Virginia's funding legislation, 1869-1875: its background, principal features, related measures, and effects

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VIRGINIA'S FUNDING LEGISLATION, 1869-1875:
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RELATED MEASURES, AND EFFECTS

A Dissertation
Presented to
The Faculty of the Department of History
The College of William and Mary in Virginia

In Partial Fulfillment
Of the Requirements for the Degree of
Doctor of Philosophy

by
Robert Maurice Ours
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APPROVAL SHEET

This dissertation is submitted in partial fulfillment of
the requirements for the degree of

Doctor of Philosophy

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Approved, May 1974

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TO MY THREE FATHERS

Henry M. Ours
Ludwell L. Montague
R. Douglas Griggs
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ABSTRACT

The purpose of this study is to explore the circumstances surrounding the passage of Virginia's Funding Act of 1871, including the manner in which it was passed and the type of men who made up the General Assembly at the time. Also considered are the background of the public debt, other funding and related legislation of the 1870s, and both the short-range and long-range effects of such legislation.

Radical Republican congressional policies restricting the political activities of ex-Confederates were largely responsible for the election of the young and inexperienced legislators who made up the 1869-71 General Assembly. Such policies also allowed former Whigs, more urban and business minded than most prewar Virginia political leaders, to gain a disproportionate share of leadership in the Conservative party. These men were especially important in pushing through the Funding Act in 1871 and in supporting it in later battles against the Readjusters.

While dissimilar from antebellum legislatures, the 1869-71 General Assembly was fairly representative of the Virginia of 1870. It was made up primarily of middle and upper class Virginians, mostly native born, and contained very few carpetbaggers. Blacks served in the General Assembly for the first time in Virginia history, but held only about sixteen per cent of the legislative seats while making up about forty-three per cent of the Old Dominion's population.

Some corruption probably was involved in the passage of the Funding Bill, but most of the favorable votes reflected an intense pride in upholding Virginia's honor by paying the public debt. This was combined with an overly optimistic faith in Virginia's ability to bounce back financially from a devastating war.

Virginia's inability to meet its interest payments led to various attempts to modify the Funding Act's provisions in subsequent years, including major substitute measures in 1879, 1882, and 1892. It also led to the bitter Funder-Readjuster battles of the late 1870s and early 1880s, with their racial undertones, and ultimately to the Old Dominion's fiscally conservative "pay-as-you-go" policies of the first half of the twentieth century.
VIRGINIA'S FUNDING LEGISLATION, 1869-1875:
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INTRODUCTION

Radical Reconstruction did not touch Virginia as directly or obviously as it did most Southern states in the ten years or so following the Civil War, yet it bore some bitter and lasting fruit in the Old Dominion. Radical policies were largely responsible for the election of the young and inexperienced General Assembly that passed the Funding Act of 1871 under the sponsorship of a carpetbag governor. The funding legislation led to the virtual bankruptcy of Virginia and to the bitter Funder-Readjuster battles of the late 1870s and 1880s with their racial undertones. Those, in turn, contributed heavily to the racially restrictive voting clauses of the 1902 Virginia constitution and to the fiscal conservatism best illustrated in Virginia's "pay-as-you-go" economic policies of the greater part of the 20th century. It is ironic that the fiscal and social conservatism of the Byrd machine in 20th century Virginia, deplored by liberals, had at least some of its roots in the policies of the 19th century Radicals.

The men who passed Virginia's funding legislation often have been presented by historians as a corrupt lot who did not really represent the Virginia people. A principal purpose of this study was to determine what type of men passed
the funding legislation of the 1870s and to try to discover the principal motives behind it. Relatively little has been written about the legislators of the 1869-1875 period, and much of what has been written is inaccurate. It was necessary to research contemporary magazines and newspapers, biographical sketches of representative men of the period, and many general and local histories in order to gather information about the General Assembly members of this period. Conflicting information had to be sifted, sorted, and sometimes discarded. Only after sufficient information had been compiled for sketches of a representative number of legislators was it practicable to proceed to the larger matter of looking at the action taken by the legislatures as a whole.

On some matters, I was able to skim only the surface—leaving to later studies a more detailed look. For example, a study is needed on the role of lobbies in Virginia's political history. Another is needed on the part played in politics by William Mahone in his pre-Readjuster days. The search for proof for or against the corruption charges often led to a stone wall. Thus, my conclusions generally are based on circumstantial evidence, and it was necessary to consider the motives or biases of those making the charges as well as the possible motives of the legislators passing funding and railroad legislation.

An understanding of the work of the 1869-75 legislators can be gained only by considering their milieu. I began this study, therefore, with a chapter on political events in the
Old Dominion from the end of the Civil War in 1865 through the 1869 election. In Chapter II, a detailed look is taken at the background of the 1869-75 legislators, and the steps taken to restore Virginia to the Union. Chapter III covers the background of the public debt in Virginia, the disposal of the state's railroad stock, and the effects on the legislators of the various pieces of railroad legislation. Details on the passage of the Funding Act of 1871— the heart of Virginia's 19th century funding legislation— are given in Chapter IV. The results of the Funding Act and subsequent modifications are outlined in Chapter V, with my primary conclusions summarized in Chapter VI.
CHAPTER I

POLITICAL RECONSTRUCTION IN VIRGINIA, 1865-1869

On May 9, 1865, one month after Lee's surrender at Appomattox, President Andrew Johnson issued a proclamation "to re-establish the authority of the United States and to execute the laws within the geographical limits known as the State of Virginia."¹ In the proclamation the President recognized Gov. Francis H. Pierpont and his "Restored Virginia Government" as the legal government of the Old Dominion.² Unlike most of the other ex-Confederate states, Virginia began the post-Civil War period with a regular government recognized by the federal authorities.

The Pierpont government, however, represented only a fraction of Virginia and initially drew little support from Virginians. A special session of the General Assembly which met in Richmond June 19-23, 1865, was attended by eleven of the thirteen members of the Restored government's House of Delegates and by five of its senators.³ Realizing the need for a truly representative state government, the tiny legislature called for the election in October of a full General Assembly representing all parts of Virginia.⁴ In the meantime, Governor Pierpont--by appointments and with the aid of the United States military authorities--restored local
government in most of the state.

The act calling for the October legislative and congressional elections put little restriction upon the voters beyond taking the oath included in President Johnson's amnesty proclamation of May 29, 1865. However, there was some confusion as to whether persons elected to office would have to take the iron-clad oath of July 2, 1862, which required past loyalty and thus would disqualify ex-Confederates. Many candidates, therefore, stressed as a prime qualification their ability to take the iron-clad oath. In the October election, most white males twenty-one years old and over who had been residents of the state for at least two years could vote. Negroes were not yet allowed to cast ballots.

The Republican party was still in its formative stages in Virginia in 1865, and it was a rare locality in which party differences were the main issue. The turnout for the October 12 election was extremely light. Several of the congressmen elected could not take the iron-clad oath—which proved of academic significance, as Congress refused to seat them. The new General Assembly was a conservative one which included many Unionists who had opposed secession in 1861. It included none of the leaders prominent in the secession movement, although several of its members had served in the Confederate army. An ex-Confederate congressman, John B. Baldwin of Augusta County, was elected speaker of the House.

Baldwin, like most members of the unique 1865-67 General Assembly, was a former Whig. The National
Intelligencer noted that 96 (out of 100) members of the House of Delegates were old-line Whigs, as were most members of the Senate. Less than a dozen members of the 1865-67 legislature were to serve in the next General Assembly in 1869-71, with another handful entering the succeeding legislatures in the 1871-75 period.

Governor Pierpont, a native of (West) Virginia, was a moderate one-time Whig who was sympathetic to the problems of the conservative white Virginians. He was an advocate of sectional reconciliation and a strong economic policy as the keys for resurrecting the war-torn Old Dominion. As such, he was a strong supporter of President Johnson's reconstruction policies. The governor urged the General Assembly to ratify the 14th Amendment in the hope that prompt action would pave the way for a speedy return to the Union. The Assembly promptly ratified the 13th Amendment, abolishing slavery, but it postponed action on the unpalatable 14th—ultimately turning it down in January, 1867, by an overwhelming 74-1 margin in the House and 27-0 in the Senate.

Meanwhile, Governor Pierpont's hopes of establishing a moderate party distinct from both Radical Republicans and Johnson Democrats faded after a measure of success in late 1865. By the spring of 1866 it was clear that Congress was not going to readmit Virginia to the Union in the near future, and it also was evident that President Johnson's reconstruction policies were not going to be accepted by Congress without a considerable struggle. As early as
February, 1866, Virginia Republicans meeting at Alexandria passed resolutions calling upon Congress to establish a territorial government to protect "loyal" men. And in May, a number of Unionists met at Alexandria to found the Union Republican party of Virginia.

The Republican attempts to organize were noted by Virginia conservatives, but the formation of a Conservative party was slow in taking shape. The executive committees of the 1860 Breckenridge, Bell, and Douglas parties met in Richmond on July 16 and agreed to appoint delegates to the National Union convention to be held the following month in Philadelphia to support President Johnson. But little else was done in 1866 toward organizing Virginia conservatives.

Pierpont's hopes of drawing both Republican and conservative support were dashed by his failure to win over John Minor Botts, a former Whig and Unionist who led the more moderate faction of the Virginia Republican party. Pierpont reluctantly embraced the Botts wing of the state Republican party as the best of his alternatives, but he tried to divert public attention to the relatively nonpartisan cause of economic development. The Botts faction also was interested in capitalistic development of the Old Dominion. Pierpont promoted immigration to Virginia and became a strong backer of former Confederate General William Mahone's plan to consolidate the Norfolk and Petersburg, the South Side, and the Virginia and Tennessee railroads into one line linking the west with the port of Norfolk.
The Botts faction, however, was unable to form the Virginia Republican party along moderate lines. Most of the Negroes and a number of white Unionists followed the leadership of federal Judge John C. Underwood, a New York native who had been active in the anti-slavery movement in Virginia in the 1840s and 1850s, and of James W. Hunnicutt, a South Carolinian who also had lived in Virginia for some time before the war. Hunnicutt, a minister who edited the Richmond *New Nation*, was particularly noted for his fiery appeals to the blacks. Botts was elected president of the Republican convention at Alexandria in May, but he was initially opposed to Negro suffrage—a stand that lost him the support of most blacks.

The hearings of the congressional Joint Committee on Reconstruction during the early months of 1866 also hurt the programs of Botts and Governor Pierpont. The congressional committee examined forty-nine Virginia witnesses, the majority of them Republicans. Testimony generally was that Virginians still were hostile to the federal government, and some witnesses contended that the lives of Union men would be endangered if federal troops were withdrawn. Among the chief adverse witnesses were Judge Underwood and General Alfred H. Terry, the Union military commander in Virginia. General Robert E. Lee, one of the few non-Republicans called on, attested to the good intentions of the Virginia people.

The Radical faction of the Republican party made big gains in Virginia during 1866. Botts led a large Virginia
delegation to a meeting in Philadelphia in early September held to bring Southern Unionists into touch with Northern Republicans. But he soon found himself in the minority in his own delegation in his fight against unlimited suffrage. Hunnicutt offered a resolution that the only safeguard of Virginia was enfranchisement of all men except rebels. The Republican party was soon to adopt as policy the extension of the voting privilege to all loyal men, regardless of color. Thus, Botts was out of step with the trend of the party.

With President Johnson's crushing defeat in the 1866 congressional elections, the hopes of ex-Confederate states for a speedy restoration to the Union were greatly diminished. The General Assembly was nearing the end of its second session on March 2, 1867, when Congress passed the first Reconstruction Act. This act set up Virginia as Military District Number One, under command of Maj. Gen. John M. Schofield. Pierpont continued as provisional governor until April 4, 1868, but the commander of the military district wielded the actual power.

Schofield took command of Military District Number One on March 13, 1867, and appealed to Virginians for strict obedience to the laws and for impartial administration of justice to all classes. Schofield had opposed Negro suffrage in 1865 and had criticized the disability provisions of the 14th Amendment. Most Virginians soon came to respect him as an honest and able administrator in sympathy with white moderates in the state. However, he carried out his orders
subject to directives growing out of the congressional legislation on reconstruction. Under provisions of the second Reconstruction Act, passed over President Johnson's veto on March 23, Schofield was directed to prepare new lists of voters in his district for an election to determine whether a constitutional convention should be held. On June 3, 1867, he published instructions that

all male citizens of the United States, twenty-one years of age, and upward, of whatever race, color, or previous condition, who have been resident in the State for one year, except such as may be disfranchised for participation in the rebellion... are entitled to be registered as voters, upon their taking and subscribing the oath or affirmation prescribed by the Act of Congress of March 23, 1867.22

That oath eliminated as voters those who had been federal or state officials before the war and who had then "engaged in insurrection or rebellion against the United States, or given aid or comfort to the enemies thereof."23

Schofield interpreted his instructions generally to the advantage of conservative white Virginians in the registration, although as many as 20,000 persons still were denied the voting privilege.24 Almost 230,000 persons were registered, including 122,120 white and 107,730 black citizens.25 Forty-eight counties and three cities (Norfolk, Richmond, and Petersburg) registered more black than white voters. The black majorities were concentrated in the Tidewater and Southside sections of Virginia, along with a few counties in the Piedmont and Northern Virginia.
The fact that Negroes were registered and that they made up the majority in nearly half of Virginia's ninety-nine counties was a blow to the Botts-Pierpont wing of the Republican party. It was clear at a Republican convention in Richmond on April 17 that Hunnicutt had brought a majority of black leaders under his influence. Ironically, Hunnicutt had been a slaveholder before the war and had voted (unwillingly, he later claimed) for the secession ordinance. But, by the time of reconstruction, he was an avowed Union man and an advanced radical in politics. More than half of the delegates at the April convention were black, and they followed Hunnicutt's lead for the most part.26

The danger of a predominantly black, radical Republican party to the future of that party in Virginia was understood by some prominent Republicans elsewhere. Among those who expressed their disapproval of Hunnicutt's leadership were Horace Greeley and Thurlow Weed. Senator Henry Wilson of Massachusetts made several speeches in Virginia in an attempt to turn Virginia's Republican party onto a more moderate course.27 A new Republican convention was called for August 1, but it again met in Richmond—the locus of Hunnicutt's influence and power. Again Hunnicutt and his black supporters dominated the meeting, and the hopes for a moderate Virginia Republican party based on native white leadership were blunted.28

While the Republican party in Virginia was being organized on the radical lines advocated by Hunnicutt and
Underwood, a new movement developed to bring together men of a more conservative outlook. The Richmond Whig took the lead in this attempt to unite former Confederates, wartime Unionists, and moderate Negroes in a conservative coalition. The so-called "co-operator" movement ultimately failed, but it did lay the groundwork for the formation of the Conservative party.

A number of conservatives, particularly some prewar leaders, chose to abstain from participation in Virginia's reconstruction politics—either on moral precepts or from a mood of resignation. Others, particularly wartime Unionists, continued to work through the Republican party during 1867 and 1868, some remaining in that party through the 1870s. A large number of conservatives, however, became involved in activities aimed at electing conservative members to the constitutional convention called for by the congressional reconstruction legislation.

Without an organized party, however, conservatives were unable to control the mid-October election. Only 76,084, or about two-thirds, of the registered white voters cast ballots. On the other hand the Negroes, voting for the first time in a Virginia election, cast 93,145 ballots (or nearly eighty-seven per cent of those registered). The call for a constitutional convention was approved by 107,342 to 61,887, with only 638 blacks voting against it and only 14,835 whites casting ballots for it. The Radicals won a sweeping victory in electing at least sixty-five delegates to
the convention, compared to some thirty-five for the conservatives. Twenty-four of the Radical delegates were black, and twenty-seven others were considered carpetbaggers. Most of the conservative delegates were elected in the Shenandoah Valley and Southwest Virginia, with a few from Northern Virginia and the Piedmont. The Radical delegates came almost entirely from the Tidewater and Southside Virginia counties, where black voters outnumbered the white ones.

The need for the organization of the conservatives into a party was obvious. Less than a month after the election, members of the 1860 state committees of the Democratic and Whig parties met in Richmond and issued a call for a state convention of conservatives to meet in Richmond on December 11. Some 800 delegates from throughout Virginia, including a number of prewar state political leaders, attended the convention and formed the Conservative party of Virginia. Elected president of the convention was Alexander H. H. Stuart of Staunton, a prominent former Whig who had served in Congress and as President Fillmore's secretary of the interior before the war.

The delegates adopted resolutions stating that slavery in Virginia was dead; that Virginians were entitled to the rights provided by the United States constitution; that the subjection of the white people of the state to the absolute supremacy of the black race "just emerged from personal servitude, is abhorrent to the civilization of mankind"; and, while disclaiming all hostility to the freedmen,
that the white race should rule in Virginia. A complex system of party organization, combining old Whig and Democratic practices, was adopted. The structure proved unwieldy and did not go into operation fully, but for the first time prewar Whigs and Democrats were formed into a common organization to battle the Radicals. This organization, despite its many weaknesses, was to play an important part in the 1869 General Assembly election.

More than a week before the Conservative party was organized, the constitutional convention assembled in Richmond on December 3, 1867, and chose Judge Underwood chairman. It turned out to be a turbulent four-and-a-half-month session in which the conservative delegation played largely a critical and, at times, an obstructive role. The Radicals were responsible for drafting the constitution that would be the basis of Virginia's government for more than thirty years. None of the Old Dominion's prominent prewar political leaders were delegates to the convention.

The constitutional convention finally adjourned on April 17, 1868. It had proposed a constitution that, among other things, required a free public school system to be established by 1876; gave the governor exclusive veto power for the first time in Virginia history; placed the heaviest taxes on landed property; and prohibited state investment in internal improvements stock—the latter provision striking a direct blow at the state's antebellum public works policy. The so-called Underwood Constitution also included two clauses
considered "obnoxious" by most native white conservatives. The "test-oath" clause required that officeholders be able to take the iron-clad oath of past loyalty, and the "disfran­chisement" clause eliminated as voters all persons who had held military or civil office under the Confederacy.\(^{38}\)

Before adjournment, the convention ordered an election for June 2, 1868, to submit the constitution to the voters and to elect officials under it. One week after adjournment, General Schofield claimed he was not authorized to carry the election ordinance into effect because Congress had made no appropriation "to defray the expenses of an election in Virginia."\(^{39}\) This meant that the provisional government would carry on its duties and authority indefinitely. Pierpont no longer headed that government, however. On April 4 Schofield had announced that the office of governor had become vacant "by expiration of the term of service of His Excellency Francis H. Pierpoint,"\(^{40}\) and noted that the governor was ineligible to serve successive terms. He appointed Henry H. Wells the new governor of Virginia.\(^{41}\)

A native of Rochester, New York, Wells had lived in Michigan for many years before the Civil War. He was a lawyer in Detroit from 1846 to 1861, and served in the Michigan Legislature from 1854 to 1856. With the outbreak of war, he became colonel of the 26th Michigan Infantry and, after three years of service, was promoted to brigadier general. Wells was provost marshal at Alexandria at the close of the war. He had moved to Richmond and had resumed the practice of law
before being appointed provisional governor. A Republican considered more moderate than Hunnicutt, Wells supported the Underwood Constitution in its entirety.

Despite the fact that the June 2 election had been cancelled by Schofield, both the Republican and the newly organized Conservative parties held conventions in May to nominate candidates. The Republicans met in Richmond on May 6 with three prime candidates for the gubernatorial nomination—Wells, Hunnicutt, and John (Job) Hawxhurst of Fairfax. Hawxhurst, a native of New York state, had moved to Fairfax County in 1846. A prominent Unionist during the Civil War, he served in the House of Delegates of the Restored Virginia Government from 1863 to 1865. He worked closely with Judge Underwood after the war and served as chairman of the important Republican convention in Richmond in August, 1867. Along with Hunnicutt and Underwood, he was one of the principal Radical leaders in the 1867-68 constitutional convention.

Hunnicutt had lost much Republican support during the constitutional convention when he showed little ability in constructive statesmanship, although he still remained popular with many blacks. Hawxhurst was a much stronger candidate by the spring of 1868. Neither man, however, could muster the support garnered by Wells, who was supported by the military power in Virginia and by a number of influential Republicans outside the state. His appointment as provisional governor the previous month had added considerably to his prestige. In the May 6 voting, Wells received 153 votes to 45 for Hawxhurst.
and 11 for Hunnicutt. Six votes were cast for Pierpont. 44

The Conservative party held its convention in Richmond on May 7, the day after Wells was nominated by the Republicans. The new party had a strong Confederate flavor, and included prewar Whigs and Democrats. Some white Unionists and even a few blacks were among its early supporters. The former increased as it became obvious the state Republican party was becoming dominated by the Radical faction, while the latter element had become virtually nonexistent in the Conservative party by the early 1870s.

Baldwin, the prewar Whig who had been speaker of the House of Delegates in 1865–67, was the leading candidate for the gubernatorial nomination. The former Confederate congressman opposed his own candidacy because he was disqualified by the 14th Amendment, but he nearly won the nomination anyway. He lost to Colonel Robert E. Withers, a former Confederate army officer, by only two votes. 45 Withers had been a physician before the war, but was editing the Lynchburg News at the time of his nomination. 46 He opposed the Underwood Constitution without reservation.

The summer of 1868 passed with much debate on the proposed constitution, but no election. On December 8, the House of Representatives passed a bill calling for an election in May, 1869. 47 At the time, it appeared that the Underwood Constitution with its "obnoxious" clauses had little chance of getting the approval of Virginia voters. Should it be turned down, Virginia likely would be in for a long term of military
occupation and reconstruction. It was at this point that Alexander H. H. Stuart and others came up with a plan that was largely responsible for the early restoration of home rule for Virginians.

The election bill approved by the House had not yet passed the Senate when Congress adjourned for the Christmas holiday. Stuart, in a letter published in the Richmond Whig and Richmond Dispatch on Christmas day over the signature "Senex," called for a bill to be submitted to Congress on the basis of voting qualifications of the 1850 constitution— but without racial qualifications. The Conservative central committee was unprepared for such a move and was split as to its merits. But Stuart and more than two dozen other Conservatives met in Richmond on December 31 and drafted a plan to negotiate with federal officials for readmission to the Union on the basis of universal suffrage and universal amnesty. Stuart was chosen to head a nine-man committee to go to Washington to try to get the plan implemented.

Eight members of the committee were former Whigs, the lone Democrat being James Neeson of Richmond. Among the members were Baldwin (Stuart's brother-in-law), former Governor Wyndham Robertson, and John L. Marye, Jr., the Conservative candidate for lieutenant governor nominated by the May 7 convention. The "Committee of Nine," as it came to be known, was composed primarily of business-minded former Whigs. Stuart had served Virginia loyally during the Civil War, but had opposed secession as a member of the 1861
convention. He had important connections as a prewar Whig leader and was well thought of in some Northern circles. Horace Greeley was a personal acquaintance and wrote several editorials in the New York Tribune endorsing Stuart's plan. 51

The Committee of Nine spent most of January, 1869, in Washington, testifying before committees, answering questions about conditions in Virginia, and marshalling evidence to support its claims that the Underwood Constitution could be approved if Virginians had the opportunity to turn down the "obnoxious" clauses. The committee received considerable assistance from a number of other persons, including several Republicans. Gilbert C. Walker, a former Union army officer who had settled in Norfolk, was particularly helpful in establishing contacts for the committee with federal officials and Northern politicians. 52

A Republican committee headed by Governor Wells went to Washington about the same time to try to obtain legislation for voting on the Underwood Constitution without amendment. Another committee of moderate Republicans went to Washington unofficially and cooperated with the Committee of Nine. A member of the latter group, Franklin Stearns, was especially helpful in his statements to the congressional Reconstruction Committee. 53

The Committee of Nine, with the help of the moderate Republicans, succeeded in gaining its principal objectives. President Grant recommended to Congress on April 7, 1869, that the Underwood Constitution be submitted to a popular vote in
Virginia, but that a separate vote be taken on such sections as might seem expedient. Congress passed such a bill on April 10, and on May 14 the President issued a proclamation specifying July 6 as the day for the election. President Grant ordered that separate voting be conducted simultaneously on the "test-oath" and "disfranchisement" clauses. 54

In the meantime, Military District Number One had come under a new commander who was more sympathetic to the Radical policies. Schofield had been succeeded on June 1, 1868, by General George Stoneman, who followed policies similar to Schofield's. But Stoneman, in turn, was succeeded on April 20, 1869, by Maj. Gen. Edward R. S. Canby. 55 On May 21, one week after Grant's proclamation, Canby notified Virginians officially of the election date. He called for boards of registration to revise the registration lists during a ten-day period beginning June 14, and gave detailed instructions on how the registration and election were to be carried out. Canby noted that the election would be by ballot (not by the traditional Virginia method of voice voting), and that the registration boards were to be guided by the law of March 2, 1867, and supplementary acts—particularly the act of July 19, 1867. 56 The latter act provided that elections would be decided by a majority of votes actually cast, regardless of whether a majority of registered voters cast ballots. It was aimed at preventing mass boycotts of constitutional elections in the ex-Confederate states.

By the time the election date was set for Virginia,
both the Republican and Conservative parties had reconsidered their 1868 tickets. The year Wells had served as provisional governor had been marked by turmoil and charges of dishonesty. There was such discord in Republican ranks that the state executive committee set aside the 1868 nominations and called a new convention to meet at Petersburg. Wells succeeded once again in winning the gubernatorial nomination at the turbulent convention on March 9-10. However, against his wishes, a Negro was nominated for lieutenant governor in an astute move by dissatisfied moderate Republicans. Wells had wanted a former Confederate surgeon, Dr. W. W. C. Douglass of Richmond County, for his running mate. But he was forced to accept Dr. J. D. Harris, to the delight of the black delegates and the chagrin of Wells and his advisers.

After adjournment of the Petersburg convention, a handful of moderate Republicans met and agreed to draw up their own ticket of "True Republicans." Selected to head the True Republican ticket was Gilbert C. Walker, the ambitious New York native who had aided the Committee of Nine in Washington. Although affiliated with the Republicans, Walker was a former Democrat and was known to have moderate political viewpoints. His appearance was distinguished, and he was known for his repartee, wit, and good humor. Walker had practiced law in New York state and in Chicago before the war, and had settled in Norfolk following a trip to nearby Old Point Comfort in 1864. He had become involved in various enterprises designed to further Norfolk's development as the largest and
most important seaport in America, and had served as president of the Exchange National Bank there from 1865 to 1868.59

Walker's aid to the Committee of Nine had gained him important friends among both conservatives and moderate Republicans, and his friendship with General William Mahone helped considerably in getting the True Republican nomination. In 1868 Mahone had condoned the appointment of Wells as provisional governor because he understood Wells to be in sympathy with his railroad consolidation plans. But toward the end of that year it had become evident that Wells no longer entertained a friendly attitude toward those plans.60 Mahone opposed the Conservative gubernatorial nominee, Withers, as being too friendly to the Baltimore and Ohio Railroad interests. Thus, he turned to Walker, a director of the Norfolk and Petersburg Railroad who favored the consolidation plan. Mahone was one of the prime movers of the True Republican movement, although he was not officially affiliated with either the Republican or Conservative parties at the time.

Walker was an attractive candidate in many ways, even though he was considered a carpetbagger by most Virginians. Over six feet tall, broad-shouldered, with dark eyes and a flowing mane of iron-gray hair, he looked the part of a Virginia statesman.61 Politically a moderate, he favored ratification of the Underwood Constitution with the "obnoxious" clauses eliminated. Selected as Walker's running mates were John F. Lewis of Rockingham County for lieutenant governor
and James C. Taylor of Montgomery County for attorney general. Lewis and Taylor balanced the carpetbagger former Democrat nicely. Both were from the western part of Virginia, and both were former Whigs. Lewis, a successful farmer, had been a member of the 1861 convention but had refused to sign the secession ordinance. Taylor, a lawyer, was a Confederate veteran.62

The True Republican ticket was endorsed by another gathering of moderate Republicans which met at Franklin Stearns' home in Richmond. An address signed by about 150 Virginia Republicans was published in support of the Walker ticket. It included the signatures of such Republican leaders as Stearns, Edgar Allen, George Rye, George K. Gilmer, and even James W. Hunnicutt.63

The split in the Republican party and the naming of the True Republican ticket posed a problem for the Conservative party, as did indications that General Canby would require officeholders to take the iron-clad oath of past loyalty. Congress passed a joint resolution on February 6, 1869, that required that Virginia officials unable to take the iron-clad oath be removed from office and replaced by persons who could.64 On March 21, General Stoneman reported that 2,613 vacancies remained of the 5,446 offices in Virginia. Two days after assuming command of Military District Number One, on April 22, General Canby issued an order that all officers of the provisional government of Virginia "will immediately take and subscribe" to the oath of July 2, 1862.65
The Conservative party held a convention in Richmond on April 28 to decide what course to take. The Republican party split looked on the surface like an advantage for the Conservatives. Yet the Radicals could be expected to rally around Wells, while moderates would be torn as to whether to vote for Walker or Withers. Thus, the split might divide the conservative vote enough to insure the election of Wells. And if Withers were elected, he would be unable to serve if federal authorities insisted on the iron-clad oath as a qualification.

General Mahone entered the picture again at this critical juncture, using his influence to help force the withdrawal of Withers and to swing Conservative support to Walker. The Committee of Nine and other moderates also were at work advocating a fusion of Conservatives with the Walker ticket. Baldwin's backing of the plan was particularly important. Although the Conservatives were divided as to what course to take, Withers and the other Conservative nominees of 1868 were persuaded to withdraw from the race.

"From what I saw," Withers later recalled, "I was satisfied that Walker would run at all hazards, in which event it was clear that General Wells, the Radical candidate, would be elected, if I continued in the field, and as both my colleagues on the ticket favored withdrawal, I also consented."

The Conservative convention adjourned without naming any new candidates, but it did pass a resolution to oppose only those clauses of the constitution submitted by President Grant for a separate vote. This implied support for Walker,
but the fusion sentiment was not solidified until the
Conservative state central committee published an address
in early June recommending that Conservatives support Walker
and his associates of the True Republican ticket.69

General Canby's order to publish President Grant's
announcement of the July 6 election was dated May 21, but
it was not ready for distribution for two more days and thus
was not published in Virginia newspapers until the last days
of May and the first days of June.70 Appended to it were the
various Reconstruction acts and other laws and proclamations
that spelled out the qualifications for voter registration.
There was confusion, however, as to whether those elected on
July 6 would have to take the iron-clad oath. This confusion
was not cleared up during the six weeks or so between the
publishing of the President's proclamation and the election,
and it definitely had a bearing on the selection of General
Assembly candidates.

In a letter to Lewis, the True Republican nominee for
lieutenant governor, Canby noted that "until the constitution
has been ratified by the people of the State and approved by
Congress, all persons elected or appointed to office are
required to take the oath of July 2, 1862, except those whose
disabilities have been removed by Congress."71 In another
letter less than two weeks before the election, Canby said
that legislators elected July 6 would have to take the oath
"unless the constitution should first be approved by Congress,
or the oath be otherwise dispensed with by law."72 Under these
conditions, it is not surprising that the overwhelming majority of candidates for the General Assembly had played little or no part in prewar Virginia politics.

The vote in the 1869 election was the largest cast in Virginia up to that time. Total registration was 269,884, including 149,781 white and 120,103 black persons. 73 This was about 27,000 more white and 12,000 more black voters than had been registered in 1867, and brought the percentage of black voters in line with the percentage of black residents in Virginia. Black voters in 1867 had made up nearly forty-seven per cent of the total registration, while in 1869 the percentage was not quite forty-five per cent. The black population of the Old Dominion in the 1860s was less than forty-five per cent of the total. 74 Five counties and one city (Norfolk) which had registered more black voters than white ones in 1867 were returned to the white column in 1869, while one county which had registered more white voters in 1867 had more black ones in 1869. 75 Black voters still outnumbered white ones in forty-four counties and two cities, primarily in the Tidewater and Southside sections of the state. It was in these areas that the Radicals had their principal strength.

Votes were cast by more than 222,000 persons in 1869, with 125,144 white and 97,205 black persons casting ballots. 76 This represented nearly eighty-four per cent of the registered white voters and about eighty-one per cent of the registered black ones. The white turnout was about twenty per cent higher than in 1867, principally because of the organization
of the Conservative party and the importance of the issues at stake in the election. The black turnout was about six percent lower than in 1867, possibly because the novelty of voting had worn off in some cases but also because of instances of economic pressures or other forms of intimidation. 77

The increased participation by white voters showed up in the election results. The Underwood Constitution was approved 210,585 to 9,136, but both of the "obnoxious" clauses were overwhelmingly defeated—the "test-oath" clause by 124,715 to 83,458, and the "disfranchisement" clause by 124,360 to 84,410. 78 Walker won the governorship with 119,535 votes to 101,204 for Wells. There also were fourteen write-in votes, four of them for Withers. Lewis led the ticket with 120,068 votes for lieutenant governor to 99,600 for his black opponent, Harris; and Taylor defeated the Radical nominee for attorney general, L. G. Bowden, by a margin of 119,446 to 101,129. 79 Although Walker's principal support came from the western Virginia counties, where black voters were few, he carried counties in every geographical section of the state. Wells' strength was largely confined to Tidewater and Southside Virginia. He carried no county west of Louisa.

Election results showed an obvious Conservative victory, although the Radicals made a respectable showing and were especially strong in counties with large numbers of black voters. The Walker ticket technically was a True Republican one, but its victory was due to Conservative support. Conser-
vatives also won five of the nine congressional seats, and two of the Republican victors were moderates of the True Republican stripe. Hunnicutt was defeated in his bid to win a congressional seat in the Third District.  

The Conservatives also won a majority of the seats in both the House of Delegates and the Senate, despite an apportionment plan designed to give the Radicals as many seats as possible. Under the Underwood Constitution, the House was allocated 138 seats and the Senate 43. This allowed most of the smaller counties in eastern Virginia—which were likely to vote Republican because of their large black populations—a separate seat in the House. The conservative delegates at the 1867-68 constitutional convention had pushed unsuccessfully for a plan of eighty-four members in the House and twenty-five in the Senate, which would have combined a number of counties into districts with only one delegate—thus cutting down the percentage of seats allocated to eastern Virginia.  

The Conservatives won about two-thirds of the General Assembly seats, with a few more being won by True Republicans. The Radicals won only in Tidewater and Southside areas. Not a single Radical was elected from the Shenandoah Valley or Southwest Virginia, areas where Negroes made up only fifteen per cent of the population. It is difficult to determine the exact number of Conservatives and Radicals elected, as some conservative victors were not officially members of the Conservative party and it sometimes was hard to draw a line between True Republicans and Radical Republicans, and in other
cases between True Republicans and Conservatives. However, a study of the party listings as given in contemporary newspapers and the subsequent voting records of various individuals in the General Assembly indicates that the Conservatives won eighty-eight seats in the House and thirty in the Senate. Radicals won forty-two seats in the House and ten in the Senate, with True Republicans carrying the remaining eight House seats. Negroes were elected to a Virginia General Assembly for the first time, with twenty-three blacks winning seats in the House and six in the Senate. All of the black members were elected from Tidewater and Southside, three of them as Conservatives.

There was no doubt that the election was a Conservative triumph. The Rockingham Register of Harrisonburg called it "gratifying beyond our most sanguine expectations." The Richmond Daily Dispatch exclaimed: "Never in this country was there so proud a victory as that won in this State yesterday by the friends of personal liberty and just and orderly government." But would the Conservative victory be allowed to stand?

General Canby at first withheld the election certificates of twenty-seven Conservative winners. He wrote to Secretary of War John A. Rawlins on July 10, asking whether elected legislators and state officials were required to take the iron-clad oath. The letter was turned over to Attorney General E. R. Hoar and, on July 28, President Grant ordered Canby to take no action on the iron-clad oath for the present.
Hoar ruled on August 28 that the elected legislators could meet "to act upon the question of adopting the fourteenth amendment . . . before the admission of the State to representation in Congress," but could not "transact any business, pass any act or resolve, or undertake to assume any other function of a legislature" without taking the iron-clad oath.

Accordingly, General Canby on September 8 officially announced the results of the July 6 election and called for the General Assembly to meet October 5 in Richmond. At the same time, he appointed Governor-elect Walker to succeed Wells as provisional governor on September 21, and appointed Lieutenant Governor-elect Lewis to assume his position upon the meeting of the Assembly. Legislators unable to take the iron-clad oath would take their seats in the General Assembly in October, but their ultimate status would depend on whether Congress approved the election results and the Underwood Constitution.

In the meantime, one more question arose concerning the limitations of the October session of the General Assembly. On September 24, Canby again wrote to Rawlins, asking if the legislature was authorized to elect United States senators. Hoar replied the following day that the election of senators, "like voting upon the XIV and XV Amendments to the Constitution . . . is a part of the action contemplated by Congress as preliminary to a restoration of the State to its full relation to the government of the United States." The senators, of course, would have no authority until admitted
to the United States Senate by that body. Hoar reiterated in the September 25 letter that the legislature was to be allowed "to meet, organize, and do whatever was required or allowed by the acts of Congress as preliminary to the reconstruction of the State" without taking the iron-clad oath. 96

Most Radicals were displeased with Hoar's ruling, and their protests would reach a crescendo in November. As the October 5 opening day of the legislative session approached, however, most Virginia conservatives were optimistic. It appeared to be necessary only to approve the 14th and 15th amendments to the United States Constitution to end military occupation and restore home rule in the Old Dominion. And the Conservative-controlled General Assembly was expected to accomplish this at the October session.
The Legislature is chiefly composed of young men and men unknown in the public councils. Few of them have had any prominent connection with party politics in days past. They are well conditioned for that especial public obligation which rests upon them with great force—viz., not to allow any recollection of the past (any sentiment or passion) to interfere in the slightest degree with that policy which is best calculated to rescue Virginia from her prostrate condition. We believe that, guided by their intelligence and sustained by their public devotion, the legislators will be capable of sinking all personal and party considerations and giving their whole strength and influence to the promotion of the peace and prosperity of Virginia.

This was the picture of the membership of the General Assembly as seen by the Richmond Daily Dispatch when the legislature convened in Richmond on October 5, 1869. Note was taken of the youth and lack of experience of the members, facts attributable largely to Reconstruction policies of the Radical Republicans in Congress. Yet the tone was optimistic. This legislative body, after all, was dominated by conservatives and was expected to quickly pass the necessary legislation to restore Virginia to the Union. That this General Assembly would pass legislation affecting the Old Dominion into the 20th century was not foreseen at the time, nor was it
realized how important financial issues would become over the next several years.

Governor Walker, in his opening address, did mention that the financial condition of the state "demands the serious and thoughtful attention of an able committee." But he did not go into detail in his brief opening remarks. Rather, he stressed that Virginians in the July election had adopted the principle of the "civil and political equality of all men before the law," and noted that "Virginia always fulfils in the most ample good faith all her pledges." Walker's concluding remarks gave the first indication of the over-optimism that was to have disastrous results in his funding program. He said:

Confidence is being restored, commerce is reviving; mining and manufacturing enterprises are being organized; capital is seeking investment in our public improvements, and in our rich agricultural and mineral lands, and above, and more gratifying than all, joy and hope are taking the place of gloom and despondency. Peace and prosperity are once more dawning upon our desolated land. Conscious of the rectitude of our own acts, motives, and intentions, and relying upon the continued favor of the Almighty Disposer of human events, let us all manfully grapple with the living present, and confidently hope for a glorious future for the commonwealth.

