of Michigan Agricultural College, supported financially by a large federal grant of land under the Morrill Act. The Legislature stipulated that the new school be located within a ten-mile radius of the Capitol at Lansing in order that preference not be shown to any of the various towns clamoring for the new college. The site selected for the agricultural school was east of the Capitol, south of the plank road to Detroit, and heavily forested.[48] It seems likely that the Legislators wished to use the new school to speed the settlement and economic development of the Lansing area. If this were the objective, it was realized because employment at the Agricultural College (Michigan State University) grew to equal all other state employment in the Lansing area during the 1960's.

The booming copper and iron mining country of the Upper Peninsula created a strong demand for mining engineers. With little dissension, the Legislature, in 1885, authorized a mining school,

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[48]Dunbar, Michigan Education, p. 93.

presently known as Michigan Technological University, to be located at the discretion of the new school's Board of Trustees. The designation of Houghton in the Keewenaw Peninsula was apparently without strong objection from the iron-ore district in Marquette County to the east (Fig. 33).

Also in the 1880's, the community of Mt. Pleasant in Isabella County began a civic project to procure a state normal school. A private school was constructed at community expense and the Legislature was petitioned to make it a state institution. Legislative approval for Central State Normal School (now Central Michigan University) in 1895 immediately caused regional jealousies in the Upper Peninsula and in the southwestern Lower Peninsula.

The Legislature, yielding to those regional pressures, created Northern State Normal School in 1899 and Western State Normal School in 1904. Marquette was named in the legislation as the site of what is now Northern Michigan University, but Kalamazoo had to compete before a site selection board with thirty other communities. To get the school (Western Michigan University today), Kalamazoo was forced to provide a prepared site, $40,000 for construction, and half payment of all salaries until the buildings were completed.[49] Necessary funds were raised by a city bond issue.

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[49]James O. Knauss, History of Western State Teachers College, 1904-29 (Kalamazoo: Western State Teachers College, 1929), p. 11.



Figure 33.--One of the earliest buildings of Michigan Technological University at Houghton; new classroom structure rises in the background.



Figure 34.--Fort Michilmackinac State Park and Museum at Mackinac City, Cheboygan County.

Until 1950, the university, the agricultural and mining colleges, and the four normal schools were considered sufficient response by the state government for the higher educational needs of its citizens. The locational pattern of higher education establishments was generally commensurate with the population distribution except for the two schools in the Upper Peninsula. But between 1950 and 1965, college enrollments in Michigan tripled. To meet this new demand the state used four methods: (1) existing establishments were greatly expanded; (2) branch establishments were opened by the larger schools; (3) institutions not previously operated by the state were taken over; and (4) completely new colleges were put into operation.

Just after World War II, Michigan Technological University established a branch campus at Sault Ste. Marie. Occupying land relinquished by the U.S. Army, this establishment is now Lake Superior College. The branch concept did not appear in southern Michigan until ten years later. Fostered by local alumni groups, branches of the University of Michigan opened in Flint in 1956 and in Dearborn in 1958. Fearing an effort on the part of the University of Michigan to create a statewide system of branches, Michigan State University announced the opening of its Oakland branch in 1959. A truce was effected, however, before a full-scale branch war could occur. Oakland University has since been granted considerable autonomy, while the University of Michigan still considers the Flint and Dearborn campuses as integral

parts of the parent institution.

Ferris Institute, a private school in Big Rapids, was taken over by the state in 1950 after suffering financial difficulties and is now Ferris State College. Wayne University in Detroit came under state operation in 1956, after it became obvious that state financial assistance was necessary to continue its operation.

Two large population clusters remained without colleges in the early 1960's--the Grand Rapids-Muskegon area and the Saginaw-Bay City-Midland node. Agitation began in both areas.

Grand Rapids citizens succeeded in gaining legislative sanction for a privately-financed study of higher education in western Michigan. Not surprisingly, the study showed a definite need for a new four-year college in the area. Next, in 1960 a Grand Rapids citizens committee asked for and received from the Legislature, a charter for the Grand Valley College, but without appropriations--a painless act for the law makers. Site selection was to be made from one of fifteen interested towns in an eight-county area around Grand Rapids. All locations were rated by a selection committee according to predefined characteristics. The city of Muskegon, located on the northern periphery of the proposed service area, met most of the requirements but was unable to meet one crucial demand--a central location with reference to the population distribution. The site chosen was Allendale, just west of Grand Rapids, and within easy commuting distance. Centrality was by far its greatest asset.

After Grand Valley State College was in existence, the state was in no position to refuse the Saginaw-Bay City-Midland area a four-year college. The Tri-Cities area used the same approach that worked so well for Mt. Pleasant in 1892. First, in 1963, a private college was founded and then the state was asked to assume ownership and operation. The Legislature approved the request and appropriations were made for the 1966-67 school year. The location of Saginaw Valley College provides an excellent example of market orientation in the face of strong political maneuvering. On a map, Saginaw, Bay City and Midland define an almost perfect isosceles triangle and the new college is located in the mid-portion of the triangle at University Center. Alfred Weber could hardly have provided a better illustration of locational decision made in response to the demands of three principal markets.

The geographic distribution of institutions of higher education in Michigan is generally oriented to the distribution of population (Fig. 35). The two largest universities, at East Lansing and Ann Arbor, draw students from the entire state. The University of Michigan draws much more heavily on urban areas for its student body than does Michigan State University.[50] All other schools draw students mainly from their local regions.

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[50]Based on a comparison of student enrollments by county of origin procured from the registrars of the two universities.

Table 18. --Enrollment and Employment in Michigan's State Operated Institutions of Higher Education

| Higher Educational Establishments | Location | Year Founded | Enrollment Fall 1966[a] | Number of Full Time Employees[b] |
|---|---|---|---|---|
| University of Michigan | Ann Arbor | 1837 | 34,353 | 9,336[c] |
| Eastern Michigan University | Ypsilanti | 1849 | 12,750 | 918 |
| Michigan State University | East Lansing | 1855 | 41,474 | 7,462[d] |
| Michigan Technological University | Houghton | 1885 | 3,980 | 711 |
| Central Michigan University | Mt. Pleasant | 1892 | 9,411 | 953 |
| Northern Michigan University | Marquette | 1899 | 6,897 | 751 |
| Western Michigan University | Kalamazoo | 1904 | 16,470 | 1,752 |
| Lake Superior College (Michigan Tech Branch) | Sault Ste. Marie | 1946 | 1,182 | 142 |
| Ferris State College | Big Rapids | 1950 | 6,891 | 944 |
| Wayne State University | Detroit | 1956 | 30,832 | 3,698 |
| Flint Branch (UM) | Flint | 1956 | 893 | 78 |
| Dearborn Branch (UM) | Dearborn | 1958 | 817 | 106 |
| Oakland University (MSU) | Oakland | 1959 | 3,143 | 589 |
| Grand Valley State College | Allandale | 1960 | 1,341 | 213 |
| Saginaw Bay State College | University Center | 1965 | 251 | 36 |
| Total | | | 170,595 | 27,689 |

[a]Michigan State Budget, 1968, p. J-28. Figures are total headcount for Fall Term, 1966.

[b]Fred Whims, Bureau of Higher Education, Michigan Department of Education. Part-time employees are omitted.

[c]Does not include 3,200 employees of the University Hospital

[d]Does not include employees of the Cooperative Extensive Service or the Agriculture Experiment Station.

Source: Arranged chronologically by year in which the decision was made by the state to begin operating a higher educational establishment at the location shown.

