
Michigan City, Indiana: The Failure of a Dream

*Rebecca S. Shoemaker**

In the first half of the nineteenth century, as settlers migrated to Indiana in ever-increasing numbers, no subject was more on the minds of farmers, businessmen, land developers, and politicians than the need for a transportation system to serve the state. Like many citizens of states throughout the Midwest, these Hoosiers deemed a reliable, well-developed network of roads, canals, railroads, and waterways crucial to the area's success.¹ Transportation facilities would connect farming communities with trade centers and link growing towns with regional and national markets. With this in mind a forward-looking group of individuals began to consider the advantages for Indiana of a port on Lake Michigan. These men felt that a major Great Lakes harbor would grow to be the hub of transportation and trade for the entire Midwest, and they wanted these benefits for their home state.

Early Hoosiers pinned their hopes on the site of what is today Michigan City, Indiana, which lies at the southernmost tip of Lake Michigan. But just as the promoters and developers of Michigan City sought growth, recognition, and profit for their hometown, so did another group of entrepreneurs in Chicago fix their sights on the profitable Great Lakes trade. A look at the early development of Michigan City, and the successes and failures of its leaders' efforts, may suggest reasons why this port on Lake Michigan never achieved major importance, while Chicago, only a short distance away, fulfilled its boosters' dreams.

The site of Michigan City, near both the states of Illinois and Michigan, legally became American soil on September 3, 1783, with

* Rebecca S. Shoemaker is associate professor of history at Indiana State University, Terre Haute. The author wishes to thank Robert G. Barrows of the Indiana Historical Bureau for his assistance with this article.

¹ Harry N. Scheiber, "Urban Rivalry and Internal Improvements in the Old Northwest, 1820-1860," *Ohio History*, LXXI (October, 1962), 227-39.

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the signing of the Treaty of Paris ending the American Revolution.² During the early years of the nineteenth century, conflicting claims to the area arose as the Northwest Territory was being carved into states. In 1805 the land was given to Michigan, but in April, 1816, apparently influenced by the arguments of Indiana settlers that they needed a coastline on the lake, the federal government formally assigned a ten-mile strip of land to Indiana.³ Committed to the development of commercial interests, Hoosiers from that time on made sure the coastline remained firmly part of their state.⁴

In the first two decades of the nineteenth century, settlement in the area of Lake Michigan was sporadic. Although some families found their way there by following major Indian trading trails, they were frequently reluctant to linger because of numerous drawbacks. Portions of northwestern Indiana at the time were described as prairie, meadows, or grassy patches mixed in with forest land; and, since farmers of that day generally subscribed to the belief that land that would not grow trees would not produce good crops, they doubted its desirability. Immigrants were also concerned about the large wet marshy areas, as was evidenced by their tendency to settle on or near the higher ground along the Indian trails.⁵

The geography of the land on which Michigan City itself was built probably did not appeal to visitors at first sight. The surveyor in charge of delineating Indiana's northern boundary in 1827 described the area this way:

The lake coast is a continuous chain of hills formed of beautiful white sand in most places very high, and little or no vegetation. Back of these sand hills it is generally swampy or marshy. Therefore there are few places where the lake can be approached without difficulty. No harbors or islands are to be seen.⁶

² Rollo B. Oglesbee and Albert Hale, *History of Michigan City, Indiana* (LaPorte, Ind., 1903), 25.

³ Mrs. Frank J. Sheehan, *The Northern Boundary of Indiana* (*Indiana Historical Society Publications*, Vol. VIII, no. 6; Indianapolis, 1928), 294-96; *Annals of Congress*, 14 Cong., 1 sess., 1815-1816, cols. 315, 1373; George Pence and Nellie C. Armstrong, *Indiana Boundaries: Territory, State and County* (*Indiana Historical Collections*, Vol. XIX; Indianapolis, 1933), 11-12.

⁴ Oglesbee and Hale, *History of Michigan City*, 37, 41.

⁵ Alfred H. Meyer, "Circulation and Settlement Patterns of the Calumet Region of Northwest Indiana and Northeast Illinois (The Second Stage of Occupance—Pioneer Settler and Subsistence Economy, 1830-1850)," *Annals of the Association of American Geographers*, XLVI (September, 1956), 312, 320, 332; Timothy Horton Ball, *Northern Indiana from 1800 to 1900, or a View of Our Region through the Nineteenth Century* (Chicago, 1900), 346-47; Ray Allen Billington, *Westward Expansion: A History of the American West* (New York, 1960), 305-306; Joseph W. Chamberlin to Milo Chamberlin, July 23, 1835, Joseph W. Chamberlin Papers (Indiana Historical Society Library, Indianapolis).

⁶ Report of _____ Hendricks, federal surveyor of the northern boundary of Indiana, as quoted in Elizabeth M. Munger, "Michigan City's First Hundred Years," typescript, p. 4 (Indiana Division, Indiana State Library, Indianapolis).

There were a few trees, chiefly pine and sugar maple, about the town site, and upon further exploration settlers perhaps took heart from the fact that a few miles inland the ground appeared to be fertile, particularly suitable to the production of grain and certain food crops.⁷

Historian Harry N. Scheiber has written of the development of the Midwest in this period: "Probably the most important single requirement for urban growth and commercial development was adequate transportation. Without reliable transport facilities connecting a town with an expanding hinterland and with outside markets, there were oppressive limitations upon growth."⁸ People interested in commercial development of the land at the southern tip of Lake Michigan were thus encouraged by the Indiana General Assembly's plans to build a highway linking the area with the rest of the state. In early 1828 surveyors were commissioned by the legislature to look for the best harbor on the Indiana lake shore as a potential terminus for the Michigan Road. Their report designated the mouth of Trail Creek, which was the largest stream entering the lake from Indiana, as the best site they could find. Their evaluation of the area as a potential location for a town, however, was not optimistic. They believed that the creek could be used for mills, and that the land was dry enough for construction of a town, but they did not rate it a very good quality town site.⁹ The town of Michigan City was, nevertheless, laid out at the mouth of Trail Creek in 1832, undoubtedly deriving its name from its proximity to the lake and to its developers' delight at its relationship with the soon-to-be-constructed thoroughfare. Early promoters no doubt shared the opinions of legislators who believed that this link between the Ohio River and Lake Michigan would become an important transportation facility that could encourage trade, hasten Indian removal, and promote migration to the northern part of the state.¹⁰

Although the new highway interested everyone connected with Michigan City, those most able to take advantage of the proposed development of transportation links were often speculators like Major Isaac C. Elston of Crawfordsville. Even though Elston at first found the site forbidding, he apparently had confidence in its potential, for in October, 1830, soon after the area had been made available for purchase at the federal land office at Crawfordsville, he bought several sections, including most of the land surrounding

⁷ Ball, "Northern Indiana," 346-47; *History of LaPorte County, Indiana* (Chicago, 1880), 341-42.

⁸ Scheiber, "Urban Rivalry," 228.

⁹ Indiana, *House Journal* (1828-1829), 89-95.