The General Assembly that returned Virginia to the Union in 1869-70 probably had less political experience than any in the Old Dominion's long history. Only fifteen of the 138 members of the House and four of the forty-three senators had served in a previous legislature. Twelve others in the House and nine more in the Senate had served in the 1867-68 constitutional convention. But the great majority were serving in a
legislative body for the first time. Most of those with previous legislative experience were Conservatives—eleven in the House and all four in the Senate. Most of those with constitutional convention experience were Radicals—eleven in the House and seven in the Senate. Negro members, of course, had no previous legislative experience, but there were four blacks in the House and five in the Senate who had served in the recent constitutional convention.

Black membership in the 1869-71 legislature was higher than in any other General Assembly in Virginia's history. Thirty Negroes served in the Assembly in those years, although no more than twenty-nine held seats at one time. While Negroes made up about forty-three per cent of Virginia's population, black members made up only about sixteen per cent of the legislative membership. And this percentage decreased in succeeding legislatures. All of Virginia's United States senators and congressmen, as well as state officials, were white during this period. The Old Dominion did not fit the old Reconstruction stereotype of an "Africanized" legislature and state government. It certainly did not resemble South Carolina, where Negroes held eighty-five of the 157 legislative seats, or Mississippi, which sent a Negro to the United States Senate and had several blacks in state offices. It more nearly resembled neighboring North Carolina, which had only nineteen black members in a 169-member legislature.

The resemblance to North Carolina was only in one category, though. In the Tar Heel state, Republicans held
eighty-two of the 120 seats in the House and forty-one of the forty-nine Senate seats. Most of the other ex-Confederate states also had Republican majorities of varying margins. An exception was Tennessee, which had passed the 14th Amendment the first time around and had been restored to the Union in 1866.

Virginia, then, was unusual among ex-Confederate states at this time in having a majority of conservatives in its state legislature and in having a relatively small number of Negroes in its legislative body, but this was hardly a carbon copy of the antebellum legislatures. From colonial days, Virginia's leadership had been composed of a small, homogeneous upper class with members of the General Assembly generally being men of great local prominence socially and economically. This leadership was composed of "men of property, intellectual ability, and self-assumed virtue." For the most part, these men were conservative and resistant to change—although there always had been some agitation for reform from the western parts of the state.

The old leadership structure had been broken down by the Civil War and the destruction of slavery, and the Radical reconstruction policies assured that none of the prominent prewar political leaders were members of the 1869-71 General Assembly. Some of the antebellum leaders returned in later legislatures, but the number was small and their influence was minimal.
While this General Assembly was not representative of the antebellum ones, it certainly was not a carpetbag legislature. A sampling of 107 men who served in the 1869-71 General Assembly, including members of both parties and races, shows that ninety-two were born in Virginia. Of the fifteen born elsewhere, at least seven had moved to the Old Dominion before the Civil War. The black members of the legislature were almost all Virginia natives, and more than half had been born free. A handful of others had acquired their freedom before the Civil War.

Primary occupations could be established for 103 of the men in the sampling, and these showed a predominance of members of the middle and upper middle classes. Several men combined two or more occupations or changed from one to another over a course of years, but the predominant occupation of 1869 was used for the sampling. Thirty-four of the men were lawyers, and several others had had law training. The second largest total was businessmen, with eighteen in that category. Ten others were newspaper editors or publishers, and nine were physicians. The "white collar" and professional classes also were represented by four engineers, four teachers, two clerks, and one minister.

Farmers made up the third largest total in the sampling, with thirteen. Some of these were large landholders, but obviously the plantation owners did not have the numbers or the influence they had held in prewar legislatures. It
appears that farm elements did not have representation proportional to their numbers in 1869-71, although small farmers had had little direct representation in antebellum legislatures, either. The remaining eight occupations in the sampling could be listed under craftsmen, including shoemakers, carpenters, and wheelwrights.

At least thirty-two men in the sampling held college degrees, with a dozen more having had some college education. A few others had studied law either on their own or under a lawyer. Most of the black members were literate and several had had further education to varying degrees. A number of the white men in the sampling had become accustomed to command during the Civil War, although battlefield leadership did not necessarily prepare them for similar roles in the legislative frays. Forty of the men had served as Confederate officers, and twelve others had seen service as enlisted men. In addition, three members of the 1869-71 Assembly had served as Union army officers during the war.

As was noted at the time, the 1869-71 legislators were young as well as inexperienced. Ages were available for eighty-six of the men in the sampling, with an average age of 39.2 and a median of 39 for members of both houses. Senators were a little older than delegates, averaging 40.9 years to 38.5 for members of the lower house. Radicals and black members tended to be older than Conservatives, with True Republicans the oldest of all. The age range in the sampling was from twenty-two to fifty-eight in the House and from
twenty-two to fifty-nine in the Senate.

The two legislatures immediately succeeding the 1869-71 Assembly showed more Conservatives, fewer Republicans and black members, and older and more experienced members. The Confederate element became more numerous and influential, and the Conservative party absorbed many of the moderate or conservative-minded Republicans of the 1865-71 period. The carpetbag element lost what little influence it had by the time James Lawson Kemper succeeded Walker as governor on January 1, 1874.

Geographically, Tidewater and Southside Virginia counties held half of the seats in the 1869-71 General Assembly. These sections, with their high percentage of Radical voters, were given slightly reduced representation under the 1871 reapportionment, with the gains going to the solidly Conservative counties of the Valley and Southwest Virginia. The 1871 reapportionment also brought representation more in line with the population distribution of the Old Dominion—the Tidewater and Southside areas having been given more than their share of legislative seats by the 1867-68 constitutional convention. And it started the size of the General Assembly on a downward trend, which eventually reached the present size of 100 members in the House and forty in the Senate. The downward trend started with the House in the 1871 reapportionment and brought it more in line with the size of the Senate, according to standards of a modern political scientist. The 1869-71 House had been
considered oversized by conservatives from the time of the 1867-68 constitutional convention.

It was unfortunate that the young, inexperienced legislators would be faced with major decisions in the financial and economic fields, as there were problems enough just in getting the state back on a normal and stable basis. The legislators did not have the machinery and organization necessary to cope with such problems effectively. There were at the time no legislative councils, interim committees, or services for legislative reference, bill drafting, statutory revision and codification such as are available to modern state legislatures. Nor did the legislators of the 1870s have adequate technical or secretarial staffs for either individual members or committees.

A major criticism of the 1869-71 General Assembly has been that it passed the Funding Act in March, 1871, without sufficient debate. Yet the general outlines of such a measure had been known for nearly two years before passage; the bill was discussed in committee for nearly three months; and it was on the floor for ten days before it was passed. Political scientists agree that there seldom is much debate on any particular measure even in modern state legislatures. And few in 1871 foresaw the ultimate consequences of the Funding Bill when it was up for passage.

Financial problems, at least public ones, were not uppermost in the minds of the voters when they elected the 1869-71 General Assembly. And finances were not on the agenda
when the legislature convened in Richmond on October 5 to go about the business of getting the state restored to the Union. Before passing the 14th and 15th amendments and electing United States senators, however, the General Assembly had to organize both houses.

William McLaughlin, a Conservative from Rockbridge County, was elected temporary speaker of the House on the opening day of the October session. McLaughlin, a forty-one-year-old Lexington lawyer, had been a delegate to the 1867-68 constitutional convention. He was a graduate of Washington College (now Washington and Lee University) and had risen to command of the famed Rockbridge Artillery during the Civil War. The Senate was presided over by Lt. Gov. John F. Lewis, a fifty-one-year-old native of Rockingham County. A former Whig, Lewis had represented Rockingham in the 1861 convention but had refused to sign the secession ordinance. He had remained a "peaceful Unionist" during the war.

Organization of the two houses throws some light on the influence of General William Mahone in the 1869 election. His role was summed up in a letter of congratulations from one of his faithful lieutenants in Southwest Virginia, Abram Fulkerson, who wrote on July 8:

"All hail to the Chief!" And you are the Chief. Virginia's Salvation is due to consolidation, and you are Consolidation! . . . Wells said he was running against Mahone, not against Walker. Hunicutt [sic] told me that you were the sole cause of the split in the Radical party.
Mahone had provided much material aid, in the form of money and railroad passes, during the election campaign to assure election of True Republican and Conservative candidates. Recognized as one of the architects of the victory, he was flooded with requests by persons seeking his backing in obtaining various positions under the new administration. At this point he was urged by some to align himself more closely with the Conservative leadership, and by others to try to build up the True Republican faction into a majority party.

Fulkerson appealed to Mahone to go one step further and join the Democrats nationally. He said the Conservative party had no fixed principles or permanent policy, that its center of gravity was opposition to Radicalism, and that it had no future. The chairman of the True Republican executive committee, James W. Lewellen of Richmond, urged the opposite course. "We must retain the name of 'Republican,'" he told Mahone. "A party by any other name . . . will not be so strong in Washington and to us that is the great Mecca, for which we are aiming." While admitting that "True men are so very scarce," Lewellen advised steering "clear of the 'sore heads' and carpetbaggers. A Negro being preferable to either."

There was little chance that the True Republican faction could be built into a major political party. Although Governor Walker was nominally a True Republican, he had won only by obtaining the support of the Conservatives. True Republicans held only eight of the 138 House seats, and none in the Senate. Mahone's influence at this time may have been
overstated by some historians in view of the general's later successes in the Readjuster movement. While he had played an important part in the 1869 election campaign, his influence afterwards appears to have been considerably less than Fulkerson's letter would indicate.

In any case, Mahone's principal objective in this period was to line up political support for his consolidation plans. He had been president of the Norfolk and Petersburg Railroad before the Civil War, and had become well-known throughout Virginia for his exploits as a Confederate general. Soon after the war he resumed the presidency of the Norfolk and Petersburg, and on December 7, 1865, he was elected president of the South Side Railroad as well. Mahone then set his sights on the presidency of the Virginia and Tennessee Railroad and a consolidation of the three railways into a system of more than 400 miles stretching from Norfolk on the Atlantic coast to Bristol at the Tennessee border.39

Mahone had been successful in getting the Southside Consolidation Act pushed through the General Assembly in April, 1867, allowing the three railways--as well as the proposed Virginia and Kentucky Railroad--to unite by a vote of their private stockholders to form a general company to be called the Atlantic, Mississippi and Ohio Railroad Company. The bill involved certain financial arrangements which had to be completed by May 1, 1868, and when they were not the act became null and void.40 Still, Mahone was elected president of the Virginia and Tennessee Railroad in November, 1867, and
to all practical purposes the three railroads were under his direction. His primary interest in the 1869 election was to get state officers and legislators elected who would be favorable to his consolidation plan, and the results must have been encouraging to him. Many of Mahone's backers had gained seats in the General Assembly, and Governor Walker could be relied on to use his influence for consolidation.

It was important to Mahone that consolidation men obtain the key legislative positions, such as speaker of the House. The True Republicans also were interested, for their own political reasons, in getting the proper man as speaker. Lewellen warned Mahone that it was "all important that the Governor and yourself should have unbounded influence over that officer. One bad committee may raise the Devil." George K. Gilmer, a member of the True Republican executive committee and a recently elected member of the House, wrote to Mahone urging that Mahone use his influence to secure the House speakership for another True Republican, John B. Crenshaw. Gilmer wrote that Crenshaw "has but little experience in such matters, and is not very well versed in the tricks of politicians, yet he is a man of intelligence, firmness, and honest purposes."

Crenshaw, a forty-nine-year-old native of Henrico County, had been elected to the House from Henrico and Richmond. An active Quaker leader and a graduate of Haverford College, he was city engineer of Richmond at the time of his election. Shortly before the General Assembly convened in October, Gilmer wrote Mahone that if Crenshaw were made speaker, "I do
not think the True Republicans will demand anything further in organizing the Legislature— in either House."\(^{46}\)

A Conservative delegate from the Richmond-Henrico district also sought Mahone's influence in obtaining the House speakership. Anthony M. Keiley wrote to Mahone on July 15:

> Certain members of the Richmond delegation propose to run me for the Speakership of the House. Can you give me a life in that election, by saying a good word for me to Daniel & co. from Campbell, Wood of Halifax, Atkinson of Isle of Wight, Segar of Norfolk and some of the South Western men?\(^{47}\)

Keiley, a native of New Jersey, had moved to Virginia as a boy. A newspaper editor as a young man, he attracted controversy throughout his long life.\(^{48}\) As co-publisher of the *Southside Democrat* of Petersburg before the war, he staunchly opposed secession. But he had served in the Confederate army from the outbreak of war until he was elected to the House of Delegates in 1863. After the war, he helped found the *Petersburg Index* and the *Norfolk Virginian*, and served in the 1865-67 legislature. In 1870 he resigned from the General Assembly to make a successful campaign for mayor of Richmond.\(^{49}\) Keiley was persistent in his efforts to get Mahone's backing for speaker of the House. Less than two weeks before the opening of the October session, he queried: "May I rely on your good offices in my candidacy for the Speakership?"\(^{50}\)

Lewellen and others urged Mahone not to support Keiley, however, Lewellen noting that "With Keiley in that position, we should have another revolution (of wind) in half an hour."\(^{51}\) Keiley failed to get Mahone's backing, and it is
not certain that the general gave full support to any candidate. It is doubtful that he would have given much support to Zephaniah Turner, the successful candidate at the Conservative caucus on October 6. Turner was from Rappahannock County, an area removed from the section affected by Mahone's consolidation plans, and he eventually voted against the consolidation measure. Possibly Keiley played a part in the selection of Turner in a pique at not getting Mahone's support. In any case, it was Keiley who nominated Turner for speaker in the House the morning following the Conservative caucus.  

Turner had a number of things in his favor for receiving the Conservative nomination. The fifty-seven-year-old bachelor was one of the older members of the legislature and was one of the few with previous legislative experience, having served in the House in 1865-67. He also had valuable contacts with moderate Republicans, and had been one of the leading supporters of the True Republican gubernatorial candidate during the 1869 campaign. Perhaps his selection by the Conservatives was based partly on finding a candidate acceptable to the True Republicans. Turner was a native of Culpeper County and had practiced law at Culpeper and at Warrenton. At the time of his election in 1869, however, he had retired from law and was farming his extensive estate, "Eldon," a mile from Woodville in Rappahannock County.  

To oppose Turner for the speakership, the Radicals nominated Samuel F. Maddox of Chesterfield and Powhatan counties. Maddox was one of the few actual carpetbaggers in
the 1869-71 General Assembly. He had come to Virginia from Pennsylvania only a few months before representing Chesterfield and Powhatan in the 1867-68 constitutional convention, and had been named clerk of the Chesterfield County Court in early August, 1869. For a short period in 1870-71, Maddox edited the *National Virginian*, a Richmond newspaper that claimed to be the "official organ of the U. S. Government."54

The True Republicans also had a reluctant candidate in the field. Crenshaw was nominated by John R. Popham of Bath and Highland counties, the only Republican delegate from west of the Blue Ridge mountains. Crenshaw asked that his name be withdrawn, but Popham declined to do so.55 The voting was along party lines, although some True Republicans voted for the Conservative nominee. Turner received eighty-seven votes to forty-one for Maddox and five for Crenshaw. Turner, in an old-fashioned display of chivalry, cast his vote for Crenshaw.56

Both houses completed organization with the election of clerks and sergeants-at-arms, then turned to the business of getting Virginia restored to the Union. The 14th and 15th amendments to the U. S. Constitution were approved on October 8, the 14th by votes of 36-4 in the Senate and 126-6 in the House and the 15th by 40-2 in the Senate and unanimously in the House.57 The General Assembly then recessed for ten days in the hope that readmittance to the Union could be accomplished by then and the legislature could turn to other business. However, no action had been taken by Congress when the Assembly met again on October 18.
Thus, the two houses limited their action to the election of United States senators, then adjourned.\textsuperscript{58} Elected senators were the lieutenant governor, Lewis, and John W. Johnston, a staunch Conservative. Lewis later served as lieutenant governor again as a Readjuster in the early 1880s. Johnston, a prominent lawyer in Southwest Virginia, was a nephew of Confederate General Joseph E. Johnston and was married to a daughter of former Governor John B. Floyd.\textsuperscript{59}

The Radicals made an attempt to gain control of the General Assembly during the October session, protesting the seating of any member who could not take the test oath. But the protest was quietly tabled.\textsuperscript{60} After adjournment, they made another attempt. At a Radical convention in Richmond on November 24, the majority faction approved a report stating that the July 6 election had been "a Confederate triumph, which we unhesitatingly assert was achieved by artifice, intimidation, and fraud."\textsuperscript{61} The report called on Congress to "guarantee a republican form of government to Virginia" either by ordering a new election or by requiring the test oath for members of the legislature, and claimed that everything done by the legislature at its October session was illegal and void.\textsuperscript{62} The report warned Congress:

\begin{quote}
If you decide against us, no one will dare to avow his Republicanism, the pernicious example set here will extend to other Southern States, the colored people will again be at the mercy of their former masters, the national debt will be repudiated, and the rebel Democratic yoke may probably be placed on the necks of the American people in 1872.\textsuperscript{63}
\end{quote}
A number of native white Virginians felt this report demanded too much, and withdrew from the Republican party—leaving it weaker in numbers and with a larger proportion of black members. The Radical convention did not sway Congress from readmitting Virginia to the Union, although it may have delayed the process. A bill to readmit the Old Dominion was taken up by Congress at the beginning of its December session and, after considerable debate, was passed by both houses and signed by the President on January 26, 1870. The following day General Canby published the act and Walker was formally inaugurated as governor. Canby published another order January 28 formally turning over the civil administration of Virginia to the properly elected state officials.

Walker's first official act as governor after taking the formal oath on January 27 was to issue a proclamation concerning restoration to the Union. He called for the General Assembly to meet at noon on February 6 "for the discharge of its functions" under the Underwood Constitution. At that time the young legislators would be called on to fill many local and county offices to get Virginia's government back to full operation, deal with the usual tax bills and other routine legislation—and take on the thorny problems of establishing Virginia's first public school system, deciding whether to approve General Mahone's consolidation plan, and trying to solve the dilemma of Virginia's huge public debt.
CHAPTER III
THE PUBLIC DEBT AND
DISPOSAL OF VIRGINIA'S RAILROAD STOCK

When the 1869-71 General Assembly held its long second session, from February 8 through July 11, 1870, it was untrammeled by federal authority for the first time in nearly five years. This was a busy and important session, with considerable time spent filling vacant local judgeships, implementing the new public school system, and debating and finally approving General William Mahone's railroad consolidation plan. Little time was left for consideration of the problem of the mounting public debt.

It was realized at the time that the problems faced by the General Assembly were numerous and complex. In his address to the legislature on the opening day of the session, Governor Walker said, "Never before in the history of this commonwealth has a legislature assembled upon which devolved graver responsibilities. . . . Success or failure is in your hands." But he continued optimistically:

We have but to do our duty faithfully, honestly, and manfully, and we shall inaugurate, along with civil government, an era of prosperity, of internal development, and individual and corporate enterprise, which, in brilliancy, will eclipse the past glories of the commonwealth. . . . With a
soil as fertile and a climate more salubrious, with greater native wealth in her minerals, her water power and her commercial advantages, than any of her sister states, why should not Virginia at once set out upon a career of prosperity and greatness unequalled and unsurpassed?2

As for his role, Walker stated:

Rest assured that all the influence which I can exert, personal and official, shall be wielded in furtherance of any and every plan which has for its object the development, advancement, growth and improvement of our state or any portion of it. . . . the promotion of the public weal will be my highest aim.3

Governor Walker then declared his political independence and outlined his program.

With charity towards all, and malice towards none, I shall perform my official duties, honestly, conscientiously, fearlessly, in the interest of no clique, faction or section, but with an eye single only to the good of the whole people. . . . I have no private political purposes to subserve and no party behests to obey. I am free from all 'entangling alliances' and untrammeled by any political pledges. Always a firm and consistent Unionist, I expect to live and die one. Beyond this the chief tenets of my political faith are, the maintenance of the public faith, state and national, untarnished; honesty and economy in the administration of public affairs; the equalization and reduction of tariffs, and taxation to the lowest degree consistent with the maintenance of the public credit; free education for all, a fostering care, encouragement and elevation of labor, and, until fully, finally and permanently accomplished—universal amnesty and impartial suffrage.4

The governor did not go into the financial difficulties of the state in this message. The following day, however, he promised the legislators to send them soon "a statement of the
financial condition and resources of the state, with such recommendations as commend themselves to my judgment, and some suggestions for the amelioration of the condition of the very large debtor class in our state."5 The promised statement was laid before the Assembly a month later, on March 8, but by that time the legislators were too busy with other matters to deal immediately with the governor's suggestions concerning the state debt. In the March 8 message, Walker said:

Of the many subjects demanding wise, cautious, and comprehensive legislation from the general assembly, none can exceed in gravity and importance the financial condition of the commonwealth. The magnitude of the public debt; the character, condition, and ultimate disposition of the assets and securities held by the state; the prompt restoration of our credit and the mode of accomplishing it; the sources of our revenue and the ability of the people to respond to taxation in an amount sufficient to meet the current expenses of the government and the maturing interest upon the state debt; are all subjects demanding profound consideration and the most mature deliberation and action on your part.6

Despite the urgency implicit in the governor's message, the legislators turned to other matters they considered more pressing. One was the matter of appointing judges and other local officials where vacancies existed. Several legislators resigned from the Assembly to accept appointments as judges. Included were several men of outstanding ability, but only one who had had previous legislative experience.7 Among those who resigned was McLaughlin, who had served as temporary speaker of the House in October, and had been chairman of the influential Finance Committee. Some who resigned became
prominent judges, James Keith of Fauquier eventually rising to the bench of the Virginia Supreme Court of Appeals.

It was unfortunate that the legislature lost men of the caliber of McLaughlin and Keith before the principal problems to be faced by the 1869-71 General Assembly had come up, although the replacements included some men of considerable ability. Among them was John F. Wall of Frederick, who had served in the House from 1845 to 1851 and again in 1865-67.\(^8\) Another replacement of ability was Dr. John W. Lawson of Isle of Wight, who served in most sessions of the General Assembly until 1884 and served a term in Congress in the early 1890s.\(^9\) On balance, however, the 1869-71 General Assembly appears to have lost more than it gained because of the resignations in early 1870.

During this session the Senate found it necessary to elect a president pro tempore when Lt. Gov. John F. Lewis assumed his seat in the U.S. Senate. Governor Walker appointed John L. Marye, Jr., the 1868 Conservative nominee for attorney general, to succeed Lewis as lieutenant governor. Marye, a prominent Fredericksburg attorney, had been a member of the 1867-68 constitutional convention. He was a staunch supporter of Mahone's railroad consolidation plans.\(^10\)

Joseph A. Waddell of Staunton, chairman of the Senate Finance Committee, was elected president pro tempore on March 24, 1870, by a 34-1 vote.\(^11\) Waddell, forty-seven years old in 1870, had practiced law in his native Staunton from 1844 to 1848, then had turned to the newspaper business and
was co-editor and co-proprietor of the Staunton *Spectator*
from 1848 to 1860. During the Civil War, he served in the
Quartermaster Department of the Confederate army. Waddell
was a member of the 1865-67 House of Delegates and was a
conservative delegate to the 1867-68 constitutional convention.
He described himself as a "Whig before 1861 and a Democrat
after 1865."

Time also was spent during the second session of the
1869-71 General Assembly on one of the most far-reaching and
ultimately beneficial actions of this legislature. This was
the implementation of the public school system required by the
Underwood Constitution. The constitution specifically provided
for a State Board of Education and a state superintendent of
public instruction. It also called for the General Assembly
to introduce a uniform system of free public schools—
gradually, equally, and fully—in all counties of the state by
1876. After considerable debate, the delegates to the
1867-68 constitutional convention had been unable to agree on
whether the new school system should be segregated, so the
issue had been compromised simply by leaving out all mention
of race in the constitutional provision.

Whether it would have been better for the General
Assembly to have taken the full time allotted for setting up
the public school system is open to debate in view of later
developments. But, following the lead of Governor Walker, the
legislators wasted little time in establishing the system.
Walker felt "profoundly convinced that our political, social
and moral well-being as a people absolutely demands the introduction and maintenance of a thorough and comprehensive system of free schools." He said confidently that "within twelve months from the inauguration of civil government in the state you will witness the school system in successful operation in every county in the state." 15

On March 2, 1870, the General Assembly appointed William H. Ruffner to be Virginia's first superintendent of public instruction, a position he held until 1882. Ruffner, a prewar Whig who had taken part in a number of reform movements, had sought the position since the previous autumn. He was motivated by "personal ambition, a belief that he was well qualified, a deep sense of public service, and a strong commitment to the concept of universal education." 16 On March 28, Ruffner sent the legislature a brief circular outlining his organization plan for the public school system, ending with the proud statement that "Virginia for the first time as a state, is entering upon the systematic production of the most valuable commodity that can be possessed by a state, or offered in the markets of the world--the making of trained minds." 17

After a careful study, Ruffner drew up a proposed education bill to submit to the legislature. His plan was based partly on the school laws of New Jersey and Pennsylvania, and he was aided in the final revision by John B. Minor, a noted law professor at the University of Virginia. 18 The bill was submitted to the legislature on April 26 and moved through
the Assembly under the leadership of Edmund Pendleton of Botetourt, Roanoke, Craig, and Giles counties in the Senate, and of Henderson M. Bell of Augusta County in the House. It was amended in some respects, but became law on July 11 basically in the form drawn up by Ruffner and Minor.19

The education measure had an immediate effect on two members of the General Assembly. Delegate W. A. Bryant of Prince William County and Senator George H. Kendrick of Scott County were named the first public school superintendents of their counties.20 Several other members of this legislature served as school superintendents in later years. The biggest effect of the bill, however, was in the changed pattern of educating Virginia's youth. By the late 1870s the public school system had overcome most of the initial opposition of traditionalists. When debt payment requirements forced the closing of thousands of public schools near the end of the decade, public reaction against the closings was one of the major factors which swept the Readjusters into power in 1879.21

Had the 1869-71 General Assembly initiated the public school system on the gradual, step-by-step process allowed by the Underwood Constitution, the system might have been on a more solid basis during the financial troubles caused by the Funding Act. But it seems more likely that those very troubles would have played into the hands of those who opposed the system—giving them an excuse to delay or even to amend the provision calling for a public school system. Having seen the advantages of a public school system, most Virginians by
the late 1870s demanded that it be retained.

Virginia's 1869-71 General Assembly had acted in a generally harmonious and efficient fashion in restoring Virginia to the Union, in filling the vacant public offices to get the state's civil government operating smoothly again, and even in implementing the modern public school system. The first major battle arose over General Mahone's railroad consolidation plan. This was one of the most bitter and vicious legislative battles in Virginia's history, carrying over into the subsequent fights over the selling of the state's railroad stocks and the Funding Bill.

The consolidation fight involved sectional rivalries, a struggle between the commercial and railroad interests of Virginia and those outside the state, and personal conflict among the leaders on both sides. The center of the storm, of course, was Mahone. By 1870 Mahone was president of the Norfolk and Petersburg, the South Side, and the Virginia and Tennessee railroads. Many of his avowed backers had gained seats in the General Assembly in 1869, and Governor Walker could be relied on to use his influence for consolidation. But there also were several avid anti-Mahone men in the legislature. One was Robert L. Owen, a senator from Campbell County, whom Mahone had ousted as president of the Virginia and Tennessee Railroad.

Geographically, most of Mahone's support came from Tidewater, Southside, and Southwest Virginia, with the strongest opposition coming from Lynchburg, the Shenandoah
Valley, Richmond, and the sections of Northern Virginia traversed by the Orange and Alexandria Railroad. John W. Garrett, president of the Baltimore and Ohio Railroad, had begun buying stock in the Orange and Alexandria in 1866 and gained control of that railroad by 1872. Virginians already were claiming in 1870 that the railroads from Washington to Danville were essentially Baltimore and Ohio property. Richmond opposed consolidation because of fears that a consolidated railroad would make it cheaper for westerners to ship their products to Norfolk than to the state capital. The Shenandoah Valley was oriented economically toward Richmond and Baltimore, and had little interest in a consolidation of railroads south of the James River.

The cities and counties traversed by the railroads involved in the proposed consolidation generally favored the plan. An exception was Lynchburg, which feared that consolidation would tie her down to trade with Norfolk. Lynchburg businessmen wanted to remain free to trade equally with Richmond and Alexandria as well as with Norfolk.

A fear of the monopolistic aspects of the proposed system caused some of the principal opposition. There were complaints that it would be discriminatory against the other public improvements of the state. There also was the question whether the proposed company should be allowed to purchase the state-held stock of the component railroads—part of the bigger question of whether the state should sell its remaining interest in railroads at all. It was believed in
some circles that the state-held stock would be a valuable future commodity that would help to liquidate the huge state debt.\textsuperscript{29}

One of the most potent arguments Mahone used in favor of consolidation was that the railroads involved might otherwise be absorbed by the Baltimore and Ohio or some other "foreign" railroad. This, he claimed, would draw business to an out-of-state city such as Baltimore. The Baltimore and Ohio had been interested in certain Virginia railroads since the 1850s. As recently as 1868 it had made an attempt to purchase the state's interest in the Virginia and Tennessee Railroad and had tried to prevent Mahone's re-election as president of that railway.\textsuperscript{30}

Also in 1870, the Pennsylvania Railroad had begun building its Southern rail empire under the leadership of J. Edgar Thomson and Thomas A. Scott.\textsuperscript{31} This railroad became an important factor later in the debate over whether the state should sell its railroad stock and other holdings in internal improvement companies. However, it appears to have played little part in the consolidation battle.

The developing railroad lobby was not as extensive and well-organized in early 1870 as it would be less than a year later in the railroad stock debate. But there is little doubt that a good deal of money was spent on each side of the consolidation question, and some of it undoubtedly took the form of bribery.\textsuperscript{32} It is known that Governor Pierpont had urged Mahone to use up to $10,000 if necessary to assure
passage of the Southside Consolidation Act of 1867. And Pierpont, writing from his home at Fairmont, West Virginia, shortly after the 1869 election, showed that he still believed consolidation was a necessity for Virginia. He told Mahone:

Virginia's future depended on Walker's election and with him a majority of the legislature. ... The first point to be gained is the sure consolidation of the S. Side roads. This should be done by plain unequivocal legislation. I would draw the bill with the parties named in the corporation—men who could not be bought or sold—and go into the consolidation in earnest. ... Walker should now throw his whole power & energy into the S. Side & Chesapeake [sic] and Ohio Road so as to secure them to Virginia. If the Balto & O. R. R. gets control of these roads Good by Old 'Vaginny.'

James Clements, a Republican leader who had worked with Mahone in the True Republican movement, also urged Mahone to use "all honourable means to keep an influence among the members," and promised that "what influence I possess among the Republicans shall always be exerted to strengthen the Consolidated line from Norfolk." Another True Republican associate, Joseph Segar, stressed the need for money used in the proper place. In a letter written from Richmond while the consolidation battle was taking place in the legislature, Segar wrote:

A gentleman of Washington City whom I know well & who is a man of character, informed me of certain matters, and of which he spoke in very confidential terms. ... He stated 1. That he knew exactly how the vote stood in the Senate on the consolidation question. ... 4. That John Garrett had an agent in Richmond working against the measure, armed with copious funds. 5. That on friday night
another agent of Mr. Garrett's went
down to Richmond with a large sum of
money to be used against the consoli-
dation measure. 6. That unless Garrett's
efforts were countervailed the bill could
not be passed in any form, but that if
these efforts were countervailed the bill
could be passed in its present shape. . . .
I asked him how the proceedings of Garrett
could be affected, and he replied—'by
money.' I then said to him, 'I suppose,
then, that the party that pays the most
money will win,' and he said, 'yes.'
Whether there is any thing in all this
I of course know not. 36

Segar's Washington confidante was quite accurate in predicting
the voting of the Conservative members of the Senate on the
consolidation measure. 37 His other information probably had
at least some degree of truth.

The pro-consolidation legislators successfully pushed
through the consolidation bill, largely in the form desired by
Mahone. It was passed by the Senate, 26-16, on June 3 and by
the House, 84-33, on June 7. Governor Walker signed it into
law on June 17, 1870. 38 A break down of the voting indicates
how important Mahone's Republican contacts were. All eight
True Republicans in the House voted for it. 39 Other Republicans
gave it 34-2 approval in the House and 12-1 in the Senate.
Conservatives approved it 42-31 in the House, but opposed it
15-14 in the Senate. 40 The Republicans were responsible for
passage of the measure in the Senate, and supplied half of the
favorable votes in the House. A harbinger of Negro support
for Mahone in the later Readjuster movement might be seen in
the voting of black legislators on this bill. Black legislators
approved it 22-0 in the House and 5-0 in the Senate.
It should be noted, however, that most of the Republican and black legislators came from the geographical areas which favored the consolidation proposal. As expected, the primary opposition came from the Northern Piedmont and the Shenandoah Valley. The complaints from the Valley were immediate. Before the bill was signed into law, The Old Commonwealth of Harrisonburg called on Governor Walker to veto it. The newspaper complained:

There must be something radically wrong in this transaction—wrong in the objects of its projectors, wrong in principle, and in the manner in which it was done. The whole thing was accomplished so adroitly . . . that but few, outside the Legislature, had any opportunity of examining into or discussing its general bearing upon the interests of the State, its effect upon our future commercial relations, or its merits in a financial point of view. . . . Let it go back to the Legislature and let there be a more satisfactory exposition of the whole question of consolidation and transfer of the State's stock.41

The question of the selling of the state stock was a serious criticism raised in more than one section of the state, and one that was to flower into full debate later in the year. Some believed the state did not get a fair deal in the specific consolidation bill, and others felt that the state should not sell its railroad stock at all.

The Atlantic, Mississippi and Ohio Railroad Company, as set up under the consolidation measure, consisted of a main line of 408 miles from Norfolk to Bristol, with two branch lines totalling an additional eighteen and one-half
miles. It was formally organized on November 12, 1870, with Mahone elected president for five years at an annual salary of $25,000. This salary, equal to that of the President of the United States at the time, drew much criticism as did the fact that Mahone often treated the line as a family or personal possession. There were jibes that A. M. and O. actually stood for "All Mine and Otelia's." The provision of the consolidation bill allowing the A. M. and O. to purchase the state-held stock was of much more consequence, however.

Governor Walker had reported to the General Assembly on March 8 that the state held stock worth $7,083,280 in the four railroads (including the proposed Virginia and Kentucky line) merged under the consolidation bill. He also reported that the Norfolk and Petersburg's bonds, "held by the state and secured by first mortgage upon its property, are worth nearly par" and that the Virginia and Tennessee Railroad "is one of the most valuable and important public improvements in the State." In return for the state-owned stock, the Atlantic, Mississippi and Ohio Railroad was allowed to give the state $4,000,000 in second mortgage bonds, with the first payment not falling due until 1885. Considering Governor Walker's report, the legislature did not make a very good deal for the state in the consolidation bill. Even more serious than selling the state stock for $4,000,000 was the second mortgage aspect, which turned out to have dire financial consequences for Virginia.
The passage of the consolidation bill was the climax of the second session of the 1869-71 General Assembly. When it adjourned on July 11, 1870, its record appeared to be a good one. It had put the state's civil government back on a stable basis after getting Virginia restored to the Union, had instituted an elaborate public school system, and apparently had decided the consolidation question once and for all. The day after adjournment the legislature was the recipient of praise by a newspaper which had been relatively neutral in the consolidation "war." The Richmond Daily Dispatch noted:

The Legislature has adjourned. It did a great deal of work. We have never known a more industrious legislative body. . . . Elected under extraordinary circumstances; surrounded by difficulties innumerable; compelled to put into operation a Constitution which is so awkwardly and ambiguously worded that no one can say with certainty what many of its provisions mean; and almost all without experience in legislation, the members have done credit to themselves.46

But the work of this legislature was only half completed in the middle of 1870. Members of the House had been elected for two-year terms in 1869, with senators elected for four or two years according to district. There still remained on the agenda two major problems to be dealt with—the state's huge public debt, and the disposition to be made of the remainder of Virginia's large holdings of railroad stock. These problems were intertwined by their nature, and also by Governor Walker's program, but they were not taken up until the final session of
the 1869-71 Assembly beginning December 7. A brief third session of the legislature was held from October 1 through November 10, 1870, but it was devoted almost entirely to making necessary changes in the State Code.

Virginia's 1869-71 General Assembly began its fourth and final session on December 7, 1870, after having been in session about six and a half of the previous ten months. By that time the state's public debt was approaching $47,000,000, the highest of any Southern state. It seemed imperative to decide immediately whether to maintain the state's large holdings of railroad stock and how to go about reducing the debt. Governor Walker had waited a month after the opening of the legislature's second session early in 1870 before presenting his financial message, but he pressed for action on financial matters in his annual message to the Assembly on the first day of the final session. First, the governor congratulated the General Assembly for its previous accomplishments. He said:

Coming together as you did, a young, and, to some extent, an inexperienced body of men, with a new and somewhat incongruous constitution to put in force . . . with nearly every office in the commonwealth . . . to fill; with an imperative necessity for the immediate modification of nearly every statute in the state . . . with an impoverished people . . . anxiously looking to you for relief, without, perhaps, a proper consideration of the limitations of your powers . . . with a vast variety of public and private interests demanding your attention, you may well congratulate yourselves that with all this variety and multiplicity of important subjects demanding your prompt consideration and action, you should have been able to accomplish so much with so few errors.
Then the governor turned to the financial situation.

One of the first, as well as one of the most important subjects which should engage your attention, is our state finances. . . . On the 8th day of March last, I submitted to you a full statement of the financial condition of the commonwealth, together with my own views as to the policy which ought to be pursued. Further thought and reflection have served to confirm and strengthen my confidence in the correctness of the recommendations then made. They have been heartily endorsed by the best financiers of both this country and England.49

The General Assembly had to determine the actual amount of the public debt which the state was under obligation to pay; to what extent the state could meet its financial obligations given its doubtful economic situation; and in what manner it could fulfill its duty to its impoverished citizens while being just to its creditors.50

What was this state debt, that amounted to so many millions of dollars in 1870? State Auditor William F. Taylor summed it up as well as anybody in his 1871 report, noting that the state debt was the debt due the bondholder by the taxpayer, "contracted by the tax-payer for his own benefit, to enable him to construct canals, to build and equip railroads and generally to provide for himself and others, all necessary facilities for getting to market."50

Virginia's internal improvements program can be traced back to 1784, when the state—through purchase—became a minority stockholder in corporations created for the improvement of the James and Potomac rivers.51 In 1816 the legislature sanctioned such undertakings by passing a law providing
for the organization of a Board of Public Works and creating an internal improvements fund. The board had general oversight of roads, turnpikes, canals, and navigable streams and, when the demand arose, served as the agency through which the state subscribed to railroad stock.\textsuperscript{52} Beginning with the incorporation of the Northwestern Turnpike Company in 1831, Virginia began to invest deeply in roads, canals, and railroads. By 1833 the state's debt had passed the one million dollar mark, and in 1837 it exceeded $3,500,000.\textsuperscript{53}

The 1837-38 General Assembly authorized the Board of Public Works to negotiate loans by the sale of state bonds to aid internal improvement projects, and by the end of 1838 Virginia's total debt had jumped to $6,662,000.\textsuperscript{54} The state followed a mixed enterprise system, subscribing to two-fifths or occasionally to up to three-fifths of a company's stock, with the remainder subscribed privately. Provisions in the stock issued to the state, however, frequently left it in a less secure position than private stockholders. Alexander H. H. Stuart, chairman of the Committee on Roads and Internal Navigation in the 1837-38 House, warned against this policy. If not arrested, he said, it would "inevitably land this commonwealth in irretrievable bankruptcy."\textsuperscript{55}

Virginia's policy of aid to railroads was the most generous among the Southern states.\textsuperscript{56} In addition to subscribing to up to three-fifths of the common stock, the state provided specific exemption from taxation in some cases, liberal provisions concerning the issuance of stocks and bonds,
and other enticements. The railroads chartered in Virginia in the 1830s, 1840s, and 1850s were designed as initial sections or links of a great state commercial system, to be built by private companies with the state as an important stockholder. This was stressed by General Mahone in his railroad battles against "foreigners" in the 1860s and 1870s.

