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THE
WEST VIRGINIA DEBT
AND THE
RESOLUTIONS OF THE VIRGINIA LEGISLATURE
APPOINTING COMMISSIONERS
TO ADJUST IT.

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CHARLES TOWN,
WEST VA.

MARCH, 1894.

THE WEST VIRGINIA DEBT.

THE TWO PROPOSITIONS CONTRASTED.

Two propositions for settling the West Virginia debt were formulated prior to the meeting of the Virginia Legislature. One was suppressed, and kept secret; the other, published. The one which was published was endorsed by Senators Daniel and Hunton, Col. R. P. Chew, Col. Porterfield, Maj. Conrad, Ex-Governor Lee, and by all in both States, (more than fifty in number,) who had taken the trouble to consider the subject. It was based on the theory that West Virginia, and not Virginia, should settle West Virginia's debt. Its theory was that a State debt should be adjusted without speculation, concealments, or subterfuges, and that the business ought to be managed by men so well known for honor, truth, and good-faith, that all the people of West Virginia, as well as her creditors would not only be safe, but would feel safe, with them. No one connected with this plan proposed that Virginia should dictate how much West Virginia owed, or how much she should pay.

Virginia had required all of the bonds of the original State to be surrendered to her, and had issued Certificates to represent that part of the common debt which she had decided not to assume or take care of. These Certificates did not profess to measure the amount of West Virginia's proportion of the common debt: they simply identified the persons entitled to receive what she paid. Virginia herself claimed to own some of these Certificates, and it was suggested that perhaps she ought to participate in the fruits of a settlement by West Virginia.

In view of these facts, it was proposed that a Conference be held between three bodies: (1). West Virginia, represented by six or ten of her most trusted and highly esteemed citizens; (2). Virginia, represented by an equal number of her most honored sons, and (3). The creditors, represented by such gentlemen, as they selected, who could be trusted by them to do right, and not seek illicit profit or concealed personal advantage. The title of this plan was—

“A resolution, by Virginia, to enable West Virginia to adjust West Virginia's part of the debt of the original State.”

This plan had no concealed or unclean influence behind it, and none present at Richmond had any personal interest to be active in its behalf. Hence, it did not obtain the hearing its merits deserved.

A SYNDICATE SCHEME.

The other proposition was the Wall Street Scheme. It proposed that Virginia should settle West Virginia's debt. Its title was:

"A resolution for Virginia to adjust, collect and distribute West Virginia's debt."

Some of its provisions were: (1). Suit shall be brought, unless West Virginia agrees to terms accepted by both the Virginia Commissioners and the Certificate-holders; (2). All expenses incurred by the Commission, including compensation to its members, are to be paid out of the proceeds of settlement; and (3). The Certificates must be deposited with an agency designated by the Commissioners.

The scheme was a proposition to use the name of Virginia to drive the Certificates into a "blind pool," controlled by the Syndicate, and for the Syndicate to furnish money for expenses.

The Syndicate referred to consists of a few Wall Street men, of the class called "Schemers," whose associates have bought up several millions of the Certificates, which were selling last Summer at two cents on the dollar, and who needed the name of the State to corral the many holders who refused to join their pool.*

The resolution was profuse in phrases to guard the honor and treasury of Virginia, and was elaborately worded to conceal its purpose while accomplishing its object.

* High-toned men, who are trusted most by those who know them best, and whose presence and public endorsement is essential to success in business of this character, will not permit their names to be associated with an undertaking which is managed by persons who lack honor and sagacity. When securities are controlled by parties, whom men of valued reputation decline to accept as associates, holders lose their money, unless they develop sufficient intelligence to co-operate under a new leadership.

It must be evident to all that such an undertaking as this cannot succeed without the public endorsement and recommendation of such prominent men as the people are accustomed to follow. The surreptitious lobbying of venal men, whose names if published would fatally discredit the undertaking, does more harm than good. No leadership can possibly succeed unless its personnel be such that it can publicly refer to the men in West Virginia who are trusted by their neighbors.

A feeling pervaded the Legislature that some action ought to be taken to facilitate a settlement by West Virginia, but the real facts were little understood and very few members were sufficiently acquainted with affairs to even comprehend such machinations as were on foot. None were present, except representatives of the Syndicate, who had any inducement to give the subject special attention, and, as the proposition did not affect their local constituency, the more capable members, occupied with other business, would not trouble themselves to take proper care of it.

