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# VIRGINIA DEBT.

## THE WHEELING ORDINANCE.

REPORT OF THE  
VIRGINIA DEBT COMMISSIONERS  
of 1871.

REPORT OF THE  
SENATE FINANCE COMMITTEE  
of 1873

HOUSE JOINT RESOLUTION No. 10.

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### The Wheeling Ordinance.

Following is that part of "An Ordinance to provide for the formation of a New State out of a Portion of the Territory of this State," passed on ~~Nov. 20,~~ 1861, by the Convention of the Restored Government of Virginia, assembled at Wheeling, which relates to the debt of the State of Virginia :

Sec. 9. The new State shall be upon itself a just proportion of the public debt of the Commonwealth of Virginia prior to the first day of January, 1861, to be ascertained by ~~the Convention~~ to it all state expenditures within the limits thereof, and a just proportion of the ordinary expenses of the state government since any part of said debt was contracted; and deducting therefrom the monies [*sic*] paid into the treasury of the commonwealth from the counties included within the said new state during the same period.

# REPORT

OF THE

## Virginia Debt Commissioners of 1871.

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*To His Excellency,*  
J. J JACOB,  
*Governor of West Virginia :*

SIR : Under the joint resolutions passed by the West Virginia Legislature on the 15th and 24th days of February, last, the undersigned were appointed Commissioners by you "to treat with the authorities of Virginia on the subject of a proposed adjustment of the public debt of that State prior to the first day of January, 1861," and were directed by the legislature "to make report thereof to the Governor," which we have the honor to do as follows :

On the 9th day of August last the Commissioners met in Parkersburg to confer together upon the subject matter of their appointment and to organize a programme of procedure in respect thereof. They addressed a letter to your Excellency notifying you of their meeting and organization, and also the following letter to Governor Walker, of Virginia :

PARKERSBURG, W. VA., }  
August 9, 1871. }

*To His Excellency, the Governor of Virginia :*

SIR : The undersigned have the honor to inform you that under the joint resolutions passed by the legislature of West Virginia on the 15th and 24th days of February last, they have been appointed Commissioners by the Governor of West Virginia to treat with Virginia in regard to the debt as it stood on the first day of January, 1861."

Also, that they met in this city to-day for the purpose of enter-

ing upon the discharge of their duties, and to this end have designated General John J. Jackson as their chairman, through whom they propose to receive such communications as your Excellency may be pleased to submit.

Will your Excellency be pleased to indicate at your earliest convenience what action, if any, has been or is likely to be taken by Virginia in the matter of appointing Commissioners, or, in the event of no such appointments, what channel of communication will be open to us.

We have the honor to be

Your Excellency's most ob't servants,

JOHN J. JACKSON,  
J. M. BENNETT,  
A. W. CAMPBELL.

After forwarding this letter, together with the one to your Excellency, the Commissioners adjourned to meet in Richmond on a day to be agreed upon later in the season, there to confer with the authorities of Virginia, and to make such examination of public documents as might enable them to carry out the objects of their appointment.

Meanwhile they received from the Governor of Virginia in answer to their letter of August 9th, a letter dated September 7th, the same purporting to be a copy of a letter addressed to your Excellency, and which is as follows :

EXECUTIVE CHAMBERS, }  
RICHMOND, Sept. 7, 1871. }

*His Excellency,*

J. J. JACOB,

*Governor of West Virginia :*

SIR : I have the honor to acknowledge the receipt of your communication of the 17th ulto., notifying me of the appointment of Messrs. Bennett, Jackson and Campbell as Commissioners on behalf of the State of West Virginia to treat with the authorities of this State upon the subject of the State debt. I have also received a certified copy of the joint resolutions empowering you to make these appointments. Absence from the capital has prevented an earlier response to these several communications.

On the 18th of February, 1870, an act was passed by the Legislature of this State, and approved by me, authorizing the Governor to appoint three Commissioners on behalf of this State to treat with the authorities of West Virginia upon the subject of a proper adjustment of the public debt of the State of Virginia, due

or incurred previous to the dismemberment of the State, and a fair division of the public property.

Commissioners were promptly appointed under this act, and notice of their appointment, together with an authenticated copy of the act, were at once forwarded to the Governor of West Virginia. No response whatever to my communication was made by the Governor of West Virginia, but I learned through other sources that the matter was promptly submitted to the Legislature then in session, by which, either by act or resolution, the Governor was authorized to appoint Commissioners to meet and confer with those appointed from Virginia. I have never been informed, however, of the appointment of any Commissioners under the authority thus conferred.

A history of these proceedings, together with a statement of my own views upon the subject, was submitted to our Legislature in my annual message of December last, a copy of which I herewith enclose. The Legislature, acting upon the suggestion of the message, on the 11th day of February last, by a joint resolution, authorized the Governor to tender to the State of West Virginia "an arbitration of all matters touching a full and fair apportionment between said States of the said public debt," an authenticated copy of which joint resolution, together with the tender of an arbitration as therein authorized, was promptly forwarded to the Governor of West Virginia.

This joint resolution, while it does not in terms repeal the act of February 18th, 1870, was intended to supercede it, and therefore I do not feel authorized to appoint Commissioners. Our tender of an arbitration has not been withdrawn, and I regret exceedingly that the authorities of West Virginia declined to accept it. I cannot understand what reasonable objection can be raised to this fair and equitable mode of adjustment so frequently resorted to by individuals and nations, and I trust that West Virginia will reconsider her action and accept the more speedy and satisfactory mode of settlement proposed by Virginia, to the end that prompt justice may be done to the creditors of the old State, and that harmony and good feeling may prevail between the people of the two States.

Very respectfully,

Your Excellency's ob't servant,

G. C. WALKER,  
Governor of Virginia.

(P. S.—Accompanying the above.) "The foregoing is a copy of the original letter mailed to Governor Jacob."

From this letter we at once understood that so far as a conference with Commissioners or other persons authorized to represent

Virginia in that capacity was concerned, our mission was at an end. But the joint resolution under which we were acting, copies of which you had forwarded for our guidance, directed that we should "ascertain and report the amount of the debt of Virginia on the first day of January, 1861, and what said debt was incurred for, and what amount of this State debt was then held by the Commissioners of the Sinking Fund, and by the Board of the Library Fund." Also that we should "ascertain and report the amount of all investments then held by the State, their respective amounts and character, and what portion thereof were then productive, and the dividends therefrom, and whether any of such investments then so held by said State have since been donated, changed, converted or disposed of by the authorities of said State, and, if so, the amount and how disposed of." Also that we should "ascertain and report the revenue derived from the fiscal year ending on the 30th of September, 1860, from all sources by the State of Virginia within the present territory of Virginia and the amount derived from all sources from the territory now comprising the State of West Virginia;" and also that we "report any other relevant matter deemed proper" by us.

In addition to the foregoing duties thus devolved upon us by the terms of the joint resolution passed on the 15th day of February, we "were further empowered," in the language of the additional joint resolution passed on the 24th of the same month, "to proceed as soon as practicable to adjust, award and determine upon fair, just and equitable principles what proportion of said public debt of Virginia should in their opinion be paid by West Virginia, and what part thereof should be paid by Virginia, subject, however, to the approval and ratification of the Legislature of West Virginia and the General Assembly of Virginia."

Under this authority and direction, thus minutely specified to us, we felt called upon to take substantially the same steps after the receipt of Governor Walker's letter of September 7th as we would have taken had we expected to meet Commissioners representing Virginia, viz: to go to Richmond and endeavor to gather the information expected and required under the terms of our appointment.

Accordingly we met in that city on the 9th of November last and after spending several days in the examination of such public documents as were available to us at the Capitol, and realizing the necessity for further and more explicit and official information than we could gather of ourselves unassisted from said documents, we addressed the following note to the Second Auditor of Virginia:

RICHMOND, November 14th, 1871.

*To the Second Auditor of Virginia:*

SIR: I am directed by the Commissioners representing West Virginia in the matter of the public debt of Virginia prior to the first of January, 1861, to procure from your office such information as can be furnished upon the following points, viz:

1. The actual amount of the public debt of Virginia on the first of January, 1861. And under this head the amounts of said debt owned by the Sinking Fund, the amount owned by the Literary Fund, and the amount owned by the Library Fund.

2. What portion of the bonded debt was invested, and how invested on the first of January, 1861. Also what portion of the investment was productive, what were the dividends or profits arising therefrom for the year 1860, and whether any such investments have since been donated, changed, converted or otherwise disposed of.

3. What portion of the appropriations expended in West Virginia for public improvements came from the sales of State bonds and what portion from the revenues or taxes of Virginia.

4. A copy of the advertisement for the redemption of a portion of the public debt on the first of January, 1861.

5. A statement of the amount of public debt actually redeemed on the first of January, 1861, pursuant to said advertisement.

Upon these points the Commissioners desire to hear from you at your earliest convenience.

Very respectfully, your obedient servant,

A. W. CAMPBELL,  
*Secretary.*

In reply to the foregoing communication we received the following note at 5 o'clock on the evening of the 16th November, after a lapse of two and a half days, and after we had abandoned all hope of the assistance asked for in our letter, and after, in fact, we were on the eve of our departure for home:

SECOND AUDITOR'S OFFICE, }  
RICHMOND, Nov. 16, 1871. }

*A. W. Campbell, Esq., Secretary, &c.:*

DEAR SIR:—Yours of the 14th was received. You ask me for a report upon a variety of questions connected with our public debt,

the transactions of the Board of Public Works in regard to it, and the financial affairs of the State, which it is understood, of course, you propose to use in the contemplated adjustment of the portion to be paid by West Virginia of the debt.

To answer the questions propounded would involve an amount of labor which we could not bestow on the subject.

But, apart from this, I presume at an early day this office will be called upon by the Executive or the General Assembly of Virginia for detailed reports of all the matters referred to, which will be available to you.

The books and records of this office are open to your inspection.

I trust that in failing to respond to your inquiries you will not regard me as in any wise wanting in official courtesy to you or your associates. None, certainly, is intended.

I have the honor to be,

Most respectfully yours,

ASA ROGERS.