By 1860 the present limits of Virginia contained 1,350 miles of railroads, built with the liberal aid of state funds. The state's investment in railroads then totaled $18,631,908, surpassing the investments in canals by more than $6,000,000. At the end of the Civil War, Virginia's interest in railroads—in the form of stock, loans, and guarantees—totaled $22,036,761.

The volume of bonded debt for which Virginia was liable was estimated at $33,000,000 in 1860, with the state possessing assets calculated at $43,000,000. This was somewhat misleading, however. An investigation of Virginia's internal improvements program by the 1859-60 General Assembly showed that at least $38,000,000 more would be needed to complete the state's system. The investigating committee, agreeing that the best interests of the people demanded it, recommended the sale of the public works as being "not only expedient and politic, but a matter of necessity."

The committee based its recommendation on several factors, including the fact that other states already had found such a policy expedient; that private enterprise could manage public improvements with more "prudence, foresight, and
economy" than any government; that the proceeds of the sale could be applied to the extinguishment of the state debt, relieving the taxpayers of a burden; and that the state would be unable to complete the system of public works already projected at any tolerable rate of taxation. It also noted that sections of the state which had no public improvements were taxed to keep them up in other sections—a principle "not founded in justice." However, no action was taken on the committee's recommendation.

In a study of the fiscal history of Virginia in the 1860-1870 period, George W. Jennings concluded that there was much waste and inefficiency in the antebellum program of state aid to internal improvements. Though some much-needed facilities were built under this policy, he said, state funds "frequently were committed on the basis of political rather than economic considerations with the result that many facilities were begun but relatively few completed."

The punctuality with which Virginia met her obligations, together with the known wealth of the state, made it comparatively easy to dispose of state bonds at high figures before the Civil War. State credit in antebellum days often was better than that of the United States government. During the war, Virginia was unable to pay the interest on her public debt beyond the remittance in coin of a few small sums to foreign bondholders in London, and the payment in Virginia of small amounts in Confederate money. The state convention on June 26, 1861, had prohibited payment of interest on bonds "now the
property of the government of the United States, or held by
it in trust, or which are now the property of a citizen or
corporation of said government or any state adhering
thereto." 65

Governor Letcher proposed again during the war that the
legislature provide for disposal of the state's interest in
various public improvements and apply the proceeds to the state
debt. 66 But, again, the General Assembly failed to act. The
Old Dominion's debt, which stood at $33,897,073 on January 1,
1861, had reached $41,061,000 by the end of the war in 1865. 67
When the state became Military District Number One under the
Reconstruction Act in 1867, it totaled $45,873,000. 68

The prevailing poverty and the prospect of continuing
hard times at the end of the war apparently were not sufficient
to change the attitude of the people that the financial standing
of their state was a sacred charge. It later was claimed that,
had Virginia recognized in 1865 or 1866 that she was nearly
bankrupt, her creditors could have been induced to accept new
bonds at rates down to fifty per cent those of the antebellum
bonds. 69 Be that as it may, the 1865-67 legislature did not
choose to take that kind of action. This apparently was due
primarily to the intense pride and faith the people of Virginia
had in their state. A representative of the British govern-
ment, travelling in Virginia in the summer of 1865, summed up
this feeling in a report early in 1866.

The Virginians, I take it, are different
from the men of any other State. They are
even prouder of their Virginia than the
natives of all or almost all other States. Virginia has a history: she has had her proportion of great men. . . . When the war commenced, there was a strong Union party in Virginia, a party, as I believe, composed of the best men. . . . [But the state] was paramount to everything. She might be right or she might be wrong, but . . . the first duty of her sons was to side with her. 70

On March 2, 1866, the General Assembly assumed full responsibility for the prewar debt and provided for funding all accrued interest. To quiet current fears and rumors, the legislature also emphatically resolved that there would be no repudiation of the state debt. 71 The legislators declared that repudiation was prohibited by both the state and federal constitutions, stating in a resolution that "such legislation would be no less destructive of our future prosperity than of our credit, our integrity, and our honor." 72 The interest on the public debt was reduced by the General Assembly from six to four per cent in March, 1867. 73 But, by the time the 1869-71 legislature met for its final session in December, 1870, the state debt had reached almost $47,000,000, more than half of which grew out of railroad investments.

In his March 8 message to the legislature, Governor Walker had advocated selling the state's interest in railroads under a gradual policy that would "fully protect the interest of the state, of the private stockholders, and of the public. . . ." 74 The selling of the state's railroad holdings was a key element in Walker's plan to solve the public debt problem, although it certainly was not a new
proposal. In addition to the earlier recommendations, Governor Pierpont in 1865 had gained considerable support when he recommended that the state sell its railroad holdings to the highest bidder, and that a policy of railroad consolidation be permitted in the interest of efficiency.75

At the end of the war, Virginia was in no position to continue to support public internal improvements by investing state money. The railroads had been nearly wrecked by four years of war, and were badly in need of capital for repairs and replacement of equipment. Only about eighty-six miles of new railroad track was laid in Virginia during the 1860s.76 There was considerable pressure for the state to relinquish its share in internal improvements.

A resolution was introduced in the House of Delegates on December 5, 1866, that "the committee on finance be instructed to report a bill providing for the sale of all the interest owned and held by the state in rail roads, canals and other public improvements and property, excepting only such as is absolutely necessary for the occupancy and conduct of the state government, and further to provide that the proceeds of such sales shall be applied to the redemption of the public debt."77 The resolution was sent to committee, but no more was heard of it.

Thus, the selling of the bulk of the state's railroad stock still had not been approved when Mahone got his consolidation plan approved by the legislature in June, 1870. But the consolidation bill allowed the newly formed Atlantic,
Mississippi and Ohio Railroad Company to purchase the state's interest in the predecessor companies, and under provisions very favorable to Mahone and the A. M. and O. Section 10 of the act said Virginia was entitled "to receive four million of Virginia bonds, or, at the option of the said company, of money, payable by annual installments of $500,000 each, the first payment to be made during the year 1885. . . ."78

The company chose the bond method of payment. Not only was the first payment not due until 1885, but the $4,000,000 worth of bonds were secured to the state only by a second mortgage on the property of the A. M. and O. According to the consolidation act, the state's mortgage was "subordinate to any first mortgage now or thereafter made."79 These provisions indicate Mahone's influence in the 1869-71 legislature, at least as far as consolidation is concerned. The shortcomings for the state are obvious. When the A. M. and O. passed into receivership in 1876, the state lost most of its investment in this railroad.

On the final day of the long second session of the 1869-71 General Assembly, just one month after the consolidation bill was approved, another act was passed permitting the Richmond and Danville Railroad to buy the state-held shares in that road. The company was permitted to buy the 24,000 state shares for $1,200,000 in state bonds or certificates of debt in twelve semiannual installments of $100,000 each.80 The company quickly made the first payment, and there was little comment on the bill at the time. By the spring of
1871 (when the legislature was considering legislation providing for disposal of the remainder of the state's railroad stock), rumors were current that the Richmond and Danville was falling under control of the Pennsylvania Railroad interests.

The rumors were true. The Southern Railway Security Company, a holding company dominated by the Pennsylvania Railroad, acquired enough shares to gain control of the Richmond and Danville by the end of August, 1871. Another rumor circulated at the same time has not been proved. That was a story that the scheme for the Pennsylvania to acquire the state shares in the Richmond and Danville was hatched in the Governor's Mansion, with the governor's brother (James Walker) being given 2,000 shares of stock for his services. Provisions for selling the state stock to the Richmond and Danville were more stringent than for the A. M. and O., and the R. and D. was one of the few railroads from which the state received the expected financial returns. The Pennsylvania Railroad also acquired a controlling share of the Richmond and Petersburg Railroad when the General Assembly passed the measure allowing sale of all state-held stock in March, 1871.

The Pennsylvania Railroad's plans had not yet been consummated when the General Assembly met in December, 1870, but the rumors were flying. Mahone's consolidation battle had been bitter enough, with most of his barbs aimed at the Baltimore and Ohio Railroad. Now, with the Pennsylvania...
Railroad threat rising, he became more vociferous in his warnings against "foreign" railroads. In the spring of 1871, he came to blows in a Richmond street with an attorney for the Pennsylvania interests. 85

With the A. M. and O., the Baltimore and Ohio, and the Pennsylvania Railroad interests at each other's throats, the legislative battle over whether to sell the state's remaining railroad stock could only be a bitter one. It was aggravated by the fact that Mahone and Governor Walker came to a parting of the ways on this question and on the proposed Funding Bill. The bill to sell the state's stock and the Funding Bill, intertwined as they were, came before the Assembly about the same time and were passed within a week of one another.

Governor Walker believed his "free railroad" policy would bring in about $2,600,000 immediately and another $10,000,000 ultimately from sale of state railroad stock. All of this was to be applied to reduction of the state debt. 86 Mahone, of course, had agreed with Walker's policy as far as it favorably affected the A. M. and O., and he made no loud complaint about the bill allowing the Richmond and Danville to purchase its state-held stock—until it became evident that that railroad was coming under control of the Pennsylvania interests. 87 After that, he fought the policy of selling the remainder of the state's railroad assets as dangerous to Virginia's commercial system. Mahone feared out-of-state domination of Virginia's railroads would occur under the governor's program, particularly from the growing Pennsylvania
and Baltimore and Ohio systems.

The state still held a sizeable amount of railroad stock in December, 1870. Some was of debatable value, but some was eagerly sought. The Pennsylvania system was interested in the shares of the Richmond and Petersburg as well as the Richmond and Danville, while the Baltimore and Ohio sought the state's shares in the Orange, Alexandria and Manassas.

Governor Walker could count on support of his program by the Pennsylvania and the Baltimore and Ohio interests, as well as from the Richmond Enquirer. Mahone, of course, led the opposition. He largely controlled the editorial policy of the Richmond Whig, and normally could count on the support of such newspapers as the Norfolk Day Book, the Charlottesville Chronicle, the Culpeper Observer, and the Lexington Gazette. Behind the scenes, Mahone and Thomas A. Scott of the Pennsylvania system supported extensive lobbies.

The state legislators were under an immense amount of pressure from lobbyists during the entire four months of the last session of the 1869-71 General Assembly. The lobby had been scarcely known in Virginia before 1870, but had played a part in the consolidation battle that year. In the 1870-71 session, lobbyists were hard at work on both the railroad legislation and the funding legislation. Concerned with railroad legislation were lobbyists representing railroads, business interests dependent on railroads, and sections of the state desiring liberal charters for new railroads.
A study of the growth and activities of the lobby in Virginia is needed before it can be determined just how big a part it played in the major legislation of the 1869-71 General Assembly. But there is no doubt the lobby had considerable influence, and it led to some colorful stories. One concerned Scott renting a Richmond hotel suite and peopling the rooms with "scarlet" ladies from Washington, Philadelphia, and New York. He allegedly placed in the foyer two large silver bowls— one overflowing with money and the other with cool bourbon—from which legislators could help themselves. Some of these stories appear to have been inspired by Mahone. In 1871 he circulated throughout the state hundreds of copies of The Bucktail Swindle, an exposé of the alleged frauds connected with the sale of Richmond and Danville Railroad stock. Whatever the truth of such stories, there is no doubt that Mahone and Scott spent large sums in the "railroad wars."

The "Bucktails," as the Pennsylvania Railroad interests were called, and the Baltimore and Ohio generally drew the support of the people living along the lines of the railroads they desired. There was considerable opposition to selling the state-held stock, however. Some of it came from persons who believed the stock would prove valuable if held long enough. Others bought Mahone's argument that Northern railroads, if they became dominant, would divert traffic away from Virginia to Northern cities and ports. Neither the Conservatives nor the Republicans took a clear stand on the issue as a party. Nor could the legislators get a clear idea from the newspapers
how the people stood on the question.

As early as November, 1869, the Shenandoah Valley of New Market declared that the state should "retain her control of the Railroads—she has it and should keep it." Yet this same newspaper stated in the spring of 1871: "If we cannot afford to build Railroads ourselves, and can protect our citizens from wrong and extortion—why not let somebody build them who can?"

The Richmond Whig gave Mahone's viewpoint. In February, 1871, it asserted: "With four exceptions, the press of the State . . . join in protests against the ineffable infamy of selling the most valuable franchises of the Commonwealth—its commercial independence and political autonomy, to a foreign corporation." The Richmond Enquirer gave its exaggerated view from the other side, claiming in March, 1871: "The State gets an enormous price for its stock in the Richmond and Petersburg road—and if she can sell out on as good terms in all the rest of our roads, we shall have accumulated a handsome sum towards the reduction of the State debt."

The Richmond Dispatch, relatively neutral in the "railroad wars," came out in favor of the bill for selling the state's railroad interest. Commenting on Governor Walker's financial message in March, 1870, the Dispatch stated:

In all that the Governor suggests on the financial point we think there is good sense and practical value. . . . We cannot withhold our approval of the scheme for separating the State from all part in the management of railroads, but the
present and prospective value of State stock renders it very doubtful whether
the railroads will exchange State bonds for State railroad stock for a very long
time to come.97

A year later, with the bill before the House, the Dispatch said unequivocally: "It would be wise at once to exchange the stock of the State in railroads at par for her bonds. That would pay a good round sum and stop interest. . . ."98

Of the several railroads in which the state had invested money, only one—the Richmond, Fredericksburg and Potomac—was paying any returns in 1870. Most railroads were in such poor financial condition that it was unlikely the state could realize its initial investment for many years.99 Yet the Virginia Gazette of Lexington insisted that the state retain its railroad interests as a means of liquidating its debt when the railroads became more prosperous.100

The Virginia legislators had many things to consider in deciding whether the state should sell the bulk of its railroad stock. Selling it would destroy the prewar dream of a great state commercial system of internal improvements. Yet how realistic was that dream? Virginia had no money to pour into either the repair of existing railroads or the construction of new ones, and the 1868 constitution prohibited further state investment in internal improvement companies in any case. If the stock was sold, the returns could be applied to reducing the public debt, which was at an all-time high and was growing rapidly. In disposing of the state's stock, the 1869-71 General Assembly would be turning to a laissez
faire attitude toward railroads already predominant in most sections of the country. It also would be carrying through the recommendations made by Alexander H. H. Stuart in 1838, by a House committee that investigated the internal improvements program in 1859-60, by Governor Letcher during the Civil War, by Governor Pierpont in 1865, and finally by Governor Walker.

The bill that eventually emerged as the measure providing for the sale of the state's railroad stock was introduced December 8, 1870, as a measure providing for the sale of state stock in the Orange, Alexandria and Manassas Railroad Company. It passed the Senate by a 28-1 vote on December 10, but was not approved by the House until considerable debate and amending. As passed by the House, 71-44, at the evening session March 15, 1871, the bill directed the Board of Public Works to sell to internal improvement companies "all bonds, stocks, loans and claims held by the state for an equal amount of state bonds." There was one significant exception. The board, under the agreement alluded to by the Enquirer on March 10, was directed to sell the state stock in the Richmond and Petersburg Railroad to nine representatives of that company "at the rate of $150 for each share of said stock . . . within six months after the passage of this act."

When the Senate took up the bill again on March 16, there was a debate on whether it still was the Senate bill or whether the House amendments were so sweeping as to have
made it an independent and original bill. Finally, on March 22, the Senate voted 26-11 to accept the House amendments "in the nature of a substitute for the whole bill," and the measure providing for the sale of all of the state's railroad stock was signed into law by Governor Walker six days later. 104

Radicals gave the measure 11-1 approval in the Senate and, along with True Republicans, 32-11 approval in the House. Conservatives also favored the bill, but by only 15-10 in the Senate and 39-33 in the House. 105 Most of the opposition came from areas crossed by Mahone's A. M. and O. Contentions were made later that the Negro vote had decided the issue. These contentions were made by persons who deplored the measure and wished to discredit the black members, and they came to be included in some histories of this period. 106 But these charges seem a bit strained. Black legislators voted 14-4 in favor of the bill in the House and 4-0 for it in the Senate. But did the fourteen favorable votes in the House carry more weight than the twenty cast by white Radicals and True Republicans, or the thirty-seven cast by white Conservatives? White legislators in the House gave the measure 57-40 approval, and white senators approved it 22-11.

The charges of bribery and corruption in the passing of the bill are similar to charges made concerning most of the railroad legislation passed by the 1869-71 General Assembly. There undoubtedly was some basis for the charges, but how widespread such practices were is debatable. There
is evidence that Mahone himself wished such charges to be believed. At the time the bill was before the General Assembly, the Richmond Whig said:

Whether well or ill-founded, the conviction is general, that the State has not been fairly dealt with by some of its representatives—that money has been used, and that the public interests have been bartered to a Foreign Corporation for individual lucre. Nobody has any evidence of the fact, and yet everybody you meet seems to take it for granted.¹⁰⁷

The key phrases for the public were that public interests had been bartered "to a Foreign Corporation" and that "everybody you meet seems to take it for granted"—meaning that the Pennsylvania Railroad interests had bribed legislators to get the measure passed, and that it must be true because "the conviction is general." Yet the Whig admitted that no one had any evidence of the fact. If any evidence had been obtainable, surely Mahone would have made it public. In fact, Mahone at this time may have been focusing attention on alleged bribery by the Pennsylvania interests at least partly to divert attention from possible shady dealings of his own.

On February 11, 1871, two and a half weeks before the Whig editorial appeared, the House of Delegates appointed a committee to look into charges that "certain members have received pecuniary compensation for their votes upon certain proposed railroad charters; and have been retained by certain railroad companies, or their agents, as feed counsel to advocate certain railroad policies upon this floor."¹⁰⁸ The resolution calling for the investigation was introduced by
Delegate David Pannill of Orange, who had opposed consolidation. Pannill was appointed to head a five-man committee to examine the validity of the charges and to make a report to the House. The committee consisted of four Conservatives and one True Republican. Three had opposed consolidation and two had voted for it. The Pannill committee's report was presented to the House on March 29, the day after the bill to sell the state's railroad interest was signed into law by Governor Walker.

The committee said it had "examined a large number of witnesses, but have elicited nothing tending to show that any member of this house has acted as counsel to advocate or oppose any measure which has been considered by this house." However, it reported that it believed Delegate William H. Andrews of Surry "did accept a pecuniary consideration for his vote on the Washington and Richmond railroad bill," a charter successfully sought by the Pennsylvania Railroad interests, and that Delegate George Fayerman of Petersburg "did also receive money, which was tendered him to influence him against the said bill, though he states that he afterwards returned it." The committee made no recommendation concerning Fayerman, "because of the peculiar character of the evidence against him," but recommended that Andrews be expelled from the House. Unfortunately, no record of the evidence presented to this committee appears to be extant. Andrews and Fayerman were both black Radicals, but were quite different types.

Andrews had served as a delegate to the 1867-68
constitutional convention and had taken an active part in the fight to put the public school requirement in the constitution. By the time of the 1869-71 General Assembly, however, he seems to have become a victim of "demon rum." On more than one occasion he became intoxicated and engaged in disorderly conduct in Richmond, once striking a house officer with a cowhide. He also was arrested once for not paying his board bill, and was publicly reprimanded by the House in 1870. Andrews frequently was absent from the House and did not vote on such major legislation as consolidation, the bill to sell the state's internal improvements stock, or the Funding Bill.  

Fayerman was a native of Louisiana, where he had been born free in 1830, and could speak French as well as English. He moved to Petersburg immediately after the Civil War and assumed a position of leadership in the black community. He became a storekeeper, was married in 1868, and was elected to the House at age thirty-nine in 1869.

No official action was taken by the House against either Andrews or Fayerman as a result of the Pannill committee's investigation. The report was presented only two days before the end of the long and exhausting legislative session, and the delegates may simply not have had the interest or energy to pursue the matter. Or they may, like most legislative bodies, have been reluctant to take punitive measures against members. At any rate, the Pannill committee's report was tabled.

There was no official investigation by the House or the Senate concerning possible corruption in the passage of
the bill to sell the state's interest in internal improvements. The measure directed the Board of Public Works to sell to each railroad and internal improvements company the state interest (including all bonds, stocks, loans and claims) for an equal amount of state bonds. Any company wishing to purchase the state's interest, however, was required to signify its acceptance within six months from passage of the act, and had to make six equal payments over a six-year period.114

Section 8 of the act directed the board, in cases in which the companies did not buy the state interest, to sell the state holdings "to the highest bidder, at public auction, after sixty days' notice, published in the papers of the city of Richmond, for the best price that can be obtained for them, payable in the bonds of the state at their par value."115 But it added that "no such sale shall be made under the authority of this act for less than the original cost of said stocks and interest, or for less than the market value thereof."116 This section probably was the basis for the Richmond Enquirer's comment upon House passage of the bill that:

The bill passed the House in a form which protects all interests, and presents no features which should be offensive to any of the parties who have contended for facilities. . . . It has been lengthily discussed, and the amendments attached guards against all possibility of loss to the State."117
The succeeding General Assembly, in February, 1872, repealed Section 8, thus eliminating the public auction aspect of the law. Some of the securities already had been sold at public auction by that time, although the bulk was sold under the provision giving each company six months to signify its intent to purchase state-held stock.

The 1869-71 General Assembly has come under harsh criticism for disposing of most of the state's interest in railroads. Yet getting rid of the stock at that time may actually have been a blessing, inasmuch as the state already was in dire financial straits when the Panic of 1873 occurred. Nearly all of the railroad companies in Virginia passed into the hands of receivers in the late 1870s, including Mahone's A. M. and O. (which eventually emerged under new management as the Norfolk and Western Railroad). The state might well have lost its holdings entirely in the roads that went bankrupt.

A case in point is the Atlantic, Mississippi and Ohio Railroad. As a result of the Panic of 1873, the A. M. and O. was formally turned over to receivers on June 13, 1876. The state's claims, secured only by a second mortgage under the consolidation act of 1870, were declared void by a court. Mahone did succeed in making a contract with the anticipated purchasers to give stockholders of the A. M. and O. share for share in the new company, and to pay the state half a million dollars for her claims--better than nothing, certainly, but a far cry from the $4,000,000 owed the state by the A. M. and O.
It is true that the stock of the Richmond, Fredericksburg and Potomac Railroad—the only railroad stock ultimately retained by the state—paid off handsomely in the long run, amounting to $4,272,092 in cash dividends and $1,479,415 in stock dividends by December 31, 1939. However, that railroad's earning capacity had been remarkable throughout its existence, and the 1939 total had accumulated over a long period of years. In the 1870s, Virginia was badly in need of immediate revenue. As the Shenandoah Valley of New Market asserted in November, 1871, "The State of Virginia has now more need of money than it has for Internal Improvement stocks."

Governor Walker had estimated in March, 1870, that the state could bring in $2.6 million immediately and another $10,000,000 ultimately from the sale of state railroad stock. These figures often have been derided by politicians and historians, but were they unrealistic? By the end of 1874, Virginia had received bonds totalling $2,534,453.79 in principal and interest from the three principal railroads involved in the bill to sell the state's interest. That was about the total Walker had said could be brought in immediately. Almost one million dollars more had been received from sale of stock in other railroads. Another $4,000,000 was due from the A. M. and O. beginning in 1885, and as late as 1877 the state still held stock totalling almost three and a half million dollars in the Chesapeake and Ohio, the Washington and Ohio, and the Richmond, Fredericksburg and Potomac railroads.
If the value of the stock still held by the state in 1877 is added to the $3,400,000 received for stock sold—plus the $4,000,000 owed by the A. M. and O. and a half-million still owed by the Richmond and Danville—the total is about $11,200,000. That still is about one and a quarter million dollars short of the total Governor Walker had estimated in March, 1870, but it is a far cry from the almost total loss to the state claimed by many later politicians and historians. The "foreign corporations" so detested by Mahone and his followers had paid most of their claims before the Panic of 1873, while the state suffered its biggest setback in the loss of most of the A. M. and O. stock.  

The mistake of the 1869-71 General Assembly was not in selling the state stock so much as in failing to make stronger provisions for regulating the sale of the stock. The antebellum program of using state funds to induce private capital to build needed transportation facilities would have been impossible to continue in a debt-burdened Virginia still recovering from the ravages of war, even if the new state constitution had permitted it. Relatively few of the proposed facilities had been completed anyway, and even in 1860 more funds had been needed to complete the system than had been committed up to that time. With West Virginia now a separate state, there no longer was any need to plan a network of trans-Allegheny railroads unless it was certain that the volume of trade would make it worthwhile. The business climate in Virginia in the early 1870s, as in most of the
United States, was highly favorable to the development of a free market economy and a laissez faire governmental attitude.

In retrospect, it seems plain that Virginia's best course to get money out of the railroad system would have been to tax companies at a reasonable rate. Virginia's railroad taxation program, however, followed largely an experimental course until the 1880s and brought in negligible amounts. Railroad taxation started when the 1842-43 legislature passed an act taxing all dividends of profit at the rate of one and a half per cent, based on net earnings. There were modifications in the 1850s, but the amount of revenue each road had to pay was based on statements furnished by the railroads themselves. Also, many railroads had tax-exempt provisions in their charters that kept them from paying any taxes at all.\(^{130}\)

The 1868 constitution provided for a shift from taxation of railroad income to taxation of railroad property, and in 1871 a real and personal property tax of fifty cents per $100 estimated value was imposed on railroads.\(^{131}\) Again, though, the auditor of public accounts was compelled to accept the valuations as filed under oath by the presidents of the companies. Average annual receipts from railroads under the new law were only about $57,500 for the 1871-75 period and $69,700 for the 1876-80 period—only a drop in the bucket of total revenues.\(^{132}\) Stricter legislation in the latter part of the 19th century raised railroad tax receipts
to $253,054 by 1900, and tax receipts increased sharply in the early 20th century under the State Corporation Commission provided for in the 1902 constitution.

Virginia was slow to see the necessity of stringent regulation and taxation of railroads, but so were most other states in the late 19th century. It was difficult to turn away from antebellum policies. The state's first railroad commissioner, Thomas H. Carter, seems to have grasped the failures of the old system and the need for new and stricter taxation policies. In his first report in 1877, Carter said:

> The truth seems to be, that our railroads in Virginia have cost too much in original construction, and in renewal since the war, to yield a profit on the present amount of traffic. ... The railroads have been built anew, at heavy cost, and in many cases, are loaded down with debts which have placed the most important in the state in the hands of receivers. With them, reorganization on a basis of new values becomes a necessity, and the original investors are the losers.

Carter added significantly:

> Among the tendencies of the times in practical politics, there is an obviously increasing inclination, both in the Federal and state governments, to take hold of the railroads with a more mastering hand than was once conceded to be allowable either under the letter or the spirit of our organic American laws.

Whatever the shortcomings of the railroad legislation passed by the 1869-71 legislature, a sharp break had been made at last from the antebellum policies. This was recognized at the time and there was some optimism about it. The Richmond *Dispatch*, the most neutral of the capital city
newspapers during the "railroad wars," had this to say about the new policy in the fall of 1871.

Now . . . a course of improvement of the railroads of Virginia is begun which will, without the control of anything named 'policy,' in a few years put Virginia on the way to development and power which could never have been opened to her under the form of wasteful expenditure before the war. . . . The change from the old policy—so called—to the new order is gratifying. Virginia will be largely gainer by the change. Her resources will in a few years be so multiplied that the public debt will soon disappear, or be not at all burdensome.136

With the approval of the legislation to sell the state's railroad holdings, Governor Walker had succeeded in one key element of his program to reduce the huge public debt. Concurrently, the General Assembly had taken up the other key element—the Funding Bill. This measure affected Virginia's finances and politics more than any other one factor throughout the remainder of the 19th century.
CHAPTER IV

FUNDING VIRGINIA'S PUBLIC DEBT

The Funding Bill was not a bombshell dropped on an unsuspecting legislature. The problem of the public debt had been a frequent topic of discussion in Virginia since the end of the Civil War, and had been commented on often in newspaper editorials and letters to the editor. Governor Walker's financial proposals had been known for more than a year when the Funding Bill was taken up for action by the 1869-71 General Assembly in its final session.

Virginia had the highest debt of any Southern state, yet the Old Dominion and Tennessee made the most persistent efforts of the ex-Confederate states to avoid scaling down their public debts after the war. In several Southern states public debts, particularly Reconstruction bonds, were repudiated or scaled down as soon as conservative white citizens regained control of their governments. Between the end of the Civil War and 1880, the ten ex-Confederate states excluding Texas in effect repudiated about fifty-nine per cent of their total debt of $263,529,730. Talk of scaling down the debt in Virginia was not popular among conservative legislators. The feeling prevalent in the Old Dominion was that the debt must be paid as a matter of honor.
Virginia's public debt on January 1, 1870, stood at $45,872,778, and was to grow to $47,090,866 by July 1, 1871. Governor Walker, in his financial message to the General Assembly on March 8, 1870, had recommended the "entire reorganization of the state debt" without scaling it down. He reported that the treasury at that time showed a balance of $567,891.89, in addition to the stocks and bonds held by the state in railroads and other internal improvement companies. "Of these various stocks, bonds, and claims," Walker reported, "some are worth about par, some are much below par, but constantly improving in value, while others are worthless." He added optimistically:

With the redemption, purchase, or payment of these loans and stocks, and the application to the payment of the state debt of the other solvent assets of the state, together with the amount to be received in the settlement with the state of West Virginia, our public debt ought, and I am quite confident will be reduced from one-third to one-half its present amount.

The governor's proposals had drawn much comment from Virginia newspapers, most of it favorable, in the period between his financial message in March and the opening of the final legislative session on December 7. The Richmond Dispatch had said in March: "In all that the Governor suggests on the financial point we think there is good sense and practical value." And it had said Walker's message "is so complete and so well fortified at all points, that it leaves hardly a doubt of victory." In December, the Dispatch
stated: "The views of the Governor on the finances of the State we consider unobjectionable. If they are responded to by the Legislature, much will be done to redeem the honor and credit of the State. . . . We have rarely read a message so free from objection."\(^8\)

Another principal supporter of the governor's financial program was the Richmond *Enquirer*. At the time the Funding Bill was before the legislature, the *Enquirer* unequivocally stated:

We have assumed no middle ground on this question, but have insisted that honesty as well as policy demanded that Virginia should acknowledge the whole debt, and make present provisions for the prompt and punctual payment of the interest as it shall fall due, and the retirement of the principal at maturity.\(^9\)

A week later, the *Enquirer* said:

The credit and honor of the State we regard as paramount to everything else. If necessary, let the school system, and all extraordinary taxation for any and every purpose be curtailed. Let us meet our obligations *first*.\(^10\)

The principal newspaper opposing the Funding Bill was the Richmond *Whig*, which largely reflected Mahone's views. At this time, Mahone was involved deeply in railroad legislation and appears not to have taken a very active part in the fight against the Funding Bill. The *Whig* did not go so far as to call for repudiation or scaling down of the state's debt—a position most Virginians of the period would not have considered. But it did oppose the passing of any funding legislation until a settlement could be made with West Virginia
concerning that state's share of the debt. A few days before
the Funding Bill was passed by the Senate, the Whig explained
its position.

"We are of those who sincerely desire
to fulfill every just obligation of the
Commonwealth, and to preserve its credit
free from every stain and every suspicion.
. . . We believe our people are willing to
assume two-thirds of the debt, and to pay
it as soon as they can. But an attempt to
saddle the whole upon them will be attended
with disastrous failure."11

The day the Senate passed the Funding Bill, the Whig pleaded:
"West Virginia has signified her purpose not to consider the
question of paying any part of it before next winter. Let us
deffer our action till then."12 Two days later, as the House
began debate on the measure, the Whig made its final appeal.

Members of the Legislature, who have
not as much load as they can carry, can
accommodate themselves by voting for the
stock-jobber's bill now before the Legis-
lature. . . . The State is still made to
assume the whole debt. This is intended
for the benefit of the stock-jobbers—not
for the tax payers. . . . Members who
have a wise regard to their own and their
constituents' interest will not impose
this unjust and unnecessary burden upon
the State at this time."13

The Pearisburg Gazette also had reservations about
funding legislation being passed at the 1870-71 session. Its
position was stated in early February, 1871.

The payment of the State's indebtedness,
so called, is a vital question to the tax
paying community. We are willing to pay
Virginia's proportion, whatever it may be,
and, to do so, are willing to groan under
a heavy, but not an enormous taxation. If
Virginia has to pay the entire debt, let
it be done at any cost; but we protest
against the payment of any portion, until
the Federal Government is required to contribute, and made a party. We believe that Government is responsible to the extent of its spoilation [sic], and Virginia and West Virginia only to the amount of the assets of the Old State.\textsuperscript{14}

Former Governor Henry A. Wise also called for a delay in passing any funding legislation until the matter had been ruled on by federal courts. Wise suggested:

Let us boldly take the stand that we will not recognize or pay one dollar of the debt of the old State of Virginia until and unless forced to do so by the Federal Government. Let us compel the creditors of the old State of Virginia to take the initiative to assert their rights against this State, if they think they have any. . . . True, we may have to assume, ultimately, a part of the debt upon the dictation of the conquerer, but it will certainly not be more than is now proposed, or upon terms as hard and humiliating; and if we accomplish no more by the delay, it will give us opportunity first to know what we really have to pay with instead of foolishly guessing; and secondly to gain a period of recuperation.\textsuperscript{15}

Such a course probably would have proved to have been the best one. The Shenandoah Valley of New Market, however, reflected what turned out to be the prevailing opinion of the legislators—that West Virginia was responsible for a share of the state debt, but that Virginia was obligated to make provisions for payment of the whole debt as soon as possible.

In February, 1871, the newspaper noted:

The papers are discussing the question of the State debt. We can see no doubt of the proposition that Virginia is responsible for the entire amount. . . . The only arrangement that we can see possible is to ascertain the amount which West Virginia is due to Virginia as her
proportion of the debt, and Virginia must provide the best means in her power for paying the entire amount.16

Governor Walker devoted a good deal of the financial portion of his December 7 message to a review of the attempts of Virginia to reach an adjustment with West Virginia on the matter of the state debt. He concluded that, until a final adjustment was reached, "it can only be regarded in the light of a claim or asset of uncertain value, not in anywise affecting our liability for the whole debt."17

The problem of what portion of the Virginia debt was to be assumed by the new state was inherent in the formation of West Virginia during the Civil War, and was not to be finally decided until the United States Supreme Court handed down a decision in 1915. The high court, after lengthy litigation, figured West Virginia's obligation at $4,215,622.28 principal and $8,176,307.22 accumulated interest.18 West Virginia paid its share by 1939.19 At the time of the 1870-71 legislative session, however, it was not known when or whether West Virginia would pay its portion of the old Virginia state debt.

When the constitution of the proposed state of West Virginia was ratified in 1862, it provided for payment of "an equitable proportion of the public debt of Virginia" as it stood on January 1, 1861.20 After the war, Virginians had hoped that West Virginia would return to the "Mother State." The 1865-66 General Assembly futilely repealed the act giving consent to the formation of the state of West Virginia.21 Then, on February 28, 1866, it passed a resolution noting
that "the people of Virginia deeply lament the dismemberment of the 'Old State' and are sincerely desirous to establish and perpetuate the reunion of the states of Virginia and West Virginia."^22

The General Assembly appointed three commissioners to go to West Virginia to discuss restoration, and in a more practical vein gave them authority "to treat with West Virginia upon the subject of a proper adjustment of the public debt ... due or incurred previous to the dismemberment of the state and of a fair distribution of the public property."^23 The Mountain State declined to appoint commissioners to meet with Virginia's at that time, however, because of a pending boundary suit and because Virginia had not yet been readmitted to the Union. ^24

Under legislation passed in February, 1870, Governor Walker appointed three Virginia commissioners again to meet with West Virginia commissioners to adjust and settle the debt portions. ^25 The Virginia commissioners went to West Virginia and were favorably received by the West Virginia Legislature, but West Virginia Governor William E. Stevenson declined to appoint commissioners to meet with them. Mountain State politics were in a turmoil at this time, primarily over the issue of whether ex-Confederates should be allowed to vote and hold office. In the fall of 1870, Democratic candidate John J. Jacob was elected to succeed the Republican governor, Stevenson. ^26 Walker told the General Assembly in his December message that he believed the new administration to be
installed in West Virginia the following March would represent "the intelligence, integrity, and property of the state." \(^{27}\)

He called for the Virginia legislators to "at least, afford the new administration the opportunity of manifesting its intentions, and its appreciation of honesty and fair dealing." \(^{28}\)

Walker, however, believed the method of dealing through commissioners was "too cumbersome, and will be attended with too much delay." \(^{29}\) Instead, he outlined a plan of arbitration which he urged the General Assembly to adopt. Should West Virginia refuse to submit to arbitration, he said, the onus would then be on her and the case could be taken up by the courts. He added, "I cannot but believe that West Virginia will promptly accept" the arbitration plan. \(^{30}\)

Whatever course was taken, it was obvious that West Virginia's share of the public debt was not likely to be settled during the remainder of the 1869-71 General Assembly session. "In the meantime," Governor Walker said, "our public creditors are justly anxious for some action on your part looking to a resumption of the payment of interest upon our debt." \(^{31}\) His recommendation, in short, was to fund the entire debt as of July 1, 1871.

A bill to provide for funding the public debt was introduced in the House of Delegates by F. W. Mahood of Giles County on the opening day of the 1870-71 session. \(^{32}\) The General Assembly, however, spent most of the first two months of this session trying to work out an arbitration plan with West Virginia as recommended by the governor. There was
reason to believe West Virginia soon would assume her share of the debt. Many Virginia legislators undoubtedly read an editorial from the influential Wheeling Register which was reprinted in the Richmond Dispatch in December, 1870. The West Virginia newspaper was quoted:

It is generally conceded that some portion of the State debt of Virginia is justly chargeable to and should be paid by West Virginia. This, we believe, has been admitted here ever since the formation of the State, but a policy of inaction has heretofore prevailed; not denying the validity of the claim, but staving off and postponing as long as possible the disagreeable day of settlement. We doubt whether this policy has been either honorable or wise.33

A resolution concerning arbitration of West Virginia's portion of the debt was offered December 9 by Senator Charles Herndon of Stafford, Spotsylvania, and Louisa. A Conservative, Herndon was chairman of the Committee for Courts of Justice and had served in the 1865-67 House of Delegates. Whereas Governor Walker's plan called for three arbitrators, Herndon's resolution called for two to be selected by each state. It authorized Walker to appoint George H. Pendleton of Ohio and Judge Benjamin R. Curtis of Massachusetts as the arbitrators for Virginia.34

Herndon's was only the first of many resolutions in the Senate during December which were concerned with arbitration with West Virginia. On December 10, a resolution was offered by Senator Edmund Pendleton of Botetourt, Roanoke, Craig, and Giles stating that "the present commonwealth of Virginia is neither legally nor equitably bound to pay the
whole of the debt contracted by the commonwealth prior to the year 1861." Two days later Senator Joseph A. Waddell of Highland and Augusta introduced a resolution which represented the thinking of a number of Conservatives in the 1869-71 legislature—that West Virginia should pay its portion of the debt, but that Virginia was responsible for making provisions to pay the debt as soon as possible. Waddell's resolution was along the lines recommended by Governor Walker, stating:

Resolved, That it is the duty of the general assembly, without unnecessary delay, to provide for the payment of the public debt contracted prior to the year 1861, looking to the state of West Virginia to pay into the treasury of this commonwealth the portion thereof which, upon a fair settlement, may be found due from that State.