Although the Legislature met early in December, it was not until February that the public had any notice that such a measure as this would be introduced. When the resolution was offered in the Senate it was promptly recommended by the Richmond newspapers and had the active support of those who practice intense respectability but are regarded, where best known, as men of easy virtue and unclean methods. All agreed that Virginia should tender her friendly offices to aid West Virginia to a settlement, and the Legislature, (not noticing that it contained a very different proposition,) generally accepted this resolution,—without it being read. But, before a vote was taken, a citizen of West Virginia, who was informed about the syndicate, sent a publication to Richmond pointing out some of the reasons why Virginia ought not to threaten suit. This publication failed to arrest attention, but it defeated the resolution until the provision, relating to the suit was eliminated. Subsequently, a second publication pointed out a few of the more objectionable features, (such, for example, as the provision for a “blind pool” in the name of the State,) which were obviously to promote the syndicate and not to benefit the State. The result was, that the resolution, which had unanimously passed the Senate, was defeated in the House.

But the lobby rallied, and the proposition, in “a modified form,” was again introduced, and was again defeated. Finally, and as generally happens when great profits are expected from hasty legislation, and none are present who have a sufficient interest to take care of a purely public question, the subject was brought up for the third time, and, during the hurry and confusion of the last “business day” of the session, the resolution, printed below, was rushed through under the spur of a Special Message by the Governor, “advising that some PROPER action be taken in regard to the West Virginia debt.”

(The resolution which finally passed was very different from the Wall Street Scheme, and will be considered presently.)*

LET THE RESOLUTION BE REPEALED.

The details of this matter are thus published, because the West Virginia people should be informed that the Virginia Legislature acted without due deliberation, and that when the subject is better understood in that State, her Legislature is likely to repeal this resolution and abandon the false theory on which it proceeded.

WEST VIRGINIA VINDICATED.

Before West Virginia had opportunity to arrange her debt, Virginia declared her purpose to issue Certificates which should designate the persons who would be treated as the creditors of West Virginia. Hence the conduct of Virginia has, until now, obstructed a settlement by West Virginia. The facts are as follows:

Virginia was divided and West Virginia created under an Ordinance that prescribed the precise rule by which West Virginia should ascertain the amount of her proportion of the debt of the original State, and it would have been unsafe for West Virginia to act until it was determined whether Virginia could repeal this Ordinance.

*The different resolutions were in this order:

First resolution by Mr. Wickham, in the Senate:—

Proposed to pool the Certificates in the name of the State, and authorized suit, if the Commissioners failed to agree with West Virginia. This was defeated in the Senate, Feb'y 14th.

Second resolution, by Mr. Flood, in the Senate:—

Retained the pooling feature but eliminated the provision authorizing suit. This was defeated in the House, March 1st.

Third resolution, by Mr. Flood, in the Senate:—

This was a modification of his former resolution. Mr. Downing's motion to take up this resolution was voted down in the House on March 5th.

Fourth resolution, in the Senate:—(introduced March 6th.)

Passed March 6th, and on the same day, after receiving the Special Message, was passed by the House. Thereupon, on the same day, Messrs. Wickham and Flood of the Senate, and Messrs. Downing and Harrison of the House, were elected Commissioners. On the following day the Governor appointed the seventh member of the Commission. Mr. Berry and Mr. Moon, Chairmen of the Finance Committees, being made members by the resolution.

See the several resolutions in Appendix.

It will be remembered that, after the "Restored Government" moved from Wheeling to Alexandria, Virginia attempted to repeal the Ordinance so far as it related to West Virginia's proportion of the debt and so far as it related to Jefferson and Berkeley Counties. It also will be remembered that immediately after the war (in 1866) suit was brought to determine whether the Ordinance was binding on both States. This suit was not decided until 1871, and the United States Supreme Court held that the Ordinance was binding.

