

# THE VIRGINIA DEBT SCHEME

## ARTICLE I

So many make inquiry that the articles promised several months ago, may be of interest. They were not written sooner because it had become evident that an unseen influence was able to keep the public apathetic. Before the last election it was pointed out that this debt suit scheme was based on maintaining a graveyard silence until it was too late to offer a defense which would prevent the court from stating the Wheeling ordinance account, and, before the legislature met, a Republican, thinking only of the State's safety, suggested a non-partisan commission to manage this matter. His suggestion was immediately formulated and printed in the Register, but it was then pointed out, and predicted, that such a proposition would be defeated by Dawson's machine, aided by certain Democrats who are the recipients of its bounty, and who, while disclaiming interest, are in close touch with the Wall street magnates furnishing money to Virginia attorneys professing to represent their State, but, in fact, representing the New York committee. It is sufficient to remind those taking interest, that the non-partisan commission proposition was defeated exactly as predicted, except that they took \$50,000 out of the treasury instead of \$25,000.

Experience teaches that, when such a scheme as this debt suit is on foot, offering vast profit contingent on success, the average politician stands aloof and professes ignorance. He stands aloof, although disposed to be honest, and he stands aloof because timid about antagonizing influential grafters who are in secret partnership with Wall street magnates. It will be remembered that those most active last winter for the \$50,000 fake appropriation are the very men who, till profit offered, preached that this State was in no danger.

West Virginia taxpayers are now confronted with a scheme offering vast profit, and based on speakeasy methods. If we pause to consider the magnitude of this profit we will better appreciate the power of the influence which keeps the public apathetic. The fifteen million certificates cost present holders an average of about eight cents, or \$1,200,000, and it is easy to figure the profit if West Virginia compromises by issuing seven millions of four per cent. bonds payable thirty years hence. For example, seven millions, plus thirty years' interest, \$15,400,000. One million two hundred thousand dollars, plus thirty years' interest, \$2,640,000.

Profit, \$12,949,000. The unseen influence of this vast profit is the greater because a cash fee of \$750,000 is offered for a settlement. 'Tis true, payment will be spread over thirty years, but it means an average of \$500,000 a year, and necessarily means increasing State taxes \$500,000.

Be it carefully remembered that we are illustrating the influence which is keeping the public apathetic by keeping taxpayers ignorant. We are not speaking of the amount this State should pay. We will come to that presently. This vast profit of \$12,940,000, call it thirteen millions, is exhibited only to induce sensible men to consider the potentiality of the unseen influence which is keeping the public apathetic. Surely, every man of affairs will, if he stops to reflect, appreciate the influence exerted when Wall street magnates expect thirteen millions of profit, and while our State politics are in the present condition. In truth, the certificates would be in demand at a price above 50 cents were it not that Wall street fears lest some manly and brainy man comes to the front and, by making speeches, creates a public opinion compelling an honest effort to protect this State.

The situation offers a brainy man, in the prime of life, an opportunity that does not come once in a 100 years. If such a man now came to the front, ignorance would quickly unite with education to protect the State, and he would have the active support of the entire intellectual class, except grafters and the enthusiastic support of the unwashed masses. A speaker, making this his theme, would have a welcome in every county that no public man ever had, and would have this welcome because, although the public is now apathetic, yet a feeling pervades society that a great wrong is about to be inflicted which could not be inflicted if State officials and public men served the people with even half the fidelity a railroad attorney serves his corporation. Never before was a matter of this public importance so studiously boycotted by officials, by candidates and by the managers of machine politics in both parties. Never before were taxpayers as much interested in a subject about which politicians avoided public utterance. Never before was the well-to-do class so eager to hear the honest truth. It is not an exaggeration to say that the non-office seeking part of the intellectual class have almost concluded that the State will certainly be betrayed unless a man, equal to the occasion, comes promptly to the front. It is not an exaggeration to say, that never before was the public conscience so alive to the value of honest brains in official life.

Tomorrow's papers tells the scheme now on foot, and the paper next day suggests a remedy.