With the reception of this note the Commissioners closed their labors in Richmond, finding that a further stay was not likely to add to the scant information already gleaned by them from the public documents.

It is proper to say in connection with the Second Auditor's communication that we, in delivering our own communication to him, caused it to be verbally understood that we were ready and willing to pay for the services of an expert, competent to obtain for us the information requested, and that we did not desire or intend to trench upon the services of any one with whose duties the labor required might seriously conflict.

After this termination of their visit to Richmond, the Commissioners agreed to meet again on the 12th of December following, at Parkersburg, there to prepare and transmit to your Excellency such information as they had been able to obtain, and such as they might still further obtain, and along with it such an expression of opinion as is called for in the joint resolution of February 24th.

Accordingly we met in Parkersburg at the date named, and after nearly two weeks of examination and comparison of all the sources of information accessible to us, agreed upon and drew up the facts and statements hereinafter presented,

Previous to this meeting we had just received copies of the Richmond papers of December 7th, containing Governor Walker's

message to the General Assembly of Virginia at its meeting on the 6th, in which we observed that among other allusions to the debt question pending between the two States, and after a reference to our correspondence with him of August last and his answer thereto, as already quoted, he proceeds to arraign the good faith of the authorities of this State as follows :

“Now, if the authorities of West Virginia entertained an earnest desire to make a speedy and final settlement of this matter, why did they not accept our tender of arbitration? A mode of settlement of such controversies universally recognized by both nations and individuals as right and appropriate. Suppose an equal number of Commissioners appointed by each State, and that they should meet and disagree upon any or all points involved, who is to decide between them? And yet, beyond a doubt, they would radically disagree upon the first or chief point to be settled, viz: the basis or principle upon which the settlement should be made. But suppose that the Commissioners should finally agree, does any one suppose that their finding would be ratified by the legislatures of the two States, disagreeing as the people do radically upon the merits of the question at issue? Of course not.”

This quotation from Governor Walker's message fairly exhibits the spirit in which he has seemed to view not only our own efforts to carry out the objects of our appointment but likewise the sincerity and good faith of the Legislature of West Virginia in providing for the appointment of such a commission by your Excellency. And yet while this is the case it is not to be forgotten that Virginia herself initiated this method of attempting to adjust the debt question. And the language of the Governor would seem to be all the more gratuitous in such a connection from the fact that in his annual message of December 7th, 1870, he considered it worth while to allude to the political change that had taken place in this State at the preceding October election, and bespoke in so many words for the “new administration” an “opportunity of manifesting its intentions and its appreciation of honesty and fair dealing.” And yet notwithstanding this language by himself thus voluntarily employed on our behalf, and notwithstanding also the fact that one of the early acts of the “new administration” was to respond to the policy that Virginia herself had initiated, and before it was known in this State that she had changed that policy, and while the appointees under the response were in Richmond seeking in vain from the proper authority of Virginia for such information as every debtor is entitled in law to receive from his creditor, saying nothing of that spirit of “fair dealing” that was so conspicuously spoken on our behalf, Governor Walker proceeds in his late message to asperse the good faith of the State of West Virginia after the manner and in the words that we have quoted.

The authorities of West Virginia have never assumed to themselves any right of precedence in the matter of a policy for adjust-

ing the difficulties surrounding the debt question. But in the joint resolution passed on the 24th of February last they did assume the modest right of adhering to the policy already inaugurated by the State of Virginia, and by her so freely tendered heretofore for their acceptance, and therefore they respectfully declined to adopt a new and different proposition from her until they could test the merits of the one already adopted.

Apparently the present Executive of Virginia, from an enforced familiarity with the workings of "personal government," which he so much deplures, has acquired ideas as to the right of the initiative between equal contracting parties that are scarcely consistent with the delicacy of the issue pending between this State and his own. For instance, in his letter of September the 7th, he tells us that the legislature of Virginia, upon his suggestion, has tendered an arbitration to this State, and he trusts "that West Virginia will reconsider her action and accept the more speedy and satisfactory mode of settlement proposed by Virginia." And again, in his late message, he says that "the better course to be pursued is for the two States to submit the whole question to arbitration," and West Virginia is arraigned, as heretofore shown, for not concurring in his opinions. Apparently it did not occur to the Governor that since Virginia had proposed both modes of settlement to this State, the latter might make her choice between them without subjecting her motives to imputation. And yet all that she had assumed to do is simply to choose between two policies initiated by Virginia. Unless, therefore, it can be shown that it is the prerogative of that State to prescribe the terms upon which the debt shall be adjusted, the question should hereafter be discussed in a spirit better calculated to allay all sectional irritation.

But we pass from this incidental reference to Governor Walker's strictures upon the attitude of this State towards the debt question to the action of the Virginia legislature upon the same question as embodied in the act approved on the 30th of March last, and known as the Funding bill. This act is in keeping with the initiatory legislation in regard to the debt to which we have just referred. It assumes to apportion the debt of that State arbitrarily, notwithstanding her authorities had six weeks before the passage of the act received notice of the joint resolution of the West Virginia Legislature providing for the appointment of Commissioners. It assumes, also, to apportion the debt, not as it stood on the first day of January, 1861, but as it would stand on the first day of July, 1871, after the interest had been twice compounded, once in 1866, and again at the date last named; and to apportion it, too, upon the basis of territory and population, and without any reference to the equities that should always govern an assignment of debt between sections that were so notorious in our own case. In other words it assumes to apportion to West Virginia one-third of the

debt as it now stands, simply on the ground that she has one-third of the territory and population formerly belonging to Virginia, and without reference at all to the question of resources and values. This is apparently the practical result which Governor Walker hoped to reach when he urged upon us the "more speedy and satisfactory mode of settlement proposed by Virginia," inasmuch as he tells us in his late message that this is the "plan for a reorganization of the State debt," which he "had recommended twelve months before."

But without reference to the authorship of this or any other "plan" for adjusting the debt question, we propose to consider as briefly as possible the real case now pending between Virginia and West Virginia as we understand it.

The tables or statements which we annex as part of our report show, among other things, the following facts :

That the funded debt of Virginia on the first day of January, 1861, was \$31,778,867.32, after all reductions.

That all, or nearly all, of this debt was incurred for and actually expended in works of public improvements, such as canals, railroads, turnpikes, plank roads and bridges.

That of this vast sum, upwards of \$30,000,000 was expended for improvements in the present State of Virginia, and only about two and a half millions in the present State of West Virginia.

That the present State of Virginia contains 41,352 square miles and West Virginia only 20,000 square miles, or less than one-third.

That the counties composing what is now Virginia contained by the census of 1860 a population of 1,220,829, and those composing West Virginia only a population of 374,985 or less than one-fourth.

To these exhibits we append others, under our instructions from the legislature, but they are such as do not enter into our argument here, which is to show that no just apportionment of the debt can be made upon the basis of population and territory alone, which is the basis upon which the Virginia Funding bill is confessedly predicated.

This theory of apportionment is apparently quite current among the people of that State, and is defended with ability by Judge Meredith, of Richmond, in a carefully prepared paper on the subject. His position is that West Virginia should pay one-third of the debt because, as he says, it is a principle of international law

governing the division of nations that "the obligations which had accrued to the whole before the division are, unless they are the subject of a special agreement, ratably binding upon the different parts." This he gives as a quotation from Phillimore. Two inquiries present themselves in connection with it. First, was Virginia a nation in the sense intended by Phillimore? and, second, what are we to understand by a ratable part of a debt? We presume that it will not be contended that the general rights and obligations of a nation, as defined by international law, belonged to Virginia prior to the division of the State, and therefore we cannot admit the applicability of the quotation in that particular. Neither can we admit Judge Meredith's construction of the word ratable. He applies it exclusively to territory and population and excludes everything in the shape of resources and value, such as public works, buildings and institutions, which, as we all know, vitally affect the equity of a division of territory.

Judge Meredith next adduces the following quotation from Chancellor Kent to sustain his position:

"If a State should be divided in respect to territory, its rights and obligations are not impaired, and if they have not been apportioned by special agreement those rights are to be enjoyed and those obligations fulfilled by all the parts in common."

This quotation is much more intelligible and just, and we think will tend to sustain the conclusions we have reached, as hereinafter stated.

In addition to the two quotations already given, Judge Meredith cites other authorities to sustain his position that West Virginia is chargeable with one-third of the debt, but we do not regard them as applicable to the case under consideration. First, because Virginia is not a nation. Second, because in all the cases referred to in the authorities quoted, treaty stipulations had more or less to do with the question. Third, because the debts were war debts, the benefits of which, if any, accrued to each individual, and the obligations of which therefore rested upon each. In no instance was the debt created for internal improvements which necessarily confer partial and local benefits that in most cases exceed the general benefit to the State at large. We, therefore, fail to see the proper analogy that should exist to make these citations precedents for the case of Virginia and West Virginia.

Judge Meredith winds up these references to various authorities, by two general deductions of his own, as follows:

1. "That the public debt of a State is not affected by a change in the form of its government, nor by the partition of its territory

into two States, but remains in full force and must be discharged."

2. "That if a State be divided into two or more States, the debts which had been contracted by the whole before the division are, unless they have been the subject of a special agreement, ratably binding upon the different parts in proportion to territory and population."

The first deduction it is not necessary to consider, as West Virginia, in her ordinance of separation from Virginia, as also in her constitution, agreed to pay an equitable proportion of the public debt. What that equitable proportion is we are now considering.

In reference to the second deduction we have to remark that Judge Meredith draws a conclusion from his authorities which they do not sustain. Phillimore, for instance, says that "if a nation be divided into various distinct societies, the obligations which had accrued to the whole before the division are ratably binding upon the different parts." Here Phillimore and the authorities stop. But this does not suffice for the Virginia side of the question, and Judge Meredith adds after the word "parts" the words "in proportion to territory and population." These words are not found in any of the authorities, so far as we are advised, and certainly not in any of the quotations adduced by the Judge.

A moment's consideration will show that a division of debt according to population and territory would not only be impracticable but would conflict with common sense. It would be impracticable because it does not determine the relative value of each one of the two elements of population and territory. Suppose the population to be twice as much as the territory, or suppose the territory to be three times as great as the population, which element has the greater value in determining the result?