¹⁰ Leon M. Gordon II, "Effects of the Michigan Road on Northern Indiana, 1830-1860," *Indiana Magazine of History*, XLVI (December, 1950), 377.

the mouth of Trail Creek. He based his investment on the knowledge that plans for the Michigan Road were progressing and that some people were already planning to compensate for the area's shortcomings as a townsite by requesting financial assistance from Congress for construction of a harbor at the mouth of the creek.¹¹

Elston is representative of a type of man not uncommon on the developing frontier. He was an interested and active land speculator almost from the time of Indiana's achieving statehood in 1816. One of his first ventures, entered into with two Crawfordsville associates, was the purchase of the present site of Lafayette. The men acquired the land for \$240 and used their influence to have the site designated as the seat of Tippecanoe County, thus assuring themselves of an increase in the land's value.¹² Elston was also interested in the development of his hometown of Crawfordsville. He founded the Rock River Mills there, served as president of the Crawfordsville and Wabash Railroad, and as a director of the Louisville, New Albany, and Chicago Railroad, the company with which it later merged. In his later years Elston and his son, Isaac, Jr., established the banking house of Elston and Company at Crawfordsville. Although he concentrated on his business interests and never took an interest in politics himself, he had many friends who did, and they often provided valuable advice. Elston had associates on the early state road commission and may have conferred with Commissioner William Polke before making his Michigan City purchases.¹³ Elston also undoubtedly knew that other prominent men such as Calvin Fletcher of Indianapolis had invested in land in the Michigan City area, as well.¹⁴

Ironically, settlement at the town site was occasionally hindered by the activities of these speculators. Investors sometimes incurred the wrath of squatters who had already settled in choice spots without bothering to establish legal ownership. In the early 1830s a squatters' union was actually formed to combat the efforts of the rich and powerful, but ultimately, as Dr. Joseph W. Chamberlin reported from Michigan City in 1835, most squatters were bought off with small cash payments, and speculators eventually acquired the lion's share of desirable property, both farmland and sites along the lake front.¹⁵

¹¹ Gordon, "Effects of the Michigan Road," 397; Oglesbee and Hale, *History of Michigan City*, 78; *History of LaPorte County, Indiana*, 405, 746; Jasper Packard, *History of LaPorte County, Indiana* (LaPorte, Ind., 1876), 83. See also Isaac C. Elston Papers, Michigan City file (Indiana Historical Society Library).

¹² *Biographical Record and Portrait Album of Tippecanoe County, Indiana* (Chicago, 1888), 259-60.

¹³ Munger, "Michigan City's First Hundred Years," 8; Oglesbee and Hale, *History of Michigan City*, 78.

¹⁴ Gayle Thornbrough, ed., *The Diary of Calvin Fletcher: Vol. I, 1817-1838* . . . (Indianapolis, 1972), 275, 412n.

¹⁵ Joseph W. Chamberlin to Milo Chamberlin, July 23, 1835, Chamberlin Papers.

The surviving papers of investors such as Elston document the extent to which early transactions could be controlled by one individual. In 1833 Major and Mrs. Elston vested their power of attorney in Samuel Miller, a former resident of Chicago who had moved to Michigan City in 1832 and established himself as miller, merchant, and real estate agent. As Elston's personal representative, he oversaw the sale of lots and encouraged his friends in Chicago to invest in Michigan City. Miller's flurry of reports to Elston in the early 1830s indicates how often early settlers seeking prime sites for mills and other businesses had to buy from the Crawfordsville speculator.¹⁶

Despite such hindrances, it was not long after Elston's initial acquisition that a variety of people began to explore and homestead in the area of what is now Michigan City. Brothers Abraham and James Andrew, natives of Ohio, were offered land in the northern part of Indiana in payment for their work as engineers on a segment of the Michigan Road. In October, 1831, at an auction held at Logansport, they registered claims to two thousand acres of land near Michigan City and then proceeded with a group of friends to Indianapolis where they persuaded members of the General Assembly to create a new county to be called LaPorte.¹⁷

Although a few settlers straggled in from Ohio and southern Indiana, most were either natives of the Northeast or born to parents who came from that region. Such were Simon Ritter from Seneca County, New York, Deacon W. Peck, also from New York, and William W. Higgins from Connecticut. Dr. Joseph W. Chamberlin came from Connecticut in 1834 and earned a living both by treating the sick and running a store.¹⁸ As one source describes these Yankee builders of Michigan City: "They were educated, orderly folks, those pioneer founders, and they did not sign their names by mark nor did they cumber the justice dockets with the records of crimes and misdemeanors."¹⁹ They often commented on the uncivilized manner of the local "Hoosiers," and took pride in keeping their New England habits and culture alive.²⁰

Settlement in the area was slowed briefly by the threat of Indian attack in 1832. When word was received that the Sac Indians under their chief, Black Hawk, were preparing to attack white set-

¹⁶ Elston Papers, Michigan City file; Oglesbee and Hale, *History of Michigan City*, 87-89. See also document vesting Samuel Miller with power of attorney for Isaac and Marie Elston; letters of Samuel Miller to Isaac Elston, especially February 20, November 29, and December 29, 1834, Elston Papers, Michigan City file.

¹⁷ Andrew Gray, ed., "Letters of Abraham Andrew, 1832-1839," *Indiana Magazine of History*, LXXIII (December, 1977), 305-18.

¹⁸ Packard, *History of LaPorte County*, 85; Chamberlin Papers.

¹⁹ Oglesbee and Hale, *History of Michigan City*, 99.

²⁰ William Woodward to Caroline Woodward, October 11, 1847, William Woodward Papers (Indiana Division, Indiana State Library).

tlements near Michigan City, some men sent their wives and children south to safety, while all rushed to participate in the construction of a fort. General Joseph Orr, an early settler of the area, was commissioned by the governor of Indiana to organize a company of mounted rangers. Although Orr did so, Chief Black Hawk was soon captured by other troops and the scare ended before any real threat to Michigan City and LaPorte County had materialized.²¹

Early Michigan City promoters encouraged land purchases by using their talents as accomplished masters of the practice of "boosterism," a technique well described in recent years by historians Carl Abbott, J. Christopher Schnell, and Katherine B. Clinton.²² Such individuals lost no opportunity to brag about the advantages and attractions of their local area, often in vastly exaggerated terms. This type of promotion was practiced by everyone from speculators and businessmen to newspaper editors and even newly arrived settlers writing to loved ones back east. Their most common themes were soil fertility, rapid settlement, rise in land prices, and development of commerce.²³ For example, the *Indiana Gazetteer* of 1833 predicted that "the beauty and richness of the country and fertility of the soil, together with the commercial advantages of the situation will invite a rapid emigration to this part of the state."²⁴ The *Gazetteer* further noted that "several families have already settled here; improvements are rapidly progressing; and it is believed that the advantages of the situation, the salubrity of the climate, and the fertility of the adjacent lands, must assure its rapid improvement."²⁵

Aided by such glowing remarks, Elston and others sold lots to settlers virtually without ceasing. Elston finally disposed of the remainder of his holdings to a New York firm in 1836. The transactions were made on a variety of terms. Sales were complicated by the fact that much of Elston's land lay in a section which the federal government had acquired from the Indians in 1830 and for which it had not yet issued valid titles. Elston sold the land any-

²¹ *History of LaPorte County, Indiana*, 433-34; Ball, "Northern Indiana," 80; Gray, "Letters of Abraham Andrew," 306-307.

²² Carl Abbott, *Boosters and Businessmen: Popular Economic Thought and Urban Growth in the Antebellum Middle West* (Westport, Conn., 1981); J. Christopher Schnell and Katherine B. Clinton, "The New West: Themes in Nineteenth-Century Urban Promotion, 1815-1880," *Missouri Historical Society Bulletin*, XXX (January, 1974), 25-88.

²³ Abbott, *Boosters and Businessmen*, 111; Schnell and Clinton, "The New West," 80, 82.