## ARTICLE II.

The January Bar, 1906, had a paper showing that, if the court states the Wheeling ordinance account, it will render judgment for not less than five millions and probably more than ten millions. The writer or that paper gave the Virginia documents, easily accessible to state officials, from which his figures were taken. After more than eighteen months, no error has been suggested. It is safe to assume that no politician will state publicly that, having read that paper, he expects the court to figure out less than five millions. It is perfectly safe to assume that no lawyer, with any standing at the bar, will say that, after reading the bill filed by Virginia, he doubts that the court will state the account unless some defense is offered which state officials do not profess to have discovered.

There has been constant and assiduous effort to inculcate the heretofore unheard of theory that, in West Virginia, it is beneath official dignity, and contrary to professional ethics, to give the public information as to whether any one professes to have discovered a defense to a suit involving fifteen millions to taxpayers. This unheard of theory, this legitimate child of speak-easy methods, upsets the very fundamentals of republican government and is without precedent. When old Virginia brought suit for Jefferson and Berkeley, the governor made public the defense as soon as counsel had determined what it should be. It is inconceivable any sensible person thinks that an invulnerable defense may be weakened by publicity. It is inconceivable that that state officials would be reticent if a defense had been discovered which counsel believed invulnerable. Some sixty days ago the Intelligencer published that Dawson, Mollihan, McClintock, Mathews, etc., had had a conference with Carlisle in Washington, and that, after the conference, Dawson went to the residence of Elkins for lunch. It may be assumed with perfect safety that the price of certificates would not have advanced if Carlisle had discovered a defense to stating the account. It is perfectly safe to assume that any defense, which counsel believed invulnerable, would have been promptly published. But, is not the situation desperate when, within sixty days of trial, their defense, if they have any, is of such tender fiber that it must be kept in cold storage till offered in court? Is not the situation desperate if counsel propose a defense which they fear will evaporate when exposed to the sunlight?

The writer does not believe that any state official expects money out of this debt suit, but he does believe that the state's safety is lost sight of in an effort to fortify a political machine, and he does believe that state officials, blinded by partisan feeling, are under a delusion which is necessarily fatal to honest government, to wit, that a governor may control politics. This undoubtedly is the feeling among those in every county who are most respected for honesty and most trusted for intelligence. Not only so, but men of affairs will know that self-seeking politicians, who rely on speak-easy methods and corrupt practices, will betray the state rather than antagonize Wall street magnates whose thirteen millions of profit depends on maintaining public apathy till too late to make an honest effort to find an invulnerable defense to the court's stating the account. The baneful influence of partisan state officials will be

considered presently, and with this preface we come to the situation which may be best presented by contrasting what is expected to occur with what would occur if this purely public business was being managed by a non-partisan commission of our best men.

Briefly. Those who understand the situation anticipate about as follows:

First—When the case comes up in October some plea will be offered which the court will laugh at next spring, as it did the demurrer. After this plea has been overruled, and until nominations for the legislature have been made, the public will be beguiled and deceived by rumors of some additional defense.

Second—But a change will come as soon as the secret attorneys for Wall street have accurate information that our next legislature will be composed exclusively of men who, if not afraid, are either ignorant or venal.

Third—About the middle of October next year, and when too late for the intelligent class to insist on nominating men known to be courageous, competent and honest, then, for the first time, the attorneys for Wall street will profess to have suddenly discovered that a compromise with the Virginia commission is the only hope to escape a crushing judgment. When that time comes the very public men, who are now so careful to ignore that paper in the January Bar, 1906, will be active to parade the fact that, if the court states the account, its judgment is much more likely to largely exceed ten millions than to be under seven millions. And these public men, some Democrats and some Republicans, will profess to believe that the state's salvation depends on compromising before the court states the account.

