

VEVAY TIMES AND SWITZERLAND COUNTY DEMOCRAT.

Whig writers, Indiana has undertaken on credit, a system of Internal Improvement, originally estimated to cost about *nine-and-a-half millions*,¹ and now confessed to require not less than *twelve-and-a-half millions*, for its completion. Even now when the control of our state affairs is surrendered to us by our opponents, we find that Indiana has actually expended on her public works, (after deducting the probable value of her original canal lands), about *six millions* of dollars, all borrowed from Europe, a debt to raise the interest on which at six or even five per cent, her present ad valorem state tax, though the highest in the Union, is insufficient.

It would be a melancholy but also an instructive task, to trace the rise and progress, and exhibit the management, in Indiana, of this Funding and Internal Improvement System. It was originally incorporated in a Bill, well named the *MAMMOTH*, and which resulted in the simultaneous commencement of nine different works, giving to each a specific appropriation.

Without discussing, for the present, the abstract question, whether it be wise or politic in a state to borrow money for the purpose of constructing a system of public works, or whether such a policy be not an anti-democratic extension of the operations of government, beyond their legitimate sphere, into the uncertain region of commercial enterprise; without examining whether the sagacity of self-interest can alone safely undertake, or economically manage, such projects; without enquiring, further, whether a tax for internal improvements by a state, can ever in the nature of things, be either than unequal and unjust, and whether, if it be so, such a tax, for an object, not of necessity, can be approved or justified by sound principles of republican policy; without entering at this time, upon these important enquiries, it must be conceded, that the system which has been adopted is far beyond the present wants and means of Indiana. Nay, more; it is of a magnitude, compared to our resources, without example in the history of mankind. The pyramids were stupendous fabrics; and lavishly was labor and treasure of ancient Egypt squandered, by her despotic rulers; on these, the marvels of a modern world. The Colossus, that miracle of architecture, cost luxurious Rome some fourteen millions of dollars. But history furnishes no record of a state or a nation that ever undertook a system of public works estimated to cost *one-fourth* of all the wealth, real and personal, possessed by her citizens at the time of the enterprise; if, indeed, we except our sister state of Illinois, which has rashly followed in our footsteps.

New York led the way of the modern policy of loaning for internal improvements. In the year 1817, she undertook her great canal, originally estimated to cost *five-and-a-half millions*, and which did cost about *seven millions* and a half. But at the time of the undertaking, the estimated property of the State was *three hundred and four millions* of dollars. And yet, with three times our wealth, how scrupulously and cautiously did even the enterprising Empire State venture upon a public work not costing one-third as much as our system! She was careful to set aside, even by an express constitutional provision, various productive sinking funds—her lucrative salt and auction duties among others—to defray the interest on the proposed loans. She, anxiously examined the path before her, well weighed every step she took and providently anticipated every coming exigency. How different was the hasty and uncalculating conduct of those political leaders, who rashly involved out young State without a single precautionary measure, in a debt of millions and an enterprise of ten millions!

Pennsylvania, the Quaker State of Pennsylvania—followed by the lead of New York. And as sober people, once thoroughly excited, commonly run into extremes, so the descendants of William Penn, when fairly smitten with the prevailing rage, astonished the world by their adventurous spirit. They added to their system one Public Work after another, and a political sentiment more extravagant than the above, it would be difficult to find, in the annals of republican politics; yet it has been generally copied, with the whiz press of the Union.

The report of Chief Engineer Williams, made to the House of Representatives on the 2d of January, 1830, "relative to the original and present estimate of the public works," gives, as the total of the original estimates before the legislature of 1835—6, the sum of \$13,849,337, or say in round numbers, sixteen million dollars. These estimates (so far as unverified lines based on the average of the others) were all within the reach of the Legislature which passed the internal improvement bill, on the day of its passage, though most of them were not, at that moment, in printed form before the legislature; for the bill was hurried through before the engineers' report had returned from the printers.