²⁴ John Scott, *The Indiana Gazetteer, or Topographical Dictionary* (2nd ed., Indianapolis, 1833), 102-103.

²⁵ *Ibid.*, 118-19.

way, giving the purchasers written assurance that they would later receive clear deeds to the land.²⁶

The growth and development of Michigan City was well under way by the beginning of 1834. In that year, Martin M. Post, a missionary from Logansport, reported that the town's location and a recent appropriation from the federal government for the improvement of the harbor supported expectations that the port would quickly become a depot and merchandising center for the entire region.²⁷ Roads were being constructed into surrounding agricultural areas, he said, making it possible for people from as far south as Lafayette and Logansport to use the town as a market for items as diverse as potatoes, fruits and vegetables, maple sugar, and wheat, the most prevalent and readily marketable crop in the area.²⁸

The year 1834 also saw the establishment of a variety of businesses in the port town. Samuel Miller reported to Elston the arrival of a merchant from Richmond, Virginia, who planned to set up a general store with \$2,000 in goods. A similar store was begun by David Sprague and William Teall. About half a mile from Michigan City a grist mill produced flour of such good quality that people came from as far as Chicago, Joliet, and Galena, Illinois, to do business there. General Joseph Orr constructed a tannery that furnished leather for the settlers' shoes, and other entrepreneurs built warehouses near the waterfront to serve the grain business. Travelers who passed through the area shortly after year's end reported seeing twenty or thirty houses and a total of twelve stores.²⁹

Business in Michigan City improved still further the following year. One resident, James M. Scott, wrote to Elston that there was a good deal of land speculation and encouraged him to continue to market lots to keep the town growing.³⁰ In July, 1835, Joseph Chamberlin reported to a relative that people were pouring into town so rapidly that food supplies were dwindling, and prices for remaining foodstuffs were very high. Various types of businesses appeared in increasing numbers. Surveyors for the Buffalo and Mississippi Railroad published a report in the fall of 1835 proposing that their line be built through Michigan City, a possibility which further increased speculation and confidence in the future of

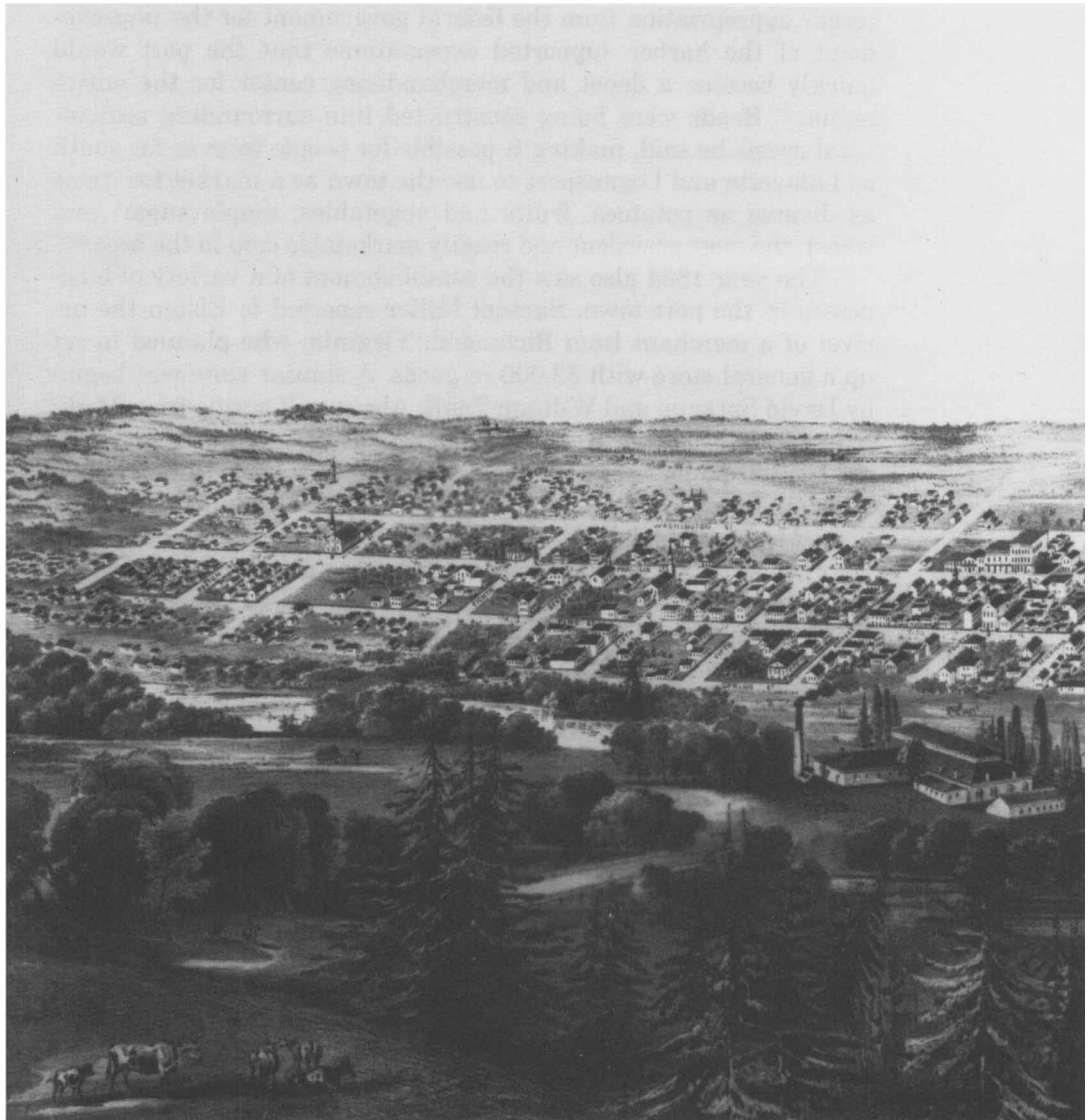
²⁶ Munger, "Michigan City's First Hundred Years," 11; Oglesbee and Hale, *History of Michigan City*, 95, 99; Packard, *History of LaPorte County*, 96. Samples of title bonds given by Elston to purchasers are in Elston Papers, Michigan City file.