Fourth—When the legislature meets, those representing Wall street will exclude from the finance committees any man with courage, coupled with ability, to make a minority report ventilating the facts. Then, after a senator has been elected, grafters will create a belief that a judgment for exceeding ten millions is inevitable unless a way be found to satisfy the Virginia commission. Not only so, but they will saturate the air in Charleston with an impression that opposition to precipitate compromise emanates from those trying to aid Wall street. Then, at the psychological moment, while honest timidity is shrinking before manufactured clamor, some one will propose to offer Virginia attorneys seven millions of bonds, provided they accept by telegraph, and straightway newspapers will hail the proposer as the savior of his state. In other words, the same methods, employed last winter to rush through the \$50,000 fake, will again be employed. It goes without saying that such a scheme would not be attempted unless the public was apathetic. Of course, it is difficult to obtain a hearing if, on the eve of the election, the governor publishes that "he sees no cause for alarm."

Possibly. The grafters, fearing a popular upheaval, may conclude to wait until a crushing judgment has been rendered, and possibly, state officials may conclude to delay any definite action by the court till after the next election.

Tomorrow's paper points out why honest timidity is more hurtful than venality, and considers what would occur if this matter were managed by a committee appointed by the board of trade.



### ARTICLE III.

It will be instructive to reflect that the scheme, presented yesterday, is based on the calculation that the competent men in our next legislature will be either venal or timid. For be it carefully remembered that, if the competent members of the legislature are either timid or venal, then honest ignorance is easily misled. When such a scheme is on foot, unless the legislature contains some honest and exceptionally strong man, who is self-reliant and aggressive, honest timidity is more hurtful than venality. It is more hurtful, because grafters calculate that timid men will be silent when prominent Democrats and prominent Republicans combine with newspapers to raise a clamor about the state's danger and profess to think precipitate action her only salvation. When a scheme like this is on foot the value to the public of such a man, as governor or legislator, cannot be exaggerated, because he will speak boldly what grafters suppress, and then timid men, if honest, take courage and become aggressive. In the absence of such a man some blatant charlatan, subservient to grafters in the minority party, will loudly profess horror that any one should consult party expediency when the state's safety is involved, but experience teaches that party lines are always ignored when a scheme is on foot to betray taxpayers. Our government is based on the theory that each house will contain at least one man who is manly, competent and honest. A political machine is based on the theory of keeping such men out of the legislature, and it will be presently pointed out that our present election law was written with intent to keep them out.

Yesterday's paper described what will occur if the present apathy continues, and we now inquire what would occur if this matter were managed by a committee appointed by the board of trade.

Such a committee would begin by making intelligent inquiry, and having made it, would know the following facts with absolute certainty:

First. That Virginia refused to meddle till a Wall street syndicate offered profit to certain members of her legislature if they were appointed on a commission to settle West Virginia's debt.

Second. That in 1899 the certificate holders accepted a plan of settlement whereby they agreed that the amount, fixed on West Virginia by the ordinance, should be compromised on the same terms that Virginia had compromised with her own creditors, and that, in stating the account, the lan-

guage used by the convention of 1861 should be construed to mean what its authors intended.

Third. That this debt suit was a device to upset the plan of settlement which had been agreed to by two-thirds of our creditors.

Fourth. That, if the court states the account, it will certainly render judgment for more than five millions and probably for largely more than ten millions, and that the court will compel payment.

Fifth. That by no possibility can Virginia be benefited, because the Virginia attorneys have agreed to deliver to the New York committee, furnishing them with cash, anything and everything realized.

Sixth. That the active men of the commission represented that Virginia would participate in the proceeds of settlement and thereby misled her legislature into authorizing suit.

Seventh. That every man of dignity and standing in Virginia, who understands this matter, is opposed to this whole business, and that there is no local influence in Virginia supporting it, outside of the attorneys receiving money from the New York committee.

Eighth. That any holder of one of the receipts, issued by Brown Bros., may withdraw his certificate from deposit, and that, even if one certificate for \$5 be withdrawn from deposit, then the court will be confronted with the fact that suit was brought without authority.

Having these facts before them, the committee would:

First. Inquire whether state officials have discovered any defense to stating the account, and state officials would not dare insult intelligence by suggesting that an invulnerable defense might be weakened by publicity.

Second. If no defense has been discovered, then the committee would look for one in the place where it is most likely to be found, to-wit: among the older lawyers in Virginia who, being personally acquainted with the inside history of this matter, would be more likely to suggest a defense than any stranger can possibly be.