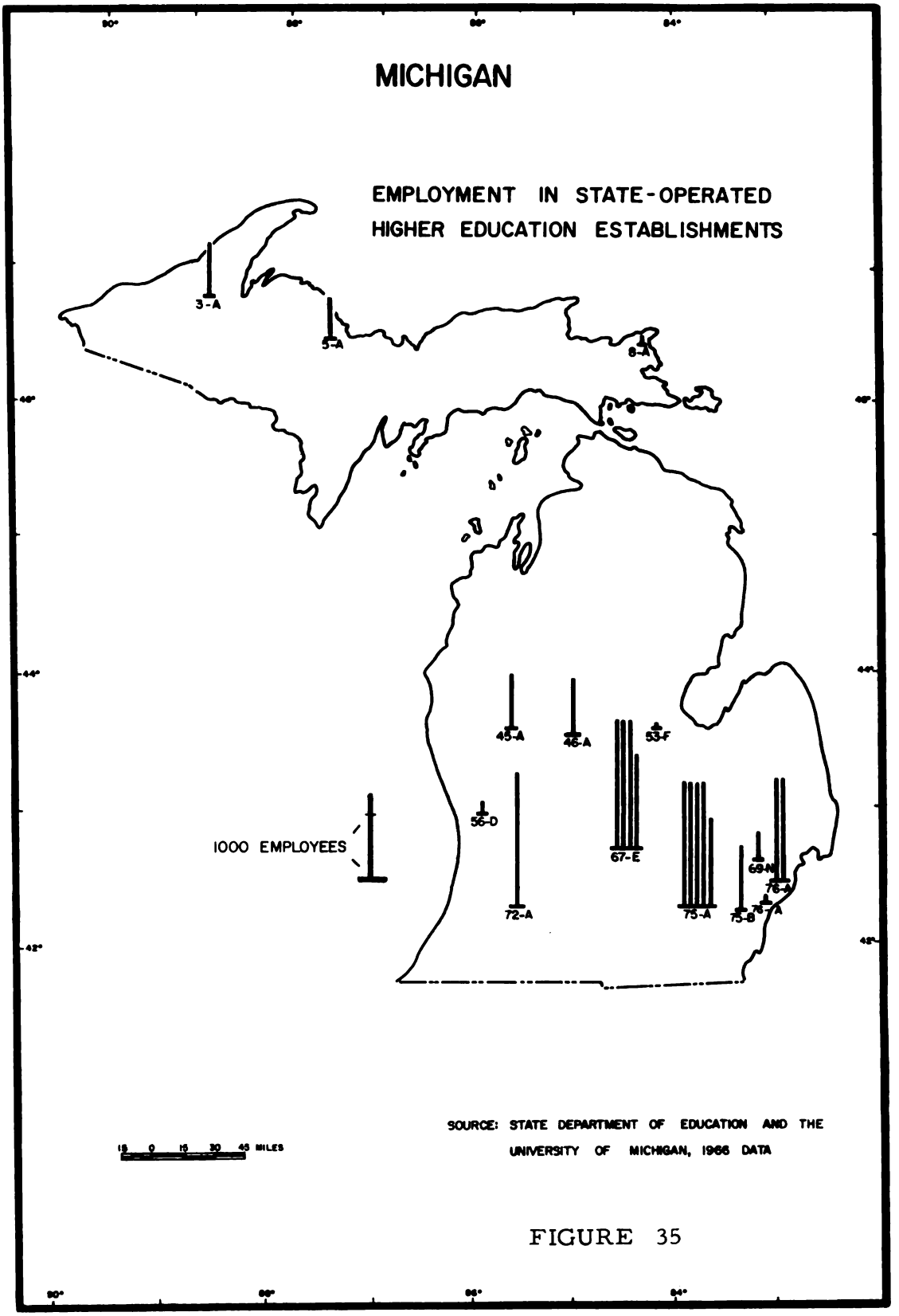

MICHIGAN
EMPLOYMENT IN STATE-OPERATED
HIGHER EDUCATION ESTABLISHMENTS
3-A
5-A
8-A
45-A
46-A
53-F
56-D
67-E
69-N
76-A
72-A
75-A
75-B
1000 EMPLOYEES
SOURCE: STATE DEPARTMENT OF EDUCATION AND THE
UNIVERSITY OF MICHIGAN, 1966 DATA

FIGURE 35

Enrollment at the various schools depends largely on the population of the service area and the number of staff and non-academic employees depend in turn on enrollment (Table 18). Hence, the magnitude of employment in higher educational establishments generally reflects the size of the population in the service areas. Specific institutional locations within the service areas can be accounted for only by examining the political atmosphere, or as some geographers have called it, the decision environment, at the moment in history when the site was selected.

The fifteen individual higher educational establishments of the state represent significant employment nodes with great impact on the local economies. If part-time student workers are included, Washtenaw County, with universities at Ann Arbor and Ypsilanti, has more state-government employees than even Ingham or Wayne.[51] In many local areas higher educational establishments are economically the most significant activity of state government.

Libraries. --The need for an official state-supported library was recognized by legislators long before Michigan's government became actively involved in such long-standing programs as highway construction or health care. The first State Library began operating in 1828 in

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[51]Michigan Employment Security Commission, Michigan Manpower Review, Vol. XXII, No. 3 (March, 1967), p. 4. Washtenaw County also has a large mental hospital at Ypsilanti.

Detroit and was moved to the wilderness settlement in Lansing Township in 1847 along with the three branches of primary government.[52] For many years, use of the library was restricted to legislators and their families, but gradually a program evolved which made holdings available to all citizens of the state.

Currently, the State Library consists of four establishments, three of which are in Lansing.[53] This geographic distribution pattern reflects the fact that the library still endeavors to serve primarily as a reference collection for the state government. In addition to the main library, where most of the 1.1 million volumes are housed, there are two separate establishments with special collections in law and public administration. A branch library with holdings for general circulation to schools and community libraries is situated in Escanaba. All but about twenty of the system's 140 employees work in the main library in Lansing. The libraries furnish a clear example of governmental establishments providing the citizens with valuable services that are difficult to evaluate precisely in terms of benefits received.

Medical and Other Health Services (SIC 9280)

Governments in the United States have with some reluctance

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[52]Michigan State Library, Libraries in Michigan (Lansing: The State Library, 1926), p. 53.

[53]The State Archives are considered in this study as part of a records storage establishment rather than as a special library collection.

assumed a degree of responsibility for the health of individual citizens. Despite the obvious social benefits of preventing contagious diseases, health protection and maintenance have generally been regarded as responsibilities of individuals.

Two general programs of governmental health care may be identified: (1) the prevention or early diagnosis of disease and (2) the treatment of afflicted individuals. The separation of the physical and mental health programs in Michigan's state government has required the creation of two agencies, the Department of Public Health and the Department of Mental Health.

During the recent governmental reorganization, the Department of Public Health made a strong case for ending the traditional separation of mental and physical health programs by combining the two in a single department. The Mental Health Department, however, was persuasive in defending its autonomy with the argument that with respect to the treatment of mental illness "very often the physical health function is of minor importance."[54]

With the exception of institutions of higher education, state health-care establishments employ more workers than any other type of government industry. More than 14,000 employees are concentrated in

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[54]Michigan Department of Public Health, Outline on Recommendation of the Mental Health Advisory Council Regarding the Michigan Department of Public Health, September 1, 1964, p. 20.

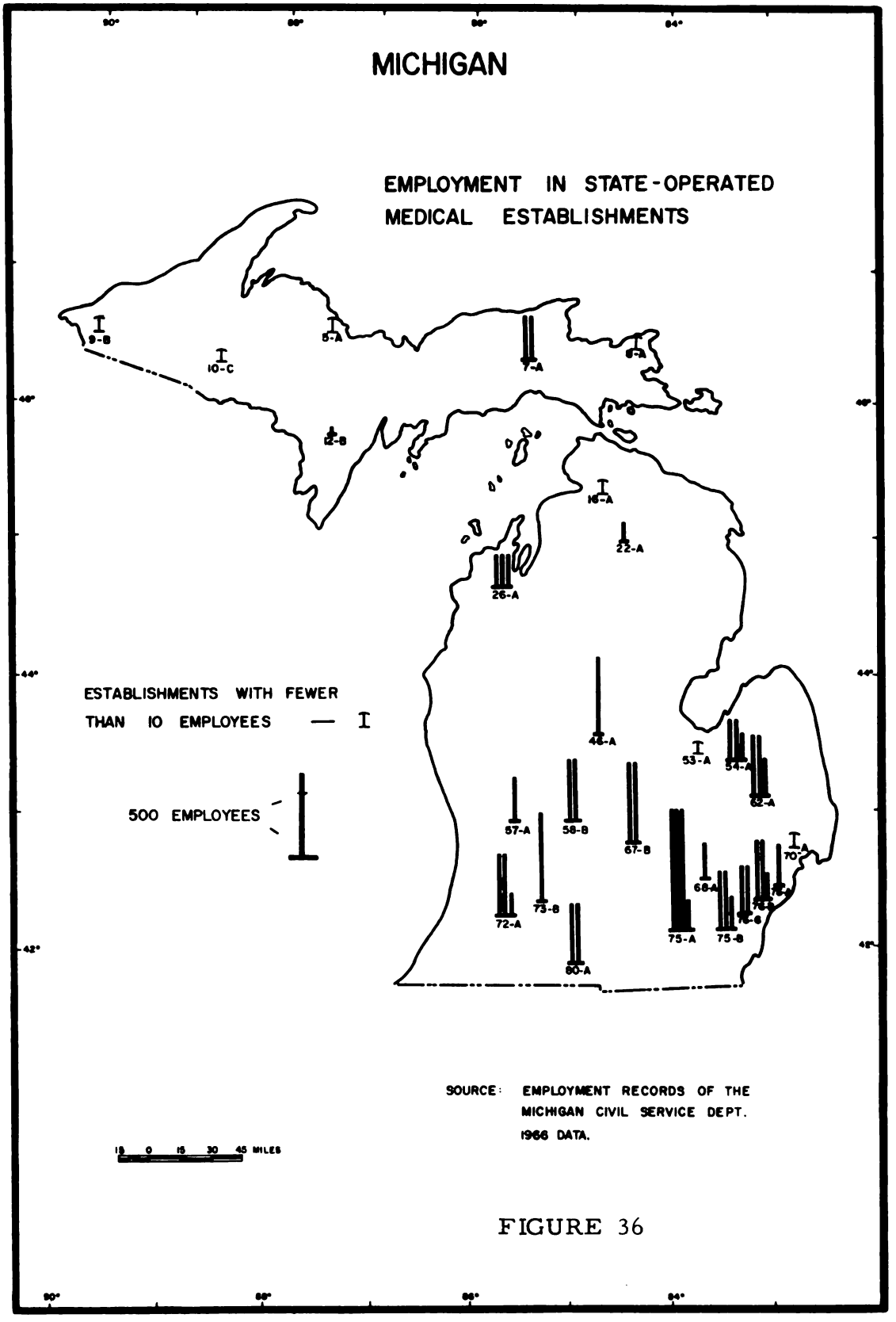

MICHIGAN
EMPLOYMENT IN STATE-OPERATED
MEDICAL ESTABLISHMENTS
ESTABLISHMENTS WITH FEWER
THAN 10 EMPLOYEES — I
500 EMPLOYEES
9-B
10-C
5-A
7-A
12-B
16-A
22-A
26-A
46-A
53-A
54-A
62-A
57-A
58-B
67-B
70
68-A
72-A
73-B
75-A
75-B
60-A
SOURCE: EMPLOYMENT RECORDS OF THE
MICHIGAN CIVIL SERVICE DEPT.
1966 DATA.
15 0 15 30 45 MILES

FIGURE 36

various nodes throughout the state (Fig. 36).

