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CHAPTER ONE

Delaware in Transition

Delaware is a small state, but as realtors are often heard to say, the three things that matter are “location, location, location.” The location of Delaware on a peninsula just south of Philadelphia in the midst of the Boston–Washington megalopolis is central to the state’s development. It is also midway between Washington, the center of the nation’s political power, and New York City, the center of the nation’s financial muscle. Delaware plays a role on both of these stages. Since the state lies on a peninsula split by a canal, the lower two counties have a different character and orientation than the northern county, which sits in the I-95 corridor. Delaware is referred to as the “First State” because it was the first to ratify the U.S. Constitution, which ensured that small states would have more political power than warranted by their diminutive size.

THE SMALLEST STATE?

The word “Delaware” comes from the name given the river (Delaware River) in honor of Lord De La Warr, the first governor of colonial Virginia.¹ Only Rhode Island, at 1,045 square miles,² has less land area than Delaware, and only five states much larger in area have less population according to the 2000 U.S. census: North Dakota (635,867), South Dakota (781,919), Vermont (623,908), Alaska (670,053), and Wyoming (515,004). Delaware can claim to be the smallest state when the factors of land area (1,982 square miles—forty-ninth in the nation) and population (783,600 in the 2000 census—forty-fifth) are combined.

Delaware is located in the northern and eastern third of the low-lying Delmarva Peninsula that separates the Delaware and Chesapeake estuaries. It shares the greater part of the peninsula with eastern Maryland on its western

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and southern borders, while its short northern semicircular border adjoins Pennsylvania. Delaware is ninety-five miles long from north to south, and its width from east to west varies from nine miles in central New Castle County to thirty-five miles at the southern boundary. It comprises three counties—mostly metropolitan New Castle County (438 square miles) in the north, more rural Kent County (594 square miles) in the center of the state, and mostly rural Sussex County (950 square miles) in the south. Except for low foothills in the north of New Castle County, the state is flat, with a curving eastern coastline of some three hundred miles featuring sandy beaches in the southern half of Sussex County along the Atlantic Ocean and marshes to the north along the navigable Delaware Bay and Delaware River.

From its inception, Delaware has developed significant differences in lifestyle between northern New Castle County (“upstate”) and the land south (“downstate”), including a healthy contest for political power and influence within the state. Since the opening in 1829 of the fifteen-mile-long Chesapeake and Delaware Canal, which bisects New Castle County and connects the Delaware River and the Chesapeake Bay, upstate has been commonly known as “north of the canal” and downstate as “south of the canal.” North of the canal is wealthier and more commercial, populous, urban, and northern in orientation, and it adjoins the metropolitan area of southeastern Pennsylvania dominated by Philadelphia. This area lies along the northeast axis of railroads and highways linking the megalopolis that stretches from Boston to Washington DC. In contrast, south of the canal has been rural, agricultural, conservative, less wealthy, and clearly more “southern” in orientation.

COLONIZATION

When Delaware first became known to Europeans in the early seventeenth century, it was sparsely populated by Lenape and Nanticoke Indian tribes, most of whom withdrew from Delaware by the middle of the eighteenth century to avoid the increasing numbers of European settlers. Meanwhile, the Dutch had established the first European settlement, on what is now known as Lewes Creek, but all thirty-two settlers were soon killed by Indians.³

Swedes established the first permanent European settlement in 1638 in what is now the east side of the city of Wilmington, where its twenty-five colonists erected Fort Christina. At its height, New Sweden’s residents probably numbered no more than one thousand. The Swedish colony was conquered in 1655 by a strong Dutch force, led by Peter Stuyvesant from New Amsterdam (New York). To secure labor, the Dutch began importing

African slaves and trading with the English in Maryland. Dutch-English rivalry in western Europe opened the way for English conquest of New Amsterdam in 1664. Delaware then was ruled from New York. In 1673–74, during the third Anglo-Dutch war, the Dutch briefly reconquered English possessions in the region. After the 1674 peace treaty ended the war, Delaware was among the lands restored to the English, who ruled Delaware through the next hundred years.