Without pursuing this thought further it is manifest that nothing is settled by such a rule. You must fix the relative value of the two elements before you can reach a conclusion. It is, therefore, plain why the books do not give the rule as stated by Judge Meredith. Because of its indefiniteness, but mainly because of its injustice. Would any sane man lay down a rule for the division of a State which would ignore the great cities, public improvements, public works, institutions of all kinds, great commercial advantages, such as rivers and harbors and the great advantage of fertility of soil; all of which, and many other elements of wealth, property and power, might be found in one division and be wholly absent in the other. Hence we say that such a rule is repugnant to common sense.

A public debt is mainly a charge upon the wealth and resources of a people. It is represented by taxes, and taxes are imposed

not on numbers or square miles but on resources and values. How much stronger is the case when the very debt under consideration was created in developing and enriching one portion of the State almost exclusively. Nay, more, when that division of the State is in possession of and enjoying, giving away and selling at auction and otherwise disposing of the very subjects for which the debt was created.

These considerations afford abundant reason why no authority would say, in the absence of a compact (unless there was perfect homogeneity) that it would be just to divide a "nation" any more than an individual estate by population and territory. We doubt not that Judge Meredith himself would scout the idea of dividing an estate on such a basis and without reference to the quality of the land and the improvements made. Why then would he ignore such considerations in apportioning a public debt between two divisions of a State? Chancellor Kent, whom he has quoted, does not sustain him in so doing. The quotation already given from that author says that "if a State should be divided in respect to territory its rights and obligations are not impaired; and if they have not been apportioned by agreement, those rights are to be enjoyed and those obligations fulfilled by all the parts in common." Not a word in this quotation about a division ratably according to population and territory. According to this authority the State of Virginia was only a tenant in common with West Virginia in all the public works, improvements and property of the original undivided State, and had no authority to alienate, sell, give away, or dispose of any of the public works, and being in possession and holding them for her own exclusive use and benefit, by ousting West Virginia, she would be bound to account to the latter for her share. This would seem to be the legitimate conclusion from the authorities relied on by Judge Meredith, even admitting their applicability to the case under consideration, which we do not concede by any means; and, therefore, with this reference we pass them by.

We think we take a more practical view of the subject, and one which will attain all the ends of justice. The table accompanying this report shows that the bonded debt of Virginia on the first day of January, 1861, represented money borrowed and expended in improving the State by canals, railroads, turnpikes, plank roads and bridges. All these expenditures conferred a local and special benefit, were expended, not only by the outlay of the money in creating a market and stimulating enterprise and trade, but in otherwise developing the resources of particular localities to an extent quite equal to the general benefit of the State at large. And this local and general development is the sum of the value of the improvements to the section where located, and gives them an inestimable and abiding value to that section. This value is progressive and not susceptible of being fixed. So certainly is this

the case that it is probable, if it were practicable to utterly extinguish these improvements, and thereby extinguish the debt, that the State where they are located would not listen to such a proposition.

It may be assumed then that the public works for which the debt was created are worth what they cost. Virginia, by selling, donating, and disposing of these works as her own property, without regard to the rule laid down by Chancellor Kent, and without consulting West Virginia, must be taken to have accepted them on that basis, and is therefore chargeable with them on that basis.

When the tables are consulted they will show an expenditure of over thirty millions in Virginia and about two and a half millions in West Virginia. Much of this latter was expended at comparatively recent dates, whereas the expenditures in Virginia range through a period of fifty years, with benefits accruing more or less throughout that period. In the light of such facts, we submit that no intelligent mind, wishing only to do justice, can doubt for a moment that the benefits conferred, and not the territory and population, should be the principal, if not the only basis of an adjustment of the debt. The Governor of Virginia, in his message of 1870, and again in 1871, and the Legislature of that State, by its funding bill, seem, however, to have entirely overlooked the foregoing considerations, and to have jumped to the conclusion that West Virginia should pay one-third of the debt.

We see the case differently. On the one hand, for instance, we see rich cities, commercial marts of all kinds, navigable rivers, fine harbors, a highly improved and productive territory, wealthy capitalists and a well to do people, public institutions, such as a State Capitol and extensive public grounds, an Executive Mansion, a Penitentiary, Armory, University, two Lunatic Asylums, a Military Institute, a Blind Asylum, a valuable miscellaneous and law library, a large literary fund and the United States deposit of surplus revenue. All these resources in addition to the vast millions invested in canals and railroads and other avenues of inland commerce.

On the other hand we see set in the balance against these rich resources the territory of West Virginia, less than one-third of the old State, much of it broken into barren mountains and hills, no navigable streams penetrating it in every direction, no railroad but the Baltimore & Ohio, no public works or institutions, her lands mostly covered with unbroken forests and rewarding industry but grudgingly, no outlets in the interior for the little surplus existing, the people poor and subsisting by rough work in the woods and fields, possessed of no capital wherewith either to develop their localities or ameliorate their own condition in life; in fact, their only wealth being for the most part their poor soil,

their untiring perseverance and their indomitable love of liberty.

And yet, notwithstanding this great discrepancy between the condition and resources of the two States, Virginia assigns one-third of her funded and compounded debt to West Virginia to pay, simply because the latter has one-third of the territory and one-fourth the population formerly belonging to the whole State. And this, too, notwithstanding her papers have often proclaimed that West Virginia was a foster child of the old State, and as such dependent upon her bounty. This opinion we shall not stop to discuss, and we only refer to it as showing the inconsistency between the theory and practice of our Virginia friends. Supposing it to be correct, the explanation as to how it came about can never be made creditable to those who lavished all their favors on one section of the State, and withheld them from the other, and the vindication of the step taken by West Virginia during the war in separating from the old State consists largely of this traditional discrimination against her. And in this connection it may not be out of place to notice that the increase of population in West Virginia during the decade from 1860 to 1870 was of a character to still further vindicate the step taken, it being about thirty per cent. This large increase illustrates her onward march since her separation from her former foster parent, and tends to suggest how far in advance of her present position she really might have been had she received in the past anything more than "the crumbs that fell from the rich man's table."

We come now to the conclusion of our report. Having given our reasons why we dissent entirely from the position of Virginia in reference to the debt, we proceed to state our own conclusions in regard to it as follows:

Statement A, as annexed to our report, shows that the bonded debt of Virginia, on the first of January, 1861, after all deductions, was \$31,779,067.32.

The same statement also shows that all of said debt was expended within the present State of Virginia, with the exception of \$2,784,329.29.

Statement E, shows that \$328,706.22 was collected from counties in West Virginia after January 1st, 1861.

Statement F, shows that the amount of expenditures for all purposes in West Virginia was \$3,343,929.29.

We are not able to say certainly what part of this expenditure was from the proceeds of State bonds, (and, therefore, a part of the State debt) and what part was appropriated from the regular receipts of the treasury. We have had access to no data that could

determine the question. Our letter to the Second Auditor at Richmond sought information on this point in vain. But we have given Virginia the benefit of it all as a credit on her side of the account, although the resolutions under which we are acting contemplate nothing on the part of West Virginia but an assumption of her proportion of the bonded debt, inasmuch as both sections, and particularly Virginia, received appropriations out of the ordinary receipts of the treasury.

We have charged West Virginia with all that we have found expended within her limits, viz: The amount of the funded debt created for improvements within her territory, the amount invested in her banks, the amount expended on the Lunatic Asylum at Weston, and the estimated value of the property known as the Lewisburg Law Library.

On the other hand we have credited her with her share of the estimated value of the public property and assets of Virginia, other than the property represented in the bonded indebtedness. This latter equalizes itself, and therefore does not enter into the account. Virginia has the property and owes the debt which it represents. We refer only to the public buildings, institutions, and other assets as given in statement G. As to West Virginia's share in these we can only venture an approximate estimate. The public buildings, the common property of the two States, paid for out of the general revenue, we have estimated at \$3,875,000, as per statement G, and it would be reasonable we think to estimate West Virginia's interest in them at one-fourth on the basis of population.

The same statement shows that the surplus revenue of the United States deposited with the State under the act of Congress, June 23, 1836, gave Virginia \$2,937,237.34, of which sum she appears to have received at least \$1,932,809.33. This act assigned to each State its share of deposits on the basis of its representation in Congress, and Virginia having, in 1860, thirteen representatives, three of whom were from West Virginia, it would seem that three-thirteenths of that fund belonged to the latter.

To this share of the deposits, and her interest in the public property, we add, as per statement, her proportion of the Literary Fund. This fund at the date quoted in statement G, amounted to \$1,509,583.16. As it was apportioned throughout the State on the basis of the white population, we follow that rule in assigning to West Virginia three-sevenths of it, that being her ratio of white population in 1860.

Upon the data thus ascertained and explained, we summarize the account between the two States as follows:

## WEST VIRGINIA TO THE STATE OF VIRGINIA.

|            |   |              |                      |
|------------|---|--------------|----------------------|
| <i>Dr.</i> | For the amounts expended and invested in her territory as set forth in statement F.....                     |              | \$3,343,929.29       |
| <i>Cr.</i> | By one-fourth of the estimated value of the public buildings and other assets, as given in statement G..... | \$968,750.00 |                      |
| "          | By three-thirteenths of the United States surplus fund as per same statement.....                           | 446,032.92   |                      |
| "          | By three-sevenths of the Literary fund as per same.....   | 647,079.92   |                      |
| "          | By the amount collected in West Virginia after January 1, 1861, as per statement E.....                     | 328,706.22   | 2,390,569.06         |
|            | Balance due Virginia.....   |              | <u>\$ 953,360.23</u> |

This is the balance as we find it after a protracted examination of such sources of information as were available to us. And the ascertainment of it naturally brings our labors to a conclusion. We commend our investigations to Your Excellency's favorable consideration. From the beginning we realized that the results arrived at must necessarily be only proximate in their character, inasmuch as our sources of information were limited. Subsequent inquiry, under more favorable circumstances, may change the general result a few thousands for or against either State, but such a contingency is of course unimportant. The principle upon which the debt should be adjusted is the important point to settle. And it is to this point, as set forth in these pages, that we beg leave, through Your Excellency, to call the attention of the Legislature.