Hospitals (Physical Health).--In Michigan, the state has created specialized hospitals for only one specific type of physical disorder--tuberculosis. The treatment of tuberculosis fell upon government because of the necessity for specialized facilities for the strict isolation of active carriers of the disease. In 1958, the state operated four tuberculosis hospitals.

Since then a drop in the incidence rate combined with successful new therapeutic techniques have literally emptied Michigan's tuberculosis hospitals, and all except the very latest facility, the Southwest Michigan Sanatorium, opened at Kalamazoo in 1954, have been closed. Also, most new cases are being cared for in special wards of county hospitals with state reimbursement. Obviously, the state has withdrawn from providing a service for which there is a falling demand and that can be offered more efficiently by local units of government. The Kalamazoo Sanatorium which was established at the insistence of southwestern Michigan residents has a patient load of only fifty persons.[55] In retrospect, the decision to open the new sanatorium, which currently employs about 135 persons, may have been unwise.

In spite of the dramatic decline in the significance of tubercu-

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[55]Michigan, State Budget, 1968, p. K-16. Empty beds have been filled with about 130 mental patients from nearby Kalamazoo State Hospital.

losis, it still causes more deaths in Michigan than any other communicable disease. A total of 13.5 thousand state residents suffered from the disease in 1965.[56]

Although state governments have been hesitant to operate general hospitals for the entire citizenry, many local governments are in the hospital business and the federal government operates an extensive system of military and veterans hospitals. At present the most significant general hospital affiliated indirectly with state government is that operated in conjunction with the College of Medicine at the University of Michigan. The training of physicians and surgeons requires a functioning hospital where students may begin to practice their medical skills under strict supervision. Establishments such as the University Hospital in Ann Arbor have become noted for the excellence of their medical service. The combination of a highly trained staff and the most recent therapeutic equipment contributes to the regional reputation of the University Hospital. With about 3,600 employees, the hospital is of considerable local economic significance. It is important to recognize, however, that this establishment is to a large degree financially self-supporting. The medical school at Wayne State University is not associated with such a quasi-state hospital.

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[56]Michigan Civil Service Department, Payroll Comparison. (unpublished).

Other state-operated hospitals concerned principally with physical health are found in the Jackson Prison, the Veterans Facility in Grand Rapids, and in conjunction with several mental institutions. These are classified as auxiliary units of parent institutions rather than separate establishments.

Mental Hospitals. --Humane treatment of the mentally ill in the United States developed in the most recent decades. In 1858, the city of Detroit maintained a two-story building fitted with cells and chains for the keeping of the insane. The lower floor was used as a pen for swine.[57]

During this same period, Michigan's state legislature debated the need for a facility to house the insane. Opponents doubted that there were sufficient numbers of mentally disturbed persons in the state to justify an asylum. The supporters, aided by a nationwide movement for more humane treatment of the insane, finally won approval for an asylum to be built at Kalamazoo. This facility, the Michigan Asylum for the Insane, was opened at Kalamazoo in 1859. From the outset, the philosophy of the state was to act only as custodians rather than therapists of the mentally ill.

Because the Kalamazoo asylum soon filled to capacity, the state opened a second facility at Pontiac in 1878. Two years later this

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[57]Michigan Department of Mental Health, The Development and Growth of Michigan's Mental Health Program, 1962, p. 3.

establishment was also filled beyond capacity with a waiting list of several hundred patients.[58] By 1900, two hospitals, one at Traverse City, the other at Newberry, were operating to serve northern areas of the state. In addition, an asylum for insane criminals was opened at Ionia, where the Michigan Reformatory was located. Ionia State Hospital continues to treat the criminally insane. The first separate establishment for care of the mentally retarded was also begun during this period at LaPeer.

Through the years, Detroit has provided for many of its own mentally ill in the Eloise municipal hospital.[59] Suburbanization, however, has meant the growth of a large population outside the city limits and has prompted several new state establishments to serve the southeastern counties. The first of these, opened in Ypsilanti in 1931, has since grown to become the largest state hospital in terms of employment and patients (Table 19). Northville, on the western fringe of the Detroit Metropolitan area, is the site of a large hospital (Fig. 37, p. 192) and of Hawthorn center which treats disturbed children.

Although admissions to mental hospitals have increased during recent years, many more patients are now released after relatively short confinements. Due to chemotherapy and other modern treatment

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[58] Ibid., p. 8.

[59] The state contributes financially to the operation of Detroit's Eloise hospital.

techniques, releases have exceeded admissions, and the total number of resident patients has declined. In contrast, the number of mentally retarded patients has continued to slowly increase in response to population growth and more effective case finding. Few therapeutic techniques have been developed to aid those with arrested mental development.

Also, as treatment techniques have improved, mental patients have been more strictly segregated according to their illnesses. Five homes for the mentally retarded have been opened since 1930 in addition to the LaPeer Home and Caro State Hospital for the Epileptic which were in operation previous to that date (Table 19).

A new type of establishment for treating mental illness is the community mental health clinic. Located in close proximity to the population, these establishments provide outpatient treatment primarily for persons in early stages of mental illness and those not severely afflicted. Child guidance is another important function. The Department of Mental Health had opened twenty-nine such clinics by 1964, but began encouraging counties to take over operating responsibilities. In this manner, seventeen clinics were turned over to local governments, the state retaining the remaining twelve (Fig. 36). State employment in the program dropped from 160 to about fifty workers, no clinic having more than six employees.[60]

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[60]Wiljo Sarkela, Clinic Administrator, Department of Public Health, Personal interview, July, 1967.

Former patients in mental hospitals receive care on an out-patient basis in six regional consultation centers located in Detroit, Lansing, Flint, Grand Rapids, Saginaw, and St. Joseph. A large number of day-care centers for retarded children are operated throughout the state by private agencies under contract with the state.

The system of mental hospitals, homes for the retarded, community clinics, regional consultation centers, and day-care centers is under the direction of the Department of Mental Health. With about 13,000 employees, this agency accounts for almost 20 per cent of all state employment, second only to higher education in numbers of employees.

When considered on a regional basis, employment in mental hospitals is closely related to the population of the service regions. Although incidence rates of mental illness are higher in urbanized Wayne County and the economically depressed areas of the western Upper Peninsula, the distribution of population is far more important in explaining the spatial variation in demand.

As in the cases of prisons and educational establishments, the desire to achieve economies of scale is strong with respect to mental hospitals. The economies gained by maintaining large prison-like mental institutions are real. The operating costs of mental hospitals per patient are remarkably close to the operating costs of prisons per prisoner. For all Michigan institutions, in 1959, costs of mental

hospitals were about 30 cents per patient per day higher than for prisons.[61]

The efforts to achieve economies of scale explain the large regional hospitals. Apparently, this geographic distribution pattern is contrary to modern treatment ideas, which indicate that the individual should remain in his familiar social environment rather than be isolated in an institution at a great distance from his home. In the north, patients must travel 150 miles from the western portions of the Upper Peninsula to Newberry State Hospital. Families can visit such patients only infrequently due to the travel distance. Even in the southeast, most hospitals are peripheral to Detroit, far enough away to create a feeling of isolation.

In days past, asylums required chiefly a large number of low-paid, and low-skilled ward attendants. Today's hospitals require psychiatrists, medical doctors, electroencephalograph operators, and great numbers of psychiatrically trained, registered nurses. Persons qualified to perform such jobs seem to prefer the amenities of urban living and cannot be easily persuaded to accept a position in remote hospitals.

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[61] Walter J. McNerney, et al., Hospital and Medical Economics, Vol. 2 (Chicago: Hospital Research and Educational Trust, 1962), p. 1145. In 1959, the per diem cost of maintaining prisoners at the Marquette Prison was $4.89 per prisoner while the cost per patient at Ypsilanti State Hospital was only $3.95 per day, in spite of the fact that male prisoners performed most of their own housekeeping tasks.