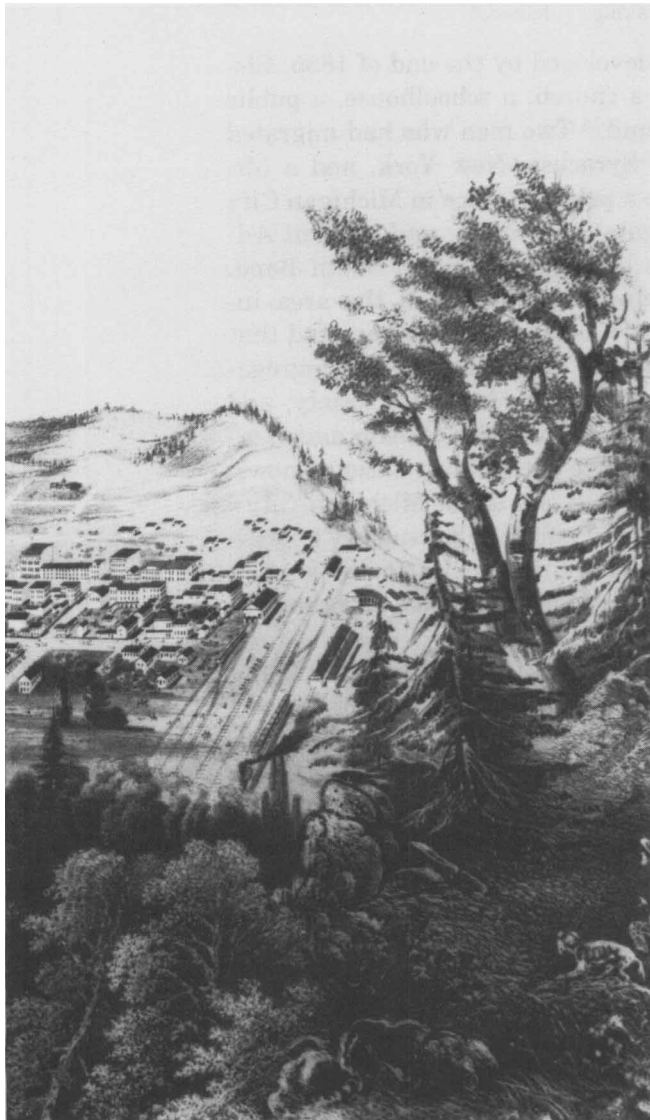
²⁷ Gordon, "Effects of the Michigan Road," 398.

²⁸ *History of LaPorte County, Indiana*, 405; Meyer, "Circulation and Settlement Patterns," 328.

²⁹ Samuel Miller to Isaac Elston, February 20, 1824, Elston Papers, Michigan City file; Packard, *History of LaPorte County*, 85; *History of LaPorte County, Indiana*, 594; Amos A. Parker, *Trip to the West and Texas* (Concord, N. H., 1835), 34; Gordon, "Effects of the Michigan Road," 398.

³⁰ James M. Scott to Isaac C. Elston, June 14, 1835, Elston Papers, Michigan City file.





BIRD'S EYE VIEW OF
MICHIGAN CITY, 1869

Courtesy of Indiana Historical Society, Indianapolis.

the town. Like many boosters, Chamberlin attempted to persuade his relatives in the East to invest in land in the area:

If you get any money to spare, you had better send it here and let me lay it out in land before the best selections are taken. This whole country will soon be settled with rich farming. The most respectable rich and enterprising families are constantly flocking on to our prairies and making . . . homes.³¹

Social institutions had also developed by the end of 1835. Elston donated land to be used for a church, a schoolhouse, a public square market, and a burial ground.³² Two men who had migrated from the East, W. W. Smith of Syracuse, New York, and a Mr. Castle of Utica, New York, set up a printing office in Michigan City and began to publish the *Michigan City Gazette and General Advertiser*. Along with newspapers being published in South Bend, the *Gazette and General Advertiser* kept people in the area informed of the latest developments.³³ This paper soon reported that the town had at least three religious organizations: a Congregational church with a permanent pastor, a Methodist society, and the beginnings of a Baptist congregation.³⁴ The *Gazette and General Advertiser* was not merely a source of the latest national news. It also promoted high spirits and optimism about Michigan City's future by keeping residents abreast of efforts to persuade Congress to appropriate funds for improvement of the harbor and by writing a memorial encouraging the state legislature to locate a branch of the state bank at Michigan City.³⁵

The town of Michigan City was incorporated by the Indiana General Assembly on February 8, 1836. The charter for the city was unusually elaborate for those times: fifty-seven sections detailed how the town's government was to function. The geographic area of the town as described by the charter included almost fifteen square miles, making it one of the largest towns in the country at that date.³⁶

By 1836 Michigan City had become the most important grain market north of the Wabash. Schooners came into the port, even though it lacked a proper harbor, to take on grain for distant markets and to bring supplies on the return trip. More stores were

³¹ Joseph W. Chamberlin to Milo Chamberlin, July 23, 1835, Chamberlin Papers.

³² Agreement between William Teall, John W. Clark, and Isaac Elston, December 26, 1835, Isaac C. Elston Papers, Lewis Wallace Collection (Indiana Historical Society Library).

³³ John W. Miller, *Indiana Newspaper Bibliography* (Indianapolis, 1982), 400-401.

³⁴ Joseph W. Chamberlin to Milo Chamberlin, July 23, 1835, Chamberlin Papers; Oglesbee and Hale, *History of Michigan City*, 156.

³⁵ *Michigan City Gazette and General Advertiser*, December 9, 1835.

³⁶ Indiana, *Laws* (1835-1836), 8.

being opened, and piers and warehouses were built to accommodate the growing trade. Estimates of the population at this time range from 1,500 to 3,000, and the establishment of a federal land office at LaPorte facilitated the purchase of land by migrants pouring into the area daily.³⁷ The most graphic and colorful account of Michigan City's state of health at the time was penned by British writer Harriet Martineau as she traveled through the area in 1836:

Such a city as this was surely never before seen. It is cut out of the forest, and curiously interspersed with little swamps, which we no doubt saw in their worst condition after the heavy rains. New, good houses, some only half finished, stood in the midst of the thick wood. A large area was half cleared. The finished stores were scattered about; and the streets were littered with stumps. The situation is beautiful. The undulations of the ground, within and about it, and its being closed in by lake or forest on every side, render it unique. An appropriation has been made by Government for a harbor; and two piers are to be built out beyond the sand, as far as the clay soil of the lake. . . . The whole scene stands insulated in my memory, as absolutely singular; and, at this distance of time, scarcely credible.³⁸

Citizens of the growing town shared Martineau's sentiments. William W. Higgins, a young settler from Connecticut, wrote his parents that the principle topic of conversation in Michigan City was land speculation:

I thought when I was in Con. that this land speculation was visionary in the extreme, but I am satisfied that such is not the case, and that those that invests [*sic*] in land early in the spring will double and treble in the course of six months. To be satisfied one must come and see and examine this country for themselves and then they must admit that money must be made if they possess common discernment.³⁹

Land continued to sell rapidly under these conditions. In January, 1837, the *Michigan City Gazette* reported that 392,362 acres of land had been sold in 1836 at the federal land office at LaPorte, for a total sum of \$491,026.58.⁴⁰ Elston is reported to have realized \$250,000 in the same year from the sale of his remaining property in the area.⁴¹

During the first several years of settlement at the Michigan City site, no subject was of more importance to investors, businessmen, and settlers than the construction of a suitable harbor to enable the town to take advantage of its proximity to the lake. The

³⁷ *History of LaPorte County, Indiana*, 746-48; Oglesbee and Hale, *History of Michigan City*, 214; Gordon, "Effects of the Michigan Road," 399; Packard, *History of LaPorte County*, 86; Meyer, "Circulation and Settlement Patterns," 320.

³⁸ Harriet Martineau, *Michigan City in 1836* (Michigan City, Ind., 1925), 251-52. This is an extract reprinted from Harriet Martineau, *Society in America* (2 vols., 3rd ed., New York, 1837), I.

³⁹ William W. Higgins to Oliver Higgins, January 23, 1836, William W. Higgins Papers (Indiana Division, Indiana State Library).

⁴⁰ *Michigan City Gazette*, January 18, 1837.

⁴¹ *Indianapolis Sentinel*, October 18, 1845; Packard, *History of LaPorte County*, 96; Munger, "Michigan City's First Hundred Years," 100.



