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Historical Background of the Restrictions Against State Debt in the Indiana Constitution of 1851

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One of the more significant provisions of the present constitution of Indiana is Section 5 of Article 10: "No law shall authorize any debt to be contracted, on behalf of the State, except in the following cases: To meet casual deficits in the revenue; to pay interest on the State debt; to repel invasion, suppress insurrection, or, if hostilities be threatened, provide for public defense."[1]

These restrictions are probably unwise but their inclusion in the Constitution of 1851 stemmed directly from Indiana's experience with the Internal Improvements System of 1836 and the catastrophic fiscal consequences which resulted therefrom. Such limitations on state legislatures are characteristic of the state constitutions formed at mid-century under the spell of Jacksonian Democracy.[2] Indiana's experience with her internal improvements debt differed only in degree from the experience which Ohio, Illinois, and Michigan had with

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1 Charles Kettleborough (ed.), *Constitution Making in Indiana* (3 vols., Indianapolis, 1916, 1930), I, 352. These are volumes I, II, and XVII in the Indiana Historical *Collections.*

2 Francis N. Thorpe (ed.), *The Federal and State Constitutions . . .* (7 vols., Washington, 1909). Constitutional restrictions in the contemporary constitutions of Ohio, Illinois, and Michigan, may be found respectively in V, 2925-2926; II, 1020-1021; IV, 1962-1963. Frederic L. Paxson's "A Constitution of Democracy—Wisconsin, 1847," in the *Mississippi Valley Historical Review* (Cedar Rapids, Iowa, 1914-), II (1915-1916), 3-24, indicates the role of Jacksonian democracy on such constitutions. See especially pages 3-5.

the same problem.[3] These three states, and many others, also have constitutional restrictions against state debts.

We are conditioned to thinking in terms of millions of dollars when viewing state finances and of billions when considering federal revenues and expenditures. This makes it almost impossible for us to comprehend the limited expenditures and revenues required to support the territorial and early state government. The total cost of the territorial government, during the sixteen years from its establishment, in 1800, until statehood in 1816, averaged less than ten thousand dollars yearly and approximately two-thirds of this amount was provided directly from the federal treasury.[4] During the first decade of statehood it cost about twenty-five thousand dollars annually to operate the state government, while the average yearly cost increased to about one hundred twenty thousand dollars by the mid-thirties, including expenditures arising from the sales of land received from the federal government as subsidies for various purposes. The annual reports of the state treasurer have not been carefully analyzed and tabulated for the mid-thirties but it is roughly estimated that the "ordinary" expenses of the state government which were provided by landholders and citizens of the state did not exceed a maximum of seventy-five thousand dollars annually.[5] The preceding totals and estimates for territorial and state expenditures do not include the costs arising from local government.

These very limited expenditures are merely an index of the meager economic, political, and social resources of frontier Indiana. Indiana was a debtor area and its people were engaged in the laborious and exhausting task of conquering their physical environment. Further explanations

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[3] R. Carlyle Buley, *The Old Northwest, Pioneer Period, 1815-1840* (2 vols., Indianapolis, 1950), chapters 7 and 8 of volume I, and chapter 12 of volume II.

[4] Donald F. Carmony, Indiana Public Finance, 1800-1826 (Ph.D. dissertation, department of history, Indiana University, Bloomington, Indiana, 1940), chapter I. Also the author's "Indiana Territorial Expenditures, 1800-1816," *Indiana Magazine of History* (Bloomington, 1905-), XXXIX (1943), 237-262.

[5] Carmony, Indiana Public Finance, chapter IV. See table following page 155 for summary of expenditures during the first decade of statehood. For expenditures at the mid-thirties see annual reports of the state treasurer: *Journal of the House of Representatives of the State of Indiana, 1834*, pp. 69-78; *Journal of the Senate of the State of Indiana, 1835*, pp. 53-64; *ibid., 1836*, pp. 61-70.

for these exceedingly small expenditures are to be found in the low price level, the meager population and the fact that the role of government was in accordance with the laissez-faire traditions of Adam Smith and Thomas Jefferson. From the establishment of Indiana as a separate territory in 1800 until the adoption of the Internal Improvements System in 1836, Hoosier revenue payers provided considerably less than one million dollars to finance the territorial and state government. Direct appropriations from the federal treasury and liberal subsidies through land grants loomed large in the fiscal affairs of the frontier commonwealth. New Dealers increased and made new uses of federal subsidies; however, federal subsidies were gratefully accepted by the early Hoosiers who often complained that the federal government could and should do more to foster and support internal improvements and other desirable projects for improving their economic status.