Table 19. --Employment and Numbers of Patients in Michigan State Health Service Establishments

| | Location Index Number | Year Opened | Number of Employees March, 1967[a] | Number of Resident Patients June 30, 1966[b] |
|---|---|---|---|---|
| General Hospitals | | | | |
| University Hospital | 75-A | 1869 | 3,200 | 837 |
| Tuberculosis Hospitals | | | | |
| Southwestern Michigan Tuberculosis Sanatorium | 72-A | 1959 | 135 | 177 |
| Mental Hospitals | | | | |
| Ypsilanti State Hospital | 75-B | 1931 | 1,242 | 3,605 |
| Pontiac State Hospital | 69-A | 1878 | 1,028 | 2,411 |
| Kalamazoo State Hospital | 72-A | 1859 | 1,027 | 2,812 |
| Ionia State Hospital | 58-A | 1885 | 981 | 439 |
| Traverse City State Hospital | 26-A | 1885 | 929 | 2,590 |
| Northville State Hospital | 76-B | 1952 | 884 | 2,173 |
| Newberry State Hospital | 7-A | 1895 | 674 | 1,363 |
| LaFayette Clinic | 76-A | 1955 | 359 | 108 |
| Hawthorn Center | 76-B | 1956 | 345 | 130 |
| Institutions for Mentally Retarded | | | | |
| LaPeer State Home and Training School | 62-A | 1895 | 1,292 | 3,341 |
| Coldwater State Home and Training School | 80-A | 1935 | 1,006 | 2,892 |
| Plymouth State Home and Training School | 76-G | 1960 | 846 | 785 |

Table 19.--Continued

| | Location Index Number | Year Opened | Number of Employees March, 1967[a] | Number of Resident Patients June 30, 1966[b] |
|---|---|---|---|---|
| Institutions for Mentally Retarded | | | | |
| Fort Custer State Home | 73-B | 1956 | 704 | 1,255 |
| Mt. Pleasant State Home and Training School | 46-A | 1937 | 634 | 1,287 |
| Howell State Hospital[b] | 68-A | 1959 | 267 | 354 |
| Gaylord State Home | 22-A | 1960 | 140 | 158 |
| Hospitals for Epileptic | | | | |
| Caro State Hospital | 54-A | 1914 | 804 | 1,892 |
| Community Mental Health Clinics (12 establishments) | | | 54 | |
| Regional Consultation Centers (6 establishments) | | | 30 | |
| Crippled Children's Regional Offices (4 establishments) | | | 109 | |
| Domiciliary Establishments | | | | |
| Michigan Veterans Facility | 57-A | 1887 | 275 | 807 |
| Gibbs City Single Men's Camp | 10-C | 1942 | 2 | 72 |
| Laboratories | | | | |
| Department of Public Health (3 establishments) | | | 327 | |
| Department of Agriculture (1 establishment) | | | 109 | |

Table 19.--Continued

| | Location Index Number | Year Opened | Number of Employees March, 1967[a] | Number of Resident Patients June 30, 1966[b] |
|---|---|---|---|---|
| Administrative Establishments | | | | |
| Public and Mental Health (4 establishments) | | | 968 | |
| Grand Total | | | 18,371 | 29,488 |

[a]Employment data compiled from records of the Michigan Civil Service Department and the University Hospital.

[b]Numbers of patients provided by the responsible state agencies.



Figure 37. Northville State Hospital, Wayne County.



Figure 38. Gaylord State Home for the Mentally Retarded, Otsego county.

As long as the custodial philosophy of mental hospitals dominated, the geographic distribution of large centralized establishments proved relatively efficient. It appears that modern treatment practices and labor supply problems will eventually result in a highly decentralized mental health program in Michigan and other states. The community health clinics represent the first move towards decentralization. In the future, preventative treatment will be offered in local communities, and facilities for short periods of confinement may also be provided. The numbers of patients treated in the present centralized hospitals should continue to decline, leaving to the state the principal responsibility of acting as custodians for the mentally retarded in large regional homes (Fig. 38).

Domiciliary Care. --The Michigan Veterans' Facility in Grand Rapids is a unique state establishment best characterized as a place of residence for indigent veterans, a small percentage of whom require medical treatment. The facility, with 270 employees and about 800 residents, is economically the most significant state establishment in Grand Rapids.[62]

The Veterans' Facility provides an excellent case study of the political pressures encountered in selecting a location for a large state establishment. Similar circumstances probably exist in the history of many large state establishments, but few have been recorded in such

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[62]Michigan Civil Service Department, Payroll Comparison (unpublished).

detail.[63]

In the 1880's, Michigan Civil War veterans began agitating for a home in which aged and infirm members of the G.A.R. could retire with military poise and dignity at government expense. When the federal government refused to support such a scheme, the G.A.R. mounted a frontal attack on the State Legislature. The pitiful plight of the forgotten veteran was described to the citizenry and their elected representatives in Lansing. In 1885, the Legislature responded to the veterans' petition by appointing a six-man Board of Managers with an appropriation of $100,000 for the construction of a "Michigan Soldiers Home." The first task was to select the most advantageous location for the facility, and to accomplish this the Board embarked on an arduous trip to inspect each of the fifteen southern Michigan communities which had indicated interest in becoming the site of the Home. The following remarks were among those recorded in the official document that describes what each town offered as enticement:

> Wyandotte: An abandoned hotel, needs repairing very much
>
> Brooklyn: one hundred acres of oak-openings

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[63]Records of the Michigan Veterans Facility, 1883-1960, "Minutes of the Board of Managers," Vol. 1, 1885, in the Michigan Historical Society Archives, Record Group 64-20. The subsequent account represents an edited and paraphrased synopsis taken directly from the minutes of the Board of Managers.

Battle Creek: a site on Goguac Lake; the location is said to be healthy, and the people are thrifty, honest, and kind, and fully in sympathy with the motive of building a soldiers home.

Cassopolis: a site on Diamond Lake; the people are splendid

St. Joseph: met by the G.A.R. post in uniform; a high and dry site on the St, Joseph River; left for Benton Harbor by steamboat, 11:00 a.m.

Benton Harbor: only site shown was bordered by the Paw Paw River, which at this point, widens out into a marsh

Big Rapids: one hundred and thirty acres of Colonel Vincent's farm; all cleared except 35 acres of beautiful second growth timber; an eloquent pledge signed by 259 ladies of Big Rapids "to do everything in our power to make pleasant the declining years of our veterans."

As the trip wore on, the recorder became more terse:

Grand Rapids: four separate sites, all farms

Owosso: land is divided by a river which would have to be bridged

Saginaw: site seen in a hard rain

Port Huron: on the St. Clair River

On August 18, 1885, the Board of Managers met to vote for a site. Each of the six men voted for his favored home town. Between August 18th and 22nd, 295 ballots were taken with no town receiving a majority. On the 296th ballot, the result was Grand Rapids 4, Owosso 2.

"The chairman then declared Grand Rapids to be the choice for the location of the Michigan Soldiers Home."

The veterans facility serves the entire state, but most of its residents come from western Michigan counties. Persons residing in such establishments apparently desire to remain as close to their homes as possible.

In addition to the Grand Rapids facility, a domicile known as the Single Men's Camp is located at Gibbs City in the Upper Peninsula. Operated by the Social Services Department, this establishment is a remnant of the logging days when great numbers of indigent lumberjacks had no job or residence. The state provides care for about twenty elderly men in the camp, but the location is so remote that indigent men from the urban areas in the south refuse to be sent there.[64]

Administrative Health Establishments.--The general maintenance of public health requires enforcement of laws to control communicable diseases and assure adequate standards of sanitation. Such duties can be classed with primary government. However, the establishments which enforce the public-health laws of the state also perform a variety of other functions not resembling those of primary government.

In the socialized sector the State Department of Public Health

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[64]The Single Men's Camp is to be closed in 1968 due to a declining interest in such establishments remote from populated areas of the south.

is seen as playing an advisory role, while the Local Health Units, representing and controlled by one or more counties, carry out actual field services such as vaccinating school children, inspection of sewage disposal plants, and other preventative chores.

The Local Health Units relieve the Department of Public Health from operating a complex system of branch offices throughout the state. Only one general administrative establishment is maintained in Escanaba in addition to the large state headquarters in Lansing.

The Lansing establishment with about 500 employees, administers a great variety of programs. Financial grants are made to local health units; vital statistics are recorded; programs to aid in the control of alcoholism, heart disease, cancer, tuberculosis, and venereal disease are planned and executed; and conditions in migrant worker camps are inspected for sanitation. An extensive chest x-ray program is carried out with mobile equipment, but some local health units are now providing this service.

One specialized program administered by the Crippled Children's Commission requires a system of branch establishments. Medical services such as surgery and physical therapy for crippled children receive financial support from the federal government. Regional facilities are maintained at Lansing, Grand Rapids, Detroit, and Marquette to serve about 55,000 crippled children in the state.

Medical Laboratories.--Five centralized medical laboratories with highly specialized equipment and personnel are operated by the state. Four of these are exclusively oriented towards human medicine and are under the Department of Public Health. The other, operated by the Department of Agriculture, performs a wide range of tests related principally to plant and animal diseases related indirectly to public health. Smaller medical laboratories are operated as auxiliary units of such establishments as state hospitals or universities.

The Public Health Laboratories at Lansing, Grand Rapids, Houghton, and Powers perform a variety of tests for private hospitals or individuals lacking the necessary equipment and skills and produce vaccines not readily available from the private sector. The Public Health Laboratory in Lansing employs about 275 workers and the Agriculture Laboratory in East Lansing has about 100 employees. These establishments are greatly benefited by proximity to the central administrative establishments. The Agriculture facility also benefits through a close association with research programs at Michigan State University and availability of student labor. The small branch laboratories at Houghton and Powers in the Upper Peninsula assure testing facilities in areas far removed from the Lansing establishment. The Grand Rapids facility with forty workers is used to serve the western Lower Peninsula in order to relieve the large central laboratory in Lansing of many routine tests.

Social Welfare Services (SIC 9281)

Programs of public assistance for poverty-stricken citizens were slow to develop in the United States. The new role of government as a provider of financial security was assumed after it was recognized that poverty extracted tremendous hidden costs from society in general. Social unrest, higher crime rates, and lower economic productivity were fellow travelers with an impoverished strata of the citizenry. Younger citizens also sought relief from the financial burden of providing for the illness and retirement of elderly relatives. What many called "giveaway" programs were seen by a growing number as investments in a sound society. Coordinated state welfare programs in Michigan, and in most other states, began during the 1930's. Much of the social legislation passed by the federal government, particularly the Social Security Act, required each state to create a separate welfare agency in order to receive federal old age assistance funds.