In 1682 the “Counties of New Castle, Kent and Sussex on the Delaware” became an appendage of Pennsylvania when William Penn, its proprietor, sought access to the ocean. These “Lower Counties” elected delegates that year to the Pennsylvania assembly, the beginning of representative government for them. However, the three counties later chose to discontinue their association with Pennsylvania, resulting in their formation in 1704 as a separate British colony, with their representatives meeting in the northern town of New Castle.

When King Charles II gave the grant of land named Pennsylvania to William Penn in 1681, he specified that its boundary would be twelve miles from New Castle, thereby creating the unusual circular boundary that eventually became the permanent line between the two future states of Delaware and Pennsylvania and allowing Delaware to claim the Delaware River to the low water mark of New Jersey—a boundary still being disputed (see chapter 3).

The Delaware counties had little significance in Britain’s total imperial picture. It, along with Pennsylvania, was governed as proprietary colonies—as distinguished from royal colonies—with governors appointed by Penn’s proprietors. The governor for colonial Delaware normally resided in Philadelphia. Although he could veto any bill passed by the Delaware assembly, he seldom did so, preferring to resolve differences by compromise. Moreover, Delaware’s legislative measures, unlike Pennsylvania’s legislation, did not have to be submitted to England for approval. Accordingly, colonial Delaware in these respects enjoyed almost as much self-government as did the colonies of Connecticut and Rhode Island, where governors were elected.⁴

Neighboring Maryland was ruled as a royal colony until 1715, when Lord Baltimore regained his colonial possessions. Boundary disputes between Maryland and the Lower Counties persisted for over a century, involving several agreements and surveys authorized first in 1685 by the English Privy Council, and later by the English court of chancery. The southern boundary of the Lower Counties was surveyed and marked in 1750–51, but the north-south border—later part of the Mason-Dixon Line—was not fixed as

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Delaware's western boundary until after the 1763–68 surveys conducted by surveyors Charles Mason and Jeremiah Dixon, who had been brought over from England to settle the matter. Indeed, the long boundary dispute with Maryland was not finally settled until 1775, in time for Delawareans to be swept up with, and ultimately to join, other colonies in the American Revolution.

REVOLUTION, INDEPENDENCE, AND CONSTITUTIONALISM

Delawareans joined other colonists to protest British policies by sending delegates to the so-called Stamp Act Congress in New York in 1765 and later to the First and Second Continental Congresses of 1774 and 1775. Delaware supported measures to create the Continental Army commanded by George Washington, contributed arms and troops, and adopted on June 15, 1776, its resolution suspending all royal authority in Delaware. On July 2, 1776, in one of the best-known events in Delaware history, delegate Caesar Rodney hurried to Philadelphia to cast the Delaware delegation's decisive vote to join the other colonies in making a unanimous decision for independence, proclaimed July 4 by the Declaration of Independence.

In mid-July the Delaware assembly provided for the election of ten delegates from each of the three counties to draft a constitution that, when adopted by the convention on August 27, became not only Delaware's first state constitution but also the first state constitution in the United States framed by an elected constitutional convention. Major features of this constitution and Delaware's subsequent constitutions—of 1792, 1831, and 1897—are discussed in chapter 4.

In October 1777 British troops captured Wilmington and seized Delaware's president, while the British fleet sailed from the Chesapeake to the Delaware River. Thus, it was no longer safe for Delaware's assembly to continue meeting in nearby New Castle. Moreover, downstate assemblymen from Kent and Sussex Counties had chafed at the leading political role of New Castle County. Finally, Dover in Kent County near the center of the state became Delaware's permanent state capital in October 1781.

Although Delaware was next to the last state to ratify the Articles of Confederation, which merely provided a legal basis for the union of thirteen states, Delaware became by unanimous vote of its constitutional convention on December 7, 1787, the first state to ratify the United States Constitution. Delaware's designation as "the First State" remains a matter of considerable pride among Delawareans. The state's quick action was afforded by the lack of opposition to the constitution, primarily because little Delaware was

assured equal status with larger states by the provision that gave each state two senators regardless of its population. Since 1823 it has been authorized to be represented by a total of only three members in the Congress—two in the Senate and one in the House.