Governor Noble's recommendation was for a *seventeen* cost ten millions; and the original *approximation* on the works amounted to that sum only. Hence the idea was commonly adopted throughout the state, incorrectly however, that that was the original *estimate* of the system. The estimate was about sixteen millions; and though considerably below what is now admitted to be the actual cost, is not more so than such *first*, rough estimates usually are; especially when the great increase of the cost of labor and provisions within the four last years, is taken into account.

In the same report alluded to in the last foot note Mr. Williams gives, as the "estimate of work done up to 1st November last, exclusive of superintendence," the sum of \$3,619,592. The superintendence, in Mr. Williams' opinion, will be from 3 to 4 per cent, on the above, say \$359,000, making together about six million and a half thousand dollars. If we add thirty thousand dollars for what has been done since the 1st of November (and it is less than the actual amount) we have *six million* as the total cost of work done. The Report of the Board of Internal Improvement made to the present Legislature, estimates the total value of our original canal lands, with probable accuracy, at one million dollars. This deducted from the above, leaves *six million* of the total expenditure for internal improvement, deducting the canal land.

In North Carolina the *tax for State and county* is *one cent* on the hundred dollars. In Kentucky *ten cents* in Virginia *eight cents* in Connecticut *ten cents*. In Ohio, the most heavily taxed state next to ourselves, it is nominally *one dollar and forty cents*; but in reality at her former governor in his message informed us, about *thirty-five cents* for state and *county purposes*; while in Indiana, that tax, averages about *forty cents* in the hundred dollars, over the entire counties of the State.

Upwards of three-fourths of our ad valorem State tax goes for the support of Internal Improvement; for a tax of seven and a half cents with the poll tax would over pay the current expenses of our State Government.

until they themselves shrank alarmed from the prospect of accumulating debt, before their territory that United States Bank which the people of America had discarded; for the poor sake of bonds opportunity offered by that institution to relieve her growing embarrassments. Let us read, in her, a wholersome lesson! The first step to dishonesty in an individual is a habit of profuse expenditure not justifiable by his fortune. The first step to public profligacy in a State is the incurring of debts beyond the limits of her resources. Men, and States; do many things under the pressure of want, which in days of better fortune, they had scorned, even to think of. In public as in private affairs, economy is the surest safe-guard of integrity. This is one of the weightiest reasons against an extensive system of Public Debt, commonly evincing in national embarrassments. It is a prudent prayer not to be led into temptation!

But the difficulties from which Pennsylvania, by such expedients, sought to relieve herself, were light, compared to those that await Indiana in the course she has been pursuing, and under the management she has been subjected.

Pennsylvania's entire system of Internal Improvement is, hardly, if at all, more extensive than that which we have projected. It will be completed for less than thirty millions of dollars. Add to this, that it is far more likely to be productive; inasmuch as the chief works which compose it form the great lines of communication between the Atlantic States and the Western Country. But the taxable property of Pennsylvania is *nearly seven times greater* than that of Indiana; and thus a schema of Public works to cost *one hundred and fifty millions* would be smaller, compared to the present wealth of Pennsylvania, than Indiana's system compared to the resources she can command to day.

In vain, then, do we look for precedent to encourage us. We find none. From the consciousness of our young growing energies, from the elastic spirit and checkless enterprise of our citizens—from a fast flowing tide of emigration and a rapidly swelling fund of taxable wealth—but above all, from a bold and radical reform of our entire state policy, and a thorough and immediate retrenchment of our public expenditures—from these and similar sources alone, may we derive a well-grounded hope of the future prosperity of Indiana. We may furnish, in our rash career of enterprise, a brilliant example, but assuredly we shall follow none.

The gigantic scheme of which we have here traced the extent, has never yet been made a strict party question in Indiana. Some Democrats have contended and voted for the measure. Some Whigs have contended and voted against it. Truth demands this admission.—And party that would falter in making it, because it might seem for the time being, expedient to represent it otherwise, would build their future hopes on a sandy foundation; they would lose, and deserve to lose the confidence of the people.

We admit, then, that the support of our system, even to the present day, has not been exclusively Whig. We admit, that some Democrats, instructed their representatives to vote with the Internal Improvement Party. We admit further, that the views, even of many Democrats, who now see how clearly, how rashly we have involved ourselves, have been essentially changed, and gradually matured, as experience disclosed the character and extent of the system that has involved us. From the severe lessons of experience, our best and soundest principles of policy have ever been derived.