Very respectfully,

Your Excellency's most obedient servants,

J. J. JACKSON,  
J. M. BENNETT,  
A. W. CAMPBELL.

STATEMENT A.

*Showing the Amount of the Public Debt of Virginia on the First Day of January, 1861, and the Amounts Thereof Held by that State. Also the Amount Thereof Incurred for Public Improvements in West Virginia*

|   |                        |
|---|------------------------|
| The debt of Virginia on the first day of January, 1861, as per the Auditor's report to the extra session of the Legislature on the 10th of December preceding was as follows: | \$10,508,845 30        |
| Debt of January 1, 1853   | 29,379,916 33          |
| Debt created since that time  | \$33,888,791 68        |
| <b>Total</b>  | \$73,777,552 29        |
| Less the amount redeemed on 31st December, 1860   | 237,731 31             |
| Less amount in the Sinking Fund   | 1,462,993 00           |
| Less amount in the Literary Fund  | 248,000 00             |
| Less amount in the Library Fund   | 16,000 00              |
| Less bonds lost on steamship Arctic   | 145,000 00             |
| <b>Net amount of the debt January 1, 1861</b>   | <b>\$71,718,820 98</b> |
| This debt as will be seen by Statement B was mainly incurred for works of public improvement  |                        |
| *Statement F shows that only \$2,784,329.29 of it was incurred for improvements in West Virginia. Said improvements are as follows:   |                        |
| Joint Stock Turnpikes   | \$ 906,196 32          |
| Roads on State Account  | 1,145,019 07           |
| Bridge Companies  | 76,612 50              |
| Navigable Companies   | 207,840 00             |
| Railroads   | 500,000 00             |
| Lunatic Asylum at Weston  | 135,000 00             |
| <b>Total</b>  | <b>\$ 2,961,267 89</b> |
| Deduct Virginia's pro rata for improvements lying in both States  | 176,938 00             |
| <b>Total</b>  | <b>\$ 2,784,329 29</b> |

\*The statement shows a total expenditure in West Virginia of \$3,343,929.29, but only the above amount for public improvement.

## STATEMENT B.

*Showing the amount and character of the investments held by the State of Virginia on the first of January, 1861, together with those that have since been donated or otherwise changed, as per Governor Walker's message to the Virginia Legislature of March 8, 1870.*

|   |                 |                        |
|---|-----------------|------------------------|
| Alexandria, Loudon and Hampshire Railroad.....  | \$ 50,862 00    |                        |
| Blue Ridge Railroad.....  | 1,744,723 00    |                        |
| Chesapeake and Ohio Railroad.....   | 2,484,131 00    |                        |
| Norfolk and Petersburg Railroad.....  | 1,341,341 00    |                        |
| Orange and Alexandria Railroad.....   | 1,151,207 00    |                        |
| Richmond and Danville Railroad.....   | 1,847,585 00    |                        |
| Richmond and Petersburg Railroad.....   | 385,600 00      |                        |
| Richmond and York River Railroad.....   | 490,929 00      |                        |
| South Side Railroad.....  | 1,883,500 00    |                        |
| Virginia and Kentucky Railroad.....   | 103,343 00      |                        |
| Virginia and Tennessee Railroad.....  | 3,755,000 00    |                        |
| Marietta and Cincinnati Railroad.....   | 202,611 00      |                        |
| James River and Kanawha Canal.....  | 10,400,000 00   |                        |
| Other Navigation Companies.....   | 1,192,616 00    |                        |
| Plank Roads, Turnpikes and Bridges.....   | 4,761,564 00    |                        |
| Chesapeake and Ohio Canal.....  | 900,000 00      |                        |
| Selden, Withers & Co.....   | 436,000 00      |                        |
| <b>Total.....</b>   |                 | <b>\$33,131,090 00</b> |
| To this amount add, as per Governor Walker's message of March 8, 1870, for amounts lost, abandoned, or surrendered and released, the following sums, viz: |                 |                        |
| Subscription paid to Covington & Ohio Railroad Co.....  | \$ 3,206,461 83 |                        |
| Subscription paid to Fredericksburg & Gordonsville Railroad Company.....  | 163,299 00      |                        |
| Subscription paid to City Point Railroad Company.....   | 110,000 00      |                        |
| Subscription paid to Blue Ridge Railroad Company.....   | 1,100,000 00    |                        |
| Subscription paid to Manassas Gap Railroad Company.....   | 2,280,000 99    |                        |
| Subscription paid to Portsmouth & Roanoke Railroad Company.....   | 406,650 00      |                        |
| Subscription paid to Roanoke Valley Railroad Company.....   | 307,402 00      |                        |
| Subscription paid to Winchester & Potomac Railroad Company.....   | 270,000 00      |                        |
| Subscription paid to Alexandria, Hampshire and Loudon Railroad Company.....   | 1,017,248 00    |                        |
| Subscription paid to Navigation and other companies.....  | 298,032 05      |                        |
| Loss by Selden, Withers & Co., and Chesapeake & Ohio Canal Company.....   | 580,000 00      |                        |
| *Total.....   |                 | 9,739,092 88           |
| <b>Grand total.....</b>   |                 | <b>\$42,870,182 88</b> |

\*We add these amounts simply because we find them given by the Governor as addenda to the \$33,131,090.00, and not because we find them in any official record to which we have had access.

## STATEMENT C.

*Showing the amount of revenue contributed by the counties composing the State of West Virginia to the Treasury of Virginia for the fiscal year ending September 30, 1860, together with the amount in the aggregate contributed by the present State of Virginia.*

| COUNTIES.       |              | COUNTIES.       |               |
|-----------------|--------------|-----------------|---------------|
| Barbour.....    | \$ 11,402 86 | Monongalia..... | \$ 22,116 00  |
| Berkeley.....   | 31,819 72    | Morgan.....     | 6,111 98      |
| Boone.....      | 4,481 95     | Nicholas.....   | 6,156 59      |
| Braxton.....    | 6,968 90     | Ohio.....       | 48,710 23     |
| Brooke.....     | 9,112 34     | Pleasants.....  | 2,981 46      |
| Cabell.....     | 14,353 52    | Preston.....    | 15,081 36     |
| Calhoun.....    | 2,105 50     | Pocahontas..... | 8,380 89      |
| Clay.....       | 1,820 82     | Putnam.....     | 8,465 10      |
| Doddridge.....  | 5,765 72     | Pendleton.....  | 8,588 99      |
| Fayette.....    | 6,642 01     | Randolph.....   | 8,537 30      |
| Gilmer.....     | 4,875 78     | Ritchie.....    | 8,778 51      |
| Greenbrier..... | 30,862 02    | Raleigh.....    | 3,979 31      |
| Hancock.....    | 6,068 57     | Roane.....      | 4,930 46      |
| Harrison.....   | 27,117 22    | Taylor.....     | 10,530 33     |
| Hampshire.....  | 26,856 45    | Tyler.....      | 7,213 93      |
| Hardy.....      | 19,986 40    | Tucker.....     | 2,237 74      |
| Jackson.....    | 11,357 91    | Upshur.....     | 9,661 71      |
| Jefferson.....  | 47,263 59    | Wayne.....      | 8,156 39      |
| Kanawha.....    | 26,922 46    | Webster.....    | 534 35        |
| Lewis.....      | 12,004 97    | Wetzel.....     | 5,450 94      |
| Logan.....      | 4,444 96     | Wirt.....       | 3,913 52      |
| Marion.....     | 19,985 80    | Wood.....       | 22,114 67     |
| Marshall.....   | 15,657 33    | Wyoming.....    | 2,304 99      |
| Mason.....      | 20,257 22    |                 |               |
| Mercer.....     | 5,936 80     | Total.....      | \$ 626,351 97 |
| Monroe.....     | 25,343 32    |                 |               |

|  |                 |
|--|-----------------|
| Add for taxes on bank dividends.....   | \$ 10,214 99    |
| Bank dividends themselves.....   | 10,513 00       |
|  | \$ 647,079 96   |
| Total revenue of Virginia for the fiscal year ending September 30, 1860..... | \$ 4,182,510 27 |
| Less the amount borrowed that year.....                                      | 245,636 71      |
| Revenue proper.....  | \$ 3,936,873 56 |
| Deducting amount paid by West Virginia.....                                  | 647,079 96      |
| Leaves the amount paid by Virginia as.....                                   | \$ 3,289,793 60 |
| By this Virginia would pay of the public debt.....                           | 826,547,582 22  |
| West Virginia would pay of the same.....                                     | 5,231,485 10    |

\*The taxation on dividends of branches of Virginia banks in West Virginia is not included, because not ascertained.