Within less than a month after this decision, and before it was practicable for West Virginia to move in the matter, Virginia (by her Act of March 30th, 1871, known as "the funding bill") declared her purpose to take care of one part of the debt of the original State and to leave the other part to be taken care of by West Virginia. The part, to be taken care of by West Virginia, was to be represented by the Certificates which Virginia proposed to issue. It is evident West Virginia did not know, and could not know, who were to be her creditors until Virginia finished issuing the Certificates. She has not finished yet. On January 31st, 1894, an Act was approved authorizing Certificates to be issued for one-third of a remnant of original bonds not yet funded under the Act of 1892. Virginia has been issuing Certificates nearly every day since 1871; she has issued nineteen millions, and until January 31st, 1894, it was impossible for any one to know how many she proposed to issue. If West Virginia had had her bonds ready twenty-five years ago, they must have waited in her treasury until to-day, because no one could have ascertained what percentage in new bonds each \$100 of Certificates would be entitled to; the percentage will depend on the amount of Certificates.

The announcement by Virginia that she would issue Certificates to identify West Virginia's creditors was equivalent to a notice that the latter State should wait until the Certificates were all issued, and surely it does not become Virginia to complain of the inevitable consequences of her own act.

The official documents of Virginia show that, until January 31st, 1894, West Virginia could not have ascertained how many Certificates would be issued, and on February 2d, 1894, the resolution was offered, authorizing a suit unless West Virginia, within such time as the Commissioners of Virginia considered reasonable, agreed to terms accepted by them and by the Certificate-holders.

It should be remembered that nothing was before the Legislature

to indicate that any of the creditors were asking the intervention of Virginia. The Syndicate's proposition made her appear as a pure volunteer; and a volunteer to demand such a settlement by West Virginia as the Commissioners of Virginia consented to and the creditors accepted: and this demand was to be made by Virginia, who had so recently compelled her own unwilling bondholders to submit to any and all terms she offered; but it is public knowledge that it was the influence of a Syndicate expecting great profits and not zeal for the State's moral obligation which prompted this resolution. The sting lies in the fact that the resolution placed Virginia before the Country as flaunting a debt of honor as her pretext for an unrighteous and fruitless act.

Of course, the many holders of Certificates, who refused the leadership of the Syndicate, are not responsible for its unwise effort at Richmond, which, if it had succeeded, would have so complicated the situation as to forbid any intelligent action by West Virginia; but it is to be regretted, none the less, that those, who were outside of the Syndicate, permitted a matter of this public importance to be so rashly and improvidently dealt with.

VIRGINIA ASSUMES SHE MAY MAINTAIN A SUIT.

It is evident West Virginia should not do any act to admit that Virginia can maintain a suit. Virginia has appointed a Commission on the theory that this State is indebted to her, and must account to her. If West Virginia assents to this theory, or admits that it is a correct theory, then, sooner or later, a suit will undoubtedly be brought. It will be brought, because, if West Virginia makes this admission against herself, many creditors will not consent to such terms as she can offer.

The Commissioners of Virginia cannot violate their instructions; and their instructions are a notice to this State that, if she negotiates with them, she admits that Virginia is entitled to "collect and distribute" West Virginia's debt; and this admits, Virginia can maintain a suit. Whereas, if our Legislature declines to treat with Commissioners, having these instructions; if we decline to negotiate with Virginia until she abandons this theory, then her next Legislature will, it is presumed, repeal this hasty resolution.

West Virginia was not consulted as to the proportion of the common debt Virginia should assume, and West Virginia is not responsible for any of the compromises between the present State of

Virginia and the creditors of the original State. West Virginia's debt is measured by the Ordinance under which she was created. The Certificates simply designate the persons who (by agreement between the original bondholders and the present State of Virginia) are entitled to receive West Virginia's debt.

The Commissioners of Virginia cannot, under their instructions, profess to represent the holders of Certificates, and consequently West Virginia should not treat with them,—unless she means to admit that Virginia can maintain a suit.

WEST VIRGINIA'S DEBT IS MEASURED BY THE ORDINANCE, AND
VIRGINIA HAS NO VOICE.

The whole duty and obligation of West Virginia in respect to the debt is exactly measured and defined by the Ordinance under which she was formed. It is as follows:

“The new State shall take upon itself a just proportion of the debt of Virginia, prior to 1861, to be ascertained by charging to it all State expenditures within the limits thereof, and the just proportion of the ordinary expenses of the State Government since any part of said debt was contracted, and deducting therefrom the moneys paid into the Treasury of the Commonwealth from the Counties included within said new State during the same period.”

