



Economic Development, Circa 1947

Former Gov. Bill **MILLIKEN** signed into law 30 years ago a measure designed to help raise money for private for-profit businesses through selling industrial revenue bonds, an idea Gov. Jennifer **GRANHOLM** amplified in her \$2 billion economic development bond proposal she pitched tonight.

Michigan governors since at least 1947 have tried to diversify the state’s economy by proposing state bureaucratic changes and other government-pushed initiatives, a theme Gov. Jennifer **GRANHOLM** continued in her third State of the State message.

“For years, leaders have said Michigan needs to get serious about diversifying its economy,” Granholm said tonight. “My 21st Century Jobs Initiative will actually do it.”

According to information supplied by the Midland-based think tank, the Mackinac Center, former Gov. Kim **SIGLER** proposed in his first State of the State to do away with the 10-year-old “Michigan Planning Commission” in favor of an agency designed to survey for unemployment numbers, production and other economic information.

Sigler, a Republican, wanted to coordinate state agencies, university officials, researchers and other parties so all of the state’s economic development research facilities were being used. He also wanted to openly advertise what Michigan had to offer in hopes of attracting more businesses from other states.

His goal, “Growth and diversification of agriculture, industry and commerce in Michigan.”

That word “diversification” popped up more than 15 years later when former Gov. George **ROMNEY** created in 1963 the Department of Economic Expansion that was charged with aiding “the creation of new job opportunities, encourage the expansion, development and

diversification of industry, commerce, and agriculture, and the bringing of new industry to this state.”

Former Gov. Bill **MILLIKEN** followed in this same vein in 1975 when he created the Michigan Job Development Authority as a way to ease the state’s high unemployment at the time. Located in the then Department of Commerce, the law expanded the state’s tool chest when it came to raising money for private, for-profit businesses through the sale of industrial revenue bonds.

By 1982, Milliken started the Michigan Economic Development Authority as a way to make targeted loans and grants to businesses selected by the authority’s representatives. The money used for this came from money the state received from oil and gas lease payments. The program emphasized, “... expanding Michigan businesses and centers of excellence in biotechnology and advanced manufacturing.”

Former Gov. Jim **BLANCHARD** kept this theme going in 1984 when he created the Michigan Strategic Fund as a way to aid new and expanding businesses by offering loan guarantees, bond guarantees and loans to expand infrastructure and entice business expansion.

The fact we’re still talking about this issue has the folks at the Mackinac Center a bit skeptical of Granholm’s newest proposal.

“As you can see, there is nothing really new under the economic development sun,” said the Mackinac Center’s Michael **LaFAIVE**. “Politicians keep inventing more of the same economic intervention to justify their value to voters and prove that they’re ‘doing something’ to alleviate job troubles.

“I wonder how much of the troubles we face today are a direct result of previous solutions offered by public officials.”