If the expenditures for internal improvements be measured against this background, and with general regard to frontier conditions, their magnitude becomes apparent. To understand the internal improvements muddle and the resulting constitutional restrictions against state debt we must look back from 1851. Comparison with our present state finances will blind us to the realities and limitations of the half century preceding the adoption of the 1851 constitution. Historians continue to argue whether history really teaches men anything; certainly the debt restriction section of our constitution is ample evidence that historical experience at least greatly influences human conduct and policy.

The frontier faced many problems. Perhaps the basic economic problem was that of transportation. Until arteries of transportation could be developed it would not be possible to exchange the surplus produce of the soil for imports or dollars necessary to pay for land, establish business, support government, build roads and canals, raise the standard of living and bring about gradual improvement in the social and cultural life of the pioneers. It was natural that an isolated and debtor society should bend its efforts toward solving the all-important transportation problem.

Under these circumstances the attempts to improve conditions of transportation were perhaps discussed with as much interest and intensity during the two decades between 1816 and 1836 as any other subject in any two decades of our history as a state. Every message of every governor during this period mentioned internal improvements. Committees of the assembly studied the problem and made numerous reports with increasing vigor and enthusiasm in the 1830's. Newspapers included many articles concerning the need for the improvement of river travel, for better roads through the forest, for better methods of road building, and watched with interest and growing absorption the building of canals, roads, and railroads in other states. The pro and con of railroads versus canals was debated and as the internal improvements movement gained momentum it swept the Hoosiers with greater intensity and with more permanent effects than some of the agues and fevers which took a heavy toll among the pioneers.

It was generally agreed that something should be done and for years they talked about "the system," and although there was Clay's American System, the movement for a system of common schools, and other "systems" yet "the system" meant internal improvements by the 1830's as clearly as "the revolution" means the revolution of the 1790's to a Frenchman. But how could a debtor society which lacked available funds provide such a system and what would be the results of the proposed system? Some thought that the federal government should build at least the national arteries for river and land travel but the policy of Andrew Jackson in the early 1830's made it necessary for the states to assume primary obligations for building internal improvements if such were to be provided by governmental action. Even so it took some time for Hoosiers, even some of the Democratic leaders, to realize that appropriations from the federal treasury for improvement of the "noble Wabash" were also scheduled for the discard so far as Old Hickory was concerned. During the twenties the federal government started the National Road across Indiana, approved a grant of land to build a road from the Ohio to Lake Michigan via Indianapolis, and made a liberal grant of land to finance the building of the Wabash and Erie Canal. The latter was expected to provide continuous navigation from the Wabash through Lake Erie and thence by way of the Erie Canal down the Hudson to New York City. Meanwhile, Indiana opened many highways for land travel, assisted by the three per cent fund received from the federal government. River traffic via flatboat, keelboats, and steamboats was of great importance but the flatboat trade took Indiana's surplus to the southern markets. The "system" was designed to connect Indiana with eastern markets where prices were higher and a better selection of goods could be exchanged for the products of the soil.[6]

As early as 1822, Governor William Hendricks, in addressing the assembly, rather safely said: "Let us not lose sight of those great objects, to which the means of the state should at some future day be devoted—The Navigation of the falls of the Ohio—the improvement of the Wabash, the White rivers, and other streams, and the construction of the national and other roads through the state. But to these objects, great as they are, the fostering hand of government cannot be extended, while its finances are embarrassed by a state debt."[7]

In 1825, New York successfully completed the Erie Canal and Ohio began the construction of two important canals. The internal improvements fever was moving westward and it was easily caught by the Hoosiers. On November 18, 1825, the Lawrenceburg *Indiana Palladium* reported the following toast as having been given at a public meeting: "The Fair—while they cultivate their *external* graces, may they not forget that the spirit of the age is in favor of *internal improvement.*" Early in 1825, John Ewing reported from a select committee of the Senate: "The statesmen and philosophers of the age, have exerted their best faculties to establish the theory and the practicability of this system [internal improvements by canals], combating in their progress, ignorance and prejudice, timidity and heedlessness, in all variety of forms. They have moved fearlessly on, demonstrating by successful experiment its importance and advantages. . . . The scintillations of these mighty geniuses . . . have visited every hemisphere, and the benign influence will continue to unfold and expand the beauties of a God of nature, and the

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[6] Carmony, Indiana Public Finance, chapter VIII, discusses the transportation problem of the early Hoosiers and reviews the early discussion about and also efforts of the pioneers to find partial solutions. Such information is also found in Logan Esarey, "Internal Improvements in Early Indiana," in Indiana Historical Society *Publications* (Indianapolis, 1895-), V (1912), 2, especially chapters 1 and 2.