It is evident Virginia can make no claim under this Ordinance, and it is equally evident that she is not entitled to any voice when West Virginia comes to ascertain her proportion of the original debt, fixed on her by its terms.*

* As a matter of course, Virginia can make no claim under the Constitution of 1863, under which West Virginia was admitted as a State. It reads:—

“An equitable proportion of the debt of Virginia prior to 1861 shall be assumed by this State; and 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 interest and redeem the principal within thirty-four years.”

This provision was omitted from the Constitution of 1872, because the Convention was of the opinion that the subject was controlled by the Wheeling Ordinance. It will be observed, however, that prior to this Constitution, Virginia had passed the Act of 1871 to issue Certificates which would designate the persons entitled to receive the West Virginia debt.

WEST VIRGINIA SHOULD SETTLE HER OWN DEBT.

This State owes a duty, not to Virginia, but to the creditors, and her duty to them is exactly defined; the Ordinance reads:—"She shall assume the just proportion of the debt of Virginia prior to 1861, to be ascertained by charging" certain expenditures, &c., and crediting the taxes which were collected. In view of all the circumstances, Virginia should not be consulted to determine any question this Ordinance involves; she is not entitled to collect the proceeds of settlement, and she is not interested. West Virginia and the holders of the Certificates are the only parties concerned, and they may easily settle between themselves any questions which may arise.

Let West Virginia decline, respectfully but firmly, to appoint a Commission to meet the one appointed by Virginia. Let the Legislature then name a Committee of such men as Congressman W. L. Wilson, Ex-Internal Revenue Commissioner Jno. W. Mason, Ex-Governor Flemming, Ex-Governor Wilson, &c., and let the creditors be represented by men so favorably and widely known for intelligence and integrity that the undertaking will be put on a plane to command the respect and confidence of every one.

When the true amount of West Virginia's debt has been ascertained and fixed, a conference between the representatives of the State and the representatives of the creditors can determine how much interest she can afford to pay annually for the first ten years and how much for the next ninety years; the principal to be paid within one hundred years, at the State's pleasure.

This disposition of the subject will be creditable to West Virginia and should be satisfactory to her creditors.

J. M. MASON.

CHARLESTOWN, W. VA., *March 8th, 1894.*

APPENDIX.

FIRST RESOLUTION (WICKHAM'S).

To provide for the settlement with West Virginia of her portion of the debt of the undivided State.

(The preamble and the section appointing a Commission was the same in all the resolutions.)

1. Said Commission is authorized and directed to negotiate with West Virginia and to conclude such settlement and adjustment of the proportion of the debt of the original State, proper to be borne by West Virginia, as to the Commission may seem just and fair, and accepted by the majority of Certificate-holders.

2. If such settlement cannot be arrived at by negotiation within such time as the Commissioners deem reasonable, they may institute a suit to ascertain and recover the proportion of the debt of the original State proper to be borne by West Virginia.

3. Said Commission shall not conclude a settlement, until assurances, satisfactory to them, in the form of direct contract, indemnity, or otherwise, are given by or on behalf of the Certificate-holders, (or such a majority of them as, in the opinion of the Commission, will insure the absolute safety of this State,) that the result of settlement will be accepted by them as a complete discharge from all claim by them.

4. Suit shall not be brought until two-thirds of the Certificates have been deposited, (subject to the terms of this resolution,) with the Commission or with some agency designated by it.

(The other sections are the same as in the second or Flood's resolution.)

SECOND RESOLUTION (FLOOD'S).

To provide for adjusting with West Virginia the proportion of the debt of the original State proper to be borne by West Virginia, and for the application of whatever is received from West Virginia to the payment of those entitled to the same.

(The preamble and the section appointing a Commission was the same as in the resolution which passed.)

