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The Illinois and Michigan Canal and Town Development in Northern Illinois

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The connection between transportation systems and patterns of land settlement has been an abiding factor in American history. Even today the construction of the Interstate Highway system is felt to have had a direct effect on suburban growth and central city decay. Earlier the construction of mass transit lines had a dislocating effect upon older parts of cities. In the latter half of the 19th century the railroad building based in part upon land grants from the United States government promoted urban and rural land development in the mid-east and the west. This transportation-related land development created such typical American features as the railroad town celebrated in song and story. The connection between land development and transportation since the first half of the 19th century has been closely examined by both historians and sociologists.¹

Little attention, however, has been paid to the effect of the canal construction on land settlement and town development. However, it was the canals which first received the benefits of government land grants. The first of these grants was enacted in 1827 to aid in the construction of canals in Indiana and Illinois. The land grant in Illinois was to aid in the construction of the Illinois and Michigan Canal. This canal was not finished until 1848 or twenty-one years after the original grant. But in the intervening years the land grant was to have a considerable impact upon development in the area transversed by the canal, and of course the canal had a continuing impact once construction was completed.

The concept of connecting the Great Lakes to the Mississippi by means of a canal at Chicago was first suggested by Louis Joliet in 1673.² The prospect was not taken up again until the last years of the 18th century. The first step toward its realization was an 1816 treaty with the Indians in which they agreed to cede a strip of land from Lake Michigan to the Illinois River in order to build a canal.³ After Illinois became a state in 1818 agitation for building a canal between the Illinois River and Lake Michigan increased. In 1822 the United States Congress granted to the state of Illinois a strip of land for a canal and ninety additional feet on each side of the proposed canal. Finally in 1827 Congress granted “land equal to two and one half sections” in width on each side of the proposed canal to the state to finance construction. The canal was to be finished in twenty years. In 1833 this twenty-year deadline was extended.⁴

The canal connected Lake Michigan to the Illinois River at La Salle, Illinois. It ran ninety-six miles from a settlement, now part of Chicago, called Bridgeport, in a southwesterly direction through sites, including Lemont, Lockport, Joliet, Channahon, Morris, Seneca, Marseilles, Ottawa, Utica and La Salle. At Bridgeport it joined the Chicago River and ran four miles on the south branch of that river to Chicago and Lake Michigan. In 1827 not one of the above towns existed, including Chicago. The destinies of all these towns were tied up with the development of the canal, both before its completion in 1848 and afterwards.

In 1827 the population in northern Illinois was sparse. Most of the land was held by Indians who traded furs at the mouth of the Chicago River. At that spot there was also a fort, Fort Dearborn. Though there was considerable migration into the southern part of the state, there was no settlement of consequence in the northern half of the state.

In 1828 a second Canal Commission was formed by the state to pursue the construction of the canal. The difficulty was that the land was so valueless that it could not even be sold for the current price of government

land, \$1.25 an acre. The State Canal Commissioners decided to try to increase land values by creating towns. And the first one they plotted or laid out was naturally, Chicago. The original town was located at the junction of the north and south branches of the Chicago River, about a mile from its mouth at Lake Michigan. The plan would lay out the streets that still make up part of the Chicago “Loop” or downtown. The Canal Commissioners were extremely hopeful that it could lure speculators from the east by placing advertisements in out-of-state papers. They put advertisements in a Washington, D.C., paper and two New York papers, as well as papers in the southern part of the state. At the sale in September 1830, one hundred twenty-six town lots were sold in Chicago mostly bordering on the Chicago River. Sales totaled \$4,363. With this money the commissioners were able to pay off the cost of the canal survey and the mapping of Chicago and Ottawa.⁵ However, no money was available for canal construction.

The other town plotted or laid out in lots in 1830 was Ottawa. This town was to be situated where the Fox River flows into the Illinois, and just above what at that time was the planned terminus of the canal. The plotting was done by a surveyor named James Thompson (who also did the survey for Chicago). Both plots had public land along the waterway for public use as well as public squares. In Ottawa only nine lots were sold.⁶

Altogether the results of these land sales were disappointing, and the Canal Commission was disbanded. There were those who felt the canal should be dropped and a railroad built instead. A railroad, it was said, would be both cheaper and easier to construct. But the advertising for land sales in Chicago had its effect. Settlers began coming into the area in increasing numbers. Pressure on the Indians increased, resulting in Illinois’ last Indian conflict, the Black Hawk War of 1832. The Indians were defeated and forced to set out and leave the state in 1834. As a result the flow of immigrants intensified and the demand that a canal be built grew.