The Michigan Department of Social Services now administers a great variety of public assistance programs, many heavily funded by the federal government. The principal programs, in addition to Old Age Assistance, include Medicaid (Medical Assistance for the Aged), Aid to Families of Dependent Children, and Aid to the Blind and Disabled. In Michigan, these programs have grown in scope until the total expenditures for social welfare are approaching the amount annually invested

in highways.[65] Aid to Families of Dependent Children benefits now account for about 50 per cent of Michigan's relief spending. Since 1950, the number of non-white children on relief has risen about 17 per cent each year while the number of white children receiving assistance has declined about 2 per cent each year (Table 20).[66]

The basic welfare-service establishment is the local office, one of which is situated in each county seat. These local offices were largely under county administration until a program to integrate them with the State Department of Social Services was carried out in 1967. The result was a sudden increase in state employment from about 2.8 thousand persons to almost 5,000 as the former county workers were assimilated into the system.

Welfare work requires individual contact with recipients. Personal interviews are deemed essential to determine eligibility. The staffs of county offices are comprised of individual case workers and administrative specialists in the various assistance programs. Twelve district offices function as administrative links between the county offices and the state headquarters in Lansing (Fig. 39).

The total number of welfare recipients varies generally with

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[65] 1967-68 budget recommendations for the two agencies were $315 million for Social Services and $344 million for highways.

[66] Michigan Social Welfare Commission, Twelfth Annual Report, July 1960-June, 1962, p. 28.

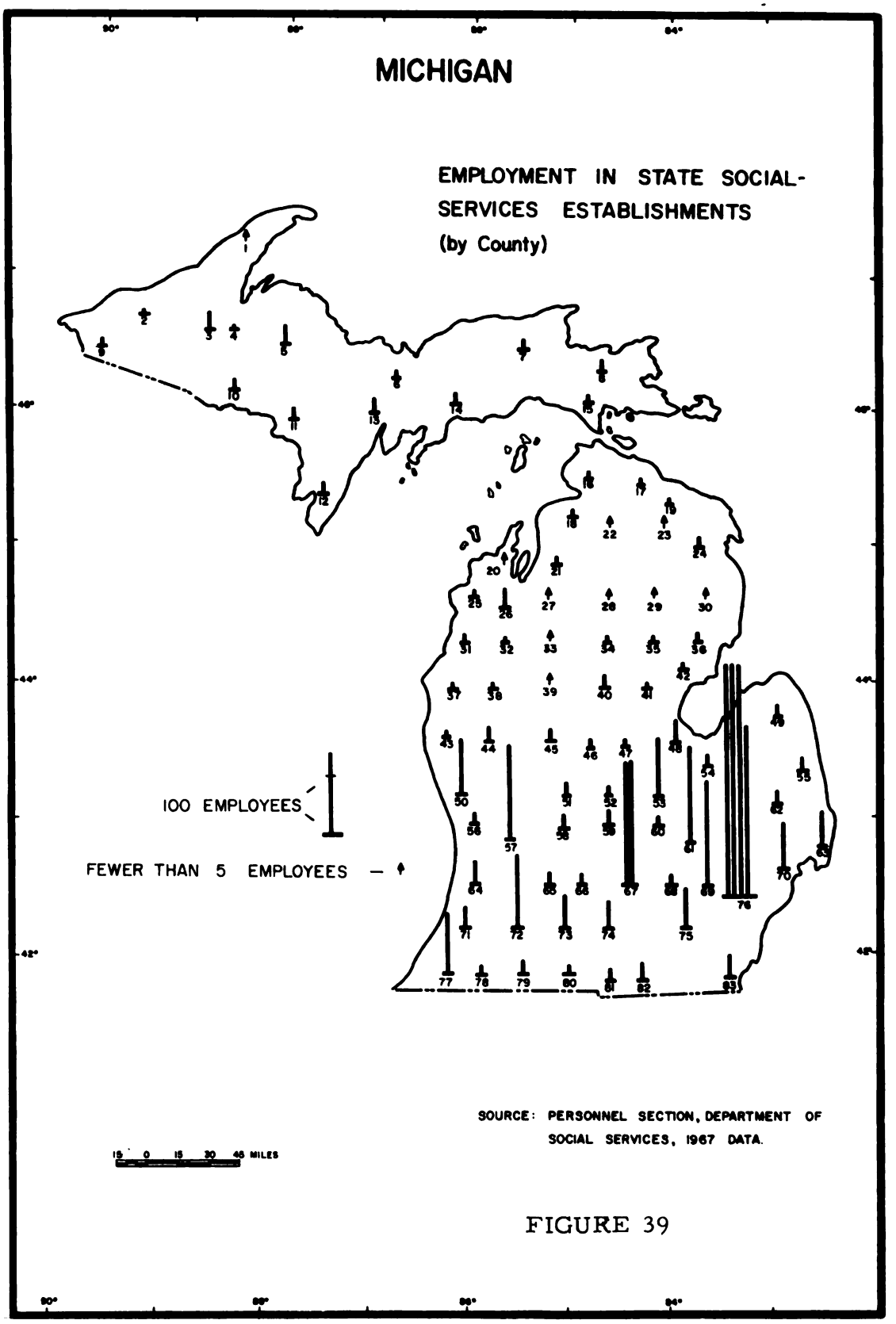

MICHIGAN
EMPLOYMENT IN STATE SOCIAL-SERVICES ESTABLISHMENTS (by County)
100 EMPLOYEES
FEWER THAN 5 EMPLOYEES
15 0 15 30 45 MILES
SOURCE: PERSONNEL SECTION, DEPARTMENT OF SOCIAL SERVICES, 1967 DATA.

FIGURE 39

Table 20.--Regional Distribution of Welfare Recipients in Michigan, 1964

| Region | Old Age Assistance | Aid to Families of Dependent Children | Total Number of Welfare Recipients[a] |
|---|---|---|---|
| Upper Peninsula | 3,734 | 3,196 | 9,511 |
| Northern Lower Penincula[b] | 4,648 | 3,315 | 9,729 |
| Southern Lower Peninsula (excluding Wayne County) | 25,050 | 43,229 | 85,470 |
| Wayne County | 16,947 | 47,834 | 80,230 |
| Total | 49,947 | 97,574 | 184,940 |

[a]The total number of recipients includes other types of relief not tabulated separately.

[b]Includes those counties north of a line from Muskegon to Bay City.

Source: Michigan Department of Social Services, Biennial Report, 1963-64, Statistical Appendix.

population density, but regional differences can be recognized in certain areas of the state. The economically depressed counties of northern Michigan have a higher percentage of their total populations on public assistance than the more prosperous southern counties. In northern Michigan counties the largest group of welfare recipients is on Old Age Assistance rolls, while in the urban centers in the south, the largest group is dependent children.

Welfare services are not limited exclusively to financial subsidies. An extensive children's program supervises placements in foster homes and provides forty-three day care nurseries for migrant laborers during the fruit and vegetable picking season in western Michigan. These nurseries are operated through a contractual arrangement with a private firm. The Michigan Childrens Institute in Ann Arbor is a temporary receiving home for children awaiting adoption. Wards of the state are cared for in eight halfway-houses operated privately by contract. The five central administrative offices in Lansing are principally concerned with program direction and processing masses of forms and reports collected from the eighty-three local establishments throughout the state.

State Fairs (SIC 9279)

Nothing better illustrates the spatial fragmentation of Michigan's two Peninsulas than the holding of separate State Fairs in each area. The State Fair at Detroit, attracting more than a million visitors a year, is financially self-sufficient and employs as many as thirty-five workers even during the off-season. The Upper Peninsula State Fair at Escanaba, attracting less than 150,000 a year, is operated by the state at a deficit.[67]

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[67]Michigan, State Budget, 1968, p. R-19.

Museums, Botanical and Zoological Gardens (SIC 9284)

Collections of memorabilia and artifacts are commonly maintained by state governments as tangible evidence of its history. In Michigan the state operates sixteen of the 100 principal museums.[68] Most of these are auxiliary units of colleges, universities, or state parks.

The State Historical Commission operates an administrative establishment in Lansing as well as a small museum. Others with a military motif are in Mackinac Island and Fort Wilkins State Parks. An official "historymobile" roams the state displaying a variety of artifacts and documents. Fort Michilmackinac, near the southern approach to the Mackinac Bridge, is a restored military structure originally located to control the Straits. Today, the fort continues to enjoy a strategic location to tap the flow of tourists crossing the bridge.

Michigan State University operates a botanical garden at Tipton in Lenawee County and a bird sanctuary near Gull Lake in Kalamazoo County. Both establishments came under government control as gifts.

Miscellaneous Services (SIC 9289)

Accounting and Auditing.--Large businesses, whether govern-

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[68]"Michigan's Marvelous Museums," The Michigan Bell, June, 1967.

ment or private, require strict accounting to prevent financial chaos. The state operates two separate establishments which specialize in accounting and auditing techniques. Both are located in Lansing and together have about sixty employees. A complete financial audit of individual state agencies, funds, and specific establishments is carried out by the Legislative Auditor General annually and a report is submitted to the Legislature. The accounting office of the Department of Administration handles the state's central accounts and prepares an annual summary of all state receipts and expenditures. Such accounting and auditing establishments must be situated at the central focus of governmental activity.