1. (Same as in the Wickham resolution.)
2. (Same as section (3) of the Wickham resolution.)
3. Said Commission shall not proceed with negotiations until two-thirds of the Certificates have been deposited, subject to the terms of this resolution, with said Commission, or with some agency designated by it.
4. But no settlement shall be concluded without the approval of a majority of holders.
5. Whatever is received from West Virginia shall be distributed by the Commission, among the holders of the four classes of Certificates, in such manner as may be determined by a Board selected as follows: one, by holders of the Certificates issued under the Act of 1871; one by the holders of those issued under the Acts approved 1879, 1882, and 1892; and one, by the Commission.

All questions arising in connection with the settlement or distribution shall be determined by the Commission.

The Commission shall not bind this State for any amount beyond the two-thirds she has assumed.

All expenses incurred by the Commission and Board, including their compensation, shall be paid out of the proceeds of settlement, or by holders who are its beneficiaries.

The Commission may advertise this resolution, with a warning that holders who do not dissent, within six months, shall be deemed to have assented and will be bound by all acts thereunder.

This resolution shall take effect from its passage.

THE RESOLUTION WHICH FINALLY PASSED.

(The resolution, here CONDENSED, is printed below in full.)

A Resolution for Virginia to Settle, Adjust, Collect, and Distribute West Virginia's Debt.

Whereas, the General Assembly, is required by the Virginia Constitution, to provide by law for adjusting with West Virginia the

proportion of the debt of the original State, proper to be borne by West Virginia: (*) and

Whereas, the General Assembly has heretofore passed several Acts for funding said debt, to wit: the Acts respectively approved, March 30th, 1871, March 28th, 1879, February 14th, 1892, and February 20th, 1892: and

(*) The resolution does not correctly quote the Virginia Constitution. It is very different. The Constitution proposed to adjust with West Virginia the proportion of the original debt which EACH State should assume. Adjusting whether West Virginia's proportion shall be one-tenth or one-sixth, is very different from settling and adjusting how much she shall pay. The Virginia Constitution reads:—

“The General Assembly shall provide by law for adjusting with West Virginia the proportion of the debt proper to be borne by Virginia AND by West Virginia.”

This resolution appoints Commissioners who are to adjust, not what proportion is a proper proportion for West Virginia, but to adjust West Virginia's debt.

Quoting the Constitution thus incorrectly makes a false impression. The Constitution proposed to adjust whether West Virginia's proportion should be one-tenth, one-sixth or one-fourth of the debt of 1861.

The Wheeling Ordinance enables either State to ascertain the amount which West Virginia must assume, but her PROPORTION depends on whether the original debt was \$30,000,000 or \$35,000,000. There has always been great doubt as to the amount of the debt in 1861. If the Ordinance fixes \$5,000,000 on West Virginia, and if the debt was \$30,000,000, then her proportion would be one-sixth of all the bonds.

This matter is simple enough, when we remember that the Virginia Constitution, (framed in 1867) contemplated that each State would deal directly with the individual bondholders. The spirit of the Virginia Constitution was violated and its expectations thwarted, when the Legislature of 1871 issued Certificates to identify the persons who should thereafter be treated as the creditors of West Virginia.

Before the Certificates were issued, Virginia might have requested Commissioners to determine the part of the debt which would be a just proportion for West Virginia; but, having issued the Certificates, and thus designated the persons entitled to receive West Virginia's debt, Virginia has no right, and less reason, to summon West Virginia to account to her.

The truth is, the debt of Virginia, during the past twenty-five years, has been a matter of local politics, and it would be unwise for West Virginia to concern herself with the complications of another State from which she is now free. West Virginia has a plain road before her, which she will travel with honor and safety if she follows the Ordinance and her Constitution of 1863.

Whereas, each of said Acts made provision for issuing to creditors of the original Statè, who accepted the new bonds they offered) Certificates for such proportion of the obligations they surrendered, as was deemed proper to be borne by West Virginia, to wit: one-third of the amount of said obligations: (*) of which Certificates the State holds a large amount through the agency of its Sinking and Literary Funds: (†) and

Whereas, the present State of Virginia has settled the two-thirds

(*) It will be noticed that the resolution asserts that the several acts—

“Provided for Certificates for such part of the obligations AS WAS DEEMED PROPER TO BE BORNE BY WEST VIRGINIA, to wit, one-third.”

