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# RAILROADS AND THE DEBT.

A BRIEF INTERVIEW

WITH

SENATOR H. G. DAVIS,

OF

WEST VIRGINIA.

[Wheeling Register of Saturday, March 11, 1882.]

**Not a Candidate.**

Senator Davis, many of our people are desirous of knowing whether you will be a candidate for re-election to the Senate or not?

While I highly appreciate and am grateful for the political honors bestowed upon me by the people, I do not wish to be considered or understood as a candidate. I desire to give more attention to my private business, and to internal improvements that I hope will aid in developing the resources of the State.

**The West Virginia Central.**

What are the prospects for the completion of your West Virginia Central & Pittsburgh Railroad?

We will soon have the road completed from a junction with the B. & O. road, near Piedmont, southward to the summit of the Alleghanias near "Fairfax Stone." It will run through the counties of Mineral, Grant, Tucker and others, and will open up for market, both west and to tide-water, a rich coal, iron and lumber section of our State. I venture the assertion that in the next ten years the country through which the road passes will have doubled in population and in wealth.

**Railroads Generally.**

You seem to take considerable interest in the building of railroads through our State?

Yes, I think we ought, by all means, to encourage the building of all railroads through the State, where the enterprise is backed in such a manner as to insure that it is a legitimate one, and will be pushed forward. It is plainly apparent that a county, State or nation without the facilities of railroad travel and transportation is behind the times in point of wealth, increase of population, and every material advancement. The only way to keep pace with the times is to encourage the building of every new road, that has a solid foundation. Who will doubt, that, if the W. P. & C. R. R., the survey of which is now being pushed forward, and in which my colleague Mr. Camden, is taking an active interest should be completed from Wheeling to Point Pleasant, it will greatly advance the prosperity, business, wealth and population of the terminal points and the country and towns along the whole line.

**Comparative Mileage.**

How many miles of railroad has West Virginia, and how do her railroad facilities compare with other States surrounding her? Poor's Railroad Manual of 1881 gives

West Virginia 693 miles of railroad, although other authorities make it less, of which less than seventy miles have been built in the last ten years. This does not look as if our State was making much progress towards unlocking and opening up her vast undeveloped resources. There are but three or four States in the Union that have as few miles of railroad as this State; in fact some of the Territories even have more miles of road. More railroads have been built within the last two or three years than at any previous time, but none of them have been built in West Virginia, during that period, except a few miles on the West Virginia Central.

As to the country at large and the States surrounding us, on the east, west, north and south, we are left in the shade. The facts are shown on this slip which you can print if you desire.

**Our Indifferent Showing.**

	Average square miles of area to each mile of railroad.....	23%
	Average of the population to each mile of the railroad...	552
	Miles of Railroad.	89,320
	Popula- tion.	49,371,840
	Area, Square Miles.	2,088,123
1880.	United States (exclusive of Territories).....	23,006
	West Virginia.....	38,348
	Virginia.....	11,124
	Maryland.....	46,000
	Pennsylvania.....	39,964
	Ohio.....	31,988,289
	5,912	

Some other States make even a worse showing against us. These figures speak for themselves and need no comment. I name these four State because they surround us, and I think it is fair to compare them with West Virginia. Even Virginia has over a thousand more miles of railroad, and while the average square miles of our area to each mile of road is 33, in the adjoining States of Pennsylvania and Ohio, the one with an area double, and the other 50 per cent. greater, the average is respectively but 7 1/2 and 6 4-5, and in the whole United States about 23. This would appear to show that there is something wrong, or else West Virginia with her great

mineral wealth, her central location and proximity to tide water, would have more miles of railroad.

**Census Returns.**

"Another thing," added the Senator, consulting his memoranda, "the census returns for 1880 will show that in our State the counties through which a railroad passes have materially advanced in wealth and population, while the majority of those having no railroad facilities, the population has been at nearly a stand still, and in some instances have retrograded. For instance:

Marion county, with railroad, in 1870 had 12,107; in 1880, 17,198. An increase of 42 per cent.

Monongalia county, without railroad, in 1870, had 13,547; in 1880, 14,985. An increase of but 10 per cent.

Preston county, with railroad, in 1870, had 14,555; in 1880, 19,091. An increase of 32 per cent.

Hardy county, without railroad, in 1870, had 5,518; in 1880, 6,694. An increase of 22 per cent.

Pendleton county, without railroad, in 1870, had 6,455; in 1880, 8,022. An increase of 24 per cent.

