

development of the state. The canal was financed by loans negotiated by the Canal Commission, who were a state body separate from the Internal Improvements Commission and were more successful in obtaining loans in the East. Their success was due to the obvious fact that it was a practical project, not a political boondoggle as were most of the other internal improvement projects, and also because the Canal Commission had a large tract of land that could be offered as collateral. Fortunately, the capital thus obtained could only be used for construction of the canal and could not be diverted to other internal improvement schemes.

As the 1830s advanced, the internal improvement program wandered deeper and deeper into financial difficulties. The State Bank system was hardly better off. In 1837 the State Bank had to suspend specie payment on its notes. In order not to tie up the large amount of Canal funds in the branch State Bank at Chicago by a bankruptcy, a special session of the legislature allowed the State Bank

a large amount of this scrip was being redeemed. This had been going on since 1856, and the person redeeming it was none other than Governor Matteson. As soon as this was discovered, the cry of fraud was heard in the land.

Matteson, who had garnered over \$200,000, was quick to declare his innocence having, he said, purchased the scrip from a number of speculators. He said he had not seen the trunk since he had deposited it in the basement of the Statehouse. Indeed the trunk was found in a dusty corner of the Statehouse basement, but not as it had been given to the Governor in 1853. First of all, the shoebox was gone, along with its contents. The sealed box had evidently been broken into and an attempt had been made to reseal it.

References:

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