## STATEMENT D.

*Showing the population of West Virginia, by counties in 1860, also the area in square miles as given by Boye's map of the counties existing at date of its publication. Also, the years in which said counties were formed.*

NOTE.—There is a discrepancy of several thousand square miles between Boye's map and Mitchell's. The former gives the area of Virginia at 65,624 and the latter at 61,352\*.

| COUNTIES.       | Population. | Square Miles. | of Formation County. | COUNTIES.       | Population. | Square Miles. | of Formation County. |
|-----------------|-------------|---------------|----------------------|-----------------|-------------|---------------|----------------------|
| Barbour.....    | 8,959       | 308           | 1772                 | Monroe.....     | 10,759      | 614           | 1790                 |
| Berkeley.....   | 12,525      | 202           | 1796                 | Morgan.....     | 2,731       | 271           | 1820                 |
| Boone.....      | 4,840       | 1,033         | 1809                 | Nicholas.....   | 4,636       | 1,431         | 1813                 |
| Braxton.....    | 4,992       | .....         | .....                | Ohio.....       | 22,432      | 375           | 1776                 |
| Brooke.....     | 5,494       | .....         | .....                | Pendleton.....  | 6,165       | 999           | 1718                 |
| Cabell.....     | 8,020       | .....         | .....                | Pleasants.....  | 2,945       | .....         | .....                |
| Calhoun.....    | 2,502       | .....         | .....                | Pocahontas..... | 3,558       | 794           | 1821                 |
| Doddridge.....  | 5,203       | .....         | .....                | Preston.....    | 13,312      | 601           | 1818                 |
| Fayette.....    | 5,927       | .....         | .....                | Putnam.....     | 6,301       | .....         | .....                |
| Gilmer.....     | 3,759       | .....         | .....                | Raleigh.....    | 3,367       | .....         | .....                |
| Greenbrier..... | 12,210      | 1,409         | 1778                 | Randolph.....   | 4,990       | 2,061         | 1787                 |
| Hampshire.....  | 13,913      | 989           | 1754                 | Ritchie.....    | 6,847       | .....         | .....                |
| Hancock.....    | 4,445       | .....         | .....                | Roane.....      | 5,382       | .....         | .....                |
| Hardy.....      | 9,864       | 1,156         | 1786                 | Taylor.....     | 7,463       | .....         | .....                |
| Harrison.....   | 13,790      | 1,065         | 1784                 | Tucker.....     | 1,428       | .....         | .....                |
| Jackson.....    | 8,306       | .....         | .....                | Tyler.....      | 6,517       | 855           | 1814                 |
| Jefferson.....  | 14,575      | 225           | 1801                 | Upshur.....     | 7,292       | .....         | .....                |
| Kanawha.....    | 16,150      | 2,090         | 1789                 | Wayne.....      | 6,747       | .....         | .....                |
| Lewis.....      | 8,029       | 1,754         | 1816                 | Webster.....    | 1,553       | .....         | .....                |
| Logan.....      | 4,938       | 2,930         | 1824                 | Wetzel.....     | 6,703       | .....         | .....                |
| Marion.....     | 12,721      | .....         | .....                | Wirt.....       | 3,751       | .....         | .....                |
| Marshall.....   | 13,001      | .....         | .....                | Wood.....       | 11,046      | 1,223         | 1799                 |
| Mason.....      | 9,185       | 904           | 1804                 | Wyoming.....    | 2,861       | .....         | .....                |
| McDowell.....   | 1,535       | .....         | .....                | Totals.....     | 374,967     | 24,040        | .....                |
| Mercer.....     | 6,818       | .....         | .....                |                 |             |               |                      |
| Monongalia..... | 13,048      | 721           | 1776                 |                 |             |               |                      |

NOTE.—On a debt of \$31,779,967.32 divided equally between a population of 1,594,291, (which was the whole population of Virginia in 1860) would be nearly \$19.03 3/4-100 mills each, and would impose a debt on the above population of 374,087, amounting to \$7,474,642.46.

\*No complete survey of the State has ever been made, and in consequence of the irregular exterior lines no reliable estimate of the State's area appears to have been attained. By Herman Boye's map, made in 1825, the area is as above. By L. Von Bucholtz's map by authority of Virginia in 1860, the mean length of the State is given at 360 miles, and the mean breadth at 200 miles, giving a horizontal area of 61,352 miles, which is the same as given in Mitchell's map.

## STATEMENT D.—Continued.

*A Table Showing the Appropriate Number of Square Miles in Virginia and West Virginia.*

By Bove's map, the number of square miles in Virginia prior to the division was 65,624, or 41,999,360 acres.

By the Auditor's report for 1861, the number of square miles in the State was reported at 81,549, or 52,191,360 acres.

There appears to be not only a wide discrepancy in these respective authorities, but likewise an error in reducing the square miles to acres. These errors are no doubt to be accounted for by the notorious fact, that under the Virginia system of patenting land, the same lands are on the Commissioner's books several times.

By Mitchell's General Atlas for 1863, the area of Virginia is given at 41,352 square miles, and that of West Virginia at 20,000, which would give to West Virginia something less than one-third of the joint territory.

There being no map that gives the area of the counties of West Virginia separately, we have assumed that the statement given by Mitchell is approximately correct.

## STATEMENT E.

Showing the Revenue paid into the Treasury of Virginia since the first day of January, 1861, from counties now included within West Virginia.

Amounts marked with a † were collected by judgments or executions in the year named, but for what particular year is uncertain.

Where it was plain that any collections were arrears for 1860, they have not been brought into this statement. †

| COUNTIES.        | 1861      | 1862       | 1863       | 1864       | 1865     | Total.        |
|------------------|-----------|------------|------------|------------|----------|---------------|
| Barbour .....    | \$ 726 14 | \$ .....   | \$ .....   | \$ .....   | \$ ..... | \$ 726 14     |
| Braxton .....    | 797 50    | .....      | .....      | † 1,000 00 | .....    | 1,797 50      |
| Boone .....      | 381 02    | † 2 00     | .....      | .....      | .....    | 383 02        |
| Cabell .....     | 739 08    | .....      | .....      | .....      | .....    | 739 08        |
| Calhoun .....    | .....     | .....      | .....      | † 2,307 82 | .....    | 2,307 82      |
| Fayette .....    | 391 35    | .....      | .....      | .....      | .....    | 391 35        |
| Gilmer .....     | .....     | .....      | .....      | † 84 57    | .....    | 84 57         |
| Greenbrier ..... | 26,945 81 | 44,084 83  | 79,227 26  | .....      | .....    | 150,257 90    |
| Hardy .....      | 16,508 10 | .....      | .....      | .....      | .....    | 16,508 10     |
| Jackson .....    | 800 00    | .....      | .....      | .....      | .....    | 800 00        |
| Jefferson .....  | 32,269 06 | .....      | .....      | .....      | .....    | 32,269 06     |
| Kanawha .....    | 1,590 76  | † 1,694 33 | † 2,738 00 | † 3,467 00 | .....    | 9,490 09      |
| Lewis .....      | 946 10    | .....      | .....      | .....      | .....    | 946 10        |
| Logan .....      | 472 52    | .....      | † 25 63    | † 1,410 08 | .....    | 1,908 23      |
| Marshall .....   | 107 95    | .....      | .....      | .....      | .....    | 107 95        |
| Mason .....      | 675 66    | .....      | .....      | .....      | .....    | 675 66        |
| Mercer .....     | .....     | .....      | † 1,111 91 | .....      | .....    | 1,111 91      |
| McDowell .....   | .....     | .....      | 1,200 00   | .....      | .....    | 1,200 00      |
| Monroe .....     | 22,415 34 | 33,470 48  | .....      | .....      | .....    | 55,885 82     |
| Morgan .....     | 615 00    | .....      | .....      | .....      | .....    | 615 00        |
| Nicholas .....   | .....     | .....      | 5,000 00   | .....      | .....    | 5,000 00      |
| Pleasants .....  | 365 00    | .....      | .....      | .....      | .....    | 365 00        |
| Pendleton .....  | 8,006 61  | 6,000 00   | 16,900 00  | .....      | .....    | 30,906 61     |
| Pocahontas ..... | 7,714 00  | .....      | .....      | .....      | .....    | 7,714 00      |
| Putnam .....     | 746 10    | .....      | .....      | .....      | .....    | 746 10        |
| Raleigh .....    | .....     | .....      | † 600 00   | .....      | .....    | 600 00        |
| Ritchie .....    | 21 12     | .....      | .....      | .....      | .....    | 21 12         |
| Roane .....      | .....     | .....      | † 3,487 81 | .....      | .....    | 3,487 81      |
| Upshur .....     | 660 75    | .....      | .....      | .....      | .....    | 660 75        |
| Wayne .....      | 354 74    | .....      | .....      | .....      | .....    | 354 74        |
| Webster .....    | 20 00     | .....      | .....      | .....      | .....    | 20 00         |
| Wyoming .....    | .....     | .....      | .....      | .....      | † 624 97 | 624 97        |
|                  |           |            |            |            |          | \$ 328,706 22 |

† On the exclusion from this statement of taxes levied in 1860 and collected in 1861, the Commissioners were not unanimous. For it was maintained that the taxes of 1860 were levied and collected chiefly to pay interest falling due January 1 and July 1, 1861. One-fourth of the taxes especially designed to pay the July interest was not payable into the treasury until about the 15th of February, 1861. The taxes were collected off of the people who had assumed the burden of the debt and ought to be applied to their relief.

STATEMENT F.—WEST VIRGINIA'S INDEBTEDNESS TO THE STATE OF VIRGINIA.

Showing (approximately) the amount of the public debt of Virginia that was incurred for works of improvement in the territory now included within the State of West Virginia, and such other sums as West Virginia is chargeable with.

These improvements consist of works in which Virginia was a joint stockholder with private companies, and of works constructed wholly on her own account, and certain miscellaneous expenditures.

Date of the several acts authorizing these expenditures is given as far as ascertained.