[7] *Journal of the House of Representatives of the State of Indiana, 1822*, p. 88.

mysteries of political economy, until the *Danube* like the *Nile*, the *Mississippi* like the *Thames*, and the *Wabash* like the *Hudson*, shall exhibit one great theatre of splendid and successful exertion. . . . No part of the Union has a greater interest at stake in the final success and accomplishment of this system, than the state of Indiana, and . . . greater facilities for, or prospective advantages from internal improvements, are no where to be found."[8]

The next year Governor James B. Ray gave much consideration to internal improvements in his annual message and in his grandiloquent and flowery style pointed to the outlet through Lake Erie as the best "to reduce western produce into money." The governor predicted that Indiana would sustain a population of ten million and shortly Indiana's granary would be overflowing and wasting for lack of a market outside the state. Indicating an awareness of the vital role of transportation Ray continued: "It is evident that the settlers of a new country, must be subjected to many privations and a heavy indirect tax, imposed upon them by the rude deformity of surrounding nature. . . . Although this kind of a tax [transportation costs] exceeds ten times the amount which is yearly paid for the support of the government, yet it appears that it has escaped with less consideration, and more indifference. . . . *The rough appearances of nature, must be overcome, and made to yield to human enterprize. Our waters must be imprisoned in new channels, and made to subserve the essential purposes of commerce.*" In concluding the governor exhorted: "Whilst our sisters around us are rearing eternal monuments of their energies and public spirit, we have looked and admired, but have been too timid to imitate!!!" In spite of this florid oratory the governor was cautious about recommending specific steps to be taken but did urge that further attention be given to the improvement of the roads.[9]

By the mid-thirties the state was reaching the peak of a decade of prosperity. Population and resources had greatly increased having jumped from about seventy-five thousand when statehood was achieved to approximately one hundred forty-seven thousand in 1820 and then more than doubled

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[8] *Journal of the Senate of the State of Indiana, 1825*, pp. 168-169.

[9] *Journal of the House of Representatives of the State of Indiana, 1826*, pp. 41-45.

during the twenties to reach about three hundred forty-three thousand in 1830. By 1840 the population totaled over six hundred eighty-three thousand. In 1832 the Wabash and Erie Canal was begun and advocates of internal improvements prepared for an early inauguration of a system of railroads, roads and canals which would bring the markets of the east to the farmers and townsmen of Indiana.

In 1834, Governor Noah Noble, a Whig, indicated to the assembly the kind of financial magic which he thought would make it possible to build the system by tapping the available and painless resources which would flow from appropriate use of public credit: "Since the beneficial policy of engaging in public works for the advancement of the agricultural and commercial interests of the country has been so frequently and clearly demonstrated, and while our credit is justly such as to command any amount of capital at an interest of five per cent. or less, no good reason can be assigned why we should longer hesitate to follow the successful examples of other States. New York, Pennsylvania and Ohio had, at the commencement of their works, which have enriched their citizens . . . but little more means or resources than their public credit. . . . The money thus procured . . . immediately benefitted the people by being thrown into circulation in payment for labor, materials and subsistence, and as soon as the works were completed, the people and the States were repaid many fold by the increased demands and higher prices for their produce; by the activity imparted to every branch of industry, and by the enchancement [*sic*] of the landed property of the country. The additional value alone of the lands in the district of the country intersected by the Miami Canal in Ohio, far exceeds the cost of construction. The actual wealth of a state or nation, does not consist of the sums hoarded in the Treasury, but in the wealth of the citizens and their ability to pay whenever the exigencies of the Government make contributions necessary. The Treasury of a well managed Government, is the pockets of the people, in which something should be placed by wise legislation, before much is required."[10]

The *Indiana Journal*, principal Whig organ of Indiana, indicated that the spirit of internal improvement was abroad in the land: "It remains for the people of Indiana to say

[10] *Ibid., 1834,* p. 14.