MICHIGAN CITY LIGHTHOUSE, AS BUILT IN 1858

Courtesy of Old Lighthouse Museum, Michigan City Historical Society.

water along the coastline was too shallow to allow ships to come in to unload, and their cargoes had to be transferred to shore in small, light vessels. The mouth of Trail Creek was navigable, but sand bars frequently blocked the entrance.⁴² Calvin Fletcher of Indianapolis recorded in his diary in 1835 that on a visit to Michigan City he had observed the unloading of a sloop. The task required the work of fifty people. The vessel could not come within three hundred yards of shore, he said, because of the sand.⁴³ As a makeshift solution to the problem, piers were constructed out into deep water and small cars ran back and forth on them, carrying goods from the ships to the warehouses.⁴⁴ No one doubted, however, that the ultimate recourse must be the construction of a real, serviceable harbor, and much time and effort were devoted to this end.

As early as 1832 and 1833, Elston prevailed upon John Tipton, William Hendricks, and other Indiana politicians in positions of

⁴² E. D. Daniels, *A Twentieth-Century History and Biographical Record of LaPorte County, Indiana* (Chicago, 1904), 148.

⁴³ Thornbrough, *The Diary of Calvin Fletcher*, I, 275.

⁴⁴ Oglesbee and Hale, *History of Michigan City*, 108.

power to have government surveyors sent into the area preparatory to his memorializing Congress for funds for harbor construction.⁴⁵ Elston soon began to receive letters and petitions from the inhabitants of the new town requesting that he use his influence with members of Congress in order to secure an appropriation for the harbor.⁴⁶ He did lobby strongly for such a grant and attempted to enlist the aid of the Indiana General Assembly as well.

Citizens in the Michigan City area had apparently always believed the United States Congress to be the most likely source of funding for harbor improvement. Memorial resolutions from the state legislature, as well as letters from individual citizens, plied Congress with requests for action. The national body granted \$5,000 for a lighthouse in 1834, but the following year saw no further progress. Senator John Tipton detailed his actions in behalf of funding for the harbor in his report to constituents that year and explained that a recently prepared engineers' report had arrived too late to be of any use.⁴⁷

The 1835–1836 session of Congress proved more fruitful for Michigan City boosters. The engineers' report which Secretary of War Lewis Cass had forwarded to Congress at the end of the previous session stated that Trail Creek was the only suitable site for a harbor on that portion of Lake Michigan. Continuous reports of wrecks and accidents due to the absence of a suitable harbor made construction of a protective breakwater at the site imperative. A resolution from the General Assembly and a petition from ship captains further testified to the need for a harbor and convinced Congress to appropriate \$20,000 in 1836. Tipton's communication to constituents that year assured them that he had done everything in his power to secure approval for this funding, even though the sum was somewhat less than he had hoped.⁴⁸

Using these first grants, Michigan City officials began work on the project immediately. Workers dredged a channel and built piers out into the lake to the point where the water reached a depth of eighteen feet. The *Michigan City Gazette* no doubt reflected the hopes of the townspeople when it reported in 1837:

⁴⁵ John Tipton to Isaac C. Elston, August 15, 1832, William Hendricks to Isaac C. Elston, August 20, 1833, Elston Papers, Michigan City file.

⁴⁶ Samuel Miller, L. H. Maxson, and others to Isaac C. Elston, *ibid.*

⁴⁷ John Tipton to Isaac C. Elston, September 20, 1833, *ibid.*; *Statutes at Large*, 23 Cong., 1 sess., 1833–1834, IV, 721; *Congressional Debates*, 23 Cong., 1 sess., cols. 715–16; Nellie A. Robertson and Dorothy Riker, eds., *The John Tipton Papers, 1834–1839* (3 vols., *Indiana Historical Collections*, Vols. XXIV, XXV, XXVI; Indianapolis, 1942), III, 296.

⁴⁸ U.S. Congress, House, 24 Cong., 1 sess., H. Doc. 33, no. 18, as found in Pamphlet Collection, Indiana Division, Indiana State Library; Indiana, *Laws* (1836–1837), 433–34; U.S. Congress, Senate, 24 Cong., 1 sess., S. Doc. 134, *Petition of Sundry Masters of Vessels for a Pier or Breakwater at Michigan City, Indiana*, 134–35; Robertson and Riker, *The John Tipton Papers*, III, 296.

we have the pleasure of informing the public that the improvements of the harbor at this place are progressing as fast as possible, under the charge of W. B. Burnett, esq., who is the engineer for the construction of the work. The present appropriation will, we have no doubt, be expended in the most judicious manner towards the completion of the work, by the month of April next, when we may reasonable expect more to continue the work so judiciously commenced.⁴⁹

State officials, while sharing this optimism, still did not see the Michigan City port as a project to be funded locally. A bill passed by the General Assembly in January, 1836, provided \$13,000,000 for internal improvements, but none of it was for the proposed harbor. Governor Noah Noble, in a message to the legislature in December, 1836, urged the legislature to memorialize Congress for continued funding. Whether the work was seen primarily as the responsibility of the federal government, or whether, as historian Roger Van Bolt has suggested, Indiana politics at the time was dominated by legislators from the southern half of the state who kept their own constituents' interests uppermost, this view that Congress, not the state legislature, should pay for the work at Michigan City continued to dominate Hoosier views on the subject for decades to come.⁵⁰

As time passed, high hopes began to give way. A large portion of the initial appropriation was used for the purchase of horses and supplies, and to realize the full value of this equipment, further funds were needed. In 1837 Congress appropriated \$30,000 more, but this amount was considered wholly inadequate. Requests from federal topographical engineers, as well as another memorial, were sent to Washington in 1838 to inspire further assistance.⁵¹ These efforts resulted in funding of \$60,733.59 in 1839, but after that no additional monies were forthcoming for several years. During this period accumulated supplies decayed or were sold, and the initial funds and efforts expended upon the harbor were thus to a large degree wasted.⁵²

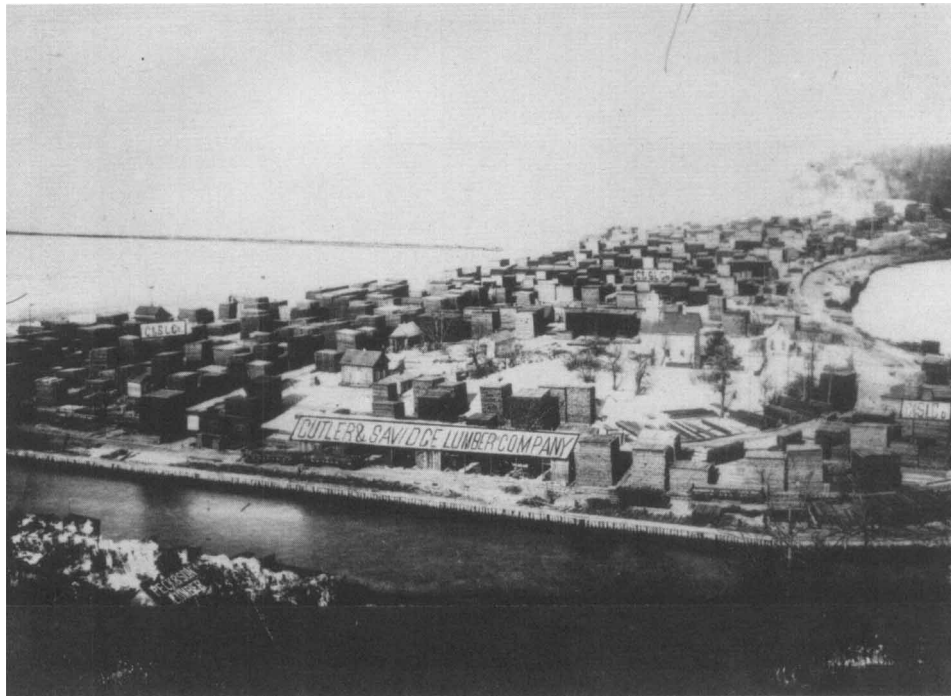
During the 1840s and 1850s, Congress, distracted by the Mexican War and the deepening sectional crisis, was not as willing as it had previously been to fund internal improvements. During the John Tyler administration the Indiana General Assembly sent to Congress a resolution which repeated the need for an improved harbor for shipping, and army engineers' reports expressed con-

⁴⁹ Michigan City Gazette, January 1, 1837.