These expenditures are classified as follows: (1.) Joint Stock Companies. (2.) Roads Constructed on State account. (3.) Bridge Companies. (4.) Navigation Turnpike. (5.) Railroads. (6.) Miscellaneous.

| Date of Act.    | CLASS 1.—Joint Stock Turnpikes.            | Amount of the Appropriations | Amount Expended. | Amount Unexpended. | Miles Length. |
|-----------------|--|------------------------------|------------------|--------------------|---------------|
| 1849, March 15  | Back Creek Valley Turnpike.....            | \$ 1,500 00                  | 1,140 00         | \$ 360 00          | .....         |
| 1849, March 15  | Berkeley and Hampshire Turnpikes.....      | 21,600 00                    | 16,750 00        | 4,850 00           | .....         |
| 1848, Febr'y 9  | Buckhannon and Little Kanawha.....         | 7,773 00                     | 7,773 00         | .....              | 2 1/2         |
| 1849, Febr'y 13 | Brandonville, Kingwood and Evansville..... | 6,000 00                     | 3,193 46         | 2,806 54           | .....         |
| 1850, " "       | Clarksburg and Buckhannon.....             | 32,000 00                    | 28,514 49        | 3,485 51           | .....         |
| 1850, " "       | do do Philippi.....                        | 6,000 00                     | 5,446 25         | 553 75             | 22            |
| 1850, " "       | do do Philippi.....                        | 4,815 00                     | 4,120 11         | 694 89             | 18 1/4        |
| 1850, " "       | Cranberry Summit and Brandonville.....     | 10,200 00                    | 4,195 85         | 6,004 05           | .....         |
| 1850, " "       | Clarksburg and Wheeling.....               | 12,000 00                    | 12,000 00        | .....              | 18            |
| 1858, April 3   | Cacapon and North Branch.....              | 31,260 00                    | 31,260 00        | .....              | 45            |
| 1855, Jan'y 22  | Charleston and Point Pleasant.....         | 31,260 00                    | 27,519 41        | 2,480 59           | 56            |
| 1860, March 9   | Charleston, Ripley and Ravenswood.....     | 39,000 00                    | 6,000 00         | .....              | .....         |
| .....           | Dunkard Creek.....                         | 6,000 00                     | 6,000 00         | .....              | .....         |
| .....           | Elk River.....                             | 37,000 00                    | 116 00           | 36,884 00          | .....         |
| .....           | Franklin and Circleville.....              | 2,400 00                     | 2,175 69         | 225 00             | .....         |
| 1833, March 30  | Fish Creek Road.....                       | 6,000 00                     | 6,000 00         | .....              | 5 1/2         |
| .....           | Gnaty Creek and West Union.....            | 10,800 00                    | 5,700 55         | 5,099 45           | .....         |

## STATEMENT F.—Continued.

| Date of Act. |          | CLASS I.—Joint Stock Turnpike.               |  |  |           | Amount of the Appropriation | Amount Expended. | Amount Unexpended | Miles Length. |
|--------------|----------|--|--|--|-----------|-----------------------------|------------------|-------------------|---------------|
|              |          |  |  |  |           | \$                          |                  |                   |               |
| 1850,        | March 21 | Grave Creek and Pennsylvania State Line..... |  |  | 4,800 00  | 1,800 00                    | 3,000 00         | 4¾                |               |
| 1853,        | " 29     | Gilmer and Braxton.....                      |  |  | 7,200 00  | 6,699 80                    | 500 20           | 26¼               |               |
| 1850,        | " 19     | Gilmer, Ripley and Ohio.....                 |  |  | 30,000 00 | 29,974 80                   | 25 20            | 61                |               |
| 1837,        | " 1      | Giles, Fayette and Kanawha.....              |  |  | 45,000 00 | 44,990 80                   | 8 40             | 70                |               |
| 1849,        | " 15     | Hardy and Winchester.....                    |  |  | 23,400 00 | 23,400 00                   |                  | 18                |               |
| 1819,        | " 15     | Hampshire and Morgan.....                    |  |  | 6,600 00  | 6,510 00                    | 90 00            | 18                |               |
| 1848,        | March 28 | Hardy and Randolph.....                      |  |  | 18,000 00 | 7,134 78                    | 10,865 22        | 20¾               |               |
| 1850,        | Feb'y 9  | Hartselle.....                               |  |  | 8,100 00  | 6,000 00                    | 2,100 00         | 20¾               |               |
| 1849,        | March 2  | Hedgesville and Poromac.....                 |  |  | 6,000 00  | 6,000 00                    |                  | 8                 |               |
| 1838,        | " 2      | Hillsborough and Harper's Ferry.....         |  |  | 6,000 00  | 6,000 00                    |                  | 6                 |               |
| 1832,        | " 20     | Holiday's Cove.....                          |  |  | 15,000 00 | 10,650 00                   | 4,350 00         | 26¼               |               |
| 1831,        | " 29     | Huntersville and Warm Springs.....           |  |  | 10,359 24 | 6,192 24                    | 4,200 00         | 8                 |               |
| 1837,        | " 30     | Holiday's Cove and New Cumberland.....       |  |  | 2,400 00  | 2,400 0                     |                  | 5¼                |               |
| 1846,        | Feb'y 2  | Lee's Ferry Road.....                        |  |  | 1,358 00  | 1,358 00                    |                  | 52                |               |
| 1848,        | " 25     | Kanawha and Logan.....                       |  |  | 5,000 00  | 5,000 00                    |                  | 31                |               |
| 1834,        | March 12 | Kingwood and West Union.....                 |  |  | 40,000 00 | 34,083 18                   | 5,916 82         | 15¼               |               |
|              |          | Lebanon and New Columbia.....                |  |  | 21,000 00 | 2,950 00                    | 18,050 00        |                   |               |
|              |          | Lebanon and Blue Sulphur.....                |  |  | 9,800 00  | 3,847 81                    | 3,732 16         |                   |               |
|              |          | Lebanon Creek and Buffalo.....               |  |  | 4,950 00  | 2,870 24                    | 2,079 76         |                   |               |
| 1848,        | Feb'y 11 | Legg, Raleigh and Monroe.....                |  |  | 12,000 00 | 11,918 75                   | 81 25            | 9¼                |               |
| 1849,        | March 17 | Marshall and Ohio.....                       |  |  | 18,000 00 | 13,490 00                   | 4,510 00         | 12½               |               |
| 1849,        | Jan'y 20 | Marlinsburg and Winchester.....              |  |  | 27,000 00 | 27,000 00                   |                  | 22¼               |               |

STATEMENT F.—Continued.

| Date of Act.                   | CLASS I.—Joint Stock Turpike.       | Amount of the Appropriation, in. ns. | Amount Expended. | Amount Unexp. nard. | Miles Length. |
|--------------------------------|-------------------------------------|--------------------------------------|------------------|---------------------|---------------|
| 1854, February 1 <sup>st</sup> | Middleway and Gerardstown .....     | 12,000 00 \$                         | 11,943 75 \$     | 56 25               | 12            |
| 1848, March 2                  | Milwood and Berryville .....        | 9,000 00                             | 9,000 00         |                     | 6½            |
| 1849, " 1 <sup>st</sup>        | Moorefield and North Branch .....   | 39,300 00                            | 28,137 75        | 11,162 25           |               |
| 1849, " 1 <sup>st</sup>        | Moorefield and Alleghany .....      | 10,200 00                            | 8,779 78         | 1,420 22            | 27½           |
| 1849, " 1 <sup>st</sup>        | Morgantown and Bridgeport .....     | 27,600 00                            | 10,687 40        | 16,912 60           | 36            |
| 1851, February 2 <sup>nd</sup> | Morgantown and Beverly .....        | 7,999 96                             | 2,999 97         | 5,000 00            |               |
| 1851, February 2 <sup>nd</sup> | Morgan and Frederick .....          | 9,000 00                             | 8,005 00         | 995 00              | 20            |
| 1851, March 2 <sup>nd</sup>    | Newark .....                        | 3,600 00                             | 3,000 00         | 600 00              | 10            |
| 1850, February 2 <sup>nd</sup> | New Creek and Hardy .....           | 6,000 00                             | 5,431 24         | 568 76              | 20½           |
| 1848, April 4                  | New Manchester .....                | 2,000 00                             | 2,000 00         |                     | 6             |
| 1850, March 11                 | Newman's Creek Valley .....         | 9,000 00                             | 9,000 00         |                     | 37¾           |
| 1851, February 17              | North River .....                   | 5,400 00                             | 5,400 00         |                     | 24½           |
| 1850, March 11                 | Parkersburg and Elizabethtown ..... | 4,800 00                             | 4,078 45         | 721 55              | 23            |
| 1853, " 30                     | Pleasant Valley and Tunnelton ..... | 6,000 00                             | 2,459 70         | 1,921 30            | 25            |
| 1851, " 4                      | Potomac .....                       | 2,700 00                             | 2,459 70         | 210 30              | 9½            |
| 1850, February 18              | Ravenwood and Reedy Creek .....     | 9,000 00                             | 9,000 00         |                     | 28            |
| 1851, March 21                 | Reedy and Harrisville .....         | 7,200 00                             | 1,751 87         | 5,448 13            | 44¾           |
| 1856, January 13               | Red and Blue Sulphur Springs .....  | 8,856 00                             | 8,856 66         |                     | 32¾           |
| 1851, March 12                 | Ritchie and Gilmert .....           | 9,000 00                             | 8,891 18         | 108 82              | 51            |
| 1854, February 28              | Raleigh and Boone .....             | 1,800 00                             | 1,800 00         |                     | 39            |
| 1851, March 10                 | Salem and Wye Line .....            | 4,800 00                             | 2,800 00         | 2,000 00            | 39            |
| 1851, " 31                     | Sandy .....                         | 7,200 00                             | 3,817 92         | 3,382 08            | 24            |
|                                |                                     | 3,000 00                             | 3,000 00         |                     |               |

STATEMENT F—Continued.

| Date of Act.   | CLASS I.—Joint Stock Turnpikes.               | Amount of the Appropriations. | Amount Expended. | Amount Unexpended. | Miles Length. |
|----------------|---|-------------------------------|------------------|--------------------|---------------|
| 1851, March    | 24 St. Mary's                                 | \$ 6,000 00                   | 6,000 00         |                    | 34            |
| 1816, January  | 31 Shepherdsdown and Smithfield               | 18,575 00                     | 18,575 00        |                    | 13½           |
| 1849, March    | 15 Sweet and Salt Sulphur Springs             | 10,104 00                     |                  | 96 00              | 29            |
| 1847, February | 1 Sistersville and Salem                      | 20,000 00                     | 20,000 00        |                    | 26½           |
| 1850, "        | 7 Shinston                                    | 13,302 26                     | 13,302 26        |                    | 33½           |
| 1830, "        | 18 Smithfield, Charlestown and Harper's Ferry | 14,000 00                     | 14,000 00        |                    | 14            |
|                | Walnut Gap Road                               | 1,800 00                      | 1,805 37         | 404 63             |               |
| 1848, March    | 9 Weston and Fairmont                         | 98,000 00                     | 97,982 50        | 17 50              |               |
| 1818, "        | 25 Weston and Gauley Bridge                   | 64,000 00                     | 64,000 00        |                    | 40½           |
| 1850, "        | 7 West Milford and New Salem                  | 13,653 00                     | 10,536 31        | 1,007 69           | 106           |
| 1847, "        | 20 Wheeling, West Liberty and Bethany         | 13,800 00                     | 10,536 31        | 3,273 68           | 28¾           |
| 1822, "        | 2 Wellsburg and Washington                    | 21,000 00                     | 21,000 00        |                    | 15¾           |
| 1819, "        | 15 Wellsburg and Bethany                      | 7,071 01                      | 7,071 01         |                    | 6             |
|                | Weston and West Union                         | 16,200 00                     | 12,500 22        | 3,699 78           |               |
|                | West Union                                    | 8,400 00                      | 5,328 21         | 2,801 79           |               |
| 1840, March    | 15 Williamsport                               | 2,200 00                      | 2,054 00         | 146 00             |               |
| 1831, January  | 8 White and Salt Sulphur                      | 4,000 00                      | 5,150 05         | 869 35             | 15¾           |
|                | Total   | \$ 1,105,620 14               | 908,196 32       | 202,428 82         | 20½           |