Cabell county, without railroad, previous to 1870, 6,429; with railroad, in 1880, 13,744. An increase of 113 per cent.

Ohio county, with railroad in 1870, had 28,831; in 1880, 37,427. An increase of 30 per cent.

Of this population, Wheeling had in 1870, 19,280; in 1880, 30,737. An increase of 60 per cent.

Competition in railroads has done much to bring this about. Without railroads Wheeling would retrograde instead of advance.

Kanawha county, without railroads previous to 1870, had 22,349; with railroads in 1880, 32,466. An increase of about 50 per cent.

And so I might go on multiplying instances, but it is not necessary. In a number of towns with and without railroad facilities the differences are still greater.

**The Feeling Against Railroads.**

There seems, Senator, to be some feeling in our State against railroads, probably engendered by the discrimination in favor of through traffic. Do you think if the people understood the matter a better and more liberal feeling toward railroads would prevail?

Yes, I do. Now, while I do not wish to be understood as endorsing all railroads do as right, neither do I believe in condemning everything a railroad does, simply because it is a corportion. We ought first to find out all the facts in a matter complained of, and then apply the proper remedy. While it is true that many railroads have tariff rates that appear to be onerous so far as local trade and travel are concerned, yet we cannot do without them. You might as well say we do not need or want more

rain, because a flood comes occasionally and injures our crops and inflicts other damages. Take away the Baltimore and Ohio road, for instance, and restore the old stage lines over the Northwestern and National turnpikes, and we would soon beg for the restoration of the railroad, even if the rates of freight and travel were much larger than now. To make prosperity sure and to keep up with the rest of the world, we must not only retain our present roads, but must do all we can to encourage the building of new roads. We must bear in mind this is an advanced age, it is 1882 not 1852. If we do not want to fall behind the rest of the country, we must be progressive; we must encourage labor, immigration, internal improvements, etc.

There is a great hue and cry raised about the

### Monopoly and Extortion

of railroad corporations, but where would we have been but for the few railroads we now have in the State. The way to make a railroad do right is not solely by legislation, but mainly by competition; more of the latter and less of the former will pay, and be far better for our State and people. But to get competition we must encourage the building of new roads; and it must be recollected that while every mile of railroad built increases our wealth and prosperity, and the value of our taxable property, yet all railroads do not pay; for instance, the Baltimore and Ohio railroad did not pay its stockholders an average of one per cent. per annum for the first twenty-five years of its existence; the Chesapeake and Ohio has never paid a dividend to stockholders, and all the railroads in the United States, on an average, pay less than three per cent. to their stockholders, and upon their bonded debt less than five per cent. "The Gods help those who help themselves," and this is equally true of communities. This is so in every line of business, especially in the building of railroads. Capital is timid and cautious, and we cannot expect to get the benefit of it if we erect a bugaboo to frighten it away. We cannot expect capitalists to come into our State, and spend millions of money in opening up and developing our mineral wealth and mountainous country, when we, by our laws and enactments, invite them to stay out, or threaten them with all sorts of burdens and onerous exactions if they come in, besides keeping up unfriendly relations with those already here. Owing to the personal liability clause in our corporation laws many persons of large means decline to make investments in the State. I know of one instance where a number of gentlemen, after organizing a railroad and coal enterprise refused to proceed further, owing to that clause. By the way, I read of

### A New Scheme

to build railroads, the other day. I noticed in an editorial in one of our State papers

that a certain gentleman was a candidate for the United States Senate because he was aiding to build a railroad, north and south, through the State. Now, if being a candidate for Senatorial or other honors, will build, or help to build, a road through the State, in any direction, I hope that the number of candidates for Senatorial or other important positions in the State will be multiplied a hundred fold.

### Railroads, Population and Taxes.

But, Senator, did not the population of our State largely increase during the decade between 1870 to 1880?