NINETEENTH-CENTURY CHANGES

Delaware remained a conservative tidewater state during most of the nineteenth century, somewhat isolated from the stress of evolving western migration, urbanization, and industrialization of other coastal states. Aside from a few British skirmishes off the Delaware coast, the War of 1812 did not disturb Delaware's tranquility.

During the first years of the new national Congress, two political parties gradually emerged in the United States: the Federalists and the Republicans. A similar division developed in Delaware, where the southern two counties, Kent and Sussex, supported the Federalists, while the greatest strength of the Republicans, later known as the Democratic-Republican Party, was in northern New Castle County, which included the nascent commercial area of Wilmington. Downstate versus upstate sectionalism within Delaware was to influence Delaware politics through the nineteenth and most of the twentieth century. One party would normally control Kent and Sussex Counties while the other party controlled New Castle County.

In the early 1820s the Democratic-Republicans won control of the Delaware legislature. The Federalists reestablished their control in 1823, continuing in power until 1827 when they split into two factions—one supporting Andrew Jackson and known as the Jacksonians (which soon became known as the Democratic Party), and the other supporting John Quincy Adams (known as the Whigs). In no other state had the Federalists lasted longer than in Delaware. Meanwhile, leaders of the Democratic-Republicans in Delaware also split on which candidate to support, Jackson or Adams, causing the two old parties to be replaced by new parties, as will be discussed in chapter 5.

According to the 1850 census, New Castle County had almost 47 percent of the total population of Delaware. During the next decade, Delaware's immigrant population, concentrated mostly in New Castle County, increased by 87 percent. Together with migration to Delaware from northern states, Delaware was developing a stronger socioeconomic connection to the North. As the Civil War approached, however, many prominent Delawareans remained sympathetic to the South. The average Delawarean remained strongly unionist, not because he favored abolition of slavery, but because

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he rejected secession. Perhaps most important was the fact that none of Delaware's surrounding states, even the border state of Maryland, opted for secession. Although some Delawareans offered their services to the Confederacy, the proportion of Delaware's total population that served in the Union Army was greater than that contributed by any other northern state.

The proslavery Democratic Party continued to be the majority and controlling party in Delaware until the 1890s, when Republicans replaced the Democrats as the dominant political party in the state.

TWENTIETH-CENTURY CHANGES

Delaware had changed dramatically since 1800. As the twentieth century dawned, downstate continued to be primarily agrarian, but fewer Delawareans made a living from farming than from manufacturing. Wilmington had become an industrialized city of 75,000 inhabitants, with over 40 percent of the state's population, while New Castle County as a whole contained almost 60 percent of the state's population. This concentration of population and financial power alarmed downstate Delawareans who were concerned about diminution of their political power.

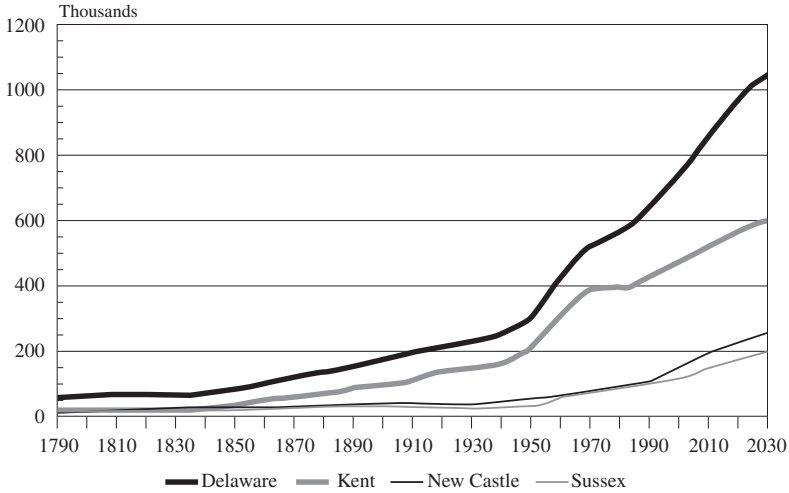
With few exceptions Republicans, supported by African American voters, retained control of Delaware until 1936, when amid the Great Depression the state elected its first national Democratic ticket since 1912 and its first Democratic governor since 1897. After 1936 there was a fairly equal sharing of political power by the two parties. First one party and then the other party dominated the state's political life. Meanwhile, party politics increasingly replaced personalistic politics.