STATEMENT F—Continued.

| Date of Act.   | Roads Constructed Wholly on State Account. | Amount of the Appropriations. | Amount Expended. | Amount Unexpended. | Miles Leng h. |
|----------------|--|-------------------------------|------------------|--------------------|---------------|
|                | Allegheny and Huntersville.....            | 11,000 00                     | \$ 11,462 67     | \$                 | 137 33        |
|                | Abbs' Valley and Tug Road.....             | 5,000 00                      | 4,450 00         | 550 00             | 4,450 00      |
|                | Beverly and Fairmont.....                  | 77,000 00                     | 75,384 65        | 1,615 35           | 1,615 35      |
|                | Cove Spring and White House Road.....      | 2,500 00                      | 2,500 00         |                    |               |
|                | Clear Fork Road.....                       | 3,000 00                      | 600 00           | 2,400 00           |               |
|                | Franklin and Monterey.....                 | 14,000 00                     | 14,000 00        |                    |               |
|                | Fairmont and Wheeling.....                 | 31,848 85                     | 81,848 85        |                    |               |
|                | Huntersville and Huntersville.....         | 23,168 72                     | 23,168 72        |                    |               |
|                | Huntersville and Lewisburg.....            | 20,000 00                     | 19,976 47        | 23 53              |               |
|                | Marlin's Bottom and Lewisburg.....         | 12,615 00                     | 12,615 09        |                    |               |
|                | Middlefork.....                            | 15,000 00                     | 14,407 34        | 592 66             |               |
| 1881, March 19 | North Western Turnpike.....                | 452,579 87                    | 452,579 87       |                    |               |
|                | Ohio River and Maryland Road.....          | 95,934 37                     | 95,934 37        |                    |               |
|                | Princeton and Red Sulphur Springs.....     | 4,200 00                      | 4,200 00         |                    |               |
|                | Stanton and Parkersburg.....               | 368,277 51                    | 355,864 30       | 12,413 21          |               |
|                | Slavin Cabin and Summersville.....         | 87,000 00                     | 16,372 08        | 20,627 92          |               |
|                | Wyoming Court House and Bluffs.....        | 3,000 00                      | 1,894 66         | 1,105 34           |               |
|                | Road from South Branch to Petersburg.....  | 900 00                        | 900 00           |                    |               |
|                | Road from South Branch to Brook's Gap..... | 1,400 00                      | 1,400 00         |                    |               |
|                | Berryville and Charleston.....             | 6,000 00                      | 6,000 00         |                    |               |
| 56             |  | 1,185,024 41                  | 1,115,619 07     | 89,405 34          |               |

STATEMENT F.—Continued.

| Date of Act. | Class 3.—Bridge Companies. | Amount of the Appropriations. | Amount Expended. | Amount Unexpended. |
|--------------|----------------------------|-------------------------------|------------------|--------------------|
| .....        | Cheat River.....           | \$ 6,000 00                   | 4,612 50         | \$ 1,387 50        |
| .....        | Coal River.....            | 3,000 00                      | 3,000 00         | .....              |
| .....        | Fairmont and Palatine..... | 12,000 00                     | 12,000 00        | .....              |
| .....        | Guyandotte.....            | 12,000 00                     | 12,000 00        | .....              |
| .....        | Morgantown.....            | 24,800 00                     | 24,800 00        | .....              |
| .....        | South Branch.....          | 4,200 00                      | 4,200 00         | .....              |
| .....        | Virginia and Maryland..... | 10,000 00                     | 10,000 00        | .....              |
| .....        | Elk River.....             | 6,000 00                      | 6,000 00         | .....              |
| .....        | Total.....                 | \$ 78,000 00                  | 76,612 56        | \$ 1,387 50        |

| Date of Act. | Class 4.—Navigation Companies.  | Amount of the Appropriations. | Amount Expended. | Amount Unexpended. |
|--------------|---------------------------------|-------------------------------|------------------|--------------------|
| .....        | Coal River Company.....         | \$ 96,000 00                  | 96,000 00        | .....              |
| .....        | Guyandotte River Company.....   | 120,000 00                    | 106,800 00       | 13,200 00          |
| .....        | Tug Fork River Company.....     | 5,040 00                      | 5,040 00         | .....              |
| .....        | Total Navigation Companies..... | \$ 221,040 00                 | 207,840 00       | \$ 13,200 00       |



# RECAPITULATION.

|   | Amount of<br>the Appropriations. | Amount<br>Expended.    | Amount<br>Unexpended. |
|---|----------------------------------|------------------------|-----------------------|
| Total expenditures on account of Joint Stock Turnpikes.....   | \$ 1,108,620 14                  | 906,166 82             | 202,453 32            |
| “ “ “ Roads constructed on State account.....   | 1,185,024 41                     | 1,113,619 07           | 71,405 34             |
| “ “ “ Bridge companies.....   | 58,000 00                        | 70,812 50              | 12,812 50             |
| “ “ “ Navigation companies.....   | 221,040 00                       | 207,810 00             | 13,230 00             |
| “ “ “ Railroads.....  | 500,000 00                       | 500,000 00             | .....                 |
| “ “ “ Miscellaneous.....  | 684,800 00                       | 684,600 00             | .....                 |
| <b>Total.....</b>   | <b>\$ 3,777,984 55</b>           | <b>\$ 3,520,867 89</b> | <b>\$ 256,416 66</b>  |
| From these deduct on account of Virginia's pro rata for certain expenditures as given in Table I—Statement of West Virginia of.....               | .....                            | 176,938 60             | .....                 |
| Leaving a total expenditure in West Virginia of.....  | .....                            | 3,343,929 29           | .....                 |
| Deducting from this total the stock of Virginia in West Virginia Banks, and the value of the Lewisburg Law Library, as given in Class 6, viz..... | .....                            | 559,400 00             | .....                 |
| And we have left as the total expenditure in West Virginia on account of Public Improvements.....   | .....                            | \$ 2,784,529 29        | .....                 |

**NOTE.**—It does not appear from any documents examined what exact proportion of this \$3,343,929.29 enters into the bonded debt of Virginia, and what proportion was paid out of the current revenue. That matter is left open for settlement hereafter.



## STATEMENT H.—BANKS.

*Settlement showing the amount of stock owned by the State of Virginia in the several banks in the year 1840, and how that stock was paid for.*

| In What Banks.                                       | In what Name Held.  |                        |                | Total number of Shares. | Par Value of Shares. |
|--|---------------------|------------------------|----------------|-------------------------|----------------------|
|  | Commonwealth of Va. | Board of Public Works. | Literary Fund. |                         |                      |
| (A) Bank of Virginia .....                           | \$ 3,250            | \$ 3,365               | \$ 2,121       | 13,736                  | \$1,373,600          |
| (B) Farmers' Bank of Virginia .....                  | 5,050               | 3,442                  | 1,054          | 9,546                   | 954,000              |
| (C) Bank of the Valley of Virginia .....             | 3,700               | 1,000                  | 52             | 4,792                   | 579,200              |
| (D) Northwestern Bank of Virginia .....              | 4,000               | 271                    | 500            | 4,771                   | 477,100              |
| (E) Exchange Bank of Virginia .....                  | 9,000               | 50                     | .....          | 9,059                   | 905,900              |
| (F) Merchants' and Mechanics' Bank of Wheeling ..... | .....               | 125                    | .....          | 125                     | 12,500               |
|  | \$ 25,000           | \$ 13,262              | \$ 3,727       | 42,029                  | \$4,302,900          |

NOTES—(A) Bank of Virginia—Subscribed by the Commonwealth per act of 30th January, 1804, payable in ten annual installments, to meet which the tax on merchant's licenses and dividends on the stock itself was pledged. The dividends during the time amounted to..... \$ 300,000 00  
 Bonds and profit on sale of new stock of the bank, under act 20th January 1814.... 494,700 00  
 Purchased out of the disposable funds of the Board of Public Works..... 41,800 00  
 Purchased out of the permanent capital of the Literary Fund..... 205,600 00  
 Out of undrawn school quotas in treasury..... 6,500 00  
 Subscribed and paid for out of the United States surplus revenue on deposit in the treasury..... 325,000 00  
 \$ 1,373,600 00

## (B)—Farmers' Bank of Virginia.

Bonus under act 13th February, 1812..... \$ 333,400 00  
 Purchased out of permanent fund of the Board of Public Works..... 4,700 00  
 Out of the disposable funds of the same..... 6,100 00  
 Out of the permanent capital of the Literary Fund..... 105,400 00  
 Subscribed and paid for out of the United States surplus revenue on deposit..... 505,000 00  
 \$ 954,600 00

## (C)—Bank of the Valley.

Bonus under act February, 1817..... 90,000 00  
 Purchased out of disposable funds of Board of Public Works..... 100,000 00  
 Purchased out of permanent capital of Literary Fund..... 9,200 00  
 Paid out of United States surplus revenue..... 370,000 00  
 \$ 569,200 00

## (D)—Northwestern Bank.

Bonus under act 5th February, 1817..... 23,100 00  
 Bonus under act 25th March, 1837..... 4,000 00  
 Paid out of United States surplus revenue..... 282,809 33  
 Paid for dividends of stock itself..... 24,908 67  
 Paid for State's 5 per cent scrip..... 92,282 00  
 Paid for out of permanent capital of the Literary Fund..... 50,000 00  
 \$ 477,100 00

## STATEMENT H—Continued.

(E)—Exchange Bank of Virginia.

|  |                     |
|--|---------------------|
| Bonus under act 25th March, 1837.....  | \$ 5,900 00         |
| paid for out of United States revenue .....  | 450,000 00          |
| Paid for in State's 6 per cent scrip.....  | 295,000 00          |
| Due on subscription of \$900,000 by Commonwealth, \$155,000, which was subsequently<br>paid..... | 155,000 00          |
|  | <u>\$905,900 00</u> |

(F.)—Merchants' and Mechanics' Bank of Wheeling.

|   |           |
|---|-----------|
| Bonus under act of 7th March, 1834..... | 12,500 00 |
|---|-----------|

# Report of the Senate Finance Committee of 1873.

STATE OF WEST VIRGINIA, }  
CHARLESTON, December 22, 1873. }

The attention of the Committee on Finance has been repeatedly called by resolutions introduced in the Senate and otherwise, to the subject of Virginia's public debt and the share which it is equitable for West Virginia to bear and pay. The committee under these frequent promptings have been constrained to give the subject their most earnest and careful attention as a matter fraught with more than ordinary consequence to the State, and have come to a conclusion satisfactory to themselves, and it is believed that the conclusion of the committee will be approved by the judgment of the people interested, and will receive the sanction of any tribunal before whom it may be brought for adjudication.