In 1835 the Canal Commission was recreated by the state legislature. By this time increased settlement had increased land values. The proponents of the act of 1835 establishing the new Canal Commission felt that sufficient funds could be borrowed on the basis of the value of the land to finally get the canal dug. The act states, “The Commissioners shall examine the whole route, and select such places thereof as may be eligible for townsites, and cause the same to be laid off into town lots, and they shall cause the canal lands in or near Chicago suitable therefore, to be laid off into town lots.”⁷

As a result there was a concentrated effort to establish towns to encourage their settlement, and to make these new towns attractive. In pursuit of these objectives, a policy was established of granting land for churches, schools and public buildings. Churches were granted lots which they could sell if the money raised was used to erect a church building. Towns plotted by the canal commissioners, or their engineers, had one block reserved as a public square. There was public land set aside adjacent to the canal that could be used to load and unload boats. Twenty-year leases were granted on the ninety-foot reserve strip of land next to the canal for mills, warehouses, elevators and other business establishments that would use the canal.⁸

The major concern was the sale of town lots; farmland sales were secondary. Speculation and optimism was most intense in the sale of town lots. While the original town of Chicago was already divided into lots and somewhat settled, there was still plenty of room. As a visitor in 1836 noted:

“Although in reality the town has not yet forty-four streets lengthwise and forty-two crosswise, as it is made to have on the map, still it is an astonishing place. Four to five years ago it was nothing but an Indian village, and now it is a very pretty little town of 600 inhabitants, with good shops, fine streets having sidewalks, a magnificent hotel, a theatre, four churches of different denominations and a great many handsome houses of

stone. Considering the importance of the position Chicago is destined to become a great city. They are already making a canal to give the lake communication with the Mississippi; a work that would be gigantic in a peopled and organized country and which becomes truly fabulous in a region like this which is still, so to say in a savage condition.”⁹

When land sales were held in the heady mid 1830s, the bidding was indeed savage. Land speculation intensified because of the promised completion of the canal. On June 20, 1836, at the auction of the lots still owned by the state in the original town of Chicago, the sale price was usually over the appraised value. The highest price bid for a town lot was \$21,400. The total sales for lots in the original town was \$1,181,475.¹⁰ In addition to the original town, the resident canal engineer, Talcott, laid out an addition which would give the town frontage on Lake Michigan. The plot for this addition as filed in the courthouse, reserved the lakefront from development.¹¹ Lots in this addition realized \$321,070 at the 1836 auction.

After 1837 the state was faced with the problems of the economic depression and the financial difficulties that this entailed. In the matter of town lot sales the strategy was changed. The legislature in 1837 told the Canal Commissioners to sell sufficient town lots in Chicago and elsewhere to raise the sum of \$1 million dollars. However, that was not really possible, no more strategic sales were planned in light of the depressed conditions and the continuing influx of settlers. As the 1838 Board of Canal Commissioners Report to the Governor notes:

“Under this authority, and since the last session of the legislature a few alternative lots in Lockport, in Ottawa and in La Salle have been sold, but more with a view of founding the towns and preventing individual property from superceding that of the state, than for the purpose of present revenue. The financial embarrassment of the Union for early the last two years will satisfactorily account for no other property being sold. The sales at the places enumerated, accounting in gross to \$35,400 were offered at liberal prices considering the times, and almost exclusively to actual settlers who are making substantial improvements.”¹²

The Canal Commissioners felt that the state had lost out to an extent in Chicago and Ottawa. Although those towns had originally been mapped by the state, additions had been made, and the original maps and the original stakes set out by the surveyors were gone. To offset this problem, in both Ottawa and Chicago additions were plotted by the canal engineers, who were allowed to file plots and who were alone excused from the requirement that this work could only be done by county surveyors.

There were other towns along the canal established before 1836 by land speculators. Two of these were Joliet and Utica, laid out in 1833. Although Joliet, which became the county seat of Will County in 1836, was an important site and the Canal Commissioners did make an addition there, they concentrated upon a nearby area where they laid out a town in 1837 and called it ‘Lockport.’ (In doing so they largely ignored a plot already filed by the Lockport areas’ first settler.)¹³

The canal officials were particularly concerned with the development of those towns they considered capable of supplying the greatest return to the state, in the form of increased land values for state-held land. There were also towns that the state alone controlled that seemed to promise great economic potential. The one they particularly concentrated on was Lockport.