An interesting substitute was offered two days afterwards by Senator Edgar Snowden, Jr., of Alexandria, Fairfax, and Loudoun. His resolution, which eventually was tabled, emphasized the belief that Virginia was obligated to pay the debt—whatever the outcome concerning West Virginia. It read:

Resolved, That while, in the opinion of the general assembly, the present commonwealth of Virginia ought not to be considered legally or equitably bound for the full amount of the public debt contracted by Virginia prior to her dismemberment, nevertheless, if upon refusal on the part of West Virginia to pay her just proportion of the said debt, and upon a decision of the proper judicial tribunal against this state, the state of Virginia, tenacious of her honor and pledged faith, will assume and provide for the payment of all her obligations.
A different approach was offered on December 15 by a friend and supporter of William Mahone, Senator John E. Penn of Montgomery, Floyd, and Patrick. Penn, a Conservative and a Confederate veteran, wished to delay funding legislation until provisions properly protecting Virginia could be written into the state constitution. His resolution was referred to Herndon's committee and was never reported back to the Senate floor.

Before the Christmas recess, the question of arbitration with West Virginia had been boiled down largely to resolutions developed by Herndon's and Waddell's committees. A substitute resolution reported from the Committee for Courts of Justice on December 21 was the basis for a joint resolution finally approved in February. The joint resolution, as signed into law by Governor Walker on February 11, 1871, 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." It noted in the preamble that the constitutions of both states imposed the duty on their legislatures to provide for adjusting the proportion of the public debt contracted prior to January 1, 1861, and noted that "it is essential to the financial interest of Virginia that said settlement should be obtained as soon as practicable." The governor was to appoint two arbitrators, not Virginia citizens, to meet any two arbitrators selected by West Virginia who were not citizens of that state. The arbitrators, if they desired, could appoint
an umpire.\textsuperscript{42} The arbitration resolution was basically what the governor had sought, but it turned out to be so much wasted effort when West Virginia rejected arbitration on the ground that citizen commissioners from the two states would be more familiar with the case. West Virginia appointed three commissioners to go to Richmond to look into documents concerning the debt, but information sought from Virginia's second auditor was refused and Governor Walker refused to appoint commissioners to deal with the West Virginia commissioners.\textsuperscript{43}

Possibly West Virginia would have been willing to negotiate with Virginia commissioners in 1871, but how much of the debt would the Mountain State have been willing to shoulder? Certainly not the one-third arbitrarily assigned to West Virginia under the Funding Bill as it developed. Many West Virginians already may have adopted the view prevalent by the latter part of the 19th century—that the Mountain State owed very little if anything to the "Mother State."

Francis H. Pierpont shed some light on the West Virginians' attitude toward the public debt in a letter to the Richmond \textit{Whig} in 1887. Pierpont had returned to his native West Virginia after his term as provisional governor of Virginia ended in 1868, but he had remained interested in both Virginia and West Virginia politics. Writing from his Fairmont home more than fifteen years after the Funding Bill had been passed, and at a time when no agreement on the public debt had yet been reached between Virginia and West Virginia,
Pierpont said "there is a prevalent opinion among the best informed men in the State that in equity West Virginia owes but little, if any, on the old State debt." He pointed out that his fellow West Virginians were of the opinion that about all of the money for which bonds were given was expended in what is now Virginia, and added:

A gentleman of high intelligence, and who has had opportunity of knowing . . . stated in the presence of the writer . . . that upon an equitable settlement between the two States, taking into account receipts and disbursements, West Virginia would not owe one cent, and he thought the balance would be against the old State. This is a general impression among the people. . . . No prudent man would submit a matter of demand to arbitration, when he was satisfied that he did not owe anything, and run the risk of being adjudged to pay a large sum by the conservatism, if nothing worse, of the arbitrators. This is about the sentiment of West Virginia on the subject.

Pierpont also pointed out that West Virginians felt they had made considerable sacrifices to the Union during the war (in men and money), and that the state had not the ability to pay on the old state debt. "Her taxes are about the same on the dollar as in Virginia," he wrote, "and the people feel this is a burden." It was Pierpont's opinion that Virginia "should never have agreed to pay one cent on the debt, until the bondholder had agreed to a fair and equitable contribution to be deducted from his bond, in proportion to the losses of taxable property, sustained by the people."
counties had been inexcusably slighted in Virginia's ante-bellum internal improvements program was noted by Robert F. Hunter in his 1961 study of the turnpike movement in Virginia. These men pointed to the fact that the General Assembly had voted thousands of dollars for western turnpikes, while at the same time voting millions of dollars for eastern railroads. Although the General Assembly finally oriented the state's internal improvements program toward more equitable distribution after 1855, the change was too little and too late. Hunter concluded that the record appears to justify the West Virginians' complaints.

Two earlier studies raised doubts that Virginia actually intended to work out a final debt solution with West Virginia in the 1870s. In a 1953 study of the life of James Gaven Field, John Hammond Moore claimed that Virginia made only half-hearted attempts to work out a debt solution with West Virginia. Moore said the Conservative leaders feared that West Virginia, in return for sharing the debt, might have demanded—with good reason—a corresponding portion of the Old Dominion's financial assets. And a 1913 study pointed out that, under the 1871 Funding Bill, West Virginia was assigned one-third of the debt as of 1871—not as of 1861. As Virginia claimed not to be liable for the one-third charged to West Virginia, the study noted, it was to the advantage of the Old Dominion never to reach a settlement.

Many West Virginians, as Pierpont pointed out, did indeed feel that taxes collected in the trans-Allegheny area
had more than equalled the internal improvements given that area. It is easy to see why West Virginians were hesitant about submitting the problem to arbitration, although that probably would have been the wisest course. That Virginia did not intend to work out a final debt solution with West Virginia does not seem likely, at least before 1871. Virginia initiated several proposals on the problem between 1866 and 1871, none of which was accepted by West Virginia.

The issue of West Virginia's share of the public debt played an important part in the debate on the Funding Bill, but Governor Walker and the pro-funder legislators felt it was imperative to pass legislation that would restore the state's credit and resume payments of interest on the debt as soon as possible. "So long as our state credit remains in a condition of dishonor," Walker told the legislators, "it is idle to hope for that prosperity and development, that influx of capital and population, so much needed and so ardently desired. I trust that you will take this subject into immediate consideration, and act in a manner commensurate with its great importance and the vast interests involved."\(^{51}\)

The governor excused the legislature for not acting earlier on his financial proposals, but said time was now of the essence. "The great duty incumbent on you of organizing the state government, and adapting our laws to the new constitution," he said, "may be regarded as a reasonable excuse for your non-action in this behalf at your last session. But that excuse no longer avails. The time has arrived when
you must grapple with this question." Walker did not want legislation providing only for immediate and temporary payment of the interest. "What I do most earnestly urge," he said, "is that you take immediate action looking to the resumption of the payment of interest by the state at a certain day, not in the distant future." He then outlined his proposal.

I would recommend that provision be immediately made for the funding of the whole debt, principal and interest, in new bonds of the character mentioned in my message of the 8th of March last, bearing date July 1, 1871. The first semi-annual interest will then fall due January 1, 1872; and, in my opinion, that is as early a period as it will be prudent to undertake the payment of full interest regularly.

The governor also called for the practice of strictest economy as well as increased taxes in order to underwrite the Funding Bill's provisions, the public school legislation, and the routine outlays of state government. He said:

With an impoverished people on the one hand, and anxious, needy, deserving creditors on the other, it more than ever becomes us to practice the most rigid economy in all departments of the government. Hereafter, our annual legislative expenses ought not to equal one-half of the cost of your last session. I hope also, under the reforms already initiated and to be initiated, to see our 'criminal charges' and the expenses of our penitentiary reduced more than one-half. In view of these and other reductions in our annual expenses, and the increased and increasing subjects of taxation and ability on the part of the people to respond thereto, I am satisfied that we can and ought to resume the payment of interest as early as the 1st of January, 1872.
A major factor in the belief that Virginia could provide for funding the entire debt—leaving West Virginia's share to be determined later—was a widespread optimism over the prospects of Virginia's complete physical and financial recovery in the near future. Governor Walker had estimated in his financial message of March, 1870, that $3,310,000 would be required annually to pay the current expenses of government, to meet the annual interest on the public debt under his proposed funding legislation, and to operate the new public school system. This, he admitted, "will compel us to raise $1,557,601.63 more than was paid into the treasury in the last fiscal year." But he was confident it could be done. Walker said the sum total of real and personal property in Virginia in 1870 was $723,115,589, on which $2,892,462 could be raised by an increased tax rate. He said the revenue could be increased to $3,364,255 by adding the interest on securities held by the state, and by the taxes on oysters, licenses, and income—exclusive of any tax on railway and other improvement and transportation companies.

Walker's estimates obviously were based on 1860 totals, as 1870 figures were not yet available at the time of his March financial message. The United States Census for 1860 showed a "true value" of $793,249,681 for real and personal property in Virginia. Walker's estimate for 1870 was only about $70,000,000 below the 1860 figure, and certainly did not adequately cover the losses suffered by Virginia from the separation of West Virginia and the abolition of slavery. A
report compiled by the state auditor in December, 1870, at the request of the Senate showed a total of $585,099,382 for real and personal property in Virginia in 1860, and that included slaves. The report estimated the value of taxable real estate and personal property in Virginia for 1869 at $348,520,347, or less than half the figure of the governor's 1870 estimate. The auditor's estimate probably was on the conservative side; the federal valuation for real and personal property in Virginia for 1870 was $409,588,133. At any rate, Governor Walker's estimate was too high.

Why were the governor's figures so exaggerated? Was it the ignorant or naive estimate of an overly optimistic administrator caught up in his plan for the restoration of Virginia prosperity? Or were the figures purposely inflated to persuade legislators that Virginia could afford the funding legislation--and thus fill the pockets of the bondholders and their friends? The latter viewpoint was the one held by many anti-funders, especially after the failure of the funding legislation in the late 1870s and 1880s. And it also was adopted by some scholars.

Audrey Cahill, in her biography of Walker in 1956, said there "is no doubt Walker was himself personally interested in Virginia bonds," and that it "is no exaggeration to say that he devoted his entire life to the advancement of Gilbert Carleton Walker." An earlier scholar, William C. Pendleton, said Walker and his brother "were holders of an unknown amount of the bonds," that the governor was personally interested in
the passage of the Funding Bill, and that "many persons then thought, and many now believe, he was influenced by improper motives." John E. Massey—the famous "Parson" Massey of Readjuster note—later wrote in his autobiography that the governor and his brother, Jonas, were believed to have invested largely in Virginia bonds.

On the other hand, Charles T. O'Ferrall (who entered the General Assembly in December, 1871, as an anti-Funder and later served as governor of Virginia) wrote in his recollections that Walker was "true to the people . . . and was loyal to what he believed to be the best interests of the State." Charles C. Pearson, in his study of the Readjuster movement, pointed out that extravagant optimism and sympathetic appreciation of state pride "gained the heartiest commendation of the press" in this period, and noted that almost the entire state press and the outside world endorsed the restoration of credit policy as economically correct.

Thus, there is a possibility—but no proof—that Governor Walker was the holder of an undetermined amount of Virginia bonds. But how much would such bonds be worth should Virginia default on the funding legislation? And would Walker have risked his considerable national political ambitions on a quick financial deal that would ultimately be disastrous to his reputation as an administrator and planner?

Governor Walker's program depended on whether Virginia was able to raise the annual revenue needed. How realistic were his revenue estimates? The governor had estimated an
annual need of $3,310,000 and had claimed that $3,364,255
could be raised under his policies. This appears reasonable,
if his property valuations were correct and if Virginians were
willing and able to take on an increased tax rate. In 1860,
the state had produced a revenue of $4,182,510.27 with a rate
of forty cents per $100 valuation on property. Walker had
called for an increase to fifty cents per $100 valuation, a
recommendation the General Assembly complied with in the spring
of 1871. He also had been successful in getting through an
income tax of two and a half per cent on incomes over $1,500.
Along with other taxes, this would appear to be enough to raise
the necessary revenues.

Revenue for the fiscal year ending October 1, 1870
(before Walker’s program went into effect), totalled only
$1,487,353.84. For the fiscal year ending October 1, 1871
(during part of which the governor’s new tax program was in
effect), it made an impressive jump to $2,781,851.94. This
was still more than half a million dollars short of the
governor’s estimate, however, and the seriousness of his
exaggeration of property values was becoming apparent.

Even now it is difficult to get exact totals for
finances of the 1870s because of the lack of uniformity in
bookkeeping methods and the informality of many reports. In
the area of state revenues and disbursements, conflicting
totals can be found according to the date and source of the
report, so the legislators of the 1870-71 session might be
excused if they were confused about which estimates to believe.
It is doubtful that many of them devoted much time to a study of the governor's financial proposals, involved as they were in the bitter railroad legislation, the problem of whether to sell the remainder of the state's interest in internal improvements, and the myriad of other routine and extraordinary problems of the 1870-71 legislative session. Some, of course, devoted more time and energy than others to the funding legislation. A few followed the lead of the Richmond Whig and former Governor Henry A. Wise in advocating that Virginia postpone funding legislation until it was clear what West Virginia was going to do about her share.

More than half of the legislators, however, believed some action should be taken during the 1870-71 session regarding the state debt. Some simply followed the lead of Governor Walker or believed Virginia did indeed have sufficient resources to provide for payment on the debt. Some, full of state pride, felt the only honorable thing for Virginia to do was to acknowledge the debt and make provision for its payment. At least a few undoubtedly found it to their personal financial advantage to push through funding legislation. Had more of the prewar leaders been present in this legislature, it is probable that there would have been more discussion of the funding legislation and quite possibly a postponement of any such legislation until a later General Assembly session.

When he called on the legislators to "take this subject into immediate consideration" on December 7, Governor Walker referred to the recommendations made in his March 8 message.
At that time he had recommended

the funding of all the liabilities of the State, except the sterling debt, including principal and interest, matured and maturing . . . into one uniform class of new bonds . . . to run from ten to thirty years, at the option of the State, with interest, payable semi-annually. . . . As coupon bonds are always several per cent. higher in the market than registered, all the new bonds issued should be coupon bonds, and the coupons at and after maturity I would make receivable for all debts and demands of every kind and character due the State.76

The governor claimed that tax-receivable coupons would have the advantage of adding to the state's currency, as they would be used by the people as money and pass from hand to hand in the ordinary business transactions of life as readily as a bank-note or greenback. Thus you will annually furnish the people with a considerable volume of redeemable currency, and at the same time confer a lasting benefit upon them by restoring the credit of the State.77

The primary change the governor made in his December message was to set back the date for issuing the new bonds from January 1 to July 1, 1871. Concerning this change, he said:

In March last I was of the opinion that we might safely undertake to commence the payment of interest on the 1st of July, 1871, but the heavy expenses incident to the reorganization of the state government, and the lengthy first session of the legislature, the prevalence of a blighting drouth in one section of the state the past season, and the devastations of terrible floods in the James and Shenandoah rivers, have so crippled our treasury and our people that I am satisfied a postponement to the 1st of January, 1872, is necessary and advisable.78
Delegate Mahood's funding measure, introduced on the day of Governor Walker's message, was referred to the Finance Committee, as was a bill of Delegate John M. Hudgin of Caroline County to provide for payment of a portion of the interest on the public debt. Neither was reported back to the House floor, as they were superseded by the Senate's version of the Funding Bill. The only other action on the public debt in the House before it took up the Senate's bill was the presentation of two memorials.

On December 15, Delegate Marshall Hanger of Augusta County presented a memorial "of eight ladies of Virginia, praying resumption of interest on the public debt." Delegate Alexander B. Cochran, also of Augusta, presented a memorial on February 7, 1871, "of foreign bondholders asking the payment of interest on the debt of the State." Both memorials were referred to the Finance Committee headed by Cochran. Hanger and Cochran both were influential funders, lawyers, and Confederate veterans. In the succeeding General Assembly of 1871-73, Cochran moved to the State Senate and Hanger was elected speaker of the House.

Senate action on funding legislation began on December 9, when it was resolved that "so much of the governor's message as refers to the subject of finance, be referred to the committee on finance." That committee was headed by Joseph A. Waddell, another Augusta County resident and funder. Waddell was active in the resolutions concerning arbitration over West Virginia's share of the debt.
On December 13, Senator Thomas P. Fitzpatrick of Nelson and Amherst introduced a resolution calling for the auditor of public accounts to furnish the Senate with information including the population, number of slaves, number of acres of land, and value of taxable property in Virginia and West Virginia in 1860. The resolution also requested information on the amount of the public debt at the commencement of the war, the amount at the close of the war, and the amount (including interest) as of January 1, 1871. It further asked for information on the value of the taxable real estate and of taxable personal property in Virginia for 1869. This information was made available to the Senate the following day.

The memorials praying resumption of interest on the public debt, introduced in the House by Hanger and Cochran, also were presented in the Senate. The one from "eight ladies of Virginia" was introduced December 15 by Waddell, and the one from "foreign holders" of Virginia bonds was presented February 6 by Senator Abel T. Johnson of Accomack and Northampton. Both were referred to the Committee on Finance.

Apparently as a result of the auditor's report he had requested, Fitzpatrick introduced a bill on December 19 "to provide for the assumption and payment by the present state of Virginia of her just and equitable share of the public debt, contracted by the state of Virginia previous to the 17th day of April, 1861, with the legal interest thereon." The bill was read a second time the following day, but was
referred to the Finance Committee on January 23 and was not
reported to the floor again. 89

The measure that eventually became the Funding Act
was introduced by Finance Committee chairman Waddell on
March 2, 1871, as Senate Bill Number 274, entitled, "A bill
to provide for the funding and payment of the public debt." 90
After being read for the second time on March 9, the bill
was tabled temporarily as the Senate took up other pressing
matters. 91 It was taken up again at the evening session on
March 14. That evening and the following day numerous sub­
stitute passages were proposed, most of them dealing with the
percentage of interest Virginia was to be required to pay. At
the evening session March 15, Herndon offered a substitute
passage that would require Virginia to pay only two per cent
interest semiannually "until there is a settlement between
this state and West Virginia." 92

Senator Pendleton tried to obtain an amendment stating
that the General Assembly did not intend, "by the payment of
interest as hereinafter provided, to decide the question
whether the commonwealth is responsible for the payment of
the whole of the public debt or not." 93 But his proposal was
turned down, 21-10. Herndon's substitute passage also was
defeated, 17-15. 94

The defeat of Herndon's proposal was particularly
noteworthy. Had it passed, the interest provided for in
the Funding Bill would have been only two per cent semi-
annually until West Virginia's share of the debt was determined,
and that might well have been within the capabilities of Virginia's resources. Herndon's proposal had the support of eleven Conservatives and four Radicals (three of them black), but it was opposed by thirteen Conservatives and four Radicals (including one black). Sixteen of the seventeen who voted against Herndon's substitute proposal eventually voted for the Funding Bill, and the other one did not vote on that measure. Of the fifteen who supported the two per cent proposal, eight eventually voted against the Funding Bill, five voted for it, and the other two did not vote on the measure.

On Saturday, March 18, Senate Bill Number 274 was read a third time and was passed by a 25-10 margin. Combining to pass it were seventeen Conservatives and eight Radicals (three of them black). It was opposed by nine Conservatives and one Radical (a black). The only Radical in the General Assembly to vote against the Funding Bill was John Robinson of Cumberland, Amelia, and Nottoway. His motive is not known. One of the more economically substantial members of the black contingent in the General Assembly, the forty-eight-year-old Cumberland County native had been born free and had been a property owner since 1857. He operated a tavern at Cumberland Court House, serving meals and supplying rooms to white customers. Robinson had been a delegate to the 1867-68 constitutional convention. He voted for consolidation and for the bill to sell the state's remaining railroad interest during the 1870-71 legislative session.
Geographically, the Funding Bill drew heavy support in the Senate from all sections but Southwest Virginia. Tidewater and Southside senators gave it 12-3 approval, and those from the Piedmont, the Valley, and Northern Virginia approved it 12-2. But senators from Southwest Virginia opposed it 5-1. Probably the Southwest Virginia vote reflected a regional feeling similar to that of West Virginians. Except for the Virginia and Tennessee Railroad, habitually poor Southwest Virginia had little to show in the way of internal improvements from the antebellum period, and its residents were not inclined to pay extra taxes to pay off the debt. The fact that the Virginia and Tennessee, an integral part of the A. M. and O., ran through the area may have contributed also to the anti-funding feeling. Mahone was opposed to the funding legislation and he was influential along the line of his railroad. At any rate, Southwest Virginia was the first section avidly to oppose the funding legislation, and it was a hotbed of the later Readjuster movement.

The only Southwest Virginia senator to vote for the Funding Bill was Pendleton, who also had been the only Southwest Virginia senator to vote for the bill to sell the state's remaining interest in railroads. Pendleton voted from the conviction that the public debt was a sacred charge, in line with "old Virginia" notions. He was one of only four Virginia senators who voted against the 14th Amendment in 1869, and he once wrote to Mahone that he cast his votes
conscientiously, not being "one of those who have much respect for or fear of the Vox Populi." About four years after the Funding Bill was passed, Pendleton wrote:

Neither I nor any member of the General Assembly who voted for the funding bill supposed we were preparing a bed of roses for the people of Virginia. We attempted, to the best of our ability, to put the public debt in such shape as would be most available to the creditors of the Commonwealth and least burdensome to its people, consistently with the preservation of plighted faith.

Senate Bill Number 274 was sent to the House of Delegates immediately after passage by the Senate, and Speaker Zephaniah Turner laid it before the House as a matter requiring immediate attention. It was read twice and referred to the Committee on Finance headed by Cochran. A friend of Mahone's, Cochran had been one of the leaders in the fight for the consolidation bill, and had voted against the measure to sell the remainder of the state's interest in railroads. But he differed with Mahone on the Funding Bill.

The Funding Bill was reported out of committee on Monday, March 20, two days after it was sent to the House. No action was taken on it for three days, as the House took up other pressing matters. On Thursday, March 23, amendments were offered by Speaker Turner and by Delegate Blake L. Woodson of Alleghany and Craig, but both ultimately were turned down. Actual debate on the measure began on Friday, a day of much activity.

The first problem was whether to suspend, during consideration of this crucial bill, a resolution that limited
speeches to fifteen minutes with ten-minute extensions. Delegate John A. McCaull of Roanoke County moved that the speech restriction be lifted during consideration of Senate Bill Number 274, and his motion drew 68-37 support. But that was short of the two-thirds majority needed to suspend the resolution. Delegate Stephen V. Southall of Albemarle County, however, did get a motion approved lengthening the debate limit from fifteen to thirty minutes.

Most of the House debate on the Funding Bill concerned the share of the debt West Virginia should pay, and whether Virginia should take responsibility for that share until West Virginia paid. Speaker Turner took the lead in trying to push through an amendment relieving Virginia of any responsibility for West Virginia's share. He called the Funding Bill "far more important than any other we have been called to consider during our whole term of service here.

Turner believed that Virginia lawfully did not have to pay a single penny on the debt, saying:

I maintain, and I do it without the fear of refutation, that Virginia is not legally bound to pay one dollar, either of the principal or interest of this debt. States may sue each other, but individuals cannot sue States, and therefore it is, that there is no legal obligation whatever existing upon the people of Virginia to pay any portion of this debt; it is a question entirely of conscience and morals, and in that view of the question I propose to consider it.

If Virginia did choose to pay off the state debt, Turner insisted that West Virginia pay one-third. He noted that "the
whole of the principal of the debt was created before the
dismemberment of the State" and that in the twenty years prior
to January 1, 1861, "not one single large appropriation was
made, not one single large item of the debt created . . . that
was not done by the aid of Western votes . . . and thus, sir,
the people of West Virginia are equally bound with the people
of Virginia to pay their just proportion of this debt." 107
He did not, however, say what percentage of the money used for
internal improvements actually had benefitted the trans-
Allegheny region.

That West Virginia owed some portion of the prewar debt
seems a reasonable assumption, but whether the arbitrarily
selected one-third portion was fair certainly is debatable.
West Virginia's population was about one-third of Virginia's
in 1870, but was only about one-fourth of the population of
the Old Dominion in 1860. 108 Yet Turner said West Virginia
should be held responsible for one-third of the debt as of
1871—not 1861. He said the whole debt of the state, principal
and interest, on January 1, 1871, was $47,390,840, to which
must be added interest paid by Virginia during and since the
war, bringing the total to $54,471,326. 109 Turner proposed
that Virginia assume two-thirds of the debt, or $31,580,560,
plus the paid interest of $7,080,486, leaving West Virginia
to assume $15,811,240. 110

The speaker did not, however, believe either state was
bound to pay interest on the portion of the debt held outside
Virginia during the Civil War. He said non-Virginia residents
held "one-half or more of all bonds and other evidences of the State debt" on January 1, 1861, and that these bondholders, "according to well settled principles of international law 'alien enemies' of Virginia" during the war, "are not entitled to demand any interest upon those bonds for the period the war existed, and until peace was established between the belligerent parties." Thus, deducting the war-time interest, the balance of the whole debt would be $41,190,840, with Virginia to assume $31,580,560 and West Virginia $9,610,280. This still would leave West Virginia paying nearly one-third of the total.

Turner said the gentlemen "on the other side" say "the funding bill of 1866 has closed this question as to war interest, and we cannot now reopen it, that we have waived our rights as to interest. . . . I do not think we have waived any of those rights." The debate was interrupted at this point by Delegate John R. Popham of Highland County, who proposed that the Funding Bill be sent to the Committee for Courts of Justice "with instructions to ascertain and report whether the public securities, or any part thereof, of the Commonwealth of Virginia, be liable to interest for the period of time embracing the late war." This was approved by a vote of 65-45, and the debate was halted for the day.

The chairman of the Committee for Courts of Justice, Stephen V. Southall of Albemarle, favored Walker's version of the Funding Bill. His committee reported the bill back to the floor the following day with the opinion that "the public
securities of Virginia are liable to interest for the period of time embraced in the late war, except so far as the same has already been settled, either by payment or by a new obligation under the funding acts of 1866 and 1867."116

The debate was resumed two days later, on Monday, when Turner lamented the "terrible load of infamy and shame which the gentlemen on the other side have attempted to cast upon me."117 He said he still believed the state was not responsible for wartime interest and denied that the legislation passed by the 1865-67 General Assembly, of which he was a member, had made Virginia responsible for that sum. He hypothesized:

Suppose the Legislature of 1866 did waive the right of the State to demand this deduction for the war interest, and suppose this was done, either through ignorance of the rights of the State, or by a mistake as to those rights. . . . would not a court of conscience and morals relieve the people against these obligations?118

Besides, Turner contended, there were special circumstances surrounding the 1866 legislation.

I well remember, sir, under what circumstances, and for what reasons the resolution of 1866 was passed. A feeling of alarm existed in the minds of many of the citizens of the State that the legislature would pass some act either of partial or absolute repudiation of private debts, and it was mainly for the purpose of removing those apprehensions and allaying those fears that the legislature solemnly declared it would pass no such act.119

Turner took exception to a statement by Cochran "in behalf of the 'impoverished, suffering, starving class.'" One would have concluded from Cochran's remarks, said Turner, that widows and orphans "were much the largest, if not the only
holders of the State debt." Actually, Turner contended, only a little more than two million dollars worth of Virginia bonds were held in the names of guardians of infants, trustees of married women, and women in their own right.

Cochran apparently had reiterated Governor Walker's remarks that many Virginia bonds "are held by the trustees and guardians of widows and orphans dependent for subsistence and education upon the income from this source." But the governor, in his December message, had not appealed for funding legislation just in behalf of widows and orphans. He had said:

Much of the debt is held in both this country and Europe by original investors in the same, at the highest market value when created. It is true that since the war many holders of Virginia bonds, including numbers of our own citizens, have been compelled from necessity to part with them at a ruinous depreciation. The bonds thus sold are doubtless held by speculators, who obtained them at half or less than half their par value; but does this fact, in any respect, affect our liability for the debt or afford any excuse or justification whatever for our violation of plighted faith? Certainly not. The bond held for the benefit of the poor orphan and the bond owned by the rich speculator are of equal dignity and equally binding upon the state. . . . But it matters not where or by whom our bonds are held, or at what rates they were obtained, so far as your duty is concerned. That duty is to reinstate our dishonored credit. The people of this commonwealth will never permit the blighting stain of repudiation to tarnish her escutcheon.

How much of the Virginia debt was held by Virginians in 1871 and how many of the bonds had passed into the hands of speculators is impossible to determine. Unfortunately, no
complete list of bondholders appears to be in existence for the 1860s and 1870s. Virginians never held as many as half of the bonds, however, and may have held as few as one-fourth in 1870. The Pearisburg Gazette reported in January, 1871, that $12,000,000 of the registered debt "is held by citizens in the State and $16,000,000 by citizens out of the State and foreigners. The coupon debt of $19,000,000 is held by citizens out of the State and foreigners." William L. Grenoble, in a 1937 study of the Virginia debt, said that in 1870 about $12,000,000 was due citizens and corporations within the state; about $23,000,000 was due citizens of other states, principally in the North; and the remaining $12,000,000 was due investors in England and Europe.

The fact that only about a quarter of the state debt was due citizens and corporations of the Old Dominion (and, further, that Virginia bondholders represented only about two per cent of the state's population) had considerable bearing on opposition to funding legislation. Many persons who had lost property in a war for which they did not feel responsible felt it was only reasonable for bondholders to share some of the losses, particularly if they lived in the North or in Great Britain. The feeling against speculators became increasingly bitter as the shortcomings of the Funding Bill became evident in later years.

John E. Massey, one of the leading Readjusters, later charged that many Virginia bonds were sold for eleven dollars on the hundred right after the war, and that Governor Walker
and his brother were believed to have invested heavily in Virginia bonds at those figures.\textsuperscript{127} This statement, like many others by "Parson" Massey, appears to be an exaggeration. Virginia bonds had dropped from nearly par in 1860 to forty by the end of the Civil War, and there is little doubt that speculators purchased a number of them at low prices in the first two years after the war.\textsuperscript{128} But the figure given by Massey was considerably below the norm.

Governor Walker's contention that it made no difference whether the bonds were held by the original investors in 1871 followed the precedent of 1790, when Alexander Hamilton's proposal for the new federal government to fund the domestic debt had been approved. At that time, James Madison's proposal to discriminate between original bondholders and subsequent purchasers had been rejected in the House of Representatives by almost three to one.\textsuperscript{129}

Turner's contention that Virginia was not responsible for paying wartime interest was more disagreeable to other delegates than was his insistence that West Virginia pay one-third of the debt. Delegate John H. Guy of Richmond claimed that the Turner amendment would "blast our credit, both State and individual; destroy our commerce, close our factories and mines, paralyze all our industrial enterprises, and bring woes unnumbered upon our people."\textsuperscript{130} Turner responded that Guy's proposal "is to save our credit and foster and stimulate all our industrial interests, by adding to the burthens of our people eight million dollars, not one cent of which, in my
judgment, are they liable for, or ought to pay. My plan is to relieve the people of this unjust demand; and I am content to leave it to the future to determine who is right." Turner showed considerable prescience in adding that when the people come to know that these, their present champions, propose to tax them now in the sum of two million dollars annually for interest on the public debt, and are supporting a plan which in a few years at most will add a million more to this taxation, and necessitate an annual tax of . . . one dollar per hundred upon all assessed property of the State to pay this tax, with additional taxes for the support of schools and the ordinary expenses of government, they will not be satisfied with these empty and unmeaning appeals about honor and fame, and they will visit the fullest measure of their condemnation upon all who have had part or lot in fastening this iniquitous measure upon them. If his amendment was defeated, Turner said, then "will you hear the cry of repudiation—not partial, as this plan is charged to be, but total and absolute repudiation; and it is to save the State from this great calamity—the greatest, I think that could befall it—that I have offered the pending proposition." The House then voted on Turner's proposed amendment, which stated that Virginia "is not and will not be bound, in any manner or form, for the payment, now or at any future time," of the one-third share of the debt assigned to West Virginia, "but this is without any prejudice to the rights of the holder thereof to demand payment of the same of the State of West Virginia." The amendment drew the support of only eleven Conservatives and three Radicals (all black),
and was defeated 88-14. Eight of the Conservatives who supported Turner's amendment eventually voted against the Funding Bill. The three Radicals and two of the Conservatives voted for it, while one Conservative did not vote on the measure.

With the defeat of the Turner amendment, Delegate Archibald Graham of Rockbridge County proposed that the Funding Bill be recommitted to the Finance Committee for further information. Among other things, he wanted the committee to determine the exact amount of the public debt (principal and interest) as of January 1, 1872; the amount of taxable property (excluding slaves) owned by Virginia and by West Virginia at the time of their separation; the amount of the public debt Virginia owed, adjusted on the basis of the taxable property of each state; and the amount of tax on the $100 of property that would be required to pay the ordinary expenses of the state government and to pay six per cent interest on the public debt. After some parliamentary maneuvering, the proposal was defeated at the evening session, and no more major action was taken on the bill that night.

On Tuesday, March 28, Delegate John W. Daniel of Campbell County tried to insert another amendment relieving Virginia of any responsibility for West Virginia's share of the state debt, but it was defeated. Daniel then tried to insert an amendment cutting out the tax-receivable feature of the bonds to be issued under the Funding Bill. He proposed
that the certificates authorized by this section to be issued are intended to be mere certificates of fact, and shall not be construed to be certificates of debt, and shall not be received or receivable by the State of Virginia in discharge of any debt or obligation to said State for which certificates of debt are receivable.138

This important amendment drew considerable support, but was defeated 66-50.139

With the defeat of Daniel's amendments, the debate on the Funding Bill came to an end in the House. Delegate McCaull moved that the bill be voted on. This was approved 61-52, but before a vote was taken on passage, the House adjourned until 8 p.m. Much has been made of this by some historians and opponents of the Funding Bill, because the 61-52 margin was not sufficient to pass the measure--lacking a constitutional majority by nine votes.140 There are charges that a recess was taken for the purpose of changing votes, and that several Negro members in particular were bribed to change their votes.141

The record does not support such allegations. In the first place, a delegate who voted against taking an immediate vote on the measure still might have cast a favorable vote if the vote had been taken immediately--or vice versa.142 Secondly, the recess occurred at the normal hour of 3 p.m. Each day at this stage of the 1870-71 session, the House normally recessed from 3 p.m. until 8 p.m. Finally, a breakdown shows that, while fifteen persons who voted against the pending question on passage in the afternoon did change and vote for the measure that night, all but one were Conservatives. The lone Radical
who changed his vote from no to yes, David Thayer of Nansemond County, was white. No blacks changed their votes during the recess. This does not, of course, mean that there was no bribery. Probabilities are that some did occur, and these charges will be taken up in more detail below.

At the evening session of March 28, Delegate William R. Winn of Hanover County made one final effort to stave off the final vote on the Funding Bill.\(^{143}\) He moved for a reconsideration of the vote by which the pending question had been approved in the afternoon, but was turned down 69-49.\(^{144}\) The Funding Bill, in the same form as passed by the Senate, was then read a third time and was passed 78-42.\(^{145}\)

The Funding Bill was passed in the House by a combination of thirty-eight Radicals, thirty-seven Conservatives, and three True Republicans. This included twenty-one black members, three of them Conservatives. All but one of the forty-two votes cast against the measure were by white Conservatives. The other was cast by a True Republican, Delegate William F. B. Taylor of Patrick County. Taylor was a forty-three-year-old native of Patrick County who had served in the House in 1865-67 and in the 1867-68 constitutional convention.\(^{146}\)

Support of the Funding Bill was heaviest in Tidewater and Southside Virginia. Tidewater delegates voted for it 20-2, and Southside delegates gave it 26-10 approval.\(^{147}\) Sentiment was split in the Northern Piedmont, the Valley, and Northern Virginia, but delegates from those regions gave the bill 27-20 approval. As in the Senate, only the members from
Southwest Virginia showed a majority opposed, voting 10-5 against the bill.

Taking the General Assembly as a whole, the Funding Bill drew the favorable votes of fifty-four Conservatives, forty-six Radicals, and three True Republicans. This included twenty-four black members, three of them Conservatives. It was opposed by fifty Conservatives, one Radical (black), and one True Republican.¹⁴⁸ The Conservatives were almost evenly divided on the measure, while it drew nearly unanimous support from the Radicals and True Republicans. There is little doubt that had this General Assembly included a substantial portion of prewar political leaders, the Funding Bill could not have received the necessary two-thirds approval for passage.

The reasons for the near unanimity of the Radicals and True Republicans are hard to determine. Some Republicans may still have been following the lead of Governor Walker, even though he had declared his political independence in 1870. It seems more likely that the voting reflected the ascent of Robert W. Hughes to Republican leadership in Virginia. Hughes, editor of the Richmond State Journal, had gained increasing influence in Republican circles following the 1869 election, and he was a staunch funder.¹⁴⁹

Geographically, the two houses combined showed Tidewater and Southside members approving the Funding Bill by 58-15, with delegates from the Piedmont, Valley, and Northern Virginia giving it 39-22 approval. Representatives of Southwest Virginia opposed it, 15-6.
Upon passage of the Funding Bill in the House, the Richmond Dispatch reported, "Hon. John W. Daniel of Campbell rose and moved to reconsider the vote, and in an indignant manner protested against the way in which the friends of the bill had rushed it through. He characterized the action taken as infamous." Daniel's opposition is deceptive, however. He voted against the bill on the grounds that Virginia should not accept West Virginia's share of the state debt—even temporarily—and that the tax-receivable coupon feature of the measure was not legal. In later years, he became a leading Funder. 

The Dispatch noted also that Delegate James N. Stubbs of Gloucester followed Daniel "at length, reviewing the course of discussion and action on the bill, and promising the friends of the bill a heavy retribution from their constituents. He denounced the majority carrying the bill as a minority of Conservatives in coalition with the mass of Republican members of the House."

Charges arose immediately that the Funding Bill could not have been passed had not the Negro members been bribed, and that improper means had been employed by lobbyists. It later was reported (by a leading Readjuster) that one Conservative had sold his vote to the bondholders for $10,000. There were charges that the state had been sold out to the brokers and bondholders—many of them speculators who had purchased Virginia bonds from "legitimate" holders during the poverty-stricken postwar period. Richard F.
Walker, superintendent of public printing and a confidante of William Mahone, wrote the day after the Funding Bill was passed by the House:

The funding bill passed the House last night--getting 78 votes--every Radical in the House voting for it! They were bought night before last! Senator Hamlet [sic] told me yesterday Jay Cooke and Gilbert C. Walker were the heaviest jobbers, and will make thousands of dollars.154

This letter and other rumors at the time have formed the basis for many of the corruption charges included in most histories of the period.155 Yet no firm evidence of corruption has been uncovered, and it is impossible to say which legislators may have been involved or how deeply involved Governor Walker may have been. Allen W. Moger has stated that all students of this period of Virginia history "substantially agree that the legislation was procured by an unholy combination of the forces of the bankers, brokers, speculators, and railroads . . . assisted by a few excellent men who were influenced by a desire to protect what they believed to be the essential credit and unsullied honor of the Commonwealth."156

The stories and rumors of corruption and bribery in the passing of the Funding Bill are numerous, but it is doubtful that such activity was as widespread as was believed. A close background of the individual members of the 1869-71 General Assembly indicates that more members probably voted from principle than has heretofore been recognized (taking into consideration that legislators tend to vote for legislation that benefits members of their class, profession, or
constituency as a matter of principle).