It is necessary to a full understanding of this subject that reference be had to the treaty stipulations or fundamental conditions, by whatsoever name they may be called, between the representatives of the people of Virginia and the people desiring separation, by the creation of a new State, which led to the formation of a constitution, its adoption by the people and its approval by Congress, and the establishment of the State of West Virginia.

The ninth section of "an ordinance to provide for the formation of a new State out of a portion of the territory of this State," [Virginia] passed August 20, 1861, provided, that "the new State shall take upon itself a just proportion of the public debt of the commonwealth of Virginia *prior to the first day of January, 1861*, to be ascertained by charging to it all State expenditures within the limits thereof, and a just proportion of the ordinary expenses of the State government since any part of the debt was contracted;

and deducting therefrom the monies paid into the treasury of the commonwealth from the counties included within the said new State during the same period."

Upon compliance with the conditions contained in the ninth section and here quoted the people within the counties now constituting West Virginia, were authorized to form a constitution to be presented to Congress for its approval and for the admission of the new State into the Union.

Accordingly, a constitution was adopted by a convention of the people from the several counties now constituting the State of West Virginia; and to carefully guard and secure the rights prescribed by Virginia as a condition precedent to the formation of the new State, a provision was incorporated into it to secure the exact fulfillment of the treaty stipulations as aforesaid.

By article eight, section eight of the constitution, it was provided that "an equitable proportion of the public debt of the Commonwealth of Virginia prior to the first day of January, 1861, shall be assumed by this State; and that the Legislature shall ascertain the same as soon as may be practicable, and provide for the liquidation thereof by a sinking fund sufficient to pay the accruing interest and redeem the principal within thirty-four years.

This subject has received a careful consideration by commissioners appointed by authority of this State, and while this committee see much to approve in the Report of the Debt Commissioners of West Virginia on this subject for their great research and the ability with which they handled the subject, considering the peculiar difficulties under which they labored, as shown in their report, and in the illustration of the many problems that may arise in the discussion of this subject, yet this committee think the controlling question has not been discussed by the Commissioners by reason of the embarrassment surrounding their action; and the Committee beg leave to refer to the report which is appended hereto and marked No. 1.

In construing the legal principles involved in this matter, it may be assumed that a private creditor of Virginia cannot sue West Virginia for contribution; for that is prohibited by the Constitution of the United States; see article eleven of amendments United States Constitution which declares that "the judicial power of the United States shall not be construed to extend to any suit in law or equity commenced or prosecuted against one of the United States by citizens or subjects of any foreign State." But notwithstanding this prohibition the third article extends the judicial power of the Supreme Court to controversies between two or more States. Under this provision of the Constitution it is within the

power of Virginia to institute and prosecute any suit against West Virginia touching the controversies respecting the public debt.

If the conditions precedent to our admission as a State, prescribed by Virginia herself, be accepted as a true basis of adjustment and final settlement, Virginia's claims for expenditures can very properly be offset by our contributions.

Upon this basis the whole subject is one of easy solution, containing no other items than that of creditor or debtor with balances to be struck upon agreed principles. The legislative history of Virginia establishes beyond a doubt that the first act of assembly to create a debt or issue a bond was passed in the year 1821, and the executive records show that the first bond issued by the commonwealth of Virginia was in the year 1822.

From this latter period we date the commencement of our liability under the fundamental stipulations prescribed by Virginia for our separation, which were accepted by the people of this State, approved by Congress, and the President of the United States, as the head of the executive department, and subsequently affirmed by the Supreme Court of the United States, and may at this day be accepted by the public as firmly engrafted into obligations and rights as if the same were constitutional provisions emanating from the supreme power.

The concurrent approval, binding alike upon the people of Virginia and West Virginia, lead us to the following conclusions which are the results of a mathematical demonstration, founded upon public and official records, appropriate to determine how much of the bonded debt of Virginia existing prior to January, 1861, was expended within the limits of this State, and how much was contributed by the counties forming the same.

The report of the Debt Commissioners hereinbefore referred to shows that all State expenditures within this State prior to January, 1861, amounted to \$3,366,929.29, and although it is apparent that bonds for quite a large amount of this sum were never issued, nevertheless the expenditures would seem to import an obligation upon our people to return every dollar which has been so contributed to the development of the territory of our State.

The committee have not entered into the tedious process of calculating the interest, for the obvious reason that there would be as much interest on our contributions to as upon the receipts of Virginia.

The committee have therefore assumed the foregoing sum of \$3,366,929.29 as importing a debt upon West Virginia to be

gathered and itemized from the report of the Debt Commissioners aforesaid.

From the amount of the foregoing expenditures must be deducted the moneys paid into the Treasury of the Commonwealth of Virginia, from the counties included in this State during the same period. For the sake of convenience the committee have charged to Virginia, not the whole contribution, but the surplus after deducting a just proportion of the ordinary expenses of the State government. Our total contributions from taxes to the State of Virginia in the year 1822, amounted to \$63,000; and in that year the total of the expenses of the State government chargeable to us was \$47,000, leaving an excess of \$16,000, which would go to the liquidation of the debt created for expenditures within our midst.

This small surplus in 1822, by the process of an increased rate of taxation, and the increased value of the subjects to be taxed, the rate rising from 8 cents to 40 cents on every one hundred dollars in value, made the excess of our contributions to the treasury of Virginia in the year 1860 amount to \$512,000, rejecting fractions.

Thus our contributions to the treasury of Virginia arising from taxes collected in that year amounted to \$647,079.96. In the same year our proportion of the ordinary expenses of government amounted to \$135,000, which left the surplus aforesaid of \$512,079.96. It will be observed that the committee have referred only to the surplus in 1822 and in 1860. The surplus for the intermediate periods swell the aggregate of our contributions to \$3,892,000 which is in excess of expenditures within our limits by \$525,000.

It will thus be seen that our state is not indebted and the Committee confidently advance this statement, not only as containing the true basis of settlement between the two States, but it is supported by incontrovertible facts, by conditions precedent prescribed by Virginia under the restored government; which government has been approved as aforesaid by Congress, by the Executive and by the Supreme Court of the United States.

Notwithstanding the satisfactory condition of our finances and our material resources, the attention of the committee has been called to the fact that "West Virginia certificates" and "West Virginia bonds" are quoted at the marketable value of from five to fifteen cents on the dollar, in money of the stock exchanges and markets of the United States. This of course has a tendency to depreciate the just credit to which this State is entitled. For it is acknowledged that the credit of a State depends upon the value of its taxable property, the amount of its indebtedness and above all upon its punctuality in meeting its engagements. These quotations imply two things: first, that we owe a debt; second, that we are either unable or unwilling to pay the debt; which beget a want

of confidence in the minds of the public who are uninformed with respect to the true condition of West Virginia; and operate unjustly and injuriously upon us. It would seem to be enough for us to say, and we make the assertion without the fear of contradiction, that we owe no debt, that we have issued no bonds and our Constitution forbids the creation of a liability in the nature of a public debt; and with this assurance we cannot demand more nor expect less of all honorable stock brokers and bankers than the withdrawal from the list of indebted states the name of West Virginia.

“West Virginia certificates” and “West Virginia bonds” do not exist. No bonds have ever at any time been issued by West Virginia; and we are prohibited from issuing at any time hereafter any bonds on the faith of this State. The bonds or certificates referred to were issued by Virginia, and West Virginia had no agency or participation therein.

In respect to the credit which our conduct and property would imply, we might be indifferent, but we have higher aims and more ennobling ambition. We desire to invite immigration, to cultivate our forests and to develop our mineral resources; this cannot be done with success, when men of thrift and capital are deterred from immigrating to and within our borders by reason of the persistent and unjustifiable misquotations of our credit. No one could be expected to invest capital within a State which had so far absorbed the substance of the people thereof that its good faith and obligations were only worth five cents on the dollar. West Virginia owes no debt, has no bonds for sale and asks no credit.

J. M. BENNETT,  
*Chairman.*

JOHN W. GRANTHAM,  
A. E. SUMMERS,  
J. T. McCLASKEY,  
R. B. SHERRARD,  
ELLIOTT VAWTER.

## House Joint Resolution No. 10.

House Joint Resolution No. 10, Concerning the Virginia Debt.

*Resolved by the Legislature of West Virginia :*

That this Legislature hereby declines to enter into any negotiation with the debt commissioners, or commission appointed under a joint resolution, adopted by the General Assembly of Virginia, in the month of March, 1894, looking to the settlement of the Virginia debt question, on the basis set forth in said joint resolution.

The foregoing joint resolution was adopted by the House of Delegates on January 14, 1895; and by the Senate on February 7, 1895.

WM. M. O. DAWSON,  
*Clerk of the House, and Keeper of the Rolls.*