Economic Research and Planning. --Most states carry on programs to encourage economic development. In many states, the guiding philosophy appears to be chiefly a back-slapping type of public relations. In Michigan, however, the Office of Economic Expansion in Lansing operates a research-oriented approach. A staff of trained specialists use modern research techniques to provide bases for policy decisions by both government and private interests. Plant location, site characteristics, transportation, and finance are evaluated objectively with respect to the interests of the citizenry and the firm.

In addition, the Office of Economic Expansion operates in Lansing a separate establishment which concentrates on assisting com-

munities with urban planning work. Federal grants supply revenue for some aspects of this urban planning.

Engineering and Design. --Adequate design is a prerequisite for state construction programs. Highways, bridges, and buildings are constructed by private contractors in accordance with state-formulated plans and specifications. The drawing of designs and plans can best be accomplished in large centralized establishments.

The design establishment, operated by the Department of State Highways in Lansing, employs large numbers of draftsmen and engineers. Information which flows in from survey crews, right-of-way representatives, and transportation planning offices is incorporated into highway plans. The magnitude of the highway-design task is indicated by the size of the work force--640 employees. Automation of reproduction equipment and computer-assisted design formulation is rapidly changing the occupational complexion of the establishment.

The Building Division of the Bureau of the Budget serves a similar function for state buildings. This establishment is concerned less with original design work than with the analysis of plans submitted by various agencies or institutions. The analysis is chiefly from a cost-benefit perspective. In addition, this establishment supervises the letting of construction contracts and inspects completed buildings. The effort to maximize functional efficiency and to cut costs in the past

has led to an austere type of "government" architecture. The Building Division, located in the Capitol complex, has about forty-five employees.

The Engineering Division of the Department of Conservation, with sixty-six employees, also has headquarters in Lansing. It serves as a consultant establishment for all construction done in state parks, recreation and game areas, and forests. Another similar establishment is the Engineering Section of the State Military Department which supervises and inspects the construction of armories and training facilities.

Research Laboratories and Other Facilities. --The state Department of Conservation operates fourteen separate research facilities, one of which is strictly for game animals and the balance for the study of fish. Employment is distributed fairly evenly among the establishments, many of which are located with reference to state fish hatcheries or other environments conducive to fisheries research. The establishments at Houghton Lake, Beaver Island, Lewiston, Lupton, and Vanderbilt are all near the classic native habitats of northern Michigan fish, while the Hastings facility is oriented to warm-water fish research. In contrast, the Ann Arbor, Chelsea, and Saline establishments are located near the biological-research facilities of the University of Michigan. Similarly, the Wildlife Research Station and animal pathology laboratory at Rose Lake is near East Lansing and Michigan State University. The entire research program of the fourteen laboratories is coordinated by




**Figure 40.** A public-relations establishment near Mackinac City.



**Figure 41.** State office building at Escanaba, Delta County. This structure houses 13 separate branch offices of state agencies serving the Upper Peninsula.

a central administrative establishment in the Capitol complex.

The Geological Survey. --The role of state government in mineral-resource development is reflected in the existence of the Geological Survey. Michigan, like other states, has recognized the need for controlling the exploitation of mineral deposits while at the same time fostering viable mining industries. In terms of employment, however, the non-regulatory functions of the Geological Survey are paramount. An extensive program of geological and topographic mapping is directed from the central office in Lansing. The state's mineral and water resources are inventoried; iron and copper deposits are appraised annually for tax purposes.

Mining poses unique problems which require governmental regulation. Safety problems, landscape devastation, and environmental pollution, all of which are inherent in many mining industries, require governmental standards to minimize the dangers and costs of society. Small oil and gas field inspection stations are maintained in Mt. Pleasant, Cadillac, Plainwell, and Imlay City, all of which are situated near producing oil or gas fields.[69]

The total program conducted by the Survey is accomplished by fifty-four employees, most of whom work from the Lansing establishment. Geological research laboratories, map drafting facilities,

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[69]Michigan Department of Conservation, Twenty-third Biennial Report, p. 114.

and a library are included in the central establishment.

The Water Resources Commission is integrated with the Survey, in fact, the State Geologist heads both agencies. Personnel are engaged in formulating and enforcing water management and pollution control policies, which during the past few years have become increasingly necessary. To accomplish this program in northern areas, a branch establishment is maintained in Escanaba.

# CHAPTER V

## SPATIAL VARIATION IN THE MAGNITUDE AND INTENSITY OF STATE GOVERNMENT EMPLOYMENT

From the outset, this study assumed that it was not realistic to attempt an explanation of the geographic distribution of all state government establishments grouped together as a single monolithic industry. As the various classes of establishments have been investigated, the soundness of this assumption has been confirmed. It can be concluded that employment in Michigan's state government is distributed in accordance with a number of generalized locational factors, but that the differences in state establishments must be recognized if areal variation is to be properly understood.

In order to identify the principal localization factors, it has been necessary to dissect the government and investigate the various component establishments. The diverse collection of industrial establishments which together comprise the government has been separated into similar classes, each with a distinct set of localization factors. Through this approach, it has been shown that employment patterns in

a state government are subject to the same factors which explain the location of economic activities in the private sector--proximity to demand, economies of size, land use intensity, the availability of labor, the distribution of resources, and management decisions.

## Localization of Factors

### Orientation to Demand

Many state establishments are situated to provide services or goods directly to the citizens. These can be characterized as generally market-oriented. Retail liquor stores, State Police Posts, welfare and employment offices, Circuit Courts, and armories are situated in proximity to the geographic distribution of population.

The demand for such establishments is most intense in the large urban areas of southern Michigan. The state, however, provides a basic core of such establishments in each county regardless of population. To serve densely populated areas, the number of employees per establishment is increased.

The alternative solution is to provide a greater number of individual establishments, but economies of size cannot be realized in this manner. Thus a single high-volume liquor store serves Flint rather than several small stores throughout the city. Exceptions exist, particularly in the Detroit area, which is too large to be served from a single market-oriented establishment.

The necessity of maintaining a basic core of governmental establishments in every county seat results in an extremely dispersed pattern of geographic distribution. The motivating concept is to locate in proximity to all the citizenry, but in reality, these establishments are located more with reference to area than to people. In the urban areas of southern Michigan, employment per establishment is higher but not in a direct ratio with the number of people served.

Once political areas are delimited, they tend to perpetuate themselves in spite of considerations of economy and efficiency. The desire to extend the governmental power to preserve law and order into every section of the state regardless of the number of people present should also be considered as a factor involved in this dispersed type of geographic distribution. Establishments not considered as part of the required state contingent in each county seat can be located to serve regions on the basis of demand, and are more efficiently oriented to the population.

In classifying establishments as market-oriented, it is also necessary to understand that some government establishments serve specific segments of the population. The Civil Rights establishments are situated in eight urban areas with large non-white populations. Employment offices are concentrated in the mining and manufacturing areas where the number of unemployed persons is highest. Variation

in social and economic characteristics of the population also helps explain the distribution of Social Service offices.

Orientation to demand does not in every case suggest proximity to the population. A demand for game fish in northern rivers leads to fish hatcheries located along those same streams. Similarly, a demand for highway construction motivates the location of temporary right-of-way acquisition establishments. Oil wells must be inspected for safety and depletion allowances. Timber and wildlife in state-owned forest lands must be inventoried and managed. Meat packing plants must be inspected. In all these cases, demand occurs at sites which may not necessarily be related to the population distribution. In these instances, where location is oriented to specific demand points, the variable character of the physical environment becomes of particular importance in explaining the geographic distribution of employment.

In most examples of this type, it is impossible or impractical for the work to be performed in a centralized establishment, and the employees must be temporarily or permanently located at the site where demand occurs. Two solutions to this spatially rooted problem are temporary visits by traveling employees or temporary establishments located in proximity to the points where demand occurs. If demand is constant through the year and requires several workers, permanent establishments are utilized.

Economies of Size

In state government as in the private sector, economies realized in certain types of large-scale operations are reflected in the landscape by a few large establishments situated to serve regional markets, rather than a multitude of small establishments located in close proximity to the population. The specific governmental establishments which can realize such economies include schools, prisons, and mental hospitals. In all three, large numbers of people are provided with domicilary care. Costs per student, prisoner, or patient can be minimized in such establishments and the desired education, rehabilitation, or treatment can still be offered.

The geographic distribution resulting from efforts to realize scale economies exhibits strong market orientation with each establishment serving a large region of the state rather than only one city or county. The specific location of each establishment within its service area in many cases cannot be explained in economic terms. The specific site could have been selected anywhere in the central part of the service region without imposing penalizing costs of poor location on the citizens within the area to be served. To explain such specific locations, it has been necessary to refer to the political decision-environment at the time of the locational decision.

Managerial-Political Decisions

In a sense, all decisions to locate new state establishments are politically motivated. In many instances, however, unique sets of historical circumstances have resulted in the selection of sites in response to local agitation or as compromise solutions. The selection of Lansing as the site for the Capitol provides an excellent example of such a compromise decision.

Most locational decisions were made on the basis of some objective study, but in many instances it was impossible to recognize a single location with clear-cut advantages. Normally, the problem was one of choosing among many suitable sites. In such situations, heavy political pressures were exerted on the decision-makers by the local communities seeking the establishment. Enticements offered by communities appear to have been of critical importance in the locational decisions. Most of the universities, prisons, and mental hospitals are found today in the towns and cities which raised the highest antes.