Historians have tended, for the most part, to accept statements made later by Readjusters and others interested in discrediting the Funding Bill and those who passed it. Most have overlooked statements upholding the motives of the men who voted for the bill. Charles T. O'Ferrall, who became Virginia's governor in 1894, was elected to the House of Delegates in November, 1871, as an anti-Funder. Later, when he had no political axe to grind, O'Ferrall wrote:

Virginia, though poor and her wounds, inflicted by war, still bleeding, determined to keep clean her spotless escutcheon, and to do what was just and equitable between her bondholders and herself. So, animated by this spirit and prompted by the highest motive, her legislature of 1869-70 [sic] passed what was known as the 'Funding Bill.'

Edmund Pendleton, the only senator from Southwest Virginia to vote for the Funding Bill, wrote four years later that the 1869-71 legislators had tried to devise a program consistent "with the preservation of plighted faith." He said:

With all the ignorance and inexperience which the Governor [Kemper] has attributed to us; with a large minority--which the Governor more than insinuates was a purchaseable commodity--to balk and thwart our movements, we had before us a task which was never set before any of our predecessors in the capitol. . . . If we were inexperienced in public affairs, we had the teachings of more than two hundred General Assemblies of Virginia's ablest, wisest, and truest sons to tell us that she never pattered with her creditors, nor hesitated at any sacrifice to preserve unsullied her plighted faith.
Moger has modified his views somewhat in recent years. In his 1968 study he stated that the Funding Bill, "in the form the governor wanted it, was enacted because of the pressure of private interests on an inexperienced legislature which had been elected when fiscal matters had not been at issue."\(^{160}\)

Not much was said publicly singling out the black members as being particularly susceptible to bribery at the time of the 1870-71 session, but the charges became frequent in the following years and were ingrained with the rise of the Readjuster movement and its bitter battles between Readjusters and Funders. This is in accord with Charles E. Wynes' conclusion in a 1961 study that race relations markedly deteriorated between 1870 and 1900. Wynes said the white population of Virginia in the very early 1870s gave at least "a sportsmanlike, if grudging, acceptance" of blacks as voters and citizens, "with no great resentment or anger over the fact that they nearly all voted Republican." But, he said, this was not so later, "and the greater the Democratic majority in the legislature, the more resentment the Negroes met as voters and especially as Republicans."\(^{161}\)

The charges against the black members are based primarily on stories that they were seen "with unusual sums of money" for several days after passage of the Funding Bill, and that they went on a land buying spree in the 1870s.\(^{162}\) It should be pointed out, however, that several of the black legislators had purchased property before 1870, and a few of them were considered "well-to-do" when they entered the
legislature. Others probably had been saving money for years in the hope of purchasing land. Negroes acquired an estimated 80,000 to 100,000 acres of land in Virginia during the late 1860s and early 1870s. The biggest portion of this, of course, was purchased by Negroes who were not members of the General Assembly. The fact that black legislators bought land in the 1870s is not prima-facie evidence of bribery.

The bribery charges did lead to an investigation by the 1871-73 House of Delegates of the method in which the Funding Bill was passed. The investigation was halted on the grounds that one legislature could not investigate the conduct of men who were alleged to have improperly approached the members of a previous legislature. The committee did turn up evidence that lobbyists were active in the passing of the Funding Bill, but none that bribery was used. The 1871-73 General Assembly passed an act to prevent lobbying, stating that "any person who shall pay or receive money or other compensation ... for the purpose of securing the passage or defeat of any measure by the general assembly of this state, shall be guilty of a misdemeanor." It provided for punishment "by confinement in jail not exceeding twelve months and by fine not exceeding five thousand dollars." The act also made it a misdemeanor, with the same penalty, for any person to "employ paid agents for the purpose of giving information of any action which may be taken by the general assembly, in order that said information may be used
for the purpose of securing the passage or defeat of any measure. ¹⁶⁸

The Funding Bill signed into law by Governor Walker on March 30, 1871, was substantially in the form the governor had recommended, although he had preferred not to assign West Virginia a specific portion of the state debt. ¹⁶⁹ The measure provided that the owners of Virginia bonds, stocks, or interest certificates could convert two-thirds of the amount of their holdings, together with two-thirds of the interest due as of July 1, 1871, into new six per cent coupon or registered Virginia bonds. These would become due and payable in thirty-four years, but were redeemable at the pleasure of the state after a ten-year period. Interest was to be payable semiannually on January 1 and July 1 of each year. It was provided that registered bonds could be exchanged for coupon bonds, or vice versa. But the coupon bonds had the advantage of being "receivable at and after maturity for all taxes, debts, dues, and demands due the state."

¹⁷⁰ Holders of five per cent dollar bonds could fund their bonds in the same manner but would, of course, receive new bonds bearing five per cent rather than six per cent interest. ¹⁷¹

For the one-third of the debt not covered by the new bonds, bondholders would be issued certificates stating that the principal and interest "will be provided for in accordance with such settlement as shall hereafter be had between the states of Virginia and West Virginia in regard to the public debt of the state of Virginia existing at the time of its
dismemberment. But it made Virginia responsible for holding the bonds, "so far as unfunded, in trust for the holder or his assignees." For the small amount of fundable sterling bonds, the act provided that two-thirds of the interest accruing on the principal would be paid after July 1, 1871, with the other one-third awaiting a final settlement with West Virginia.

Virginia's public debt as of July 1, 1871, the date the Funding Act went into effect, was figured at $47,090,866. However, $2,331,250 of this was part of the sterling debt not fundable, leaving a total fundable amount of $44,759,616. Bondholders were not required to turn in their old bonds to be funded, but in most cases it was advantageous to convert to the new ones.

Comments in the newspapers upon passage of the Funding Bill were surprisingly few and were generally favorable. The day after final passage in the House, the Richmond Enquirer noted:

The passage of the Funding Bill last night by the House of Delegates disposes of the great question of the Public Debt of the State. . . . The Legislature has met this question in a manner that deserves the highest commendation.

A few days later this newspaper noted that the price of Virginia securities in New York since the passage of the Funding Bill "is even beyond our greatest expectations," pointing out:

On Monday last . . . our bonds were quoted at 67½ and 69, but Saturday at noon they had advanced to 73 and 74. This is a good indication of the confidence felt abroad in the honor and good faith of
Virginia, as well as in her ability to promptly pay her interest whenever it falls due. . . . The prospects certainly look bright before us.178

The Shenandoah Valley of New Market said the legislators "with a manliness which does them credit have settled the State debt matter. . . . The matter seems to us to have been a plain one, and any avoidance or dodging would have been a strong squint towards repudiation."179

In view of later developments, it is interesting that most newspaper comment on the 1869-71 General Assembly was favorable after its adjournment on March 31, 1871. On the day of adjournment, the Richmond Enquirer said "a more industrious, dilligent [sic], attentive and laborious body of gentlemen have rarely convened in Richmond."180 The Enquirer said:

It would be impossible in a newspaper article to discuss, or even to enumerate, the good and evil of this Assembly. Much of the evil has been due to the exceptional nature of their surroundings. . . . All of the good is attributable first to the eminently businesslike character and complexion of the Legislature; and, secondly, to the utter powerlessness of the Radicals.181

The Richmond Dispatch called the session "one of great interest as well as great industry," and added:

No Legislature has met in Virginia during the present century the bulk of whose members had had so little experience in legislation. . . . and no Legislature has assembled during the same time which had more important duties to perform. . . . The session may, with these points considered, be pronounced to have been remarkably successful, and entitled to the just reward for services faithfully
performed. A body more earnestly devoted to the work before it we never knew and . . . in the main its measures have been wise, while its devotion to the public interest has been clearly proved.182

This editorial was reprinted several days later by the Pearisburg Gazette.183

The Old Commonwealth of Harrisonburg, which soon was to voice bitter comments about the Funding Act, had these favorable comments upon adjournment of the legislature.

When we consider the extraordinary circumstances that surrounded this and the previous session—the innovations upon the former organic law engrafted in the new State Constitution, the depression in the finances of the State, and the almost universal pecuniary embarrassment and distress among the people, to say nothing of the wretched condition of our public improvements and educational institutions—we think the people ought to make at least some allowance for whatever errors they may have committed. . . . In their most important acts we concur.184

Thus, as the 1869-71 General Assembly finished two years of exacting and exhausting work, the feeling around the state seems to have been that it had done a reasonably good job under the circumstances. The amount of work done was certainly impressive. Back in 1869, it had approved the 14th and 15th amendments to get the Old Dominion restored to the Union. It had revised the State Code as necessary and had appointed judges and local officials to restore the state to a normal operating level in 1869 and 1870. It had dealt throughout its existence with a myriad of charters for cities, towns, proposed businesses, railroads, colleges, etc. It had instituted a new and modern public school system, which began
operations in the fall of 1870. It had dealt with the numerous routine matters of a state legislature, including a revenue bill which increased taxes considerably. It had enacted a reapportionment bill for the General Assembly, cutting the House of Delegates from 138 to 132 members. It had approved William Mahone's consolidation plan in 1870 and had provided for the selling of the state's remaining railroad stock in 1870 and 1871—but only after a bitter fight that was to have further ramifications. And the 1869-71 General Assembly had finally solved the long-standing problem of the mounting public debt. Or had it?

It was the Funding Bill and its effects that largely determined the reputation of the 1869-71 legislature. The measure had immediate effects, beginning with the legislative election of November, 1871, and the traumatic experience of the next two decades contributed mightily to Virginia's "pay-as-you-go" philosophy of the first half of the 20th century.
CHAPTER V
RESULTS OF THE FUNDING ACT

Acceptance of the Funding Act, with some reservations, prevailed in most of the Old Dominion upon adjournment of the 1869-71 General Assembly on March 31, 1871. This feeling was to change by the time the new General Assembly convened in December, as it became clear that Virginia's revenues would not be sufficient to pay the interest on the new bonds and to take care of routine government expenses and the new public school system as well. The Funding Act played a part in the 1871 legislative election, particularly in the Valley and in Southwest Virginia, but opposition to the act was second to other issues in most areas of the state.

The feeling of many Virginians in the summer of 1871 was summed up years later by Robert E. Withers, the 1868 Conservative gubernatorial nominee. Withers recalled:

I did not myself approve all the features of the 'Funding Bill,' notably the provision for the payment of the interest accruing during the war, but as a settlement of the whole debt question hoped it would meet with general acquiescence.¹

In a reference to William Mahone, he added: "I have no doubt that such would have been the result but for the disappointed political aspirations of one man."²

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Repudiation was the key word in the summer of 1871 in any discussion of the Funding Act. Newspapers with reservations about the measure still preferred it to any legislation that hinted at repudiation. The Charlottesville Intelligencer asserted in August that repudiation "is a dangerous experiment." The Intelligencer had reservations about the bill, pointing out that the Virginia of 1871 was only part of the Virginia of 1861, "and is consequently bound for only a portion of the debt, whatever that portion may be." But it added: "We hold that a State is bound morally, legally and in every way for all its legal obligations."

The Staunton Spectator, taking note of talk of repudiation, said:

We have been no less pained than astonished to hear that there are a few scattering men, here and there, who have been giving countenance to the idea of repudiating the public debt. Repudiation is a word which should never soil the lips of a Virginian.

In July, 1871, the Shenandoah Valley of New Market exclaimed:

We cannot think that our people have the most remote idea of repudiating the State debt, under any circumstances, nor do we think that the obligation of a contract should be impaired in the slightest degree in regard to ante bellum debts, or any other kind, by the law—either by Constitution or Legislative enactment. . . . What the people need is a final, fixed and equitable settlement of the debt question, each according to the principles of right and justice.

A month later the New Market newspaper summed up its position
There might have been a better bill framed, no doubt; and it may be that it was premature, and that it needs amendment; but, of the liability of Virginia for the entire State debt, and of the liability of West Virginia to repay her proportion to Virginia, we have no doubt. . . . The Legislature has no power to repudiate the debt. . . . We do not think the State is in the terrible condition that some persons think. The greatest danger to be apprehended is a failure of energy among the people.8

It was in the Shenandoah Valley, along with Southwest Virginia, that major criticism of the Funding Act was voiced as early as the summer and autumn of 1871. The upper Valley and Southwest Virginia always had been heavily Democratic in politics, and rural and agricultural in makeup.9 The Funders, on the other hand, were generally business-oriented and urban-minded, and many of their leaders were old-line Whigs. The Valley had a number of Funders, though, such as Alexander H. H. Stuart. Staunch Funder though he was, Stuart in the summer of 1871 had reservations about the tax-receivable aspect of the coupons under the Funding Act. He noted that an intense feeling existed in the Valley in relation to that feature, and said his area of the state would "send delegates pledged to get rid of this feature" to the next legislature.10

The most severe critics of the Funding Act in the Valley at this time were *The Old Commonwealth* and the *Rockingham Register*, both of Harrisonburg. In late August, the former noted:

*The passage of a bill to fund the public debt . . . by the last Legislature,*
and the disastrous consequences that must result from its operation, have awakened a feeling of apprehension and inquiry among the people, and it is to be expected that the subject will constitute the main question for discussion in the approaching campaign for members of the Legislature.\textsuperscript{11}

The \textit{Rockingham Register} had noted as early as May:

\begin{quote}
We are surprised that so many of our people have failed to give proper consideration to the . . . Funding Bill. It is nothing more nor less than a grand scheme, under the guise and sanction of law, for taking from our people their hard earnings to replenish the coffers of the bondholders, most of whom live beyond the State, and who purchased their bonds at heavy discount. . . . We think the bondholders should be made to wait until our people are in a better condition to meet the heavy demands made upon them in the shape of taxes. . . . The truth of the matter is, if the taxes required by this bill are exacted, it will bankrupt and ruin thousands of our people.\textsuperscript{12}
\end{quote}

Two months later, the \textit{Register} asked whether the people would "permit the infamous Funding Bill to remain upon the statute book of Virginia? . . . We have raised the banner of repeal. Will you respond to it?"\textsuperscript{13}

Surprisingly little criticism of the Funding Act is found in newspapers outside the Valley before the 1871 election. A notable exception was the Richmond \textit{Whig}. The \textit{Whig} had opposed the measure while it was still before the General Assembly, and in August it chided the Valley newspapers for their bitterness toward the act. The \textit{Whig} said:

\begin{quote}
It is curious that the Valley should manifest such hostility to the funding bill. No portion of the State gave that bill a heartier support than the Valley delegates. Its delegates were almost as
united and zealous as the Radicals themselves. . . . Richmond, we grant you, was as deep in the mud as you were in the mire—but Richmond was execrably represented.¹⁴

The Whig in this case, as in many others, was stretching the truth. Actually, Shenandoah Valley delegates had voted for Funding Bill by only 8-5 in the House and 3-1 in the Senate. Some of the Valley representatives (notably Delegates Henderson M. Bell, Alexander B. Cochran and Smith S. Turner, and Senator Joseph A. Waddell) had been among the most vocal of those fighting for the measure, but there was no unanimity.

The Funding Act played a part in the 1871 election, but other issues of equal or more importance included the melting of the state's railroad stock, railroad consolidation, the new public school system, the number and salary of legislators, private interest rates, and exemption laws.¹⁵ As in 1869, however, the issue stressed by the Conservatives was "Conservative or Radical Rule."¹⁶ The threat of Radical control of the General Assembly still was considered a serious one, particularly in areas with large black populations.

A considerable turnover in membership—particularly in the House—was common in the 19th century Virginia General Assembly.¹⁷ However, the turnover in the 1871 election was unusually heavy. Of the 138 men who held House seats in the final session of the 1869-71 General Assembly, only thirty-one returned to the 1871-73 legislature.¹⁸ There was not so much change in the Senate, with twenty-three of the forty-three members returning to office. Seventeen of these men, however, had not had to stand for re-election.¹⁹
Some turnover was inevitable in 1871. Under the Reapportionment Act passed by the 1869-71 General Assembly, the House was reduced from 138 to 132 members, and there was a good deal of redistricting to "readjust" the gerrymandering done by the Radical-dominated 1867-68 constitutional convention. This eliminated several incumbents, and made it difficult for several others to be re-elected. Four members of the House moved up to the State Senate in the 1871 voting, and two others died before the election. In addition, there were numerous vacancies created by men who chose not to run for re-election (including the rising young politician John W. Daniel).

Only thirty-six incumbents ran for re-election in the House, and twenty-seven of them were successful (including eighteen Conservatives and nine Republicans—five of the latter black). Six other members of the House ran for the State Senate, four of them (two Conservatives and two Republicans) successfully. Only eight senators stood for re-election and six of them were returned to office (three Conservatives and three Republicans).

Voting records of the incumbents on the Funding Bill may have played some part in the election results in some areas, but this factor could not have been responsible for the mass turnover. Of the thirty-seven successful incumbents of both houses, twenty-two had voted for the Funding Bill, thirteen had opposed it, and two had not voted on the measure. Of the fourteen unsuccessful incumbents, eight had voted for
the Funding Bill, five had opposed it, and one had not voted on it. 24

One factor in the 1871 turnover was the return of some of the antebellum Virginia political leaders. Ten of the new members of the House and five of the Senate had served in Virginia legislatures before or during the Civil War. One in each house had first served in the "Old Whig" legislature of 1865-67. Another new House member, while having no previous legislative experience, had been a member of the 1861 convention. Other "oldtimers" operated behind the scenes, helping to select candidates. However, many members of the prewar leadership elite were dead or were too old for active political leadership by 1871, and many others were traditionalists or "mossbacks" who were unable or unwilling to adjust to the times. 25

Few prewar leaders were able to return to real political leadership on the state level in the 1870s. 26 They had played little part in the restoration of the state to the Union, largely because of the disqualification policies of federal authorities and Congress. By 1871, their place had been taken by younger men not willing to defer to their leadership. Such future Virginia leaders as John W. Daniel and Charles T. O'Ferrall had their political baptism in the legislatures of the early 1870s, Daniel in the House in 1869-71 and O'Ferrall in the 1871-73 House. Confederate veterans played an important role in Virginia politics for a long time after the Civil War, and this element already was very active
in the early 1870s. Confederate representation in the General Assembly was sizeable from 1869 on through the remainder of the 19th century. Ex-Confederates were chairmen of many of the key legislative committees in the 1870s. Five former Confederate generals served in the General Assembly in this period. William R. Terry served in the Senate from 1869 to 1877. Serving in the House of Delegates were James A. Walker (1871-73), Gabriel C. Wharton (1871-75), Joseph R. Anderson (1874-75, 1877-78), and William B. Taliaferro (1874-78).27 Anderson and Taliaferro had been members of the House in the 1850s.

Most of the Confederate veterans who served in the legislature in this period, however, were younger men who had been too young for political prominence in the antebellum period. Most of them had served as officers during the war, and almost all of them had been battle-tested. Some still visibly showed the scars of their wartime service.28 These men were undergoing their political apprenticeship in the 1869-75 period.

Conservative tickets were drawn up more strictly in 1871, with fewer independents running than in 1869. The True Republican faction no longer existed, so the choice usually was between Conservative and Radical Republican candidates.29 As election day approached, the stress on "Conservative or Radical rule" was played up in the newspapers. Talk that Conservatives should take up the label of Democrats was discouraged. The Marion Herald warned:
The Conservative party beat the Radicals in the strongest fight they ever made in Virginia; and the Conservative party can do it again. Change its name, and dissensions and division may arise, and cause our defeat.  

The Richmond Whig denounced persons who proposed running as independents against regular Conservative candidates, stating:

We hold . . . that the Conservative party is not only the best judge, but the only judge of whom it will commit its leadership to in the coming fray. Consequently, we hold that for one of the party to array his personal ambition in opposition to the will of the party, is to declare himself only a friend while his selfish purposes are advanced—is neither patriotic nor statesmanlike—neither generous nor just to the community, and merits general reprobation.  

A week before the election, the Richmond Enquirer reminded its readers what the principal issue of the campaign was, noting:

One week from to-day we try our strength once more with the Radical party in this State. . . . Now let Norfolk wake up, and Fredericksburg, and Lynchburg, and Charlottesville, and Alexandria, and all the doubtful towns and counties. Remember what we have at stake. . . . If we lose the State, our condition will be most deplorable. We have it, and we have a right to hold it. The Conservative party expects every man to do his duty.  

Newspaper comment on the election results stressed the Conservative victory as the most important result. The Enquirer now made it explicit that, at least in its opinion, "white rule" was really the key issue in the election. The Enquirer said:
The election is over, and the Conservatives have carried the State by an overwhelming vote. We have both branches of the Legislature by increased majorities. It ought to be now considered as settled that the white population have the power in this State, and mean to hold it. We do honestly believe that this is best for the colored people themselves.33

Even the Rockingham Register, which had issued a call for repeal of the Funding Act in July, confined its immediate post-election comments to satisfaction with the Conservative win. The election result, it said,

is entirely satisfactory to the great body of the people in this, that the Republican party has again been thoroughly beaten. . . . it is a matter of congratulations that Rockingham stands still where she has always stood—true to the cause of the Conservative party.34

Both the Republican and the black membership of the General Assembly were reduced as a result of the 1871 election. The new legislature contained only ten Radicals in the Senate and fewer than thirty-five in the House. Black membership was reduced from twenty-three to seventeen in the House, and from five to three in the Senate.35 Because of independents and a handful of moderate Republicans who generally voted with the Conservatives, it is impossible to break down Conservative and Radical membership into exact totals.36 But a study of members as listed by contemporary sources, plus an investigation of their voting records in the House and Senate Journals, provides a good yardstick for determining party allegiance. This shows 100 Conservatives and thirty-two Radicals in the House, and thirty-three Conservatives and ten
Radicals in the Senate. 37 In the final session of the 1869-71 General Assembly, there had been eighty-eight Conservatives, forty-two Radicals, and eight True Republicans in the House, and thirty Conservatives and thirteen Radicals in the Senate.

The new General Assembly that met on December 6, 1871, was similar to the 1869-71 legislature despite the mass turnover in members. It was made up largely of relatively young middle or upper class Virginians of the professional and business classes. It was a more experienced legislature, though, because of holdovers and the return of a handful of antebellum leaders. While the Conservatives were more numerous, they still lacked the strict party discipline common in political parties of the 20th century.

Of the 175 members of both houses of the 1871-73 General Assembly, seventy-one had previous legislative experience. 38 Of the nearly 200 men who served in the various sessions of the 1869-71 legislature, only seventeen had had previous legislative experience. The Conservatives had by far the greater reservoir of experience in the 1871-73 General Assembly. Twenty-nine of the thirty-eight experienced delegates were Conservatives, as were twenty-six of the thirty-three experienced senators. Of the twenty black members in this Assembly, only seven had served in the previous legislature. 39 The true carpetbagger element, small in the 1869-71 General Assembly, was almost non-existent in the 1871-73 legislature.
The 1871-73 General Assembly met twice during its
two-year existence—from December 6, 1871, to April 5, 1872,
and from December 4, 1872, to April 2, 1873. With the
state now firmly back in the Union, the range of legislation
was not nearly so overwhelming as it had been for the more
inexperienced 1869-71 legislature. Yet its task still was a
formidable one. It passed a major land reassessment bill, a
congressional reapportionment act, an act establishing a State
Board of Health, a new code for the state's volunteer militia,
various bills pertaining to the new public school system,
important public revenue appropriations bills, and the routine
legislation common to all state legislatures. In addition, it
was under great pressure to do something about the Funding Act.

The first order of business for the 1871-73 legislature
was the organization of both houses. Lieutenant Governor John
L. Marye, Jr. presided over the Senate on opening day, and
Henry Wirtz Thomas, chairman of the Finance Committee, was
elected president pro tempore on December 11. A Conservative
from Alexandria, Fairfax, and Loudoun counties, Thomas had
important connections with moderate Republican leaders in both
Virginia and Washington, D. C. At fifty-nine, he was one of
the older members of the Assembly and was one of those with
antebellum legislative experience. A native of Fauquier
County, he had served as a Whig member of the House of
Delegates in 1841-42 and 1847-49, and was a member of the
State Senate from 1850 to 1863.
Among the committee chairmen named in the Senate during the next few days were John E. Penn, Thomas P. Fitzpatrick, Walter H. Taylor, William A. Anderson, Charles Herndon, John E. Roller, and James M. French. Five of the seven were Confederate army veterans, and all had played prominent roles in the 1869-71 legislature.

The House had to elect a new speaker, as Zephaniah Turner had not returned to the legislature. The choice was James Marshall Hanger of Augusta County, one of the twenty-seven men re-elected to the House. The thirty-eight-year-old attorney often had occupied the speaker's chair in the absence of Speaker Turner in the 1870-71 session. He had favored both the selling of the state's railroad stock and the Funding Bill, and became a leading Funder in the bitter battle with the Readjusters. Hanger defeated the Republican candidate, C. P. Ramsdell of Surry County, by 78-27 to win the speakership.

Governor Walker's annual message on the opening day of the 1871-72 session was awaited with considerable interest, particularly by those dissatisfied with the Funding Act. Virginia's fiscal year ended September 30, and it had become clear by the first of December that the governor's optimistic estimates of the state's resources would miss the mark considerably. Walker had estimated that it would take $3,300,000 annually to meet Virginia's expenses, including the public school system and interest payments under the Funding Act, and he had expected a surplus under the program outlined in 1870. Yet revenues for the fiscal year 1870-71
totalled only $2,732,456.75. If the full interest on the debt was paid semiannually, it would total more than $1,800,000 yearly. It was obvious that Virginia could not make full interest payments and meet its other obligations without additional revenue.

Would Governor Walker now suggest some form of repudiation, or at least some modifications of the funding legislation? The answer came in his December 6 message, and it was as plain as it was disappointing. The governor reminded the legislators of the views he had expressed in March and December, 1870, and said:

I desire now to say, that much study and reflection, since that time, have served but to strengthen and confirm my convictions of their soundness. . . . Aside from the complete vindication of the honor of our state and our people, which some affect to sneer at, but which in my estimation is of the most vital importance, the benefits in a material point of view of restored confidence in the integrity of our people and our government, arising from the enactment of this law, cannot be measured.

The governor said the restoration of state credit "will conduce more to the prosperity of our people and the development of our state than any other cause or influence which can be named," and he added that, as a legal proposition, "the interest on the funded debt must unquestionably be paid."

In brief, Governor Walker had not changed his views on the funding legislation despite the handwriting on the wall. Yet he could not entirely ignore the fact that revenues were not going to be sufficient to meet the needs of the state.
government and to pay the interest required by the Funding Act as well. The solution, he said, was economy in government. "No expense must be incurred," he said, except such as shall be absolutely essential to the proper administration of the affairs of the state, and the taxes imposed must be thoroughly collected in all cases and under all circumstances. Taxation for state purposes is lighter in Virginia than in nine-tenths of the states.49

State taxes may have been low in Virginia in the 1870s, but local taxes equalled those levied by the state and federal taxes were two to three times higher.50 Virginians, especially in the hard-pressed rural areas, felt they had all of the tax burden they could shoulder.

Governor Walker thought governmental expenses could be reduced by a number of ways, including the cutting of travelling expenses and other costs of legislative sessions, reducing printing costs, reforming the penitentiary system, reducing the number of state circuit court judges, and placing more responsibility on local courts (supported by county rather than state taxes).51 The most farsighted of Walker's suggestions was to raise more money from taxation of railroads and other corporations. He said:

Two years' taxes are now due and uncollected from all of the most important railroads in the state. Some few of them shield themselves under some pretence of exemptions from taxation by their charters, and others have no excuse at all. I know of no reason why corporate property should be any freer from the burdens necessarily imposed for the support of government, than private property,
especially the support of that
government by whose fiat they exist.52

The governor preferred collecting taxes from all corporations
at the present rate, but as a last resort was willing to see
them compelled
to pay the same taxes upon their property
which is paid by private citizens, who,
of course, are less powerful and less
able, and less unwilling, to meet the
just demands of the government which
shields and protects them.53

But the time still was premature for heavy taxes on railroads
and other corporations in Virginia as well as elsewhere in
the United States.

The financial section of Walker's annual message was by
far the longest part, but it met with little approval. Such
retrenchment and reforms as suggested by the governor, even if
practical, would take time to put into effect. The first
interest payment on the newly funded bonds was due in less
than one month, and revenue was not sufficient to cover all
of the anticipated costs of the 1871-72 fiscal year if the
interest payments were made in full. This now was clear to
many legislators, and a groundswell of opposition to the
Funding Act was now becoming discernible.

Various resolutions and bills were offered in both
houses of the General Assembly during December in an attempt
to repeal, suspend, or modify the Funding Act. A resolution
calling for discontinuance of the issuing of bonds under the
Funding Act was given overwhelming 92-21 approval in the
House on December 16.54 Several attempts were made in the
Senate to amend the resolution to make it plain that the state ultimately intended to uphold the Funding Act's provisions, but all were defeated. The resolution was approved without change on December 20 by a 27-12 vote, all of the negative votes being cast by Conservatives.

The General Assembly recessed for the holidays from December 22, 1871, until January 2, 1872. When it reconvened, it found that Governor Walker had blocked suspension of the Funding Act with a veto, claiming that such action was "unwise, unjust, and fraught with the gravest consequences to the public weal." The House overrode the veto on January 5 by a vote of 88-27. Twenty-three Conservatives and four Radicals (all black) voted to uphold the governor's veto, while twenty-six Republicans (half of them black) joined sixty-two Conservatives in overriding it. The Senate, however, let the resolution die and turned instead to the formation of a joint committee with the House to take up all questions of finance connected with the Funding Act and the payment of interest on the public debt. Two bills were reported out of this joint committee in late January, but both ultimately were tabled.

Two measures concerning the public debt were passed successfully by the Assembly during this session, one concerning the tax-receivable feature of the bond coupons and the other concerning the amount of interest to be paid. The provision to eliminate the tax-receivable feature of the coupons was introduced on February 23 by Senator
Alexander B. Cochran of Augusta County as a substitute section for a bill already passed by the House. Cochran's provision stated that

hereafter it shall not be lawful for the officers charged with the collection of taxes or other demands of the state... to receive in payment thereof anything else than gold or silver coin, United States treasury notes, or notes of the national banks of the United States.61

The measure was quickly approved by 25-14, all but one of the negative votes being cast by Conservatives. The following day the House approved the Senate's amendment by a 78-18 vote. Opposed were sixteen Conservatives and two black Radicals, while nineteen Radicals (eleven of them black) joined fifty-nine Conservatives in approving the elimination of the tax-receivable feature.

Governor Walker again used his veto power, returning the bill to the House on March 2. Walker contended that the tax-receivable feature was part of the contract between the state and the bondholders and "is as obligatory as any other portion of the contract, and the legislature has no more power to repeal or nullify it than any other part of the obligation." He proposed that the whole subject of the Funding Act be referred to the State Supreme Court before further legislative steps were taken, pointing out that the ultimate solution of the question rests in any event with that court, and all must concede the supreme importance of its speedy and final settlement. . . . The general assembly, by resolution, can submit, or authorize the executive to
submit the questions involved to the
supreme court of appeals and obtain its
decision thereon within the coming week.66

In concluding, the governor stressed the need for harmony and
unity of action. He showed some foresight of the divisions
the problem could cause in stating:

In attempting the solution of these
great questions pregnant with the weal or
woe of the commonwealth for generations
to come, we should rise superior to passion
and prejudice, and seek the aid of any and
every light to guide us in the pathway
leading to correct conclusions... The
continued agitation of this subject neither
relieves the people nor restores the credit
of the state.67

The House, however, was in no mood to delay modification
of the Funding Act further. On the very day it received the
governor's veto message, it voted 65-21 to override it.68 A
combination of forty-six Conservatives and nineteen Radicals
(nine of them black) voted to repass the measure, while
eighteen Conservatives and three Radicals (two of them black)
voted to uphold the veto. Five days later, on March 7, the
Senate also voted to override the governor's veto by a 21-10
margin.69 Eighteen Conservatives were joined by three
Republicans (one black) in overriding the veto, while four
Radicals (one black) joined six Conservatives in upholding it.

For the time being the tax-receivable feature of the
newly funded bonds was eliminated but this turned out to be
temporary. Soon after the measure was passed, bondholders
instituted proceedings in the Richmond Circuit Court to upset
it. Late in 1872 the case reached the State Supreme Court
and that court, in the case of Antoni vs. Wright, ruled that the state must accept in payment of taxes the coupons on all bonds issued under the Funding Act prior to the act of March 7, 1872. Bonds issued after the March 7 act, however, were not required to have tax-receivable coupons attached to them. These bonds were subsequently called "peeler" bonds, because the tax-receivable coupons had been "peeled" off them. Those with tax-receivable coupons (funded before March 7, 1872) were known as "consols."

On the same day the Senate overrode Governor Walker's veto of the measure eliminating the tax-receivable coupons, both houses approved a bill reducing the interest payments on the funded debt for 1872. The bill, introduced by Delegate Harrison H. Riddleberger of Shenandoah County on February 24, reduced interest payments for the year from the six per cent called for by the Funding Act to four per cent. It was passed by an 81-34 vote in the House and by 28-6 in the Senate, and was signed into law by Governor Walker on March 19.

Sentiment in the General Assembly was heavily in favor of reducing the interest payment for 1872. Voting was not strictly along party lines, although Conservatives favored it 69-20 in the House and 25-1 in the Senate, while Radicals opposed it by 14-12 in the House and 5-3 in the Senate. Black members opposed it 10-4 in the House and 2-0 in the Senate. A majority of the legislators simply realized that Virginia could not meet the full interest payment called for by the Funding Act and still pay for the public schools and
for routine government expenses. Such staunch Funders as Senators Alexander B. Cochran, Charles Herndon, Meriwether Lewis, and William R. Terry voted to reduce the interest, although in the House hardcore Funders such as Speaker Hanger, Raleigh T. Daniel, James H. Dooley, and William Lovenstein voted against reducing the interest.

By the time the legislation of the 1871-72 session took effect, $17,281,100 of the state debt had been funded in bonds with tax-receivable coupons, and another $2,957,915.80 had been funded in registered bonds. That made a total of $20,239,015.80 funded under provisions of the original Funding Act of March 30, 1871. Additional bonds funded after the tax-receivable feature was eliminated raised the total of newly funded bonds to $21,074,351.59 by the end of the 1871-72 fiscal year.

At the end of 1872, there were three types of Virginia bonds in existence: those with tax-receivable coupons issued between March 30, 1871, and March 7, 1872 ("consols"); those issued since March 7, 1872, without the tax-receivable coupons ("peelers"); and original bonds not funded under the 1871 act. The last-named, for the most part, were held by foreigners living in remote lands and by fiduciaries representing widows and orphans. Under the terms of the act reducing interest for 1872, Virginia paid only $639,114.65 interest on the public debt that year.

When the General Assembly convened for its 1872-73 session, the public debt picture looked a little brighter,
although the legislators might have taken more heed of the decision in *Amtoni vs. Wright*. The picture still was not bright enough to restore the full six per cent interest rate, but the legislators did retain the four per cent interest for 1873. In their only other major action concerning the state debt in this session, the legislators grasped at a straw offered by Governor Walker.

In his last major proposal concerning Virginia’s public debt, Governor Walker in a special message on February 17, 1873, proposed that the Old Dominion initiate a movement to get the federal government to assume the debts of all the states. His proposal actually was two-fold,

*first*, the assumption and payment by the United States Government of all the present legal indebtedness of the several States; and, *second*, to prevent the recurrence of a necessity for a similar action hereafter, the solemn agreement by and between the States to abstain from contracting any debts in the future except such as may be found necessary to the legitimate and effective execution of their governmental functions, or as may be required by sudden and great emergencies.

Walker included a table that showed Virginia’s debt, combined with West Virginia’s, was the highest in the nation. The assumption of state debts by the federal government would not be beneficial just to Southern states. Walker’s figures showed that state debts totalled $292,295,150.45, and prosperous Northern states New York and Massachusetts ranked third and fifth on the list.

The governor believed such action would be beneficial to the people of the whole country. As for Virginia, he
would lessen the burthens of our State taxation by at least two-thirds in amount, and with proper legislation the real estate of the Commonwealth might, in a brief period, be relieved from the remainder. It would banish from our Legislative halls, and from our local politics, that troublesome, if not dangerous subject, the 'State debt,' and confer upon us all the benefits which the most favored could realize.82

Walker then called on the General Assembly to take prompt action to "invite the co-operation of our sister States," and to request that Virginia's congressional representatives "use their best efforts to secure the necessary action on the part of the National Legislature."83

Whether Walker seriously believed this plan was feasible is not known, although some Virginians apparently thought the federal government might be persuaded to take such action.84 The Senate gave quick approval to the governor's proposal and the House, after some unsuccessful attempts to amend the Senate resolution, concurred on March 26, 1873, by a 59-41 vote.85 The proposal never drew much support outside Virginia, however. This was not 1790, and there was no Alexander Hamilton on the scene.

Thus ended Governor Walker's final attempt at solving the problem of Virginia's huge public debt. After adjournment on April 2, 1873, the General Assembly did not meet again until January 1, 1874, and by that time there was a new occupant in the Governor's Mansion. Walker's legacy included a treasury deficit, a confusing tangle of funding legislation,
and some words of warning about banishing "that troublesome, if not dangerous subject" of the state debt from Virginia politics.

The election of 1873 was the most important one in Virginia since 1869, because of the election of a new governor as well as members of the General Assembly. Congress had opened the way for the return to active politics of leading ex-Confederates with the Amnesty Act of May, 1872. At the Conservative party convention on August 6, Confederate hero James Lawson Kemper was the choice for governor.

Kemper returned to active political leadership only after the Amnesty Act, although he had worked behind the scenes for Conservative candidates in the 1871 election. He was an attractive candidate for 1873. He was a native of western Virginia, a politically potent area in the late 19th century, and he had a sterling military record. Kemper still walked with a cane as a result of a wound suffered in Pickett's charge at Gettysburg. Also, the fifty-year-old attorney was politically experienced, having served as a Democratic member of the House of Delegates from 1853 to 1863, and as speaker from 1861 to 1863.

The Confederate accent of the Conservative slate was complete with the selection of Robert E. Withers for lieutenant governor and Raleigh T. Daniel, Jr., for attorney general. Withers, a fifty-two-year-old newspaper editor and publisher from Lynchburg, had been the Conservative gubernatorial candidate on the ill-fated 1868 slate. He had served
as a Confederate colonel during the war. Withers balanced Kemper nicely, having been a Whig before the war. Daniel, a prominent Richmond lawyer, was state chairman of the Conservative party and had served in the House of Delegates in the 1871-73 session. A former Confederate captain and a staunch Funder, he was described by Charles T. O'Ferrall as "among the most ornate and accomplished speakers Virginia has ever produced." But O'Ferrall also said Daniel's influence "was weakened by his intolerance, in fact contempt, for the opinions of his colleagues who differed from him."  

A week before the Conservative slate was named, the Republican convention met at Lynchburg and named its 1873 candidates. It was obviously important for the party to name a native Virginian as the gubernatorial nominee in the hope of attracting more white voters. Assuming that most blacks would vote for the Republican ticket, efforts were made to satisfy the other factions and to make the ticket attractive to voters in western Virginia.

The Republican nominee for governor was Robert W. Hughes, a fifty-two-year-old Richmond newspaper editor. Hughes, a native of Powhatan County, was married to a niece of Confederate General Joseph E. Johnston and had a summer home about three miles southeast of Abingdon in Southwest Virginia. A one-time attorney, he had edited the Richmond Examiner most of the period from 1850 until the end of the Civil War. He then turned from the Democratic party to the Republicans and successively edited the Richmond Republic
and the Richmond State Journal. After Governor Walker declared himself politically independent in 1870, Hughes became a prime Republican leader. Nominated for lieutenant governor was C. P. Ramsdell, a Radical from Surry County who had been the Republican choice for House speaker in the 1871-73 legislature. The nominee for attorney general was an old Unionist from western Virginia, David Fultz of Augusta County.