Perhaps the most salient twentieth century themes impacting the state's political development were the emergence of a diversified, greatly expanded population and a drastically changing economy. These two important themes merit closer examination in this introductory chapter.

DIVERSIFYING POPULATION

According to the 2000 census, Delaware's total population had reached 783,600, a substantial increase of 117,432, or about 17.6 percent, over the 1990 census, the highest percentage increase in its region and fourth highest among states east of the Mississippi River. Delaware was ranked in 2004 as the eighth fastest-growing state in the nation with a population of 843,524—an increase of nearly 60,000 in four years. The state's total population in 2007, according to the U.S. Census Bureau, was 864,764,

I. Delaware Population by County, 1790–2030



Source: Center for Applied Demography & Survey Research, University of Delaware. Delaware Population Consortium, October 2007.

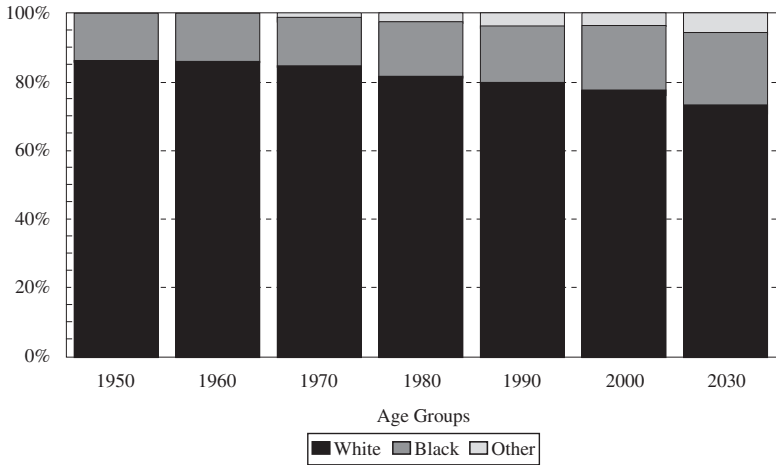
a further increase of 81,164 or 10.4 percent since the year 2000. But even such growth was not enough for Delaware to gain a second seat in the U.S. House of Representatives. Delaware's 2000 population density (persons per square mile) was 401.1, the seventh highest among the states, up from 340.8 in 1990.⁵

New Castle County had a population of 528,218 in 2007, or 61 percent of the state's population. Delaware's largest city, Wilmington, had a 2007 population of 72,868, well down from its 1940 peak of 112,504. The 2007 population of Newark, the third largest city, was 29,992. These politically significant figures meant then that almost half of the state's population lived in suburban New Castle County outside the cities of Wilmington and Newark.

On the other hand, New Castle County's prominence was somewhat mitigated by the fact that the population growth rate of Sussex County was almost three times that of New Castle County during the 1990s. Sussex emerged as the fastest growing county, adding 43,409—a whopping increase of 38.3 percent since 1990, reaching a total of 156,638 in 2000. Its 2007 population was recorded as 184,291—an increase of nearly 28,000 in only seven years. Retirees accounted for a large part of the increase, attracted by the combination of low property taxes, no sales tax, large pension exclusions from state income taxes, a relatively low cost of living, and proximity to beach resorts—a combination with which neighboring states could not compete. The greatest boom was in the beach area of eastern Sussex County, which attracted many upper

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2. Delaware Race Distribution, 1950–2030



Source: Center for Applied Demography & Survey Research, University of Delaware. Delaware Population Consortium, October 2007.

income residents, including retirees. Meanwhile, the 2000 census showed that Kent County had added 15,704, or an increase of 14.1 percent since 1990, for a total of 126,697, compared with New Castle County's increase of only 13.2 percent. Kent County's 2007 population showed a continuing increase to 152,255. The faster growth rates of the southern two counties, portending political change, are discussed in subsequent chapters.