This is a mistake. The Legislature of 1871 professed some little acquaintance with the facts and did not undertake to determine that one-third was the PROPER proportion TO BE BORNE by West Virginia; they simply recited the Wheeling Ordinance, and said that they ESTIMATED Virginia's part at two-thirds, and payment of the other one-third would be provided for IN ACCORDANCE WITH such settlement as might be had with West Virginia.

This clause of the resolution strikingly illustrates how little consideration was given the matter. If the members had even glanced at the Acts they recited, they would have known that the acts of 1871 and 1879 did not undertake to determine the proportion PROPER TO BE BORNE by West Virginia, and that the Acts of 1882 (Riddleberger bill) and 1892 expressly repudiated the theory that Virginia should collect West Virginia's debt. The Act of 1871 reads:—

“Whereas, West Virginia includes one-third of the population and territory of Virginia, and the Ordinance, authorizing the organization of that State, provided that it should assume a just proportion of the debt prior to 1861 (which provision has not yet been fulfilled, although repeated efforts in that behalf have been made by this State, and will continue to be made as long as may be necessary), and

“Whereas, Virginia wishes to settle her part of the debt, which is estimated at two-thirds, and it has been suggested that West Virginia may prefer to pay that State's portion to the holders thereof and not to this State, now, to enable West Virginia to settle her proportion with the holders thereof, it is enacted that Certificates shall be issued for one-third of each original bond, reciting that payment will be provided in accordance with such settlement as may be had with West Virginia.”

(†) There are several reasons why Virginia has no demand for the Certificates she claims to own. One reason is sufficient. She can make no demand, because the amount fixed on West Virginia by the Wheeling Ordinance is greatly less than one-third. A partner who buys up a partnership obligation does not create a claim on his copartner unless he has paid more than his proportion of the partnership debts.

assumed by her, to the entire satisfaction of her people and the creditors: *Resolved*,

1. That a Commission of seven be hereby created to consist of the Chairman of the Senate Finance, and two other members of that body, to be elected by its members; the Chairman of the House Finance Committee and two other members of that body to be elected by it; and one other person to be appointed by the Governor.

No member of said Commission shall cease to be a member by reason of ceasing to be a member of the General Assembly. It shall choose its own Chairman and Secretary, and any vacancy shall be filled by the Governor.

2. Said Commission is directed to negotiate with West Virginia, a settlement and adjustment of the proportion of the debt of the original State, proper to be borne by West Virginia (*).

But said Commission shall not proceed with said negotiations until assurances, satisfactory to its members, have been received from the holders of a majority in amount of said Certificates, exclusive of the holdings of the Sinking and Literary Funds, that they desire the Commission to undertake such negotiation, and will accept the amount so ascertained to be paid by West Virginia, in full settlement of the one-third which has not been assumed by the present State of Virginia (†).

(* It will be observed that the Commission is directed to "settle and adjust West Virginia's proportion of the original debt." In other words, the Commission must (by means of negotiations) determine how much West Virginia shall pay. Dictionaries give the meaning of the words "settle" and "adjust," and there can be no doubt as to the purpose of this resolution.

It will be observed, also, that the next clause provides—

"Said Commission shall in no event enter into negotiations except on the basis that Virginia is bound ONLY for two-thirds of the original debt."

In other words, West Virginia must make the admission that her proportion amounts to the one-third, which is now represented by \$19,000,000 of Certificates.

(†) The defects of this resolution become very conspicuous when its language is analyzed. It says:—

"The Commission shall not negotiate until ASSURANCES are received from a majority of the Certificate-holders, that THEY desire the Commission to undertake such negotiations:

"Nor shall the Commission negotiate until a majority of the Certificate-holders give ASSURANCES that they will accept the

But said Commission shall in no event enter into negotiation except on the basis that Virginia is bound for only two-thirds of the debt of the original State (*).

3. All expenses, incurred by said Commission and said BOARD, (†) including compensation to the members thereof, shall be paid out of the proceeds of such settlement, or by the holders who are its beneficiaries; but without subjecting Virginia to any expense on this account.

4. The action of said Commission shall be subject to the approval or disapproval of the General Assembly (‡).

5. The Governor is requested to communicate this resolution to the Governor and Legislature of West Virginia.

amount SO ASCERTAINED TO BE paid by Virginia, in full settlement of the one-third which Virginia has ~~not~~ assumed."