Such issues as the public debt played a minor role in the 1873 election. This was partly the design of the Conservatives, who stressed the color line as the principal issue of the campaign. The public debt already was a touchy issue which could easily split the Conservative party wide open, and this was realized by Conservative leaders. The movement that was to become the Readjuster movement already was shaking the grassroots in some sections—notably Southwest Virginia and parts of the Valley. But it was not yet organized, and it still was possible to subordinate it to the threat of Radical-Negro rule. Nor was this threat a "paper tiger" in 1873. Negroes outnumbered whites by nearly 25,000 east of the Blue Ridge and in at least forty of Virginia's ninety-nine counties. The majority of them could be expected to vote Republican along with a number of white persons.

In the election campaign, the Conservative party frankly acknowledged the color line as the principal issue and appealed to white citizens to be true to their race. Conservative spokesmen pointed to the "horrible" example of
Radical-Negro rule in other Southern states, and took the paternalistic attitude that the white race could better take care of black needs in Virginia than could the blacks themselves. The Richmond Dispatch asked: "Shall the whites rule and take care of the negroes, or shall the negroes rule and take care of the whites?"\(^{94}\)

Kemper defeated his Republican rival by only about 27,000 votes out of some 214,000 cast.\(^ {95} \) This was about 9,000 votes larger than the margin by which Walker had defeated the Radical Republican Henry H. Wells in 1869, but still showed considerable Republican strength. Hughes carried thirty-one counties and four cities, mostly in the heavily black-populated Tidewater and Southside areas, while Kemper carried sixty-eight counties and six cities.\(^ {96} \)

In the General Assembly, the Conservatives held the gains they had made in 1871, again holding solid control of the House by about 100 to 32, and the Senate by 33 to 10.\(^ {97} \) Black membership actually showed a slight increase, the last time this was to happen in the 19th century.\(^ {98} \) Black membership in the House increased from seventeen to nineteen, with the Senate's Negro membership remaining at three.\(^ {99} \)

The 1874-75 legislature was similar to the two preceding ones in the background of its members, but it continued the trend toward more experienced members. Thirty-eight members of the House were re-elected, with two others moving over to the State Senate. Only six incumbents were defeated in bids to retain their House seats.\(^ {100} \) In the
Senate, six of the nine incumbents who ran for re-election were successful. Twenty-one other senators did not have to stand for re-election, and one moved to the House of Delegates. This made a total of sixty-eight members of the 1871-73 General Assembly returned by the voters in 1873, compared to fifty-four returned in the 1871 voting. In addition, twenty of the seventy-five new members of the House and seven of the sixteen new senators had previous legislative experience. The House now contained fifty-nine men with legislative experience among its 132 members. The Senate was quite an experienced body, with thirty-six of its forty-three members having had previous legislative experience. The total of ninety-five men with previous legislative experience in the 1874-75 General Assembly compares with seventy-one in the 1871-73 legislature and only nineteen in the 1869-71 Assembly.

The continuing return of prewar political leaders was partly responsible for the added experience in the 1874-75 legislature. Thirteen of the new members of the House and three of the new senators had served in the General Assembly before or during the Civil War. Three other new members of the House and two of the Senate had first served in the "Old Whig" legislature of 1865-67. In all, there were fifteen members of the House and nine of the Senate who had served in the legislature before or during the Civil War. Among the new members of the House were such antebellum and Civil War leaders as Joseph R. Anderson, Robert L. Montague, and
Such men were generally respected, but were no longer in the top positions of leadership. This was recognized by Montague, who told Taliaferro in a letter early in 1874 that he had lost all the little influence I ever had and I have no hopes of further promotion.

When the General Assembly convened on January 1, 1874, there was little change in its organization. Henry W. Thomas retained his position as president pro tempore of the Senate, and Marshall Hanger was re-elected speaker of the House. The major committee changes were in the House, where some of the returning antebellum legislators were named to chairmanships. Among them were Alexander H. H. Stuart, named chairman of the important Finance Committee; Montague, named to head the Committee on Privileges and Elections; Anderson, named chairman of the Committee on Banks, Currency and Commerce; and Taliaferro, named chairman of the Committee on the Chesapeake and its Tributaries. Most of the other chairmanships went to men who had served in the 1871-73 legislature.

As the public debt issue had been kept in the background during the 1873 campaign, Governor Kemper's views on the subject were not publicly known. But he was a believer in the old customs, methods, and traditions of Virginia. As such, he believed in keeping Virginia's honor unstained in all matters, including those of a fiscal nature. His message to the General Assembly on January 1 was short, and little of it was devoted to the financial problem. But he made it clear he was no repudiator, saying:
Obligations to public creditors, binding the honor and good faith of the Commonwealth, should be fulfilled to the utmost of her ability in any event and under all circumstances. No other calamity could inflict greater detriment, either moral or pecuniary, upon the whole body of the people than a deliberate breach of public honor.\textsuperscript{110}

Kemper realized the state was in financial difficulties as a result of the Funding Act, though. In the fiscal year ending September 30, 1873, Virginia had spent $340,000 more than she had received from taxes.\textsuperscript{111} And things were getting worse, partly as a result of the Panic of 1873. In the fiscal year ending September 30, 1874, the Old Dominion would spend $570,637 more than she took in.\textsuperscript{112} These deficits were made up primarily through short-term loans from banks and financiers,\textsuperscript{113} but that could not be done indefinitely. Kemper's answer was to call for the strictest economy in operating the state government, and the taxing of "such legitimate subjects of taxation as may have been unwisely or inadvertently exempted in the past."\textsuperscript{114} Kemper, as had Walker before him, also believed that the United States government should assume the Virginia debt, "or at least to so readjust its own work as to relieve us of unfair burthens."\textsuperscript{115}

The governor asked the legislators that "speedy provision be made for payment of the semi-annual interest due to public creditors, and that a permanent financial policy be matured and adopted which will obviate the necessity for special legislation in this respect" in the future.\textsuperscript{116} He had no further details or advice concerning finances or the
public debt. The General Assembly complied with the request to provide for payment of the interest, passing a measure in April, 1874, and another in March, 1875, to continue paying four per cent interest. However, nothing was accomplished toward a permanent financial policy. Although under constant pressure from bondholders, Virginia's legislators passed no more major funding legislation until the Riddleberger Bill of 1882 resulted from the Readjuster movement.

Considerable time and energy was spent during the 1870s, however, in trying to find some way to eliminate the tax-receivable coupons of the "consol" bonds. In the 1873-78 period, an average of one million dollars worth of such coupons was received annually for taxes, which meant that about forty per cent of the state revenue was in the form of coupons. The coupons did force the state to pay considerable interest on the public debt—undoubtedly more than she would have otherwise. But the flexibility on expenditures was severely limited, as Virginia often was short of cash for other disbursements and the public school system particularly suffered. Various plans were adopted in the 1870s to try to drive the tax-receivable coupons out of existence, but none was fully successful.

Other attempts were made during the decade to try to reach some agreement with bondholders concerning how much interest Virginia could afford to pay, or to make other acceptable modifications of the funding legislation. The Council of Foreign Bondholders in London sent a memorial to the House of Delegates in February, 1874, complaining that the...
terms of the Funding Act had not been upheld and requesting that the Assembly "without delay, restore the funding bill to its full efficiency, or substitute such other measures as may tend to the restoration abroad of the credit and honor of the ancient Commonwealth of Virginia."  

Kemper, in forwarding the memorial to the House, stated his regret that the financial condition of the state "has been misapprehended and misrepresented in many quarters," but said public opinion had been misled "partly by erroneous representations of our condition abroad, and partly by miscalculations and errors of the authorities of Virginia in the past." In a long financial message to the legislators, he showed how Governor Walker's estimates had differed from Virginia's true financial condition, but Kemper still did not call for repudiation of the Funding Act. He told the legislators:

Any separate action of ours must of necessity have regard to the terms of the funding act. However unwise or precipitate its enactment, it were idle now to question its validity. . . . To the extent to which its provisions have been accepted it is undoubtedly a binding contract between debtor and creditor, and it is incapable of being modified without the concurrence of both contracting parties.  

The governor admitted that "our utmost resources are insufficient for the prompt and complete fulfilment of all its terms, and to that extent its obligations are impossible of performance at this time." He also admitted that economy in government was not the full answer. "Our real relief," he said, "is in the restoration of confidence and a good understanding between the State and her creditors." He therefore
recommended that two commissioners be appointed on behalf of the state to confer with agents of the creditors in an attempt to readjust the public debt. Failure of such a conference, he said, "would leave us no worse off than we now are, while we should at least have the sustaining consciousness of having discharged a high duty to both the Commonwealth and her creditors."¹²⁶

The General Assembly approved Kemper's recommendation and named the governor and State Treasurer R. M. T. Hunter to represent Virginia at such a conference. Kemper called the meeting for November 10, 1874, in Richmond. The conference was presided over by Henry W. Thomas, president pro tempore of the State Senate, and the secretary was James H. Dooley of Richmond, a member of the House of Delegates.¹²⁷ Among those representing British bondholders was former U. S. Secretary of the Treasury Hugh McCulloch.

At the conference, Governor Kemper gave a long, detailed speech on Virginia's financial condition from the end of the Civil War to 1874. He stressed that Governor Walker's program had been based on estimates that were too optimistic, but that Virginia had made an honest effort to carry out the provisions of the Funding Act. Kemper outlined various proposals that had been made concerning the public debt, and recommended that the creditors accept some plan of reduced interest for the present. He said all Virginia needed was "time and fair encouragement to develop her great natural resources and restore her ability to meet her
The governor promised that Virginia would continue to do her best toward meeting her financial obligations and concluded:

She is raising all the revenue her poverty can yield, and she is paying her creditors to the uttermost farthing of her ability. We know the value of the confidence of the financial world. We desire it and omit no becoming effort to secure it. But we do not seek it by any process of self-degradation. We intend to restore the credit of this commonwealth, as far and as soon as we can, with the co-operation of foreign capitalists if they accord it, without that co-operation if they withhold it.  

When the General Assembly reconvened on December 2, 1874, Kemper told the legislators the conference "was as satisfactory as the most sanguine of its originators had predicted or hoped for," and said it had "done much towards vindicating the integrity of the state, and to introduce confidence, good feeling and a spirit of co-operation in the relations between the government and the public creditors." Afterwards, the bondholders were less harsh in their criticism of Virginia's financial intentions, but no concrete program grew out of the 1874 conference.

In his December message, Kemper warned the legislators:

We cannot longer postpone the inevitable task of grappling decisively with the financial problem. It must be mastered by a solution which will settle it once and forever. . . . If we further postpone a financial settlement, we engender such internal difficulties and agitations as may be strong enough to tear the vitals of the state.
Indeed, a movement did develop which tore the vitals of the state—the Readjuster movement. The opposition to the Funding Act which had begun in some areas as early as the summer of 1871 had increased as the financial legislation of the 1871-73 General Assembly proved inadequate to solve the public debt problem. But it was without real leadership and was purposely played down by the Conservatives in the 1873 election. By 1875 the issue no longer could be kept down. The Panic of 1873 exacerbated what already seemed to be an insoluble problem, and by the late 1870s the new public school system was beginning to suffer severely from Virginia's financial pinch.

Public school disbursements declined successively in the fiscal years of 1873 and 1874 as much of Virginia's income was in the form of tax-receivable coupons rather than cash. The public schools received more money the next two years, but there was a drastic plunge in fiscal 1877. Another big drop in 1878 led to the closing of thousands of public schools, an action deemed intolerable by thousands of Virginia parents. This, as much as any single factor, led to the Readjuster victory in the 1879 legislative election. The demand for some kind of readjustment of the public debt was summed up by William L. Royall, a prominent Funder attorney, who wrote:

The white people of Virginia are not a people to do things by halves. Whilst they believed a moral obligation rested on them to struggle for the payment of their debt they struggled for it with all their energy and force. When the conclusion was finally reached that they had done all for the debt that their duty called on them to do, and that since a further struggle for it might endanger their civilization, the
whole people solidified to the proposition that they would beat the coupon if it were in the power of the State to destroy it, and their purpose manifested itself in every possible way.\textsuperscript{134}

The Readjuster party was not officially formed until early in 1879, but leadership was developing by 1875. Among the earliest and most prominent leaders were H. H. Riddleberger of Shenandoah County and John E. "Parson" Massey of Albemarle County.\textsuperscript{135} Massey, a fifty-five-year-old Baptist minister at the time of his election to the House in 1873, was a readjuster from the beginning of his political career. He proposed to exclude all interest on the public debt accumulated during the war, and wanted to scale state bonds in the same proportion that other property had been reduced as a result of the conflict.\textsuperscript{136}

Another early readjuster leader—eventually the most famous of all—was William Mahone. In 1876 Mahone's Atlantic, Mississippi and Ohio Railroad Company went into receivership, leaving him both the time and the inclination to enter politics publicly. Within a year he had formed the idea of organizing a party based on the public debt issue. In a letter marked "confidential," he outlined his views to Riddleberger in August, 1877. Mahone wrote that the time and occasion for the Conservative party had passed. He warned that there must be a reformation of parties quickly, or the Conservative organization would be thrown into chaos "for the want of some political cause of coherent concensus [sic]."\textsuperscript{137} Mahone continued:
The debt question is the issue on which the formation of a solid governing party in the state may be now formed. It involves every interest of welfare immediate and future to the state. The matter of taxation will ever be of concern to the people. . . . Now is the time to form the party. . . . The people need leadership and that is all. . . . the proper readjustment of the debt is yet absolutely in their power. It may have been expedient for the conservatives to have spoken in cautious terms on this question, but the people need not and all will be lost unless they do speak for themselves in plain unmistakable language. This twaddle about the honor of the state—her credit and the integrity of her obligations is sheer nonsense, when we consider her treatment of the pauper Bonds—her continued default and robbery of the school fund.

It is in emphatic words that we should deal with the question. It is the very life of the state and in truth her honor that are at stake. Readjustment satisfactory to her creditors—and here the Funders mean, the consol holders—means nothing—but repudiation of all else while the old mother of states and statesmen continues under the insult of having her Revenues seized and dealt with at the will of her creditors—while she continues as an assignee in Bankruptcy.138

As for objectives, Mahone said:

Let no man be sent to the Legislature who does not come up heartily and fully to our purpose—a readjustment of the debt, which shall determine and forever put at rest the amount we ought justly and will undertake to pay, and secure to that sum an equitable participation in her means to pay, fixing the rates of interest within the certain resources of Revenue to discharge it promptly at the hands of her own chosen agents, without any increase of the present rate of taxation. This is the readjustment needed by every sense of duty to the state and the creditor and I would employ every power to enforce it.139

Mahone had no second thoughts about his course. "I tell you my friend," he wrote to Riddleberger, "I never saw more
clearly the way to the solution of so grave and vital a project, as I do in this case—and all depends upon organization." He added a warning: "No man shall cross my path on this issue, you may depend on it, and I promise to make it hot for the individual who shall so presume."  

The Readjuster party was officially formed at a convention in Richmond in late February, 1879. The movement appealed not only to those who wished a solid readjustment of the state debt, but to many dissatisfied elements left without sufficient means of political protest after the decline of the Radicals. It was made up of both Democrats and Republicans, and the Readjusters actively sought the Negro vote. The party drew most of its support from blacks and poor whites in Tidewater and Southside Virginia, and from a variety of dissatisfied white citizens in the Valley and Southwest Virginia.  

The hardcore Funders came mainly from the middle and upper classes, and most of them were business and urban oriented. There were few Republicans in their ranks, though there were a number of prewar Whigs. The Funders claimed the state was bound by an irrepealable contract for the debt as ascertained and assumed by the Funding Act of 1871. The Readjusters denied that the act constituted such a contract, claiming that no legislature had the right or the power to restrict the authority of future legislatures in disposing of state revenues.
The last major victory of the Funders was the passing of the McCulloch Bill by the 1879 General Assembly. The bill was named for the leading representative of the British bondholders, Hugh McCulloch, who presented the outlines of the measure at a meeting with Governor Frederick W. M. Holliday and a legislative committee. It provided for the voluntary exchange of existing bonds at face value for new non-taxable bonds payable in forty years. The new bonds would bear interest payable semiannually at the rate of three per cent for the first ten years, four per cent for the next twenty years, and five per cent for the last ten, and would contain coupons receivable for all taxes. The Richmond Dispatch hailed the McCulloch Act, saying the venerable Commonwealth may now quietly proceed to arrange her resources and put her obligations in that train of settlement which will soon bring about the restoration of her credit and the reestablishment of order and industry in her domestic economy. . . . it brings the annual obligations of Virginia within the practical and easy scope of her resources.

The act never had an opportunity to succeed, however, a fact lamented by Funders at the time and by some scholars since. In the elections the year it was passed, the Readjusters won a majority in each house of the legislature and the provisions of the act were never fully carried out. Mahone apparently had a large hand in this. William B. Taliaferro, who had retired from the House the year before, wrote of his disgust at Mahone's control of the House committees. In a letter to Warner T. Jones, who had served in
the House of Delegates from 1855 to 1865 and again in 1871-73, Taliaferro said:

Would you believe it—John Wise told Coghill that He meaning Mahone had fixed up the Committees—What a Speaker to allow an outsider to make up the committees of a body over which he presided.146

The Readjusters were somewhat hampered by the fact that Holliday, a debt payer, was governor until January 1, 1882. But in the 1881 election, the Readjusters retained control of both houses of the legislature and elected their own governor as well.147 The Readjuster legislatures provided for payment of the arrears in public school funds as well as current dues, thus reopening the public school system fully.148 They also made good the deficits of other public institutions and met other obligations, and at the same time reduced taxes. This was possible because of the Riddleberger Bill of 1882, which in effect repudiated part of the public debt funded between 1866 and 1879.149

The Riddleberger Bill held West Virginia responsible for one-third of the principal and accrued interest of the Virginia debt as of July 1, 1863, and eliminated bonds issued to cover interest accumulated during the Civil War and reconstruction. The bill accepted $16,843,143.17 as Virginia's share of the principal, with accrued interest of $4,192,343.98. For the new debt total of $21,035,377 as of July 1, 1882, new bonds were to be issued bearing three per cent interest. Bonds and attached coupons were not to be exempt from taxation, and the coupons were not to be receivable for taxes.150
In the meantime, the Readjuster legislature had elected Mahone to the United States Senate, where he took his seat in 1881. There he identified himself and his party with the national Republican party, causing a split in the Readjuster leadership. Massey and other hardcore Democrats bitterly disapproved of Mahone's action, and the subsequent in-fighting was an important factor in the defeat of the Readjusters. In the 1883 election, the Conservative party adopted the Democratic label and swept to victory. Under the Democratic banner, the Conservatives adopted a more lenient view toward readjustment of the debt.

The new Democratic legislature, which convened on December 5, 1883, took immediate steps to remove the public debt issue from state politics. A resolution recognizing the Riddleberger Bill as the settlement demanded by the people of Virginia was introduced in the Senate by a Readjuster, Samuel H. Newberry of Southwest Virginia, and in the House by a Funder, William A. Anderson of the Valley. The resolution declared that "any expectation that any settlement of the debt, upon any other basis, will ever be made or tolerated by the people of Virginia, is absolutely illusory." It passed both houses unanimously.

The resolution notwithstanding, the Riddleberger Bill turned out not to be the final settlement of the public debt after all. By October 1, 1886, the state debt had climbed back to $31,367,900, almost six and a half million dollars of which consisted of bonds issued under the Riddleberger Act.
In 1891 it had reached $35,842,000, including $14,150,000 in "consol" bonds and $8,613,000 in "Riddlebergers." Another "final settlement" was made in 1892. The "Olcott settlement" was accepted by the bondholders, who agreed to exchange $28,000,000 of outstanding obligations for $19,000,000 in new bonds bearing interest of two per cent for ten years and three per cent for ninety years. Coupons were not to be receivable for taxes. By 1903 Virginia's public debt had been reduced to $26,843,067.87. In 1932 the three per cent Riddleberger bonds were refunded at four per cent, and some of these were included in the 1962 state debt of $8,197,376.08.

The Funding Act of 1871 and subsequent funding legislation had a traumatic effect on the Old Dominion. There was, first of all, the terrible blow to state pride caused by the inability to pay off the debt in full. The ultimate solution was partial repudiation, regardless of the term "readjustment." That this probably was inevitable, and that all of the other ex-Confederate states except Texas also repudiated portions of their public debts made little difference to the proud Virginians. In addition, the bitter battles of the late 1870s and the 1880s between the Funders and Readjusters—which included class, racial, and geographical conflict—opened wounds that were long in healing. The lessons were not quickly forgotten. The bitter experience laid the basis for the "pay-as-you-go" philosophy followed by Virginia from the beginning to the middle of the 20th century.
The clause in the Underwood Constitution prohibiting any state debt "except to meet casual deficits in the revenue to redeem a previous liability" or to "suppress insurrection, repel invasion, or defend the State in time of war" had been retained in the 1902 constitution. But, with the demand for better highways during and after World War I, the constitution was amended in 1920 to permit the sale of bonds for repair or construction of highways. In 1923, nonetheless, Harry F. Byrd successfully led the fight to defeat a $50,000,000 road bond referendum, laying the foundation for his famous "pay-as-you-go" policy. Byrd and the men who surrounded him in the early years of the Byrd organization had grown up in the period immediately following the Readjuster controversy, and thus were particularly sensitive to bond-based public debt. Byrd, in fact, admitted that his "pay-as-you-go" policy was derived from Virginia's 19th century debt problems.

Neighboring North Carolina, which had nothing comparable to the Readjuster movement in its post-Reconstruction history, developed possibly the best highway program of any Southern state in the 1920s and 1930s. Based on a $95,000,000 bond program, North Carolina's highway system increased from 6,218 miles to 58,703 miles in the 1925-35 period. Virginia's highway system in the same period increased from 5,077 to 46,162 miles following the "pay-as-you-go" policy.

Nor did the "pay-as-you-go" policy stop at highway construction. It carried over into the areas of education, health, and welfare. It was only in the late 1960s, after
Byrd retired from the United States Senate and from active politics, that Virginia began to turn away from the "pay-as-you-go" policy to meet the increased fiscal demands and responsibilities of a modern state government. The legacy of the 1871 Funding Act had lasted nearly 100 years.
CHAPTER VI
SUMMARY

The legislators of the 1869-71 General Assembly could not possibly have foreseen such long-range effects of the Funding Act. At the time of their election in 1869, finances were not uppermost in their minds—or in the minds of their constituents. The principal issue was "Radical or Conservative rule," and the main objective was to get Virginia speedily restored to the Union. Fear that the iron-clad oath of past loyalty would be enforced by General Canby, along with other Congressional legislation by Radicals which restricted or eliminated prewar political leaders as active campaigners, led to the selection of many candidates who had not previously been prominent in politics. It was a young and inexperienced group of legislators which was elected in 1869. Only nineteen of the nearly 200 men who served in the 1869-71 General Assembly had had previous legislative experience, although twenty-one others had served in the 1867-68 constitutional convention. A sampling of members showed a median age of forty-three for senators and thirty-eight for members of the House of Delegates.

There was rejoicing in Virginia newspapers over the fact that the conservatives had won a solid victory, winning
118 legislative seats to fifty-five for the Radicals and eight for True Republicans. Negroes had been elected to a Virginia General Assembly for the first time, winning twenty-three seats in the House and six in the Senate. It was the largest number of blacks ever to serve in the Virginia legislature, but represented only about sixteen per cent of the Assembly seats. Blacks made up about forty-three per cent of the Old Dominion's population at the time, but were heavily concentrated in the Tidewater and Southside areas.

The 1869-71 General Assembly was fairly representative of the Virginia of 1870, although its makeup shocked some of the oldtimers who fondly recalled the days when "gentlemen" handled legislative matters in Richmond. Nearly all of the members were Virginia-born or had resided in the state before the Civil War, with only a sprinkling of carpetbaggers. About half of the black members had been born free or had gained their freedom before the war, and few were illiterate. About one-third of the white members had college degrees, and a number of others had some college education. Virginia's legislators in the 1869-75 period represented primarily the middle and upper middle classes, with a preponderance of men from the business and professional occupations. More than one-third were lawyers or had law training, and there were several newspaper editors or publishers. Only about ten per cent were farmers. The legislators, therefore, were more urban and business minded than was the population of the state as a whole.
Lines of leadership were blurred in the legislatures of the 1870s. Former Whigs, more urban and business minded than most prewar Virginia political leaders, had a disproportionate share of the leadership in the Conservative party as a result of Radical Congressional legislation restricting the political activity of ex-Confederates who had held office before the war. Conservatives always had the numbers to carry any policy in the legislature if they were united, but they seldom took a party stand on any measure. This is understandable in a party born out of expediency and made up of such disparate elements as old-line Whigs and rock-ribbed Democrats. In the 1869-73 period, executive leadership was not along party lines, either. Governor Walker, considered a carpetbagger by most Virginians, was elected as a True Republican but declared his political independence early in 1870 and later switched to the Conservative party. Governor Kemper entered office as a Conservative in 1874, but he was unable to get united party support for his financial proposals.

The Confederate element was numerous in the 1869-71 Assembly (young veterans who had not been prominent in prewar politics), and it increased throughout the 1870s in both numbers and influence. Five former Confederate generals served in the legislature in the 1869-75 period, and about forty per cent of the members had served in the Confederate army—most of them as officers. By the mid-1870s, most of the committee chairman were Confederate veterans. Battlefield experience did not necessarily prepare a man properly for
legislative warfare, but it did develop some leadership characteristics.

The 1869-71 General Assembly accomplished a great deal in getting Virginia restored to the Union, in filling local offices to get the government back on a stable basis, and in implementing the new public school system called for in the 1868 constitution. A lot of time and energy also was spent on such things as private and public charter applications, a legislative reapportionment act, and the state budget. Such a load would have been sufficient for any legislature, but the 1869-71 body also was called on to deal with General Mahone's railroad consolidation plan, with the thorny problem of whether to sell the remaining state railroad stock, and to solve the problem of the huge and rapidly growing state debt. The railroad consolidation plans of General Mahone were approved, but only after a bitter struggle that involved the first extensive lobbying in Virginia's history. The selling of the railroad stock also was approved, again after a bitter battle involving lobbyists. And the General Assembly agreed to fund the state debt along the general lines advocated by Governor Walker.

Selling the state's railroad stock was not a new idea. As early as 1837, Alexander H. H. Stuart (then a member of the House of Delegates) had warned that the Virginia policy of state aid to internal improvements would lead to bankruptcy. A legislative investigating committee of the 1859-60 General Assembly recommended selling the state-held stock, reporting
that it would cost more to complete the state system of
internal improvements than it had cost up to that time.
Governor Letcher made a similar proposal during the Civil
War, as did Governor Pierpont in the immediate postwar period.
Finally, the 1868 constitution prohibited the state from
investing money further in internal improvements.

The selling of the state-held stock probably was a
wise policy, but it was not carried out with sufficient safe-
guards of the state's interest. The biggest loss was suffered
in the deal giving the state only a second mortgage on Mahone's
consolidated Atlantic, Mississippi and Ohio Railroad Company,
with the company not required to start making payments until
1885. When the A. M. and O. went into receivership in 1876,
the state lost its legal claim entirely. Through a deal made
by Mahone, the state eventually received $500,000 from the new
owners, but that was a far cry from the $4,000,000 due the
state under the consolidation act of 1870. The best way to
have realized a profit from the railroads would have been to
have sold the state-held stock under proper safeguards, and
then to have taxed the railroads at a reasonable rate. Both
Governor Walker and Governor Kemper toyed with the idea of
heavier taxation of corporations and utilities, but the time
was not ripe for such policies.

Selling the state's railroad stock was part of the
plan Governor Walker presented to the General Assembly in
March, 1870, to solve the public debt problem, but the kernel
of his plan was to refund the bulk of the debt into uniform
bonds maturing after thirty years. Unfortunately, the governor's financial proposals were set aside in the press of other legislative business, and were not brought up again until the General Assembly met again in December, 1870. Some of the weaknesses of Walker's proposals might have been discovered in the meantime had the legislature had some of the services available to modern state legislatures—interim committees, legislative reference, legislative councils, etc. Undoubtedly, there would have been more discussion of the proposals had the legislature contained more prewar political leaders and had the business minded former Whigs had less influence.

By the time the General Assembly met in December, 1870, Virginia's public debt was approaching $47,000,000, the highest of any Southern state and one of the highest totals in the nation. Governor Walker pressed for action on his financial proposals, giving an optimistic estimate of how sufficient revenue could be raised to take care of routine government expenses, finance the new public school system, and pay the interest semiannually on the state debt. The governor's estimates were based on 1860 figures and were far too rosy, yet there was little debate on that aspect of his program. The legislators spent most of the first two months of the 1870-71 session on other matters, except to pass a resolution calling for arbitration of West Virginia's share of the Virginia debt.
Most of the debate on the Funding Bill took place in the final two weeks before passage of the measure, and largely concerned West Virginia's share of the debt and the tax-receivable aspect of the coupons affixed to the new bonds. The Funding Bill, along the general lines advocated by Governor Walker, was passed 25-10 by the Senate and 78-42 by the House, and was signed into law by the governor on March 30, 1871. Conservatives were split almost down the middle on the measure, giving it 54-50 approval. Republicans gave it almost unanimous approval, with forty-nine favorable votes and only two (by a True Republican and a black Radical) negative ones. Republicans generally were more united than the Conservatives in their voting, as might be expected of a minority party. However, the near unanimity of their stand on the Funding Bill may have reflected the ascendancy to party leadership of Robert W. Hughes, a funder who was the Republican gubernatorial candidate in 1873.

Geographically, Southwest Virginia legislators were the only ones with a majority against the Funding Bill. More than half of the favorable votes came from representatives of the Tidewater and Southside regions. Southwest Virginia had received fewer internal improvements than any section of Virginia except the trans-Allegheny counties which formed West Virginia, and also was habitually one of the poorer sections of the Old Dominion. Its residents, therefore, were not so likely to look on the state debt as something they were honor bound to pay.
There were rumors at the time that the Funding Bill could not have been passed without a great deal of bribery, and this became the standard view picked up by later scholars. Undoubtedly, some bribery was used as it probably had been in the passage of the railroad consolidation bill and other railroad legislation. However, there is no solid evidence that any wholesale bribery took place, and it must be remembered that lobbying practices that now are considered legitimate were looked upon as corrupt actions by many 19th century Virginians. It appears, rather, that the Funding Bill was passed for the most part by Virginians who were honestly trying to restore confidence in the state's credit and who wished to uphold the honor of the Old Dominion. State pride can not be ignored as one of the chief motives behind the Funding Bill.

The accomplishments of the 1869-71 General Assembly, including the Funding Act, were generally praised by Virginia newspapers upon adjournment of the legislature in March, 1871. It was only after it became plain that Governor Walker's revenue estimates had been too optimistic that a strong anti-funding feeling set in. Even then, the original movement was aimed at reducing the semiannual interest and getting rid of the tax-receivable aspect of the newly funded bonds. Except in parts of Southwest Virginia and the Valley, anti-funding sentiment appears to have played little part in the 1871 election campaign.
The provision of the Funding Act that allowed tax-receivable coupons to be used "for all taxes, debts, dues, and demands due the state" was perhaps the biggest flaw in the measure. Governor Walker had said that feature would be advantageous because coupon bonds are always several points higher in the market than registered ones, and because the coupons would be "used by the people as money and pass from hand to hand in the ordinary business transactions," thus relieving Virginia's currency shortage. However, the coupons never became a second type of currency. Rather, they had the opposite effect by depriving the state coffers of much-needed cash revenue. Tax-receivable coupons made up about forty percent of the state revenues in the 1873-78 period, restricting the flexibility needed to make disbursements for public schools and other operating expenses.

The weaknesses of the tax-receivable feature were seen even by some of the staunch Funders. Delegate John W. Daniel had tried to get that feature eliminated by an amendment offered during House debate on the bill, but was unsuccessful. Alexander H. H. Stuart called for elimination of the tax-receivable coupons all during the summer and into the fall election campaign in 1871. The 1871-73 General Assembly passed a bill to eliminate the tax-receivable coupons, over Governor Walker's veto, in March, 1872. But the State Supreme Court ruled later in the year that the state must accept tax-receivable coupons on all bonds issued before the March 7, 1872, act went into effect.
Another serious weakness of the Funding Act was that it set the semiannual interest at six per cent, which meant that the state would be obligated to pay out about $1,800,000 annually. During debate in the Senate, Charles Herndon had proposed an amendment that would have required Virginia to pay only two per cent semiannually until an agreement had been reached on West Virginia's share. That proposal, which would have put the interest in a range Virginia probably could have handled, was defeated by only two votes. Even Governor Walker saw the necessity for a lower interest rate in 1872, and he approved a measure cutting the interest for that year to four per cent. The four per cent rate was kept on the books through the remainder of the decade, but even at the reduced rate Virginia paid less than two-thirds of the interest due in the 1870s. The Riddleberger Bill of 1882, which repudiated part of the state debt and refunded most of the remainder, provided for new bonds bearing only three per cent interest. And the "Olcott settlement" of 1892, which was really the final settlement of the 19th century Virginia debt, provided interest of only two per cent for ten years and three per cent for ninety years on the new bonds.

In the 1872-73 legislative session, Governor Walker still hoped his revenue estimates could be reached by economy in government—by retrenchment and reform. But such changes as were made still were not sufficient. Finally, the governor turned to a vain proposal that the federal government assume all state debts, including Virginia's. When
Governor Kemper took office in 1874, it was plain that Virginia was rushing headlong to bankruptcy. Yet Kemper believed the Old Dominion was honor bound to carry out the provisions of the Funding Act. Like Walker, he called for strict economy in government as well as the taxing of "such legitimate subjects of taxation as may have been unwisely or inadvertently exempted in the past." Also like Walker, he hoped the federal government would assume Virginia's debt. Kemper proposed to the legislature that "a permanent financial policy be matured and adopted," but he had no detailed proposal for the legislators. He had high hopes that some arrangement could be made with the bondholders modifying the Funding Act, and a conference with bondholder representatives was held in Richmond in November, 1874. Kemper gave a detailed speech on Virginia's true financial condition and on the mistakes made by his predecessor, and his remarks seem to have had some effect in mitigating the criticism of the bondholders. But no concrete legislation modifying the Funding Act grew out of such conferences.

The legislatures of the 1870s were unable or unwilling to do anything about the Funding Act beyond reducing the interest and trying to eliminate the tax-receivable coupons. All attempts made to eliminate the coupons, however, including an attempt to tax them out of existence, were balked by the state or federal courts. Later legislation, such as the Riddleberger Bill of 1882 and the "Olcott settlement" of 1892, eliminated tax-receivable coupons while refunding the debt.
The funding legislation of the 1870s is rightfully considered a failure by most scholars. It had many traumatic effects on the Old Dominion, playing some part (through the bitter Funder-Readjuster battles) in the deteriorating racial relations of late 19th century Virginia and contributing to the conservative "pay-as-you-go" fiscal philosophy of most of the 20th century. Such results were hardly the kind expected by the Radical Republicans when they pushed through the congressional reconstruction legislation in the late 1860s. Yet it was just that legislation, along with other Radical policies, that was largely responsible for the Funding Act of 1871. Because of Radical legislation severely restricting active political roles by prewar leaders who had served the Confederacy, and because of General Canby's threat to use the iron-clad oath for all legislators elected in 1869, the Virginia legislators elected for the 1869-71 General Assembly were young and politically inexperienced. Furthermore, business minded former Whigs were thus given an opportunity to play an influential role out of all proportion to their numbers.

The tasks set before the 1869-71 Assembly were of such a variety and of such complexity that even the most experienced legislature would have had great difficulty in accomplishing everything satisfactorily. Undoubtedly some of the legislators were receptive to the blandishments or even bribes of lobbyists, but the 1871 Funding Act was passed in the main by legislators honestly hoping to restore state
credit and get Virginia moving again economically after a devastating war. Perhaps the legislators of the period tried to accomplish too much. Certainly they did not devote enough time to the funding legislation and all it entailed. That they made the attempt reflects above all their great pride in the Old Dominion, and their imprudent optimism about her ability to bounce back to prosperity in a period of transition.
APPENDIX A

GEOGRAPHICAL SECTIONS OF VIRGINIA

In order to determine the trend of voting by sections in this study, I divided Virginia's counties into six major geographical areas. Legislative districts listed under each section are:

TIDEWATER -- Accomack, Charles City, Elizabeth City and Warwick, Essex, Gloucester, Isle of Wight, James City and Williamsburg, King and Queen, King George, King William, Lancaster, Mathews, Middlesex, New Kent, Norfolk City, Norfolk County and Portsmouth, Northampton, Northumberland, Princess Anne, Richmond County, Surry, Westmoreland, and York.

SOUTHSIDE -- Amelia, Appomattox, Bedford, Brunswick, Buckingham, Campbell, Charlotte, Chesterfield and Powhatan, Cumberland, Dinwiddie, Franklin, Greensville, Halifax, Henry, Lunenburg, Mecklenburg, Nansemond, Nottoway, Patrick, Petersburg, Pittsylvania, Prince Edward, Prince George, Southampton, and Sussex.


SHENANDOAH VALLEY -- Augusta, Bath and Highland, Botetouart, Clarke, Frederick, Page, Rockbridge, Rockingham, Shenandoah, and Warren.