But while truth and justice demand these admissions, they demand also, a further statement of important facts: The schema of Internal Improvement now, the leading feature in the State policy of Indiana, was first conceived and executed, and has been carried on, even until now, under the almost exclusive management of the self-named Whigs. They decided its character and extent. During its birth and entire progress, they have not only filled the Executive chair and chosen the presiding officers of both Houses, from their own ranks, but the chairman of every important committee of the Legislature, especially that of canals and Internal Improvements, have been uncompromising whigs. The executive officers of the system, too, have been selected with rare exceptions, from the same party.

For the original projection, then, of the system, and for its entire management, the whigs are, and of right ought to be, strictly responsible. Others followed the current; but they first opened the floodgates; others acquiesced, but they directed its course.

And blindly and wildly have they directed it through all its devious windings! If some hindrance did restrain, as to the rashness of the idea, it was commonly adopted throughout the state, incorrectly however, that that was the original *estimate* of the system. The estimate was about sixteen millions; and though considerably below what is now admitted to be the actual cost, is not more so than such *first*, rough estimates usually are; especially when the great increase of the cost of labor and provisions within the four last years, is taken into account.

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The total amount of Indiana state bonds sold up to the 31st December, 1839, by the last statement of the fund commissioners, (including half a million of bank bonds, which were to have been returned by the Morris Canal Company, and four hundred and fifty-five thousand dollars conditionally sold for the Madison Railroad) is \$1,019,000; upwards of *sixty million* dollars. The amount spent in surveying and locating the various works cannot be accurately obtained from any of the reports, as it has been merged in the general cost of construction. It is roughly estimated by the chief engineer at about three hundred and fifty thousand dollars.

These various items are given chiefly in round numbers, partly for the sake of easy reference. But the total work done is, as shown in a former note, about *seven millions*; and of this \$611,000 is still due to our bank, and upwards of a million and a half which is still unpaid.—Consequently, there has been paid out less than five millions and a half; showing that upwards of *three millions* of dollars actually loaned by the State of Indiana, and for which her

work completed, no, nor approaching completion, if we except the Wabash and Erie canal, which has a separate land fund for its construction, and was no part of the system of 1836.—The work done is dotted, in detached portions, all over the state. It is unprofitable and unproductive, indeed for the most part, utterly useless, until millions more are spent, to connect these detached portions. And, as if to fill up the measure of mismanagement, after incurring that great debt, we find our contractors and their laborers knocking at the door of our capitol, and demanding, not relief or extra allowances, or indulgence, but only their just and legal dues; and demanding these in vain! A melancholy example does the situation of these men furnish, how, by the misrule of a few years, a state may be reduced to the humiliating necessity of seeing her agents and workmen become bankrupt before her eyes, for the lack of those wages, honestly earned, which she, with millions due to her, has not yet, for the present, the means to pay.

Such are the circumstances under which the Democratic party has received, from her political opponents, the reins of state government.

Let us, then, clearly distinguish our position. A celebrated writer has said, that "the lives of the best of us are spent in choosing between evils." (This is in an especial manner, the present situation of the democratic party in Indiana.) It is not for them to decide, whether the state shall undertake, or shall not undertake, an internal improvement system. It is not at their option now to determine, whether Indiana shall incur, or shall not incur, a debt of millions to foreign capitalists. Before they came into power the deed was done. And, let the democratic party act as they will, they will choose an evil still. Let them act as they will, some portion of our citizens will probably be dissatisfied with the action. For men are too apt to forget, that the errors of years cannot be corrected in a day; and to retreat from a position of danger and difficulty with safety and honor has ever been considered the severest test of accomplished generalship.