⁵⁰ Indiana, *Laws* (1835), 37; Dorothy Riker and Gayle Thornbrough, eds., *Messages and Papers Relating to the Administration of Noah Noble, Governor of Indiana, 1831-1837* (Indiana Historical Society Collections, Vol. XXXVIII; Indianapolis, 1958), 490; Roger H. Van Bolt, "Hoosiers and the Western Program, 1844-1848," *Indiana Magazine of History*, XLVIII (September, 1952), 255-56.

⁵¹ Gladys Bull Nicewarner, *Michigan City, Indiana: The Life of a Town* (published privately, 1980), 245.

⁵² *History of LaPorte County, Indiana*, 752; Packard, *History of LaPorte County*, 88-89; Daniels, *A Twentieth-Century History*, 283-84.



LUMBER YARDS AT MOUTH OF HARBOR, MICHIGAN CITY, 1880.
LIGHTHOUSE VISIBLE AT CENTER OF PHOTOGRAPH

Courtesy of Old Lighthouse Museum, Michigan City Historical Society.

cerns about the lack of available shelter for ships during storms. The plea for further funds, however, went largely unanswered. Hopes rose in Michigan City in 1846 during debates in Congress on an internal improvements package that promised to support further work on the harbor. Congressman John Pettit of Tippecanoe spoke in favor of the bill, and Indiana congressmen in general supported it. Unfortunately, the bill was ultimately vetoed by President James K. Polk, who opposed such funding. Many citizens of Michigan City criticized their own representative in Congress, Charles W. Cathcart, suggesting that he had not advocated the legislation because of his loyalty to the Polk administration. One historian has theorized that the bill actually failed of support among some northerners because of their fears of alienating southerners who opposed it.⁵³

To add to Michigan City's difficulties, Chicago by this time had been made a port of entry on Lake Michigan and thus was im-

⁵³ *Congressional Globe*, 29; Cong., 1 sess., pp. 462-63; Van Bolt, "Hoosiers and the Western Program," 262-63; LaPorte County *Whig*, September 11, 1847, as cited in *ibid.*, 274.



VIEW OF CHICAGO RIVER FROM RUSH STREET BRIDGE, 1869

Courtesy of Chicago Historical Society. ICHi-03731

proving its harbor and competing for any available funds from Congress. One traveler in the area in 1842 described the Illinois town as

the flourishing city of Chicago [which ten years earlier had not seen a steamboat] whose harbor is crowded with steamers, ships, and schooners full freighted up with emigrants and merchandize, and down with wheat and other products of the rich soil of the vast land of unsurpassed fertility, lying around the head of Lake Michigan.⁵⁴

It was undoubtedly becoming clear to many observers that Chicago was destined to outstrip her midwestern rivals.

Michigan City residents were distressed by the lack of congressional support and frequently made reference to the failure to improve the harbor, alluding to what it might have been.⁵⁵ John Pettit's description to the United States Senate in 1854 gave graphic evidence of the problems that existed:

Last fall, shortly before I came on to this city, I visited the harbor at Michigan City for the purpose of looking at it; and there, standing upon the pier, as far as the eye can reach, you can see wrecks on either beach. . . . A small amount of money . . . would have saved all that wreck and ruin, would have prevented the loss of thousands of lives, and perhaps millions of property.⁵⁶

During the 1860s the citizens of Michigan City, disgusted with Congress's failure to act and discouraged by increased competition from harbors at New Buffalo, Chicago, and other sites, determined to complete the project themselves. Organizing as the Michigan City Harbor Company, they began in 1866 and 1867 to collect voluntary donations from private citizens. Congress, aroused by this effort and by encouraging reports from engineers, began once more to appropriate funds as well, and finally the harbor was completed.⁵⁷ By 1870 more than \$330,000 had been spent on improvements, but the citizens of Michigan City were not yet satisfied. They continued to pressure Congress until the end of the century for funding to upgrade the outer harbor, and a considerable sum was eventually expended for this purpose. After 1900 federal appropriations for Michigan City largely ceased. Available funding was diverted to Chicago, which had become a major port and which by that time received the lion's share of midwestern shipping, including much of what had previously passed through Michigan City.⁵⁸

⁵⁴ Herbert Anthony Kellar, ed., *Solon Robinson, Pioneer and Agriculturist, 1825-1845* (2 vols., Indianapolis, 1936), I, 335.

⁵⁵ Scott, *The Indiana Gazetteer, or Topographical Dictionary of the State of Indiana*, (3rd ed., Indianapolis, 1849), 317.

⁵⁶ *Congressional Globe*, 33 Cong., 1 sess., 1853-1854, 1171.

⁵⁷ Ball, "Northern Indiana," 347-48; Packard, *History of LaPorte County*, 91; Oglesbee and Hale, *History of Michigan City*, 108; Daniels, *A Twentieth-Century History*, 284.

⁵⁸ Nicewarner, *Michigan City*, 250-54.

Although improvement of the harbor was seen as crucial to the town's development, construction of roads to and through the area was also important for the growth of the early settlement. While no records exist to show where the original roads were located, tradition has it that the first pioneers followed Potawatomi trails, and spurs from these are marked on early plat maps.⁵⁹ Sale of land and work on the Michigan Road began in 1832. This thoroughfare ran eventually from Michigan City to South Bend, from there to the northwest corner of the Miami Reserve, and on to Indianapolis. It then proceeded south to Shelbyville, Greensburg, and Madison.⁶⁰ As work progressed, citizens of LaPorte County petitioned for and received money for construction of roads connecting this major artery with other parts of their own county.⁶¹

As had been hoped, these roads began to draw trade into Michigan City from settlements to the south, and even from Illinois.⁶² In 1833 a stage line was established between Detroit and Chicago that took advantage of the new transportation routes through LaPorte County. Between 1834 and 1836 improvements continued. The combined efforts of Congress and the General Assembly provided for construction of a toll bridge across the Kankakee River and for the improvement and completion of the lake shore roads. In 1836 a new road from Chicago to Michigan City also was opened.⁶³

During the first decade of Michigan City's existence, plans for canals and railroads to link it with the rest of the state materialized. Proposals for canals included one that would connect Lake Michigan with the Ohio River; one that would connect Lake Michigan with the Wabash and Erie Canal; and one that would connect the port with Lake Erie.⁶⁴ The first group organized for the purpose of constructing a railroad through the area incorporated the Wabash and Michigan Railroad in 1832. Other railroad lines chartered during this period, with plans either to pass through or terminate at Michigan City, were the Indiana Northwest Railroad (1834); Michigan City and Kankakee Railroad (1836); Indianapolis and Michigan City Railroad (1837); and the Michigan City and St. Joseph Railroad (1837).⁶⁵ Locally, efforts were made to finance the

⁵⁹ Meyer, "Circulation and Settlement Patterns," 316.