PIEDMONT -- Albemarle, Amherst, Caroline, Fluvanna, Goochland, Greene, Hanover, Henrico and Richmond City, Louisa, Madison, Nelson, Orange, and Spotsylvania.
APPENDIX B

ROSTER OF GENERAL ASSEMBLY MEMBERS, 1869-1875

(C) — Conservative
(R) — Radical
(TR) — True Republican
* — Black member

1869-71 House of Delegates

Accomack — Edmund R. Bagwell (C)
T. C. Parramore (C)

Albemarle — James C. Hill (C)
J. D. Jones (C)
Stephen V. Southall (C)

Alexandria — George L. Seaton* (R)
Reuben Johnston (R)

Alleghany and Craig — Blake L. Woodson (C)

Amelia — John R. Moss (TR)

Amherst — Hazael Williams (C)
J. H. Massie (C)

Appomattox — Robert B. Poore (©)

Augusta — Marshall Hanger (C)
Alexander B. Cochran (C)
Henderson M. Bell (C)

Bath and Highland — John R. Popham (TR)

Bedford — B. H. Moulton (C)
J. R. Thurman (C)
J. O. Hensley (C)

Bland — Addison Davis (C)

Botetourt — Cary Breckinridge (C)
Brunswick — John Dugger (R)
Buchanan and Wise — Jeremiah T. Chase (C)
Buckingham — J. H. Noble (R)
              Caesar Perkins* (R)
Campbell — Robert C. Burkholder (C)
              R. A. Murrell (C)
              John W. Daniel (C)
Caroline — R. O. Peatross (C)
              J. M. Hudgin (C)
Carroll — F. W. Lindsey (C)
Charles City — R. G. W. Jones* (R)
Charlotte — George W. Graham (R)
              William H. Ragsdale* (R)
Chesterfield and Powhatan — Samuel F. Maddox (R)
              Ballard T. Edwards* (R)
              Henry Cox* (R)
Clarke — W. W. Arnett (C)
Culpeper — John R. Strother (C)
Cumberland — James Lipscomb* (R)
Dinwiddie — Ellis Wilson* (R)
Elizabeth City and Warwick — William Bartlett (R)
              David B. White (R)
Essex — W. R. Wentworth (R)
Fairfax — John Hawkhurst (R)
Fauquier — James Keith (C)
              Fielding L. Marshall (C)
Floyd — George Young (C)
Fluvanna — John Henson (C)
Franklin — G. H. T. Greer (C)
              B. N. Hatcher (C)
Frederick — David J. Miller (C)
Giles — F. W. Mahood (C)
Gloucester — James N. Stubbs (C)
Goochland -- J. B. Miller, Jr. (R)
Grayson -- L. H. Bryant (C)
Greene -- T. M. Shearman (C)
Greensville -- Peter K. Jones* (R)
Halifax -- Alexander Owen* (C)
   Isaac Edmundson* (C)
   W. W. Wood (C)
Hanover -- C. L. Thompson (C)
   W. R. Winn (C)
Henrico and Richmond City -- William Lovenstein (C)
   Anthony M. Keiley (C)
   L. H. Frayser (C)
   J. S. Atlee (C)
   John B. Crenshaw (TR)
   George K. Gilmer (TR)
   Stephen Mason (C)
   Alexander Bodeker (C)
Henry -- Christopher Y. Thomas (TR)
Isle of Wight -- George R. Atkinson (C)
King and Queen -- J. W. Bulman (R)
King George -- W. A. J. Potts (C)
King William -- B. F. Jones* (R)
Lancaster -- Josiah Tatum (R)
Lee -- William McDonald (C)
Loudoun -- William Matthew (C)
   I. D. Budd (C)
Louisa -- F. M. Perkins* (R)
   Bernard McCracken (R)
Lunenburg -- Stith Bolling (C)
Madison -- J. W. Walker, Jr. (C)
Mathews -- Henry Bell (C)
Mecklenburg -- Sanford M. Dodge (R)
   John Watson* (R)
Middlesex -- L. C. Bristow (C)
Montgomery -- R. A. Miller (C)
Nansemond -- David Thayer (R)
Nelson -- W. L. Williams (C)
New Kent -- W. H. Brisby* (R)
Norfolk City -- Henry M. Bowden (R)  
A. S. Segar (TR)
Norfolk County and Portsmouth -- Luther Lee, Jr. (R)  
A. L. Woodworth (R)  
Charles E. Hodges* (R)
Northampton -- James C. Toy (R)
Northumberland -- B. G. Haynie (C)
Nottoway -- G. H. Southall (R)
Orange -- David Pannill (C)
Page -- John W. Ashby (C)
Patrick -- W. F. B. Taylor (TR)
Petersburg -- Peter G. Morgan* (R)  
George Fayerman* (R)
Pittsylvania -- M. H. Clark (C)  
W. J. Fulton (C)  
Walter Coles (C)  
T. H. Gosney (C)
Prince Edward -- T. P. Jackson (R)
Prince George -- A. N. Fretz (TR)
Prince William -- W. A. Bryant (C)
Princess Anne -- J. Q. Hodges* (R)
Pulaski -- W. J. Wall (C)
Rappahannock -- Zephaniah Turner (C)
Richmond County -- L. R. Stewart (R)
Roanoke -- John A. McCaul (C)
Rockbridge -- William McLaughlin (C)  
Samuel B. Morrison (C)
Rockingham -- Philo Bradley (C)
    H. B. Harnsberger (C)
Russell -- J. H. A. Smith (C)
Scott -- Evans F. Tiller (C)
Shenandoah -- J. A. Campbell (C)
Smyth -- John A. Kelly (C)
Southampton -- R. U. Burgess (C)
Spotsylvania -- J. H. Kelly (C)
Stafford -- J. C. Shelton (C)
Surry -- William H. Andrews* (R)
Sussex -- William N. Stevens* (R)
Tazewell -- Henry Bowen (C)
Warren -- Smith S. Turner (C)
Washington -- George Graham (C)
    J. F. Terry (C)
Westmoreland -- George Walker (C)
Williamsburg and James City -- Frederick S. Norton* (C)
York -- Robert Norton* (R)

1869-71 State Senate

(District numbers according to the 1868 constitution)

1. Alexandria, Fairfax and Loudoun -- Thomas E. Taylor (C)
    Edgar Snowden, Jr. (C)
2. Fauquier, Rappahannock and Prince William -- Thomas N. Latham (C)
3. Orange, Culpeper and Madison -- Daniel A. Grimsley (C)
4. Stafford, Spotsylvania and Louisa -- Charles Herndon (C)
5. Fluvanna, Goochland and Powhatan -- William P. Moseley* (R)
6. Albemarle and Greene -- Robert S. Beazley (C)
7. Buckingham and Appomattox -- Frank Moss* (R)
8. Nelson and Amherst — Thomas P. Fitzpatrick (C)
9. Franklin and Henry — James Patterson (C)
10. Pittsylvania — Abner Anderson (C)
11. Campbell — Robert L. Owen (C)
12. Bedford — William R. Terry (C)
13. Halifax — Marcus A. Harris (C)
15. Mecklenburg — Frank W. Haskell (R)
16. King George, Westmoreland, Richmond, Northumberland and
Lancaster — Meriwether Lewis (C)
17. Caroline, Essex and King William — Edmund W. Massey (R)
18. Gloucester, Middlesex, Mathews and King and Queen — William K. Perrin (C)
19. Richmond City and Henrico — Charles Campbell (C)
                 Normand Smith (C)
                 Alfred R. Courtney (C)
20. Norfolk City and Princess Anne — Walter H. Taylor (C)
21. Norfolk County and Portsmouth — George Teamoh* (R)
22. Nansemond, Southampton and Isle of Wight — Washington L. Riddick (C)
23. Greeneville, Dinwiddie and Sussex — David G. Carr (R)
24. Surry, York, Warwick and Elizabeth City — Isaiah L. Lyons* (R)
25. Brunswick and Lunenburg — William A. Austin (R)
26. Chesterfield and Prince George — William T. Martin (R)
27. Petersburg — Franklin Wood (R)
28. Accomack and Northampton — Abel T. Johnson (C)
29. Hanover, New Kent, Charles City and James City — J. Ambler Smith (R)
30. Cumberland, Amelia and Nottoway — John Robinson* (R)
31. Frederick, Clarke and Shenandoah — William D. Smith (C)
32. Page, Warren and Rockingham — John E. Roller (C)
33. Highland and Augusta — Joseph A. Waddell (C)
34. Rockbridge, Bath and Alleghany — William A. Anderson (C)
35. Botetourt, Roanoke, Craig and Giles — Edmund Pendleton (C)
36. Montgomery, Floyd and Patrick — John E. Penn (C)
37. Grayson, Carroll and Wythe — Alexander M. Davis (C)
38. Pulaski, Bland, Tazewell and Russell — James M. French (C)
39. Lee, Scott, Wise and Buchanan — George H. Kendrick (C)
40. Washington and Smyth — James S. Greer (C)

Replacements for 1869-71 House

Accomack — John R. Read (C) for T. C. Parramore (C), resigned, April, 1870
Fauquier — A. Glascock (C) for James Keith (C), resigned, March, 1870
Franklin — F. S. Hutcherson (C) for G. H. T. Greer (C), resigned, 1870
Frederick — John F. Wall (C) for David J. Miller (C), resigned, 1870
Henrico and Richmond City — John H. Guy (C) for Anthony M. Keiley, resigned, 1870
Isle of Wight — J. W. Lawson (C) for George R. Atkinson (C), resigned, 1870
Lancaster — J. S. Chowning (R) for Josiah Tatum (R), unseated in March, 1870, as a result of a contested election
Mecklenburg — Ross Hamilton* (R) for John Watson* (R), died, 1870
Norfolk County and Portsmouth — E. B. Hollomon (R) for Luther Lee, Jr. (R), resigned, 1870
Page — Henry M. Keyser (C) for John W. Ashby (C), resigned, April, 1870
Rockbridge -- Archibald Graham (C) for William McLaughlin (C),
resigned, March, 1870
  J. T. Patton (C) for Samuel B. Morrison (C),
resigned, 1870

Scott -- J. H. Horton (C) for Evans F. Tiller (C), resigned,
April, 1870

Smyth -- James L. Buchanan (C) for John A. Kelly (C), resigned,
March, 1870

Wythe -- J. J. Graham (C) for John H. Fulton (C), resigned,
March, 1870

Replacements for 1869-71 Senate

14. Charlotte and Prince Edward -- John T. Hamlett (R) for
  James W. D. Bland* (R), killed in capitol disaster of 1870

15. Mecklenburg -- Albert P. Lathrop (R) for Frank W. Haskell (R),
  resigned, September, 1870

27. Petersburg -- Roscoe G. Greene (R) for Franklin Wood (R),
  resigned, 1870

CHANGES UNDER REAPPORTIONMENT ACT AND 1871 ELECTION

House of Delegates

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H. M. Bell (C)  
A. B. Cochran (C)  
Re-elected  
Alex B. Lightner (C)  
Charles S. Roler (C)

Bath and Highland — J. R. Popham (TR)  
Paul Lightner (C)

Bedford — B. H. Moulton (C)  
J. R. Thurman (C)  
J. O. Hensley (C)  
Munford W. Radford (C)  
James L. Campbell (C)  
William F. Graves (C)

Bland — Addison Davis (C)  
Thomas J. Munsey (C)

Botetourt — Cary Breckinridge (C)  
John B. Allen (C)

Brunswick — John Dugger (R)  
Joseph C. Russell (R)

Buchanan and Wise — J. T. Chase (C)  
Meshack Ratliff (C)

Buckingham — J. H. Noble (R)  
Re-elected  
Caesar Perkins* (R)

Campbell — Robert C. Burkholder (C)  
R. A. Murrell (C)  
John W. Daniel (C)  
Re-elected  
Edward Irvine (C)  
William S. Nowlin (C)

Caroline — R. O. Peatross (C)  
J. M. Hudgin (C)  
Samuel A. Swann (C)  
John D. Butler (C)

Carroll — F. W. Lindsey (C)  
Martin Dalton (C)

Charles City — R. G. W. Jones* (R)

Charles City and New Kent — W. H. Patterson* (R)

Charlotte — G. W. Graham (R)  
W. H. Ragsdale* (R)  
John G. Brown (R)

Chesterfield and Powhatan — S. F. Maddox (R)  
B. T. Edwards* (R)  
Henry Cox* (R) (Re-elected in Powhatan)

Chesterfield — William I. Clopton (C)  
John W. Walke (C)

Clarke — W. W. Arnett (C)  
William G. Hardesty (C)

Culpeper — J. R. Strother (C)  
Re-elected

Cumberland — James Lipscomb* (R)  
Re-elected

Dinwiddie — Ellis Wilson* (R)  
William T. Perkins (R)

Elizabeth City and Warwick — D. B. White (R)  
Rufus S. Jones* (R)  
William Bartlett (R)
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King George — W. A. J. Potts (C)  
King William — B. F. Jones* (R)  
Lancaster — J. S. Chowning (R)  
Lee — William McDonald (C)  
Loudoun — William Matthew (C)  
I. D. Budd (C)  
Louisa — F. M. Perkins* (R)  
Bernard McCracken (R)  
Lunenburg — Stith Bolling (C)  
Madison — J. W. Walker, Jr. (C)  
Mathews — Henry Bell (C)  
Mecklenburg — Ross Hamilton* (R)  
George W. Young (R)  
Middlesex — L. C. Bristow (C)  
Montgomery — R. A. Miller (C)  
Nansemond — David Thayer (R)  
Nelson — W. L. Williams (C)  
New Kent — W. H. Brisby* (R)  
Norfolk City — H. M. Bowden (R)  
A. S. Seger (TR)  
Norfolk County and Portsmouth — A. L. Woodworth (R)  
C. E. Hodges* (R)  
E. B. Hollomon (R)  
Norfolk County — R. G. L. Paige* (R)  
Northampton — J. C. Toy (R)  
Northumberland — B. G. Haynie (C)  
Nottoway — G. H. Southall (R)  
Orange — David Pannill (C)  
Page — H. M. Keyser (C)  
Patrick — W. F. B. Taylor (TR)  
Thacker Rogers (C)  
Jesse Dungey* (R)  
Armistead S. Nickens* (R)  
E. S. Bishop (C)  
Re-elected  
George R. Head (C)  
Thomas S. Watson (C)  
Mathew G. Anderson (C)  
Re-elected  
Re-elected  
Gabriel C. Wharton (C)  
C. W. Lassiter (R)  
C. T. Smith (C)  
(combined with Charles City)  
Thomas R. Borland (C)  
Marshall Parks (C)  
Peter J. Carter* (R)  
James S. Gilliam (C)  
Re-elected  
W. R. Taliaferro (C)  
Re-elected  
James P. Critz (C)
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State Senate

(Under the 1871 Reapportionment Act, there was considerable redistricting of the State Senate. Under the new districts, as numbered below, senators for districts 1-20 were to be elected in 1871 and those in districts 21-40 were to be elected in 1873. Compare the districts below with those under the 1868 constitution, as listed on pages 204-207)

1. Loudoun, Alexandria, Fairfax and Prince William -- Thomas E. Taylor (C) (Re-elected from 1869-71 Senate)
   Henry W. Thomas (C)

2. Orange, Culpeper and Madison -- Daniel A. Grimsley (C) (Re-elected)

3. Fluvanna, Buckingham and Appomattox -- George J. Hundley (C)

4. Franklin and Henry -- James Patterson (C) (Re-elected)

5. Campbell -- Thomas J. Kirkpatrick (C)

6. Halifax -- Harmon D. Nutting (R)

7. Richmond City and Henrico -- John K. Connally (C)
   Alexander Q. Holladay (C)
   Thomas H. Wynne (C)

8. Nottoway, Lunenburg and Brunswick -- George W. Graham (R)
9. Petersburg, Prince George and Surry -- Roscoe G. Greene (R) (Re-elected)
10. Dinwiddie, Greensville and Sussex -- W. N. Stevens* (R)
11. Norfolk County and Portsmouth -- Matthew P. Rue (R)
12. Hanover and Caroline -- William D. Quesenberry (C)
13. Essex, King and Queen and King William -- Edmund W. Massey (R) (Re-elected)
14. Frederick, Clarke, and Warren -- George W. Ward (C)
15. Shenandoah and Page -- Gilbert S. Meem (C)
16. Augusta -- Alexander B. Cochran (C)
17. Alleghany, Roanoke, Botetourt and Craig -- William M. Lackland (C)
18. Carroll, Grayson and Wythe -- Abner W. C. Nowlin (C)
19. Lee, Wise and Buchanan -- Auburn L. Pridemore (C)
20. Scott and Russell -- John H. A. Smith (C)
21. Fauquier and Rappahannock -- Thomas N. Latham (C) (Holdover)
22. Stafford, Spotsylvania and Louisa -- Charles Herndon (C) (Holdover)
23. Albemarle and Greens -- Robert S. Beazley (C) (Holdover)
24. Amelia, Cumberland and Prince Edward -- John Robinson* (R) (Holdover)
25. Nelson and Amherst -- Thomas P. Fitzpatrick (C) (Holdover)
26. Pittsylvania -- Abner Anderson (C) (Holdover)
27. Bedford -- William R. Terry (C) (Holdover)
28. Charles City, James City, York, Warwick and Elizabeth City -- Daniel M. Norton* (R) (2-year term)
29. King George, Westmoreland, Richmond, Northumberland and Lancaster -- Meriwether Lewis (C) (Holdover)
30. Charlotte and Mecklenburg -- Albert P. Lathrop (R) (Re-elected)
31. Chesterfield, Goochland and Powhatan -- William T. Martin (R) (Holdover)
32. Nansemond, Isle of Wight and Southampton -- Samuel H. Boykin (C) (2-year term to replace W. L. Riddick, who had died)

33. Norfolk City and Princess Anne -- Walter H. Taylor (C) (Holdover)

34. New Kent, Gloucester, Mathews and Middlesex -- William K. Perrin (C) (Holdover)

35. Accomack and Northampton -- Abel T. Johnson (C) (Holdover)

36. Rockingham -- John E. Roller (C) (Holdover)

37. Rockbridge, Highland and Bath -- William A. Anderson (C) (Holdover)

38. Montgomery, Floyd and Patrick -- John E. Penn (C) (Holdover)

39. Giles, Pulaski, Bland and Tazewell -- James M. French (C) (Holdover)

40. Washington and Smyth -- James S. Greeser (C) (Holdover)

Replacements for 1871-73 House

None

Replacements for 1871-73 Senate

21. Fauquier and Rappahannock -- Benjamin F. Rixey (C) for Thomas N. Latham (C)

CHANGES IN 1873 ELECTION

House of Delegates

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<th>Final Session, 1872-73</th>
<th>First Session, 1874-75</th>
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<td>Albemarle -- J. C. Hill (C)</td>
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<td>Alexandria -- S. Chapman Neale (C)</td>
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<td>John B. Syphax* (R)</td>
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Alleghany and Craig — H. H. Robertson (C) John A. J. Lee (C)
Amelia -- McDowell Delaney* (R) Henry Hill* (R)
Amherst -- Hazel Williams (C) Henry Loving (C)
Amherst and Nelson -- Robert A. Cogbill (C) Re-elected
Appomattox -- Wyatt M. Elliott (C) Joel W. Flood (C)
Augusta -- Marshall Hanger (C) Re-elected
A. B. Lightner (C) Absalom Koiner (C)
Charles S. Roler (C) Alexander H. H. Stuart (C)
Bath and Highland -- Paul Lightner (C) Re-elected
Bedford -- Munford W. Radford (C) Granville L. Brown (C)
James L. Campbell (C) Re-elected
William F. Graves (C) Re-elected
Bland -- Thomas J. Munsey (C) Andrew J. Grayson (C)
Botetourt -- John B. Allen (C) Re-elected
Brunswick -- Joseph C. Russell (R) Robert H. Whittaker* (R)
Buchanan and Wise -- Meshack Ratliff (C) Morgan T. Lippe (C)
Buckingham -- J. H. Noble (R) Frank Moss* (R)
Campbell -- Robert C. Burkholder (C) A. J. Clarke (C)
Edward Irvine (C) H. Howard Withers (C)
William S. Nowlin (C) James Franklin, Sr. (C)
Caroline -- Samuel A. Swann (C) Re-elected
John D. Butler (C) John M. Hudgin (C)
Carroll -- Martin Dalton (C) Isaac Webb (C)
Charles City and New Kent -- W. H. Patterson* (R) Benjamin W. Lacy (C)
Charlotte -- John G. Brown (R) William R. Gaines (C)
Chesterfield -- William I. Clopton (C) Socrates Brooks (C)
John W. Walke (C) Re-elected
Clarke -- William G. Hardesty (C) H. L. D. Lewis (C)
Culpeper -- John R. Strother (C) Re-elected
Cumberland -- James Lipscomb* (R) Re-elected
Dinwiddie — William T. Perkins (R)  Charles G. Bickings (R)
Elizabeth City and  
Warwick -- Rufus S. Jones* (R)  Re-elected
Essex -- W. R. Wentworth (R)  John T. Hoskins (R)
Fairfax -- James Sangster (C)  Richard H. Cockerille (C)
Fauquier -- James V. Brooke (C)  Thomas Henderson (C)
  E. D. Kincheloe (C)  Bailey Shumate (C)
Floyd -- John B. Payne (C)  Joseph L. Howard (C)
Fluvanna -- A. A. Gray (C)  William D. Haden (C)
Franklin -- Silas G. Bernard (C)  Waddie T. James (C)  
  William Powell (C)  Re-elected
Frederick -- John F. Wall (C)  Robert W. Hunter (C)
  E. M. Tidball (C)  James H. Williams (C)
Giles -- John C. Snidow (C)  Samuel E. Lybrook (C)
Gloucester -- Warner T. Jones (C)  William B. Taliaferro (C)
Goochland -- Henry Turpin* (R)  Edmund S. Pendleton (C)
Grayson -- L. H. Bryant (C)  Peyton G. Hale (C)
Greene -- F. M. McMullan (C)  Re-elected
Greensville -- Peter K. Jones* (R)  Re-elected
Halifax -- Asa Coleman* (R)  H. Clay Harris* (R)  
  J. B. Stovall, Jr. (R)  Re-elected  
  John Freeman (R)  Matthew Clark* (R)
Hanover -- C. L. Thompson (C)  William R. Winn (C)  
  R. E. Gardner (C)  Re-elected
Henrico -- C. G. Minor (C)  Stephen N. Davis (C)  
  A. B. Cottrell (C)  T. W. Hoenninger (C)
Henry -- George W. Booker (C)  William W. Morris (C)
Isle of Wight -- John W. Lawson (C)  George H. Jordan (C)
King and Queen -- John N. Grasham (C)  William Hoskins (C)
King George -- Thacker Rogers (C)  Re-elected
King William -- Jessup Dungey* (R)  Phillip Gibson (C)
Lancaster -- Armistead S. Nickens* (R)  Re-elected
Lee — E. S. Bishop (C)  Thomas S. Gibson (C)
Loudoun — William Matthew (C)  Mathew Harrison (C)
    George R. Head (C)  John A. Carter (C)
Louisa — Thomas S. Watson (C)  George Turner (R)
    Mathew G. Anderson (C)  William P. Lucas* (R)
Lunenburg — Stith Bolling (C)  William A. Nash (R)
Madison — George Bouton (C)  Robert A. Banks (C)
Mathews — Thomas J. Christian (C)  C. A. Bohannon (C)
Mecklenburg — Ross Hamilton* (R)  Re-elected
    George W. Young (R)  Re-elected
Middlesex — L. C. Bristow (C)  Robert L. Montague (C)
Montgomery — Gabriel C. Wharton (C)  Re-elected
Nansemond — C. W. Lassiter (R)  Samuel H. Boykin (C)
Nelson — C. T. Smith (C)  A. B. Fitzpatrick (C)
Norfolk City — Thomas R. Borland (C)  William E. Foster (C)
    Marshall Parks (C)  Frederick S. Taylor (C)
Norfolk County — R. G. L. Paige* (R)  Re-elected
Northampton — Peter J. Carter* (R)  Re-elected
Northumberland — James S. Gilliam (C)  Stark Jett (C)
Nottoway — G. H. Southall (R)  J. P. Brady (R)
Orange — W. R. Taliaferro (C)  David Pannill (C)
Page — Henry M. Keyser (C)  William O. Yager (C)
Patrick — James P. Critz (C)  Re-elected
Petersburg — Joseph P. Evans* (R)  Godfrey May (R)
    John W. B. Matthews* (R)  James P. Goodwyn* (R)
Pittsylvania — W. T. Sutherlin (C)  William T. Clark (C)
    Langhorne Scruggs (C)  Re-elected
    George T. Berger (C)  William A. J. Finney (C)
Portsmouth — Samuel Watts (C)  Phillip G. Thomas (R)
Powhatan — Henry Cox* (R)  Re-elected
Prince Edward — Joseph Jorgenson (R)  Tazewell Branch* (R)
Prince George — William Gilliam* (R) Re-elected
Prince William — B. F. Lewie (C) George C. Round (C)
Princess Anne — Edward James (C) John L. Nash (C)
Pulaski — James A. Walker (C) J. B. Alexander (C)
Rappahannock — William G. Miller (C) Thomas G. Popham (C)
Richmond City — William Lovenstein (C) Re-elected
      James H. Dooley (C) Re-elected
      William S. Gilman (C) Re-elected
      John T. Brown (C) Joseph R. Anderson (C)
      Raleigh T. Daniel (C) Robert Ould (C)
Richmond County — W. W. Douglass (R) William W. Raines (R)
Roanoke — G. G. Fitzgerald (C) Henry E. Blair (C)
Rockbridge — William T. Poague (C) Charles Armentrout (C)
      William A. Donald (C) James D. Morrison (C)
Rockingham — George E. Deshale (C) E. J. Armstrong (C)
      C. T. O’Ferrall (C) T. N. Sellers (C)
Russell — Jack Carter (C) Re-elected
Scott — William P. Queen (C) James B. Richmond (C)
Shenandoah — James W. Smoot (C) John W. R. Moore (C)
      H. H. Riddlesberger (C) Re-elected
Smyth — N. C. St. John (C) Thomas H. Spratt (C)
Southampton — George E. Beaton (C) Re-elected
Spotsylvania — J. H. Kelly (C) J. Horace Lacy (C)
Stafford — J. B. T. Suttle (C) Gustavus B. Wallace (C)
Surry — C. P. Ramsdell (R) William McGonigal (R)
Sussex — J. H. Van Auken (R) Re-elected
Tazewell — Henry Bowen (C) William P. Cecil (C)
Warren — Samuel W. Thomas (C) John T. Lovell (C)
Washington — A. C. Cummings (C) Seldon Longley (C)
      Abram Fulkerson (C) Re-elected
Westmoreland — Fred Griffith (C) Re-elected
Wythe -- J. J. Graham (C)  Garland J. Holbrook (C)

York and
James City -- Robert Norton* (R) Re-elected

State Senate

Final Session, 1872-73

1. Loudoun, Alexandria, Fairfax and Prince
   William -- T. E. Taylor (C)  Holdover
   H. W. Thomas (C)  Holdover

2. Orange, Culpeper and
   Madison -- D. A. Grimsley (C)  Holdover

3. Fluvanna, Buckingham and
   Appomattox -- G. J. Hundley (C)  Holdover

4. Franklin and
   Henry -- James Patterson (C)  Holdover

5. Campbell -- T. J. Kirkpatrick (C)  Holdover

6. Halifax -- H. D. Nutting (R)  Robert L. Ragland (R)

7. Richmond City and
   Henrico -- J. K. Connally (C)  Holdover
   A. Q. Holladay (C)  Holdover
   T. H. Wynne (C)  Holdover

8. Nottoway, Lunenburg and
   Brunswick -- G. W. Graham (R)  Holdover

9. Petersburg, Prince George and
   Surry -- R. G. Greene (R)  Joseph P. Evans* (R)

10. Dinwiddie, Greensville and
    Sussex -- W. N. Stevens* (R)  Holdover

11. Norfolk County and
    Portsmouth -- M. P. Rue (R)  Holdover

12. Hanover and
    Caroline -- W. D. Quesenberry (C)  Holdover

13. Essex, King and Queen and King
    William -- E. W. Massey (R)  Holdover

14. Frederick, Clarke and
    Warren -- G. W. Ward (C)  Holdover
15. Shenandoah and  
Page — G. S. Maem (C) Holdover

16. Augusta — A. B. Cochran (C) Holdover

17. Alleghany, Roanoke, Botetourt and  
Craig — W. M. Lackland (C) Holdover

18. Carroll, Grayson and  
Wythe — A. W. C. Nowlin (C) Holdover

19. Lee, Wise and  
Buchanan — A. L. Pridemore (C) Holdover

20. Scott and  
Russell — J. H. A. Smith (C) Holdover

21. Fauquier and  
Rappahannock — B. F. Rixey (C) Lawson Eastham (C)

22. Stafford, Spotsylvania and  
Louise — Charles Herndon (C) Re-elected

23. Albemarle and  
Greene — R. S. Beazley (C) Re-elected

24. Amelia, Cumberland and Prince  
Edward — John Robinson* (R) Edgar Allen (R)

25. Nelson and  
Amherst — T. P. Fitzpatrick (C) Charles T. Smith (C)

26. Pittsylvania — Abner Anderson (C) Michael H. Clark (C)

27. Bedford — William R. Terry (C) Re-elected

28. Charles City, James City, York, Warwick and Elizabeth  
City — D. M. Norton* (R) John M. Dawson* (R)

29. King George, Westmoreland, Richmond, Northumberland and  
Lancaster — Meriwether Lewis (C) John Critcher (C)

30. Charlotte and  
Mecklenburg — A. P. Lathrop (R) Re-elected

31. Chesterfield, Goochland and  
Powhatan — W. T. Martin (R) Samuel F. Maddox (R)

32. Nansemond, Isle of Wight and  
Southampton — S. H. Boykin (C) John W. Lawson (C)

33. Norfolk City and Princess  
Anne — W. H. Taylor (C) Charles B. Duffield (C)
34. New Kent, Gloucester, Mathews and Middlesex — W. K. Perrin (C) Benjamin F. Bland (C)

35. Accomack and Northampton — A. T. Johnson (C) Louis C. H. Finney (C)

36. Rockingham — John E. Roller (C) Samuel H. Moffett (C)

37. Rockbridge, Highland and Bath — W. A. Anderson (C) John L. Eubank (C)

38. Montgomery, Floyd and Patrick — John E. Penn (C) Re-elected

39. Giles, Pulaski, Bland and Tazewell — J. M. French (C) Samuel H. Newberry (C)

40. Washington and Smyth — James S. Greever (C) Re-elected

Replacements for 1874-75 House

Chesterfield — G. W. Friend (C) for John W. Walke (C), unseated

Nansemond — Thomas H. Barnes (C) for Samuel H. Boykin (C)

Roanoke — C. M. Webber (C) for Henry E. Blair (C)

Sussex — Henry M. Lemmon (R) for J. H. Ban Auken (R)

Replacements for 1874-75 Senate

26. Pittsylvania — William T. Clark (C) for Michael H. Clark (C), died
APPENDIX C

VOTING RECORDS

Voting by individual members on the bill providing for the selling of the remainder of state railroad stock and on the Funding Bill is compiled below under the major geographical regions. Republicans are designated by an asterisk.

Tidewater


Against Funding Bill: House -- Bristow and Stubbs (2). Senate -- None.

Southside


Not Voting: House — *C. Perkins (1). Senate — None.


Piedmont


Against Selling Interest: House — Hill and J. W. Walker (2).


Against Funding Bill: House — Atlee, Bodeker, Henson, Hill, Massie, Pannill, Peatross, Thompson, H. Williams, W. L. Williams, and Winn (11). Senate — Fitzpatrick (1).


Shenandoah Valley


Against Selling Interest: House — Arnett, Cochran, Harnsberger, and J. Wall (4). Senate — None.


Against Funding Bill: House — Bradley, Campbell, A. Graham, Harnsberger, and Keyser (5). Senate — Roller (1).

Not Voting: House — Patton (1). Senate — None.

Northern Virginia


Against Selling Interest: House — Marshall (1). Senate — Snowden (1).

Not Voting: House — Strother (1). Senate — None.


Against Funding Bill: House — W. A. Bryant, Matthew, Strother, and Z. Turner (4). Senate — None.
Not Voting: House -- Marshall and *Seaton (2). Senate -- None.

Southwest Virginia


Against Selling Interest: House -- Bowen, L. H. Bryant, Horton, Lindsey, McCaul, McDonald, Smith, Terry, W. J. Wall, and Woodson (10). Senate -- French, Greaver, and Kendrick (3).

Not Voting: House -- Buchanan, Chase, and Davis (3). Senate -- Davis and Penn (2).

For Funding Bill: House -- Mahood, McCaul, R. A. Miller, Terry, and W. J. Wall (5). Senate -- Pendleton (1).


Not Voting: House -- L. M. Bryant and Davis (2). Senate -- None.
NOTES

Chapter I

1. *American Annual Cyclopaedia and Register of Important Events* (New York, 1870), V, 815.

2. *Ibid.*, 816. The "Restored Virginia Government" was set up in Wheeling in 1861 by loyal Union men who refused to go along with secession, and was recognized by President Lincoln as the legal government of the Old Dominion. When West Virginia was organized into a separate state, the Restored Government moved to Alexandria. It remained there the remainder of the war, but represented primarily Union-occupied areas of Northern Virginia, Norfolk, and—for a while—the Eastern Shore.

3. *Journal of the House of Delegates* (Richmond, 1865), 1865, 3-11; *Journal of the Senate of Virginia* (Richmond, 1865), 1865, 3.


5. Hamilton James Eckenrode, *The Political History of Virginia During the Reconstruction* (Baltimore, 1904), 37. Johnson's May 29 proclamation granted amnesty, with stipulated exceptions, to persons who would take an oath swearing to support the U. S. Constitution and the Union henceforth.


12 Richard Grady Lowe, "Republicans, Rebellion, and Recon-

13 Eckenrode, Reconstruction, 48.

14 Jack P. Maddex, Jr., The Virginia Conservatives (Chapel Hill, 1970), 42.


16 Lowe, "Republicans," 220.

17 Eckenrode, Reconstruction, 46.

18 Ibid., 49.


21 Maddex, Conservatives, 48; W. H. T. Squires, Unleashed at Long Last (Portsmouth, Va., 1939), 217.

22 Military Orders, 1867-68, General Orders No. 34, June 3, 1867. Virginia State Library.

23 Commager, ed., Documents, 488.


25 Military Orders, 1869-70, Memorandum, Dec. 20, 1869, 7. Virginia State Library. These figures were taken from the official revision of the lists of voters, and thus differ slightly from figures given in other sources.


27 Eckenrode, Reconstruction, 69-70.

28 Ibid., 77-78; Lowe, "Republicans," 270-71.

29 Maddex, Conservatives, 52.

31 Ibid.

32 J. N. Breneman, A History of Virginia Conventions (Richmond, 1902), 73. The Richmond Dispatch of April 20, 1868, claimed that the delegates included 65 Radicals, 35 conservatives, and "the remainder doubtful."

33 Ibid. The Dispatch article of April 20, 1868, listed only 14 Radicals as native-born white Virginians. Thirteen were listed from New York; five from other Northern states; one each from Maryland, South Carolina, and the District of Columbia, and six from foreign countries.


35 Eckenrode, Reconstruction, 85.

36 Maddex, Conservatives, 56.

37 James M. Matthews, Digest of the Laws of Virginia (Richmond, 1871), 13-55.

38 Eckenrode, Reconstruction, 101-102.


40 Ibid., General Orders No. 36, April 4, 1868. Virginia State Library. The governor's name was spelled both "Pierpont" and "Pierpoint" at the time, but generally is given the former spelling by modern historians.

41 Ibid.

42 Eckenrode, Reconstruction, 104; Squires, Unleashed, 327.


44 Eckenrode, Reconstruction, 107.

45 Maddex, Conservatives, 61.


59. Cahill, "Walker," 5-6, 8-10; Squires, *Unleashed*, 392.


63 Lowe, "Republican," 341; Eckenrode, Reconstruction, 120.

64 American Cyclopaedia, IX, 710.

65 Ibid., Military Orders, 1869-70, General Orders No. 52, April 22, 1869. Virginia State Library.

66 Eckenrode, Reconstruction, 122-23.

67 R. E. Withers, Autobiography of an Octogenarian (Roanoke, 1907), 276.

68 American Cyclopaedia, IX, 712.

69 Ibid., 713.


72 American Cyclopaedia, IX, 713.


74 Sara K. Gilliam, Virginia's People: A Study of the Growth and Distribution of the Population of Virginia from 1607 to 1943 (Richmond, 1944), 38.

75 Military Orders, 1869-70, Memorandum, Dec. 20, 1869, 3-7. Virginia State Library. The counties changing from black to white majorities were Gloucester, Hanover, Middlesex, Nelson, and Westmoreland. King George County changed from a white to a black majority.

76 Ibid., Memorandum, Aug. 18, 1869, 7.

77 One plan was to pay blacks extra wages to work on election day, thus keeping them away from the polls. Robert Boling Poore, a successful Conservative candidate for the House of Delegates from Appomattox County (which had a majority of registered black voters), wrote to William Mahone that "some of my relations have determined to pay as high as $15.00 a head for that day's labor. I will be able to use $75 to $100--more than I have distributed--to same purpose. My plan is to give so much to some responsible and reliable man in each neighborhood and tell him to see his neighbors and get each man to supply the hands
on his farm to stay and work that day." R. B. Poore to William Mahone, June 24, 1869. McGill Family Papers, Alderman Library, University of Virginia.

78 Military Orders, 1869-70, Memorandum, Aug. 18, 1869, 7. Virginia State Library.

79 Ibid., 5.

80 Ibid. The Third District consisted of the city of Richmond and the counties of Amelia, Charles City, Chesterfield, Cumberland, Goochland, Hanover, Henrico, New Kent, and Powhatan.

81 Matthews, Digest, 26-31.

82 Julian A. C. Chandler, Representation in Virginia (Baltimore, 1896), 76-77. The prewar Virginia legislature of 1859-61 was composed of 162 members in the House and 50 in the Senate. The 1865-67 Assembly, minus the counties which had been formed into the state of West Virginia, consisted of 100 delegates and 33 senators.


84 A few men listed as True Republicans on one contemporary list were listed as Radicals or as conservatives on others.

85 The Richmond Daily Dispatch of July 22, 1869, listed 95 Conservatives (including True Republicans) and 41 Radicals in the House, with two seats doubtful, and 30 Conservatives and 13 Radicals in the Senate; The Old Commonwealth of Harrisonburg of July 23, 1869, listed 95 Conservatives (including True Republicans) and 42 Radicals in the House, with one seat contested, and 30 Conservatives and 13 Radicals in the Senate; the American Cyclopædia, IX, 713, lists 95 Conservatives (including True Republicans) and 42 Radicals in the House, with one seat contested, and 30 Conservatives and 13 Radicals in the Senate.

86 The black members were designated in the lists in the Richmond Daily Dispatch of July 22, 1869, and The Old Commonwealth (Harrisonburg) of July 23, 1869.

87 The black Conservatives were Isaac Edmundson and Alexander Owen of Halifax County, and Frederick S. Norton of James City County and Williamsburg. None was re-elected in 1871, and no black candidate appears to have run for the General Assembly on the Conservative ticket after 1869.
Chapter II

1 Richmond Daily Dispatch, Oct. 5, 1869.


3 Ibid., 4.

4 Ibid., 6.

A number of sources were used in compiling the legislative backgrounds of the members of the 1869-71 General Assembly. The primary one was Earl G. Swem and John W. Williams, eds., A Register of the General Assembly of Virginia 1776-1918 and of the Constitutional Conventions (Richmond, 1918). Three members of the House and one of the Senate with legislative experience also had served in the 1867-68 constitutional convention, making a total of 15 delegates and 10 senators with service in the recent convention.

There also were two True Republicans in the House who had served in the 1867-68 constitutional convention.
Information concerning black members of the 1867-68 constitutional convention was taken primarily from J. N. Breneman, *A History of Virginia Conventions* (Richmond, 1902), 74-76; and from Swem and Williams, *Register*, 249-50.

Two black members died during the 1869-71 session. One was replaced by another Negro and the other by a white man.

Black members made up about 17 per cent of the House membership and 14 per cent of the Senate membership.

The 1871-73 General Assembly, reduced by six seats as a result of reapportionment, included only 20 black members—or about 12 per cent of the total. The 1874-75 Assembly included 22 black members, or about 13 per cent of the total, but black membership steadily declined after that until there were no black members by the middle 1890s.


*American Cyclopaedia*, IX, 493.

Ibid.

Ibid., 664. Tennessee had 20 Democrats and 5 Republicans in the Senate, and 66 Democrats and 17 Republicans in the House.


A good example of the lack of influence of prewar political leaders in Virginia by the mid-1870s is the case of Robert L. Montague. Montague had served in the House of Delegates in 1850-51; was lieutenant governor in 1860-63; presided over the 1861 convention; and served in the Confederate Congress. In 1873 he was returned to the House of Delegates by the voters of Middlesex County for the 1874-75 term. During that term, he received a query from William B. Taliaferro about the possibility of seeking the General Assembly's election of a U. S. senator. Montague replied: "I am no candidate and don't want the place. I feel, if I live out my present term in the legislature that, my public life will close. I have lost all the little influence I ever had and I have no hopes of further promotion. There are others who claim every thing I might aspire
to, and they have the influence of the leaders."

The sampling was made from a variety of sources, primarily secondary, but including some information from the 1870 Virginia census on microfilm in the Virginia State Library. The secondary sources that were particularly helpful were local and county histories and biographical sketches of prominent men of the late 19th century.