Let us be reminded of an angelic preserver by an eloquent revolutionary writer. At the time when the question of separation from Great Britain was fiercely agitated, a Tory, who kept a tavern at Ambry, in New Jersey, was standing at his door holding a pretty boy by the hand, and concluded an agreement in favor of his opinion by saying: "Well, let me have peace in my day!" "Not a man on the continent, (such is the reflection of the writer alluded to) not a man on the continent but believes, that a separation must eventually take place; and parent with any pretence of generous feeling would have said: 'If there must be trouble, let it be in my day, that my child may have peace'."

Does not the lesson come home to us! Does it not apply to our own case, even more strictly than that of the oppressed colonists? The threatened war was not of their seeking. It was brought about by no impudence or misconduct of theirs. If it was their duty to save their offspring from its impending evils, far stronger is the obligation upon us, to bear in our children's stead, the consequence of our own voluntary act. If we have been blindly imprudent, let us not in addition, be selfishly unjust.

Let us open our eyes, then, upon our real situation. What a man says, that also must be reaped. Our state has engaged in a project of uncertain profit. She has borrowed millions and spent them in a doubtful enterprise. If she perseveres in that enterprise, to render any considerable portion of it productive, she must borrow and spend millions more. Even then the returns may be slow and the profits slender. If they should be, she must like other unsuccessful projectors, pay the penalty of her imprudence.

It does not come within the purpose of an address like the present, to enquire by what immediate expedients the urgent demands of the public creditors may be satisfied, how to decide between the various plans that have been suggested, to raise funds for the purposes of the moment. These and similar questions, it is the peculiar province of the legislature to discuss and determine.

But another enquiry of broader import and more general character still remains to be solved. It is this: How shall we effectually prevent a repetition of the evils under which we are suffering to day?

Perhaps we cannot better or more forcibly reply to this question than in the following extract from the message recently delivered by our Chief Magistrate; that man for whom, in November next, we expect to cast our votes.—President Van Buren says:

"Our people will not long be insensible to the extent of the burdens entailed upon them by the false system that has been operating on their avaricious, energetic, and indolent character; nor to the means necessary to extricate themselves from the embarrassments. The weight which presses upon a large portion of the people and the states, is an enormous debt, foreign and domestic. The foreign debt of states, corporations, and men of business, can scarcely be less than two hundred millions of dollars, requiring more than ten millions of dollars a year to pay the interest. This sum has to be paid out of the exports of the country and must of necessity cut off imports to that extent, or plunge the country more deeply in debt from year to year."

It lies of the comforts which it now brings us, we might have our gigantic banking institutions, and splendid, but in many instances, profitless, railroads and canals, absorbing to a great extent, in interest upon the capital borrowed to construct them, the surplus fruits of national industry for years to come, and sucking to posterity no adequate return for the comforts which the labor of their hands might otherwise have secured.—It is not by the increase of this debt that relief is to be sought, but in its diminution. Upon this point, there is, I am happy to say, hope before us; not so much in the return of confidence abroad, which will enable the states to borrow more money, as in a change of public feeling at home, which prompts our people to pause in their career, and think of the means by which debts are to be paid before they are contracted. If we would escape embarrassment, public and private, we must cease to run in debt, except for objects of necessity, or such as will yield a certain return."

And again: "By ceasing to run in debt, and applying the surplus of our crops to the discharge of existing obligations, buying less and selling more, and managing all affairs, public and private, with strict economy and frugality, we shall see our country soon recover from a temporary depression, arising not from natural and permanent causes, but from those I have enumerated, and advance with renewed vigor, in her career of prosperity."

Never did advice come more opportunely and appropriately, than does this to us. If the message had been prepared expressly for the state of Indiana, the recommendation could not have applied more forcibly to her present situation. The people of Indiana have an opportunity, at the coming election, to enforce this policy, if they see fit, by a constitutional guarantee. The eighth article of our State Constitution provides, that every twelfth year from the period of its adoption, at the general election held for Governor, there shall be a poll, in which the qualified electors of the state shall express, by vote, whether they are in favor of calling a Convention or not; and if the appointed term comes round, it will not occur again for twelve years. Now, though prudence dictates, that a door to innovation in existing laws, and more, especially in an established Constitution, should not be opened for light cause, yet emergencies occur, from time to time in public affairs, which renders such inactions not only a prudent act, but an imperative duty. Should the Democracy of Indiana, after duly weighing her present situation, decide, that such an emergency now exists in our State, should they believe that nothing less than a constitutional check can effectually restrain the giant strides of the modern Funding system, they will vote for a Convention, and then instruct their Delegates to erect, in the shape of a restrictive amendment to the constitution, a fixed barrier against imprudent public loans; such, for instance, as that recommended by Thomas Jefferson, "never to borrow a dollar, without laying a tax on the same in state for paying the interest annually," and to declare that tax pledged to the creditors on this public faith.