According to the 2000 census, whites represented 76 percent of Delaware's population, while the black or African American population was 20 percent. ("African Americans" and "blacks" are used interchangeably in this book.) Most black Delawareans (105,052, 67 percent of the state's total black population of 157,152) lived in New Castle County. Forty percent of African Americans lived in Wilmington—41,976, or 58 percent of Wilmington's total population.

Asians composed the third largest (18,944) and fastest growing 2000 census group in Delaware (up from 9,067, an increase of 109 percent since 1990). They represented 2.4 percent of the state's population in 2000. Asians were more affluent than Delaware's general population. Their median household income was \$65,190, rising 57 percent from the 1990 census, compared with \$47,381 for the state as a whole, a rise of 36 percent. Median household incomes among other groups were: whites, \$50,496 (up 38 percent); blacks, \$35,517 (up 46 percent); and Hispanics, \$36,290 (up 29 percent).

Delaware's American Indian population was 2,731 or 0.3 percent of the state's population according to the 1990 census. Nanticokes, estimated to

be over 700, far outnumbered other Delaware tribes, including Cherokee, Delaware, Blackfoot, Iroquois, and others.

The largest ethnic group, according to the 2000 census, comprised Hispanics, a total of 37,277, or 4.8 percent of Delaware's population (compared with 2.3 percent, counted by the 1990 census).

Although most Hispanics lived in New Castle County (26,293, or 5.3 percent of the County's population in 2000), the Hispanic population of Sussex County was 6,915, or 4.4 percent of Sussex's population. These immigrants were attracted by plentiful jobs in the poultry industry, construction, and tourism.

Delaware's minority population in 2000 made up about one-fourth of the state's population. Minorities accounted for more than 31 percent of Delaware's population in 2007, attributed to a 50.1 percent increase in the state's Hispanic population since 2000, together with a 45 percent jump in its Asian population and a 18 percent in its black population. There were proportionately more non-Hispanic blacks, many more Hispanics as a whole, and more than twice as many non-Hispanic Asians as there were in 1990, making Delaware one of the more diverse states in the Northeast.

In 2000 there were 63,262 Delawareans over the age of five who spoke a language other than English at home (up 46 percent since 1990); this was 8.1 percent of the state's population.

Other interesting 2000 census statistics helped characterize Delaware's diversifying population. "Atomization"—the breaking of the population into smaller units—continued a trend in Delaware and the nation. In 2000, 74,639 Delaware householders lived alone (an increase of 29 percent over 1990), 27,071 of whom were sixty-five years and older. Of a total of 204,590 family households, 38,986 were headed by single women (a rise of 34 percent). The size of the average Delaware "household," moreover, continued to fall from 3.4 in 1950, to 2.63 in 1990, and to 2.54 in 2000.

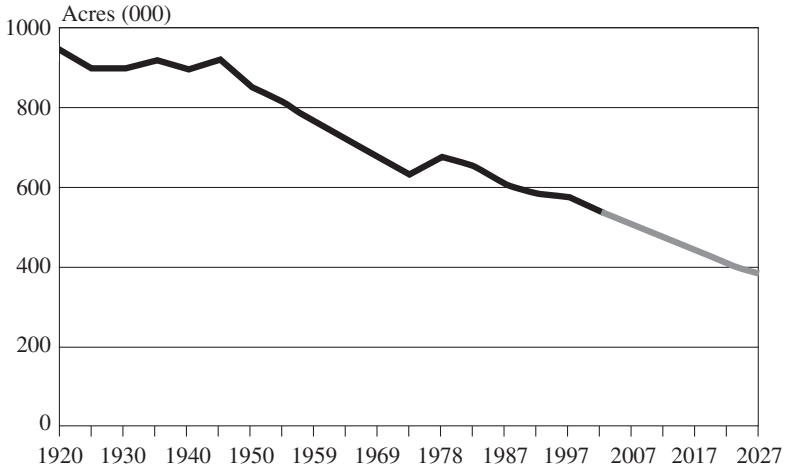
Finally, the 2000 census showed that Delaware was aging. There were 133,925 persons aged sixty and older living in Delaware, or 17 percent of the state's population; this was an increase of 23,287, or 21 percent, from 1990. According to the Delaware Population Consortium, 52 percent of the projected 250,000 growth of Delaware's population between 2000 and 2030 will occur among the state's senior citizen population.