whether we shall fall behind our sister states in public spirit and enterprize. So far as we have had an opportunity to mingle with the people we have found them prepared for the commencement and energetic prosecution of a liberal and judicious system of internal improvements. Our state needs nothing but outlets, by means of canals and railroads, to make her a populous, wealthy, and influential member of the confederacy."[11]

Early in 1836 the mammoth internal improvements system was approved. The *Indiana Journal* without waiting for the governor to sign, or for the two houses of the assembly to iron out the differences between the bills which had passed their respective houses, gleefully announced: "On Saturday night Indianapolis was most brilliantly illuminated as a manifestation of joy for the passage of the bill. The only cause of regret . . . is the fact that a respectable portion of the members of both houses . . . felt constrained to vote against the bill on the ground that equal benefits are not extended to the whole state." The *Journal* then prophesied: "We doubt not that population and capital will flow into our state, in consequence of this bill, with a rapidity hitherto wholly unexampled, and we believe many of the present generation will live to see Indiana the third state in the confederacy."[12]

Later the *Journal* received a report concerning the celebration at Peru: "No sooner did intelligence of the passage of the General Internal Improvements Bill reach us, than the expression of general joy was manifested by the symultaneous glow of light from every house, hamlet, and shantee, within the town and vicinity, presenting one of the most beautiful illuminations we have ever witnessed. . . .

"From a spot where but twelve months ago, little else was to be seen save the dense wilderness and the red man of the forest, now sending forth streams of light from at least one hundred houses, accompanied with the cheer of civilization, none could fail to foster and cherish the most lively hopes, for the future of a town so flourishing as Peru, on an occasion like this."[13]

Dr. R. Carlyle Buley, who has spent many years in a study of the Old Northwest, stated: "Passage of the law was

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[11] Indianapolis, *Indiana Journal*, August 28, 1835.
[12] *Ibid.*, January 19, 1836.
[13] *Ibid.*, February 13, 1836.

celebrated from one end of the state to the other; other states hailed the enterprise and spirit of Indiana. Enthusiastic advocates of the 'System' had promised that not only would no additional taxes be necessary, but that soon the tolls and receipts would provide the state with revenue for all purposes. Few people seemed to note that the young state had voted itself a program far beyond its means."[14]

Whigs and Democrats vied for popular favor in their support of the system. During the ensuing annual session of the legislature some in both parties made strenuous efforts to broaden the system to include some neglected parts of the state. When failure came, and the inability to pay principal or interest haunted the taxpayers, the Democrats made effective efforts to blame the Whigs for the financial ruin which existed in stark contrast to the promised arteries of commerce with revenues therefrom sufficient to provide for upkeep, payment of debt, and perhaps even allow a surplus for ordinary state expenditures.

Possibly the most effective pen among the Democratic editors in the 1840's was that of E. W. H. Ellis, editor of the Goshen *Democrat.* Ellis reviewed the flattering promises of improvements past local doors to transport produce and roll back a tide of wealth. Ellis was partisan as he poured forth his satire against the Whigs: "But what have we instead? Half-finished canals, which will not pay for keeping themselves in repair—detached portions of railroads—dilapidated bridges—here and there a straggling frog pond, whose dismal echoes seem to forebode the wreck and ruin of which they are the monuments; and these are the riches of Indiana!" Editor Ellis pinned the responsibility upon the Whigs, and with his eye toward the state elections for the ensuing August, asked: "CHANGE! CHANGE! Is it not time for a change? Can our situation not be bettered?—Of what use is it to plod on in the old beaten path, and sink deeper at every step into the yawning gulf of ruin. For twelve long years have the Whig party had possession of Indiana. They found her in her virgin beauty, the pride of the Western forests. Her hardy yeomanry were free and independent. Her rich soil teemed with valuable products, and the husbandman received a rich reward from her toil. But they beggared her—they ruled and they ruined her—they piled a debt mountain high

[14] Buley, *The Old Northwest,* II, 262.

upon her—they crushed her energies—they sapped her credit, and they gnawed like hungry dogs at her vitals."[15]

The failure of the system and the resentment of the electorate was the most important single factor leading to the landslide victory of the Democrats in the election of a governor and state assembly in 1843. The stigma attached to the failure of the internal improvements system was a basic reason the Whigs never regained political control in Indiana.