Through the years, enticements for attracting new state establishments became more and more expensive. In the middle 1880's, towns could procure a university or hospital by donating a parcel of land, but in more recent times, site improvements, access roads, and even contributions toward operating expenses have been necessary to gain a large new government establishment. A central location in the intended service region has been a valuable asset to cities seeking new

governmental establishments.

Labor Supply

The prison-industries establishments exist to utilize the large imminently available sources of inmate labor at the various penal institutions. Except for this one extraordinary example of labor orientation, the state has rarely considered the available work force in locational decisions. Some evidence suggests that the manufacturing centers with a relative scarcity of available labor have been excluded from consideration as sites for more recently located establishments.

Land-Use Intensity

State establishments can be subject to the same land use competition faced by private firms, particularly within urban areas. Those which require extensive amounts of land are found in the urban fringes of Lansing, Detroit, and other cities. An obvious example is the chain of mental hospitals around the periphery of the Detroit metropolitan area, and the lack of such establishments in the high-rent areas.

In Lansing, many illustrations of this locational factor can be observed--warehouses, vehicle repair facilities, and libraries are situated without exception in low-rent areas in the urban fringe far from the Capitol complex and the central business district. Land use competition has been one of the principal obstacles hindering efforts to

centralize state government in a single complex in Lansing. For this same reason a secondary center of state establishments has been planned for a low-rent, rural area west of Lansing in Eaton County.

## Desire for Autonomy

The spatial dispersal of state government establishments is encouraged by a strong desire for autonomy by each agency. The goal of drawing the various separate establishments in Lansing together in a central location near the Capitol has been resisted by those who have little desire to be nearer to superior authority.[1]

## Physical Variables

Various aspects of the physical environment must be considered in any appraisal of the distribution of state government employment in Michigan. To ignore the regional differences in natural wealth, the resource base, terrain configuration, minerals, climate, soils, vegetation, wildlife, and water would be as intellectually naive as to assign these the principal role in explaining spatial variation in employment. All these physical variables help to explain the population distribution of the state and hence the government employment located in proximity to the citizenry.

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[1] This conclusion is drawn from interviews with a wide variety of management personnel in establishments located throughout the Lansing area.

Configuration of the state's land areas is obviously a significant factor in employment patterns. Employment concentrations do not occur in the peripheral tier of counties along the shores of Lakes Michigan or Huron (Fig. 42). This absence results from state establishments seeking central locations for their service regions and avoiding the more remote edges.

In northern Michigan, an interrelated complex of unproductive podzol soils, poor drainage, second-growth coniferous forest, and a short growing season have posed problems for private economic development and for state government. The state is faced with managing millions of acres of tax-reverted land and with solving social and economic problems different from those in the more prosperous agricultural areas and manufacturing cities of the South.

The residual population left in the North from more prosperous mining and logging days has prompted some geographers to list the cut-over area as one of the major pockets of economic stagnation in the United States. A recent study of the Upper Peninsula's economy by Northern Michigan University points out the heavy reliance on regional economic subsidization by the state and federal governments.[2]

The consequences of these physical and associated economic

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[2]Manpower Problems and Economic Opportunities in an Adjusting Regional Economy: The Upper Peninsula of Michigan (Marquette, Michigan: Northern Michigan University, 1966).

conditions are inordinate concentrations of state employees in forest management, fish hatcheries, parks, employment offices, welfare offices, and other establishments. Although the magnitude of state employment is not high in comparison to some southern counties, the sparse population means a high intensity of state workers throughout the North Country.

## An Overview of Regional Variation in State Employment

In very general terms, the various localization factors account for most of the areal variation in state government employment in Michigan. The locations of some types of state establishments may be explained with reference to a single localization factor, but most locations are the result of several factors working in unison.

In terms of magnitude, three significant nodes of state employment may be recognized--Lansing (Ingham County), Ann Arbor-Ypsilanti (Washtenaw County), and the Detroit area (Wayne County). The Ingham County concentration represents the clustering of many primary governmental establishments and central administrative offices of socialized industries in the Lansing and East Lansing areas. Ingham County, chiefly at Lansing, Michigan State University, and Mason (the county seat with several very small establishments), has 145 identifiable government establishments employing about 17.5 thousand people.

The various government establishments in Lansing are

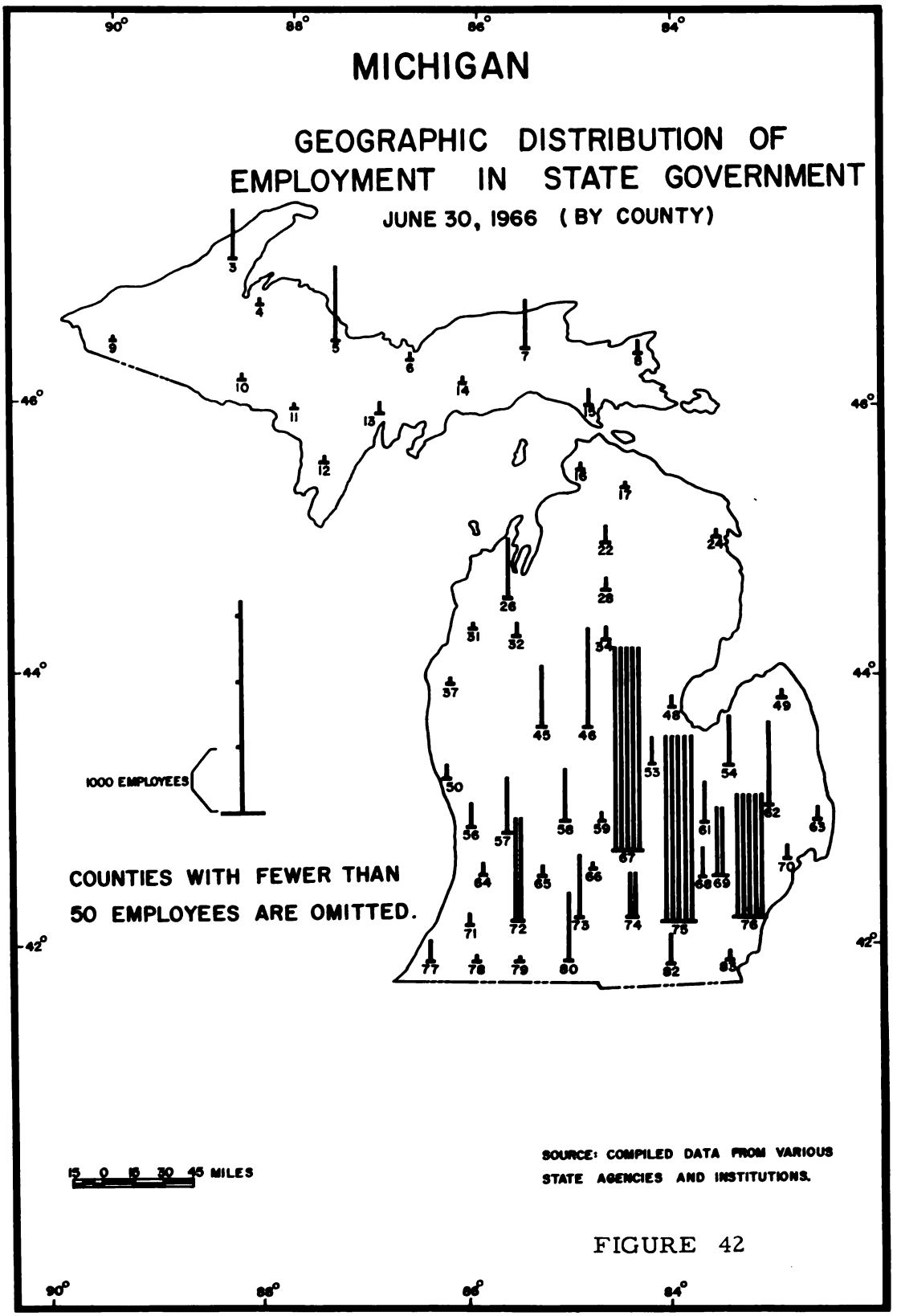

MICHIGAN
GEOGRAPHIC DISTRIBUTION OF EMPLOYMENT IN STATE GOVERNMENT
JUNE 30, 1966 (BY COUNTY)
1000 EMPLOYEES
COUNTIES WITH FEWER THAN 50 EMPLOYEES ARE OMITTED.
15 0 15 30 45 MILES
SOURCE: COMPILED DATA FROM VARIOUS STATE AGENCIES AND INSTITUTIONS.
90°
88°
86°
84°
46°
44°
42°

FIGURE 42

scattered throughout the urban area, but employment falls off sharply with distance away from the Capitol complex and the central business district. In spite of an effort to centralize government establishments in a single Capitol complex, several distinct cores have developed. Establishments which are unable to tolerate high-rent districts have congregated on a parcel of state-owned land at the eastern margin of the Capital City Airport, and a node of administrative offices has developed along Washington Avenue about one mile south of the Capitol. Reference has been made to plans currently being drawn up for a "secondary" center of state government in Eaton County to the west. The proliferation of establishments and employment in the Lansing area promises to defeat efforts towards spatial centralization of the core of state government.

In explaining the concentration of employment in Washtenaw County, it is difficult to overestimate the significance of a location peripheral to Detroit. High employment is due to the presence of universities in Ann Arbor and Ypsilanti and a large mental hospital in the latter city. These and other smaller establishments employ about 16.1 thousand persons on a full-time basis, a total only slightly lower than that of the Lansing area.[3]

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[3] If part-time student workers are included, Washtenaw County employment exceeds that of Ingham and all other counties.