A proposal to look for a defense, in the place where most likely to be found, is the converse of a proposal "to let the state's defense out to the lowest bidder." History teaches that the best public service is rendered by men without selfish motive. Jefferson did not expect pay for writing the Declaration of Independence.

Third. If the committee did not find an invulnerable defense, they should so ventilate the facts that every self-respecting man in Virginia will insist that the commission be abolished and the suit dismissed.

Monday's paper explains why such a committee would make the state safe.



#### ARTICLE IV.

Saturday's paper indicated the action that would be taken by a committee appointed by the board of trade, and no man of affairs, who stops to think, will doubt that an honest and intelligent effort would make the State safe. To say that the board of trade cannot be induced to take interest, is the same as saying that no member of it is brainy enough and big enough to appreciate the State's danger. It is true that, if a matter seems to be outside of his personal affairs, it is difficult to arrest the attention of a busy man, unless a practiced speaker delivers an address to the board, but, if attention be arrested, the more intelligent members will soon appreciate that this subject is more important to the business community than any other they have ever discussed.

Of course, what is here said will not impress men of small caliber, or flunkeys seeking prominence by subserviency to grafters, but, if read, it will impress any broad-gauged man concerned for the State's future. Such a man will quickly appreciate that the State is in desperate need and that a little intelligent effort, by those who command a hearing, would rescue her from impending disaster. Not only so, but he would know that, if the real situation, was even suspected by the general public, mass meetings would be held in every county.

A broad-gauged man will foresee the conditions which will exist five years hence when the intelligent class have an enlightened conviction that the State was saddled with a larger amount than was proposed by the plan of settlement which creditors accepted in 1899, and which was upset by the Virginia attorneys who intervened with this debt suit scheme. And broad-gauged business men will appreciate that speak-easy methods, about a purely public matter like this, are fatal to legitimate business. But, above all, and more important than all, they will appreciate that an unseen influence has intimidated honest public men, has suppressed the truth and is keeping the public apathetic.

It will be a very simple matter for a committee, thinking only of the State's safety, to apply an infallible remedy. For example. It could arrange with a newspaper to give this subject one column every Tuesday and Wednesday for a month, and announce that these two issues would be mailed regularly, for thirty days, to ten of the most intelligent men

in each county. Such an announcement would ensure non-partisan articles by many of our ablest men who are now silent because lacking an audience large enough to be worth talking to. It would not be costly to accomplish this work, because the space in a paper reaching such an audience would be of value to advertisers. Information, coming under the auspices of a board of trade, would command a hearing no publication in this State has. The first paper would announce that the two issues would be mailed regularly to those receiving it, and would urge them to aid a purely public work, by inducing their more intelligent neighbors to send 25 cents for the sixty issues. Such an announcement, reaching ten intelligent men in each county, would immediately become known to the well-to-do class through the State. Then, within sixty days, public apathy would be changed to a turbulent, aggressive and enlightened demand of an honest effort to protect the State, and, in every county, the more intelligent class will consider the importance of sending competent and faithful men to the legislature. But, better than this, brainy and sincere men will come to feel that expressing intelligent views about this debt matter is the safest and surest path to popular favor.

In this connection, it should be considered that sending the two issues to the ten most intelligent men in each county in Virginia would ensure the passage next winter of a bill to abolish the commission and dismiss suit.

The committee should promise the "indemnity bath" to certain prominent Democrats and certain prominent Republicans provided they stand aside till the State has been rescued from this debt suit scheme.

It is indeed difficult to see how any man of common observation can shut his eye to the patent fact that a crushing judgment is inevitable unless there is prompt organized effort to counteract the organized influence which is keeping the public apathetic.

It should be considered that almost any man, who does not want money for public service (and there are many such), and who is independent of both the frowns and favors of grafters, will, when confronted with his State's great danger, make such effort, as he can, in her behalf.

The next paper explains why a politician machine, proposing to ostracise whoever refuses blind obedience, is fatal to legitimate business.

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