CHANGING ECONOMY

Farming had been the heartbeat of Delaware's nineteenth-century economy, as it was in the rest of the United States. Significant increases in agricultural

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3. Acres of Delaware Farmland, 1920–2027



Source: Center for Applied Demography & Survey Research, University of Delaware. U.S. Bureau of Census, Census of Agriculture.

productivity through the twentieth century, however, allowed people to leave the farms for other more valuable jobs.

In the early 1900s T. Coleman du Pont, then president of the DuPont Company, built a concrete divided highway the length of the state with his own money, which presaged a revolution in agricultural production in southern Delaware by enabling farmers to transport their products to distant urban centers. Within a few years Sussex County became the largest poultry-producing county in the nation, a position it still held in 2002. More and more land was cleared to produce corn and soybeans to feed broiler chickens.⁶

Agriculture was to continue to constitute a major part of Delaware's economy into the twenty-first century. The chicken industry alone in 2002 produced nearly 1.5 billion pounds of broilers, constituting 80 to 90 percent of Delaware's total agricultural production. Forty-six percent of the state's land area (580,000 acres) was being used in 2002 to produce poultry and other products.⁷

But this was only one side of the story of Delaware agriculture. Much of Delaware's best farmland has been taken over by housing, commercial development, and industrial parks (see chapter 12). Farmland decreased nearly 40 percent after 1950, while net farm income plummeted by 45 percent.

As many farms became economically unviable, their owners were more than willing to sell to developers at the price of residential land. Residential home construction became the most prevalent and profitable use of the land.

By the end of the twentieth century, agriculture represented only 1.5 percent of the state's total GSP and less than 1 percent of employment in Delaware.⁸

Until the 1970s, manufacturing dominated Delaware's economy. Manufacturing had gained some importance even in colonial Delaware when shipbuilding, tanning, iron making, and milling were enterprises in Wilmington and its vicinity. In the early 1800s the new nation—freed from colonial restraints—experienced the so-called Industrial Revolution, which introduced water-powered factories and mills in northern New Castle County that manufactured gunpowder, textiles, paper, and iron manufactures.

Most significant in consequences was E. I. du Pont's 1802 establishment of a powder works plant on the Brandywine River north of Wilmington. By 1995 the DuPont Company had become a diversified global corporation. DuPont began to cut 40,000 employees worldwide and shed various businesses in 1989, which dropped its employment numbers 27 percent to about 100,000 employees worldwide in the late 1990s including about 15,000 in Delaware, a number that fell further to about 8,200 in 2005.⁹ Among other prominent chemical companies in Delaware in the late 1990s were the faltering Hercules Company (which merged with the Ashland Company in 2008) and the expanding British-based AstraZeneca.