Such a constitutional provision as this would restrain, in an appropriate manner, the profligate system of Public Credit, which has become the fashionable folly of the day. It would act by informing Public Opinion, and bringing that great curse directly to bear upon the abuse. It would prevent the possibility of contracting a loan without instantly apprising the people, by a demand on their pockets, of the extent of the debt incurred, and the burdens produced by incurring it. It would cause the consequences of the act to follow it, on the moment. The People, through the ballot-box, will do the rest.

An additional argument in favor of such a restraint, is to be found in the migratory character of our population. Thousands who are here to day may depart for the Far West to-morrow; and thus, if the day of reckoning to the debt, may escape its consequences. But independently of these considerations, it is a sound principle in political affairs as in criminal law, that punishment, to be effectual, should tread close on the heels of the offense.

The adoption of such a restrictive clause would be a fitting reply to the charge of our political opponents, when they arraign us as conspirators against all order and enemies to the interest of commerce. It would supply the proof by deeds which are better than words, that we desire to restrain and regulate, not to upset and destroy.

And, assuredly, in private as well as public affairs, very much does our system of credit require restraint and regulation. In excess, credit becomes a social element of a character the most aristocratic. It builds up families of patricians and creates relations of servility. It encroaches on its dependence of action, and endangers the freedom of suffrage itself. When the entire financial interest is now involved in heavy debts to the country merchants, there is temptation for these to exert beyond the limits which Democracy prescribes, the influence of a creditor's situation.

Nor is this all. An excessive system of credit is a tax, heavier than any state tax in the Union on the industry of the People. A retailing merchant could better afford to sell for cash at half his present profits, than to incur the delay and expense and risk of a credit, extending through a whole year, even at the exorbitant price of one cent, now commonly added to the price of goods that are sold to the tradesman and the farmer. The purchaser, then, actually loses, under the present system of credit, a sum equal to the entire profit which, under a cash system, would satisfy the merchant; not less probably on the average, than twenty-five per cent, on the amount of every store account that is run up, in these Western States. And one important feature of the System, which still more strongly demonstrates its inexpediency, is, that the responsible and industrious pay for the idle and improvident. The bad debt incurred by those who never pay must be made up by an increased price levied upon those who honestly fulfil their obligations.

But again: setting aside mere pecuniary considerations, however important, he shall estimate the injury to the morals of a People, who contract a habit of carelessly incurring debts, on remote and uncertain chances of finally discharging them!—Promises continually renewed are continually violated. The most conscientious are forced, by want of punctuality in their neighbors, to become unprincipled themselves; until the lives, even of responsible men, become a series of temporary shifts and daily expedients.

Among the pioneers of an infant settlement, such a system, perhaps, is unavoidable; and in all new countries credit is more urgently required than in older States. Everywhere, a moderate degree of credit has its advantages. But with us, at our present stage of progress, an excessive credit system is becoming daily more injurious and less necessary. At the liberal prices now offered for produce and labor, there are few of our citizens who are not, independent enough, in their circumstances, or by a year or two's prudent management may readily become so; to obey the injunction, which bids us owe no man any thing save only neighborly friendship; instead of becoming, year by year, more hopelessly entangled by accumulating debt.

At the same time, then, that we suggest, as a democratic measure, a constitutional curb to a system of Public Debt, we recommend, as a concomitant reform, not less important nor less democratic, a gradual return from our system of unbounded private credit. This is the more necessary, as it will require careful economy and strict management in all our business relations, to enable us to encounter the heavy taxes, and the hard times which an opposite system has already entailed upon us.