Yes, we had an increase of about 40 per cent. and there are but ten other States which show as large a per centage of increase. Much of this increase must be attributed to the few railroads we have. Then our taxes are low, our mineral wealth and timber unbounded, we have splendid free school facilities, we have made no debt since we were created a State, our climate and soil are good, and our people hospitable. All these things make our State attractive. Speaking of the increase of population, it is wonderful to see what our population would amount to in half a century, and in a century, of time, supposing the increase of each decade to be at the same rate as the ten years from 1870 to 1880. Being curious on this question, I made the following calculation, which was, at my request, verified by the Superintendent of Census:

	Population.
In 1870 it was.....	442,014
" 1880.....	618,457
An increase of 40 per cent.	
At the same rate it would be:	
In 1890.....	865,839
" 1900.....	1,212,174
" 1910.....	1,697,043
" 1920.....	2,375,860
" 1930 (half a century).....	3,326,204
" 1930 (a hundred years).....	4,780,119
An increase in the next century of.....	17,270,661

Speaking of taxes, I am reminded that our taxes are less than those of the majority of States, and less than half as much as some. Our State tax is but 30 cents on the \$100, one-third of which is for free school purposes. Fully two-thirds of the States have greater rates of taxation than West Virginia, and some of them two or three times as much. Then with reference to our free schools, the State, as young as she is, stands deservedly high in rank in the list of States. We spend more money, have more school houses, and a larger attendance of children, in proportion to our wealth and population, than the majority of the other States.

### West Virginia Investments.

Then you think it would pay capitalists to invest their money in this State?

Undoubtedly West Virginia has a bright future before it, if we are progressive and all put our shoulders to the wheels and do our full duty. Look at our undeveloped wealth, and compare our production of

coal, for instance, with Great Britain and Pennsylvania, which have less area, but greater facilities for transportation. Here are the figures:

	Sq. m <sup>ls</sup>
Great Britain has of coal.....	11,900
Pennsylvania " " " .....	13,000
West Virginia " " " .....	16,000
In 1880	
	Tons.
England produced of coal about.....	140,000,000
Pennsylvania.....	42,000,000
West Virginia.....	1,700,000

So you see that West Virginia, owing to her limited means of transportation, &c., although lying near the sea board and on the Ohio river, and having an area of coal much larger in extent than the whole of Great Britain, yet the latter country multiplies our production over 70 times as much. But as I said before, we cannot expect capitalists to invest their money with us unless we meet them at least half way. Surely we can expect nothing from them if we appear unfriendly and legislate against their coming in. In this connection I am reminded that among the bills now pending, unfriendly to railroads in this State, there is one relative to the

#### Taxation of Railroad Property.

that in my opinion, should never become a law. If passed, it will have a bad effect in driving away capital from the development of the State, and in preventing outside capitalists from making investments. No capitalist is going to invest his money among unfriendly people, or where a safe and reasonable profit may not be made, and no road can be a financial success unless its rights are protected, and it is dealt fairly with. West Virginia has the lands and the minerals; the East has the money. Let us try and have such laws enacted that the money of the East may be attracted to this State and used in its development. We will be powerless without their help, and our minerals, however valuable, will be wholly valueless, unless and until a market by rail is opened for them.

#### A Geological Survey.

Do you think, Senator, that a geological survey of this State would attract attention to our wealth, and invite investment?

I do. I am strongly in favor of a geological survey made of the State. It is necessary to let the world know in some authentic, official manner, of the vast territory lying undeveloped in the State, valuable for its iron, coal and timber, to turn the tide of immigration and capital this way, and when capital has unlocked our mountains, and exhibited to the eyes of the world the valuable deposits hidden therein, it will be but a few years until the hum of industry, and the smoke of hundreds of mills and factories bill brighten our hills and valleys and largely increase our importance and prosperity as a State. Men of capital want to know just what their investments will return them. It is not sufficient to say to them, "We

have one of the richest mineral States in the Union;" they want to know the facts upon which the assertion is based. A geological survey of the State, in connection with railroads, will do more toward directing the investment of capital in our direction than any other outlay we could make. If we wish our country developed, made rich and prosperous by enterprise and capital from home and abroad, we should give reliable information as to its

#### Unknown and Vast Resources.

The mineral resources of no section of our country are fully known, and never will be until a complete geological survey is made. Some may say the survey will be very expensive. Even if that were so, the return for the outlay would be very large. I made some remarks in the Senate in February, 1881, in favor of a geological survey of all the States by the Government, and I then said, and I am more firmly fixed in the opinion now, that a good, careful and complete geological survey of Virginia and West Virginia will show more mineral resources than all Europe. There is a great future for the two Virginias, and it is a mere matter of development to make them populous and wealthy.

#### State Debt.

You referred to this State having no debt of its own contracting. Is it true that steps are about to be taken by Virginia to sue this State for what may be found due from her on the Virginia State debt?