The town is located at a spot that is equal in elevation with Lake Michigan, and thus at the end of the summit level of the Illinois and Michigan Canal. The land between Lockport and Joliet drops some forty feet

in the five miles that separates them. This is the largest drop on the canal and thus seemingly promised ample water power at Lockport. So the town was made the canal headquarters, much to the consternation of near neighbors. The town was laid out so that the canal would be the focus of business activity. The two locks in the town were designed so that their bypasses could be used to drive machinery.¹⁴ In addition, a hydraulic basin was constructed that could take the considerable fall between the canal and the nearby Des Plaines River, thus allowing income from lot sales and water leases.¹⁵ Besides these amenities, a public landing was established along the canal in the center of town where farmers could load and unload their boat shipments. Manufacturers were allowed to build on the canal bank and were given title to this part of the ninety-foot reserve strip. The Commissioners in 1837 built a road from Chicago to Lockport, one of the earliest roads radiating from Chicago. In the same year they built a frame headquarters building, a stone warehouse, and two large houses for the canal commissioners. This served to show potential settlers that Lockport was a thriving center, where in 1836 only a few rude long cabins were located.¹⁶

The great hopes for Lockport were not fully realized, basically because until 1871 there was not sufficient water in the canal to provide both for navigation and the almost unlimited water power needed to drive the industries as had been originally hoped.

Water power was a major concern of the Canal Commissioners. The Chief Engineer, William Gooding, always looked to all possible ways of obtaining hydraulic power on the flat Illinois prairie. He sought to increase the value of state town lots in towns already established such as Joliet and Ottawa. Here it was felt that the erection of dams and a lateral canal would mean increased value for the adjoining state land. As a result the increased cost would be amply returned to the state.

In laying out new towns, water power was a prime consideration. At the junction of the Du Page River and the canal west of Joliet, the town of Du Page was created to take advantage of the water power there. Du Page did not flourish. Right next to it the town of Channahon did develop, but little use was made of the water power.

There were other efforts at townsite development. One that was a major bust was Kankakee. This town was developed in the 1830s at that point where the Kankakee River and the Des Plaines River came together to form the Illinois River. Naturally it was felt that this would be an important townsite. In 1836 a traveler reported on the town:

“We forded the river which is very wide and about two feet deep, pursuing our course over a level country about two miles. We arrived at the great city of Kankakee which consists of one log house, one store, one frame house some ten or twelve feet square, one barn frame, which comprised the entire city of Kankakee. This log house being a tavern, we soon had our trunk carried in and were provided with a comfortable supper.”¹⁷

This town was assiduously promoted by private land owners. A map and prospectus was circulated in the east in 1836. But the town had reached its maximum development in 1836 as described by the traveler. It was too unhealthy because it was low lying and afflicted with malaria or ‘ague’ as it was called, and it was also subject to flooding. The town disappeared in 1848.

Des Plaines represents another aborted attempt at town development. About twenty miles south west from Chicago, it was determined that the route of the canal could be shortened if the Des Plaines River was shifted out of its bed. About three or four hundred acres would be drained as a result. This newly reclaimed land was felt to be a choice area, and it was laid out as the town of Des Plaines. It was also anticipated that

a feeder canal from there could link up with the proposed Indiana Canal, called the Erie and Michigan Canal. No linkage was made, and Des Plaines never developed as a town.¹⁸

Besides Lockport, the other town the state Canal Commissioners were most interested in promoting was La Salle at the terminus of the canal. To assure that the town lots would be under the state's control, the canal bypassed a nearby townsite "Rockwell" which had been plotted in the belief that the canal would pass through it and terminate at its edge.¹⁹ (Rockwell became another town failure along the canal.) La Salle was conceived as a transportation center rather than a manufacturing center. River boats here would pick up canal boats or their cargo and take them to the Mississippi. It was also to be a railroad terminal for shipments directly west and north and south, west via the Rock Island and north and south via the Illinois Central. In order to help achieve these ends a large steamboat basin was constructed to harbor river boats. The result didn't turn out as anticipated. The railroads instead of being willing to act as extensions to the canal sought to supercede it when the railroad boon began in the 1850s. The Rock Island Railroad which was originally to run west to the Mississippi at Rock Island from LaSalle, got an extension of its charter so it ran east from La Salle right alongside the canal to Chicago, severely hurting the young canal.²⁰

When the canal ran into severe economic difficulties after 1838, it brought lands onto the market on a very cautious basis as was reported in the 1839 Canal Commissioners' report. In 1843 the control of the unfinished canal was assigned to a Board of Trustees, two of whom were appointed by the Governor of Illinois. This board would control the canal until 1871 when all debts having been paid, it reverted to the state. The trustees were as anxious to avoid dumping land as the State Canal Commission had been in the 1830s. In 1851 they put town lots up for sale after extensive advertising. But they refused to sell them below their appraised value.²¹