During 1846 and again in 1847, approximately a decade after the system had been adopted and commenced, the assembly approved legislation which brought about an understanding with the state's creditors and a plan for debt settlement. The Butler bills, as the legislation was called after Charles Butler who carried on the negotiations on behalf of many of the creditors, provided that the Wabash and Erie Canal should be given to the creditors as payment for one-half of the debt due. A definite plan was arranged for payment of principal and interest on the remaining debt. It was a compromise arrangement which salvaged as much for the creditors as it appeared possible to secure and made it possible for the state to begin the long process of debt liquidation.[16] Some creditors were dissatisfied with the arrangement but they either agreed or were forced to make the best of the legislation. Eventually in 1873 a constitutional amendment was adopted to make certain that no further claims be paid except as agreed to in the Butler bills.[17]

In 1849 there was a constitutional referendum regarding a proposed convention to revise the constitution. In the agitation arising over this referendum many, both Democrats and Whigs, insisted that if a new constitution be framed there must be strict limitation against another state debt. Schuyler Colfax, Whig editor at South Bend and later vice-president under Grant, thought there should be no important debt except by vote of the people. Colfax explained: "The past history of our State is the best argument in favor of this amendment."[18]

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[15] Goshen, Indiana, *Democrat*, February 23, 1843.

[16] *Laws of Indiana, General, 1845-1846*, pp. 3-18; *ibid., 1846-1847*, pp. 3-38. See also Esarey, "Internal Improvements in Early Indiana" in Indiana Historical Society *Publications*, V, 130-155, concerning the Butler bills and subsequent negotiations.

[17] Included in the present constitution as Article X, Section 7.

[18] South Bend, Indiana, *St. Joseph Valley Register*, March 1, 1849.

In the election of delegates there was common agreement that provision should be made which would prohibit another state debt for internal improvements and allied purposes. By this time it was rather common to blame the legislature for the internal improvements debt and a number of delegates took the doubtful position that there would have been no fiscal debacle had the legislature not deceived and misled the people. Politicians who follow the will of the people are often blamed by the electorate if that which is done backfires!

A few quotes from the discussion in the constitutional convention of 1850-1851 will show the atmosphere in which the debt restriction section was adopted. The atmosphere is in extreme contrast to the optimistic and bouyant spirit which pervaded the utterances of political leaders in the mid-thirties.

Daniel Read, a professor at Indiana University and a Jacksonian Democrat, not only wanted to make it impossible for the assembly again to make such generous use of the state's credit, he also wanted to make certain that thereafter business be in private hands and not in the bungling and wasteful hands of the state. Read stressed: "If there is a single proposition settled beyond all manner of controversy, by every principle of sound reason, by experience all over the world, and more especially by experience of our American States, it is this, that government should not in its own capacity, nor by a partnership with individuals, become an agent in business operations, except so far as required for the mere purposes of government." Turning to Indiana, Read stated: "In the grand aggregate of State indebtedness, Indiana comes in for her full proportion. No less than twelve millions fell to her lot; an amount equal to a twelfth part of all the present taxable wealth of the State, and, at the time it was contracted, equal to an eighth of it. After that terrific crash of State credit, which broke upon the country, in which public and private credit was prostrated, and individuals and communities were alike overwhelmed, had in some measure passed off, men began to reflect and soberly inquire what can be done to prevent similar ruin in the future.

"The great remedy which has been devised, is so to change the State Constitutions as to take away from the Legislatures the power again to involve the State credit. Mainly with a view to provisions of this kind, State after

State has changed its Constitution, and other States are now engaged in the work." Read was in favor of cutting "Off all power to create State debt, except in the case of public defense." Moreover, "Public debt is a hydra-headed monster, which is always springing forth in some new form, and under some new pretext. Cut it off in the nation,—straitway, it shoots forth in the States—cut it off in the States—it comes forth in the counties—cut it off in the counties—and it steals forth in the form of town or city bonds."[19]

Delegate Colfax wanted to make the constitutional restriction as definite as possible, explaining: "When we look back upon the scenes of excitement through which our State has passed—when we remember that so enthusiastic were the people in favor of the mammoth system, that they would as heartily and as strongly, and as overwhelmingly have voted for its adoption at the polls, as did their Representatives in the Legislature, it does seem as if, now in our cooler moments, with the results of that infatuation in full view before us, we should so act as to prevent, if possible, their repetition. Let us resolve, and place it in this instrument beyond repeal, that no more State debt shall hereafter be created upon any pretext whatever. . . .