I have been credibly informed that there is a bill now being prepared to bring the debt question before the Supreme Court of the United States for adjudication. For my part, I am unqualifiedly in favor of paying our just and equitable proportion of the debt of Virginia, whenever that proportion shall be determined. No people, State, or Nation can prosper with a taint even of repudiation hanging over them, nor can they afford to ignore a just debt, or to plead the statute of limitations. West Virginia's record on the debt question is good. She has met Virginia fully half way in her efforts to ascertain what proportion, if any, she should pay. In February, 1866, she responded to a resolution passed by the Virginia Legislature, and appointed commissioners to act with those from Virginia to ascertain the indebtedness of the State, but nothing was accomplished. In 1870, on my motion, commissioners were again appointed, but nothing done. Again, in 1871, on my motion, commissioners were appointed from this State and proceeded to Richmond, but found no one to treat with them officially. As a result, nothing has been settled. Our commissioners, however, in their *ex parte* report, estimated that we owed Virginia nearly \$1,000,000; so it seems that we may owe some portion of the indebtedness, and whatever that portion is, I am in favor of paying it. After carefully examining the

debates in Congress in 1862, on the admission of West Virginia as a State, I do not believe the bill would ever have passed but for the clause in the State Constitution, providing for the payment of a just and equitable proportion of this debt. In fact, this was conceded at the time of the passage of the bill. I believe it would be

#### The Proper and Right Thing.

and place us right before the world, for the present Legislature to pass a resolution expressing its willingness to meet Virginia and adjust the debt between the two States. I own none, nor have I any interest in any of the bonds of Virginia, or what are called the deferred or West Virginia certificates, but I have an interest in the welfare, prosperity and good name of our State; and although when the debt is determined I shall, in common with others, have to pay my proportion of taxes on what property I may own, yet I believe it will greatly advance the value of that and all other property in the State to do so. I have seen and heard enough of what the people outside of the State think of us with reference to the charge of repudiation, and I think it would be a good deal better that we all fairly and squarely meet the question and pay our equitable and just proportion of what little we may be found to owe than to have the slightest stain of dishonor or repudiation on our fair escutcheon. The State would then be free from suspicion, and we could point with pride to our State's financial record.

#### West Virginia and the Tariff.

Will the tariff question be agitated in Congress this session?

Of course it will be agitated. It will always be a subject of debate and controversy. I do not think, however, there will be any material changes in the tariff rates, at least none that will affect the interests and industries of this State. West Virginia is naturally interested in a fair and just tariff. We cannot, and ought not to, have what is called free trade, while we have to raise money to pay the principal and interest of our National debt, as also for the general support of the Government. It is far better that we should raise this revenue by an equitable tariff, than by direct taxation upon the people.

[Wheeling Register of Tuesday, March 14.]

#### SHALL WEST VIRGINIA'S REPUTATION SUFFER FOR VIRGINIA'S DEBT?

There are two courses open to West Virginia as respects the attitude she will choose to occupy toward the inter-State debt of the Virginians.

The time has come when it should be definitely determined which of these courses she will take—what attitude she will choose to occupy.

This thing should be definitely determined *now*.

1. West Virginia can choose to do nothing.

She can allege that whatever debt is due, is legally the debt of the old State; that whatever liability West Virginia may be shown to have, in honor and equity, for any part of that debt, she has, first, last and all the time, been ready to adjust and assume; that she has given utterance to this desire through her conventions, her Legislatures, in her organic law, and through commissioners appointed to ascertain and settle any such liability; that she has endeavored to treat with Virginia upon the matter and Virginia has refused to treat; that she has hunted her alleged creditor with unprecedented pertinacity and been refused even an exhibit of the creditors claim or account; that she has in her dilemma endeavored to procure data upon which to make up an *ex parte* statement of the liabilities in question; but that neither coaxing nor courtesy nor any of the arts or appliances in vogue between debtor and creditor have availed to induce Virginia to treat of the matter or even to exhibit her claim.

These are facts, it is true, which cannot be controverted. They constitute the history of the debt question between the two States since the separation. They are verified by the record, and by the memory of every citizen of this State, and are not denied by the old State. They truthfully represent the attitude which West Virginia has occupied in relation to the debt question.

In the judgment of the people of this State the facts, as stated, justify West Virginia in remaining quiescent and allowing Virginia to deal with her debt as she may elect. Having done all in our power, and more than we were required, to adjust the liability between the two States, we are exonerated from any further effort or obligation to bring about a settlement.