State establishments in Wayne County generally serve only the local population cluster. Two agencies, the Civil Rights Department and Employment Security Commission, maintain central administrative offices in Detroit, but most of the 131 establishments provide local services in the densely populated urban area. The largest establishment in terms of employment, Wayne State University, draws about 90 per cent of its students from the Detroit area.

Many regional establishments serve Wayne County but are situated in adjacent or nearby counties. The absence of these large regional service establishments means that Wayne County, with 11.2 thousand employees, ranks third behind Ingham and Washtenaw in numbers of state workers.

No other concentrations of employees approach the magnitudes of those in the Lansing, Ann Arbor, and Detroit areas, but significant clusters occur in several of the urban centers in southern Michigan (Fig. 42). Total employment is low in the northern portion of the southern peninsula with the exceptions of Mecosta, Isabella, and Grand Traverse Counties. One conspicuous feature of the regional distribution of state employment is the small number of workers in the predominantly agricultural counties of the Lower Peninsula.

Nodes of state employment are obvious in the Upper Peninsula. Houghton and Marquette, with universities, and Luce County with a mental hospital account for over 60 per cent of the total employment.

The distribution of employment in Figure 42 illustrates the locational clustering noted in general terms earlier in the study. The significance of such clusters can be understood more clearly in relation to the size of the local population.

## Areal Variation in the Intensity of State Employment

The presence of state employment in local areas of Michigan has been explained by a number of localization factors, and the spatial distribution of employees has been examined in terms of magnitude. Neither of these approaches indicates the relative significance of state employment in local economies.

The intensity of state government employment in local areas can be derived by expressing the number of state workers as a percentage of the local labor force.[4] The county represents a meaningful administrative unit of state government in Michigan and can be utilized to indicate local levels of intensity. County seats are in many instances centrally located and represent the highest order of urban places in the local areas.

The geographic pattern of intensity thus derived (Fig. 43) indicates marked variations from the pattern of total employment in

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[4]The sizes of the total county labor forces were estimated for July 1, 1966, by increasing or decreasing the 1960 county labor force figures of the U.S. Bureau of the Census in accordance with the population trends in each county. This method assumes that in 1966 the same percentage of each county's total population was in the labor force as in 1960.

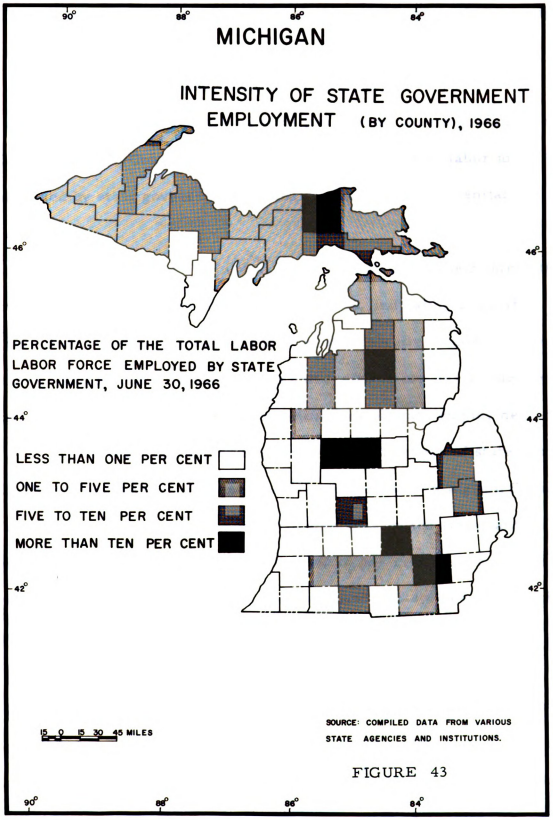

MICHIGAN
INTENSITY OF STATE GOVERNMENT EMPLOYMENT (BY COUNTY), 1966
PERCENTAGE OF THE TOTAL LABOR LABOR FORCE EMPLOYED BY STATE GOVERNMENT, JUNE 30, 1966
LESS THAN ONE PER CENT
ONE TO FIVE PER CENT
FIVE TO TEN PER CENT
MORE THAN TEN PER CENT
90°
88°
86°
84°
46°
44°
42°
15 0 15 30 45 MILES
SOURCE: COMPILED DATA FROM VARIOUS STATE AGENCIES AND INSTITUTIONS.

FIGURE 43

terms of magnitude (Fig. 42). The relative significance of state employment in northern Michigan becomes obvious.

In the Upper Peninsula and the northern lower Peninsula, many counties depend heavily on state government as a significant employer. In Luce County, about 37 per cent of the entire labor force is employed by state government, primarily in the mental hospital at Newberry.

In the Lower Peninsula, a belt of low employment intensity extends along both Lakes Michigan and Huron, indicating again the gravitation of establishments towards more centrally located counties. Isabella and Mecosta Counties, with universities, are surrounded by agricultural counties with very low intensities of state employment.

Several southern counties with large numbers of state workers also have relatively high intensities of employment. In Ingham County, about 18 per cent of the labor force is employed by the state, and in Washtenaw County the proportion is about 20 per cent. Ionia County, with its correctional and mental establishments, has 6 per cent employed by the state.

Several counties are conspicuously low in terms of intensity. Wayne County with less than one per cent state-employed can hardly be considered significant in terms of intensity. The urban areas of Grand Rapids (Kent County), Flint (Genessee County), Pontiac (Oakland County), Midland, Bay City, and Saginaw are all low in terms of intensity. These

deficit areas receive essentially the same state services as other counties but receive less direct economic benefit of state government as a basic industry.

## Conclusions

In this study, Michigan's state government has been conceptualized as a diverse collection of establishments and employees. From the Keeweenaw Peninsula to Detroit, in every corner of the state, government employees are at work in complex clusters of specialized establishments.

The initial suggestion that areal variation in state employment can be explained in the same manner as the location of other forms of economic activity appears acceptable. By using the Standard Industrial Classification as a framework for analysis, it has been possible to account for spatial variation in state employment. The government has been dissected into functional groupings of establishments, each associated with a unique set of locational factors.

Establishments such as universities, hospitals, and prisons, all with large numbers of employees are unevenly distributed, causing employment to be highly clustered. Because of these regional establishments, employment in state government does not vary closely with local population density. Many areas of the state, particularly in the North, have high intensities of state employment, while in several large

urban areas (including Detroit) intensities of employment are very low.

In the private sector, the locations of economic establishments are subject to constant review in terms of costs and efficiency, and thus the landscape evolves constantly as establishments are created or abandoned. As their success is rarely measured in profits, state establishments seem to be partially insulated from such rapid locational shifts. Economic or political pressures to close or move state establishments which are spatially maladjusted rarely build to an effective level. Conversely, forces to support the retention of state establishments in local communities are available.

Nodes of state employment in local areas are extremely difficult to dislodge. In many cases, heavy investments in buildings and capital improvements preclude moving establishments to more efficient locations. Still, a marked characteristic of state employment from a geographic perspective is its lack of response to changing locational requirements. The functional reorganization of government under the new Constitution involved few significant changes in location of state establishments, underscoring, perhaps, the resistance to spatial change.

Many of the factors which explained the initial location of state establishments have changed--population has shifted from rural to urban areas, new high-speed roads have been built, resources have been exhausted, and the social environment has been altered by a

rapidly developing technology. The geographic distribution of state establishments and employment should be constantly evaluated with respect to contemporary and anticipated circumstances. To accomplish this, some type of review mechanism should be implemented. One of the first major considerations might be the consolidation of counties into major administrative planning regions. The retention of a basic core of state establishments in each of the eighty-three county seats is costly and perhaps unnecessary in view of the increased mobility of the citizenry. On the other hand, some parts of the state are inadequately served due to an absence of branch offices. The Civil Service Commission, for example, has no office in the Upper Peninsula. The profusion of recently opened Social Service establishments in urban ghettos suggests that the demand in such areas may have been underestimated in years past.

State government, one of Michigan's most rapidly growing industries, will be asked to perform tasks which are progressively more complex in future years. As problems such as environmental pollution, social stress, automation, and leisure time continue to develop, greater coordination of governmental programs will become necessary. The present geographic distribution pattern of field establishments, each serving a region defined according to a narrow function, could hamper efforts to administer such integrated programs. As the role of government changes, the locational patterns of employees and

establishments must be reassessed. The problem of readjusting the spatial arrangement of governmental machinery must be solved.

In spite of these problems, Michigan's government is at work in every corner of the state. The popular image of lackadaisical government workers supported by taxpayers who receive few benefits in return has been fostered by the liturgy of political campaigns for years. This stereotype is not apparent in the specialized complexes of state government establishments and employees examined in previous pages. It is hoped this brief examination may dispel some of the ingrained suspicions rooted in the philosophy that "the best government is the least government."

# APPENDIX

## Sequence of Data Collection

| | |
|---|---|
| November, 1966. | The Research Division of the Michigan State Civil Service Commission compiled for this study a list of classified state employees, their occupation and agency designations, and monthly salaries by county. This compilation was done by a computer sorting program utilizing existing data cards for all classified employees. |
| December, 1966. | Visited the Council of State Governments in Chicago and the Bureau of Government at the University of Michigan. |
| January-May, 1967. | Visited the state administrative offices of all major agencies in Lansing and Detroit. |
| July, 1967. | Visited individual state establishments in many areas of the two Peninsulas. |

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