

treasury, for any length of time, under the proposed distribution.

Mr. DORSEY suggested to the gentleman from Worcester, (Mr. Jacobs,) to modify his proposition by inserting the words "until the debt and interest are fully paid, or the sinking fund shall be found sufficient for payment thereof."

Mr. JACOBS accepted the modification.

Mr. THOMAS said he had yesterday expressed an earnest opposition to the course of policy in relation to our finances, which was foreshadowed in some gentlemen's speeches, and which is this morning proposed in the amendment of the gentleman from Worcester, (Mr. Jacobs.) He would, this morning, say in a few words, why he must vote against this proposition. Before he did so, he had something to say on a question mooted yesterday in this hall.

He was not here when the honors were distributed yesterday to those who were entitled to the credit of rescuing Maryland from the disgrace of a public bankruptcy. He humbly conceived, that when all the facts were known, no one would deny to him some portion of that commendation which had been given altogether to others. To some of these facts he would refer, especially as they would tend to remove every shadow of suspicion from the minds of members, that he was less jealous than another, of the honor of the State. We may differ as to the mode in which public faith may be maintained, but those differences should not lead us to entertain apprehensions and distrusts of each other, that have no foundations.

It was well known to the Convention that he had been chosen President of the Chesapeake and Ohio Canal company in 1839. Prior to that, the State of Maryland had contracted a debt of more than seven millions to pay for stock taken in the canal company and to raise money to be loaned to the same company to prosecute its great undertaking. The acts of the General Assembly of Maryland, authorizing State bonds to be issued for these purposes, each and all contain sections requiring the canal company to mortgage to the State all their incomes and the whole work they were constructing, to secure the punctual payment of the interest on the loans thus made by the State, and on the State bonds issued to raise means to pay for this canal stock for a stated period of years. At the time he became their President, the annual interest, payable from the canal company to the State, exceeded four hundred thousand dollars. The whole income of the company was not sufficient to keep that part of the canal which was then finished, in repair, and to pay the salaries of its officers. Thus circumstanced, the officers of the company had no means to pay the interest due to the State but by selling the bonds of the State itself, for whatever they would bring in the market. And, in this way, when two millions of dollars were advanced by the State to construct the canal, about one million five hundred thousand dollars would be expended in the further construction of the work, and the other five hundred thousand would be sold in the market to raise means to be

paid into the State treasury. If these bonds to pay interest had been sold by the treasurer of the State, the true character of these financial arrangements would have been obvious. But under the arrangements that were made, a delusion prevailed on this subject. The people believed that the large sums of public money which had been expended for internal improvements, could not, in any event, lead to taxation. And the purchasers of the bonds felt secure of the punctual payment of their dividends, under the belief that the mortgages given by the canal company to the State, had been executed by a company having ample means to comply with its pecuniary engagements. This financiering, Mr T. said, was deceptive; but he did not impute intentional wrong to any one who had been concerned in it. When these contracts were entered into by the canal company and the State, he had no doubt but that the parties to them fully believed that the canal would be completed at an early day, and that then its incomes and profits would be abundantly adequate to the fulfillment of its contracts. He thought otherwise, and took measures as soon as he had time, fully to understand the affairs of the company to arrest this whole proceeding. At that time a corps of Engineers were locating a route for the canal west of Cumberland with a view to its extension to the Ohio. They were withdrawn. The idea of extending the canal to Ohio river was abandoned. If it had been possible to keep the financial system in operation, which was relied upon to pay the interest on bonds of the State issued to construct the canal, the bonds to be issued for that purpose, would have exceeded thirty millions of dollars. Having taken measures to limit the undertaking of the company to the completion of the canal from tide-water to Cumberland, he addressed a letter to the gentleman from Queen Anne's, who was then Governor of Maryland, urging him to call an extra session of the Legislature, that measures might be adopted to put the financial affairs of the State in order, and place them on some sure and stable foundation. He then thought and said, that taxation, and taxation alone, was the rightful remedy. After his letter to the Governor had been received by him, they had a personal conference on this subject, when there was no difference between them as to the stern necessity which existed for an interposition of the Legislature. But the Governor thought it would not be expedient to call an extra session of the Legislature he preferred to wait for a regular annual session of that body, the time for commencing which being then near at hand. Having detailed these facts, he asked whether no credit was due to the citizen of Maryland who had taken upon himself high responsibility to arrest a proceeding that must have eventuated but for that interruption in the contracting of a public debt that would have frustrated every plan since devised to maintain the honor of Maryland.

It was well known that he had opposed the internal improvement policy that had caused our financial difficulties. He differed now as to the manner in which our financial affairs were to be conducted, and he was not to be deterred in the