The canal officials always encouraged other forms of transportation that would help develop Chicago, and of course not compete directly with the canal. Railroads were planned to run from the terminus of the canal west to the Mississippi. Also, a railroad running through the central part of the state from north to south was supposed to connect the terminus of the canal to Galena in the north and Cairo at the junction of the Ohio and the Mississippi Rivers in the south.²² In 1847 they granted a plank road company the right to use canal lands for their right of way.²³

The Illinois and Michigan Canal declined in importance in the 1890s, and by 1914 the last commercial trip went down the canal. By then only the lower two-thirds was useable, since after 1906 the stretch between Lockport and Chicago had been cut in two. By the 1950s the canal was filled in the Chicago area. But the legacy of the canal is still evident in Chicago. The shore of Lake Michigan south of the Chicago River is still open public land as designated in the original plot done in 1836 by Canal Engineer Talcott. In 1836 Michigan Avenue was the lake shore. Since that time fill has pushed the lake shore about one-half mile east. But it has remained public land except for the Illinois Central Railroad track across the lake built in the 1850s so its station would be in the heart of Chicago.

In northern Illinois, the Illinois and Michigan Canal probably has had a more permanent impact upon town scale than the railroads that came later. Railroads like the Rock Island simply followed the path of the canal, exploiting the development the canal had already stimulated.

At the present time the Illinois delegation to Congress, prodded by public opinion, is pushing legislation to create an Illinois and Michigan Canal National Heritage Corridor along the pathway of the canal. The idea is not to create a national park, but a diversified recreational, natural, commercial and industrial area to maintain the pathway the canal created and turn it to new uses.

FOOTNOTES

1. One of the best examples of a book on railroad land policy is Paul W. Gates, The Illinois Central Railroad, and its Colonization Work, Harvard Economic Studies, Vol. XLII, Harvard University Press, (Cambridge, Mass.) Chpt. VI and VII; see also, Condit, Carl W.: Chicago 1910-29, Building, Planning and Urban Technology; Chicago, 1973, and Condit: Chicago 1930-1970, Building Planning and Urban Technology, Chicago, 1974. For Canals, see Goodrich, Carter: Government Promotion of American Canals and Railroads 1800-1890.
2. Harry Hansen, The Chicago, New York, 1942, p. 29.
3. Walter Howe, Documentary History of the Illinois and Michigan Canal, Illinois Division of Waterways, Springfield, Dec. 1956, p. 42.
4. Ibid., Walter Howe, pp. 8-9.
5. Report of the Canal Commissioners of Illinois to Governor John Tanner, Dec. 1, 1900, "Report of the Canal Commissioners," Dec. 27, 1830, Springfield, 1901, p. 77.
6. Daniel C. Jenne, "Report of the Chief Engineer on Canal Lands Sold," Annual Report of the Canal Commissioners of Illinois, Springfield, Dec. 1, 1878, 1879, p. 44.
7. Op. Cit., Report of the Canal Commissioners, Dec. 1, 1900, p. 107.
8. James W. Putnam, The Illinois and Michigan Canal, A Study in Economic History, Chicago, 1918, pp. 81-83.
9. Count Francesco Arese, A Trip to the Prairies and in the Interior of North America, trans. Andrew Evans, New York, 1934, p. 173.
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11. Op. cit., Daniel Jenne, Annual Report, 1878, p. 56.
12. Message of the Governor Transmitting the Report of Commissioners of the Illinois and Michigan Canal to the Legislature, Vandalia, IL, Dec. 31, 1838, 1839, p. 18.
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14. John M. Lamb, I & M Canal Locks, Illinois Canal Society, Lockport, IL, 1981, p. 4.
15. Op. cit., The Report of Canal Commissioners, 1900, "Report of Canal Commissioners 1836" and "Report of Canal Commissioners 1838," p. 117 & p. 154.
16. Will County Directory 1859-60, published by John C. Bailey, Chicago, 1859, pp. 68-69.
17. John C. Thurston, A Journal of a Trip to Illinois in 1836, John Cumming, Mount Pleasant, Michigan, 1971, pp. 43-44.
18. Op. cit., Message of the Governor, 1838-1839, p. 18.

19. John D. Haeger, "The Abandoned Townsite on the Midwestern Frontier," paper given at 1982 Illinois History Symposium.
20. John Lamb, "The Politics of Transportation" 1980, Selected Papers in Illinois History, Illinois Historical Society, Springfield, 1982, p. 21.
21. Report of the Board of Trustees of the Illinois and Michigan Canal for the Year ending Nov. 30, 1851, Springfield, 1852, p. 98.
22. Krenkel, John H., Illinois Internal Improvements 1818-1890, Cedar Rapids, Iowa, 1958, pp. 56-58.
23. Op. cit., Report of Canal Commissioners, pp. 265-266.