One would suppose that the intention was to apply the ENTIRE amount "so ascertained to be paid by West Virginia," to those only who "give assurances that THEY will accept it in full settlement of the one-third." If such be the intention, the minority, who do not give assurances, are very unwilling that West Virginia should consent to negotiations on this basis.

(*) Virginia has virtually instructed her Commissioners not to negotiate unless West Virginia admits that her just proportion amounts to the one-third which is now represented by \$19,000,000 of Certificates.

(†) The haste and carelessness of this resolution is illustrated by providing for the expenses and compensation of a BOARD, although there is no mention of any Board.

(‡) The proposition is, that West Virginia shall agree to a settlement which is not binding on Virginia unless ratified by her next Legislature. Either the Legislature was unwilling to trust the gentlemen who were to be appointed Commissioners, or else this resolution was drafted in such haste that there was not time to consider it. The truth is, the Syndicate's third effort was made when the Legislature was about to adjourn, and being again defeated, the Syndicate was desperate. At this juncture, and on the eve of adjournment, the Governor's Special Message was invoked. There was not time to frame a proper resolution, and the Syndicate preferred even unwise action to no action at all. They proposed to imitate the Irishman who said, "the rabbits did not know that his gun was not loaded."

VIRGINIA'S RESOLUTION TO SETTLE WEST VIRGINIA'S DEBT.

(Printed in full.)

A Joint Resolution to provide for adjusting with West Virginia the proportion of the debt of the original State proper to be borne by West Virginia, and for the application of whatever may be received from West Virginia to those found entitled to the same.

Approved March 6, 1894.

Whereas, the General Assembly is required by the Virginia Constitution to provide by law for adjusting with West Virginia the proportion of the public debt of the original State proper to be borne by West Virginia; and

Whereas, the General Assembly has heretofore passed four several Acts for the funding and settlement of her public debt, to wit, the Acts approved respectively March 30, 1871, March 29, 1879, February 14, 1882, and February 20, 1892; and

Whereas, each of said Acts provide for issuing to creditors of the original State, who should accept the new bonds provided for by said Acts, Certificates for such proportion of the obligations they surrendered as was deemed proper to be borne by West Virginia, to wit, one-third of the amount of said obligations, of which Certificates this State holds a large amount through her Sinking and Literary Funds; and

Whereas, the present State of Virginia has settled and adjusted to the entire satisfaction of her people and the creditors the liability assumed by her on account of the two-thirds of the debt of the original State: Therefore resolved:—

1. A Commission is created to consist of the present Chairman of the Senate Finance Committee and two other members of that body, to be elected by it; the present Chairman of the House Finance Committee and two other members of that body, to be elected by it, and one, to be a resident of Virginia, to be appointed by the Governor.

No Commissioner shall cease to be such by reason of ceasing to be a member of the General Assembly. The Commission shall choose its Chairman and Secretary, and vacancies, occurring during

the recess of the General Assembly, shall be filled by the Governor, and a majority of the Commission may act.

2. Said Commission is directed to negotiate with West Virginia a settlement and adjustment of the proportion of the debt of the original State proper to be borne by West Virginia.

But said Commission shall not proceed with said negotiation until assurances, satisfactory to said Commission, shall have been received from a majority in amount of the Certificate-holders (exclusive of those held as aforesaid by Virginia)—

(1st) That they desire the Commission to undertake such negotiation, and

(2d) Will accept the amount, so ascertained to be paid by West Virginia, in full settlement of the one-third of the debt of the original State, which has not been assumed by the present State of Virginia.

But said Commission shall in no event enter into any negotiation hereunder except on the basis that Virginia is bound only for the two-thirds which she has already provided for as her equitable proportion thereof.

3. All expenses incurred by the Commission and said Board of Arbitrators, including compensation to the members thereof, shall be paid out of the proceeds of such settlement, or by the holders who are the beneficiaries of such settlement, but without subjecting this State to any expense.

4. The action of the Commission shall be subject to the approval or disapproval of the General Assembly, and not be binding on Virginia until approved by her General Assembly.

5. The Governor is requested to communicate this Resolution to the Governor and Legislature of West Virginia.

6. This Resolution shall be in force from its passage.