"And, as we have suffered more than other States from the results of imprudent debt, which still hangs over us, impairing our prosperity, and impeding our progress and advancement as a State, let Indiana be the pioneer in the adoption of this new Constitutional principle, and become, in this respect, a model for others to follow."[20]

Some delegates wanted to restrict the legislature but allow a popular referendum to make the final decision regarding the creation of a state debt, but Robert Dale Owen, son of the founder of New Harmony, agreed with Colfax that this would not have prevented the financial disaster arising from the internal improvements system. Delegate Owen stated his views: "Few men have more confidence in the people than I; but it is not my opinion that the people never decide wrong. Unquestionably they do sometimes. In 1796 the people rejected Thomas Jefferson as President, and elected John

[19] *Report of the Debates and Proceedings of the Convention for the Revision of the Constitution of the State of Indiana* (Indianapolis, 1850), I, 645, 647.

[20] *Ibid.*, I, 653.

Adams; while in 1800 they rejected Adams and elected Jefferson. They could not very well have been right in both cases.

"In the sober second thought, in the well considered judgment of the people, I have complete confidence; but they are often impulsive, and sometimes mistaken, as may happen to each one of us. In a time of excitement they may do, in haste, that of which they will repent at leisure. This would be assuredly the case, if the people were ever again to involve the State in an enormous public debt, for the prosecution of a system of internal improvements." According to the debates a voice interrupted Owen asking him to name things which the people have no right to do. Owen answered: "One generation of men have no right to impose burdens upon the succeeding. One generation of men have no moral right to contract a public debt so vast that the next generation, and perhaps that which follows it, shall be loaded down with taxes, to discharge the interest and repay the capital. They may, indeed, do this thing. They may obtain the money and spend it. Many States and nations have done so. But it is not morally right on that account. Wherever it has been done, it has been done wrongfully."[21]

Many quotations could be mustered from the two thick volumes of debates which record the deliberations of the delegates to the constitutional convention of 1850-1851. Various shades of opinions were presented but there was a substantial majority who supported severe restrictions against state indebtedness. John Pettit, a delegate who believed it would be mockery for the legislature to "draft laws and submit them for adoption by the people at the annual election," reviewed Indiana's plight and urged constitutional restrictions against state debt as the remedy: "I am utterly opposed to the creating of a public debt which was contracted under an excitement unparalelled in the history of the country. . . . By producing a state of feverish excitement, a measure can be carried at the polls, for borrowing any amount of money. I am for restriction. A burnt child dreads the fire—and this State has been most dreadfully burned in this regard. What is the position of Indiana to-day. . . . She has no name except for an almost abandoned public faith and ruined public credit. She has walked to the brink of repudiation and lasting disgrace.

[21] *Ibid.*, I, 674.

"Instead, then, of allowing any opportunity for a future Legislature to contract another public debt, insert a positive Constitutional prohibition against it in every possible form and shape; redeem the honor of the State, free her from the disgrace abroad and the embarrassment at home, of a public debt of twelve millions. This is what the people demand."[22]

In 1851 the new constitution was submitted to the people at a popular referendum and overwhelmingly approved.[23] The restrictions against state debt were generally considered as desirable and wise. In an address to the people, authorized by the convention and distributed among the voters during the ratification contest, the restrictions against public debt were reviewed and the comment made: "Had this provision, brief and simple as it is, been inserted in the Constitution of 1816, it would have saved the State from a loss of six millions of dollars. Upon that sum we are now paying, without any return, some three hundred thousand dollars of interest annually; that is, about eight hundred dollars a day; more than enough to maintain in perpetual session . . . such a Convention as that which has been engaged, for the last four months, in framing a constitution, which shuts out for the future, all possibility of similar folly."[24]

No doubt we will generally agree that in the long run the political ability and maturity of a people, or lack of the same, are more basic in the struggle for successful government than mere constitutional restrictions. In any event it is abundantly clear that it was the catastrophic fiscal consequences arising from the System of 1836 which directly caused the rigid restrictions against state debt in our present constitution.

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[22] *Ibid.*, I, 677.

[23] Kettleborough, *Constitution Making in Indiana*, I, has much information regarding the general background and calling of the 1850-1851 constitutional convention. It also has much information about the work of the convention and the subsequent ratification of the new constitution. Donald F. Carmony, Indiana Constitutional Convention of 1850 (M.A. thesis, department of history, Indiana University, Bloomington, Indiana, 1931), represents a detailed study of the convention which framed the 1851 constitution. This study contains much useful information but is poorly organized and assembled.

[24] Kettleborough, *Constitution Making in Indiana*, I, 410.