⁶⁰ Indiana, *House Journal* (1829-1830), 18; Indiana, *Laws* (1831), 129; Oglesbee and Hale, *History of Michigan City*, 69, 71; Scott, *The Indiana Gazetteer* (1833), 119.

⁶¹ LaPorte County Commissioners Reports, Vol. A, 1832, Archives Division, Indiana Commission on Public Records, Indiana State Library and Historical Building, Indianapolis.

⁶² Oglesbee and Hale, *History of Michigan City*, 76, 212-14.

⁶³ Gray, "Letters of Abraham Andrew," 307-308.

⁶⁴ *Ibid.*, 127-28.

⁶⁵ *Ibid.*, 128-30.

construction of a railroad from Michigan City to the county seat at LaPorte and to fund the potentially important Buffalo and Mississippi Railroad to be centered at LaPorte.⁶⁶

Because of the high hopes that these plans engendered and the frustrations over problems with the harbor, citizens felt particularly strongly the effects of the panic of 1837 and the depression that followed. The state of Indiana found itself in dire financial straits, and many private companies planning or engaged in construction of roads, canals, and railroads went bankrupt. The cessation of federal appropriations for internal improvements at this time further doomed many of the proposed plans for making Michigan City the hub of a major transportation network.⁶⁷

The depression had severe effects as well on business and life in general at Michigan City. A number of merchants were forced to close their establishments, and the *Michigan City Gazette* halted publication in 1839.⁶⁸ L. A. Viele, who had set up a store in the town sometime before, wrote to his brother in December, 1837:

Business has been quite dull in this place this fall, and money becoming very scarce, was it not for the money from the Banks in Michigan, should have little or none in circulation here. Have sold since we have been here up to the first of the present month about \$15,000 of goods. Have crd [credited] some considerable and find it difficult to collect anything on outstanding debts. . . . I begin to think there is better locations for business somewhere on the Mississippi than this place, and from what I can hear about the business and looking at the location, it seems to me that St. Louis offers more opportunities and better prospects than any other place in all the western world . . . this place is not what we anticipated for business—and besides that, not a pleasant place to live in.⁶⁹

Other results of the slump at Michigan City included a falling off in shipments and in prices for goods. Many farmers' crops were diverted to other markets by the turnpikes and plank roads which had been built to connect the central portion of the state with marketplaces other than Michigan City.⁷⁰ The population of Michigan City appears to have declined substantially between 1836 and 1840. One historian claims that the number of people living there fell from 3000 to under 1000 during the period.⁷¹

Some writers have argued that the depression was a blessing in disguise for Michigan City because it rid the area of speculators who had hoped to get rich in a hurry, leaving the more sober, solid

⁶⁶ John D. Barnhart and Donald F. Carmony, *Indiana: From Frontier to Industrial Commonwealth* (4 vols., New York, 1954), I, 333.

⁶⁷ Oglesbee and Hale, *History of Michigan City*, 140-41.

⁶⁸ Munger, "Michigan City's First Hundred Years," 33; *History of LaPorte County, Indiana*, 595-96.

⁶⁹ L. A. Viele, Michigan City, to Philip Viele, Wisconsin Territory, December 19, 1837, L. A. Viele Short Collection (Indiana Historical Society Library).

⁷⁰ Daniels, *A Twentieth-Century History*, 149; Gordon, "Effects of the Michigan Road," 400.

⁷¹ Munger, "Michigan City's First Hundred Years," 33.

citizens to build a respectable town and a stable economy. A branch of the state bank was established at Michigan City in 1838, arousing hopes that the town would become a financial center for the surrounding area.⁷² The bank's existence also promised relief from an uncertain currency, of which businessman J. W. Sprague had complained vociferously to his father in a letter dated April 14, 1838.⁷³ In spite of the problems of the period, a cautious element of "boosterism" remained. A young settler wrote in January, 1838: "Mechanics are wanted very much, and wages are high, and cash paid for almost everything you have to sell. A single man with prudence and 200 or 300 could get rich fairly easily."⁷⁴

As time passed, signs of recovery became more numerous in spite of worries about the incomplete harbor. In the 1840s Michigan City became prosperous once again, changing its businesses to produce such items as barrels, boots, and shoes, and developing pork packing facilities. New immigrants arrived, among them a large number of Germans who proved to be very industrious. The General Assembly's memorial to Congress in 1842 estimated that business in imports and exports at Michigan City amounted to more than \$600,000 per year.⁷⁵ By the end of 1847 telegraph lines had reached the town,⁷⁶ and there was feverish discussion about the possibility of Michigan City's being a main stop on several railroads, including the Michigan Central. In 1849 the Michigan Central Railroad was authorized to build a line from New Buffalo to Michigan City. The track was actually laid under the auspices of the New Albany and Salem Railroad and reached Michigan City in 1850. In 1854 the completion of the New Albany and Salem Railroad connected Michigan City by rail with the Ohio River. The town had dispatched a committee to the state capital to emphasize the city's advantages, since tentative plans were being made for three railroads, originating in Detroit, Toledo, and Indianapolis, which would meet in Michigan City and proceed to Chicago.⁷⁷

The ultimate failure of Michigan City's hopes of becoming the chief port on the southern end of Lake Michigan cannot be linked

⁷² William W. Higgins to Oliver Higgins, September 16, 1838, William W. Higgins Papers.

⁷³ J. W. Sprague to James W. Sprague, April 14, 1838, J. W. Sprague Papers (Indiana Historical Society Library).

⁷⁴ J. Ballard to Mrs. Loisa B. Taylor, January 14, 1838, Dr. Joseph Ballard Papers (Indiana Division, Indiana State Library).

⁷⁵ Oglesbee and Hale, *History of Michigan City*, 141-43.

⁷⁶ William Woodward to E. T. Woodward, September 20, 1847, William Woodward Papers.

⁷⁷ William Woodward to Caroline Woodward, January 15, 1848, William Woodward to William Woodward, January 22, 1848, William Woodward to Elizabeth G. Woodward, February 6, 1848, William Woodward to Caroline W. Woodward, February 21, 1848, William Woodward Papers; Bishop George Upfold to Mrs. Upfold, April 20, 1850, Bishop George Upfold Papers (Indiana Division, Indiana State Library).

entirely to the Panic of 1837 and the subsequent depression, nor to the inherent over-optimism built into the plans of various developers. The men who planned and founded Michigan City were not the only promoters and speculators who hoped to construct the leading market port for the area. Geographer Alfred H. Meyer enumerates the competitors:

From east to west, the lake shore rivals were Michigan City, at the mouth of Trail Creek; City West, at the mouth of Fort Creek (modern Waverly beach of the Indiana Dunes State Park); Indiana City, at the eastern mouth of the Grand Calumet River (now closed by dune sand); and Calumet, at the western mouth of the same river (proximity of present-day South Chicago).⁷⁸

But of all the competitors, the one against which Michigan City strove hardest, and by which it was ultimately outrun, was Chicago.