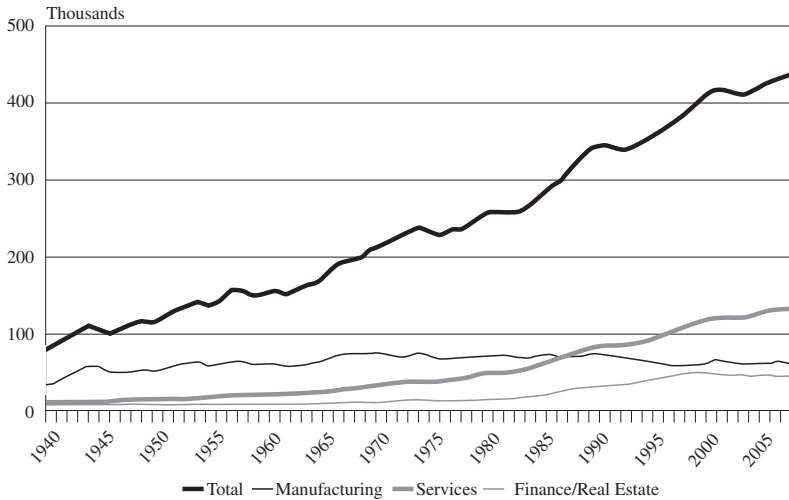
After chemicals, prominent manufacturing enterprises in Delaware were transportation equipment, primarily Daimler-Chrysler and General Motors automobile assembly plants in New Castle County (the former announced in 2007 that in 2009 it would idle its Newark plant, which had numbered 1,200 employees in 2007); food production; scientific instruments; plastics; printing; and publishing.

In the midst of the nation's economic recession in the early 2000s, Delaware manufacturers continued to shed jobs at a rapid rate. In 1951 manufacturing accounted for nearly 44 percent of the state's total jobs, a proportion that fell to 13 percent in 2001, a pattern that has been repeated across the United States and even across the world.¹⁰ Manufacturing jobs declined as technology and worker productivity accelerated.

Although Delaware's manufacturing employment has continued to diminish, manufacturing output continues to increase—it has become more efficient and productive, remaining a dominant sector in terms of wages and contribution to the state's economic output. Delaware's export sales of merchandise in 2000 totaled \$5.9 billion, up 22 percent from 1999 and well above the 12.6 percent rise in total U.S. exports over the same period. In 2000 Delaware recorded export sales of \$7,514 for every person residing in the state, the highest per capita export value of any state and 52 percent above the 1993 per capita value of \$4,942. Chemical products remained the

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4. Delaware Employment by Sector, 1939–2007



Source: Center for Applied Demography & Survey Research, University of Delaware.

state's leading export category, accounting for \$4.5 billion, or more than three-quarters of Delaware's total exports in 2000. Other significant exports were plastic and rubber products, machinery, fabric mill products, paper products, and computers and electronic products.¹¹

Delaware's economy since the early 1950s, along with the nation as a whole, experienced a major structural shift from "goods-producing" industries (e.g., agriculture, manufacturing, and construction) to services (e.g., financial, professional, and business services). Just as manufacturing surpassed agriculture as Delaware's foremost economic sector toward the end of the nineteenth century, services surpassed manufacturing toward the end of the twentieth century.

In fact, many jobs in manufacturing simply transferred to the services sector as Delaware companies subcontracted data processing, human resources, and other functions in order to focus on their core businesses. One of the fastest growing sectors in Delaware's economy is business and professional services.

As will be discussed in subsequent chapters, Delaware's economy received a major boost in the early 1980s through a rapid expansion of the financial services sector. Following the passage of Delaware's Financial Center Development Act in 1981, many major banks relocated their credit card operations to Delaware in reaction to the extremely high interest rates coupled with caps existing in other states.

Another shift in the economy appeared to be emerging as the twenty-first century was underway when, in late 2004, a national business magazine rated Delaware as the top state in biotechnology resources, featuring the five-year-old Delaware Biotechnology Institute next to the University of Delaware—a partnership among government, academia, and industry to promote Delaware as a home for biotechnology.¹²

CONCLUSION

The foregoing overview of less than four centuries establishes that Delaware has developed from a sparsely populated, agrarian, and relatively insignificant polity to a densely and diversely populated, agrarian, and financial and legal center, and a commercial hub of America's eastern seaboard. It also establishes that from its tranquil inception to its bustling present, Delaware has experienced marked differences between its concentration of population, commerce, and wealth north of the canal and the less-favored, but rapidly changing, area south of the canal.

These various characteristics have affected and defined Delaware's political culture and development, to which we now turn.