Between 1816 and the early 1830s Chicago functioned mainly as a center for fur-trading. The town was run largely by representatives of the American Fur Company, with many of the residents working for the outfit in various capacities. In 1831 the town was still very small, with a population of about one hundred fifty outside the fort. Shortly after this time, however, the area began to develop. Talk of improvements such as the construction of a canal brought land speculators and led to the incorporation of the town of Chicago in August, 1833. When Harriet Martineau visited there in 1836, she found the town uninviting but alive with activity:

Chicago looks raw and bare, standing on the high prairie above the lake-shore. The houses appeared all insignificant, and run up in various directions, without any principle at all. A friend of mine who resides there had told me that we should find the inns intolerable, at the period of the great land sales, which brings a concourse of speculators to the place. It was even so. The very sight of them was intolerable; and there was not room for our party among them all.⁷⁹

According to historian John Denis Haeger, the difference in the town's prospects was made by those speculators whom Martineau disliked so intensely. By funding the establishment of the town lots they sold, by buying up outlying property and selling it to farmers at reasonable prices, and by providing funding and political support for construction of the Illinois and Michigan Canal, these developers provided the ingredients necessary for rapid urban growth.⁸⁰ The late 1830s saw an economic slump similar to that which affected Michigan City. The panic abated within a few years, and Chicago began a period of sustained growth. The value of exports surpassed \$2 million annually as farm production in-

⁷⁸ Meyer, "Circulation and Settlement Patterns," 332.

⁷⁹ Martineau, *Michigan City in 1836*, 259.

⁸⁰ John Denis Haeger, "Eastern Money and the Urban Frontier: Chicago, 1833-1842," *Journal of the Illinois State Historical Society*, LXIV (Autumn, 1971), 277-81.





BIRD'S EYE VIEW OF CHICAGO
FROM HARBOR IN 1857

Courtesy of Chicago Historical Society. ICHi-17276

creased.⁸¹ Warehouses were constructed to accommodate the crops of wheat and other grains, and grocery stores, hardware stores, and other businesses sprang up quickly to provide supplies for farmers. By the early 1850s the Illinois and Michigan Canal was in operation, and completion of several rail lines terminating in Chicago contributed to the development of a major commercial hub. Links with towns in the interior of Illinois gave it a wholesale trade of as much as \$40 million by 1859.⁸²

All these developments were undoubtedly aided by the support of the city's boosters. Carl Abbott remarks, "Chicago was notorious throughout the Northwest as a loudmouthed city. . . . writers pointed out that Chicago's growth was a function of its eagerness to publicize its 'advantages of locality, its railroads, its shipping and trade, and its manufactures.'"⁸³ Businessmen, newspaper editors, and other residents emphasized the city's fortunate geographic position, an advantage that would undoubtedly make it the transportation and shipping hub of the Midwest.⁸⁴

Michigan City residents claimed that Chicago's promoters influenced outside perception of the rivalry and thus their chances for success. Members of Congress, they said, were less willing to appropriate funds for Michigan City's harbor than they might have been as a result of reports by early travelers that the construction of a proper harbor in the area would be almost impossible. Disgruntled citizens also complained that a fair picture of the relative commercial importance of the two ports could not be drawn because in the 1830s and 1840s exports of northern Indiana towns were customarily reported as exports of Chicago.⁸⁵

Whatever the determining factors, by 1860 Michigan City had grown to be a town of only about three thousand inhabitants and business opportunities continued to be limited. The harbor had not been completed, and transportation links with other parts of the region were provided mainly by a few railroads. Once finished, the Michigan Road, though complete, provided only limited connection with areas to the south.

As scholars Edward K. Muller and Spiro G. Patton have concluded, access to major regional and national supply networks proved to be decisive factors in the relative success of different urban areas.⁸⁶ Early migration to Michigan City was sparked by ex-

⁸¹ Abbott, *Boosters and Businessmen*, 51.

⁸² *Ibid.*, 23-24, 52; Edward K. Muller, "Selective Urban Growth in the Middle Ohio Valley, 1800-1860," *Geographical Review*, LXVI (April, 1976), 178-99.

⁸³ Abbott, *Boosters and Businessmen*, 127.

⁸⁴ *Ibid.*, 130.

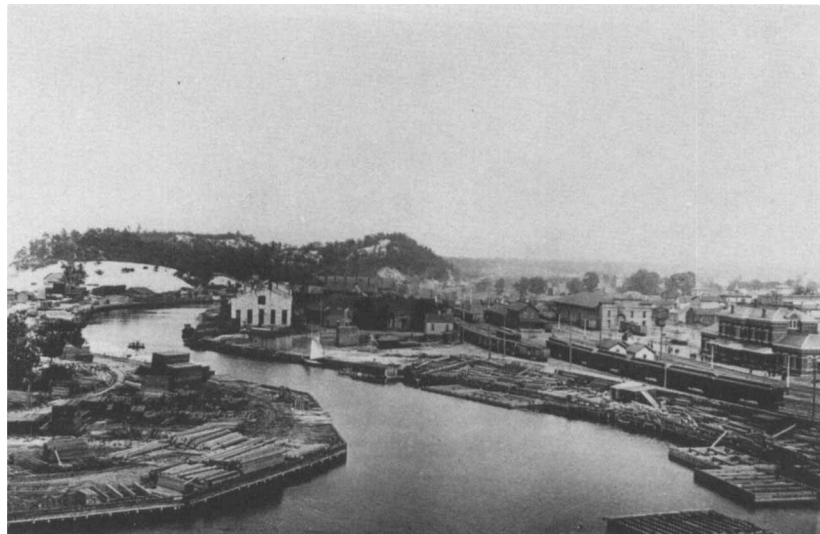
⁸⁵ Munger, "Michigan City's First Hundred Years," 39; Meyer, "Circulation and Settlement Patterns," 312.

⁸⁶ Muller, "Selective Urban Growth," 195; Spiro G. Patton, "Comparative Advantage and Urban Industrialization: Reading, Allentown, and Lancaster [Pa.] in the Nineteenth Century," *Pennsylvania History*, L (April, 1983), 148-69.



Courtesy of Chicago Historical Society. Photograph by Alexander Hesler. ICHi-05740

VIEW FROM THE DOME OF THE COURTHOUSE,
LOOKING EAST, CHICAGO, 1858



MICHIGAN CITY HARBOR IN 1890, SHOWING TRAIL CREEK AND THE
LOUISVILLE, NEW ALBANY AND CHICAGO RAILROAD, BUILT IN 1858

Courtesy of Old Lighthouse Museum, Michigan City Historical Society.

pectations of success. When the envisioned advantages failed to materialize, settlement tapered off.⁸⁷ Chicago, on the other hand, was able to forge ahead by taking advantage both of its superior harbor and of the completion of various transportation facilities, which fostered expansion of commercial activities, pork packing, and wholesale marketing. Aided by the closing of the Mississippi River during the Civil War, Chicago stood first among midwestern towns by 1870.⁸⁸

As the century wore on, it also became apparent that much of Indiana's trade was not concentrated in the direction of the lake. Central Indiana, as a result of the Michigan Road, the Wabash River, the Wabash and Erie Canal, and the Madison and Indianapolis Railroad, all available by 1850, developed trade patterns that carried their exports southward rather than to the north.⁸⁹ Michigan City resigned itself to being a relatively small regional commercial center. It would continue to prosper and grow, but its vision would be limited. The completion of a modest harbor would allow it to serve as Indiana's major port on the lake, and a vital shipping site for the northern part of the state, but it would, of necessity, accept Chicago's playing the greater role of market center for the Midwest.

⁸⁷ Gordon, "Effects of the Michigan Road," 402.

⁸⁸ Abbott, *Boosters and Businessmen*, 31.

⁸⁹ Van Bolt, "Hoosiers and the Western Program," 255-56.