There were a few men in the 1869-71 General Assembly who could be called carpetbaggers in the sense that they had come to Virginia for economic or political advantage after the war, but the number was small. The best study concerning this aspect is Richard Grady Lowe, "Republicans, Rebellion, and Reconstruction: The Republican Party in Virginia, 1856-1870," (University of Virginia Ph.D. Dissertation, 1968).

Most of the background information on the black members of the General Assembly in the 1869-75 period was taken from Luther P. Jackson, Negro Office-Holders in Virginia 1865-1895 (Norfolk, 1945). Other secondary sources and, in a few cases, contemporary newspapers also were helpful.

Information available on 27 black members showed that at least 20 of them were literate, and a few had had considerable education.

The three were Delegates Luther Lee, Jr., of Norfolk County and Portsmouth, James C. Toy of Northampton County, and David B. White of Elizabeth City and Warwick counties. All had settled in Virginia at the close of the war and had served as delegates to the 1867-68 constitutional convention. Lowe, "Republicans," 219, 291; Richard Grady Lowe, "Virginia's Reconstruction Convention," The Virginia Magazine of History and Biography, Vol. 80, No. 3 (July, 1972), 347, 355, 358.

The sampling included Radicals, Conservatives, and True Republicans, and both black and white members.

The median was 43 for senators and 38 for delegates.

Radicals averaged 39.5 years to 38.7 for Conservatives, with a median of 40 for Radicals and 38 for Conservatives. Black members of both houses averaged 40.3 years of age, with a median of 39. Ages were available for only three True Republicans, with an average of 47 and a
median of 49. Many of the True Republicans were old
Unionists who had participated in the wartime "Restored
Government of Virginia."

25 With office-holding qualifications clarified and eased by
the time of the elections of 1871 and 1873, a number
of prewar political leaders returned in the 1871-73
and 1874-75 legislatures. Thirteen men who had served
in antebellum legislatures were elected as new members
of the 1871-73 General Assembly, and 18 more were
elected as new members of the 1874-75 legislature.
With few exceptions, however, their influence was not
as extensive as that of men who had entered politics
after the war—particularly those with Confederate
backgrounds.

26 These two sections held 69 of the 138 House seats and 22 of
the 43 Senate seats.

27 The 1871 reapportionment reduced the House from 138 to 132
seats, leaving the Senate with 43. There also was some
redistricting. In the 1871-73 General Assembly, Tide-
water and Southside Virginia held 62 seats in the House
and 20 in the Senate, while the Valley and Southwest
Virginia increased their totals from 32 House and 10
Senate seats in 1869-71 to 34 and 12 in 1871-73.

28 See Sara K. Gilliam, Virginia's People: A Study of the
Growth and Distribution of the Population of Virginia
from 1607 to 1943 (Richmond, 1944), 89, for Virginia's
population distribution at the time.

29 Belle Zeller said a ratio of one senator to three represen-
tatives is desirable. Belle Zeller, ed., American

30 Malcolm E. Jewell, The State Legislature: Politics and
Practice (New York, 1962), 104; John C. Wahlke and
Heinz Eulau, eds., Legislative Behavior (New York,
1959), 281-82.

31 David L. Pulliam, The Constitutional Conventions of Virginia
(Richmond, 1901), 145; Col. Raymond E. Dixon, ed.,
Register of Former Cadets Virginia Military Institute
(Lexington, Va., 1957), 369; John H. Gwathmey, Twelve
Virginia Counties (Richmond, 1937), 397.

32 Louise Pecquet du Belle, Some Prominent Virginia Families
(Lynchburg, 1907), II, 645-46; George W. Rogers,
Officers of the Senate of Virginia 1776-1956 (Richmond,
1959), 52; William H. Gaines, Jr., Biographical
Register of Members Virginia State Convention of 1861
(Richmond, 1969), 52-53.
Fulkerson, a 35-year-old Washington County lawyer, was a graduate of Virginia Military Institute and a Confederate veteran. He served in the General Assembly most of the period between 1871 and 1887, and served one term in Congress as a Readjuster. Lewis Preston Summers, History of Southwest Virginia, 1746-1786, Washington County 1777-1870 (Baltimore, 1966), 762.

Abram Fulkerson to William Mahone, July 8, 1869. McGill Family Papers, Alderman Library, University of Virginia, Charlottesville, Va.

See the McGill Family Papers, Alderman Library, for March through July, 1869, especially James W. Lewellen to William Mahone, March 29; F. B. Hurt to Mahone, April 22; James L. Kemper to Mahone, June 5; Edgar Allen to Mahone, June 15; Robert B. Poore to Mahone, June 24; and John A. McCaull to Mahone, July 6.

See the McGill Family Papers, Alderman Library, for July through October, 1869, especially John Marye to William Mahone, July 8; Anthony M. Keiley to Mahone, July 15 and Sept. 22; C. T. Crittenden to Mahone, July 24; George K. Gilmer to Mahone, Sept. 10 and Sept. 30; and James W. Lewellen to Mahone, Sept. 10 and Sept. 20.

Abram Fulkerson to William Mahone, Sept. 11, 1869. McGill Family Papers.

James W. Lewellen to William Mahone, July 12, 1869. McGill Family Papers.


Blake, Mahone, 111.


George K. Gilmer to William Mahone, Sept. 10, 1869. McGill Family Papers. Gilmer, a newspaper editor in Staunton and Harrisonburg in the 1850s and 1860s, had become proprietor of Marion Hill Vineyards in


45 Dr. R. A. Brock and Prof. Virgil A. Lewis, Virginia and Virginians (Richmond and Toledo, 1888), II, 778.


52 E. Griffith Dodson, Speakers and Clerks of the Virginia House of Delegates 1776-1955 (Richmond, 1956), 143; Journal of the House of Delegates (Richmond, 1870), 1869-70, 22.

53 Dodson, Speakers, 91, 143; Dixon, Former Cadets, 370.

54 Francis Earle Lutz, Chesterfield: An Old Virginia County (Richmond, 1954), 273; Cappon, Newspapers, 178-79; Lowe, "Republicans," 290.

55 House Journal, 1869-70, 22.


57 Ibid., 37; Journal of the Senate of Virginia (Richmond, 1870), 1869-70, 27-28.

58 House Journal, 1869-70, 38, 45; Senate Journal, 1869-70, 29.
Chapter III


2Ibid., 11-12.

3Ibid., 13-14.

4Ibid., 14.

5Ibid., 24.

6Ibid., 31.

7This was Thomas C. Parramore of Accomack, who had served in the House in 1863-65.


21 The number of white and black schools was 3,442 and 1,230 respectively in 1877, but dropped to 1,816 and 675 by 1879 as a result of lack of funds. Wynes, Race Relations, 129.

22 The Norfolk and Petersburg consisted of 81 miles of track between those cities. The South Side operated 123 miles of main line from Petersburg to Lynchburg, with a branch line of more than nine miles from Petersburg to City Point. The Virginia and Tennessee consisted of 204 miles of main line track from Lynchburg to Bristol, plus a branch line of about nine miles.


27 Blake, Mahone, 80; Smith, "Virginia Reconstruction," 248.

28 Blake, Mahone, 88.


30 For details of these unsuccessful moves, see Blake, Mahone, 91, 101; Stover, Railroads, 67; and Hamilton James Eckenrode, The Political History of Virginia During the Reconstruction (Baltimore, 1904), 117-18.

31 Details of this movement can be found in Maury Klein, The Great Richmond Terminal (Charlottesville, 1970), 61-62; and Stover, Railroads, 101-105.


33 Stover, Railroads, 67.


Joseph Segar to William Mahone, April 17, 1870. McGill Family Papers.

Segar's confidante predicted that 15 Conservatives would vote for the consolidation measure and 15 would vote against it in the Senate. The vote, taken a month and a half later, showed 15 Conservatives opposing the measure and 14 voting for it, with one abstaining. Senate Journal, 1869-70, 477.


There were no True Republicans in the Senate.

These figures are my own breakdown by parties based on the voting as listed in the Senate Journal, 1869-70, 477, and the House Journal, 1869-70, 521.

The Old Commonwealth, June 15, 1870.

Blake, Mahone, 118.

Mahone's wife was named Otelia.

Walker reported the amount of stock held by the state as: Norfolk and Petersburg, $1,341,341; South Side, $1,883,500; Virginia and Tennessee, $3,755,000; and Virginia and Kentucky, $103,438. The governor said the state-held stock in the Virginia and Kentucky "is at present valueless," and that proposed railroad was never constructed. Walker Papers, 35-37, 39-40.


Richmond Daily Dispatch, July 12, 1870.

B. U. Ratchford, American State Debts (Durham, 1941), 183; Annual Reports, 1870-71, 5.

Walker Papers, 105-106.

Ibid., 106.

Ibid., 106.

Annual Reports, 1870-71, 7.


54. Ratchford, American Debts, 88.


56. Stover, Railroads, 29.


61. Ibid., 283.

62. Ibid.


65. Ratchford, American Debts, 155.


67. Ibid., 97-98; McGrane, Bondholders, 364.

68. Ratchford, American Debts, 183.
69 Charles C. Pearson, The Readjuster Movement in Virginia
(New Haven, 1917), 9-10; Bruce, Rebirth, II, 139.

70 Wilbur Devereux Jones, ed., "A British Report on Postwar
Virginia," The Virginia Magazine of History and
Biography, Vol. 69, No. 3 (July, 1961), 347.


73 Ibid., 805.

74 Walker Papers, 46.

75 Moger, "Railroad Practices," 425; Stover, Railroads, 54.

76 Wright, "Railroad Transportation," 84.

77 House Journal, 1866-67, 12.

78 Acts of Assembly, 1869-70, 184.

79 Ibid.

80 Ibid., 438-39. There also was a provision that the payments
could be anticipated at the company's option.

81 Stover, Railroads, 108.

82 Blake, Mahone, 120; Moger, "Railroad Practices," 439.

83 First Annual Report of The Railroad Commissioner of the
State of Virginia (Richmond, 1877), 48, 141.

84 Stover, Railroads, 105-107.

85 Ibid., 109.

86 Walker Papers, 42.

87 Mahone was successful in getting provisions included in
the bill protecting connections between the A. M. and D.
and the Richmond and Danville, but he apparently had
no major complaint against the selling of the state's
stock at the time. See Senate Journal, 1869-70,

88 The Enquirer had opposed Mahone's consolidation plan in
1870, and its continued opposition to Mahone attracted
the Pennsylvania Railroad interests. The paper was
purchased by Pennsylvania interests in 1871 and was
reorganized under Richmond businessmen. See Cappon,
Newspapers, 27, 171.


93 *Shenandoah Valley*, Nov. 4, 1869.

94 Ibid., March 2, 1871.

95 Richmond *Daily Whig*, Feb. 21, 1871.

96 Richmond *Enquirer*, March 10, 1871. The *Enquirer* was referring to an agreement signed four days earlier by the state and the president and representatives of the Richmond and Petersburg. Under the agreement, the Board of Public Works was directed to sell to the Richmond and Petersburg the state stock in that road at the rate of $150 per share. Par value of the stock was $100. The agreement was included in the bill providing for the sale of all state stock, despite later efforts by Mahone to substitute an agreement with the A. M. and O. to pay $200 per share. See *Acts of Assembly*, 1870-71, 299, and *Senate Journal*, 1870-71, 308-309.

97 Richmond *Daily Dispatch*, March 9, 1870.

98 Ibid., Feb. 1, 1871.


*Richmond Daily Whig*, Feb. 28, 1871.


*Richmond Enquirer*, March 17, 1871. This paper voiced the sentiments of the Pennsylvania Railroad interests.


Blake, *Mahone*, 130; William Wirt Henry and Ainsworth R. Spofford, *Eminent and Representative Men of Virginia and the District of Columbia* (Madison, 1893), 510-11; Stover, "Railroad Receivership," 47-49. The half-million dollars was paid to the state, with $400,000 going to public free schools and $100,000 for the building of the Colored Normal Institute at Petersburg.

John B. Mordecai, *A Brief History of the Richmond, Fredericksburg and Potomac Railroad* (Richmond, 1941), 80.
ClMotes to pages 87-91*3 246

Mordecai, R. F. and P., 7, 80. The General Assembly authorized subscription to two-fifths of the R. F. and P. capital stock in 1835. The state bought 2,752 shares, 48 less than two-fifths, for $275,200. The cash and stock dividend totals of 1939 had accumulated over a period of 104 years.

Shenandoah Valley, Nov. 16, 1871.

Walker Papers, 42-43.

House Journal, 1874 (Document No. 6), 29.

Pearson, Readjuster, 31; Ratchford, American Debts, 200.

Annual Report of Railroad Commissioner, 1877, 48. This included $2,013,987 in the C. and O., $1,017,248 in the Washington and Ohio, and $275,200 in the R. F. and P. The C. and O. and Washington and Ohio stock ultimately was sold.

Ibid. The Richmond and Danville still owed the state $508,486 in 1877, but this debt was settled in 1884. House Journal, 1885-86 (Document No. 8), 2.

See page 68.

Edgar Sydenstricker, A Brief History of Taxation in Virginia (Richmond, 1915), 30-32; Joseph A. Greene, Jr., "A Critical Investigation of Virginia's System of Taxing Railroads," (University of Virginia Ph.D. Dissertation, 1951), 13; Report of the Auditor of Public Accounts to the General Assembly, 1875 (Richmond, 1875), 9. The Chesapeake and Ohio and the Richmond and Danville were among the railroads claiming exemption from taxation under their charters.

Acts of Assembly, 1870-71, 175.

Sydenstricker, Taxation, 38.

Ibid., 40.


Ibid.

Richmond Daily Dispatch, Sept. 4, 1871.
Chapter IV


2 William A. Scott, The Repudiation of State Debts (New York and Boston, 1893), 276; Emory Q. Hawk, Economic History of the South (New York, 1934), 447.


5 Ibid., 37.

6 Ibid., 47.

7 Richmond Daily Dispatch, March 9, 1870.

8 Ibid., Dec. 8, 1870.

9 Richmond Enquirer, Feb. 14, 1871.

10 Ibid., Feb. 21, 1871.

11 Richmond Daily Whig, March 14, 1871.

12 Ibid., March 18, 1871.

13 Ibid., March 20, 1871.

14 Pearisburg Gazette, Feb. 6, 1871.

15 William C. Pendleton, Political History of Appalachian Virginia 1776-1927 (Dayton, Va., 1927), 295-96.

16 Shenandoah Valley, Feb. 16, 1871.

17 Walker Papers, 109.


19 B. U. Ratchford, American State Debts (Durham, 1941), 228.


22 McGrane, Bondholders, 366.
24 Randall, "Debt Controversy," 558; Robertson, Stuart, 328.
26 Ambler, West Virginia, 319-20, 565.
27 Journal of the Senate of Virginia (Richmond, 1871), 1870-71, 14.
28 Ibid., 15.
29 Ibid.
30 Ibid.
31 Ibid.
33 Richmond Daily Dispatch, Dec. 15, 1870.
35 Ibid., 34. Pendleton, a Conservative, was a 47-year-old lawyer from Botetourt County and was an ex-Confederate colonel.
36 Ibid., 35. Waddell, a Conservative and chairman of the Finance Committee, was a 47-year-old former Whig who had served in the House of Delegates in 1865-67 and in the 1867-68 constitutional convention. At the time of his Senate service, he was deputy clerk of the Virginia Supreme Court at Staunton.
37 Ibid., 44. Snowden, along with his father, was co-editor of the Alexandria Gazette.
38 Ibid., 46-47.
39 Ibid.
The resolution was passed by the Senate, 31-4, on Jan. 11 after some modifications. Pendleton was one of those opposing it. It passed the House easily on Jan. 30 after three minor amendments. On Feb. 8 the Senate accepted the House amendments by 23-9. *Senate Journal, 1870-71*, 93, 144, 153, 168; *House Journal, 1870-71*, 99-100, 104, 150.


Ibid.

Randall, "Debt Controversy," 558.


Ibid.

Ibid.

Ibid., 121.


Senate Journal, 1870-71, 16-17.

Ibid., 16.

Ibid.

Ibid.

Ibid.

Walker Papers, 48, 55.

Ibid., 56.

Edmund Pendleton, a state senator in the 1869-71 Assembly, wrote to the Richmond Dispatch in 1875 that Walker did not have access to the returns of the 1870 census, or of the township assessors, and that "if he overestimated the financial resources and taxable values
of the Commonwealth it was because of insufficient data and for the laudable end of persuading the Legislature and people of Virginia to the scrupulous observance of their traditional good faith." Thomas Branch & Co., *Is Virginia Bankrupt?* (Richmond, 1875?), 25.


60 *Senate Journal, 1870-71* (Document No. 2), 3. The value of slaves as taxed was listed as $81,957,000.

61 Ibid., 4.


63 Audrey Marie Cahill, "Gilbert Carleton Walker: Virginia's Redeemer Governor," (University of Virginia M.A. Thesis, 1956), 93, 137.

64 Pendleton, *Appalachian Virginia*, 297-98.

65 Hancock, *Massey*, 44.

66 Charles T. O'Ferrall, *Forty Years of Active Service* (New York and Washington, 1904), 197.


68 In the 1870-72 period, Walker had considerable national political ambitions, setting his sights on a vice presidential nomination for the 1872 campaign. Cahill, "Walker," 117-26.


71 Edgar Sydenstricker, *A Brief History of Taxation in Virginia* (Richmond, 1915), 52. Virginia had taxed individual incomes with varying exemptions since 1843. The Underwood Constitution of 1868 permitted a tax on incomes in excess of $600.

72 *House Journal, 1874-75* (Document No. 1), 24.
Notes to pages 111-115

73 Acts of Assembly, 1871-72, 516.

74 For motives of the legislators who supported funding legislation, see Frank G. Ruffin, The Judicial Usurpation of Judge Hugh L. Bond (Richmond, 1885), 17; O'Farrell, Forty Years, 193; Pearson, Readjuster, 26-27, 30; Lester J. Cappon, Virginia Newspapers 1821-1935 (New York and London, 1936), 28; and Branch & Co., Bankrupt, 23-27.

75 Former Governor Henry A. Wise was the most outspoken of the prewar leaders about the Funding Bill while it was before the General Assembly. James L. Kemper also believed passage of such a bill at the time was too precipitate, but he did not make his views known publicly until later. Jack P. Maddex, Jr., The Virginia Conservatives 1867-1879 (Chapel Hill, 1970), 233-35; Allen W. Moger, Virginia: Bourbonism to Byrd 1870-1925 (Charlottesville, 1968), 22.

76 Senate Journal, 1869-70, 160.

77 Ibid.

78 Ibid.

79 Senate Journal, 1870-71, 16.

80 Ibid., 46.

81 Ibid., 174.

82 Hanger served as speaker from 1871 to 1877. Charles T. O'Ferrall called him "as fine a parliamentarian as I have ever seen." O'Ferrall called Cochran "one of the brainiest men in the Commonwealth and a speaker of great power." O'Ferrall, Forty Years, 196.

83 Senate Journal, 1870-71, 32.

84 See page 101.


86 Ibid., 42. This was the auditor's report mentioned on pages 108-109. Fitzpatrick eventually voted against the Funding Bill. A native of Nelson County, he was a 44-year-old lawyer and businessman. Richard L. Morton, History of Virginia (6 Vols., Chicago and New York, 1924), V, 221.

87 Senate Journal, 1870-71, 46, 157. Johnson, a Conservative and funder, was a 40-year-old Accomack County lawyer.

88 *Senate Journal*, 1870-71, 56.


91 *Ibid.*, 253. Among the matters being discussed by the Senate at this time were the measure for selling the remainder of the state's railroad stock, the reapportionment bill, and voting for a new United States senator.


97 See Appendix A for a breakdown of counties included in Virginia's geographical regions.


100 *House Journal*, 1870-71, 325.


House Journal, 1870-71, 365. A funder, Southall was the son of the prominent Valentine Wood Southall and younger brother of James C. Southall, a famous scholar and editor who was editor-in-chief of the Richmond Enquirer from 1868 to 1872. James P. C. Southall, "Concerning the Southalls of Virginia," The Virginia Magazine of History and Biography, Vol. XLV, No. 3 (July, 1937), 294-96.

Turner, who represented Rappahannock County, was considered a Conservative although he had many Republican connections and later officially became a member of that party. A 58-year-old native of Culpeper County, he was an attorney and gentleman farmer. He never married. Turner voted for the bill to sell the state's railroad stock, but voted against the Funding Bill. E. Griffith Dodson, Speakers and Clerks of the Virginia House of Delegates 1776-1955 (Richmond, 1956), 91, 143.

Zephaniah Turner, Funding the State Debt (Richmond, 1871), 1.

Turner, Funding, 3.

Virginia's population in 1860 was 1,596,318, of which 376,688 resided in the counties which formed West Virginia. The 1870 populations for the two states were 1,225,163 and 442,014 respectively. Historical Statistics of the United States (Washington, 1960), 13.

Turner, Funding, 5.

Ibid., 3-4. This argument would have been valid only if Virginia, or the Confederacy, had attained status as an independent country.

Ibid., 4.

Ibid., 5.


Ibid.

Ibid., 371-72.

Turner, Funding, 5.

Ibid., 12.
119 Turner, Funding, 13.

120 Ibid., 8.

121 Ibid., 9.

122 Senate Journal, 1870-71, 15.

123 Ibid.

124 William L. Grenoble, "A History of the Virginia State Debt," (University of Virginia M.A. Thesis, 1937), 42, said a considerable share of the Virginia debt always had been held abroad. Bradley T. Johnson, Report on the Public Debt of Virginia to the Senate (Ashland, Va., 1889), 12, pointed out that $80,000,000 had been spent to construct the 1,450 miles of completed railroads existing in Virginia in the 1870s. Johnson said the commonwealth had contributed $18,454,079.29 of this total, with private subscriptions by citizens of the state raising another $12,300,000. The remaining $49,250,000 was contributed by "foreign capital."

125 Pearisburg Gazette, Jan. 13, 1871.

126 Grenoble, "Virginia Debt," 52.

127 Hancock, Massey, 44.

128 The auditor of public accounts reported that during fiscal 1866, when the heaviest selling appears to have occurred, 4,912 state bonds worth $7,248,293 par value changed hands in the open market at prices averaging 34 3/4 to 43 1/4. Jennings, "Fiscal History," 202.


130 Turner, Funding, 14. A Conservative, Guy had been elected to the House on Dec. 9, 1870, to replace the newly elected mayor of Richmond, Anthony M. Keiley. Guy, a 38-year-old native of Louisa County, was a Richmond attorney and a former Confederate army officer. He had served in the State Senate in 1863-65. Morton, Virginia History, IV, 200-201; Richmond Dispatch, Dec. 9, 1870; House Journal, 1870-71, 34.

131 Turner, Funding, 14.

132 Ibid., 15.

133 Ibid., 16.


136. *Ibid.*, 377-78. Graham, a Conservative, entered the House in 1870 as a replacement for William McLaughlin, who had resigned to accept a judgeship. A Lexington physician, Graham was a Washington College (now Washington and Lee) alumnus and had served in the House in 1865-67. He voted for the bill to sell the state's remaining railroad interest, but was a leading critic of the Funding Bill. William H. Ruffner, *The Lyle Chapter in the History of Washington and Lee University* (Baltimore, 1892), 154-55.

137. *House Journal*, 1870-71, 385. Daniel, later famous as a long-time U. S. senator from Virginia, was at this time a 28-year-old Lynchburg attorney. A Conservative, he was a former Confederate army officer and was lame as a result of a wound received in the battle of The Wilderness in May, 1864. The "Lame Lion of Lynchburg" was bitterly anti-Mahone and in later years was a leading Funder. Lyon G. Tyler, ed., *Men of Mark in Virginia* (Washington, 1906), I, 224, 227-29; Sylvia D. Vecellio, "John Warwick Daniel: Lame Lion of Lynchburg," (University of Virginia M.A. Thesis, 1950), 68, 75.


140. Article X, Section 11 of the 1868 constitution required a majority of elected members of each house to pass any act "which imposes, continues or revives any appropriation of public or trust money or property. . . ." James M. Matthews, *Digest of the Laws of Virginia* (Richmond, 1871), 50. This required 69 favorable votes in the 1869-71 House and 22 in the Senate. For charges that the recess was instrumental in changing votes, see Cahill, "Walker," 92-93; Richard L. Morton, *The Negro in Virginia Politics 1865-1902* (Charlottesville, 1919), 83; Ruffin, *Judicial Usurpation*, 18; and W. H. T. Squires, *Through Centuries Three* (Portsmouth, Va., 1929), 514.


142. Fifteen persons who voted against the pending question on passage in the afternoon voted for the Funding Bill that night. Four persons—all Conservatives—who had
voted for the pending question in the afternoon voted against the measure that night.

143 Winn, a Hanover County lawyer, voted for the bill to sell the state's railroad interest but opposed the Funding Bill. He was chairman of the Committee on Retrenchment and Economy. A Conservative, Winn was one of the six delegates who voted against the 14th Amendment in 1869.

144 House Journal, 1870-71, 387.

145 Ibid.

146 A doctor, Taylor had served as an examining surgeon for the Confederate government during the Civil War. Morton, Virginia History, VI, 573; Virginia G. and Lewis G. Pedigo, History of Patrick and Henry Counties Virginia (Roanoke, 1933), 271.

147 The only Tidewater delegates voting against the Funding Bill were James N. Stubbs of Gloucester and L. C. Bristow of Middlesex, both Conservatives. Both were 31-year-old lawyers. Stubbs had opposed consolidation but had approved the bill to sell the state's railroad interest. Bristow voted for consolidation but opposed the measure to sell the state's railroad stock.

148 Figures on the voting on the Funding Bill in previous works are inaccurate and often misleading. As recent a book as Allen W. Moger's Virginia: Bourbonism to Byrd says on page 18: "The combined vote in the House and Senate showed that 51 Conservatives (about half of them) joined 52 Republicans (of whom 27 were Negroes) in passing the bill. Every Republican and Negro voted for it." My figures are based on an investigation of the political affiliations of each member of the General Assembly, correlated to the actual roll calls on voting as listed in the Senate and House Journals.

149 Maddex, Virginia Conservatives, 109, 267.

150 Richmond Daily Dispatch, March 29, 1871.


152 Richmond Daily Dispatch, March 29, 1871. Stubbs was correct about Conservative supporters of the measure being in the minority in the House, although they were not in the legislature as a whole.

153 Ruffin, Judicial Usurpation, 18.
Blake, Mahone, 136. John T. Hamlett, a Radical from Charlotte and Prince Edward, voted for the Funding Bill. He was a veteran of both the Confederate army and the Confederate navy. Dixon, VMI Register, 29.

Charges of corruption are included in many works, including: Blake, Mahone, 120, 136; Philip Alexander Bruce, Virginia: Rebirth of the Old Dominion (2 Vols., Chicago and New York, 1929), II, 142; Hancock, Massey, 44, 46; Morton, Negro, 83; Ruffin, Judicial Usurpation, 17-18; Pendleton, Appalachian Virginia, 297-99; and Squires, Three Centuries, 514.


D'O Ferrall, Forty Years, 193. Other works supporting the viewpoint that a number of legislators probably voted for the Funding Bill because of state honor and pride include: Cappon, Newspapers, 28; Robertson, Stuart, 328; and William L. Royall, History of the Virginia Debt Controversy (Richmond, 1897), 99.

Branch & Co., Bankrupt, 23.

Ibid., 26-27.

Moger, Bourbonism, 18. He thus stresses the pressures on an inexperienced legislature rather than the corruption aspect, a conclusion reached earlier in Robert M. Ours, "Virginia's First Redeemer Legislature, 1869-1871," (University of Virginia M.A. Thesis, 1966), 140-42.

Charles E. Wynes, Race Relations in Virginia 1870-1902 (Charlottesville, 1961), 144.

Hancock, Massey, 46; Ruffin, Judicial Usurpation, 17-18.

Jackson, Negro Office-Holders, 48-49. Jackson said about one-third of the Negroes who were members of the legislature in the 1869-73 period owned property before 1869 and another one-third bought property during those years.


House Journal, 1871-72, 131-33, 137, 254, 297-99, 305-307, 320-21, 323-24; Ruffin, Judicial Usurpation, 19-20. The investigating committee was made up of four Conservatives and one Republican, none of whom had served in the 1869-71 General Assembly. The primary
witness was John W. Jenkins, who admitted he was paid by a party from New York city "to use my influence with the members of the legislature with whom I had influence to procure, if possible, the passage of the bill generally known as the funding bill." Jenkins gave no indication, however, of using bribery or other improper methods.

166 Acts of Assembly, 1871-72, 467.
167 Ibid.
168 Ibid.
169 Acts of Assembly, 1870-71, 378. See Senate Journal, 1870-71, 13-15, for Governor Walker's viewpoints on West Virginia's share of the public debt. The governor also had preferred that all refunded bonds be coupon ones.
171 Ibid., 379.
172 Ibid.
173 Ibid.
174 Ibid.
175 Acts of Assembly, 1871-72, 515.
176 Ibid.
177 Richmond Daily Enquirer, March 29, 1871.
178 Ibid., April 4, 1871.
179 Shenandoah Valley, April 6, 1871.
180 Richmond Daily Enquirer, March 31, 1871.
181 Ibid.
182 Richmond Daily Dispatch, April 1, 1871.
183 Pearisburg Gazette, April 10, 1871.
184 The Old Commonwealth, April 5, 1871.
Chapter V

1 R. E. Withers, Autobiography of an Octogenarian (Roanoke, 1907), 312.

2 Ibid.

3 Charlottesville Intelligencer, Aug. 23, 1871.

4 Ibid.

5 Ibid.

6 Quoted in Richmond Daily Dispatch, June 7, 1871.

7 Shenandoah Valley, July 27, 1871.

8 Ibid., Aug. 31, 1871.


10 The Old Commonwealth, May 17, 1871.

11 Ibid., Aug. 30, 1871.

12 Rockingham Register, May 25, 1871.

13 Ibid., July 27, 1871.

14 Richmond Daily Whig, Aug. 16, 1871.


16 Philip Alexander Bruce, Virginia: Rebirth of the Old Dominion (2 Vols., Chicago and New York, 1929), II, 142.

17 Compare the lists of members of antebellum legislatures in Earl G. Swem and John W. Williams, eds., A Register of the General Assembly of Virginia 1776-1918 and of the Constitutional Conventions (Richmond, 1918).
This includes four who were elevated from the House to the State Senate. Most sources list 26 re-elected to the House, but a complete list of members for the 1869-71 and 1871-73 legislatures shows 27 were re-elected to the House. See Appendix B.

Under the Reapportionment Act of 1871, senators representing districts 1-20 were to be elected in 1871 and those representing districts 21-40 were to be elected in 1873. Because of some redistricting, however, a handful of senators in districts 21-40 had to stand for election to two-year terms in 1871. Senate terms normally were four years. Acts of the General Assembly of Virginia (Richmond, 1871), 1870-71, 226-29.


The two unsuccessful candidates were white Republicans. 1871 Election Returns. Virginia State Library.

The successful Republicans were white. The two unsuccessful incumbents were a black Republican and a Conservative. 1871 Election Returns. Virginia State Library.

These are my breakdowns based on the voting records in the House and Senate Journals and on the 1871 Election Returns in the Virginia State Library.

The best study of the role played by traditionalists in the Virginia politics of the 1870s is Jack P. Maddex, Jr., The Virginia Conservatives 1867-1879 (Chapel Hill, 1970).

Two exceptions were James Lawson Kemper and Alexander H. H. Stuart.

Terry commanded Kemper's Brigade at Gettysburg and The Wilderness, and saw action from First Manassas in 1861 to the surrender at Appomattox in 1865. Walker at one time commanded the "Stonewall Brigade," and also saw action from 1861 to 1865. Wharton saw action in both the Eastern and Western theaters of the war, and was commanding a division in the Valley when the war ended. Anderson served in the field in 1861-62, then ran the famous Tredegar Iron Works in Richmond the remainder of the war. Taliaferro served under "Stonewall" Jackson until 1863, when he was transferred to the lower South. He served at Savannah,


29 In some cases the Republican candidates were not radical in the strict sense, but were considered Radicals if they ran on the regular Republican ticket.

30 The Marion Herald, Aug. 24, 1871.

31 Richmond Daily Whig, Aug. 25, 1871.

32 Richmond Enquirer, Oct. 31, 1871.

33 Ibid., Nov. 10, 1871.

34 Rockingham Register, Nov. 16, 1871.

35 Contemporary sources are often inaccurate when dealing with statistics. The American Annual Cyclopaedia for 1871, page 766, notes that Negro membership was reduced from 6 to 3 in the Senate and from 23 to 14 in the House. These erroneous figures have been picked up and published in some later histories, e. g., Richard L. Morton, The Negro in Virginia Politics 1865-1902 (Charlottesville, 1919), 84; and Allen W. Moger, Virginia: Bourbonism to Byrd 1870-1925 (Charlottesville, 1968), 24.
36 Contemporary sources give varying totals. The *Old Commonwealth*, Nov. 22, 1871, reported 99 Conservatives, 32 Radicals, one vacancy in the House, and 33 Conservatives, 10 Radicals in the Senate; the Richmond *Daily Whig*, Nov. 8, 1871, listed 97 Conservatives, 35 Radicals in the House, and 32 Conservatives, 11 Radicals in the Senate; the *Pearsburg Gazette*, Nov. 25, 1871, had 99 Conservatives, 33 Radicals in the House, and 33 Conservatives, 10 Radicals in the Senate; the Richmond *Dispatch*, Nov. 14, 1871, listed 93 Conservatives, 32 Radicals, 4 independents, and 3 not heard from in the House, and 31 Conservatives, 10 Radicals, one independent in the Senate.

37 This tally places the independents and moderate Republicans who habitually voted with the Conservatives in the Conservative totals.

38 This includes 38 of the 132 members of the House and 33 of the 43 senators. Only nine members of the House and six of the Senate had served more than one previous term in the General Assembly.

39 Twelve of the 20 Negroes in the 1871-73 legislature had been born free, and five others had become free before the Civil War. Eighteen of the 20 were Virginia natives.

40 The March 27-April 5, 1872, meeting actually was a special session tacked onto the end of the regular session.

41 *Journal of the Senate of Virginia* (Richmond, 1872), 1871-72, 53. Thomas received the votes of all 29 senators voting on the matter, including 26 Conservatives and 3 Radicals (one black).

42 Thomas had opposed secession vigorously, but had gone with his state and later had been chosen second auditor of the Confederate government. After the war he cultivated relations with prominent Republicans and in 1866 was appointed judge of Virginia's 9th Circuit in Northern Virginia. He was one of those old-line Whigs so important to the Conservative party in cementing relations with Northern politicians and businessmen. George Wesley Rogers, *Officers of the Senate of Virginia 1776-1956* (Richmond, 1959), 55-56. Thomas was lieutenant governor of Virginia from 1875 to 1878.

43 Like the previous speaker, Hanger was a bachelor. He served as speaker until 1877, and in the House until 1882. During the first administration of Grover Cleveland he was consul to Bermuda. E. Griffith Dodson, *Speakers and Clerks of the Virginia House of Delegates 1776-1955* (Richmond, 1956), 93.
3. James F. Lipscomb, a black Radical from Cumberland County, cast his vote for another black Radical, Henry Cox of Powhatan County. Both had served in the 1869-71 Assembly.


5. Ibid., 25.


7. Ibid., 151.


11. Ibid., 29.

12. Ibid., 30.


15. Ibid., 88. Most of the opposition came from men who were leading Funders during the next decade. Ten of the 27 favorable votes were cast by Republicans, three of them black. Republican strategy obviously had changed since March, 1871, when only one Radical and one True Republican had voted against the Funding Bill. Such Republican newspapers as the Richmond State Journal and the Loudoun Republican denounced the Funding Act during the 1871 election campaign. See The Old Commonwealth, Oct. 4, 1871.


17. Ibid., 124.


19. Ibid., 300.

20. Ibid.
The lone Radical voting against the measure was Edmund W. Massey of Essex, King and Queen, and King William counties. He had voted for the Funding Bill in 1871.

Under the 1868 constitution, the governor's veto could be overridden by a vote of two-thirds of the members present. J. N. Brenaman, *A History of Virginia Conventions* (Richmond, 1902), 110.

Riddleberger, a 28-year-old newspaper editor-publisher, was serving his first term in the House. He served there until 1875 and in the State Senate from 1879 to 1882. Riddleberger was prominent in the Readjuster movement, serving in the U. S. Senate from 1883 to 1889. The best study of his political career is Howson White Cole, "Harrison Holt Riddleberger, Readjuster," (University of Virginia M.A. Thesis, 1952).

The only Conservative senator who voted against reducing the 1872 interest payments was Abel T. Johnson of Accomack and Northampton. Johnson, a 42-year-old lawyer, had voted for the Funding Bill and was a staunch Funder in the battles with the Readjusters.
76 Such fiduciaries had to await court decrees before they could refund the bonds held in their trust, and thus were slow in getting them refunded.

77 House Journal, 1874-75 (Document No. 1), 24.


79 House Journal, 1872-73 (Document No. 6), 1.

80 Ibid., 3. Walker's figures were based on replies to queries to the governors of the states, the census of 1870, and other public documents. They showed Virginia and West Virginia with a total debt of $44,000,000. North Carolina was second with a debt of $36,681,467, and New York was third with $36,574,206.

81 Ibid., 4.

82 Ibid., 8.

83 Ibid.

84 Maddex, Conservatives, 239-40.

85 House Journal, 1872-73, 461.

86 The act removed political disabilities from all but about 500 of the most prominent ex-Confederates throughout the country. Richard B. Morris, ed., Encyclopedia of American History (New York, 1965), 250.


88 Dodson, Speakers, 83; John H. Gwathmey, Twelve Virginia Counties (Richmond, 1937), 291-92.

89 Rogers, Senate Officers, 54; Cappon Newspapers, 121; Tyler, Men of Mark, II, 417-19. Withers moved up to the U. S. Senate in 1875.

90 Charles T. O'Ferrall, Forty Years of Active Service (New York and Washington, 1904), 197; Col. Raymond E. Dixon, ed., Register of Former Cadets Virginia Military Institute (Lexington, 1957), 18. O'Ferrall said Daniel was "admired generally for his learning and culture, and universally respected for his keen sense of honor and spotless character."
91Summers, Washington County, 794; Maddex, Conservatives, 109.


93Moger, Bourbonism, 21; Wynes, Race Relations, 11.

94Richmond Dispatch, March 4, 1873.

95Morton, Negro, 89.


97The party totals for this General Assembly were determined in the same manner as those for the 1871-73 legislature. See pages 151-52.

98Figures on black membership of the legislatures of this period are unreliable in most histories. Moger, Bourbonism, 24, says: "The election of 1869 had sent 29 Negroes to the General Assembly, but the number was reduced to 17 two years later. For the next twenty years each election was to see a decline in victories until by 1891 no Negro was a member of the legislature." The figures for 1869 and 1891 are correct, but the other information is inaccurate.

99Ten of the blacks in the House were re-elected, as was one in the Senate. One black member moved from the House to the Senate in the 1873 voting.

1001871 Election Returns, Virginia State Library.

101Ibid.

102As in 1871-73, the Conservatives had the biggest reservoir of experience. Forty-five of the experienced members of the House and 30 of the Senate were Conservatives.

103Also among the new members were six men who had served in the 1869-71 legislature, four in the House and two in the Senate.

104Included in the 1874-75 General Assembly were 31 men who had served in the 1869-71 legislature, 17 in the Senate and 14 in the House. Nineteen were Conservatives and 12 were Radicals (7 of them black).
Anderson had served in the House in 1852-54 and 1857-58 before gaining fame during the Civil War as a Confederate general and head of the Tredegar Iron Works. Montague served in the House in 1850-51, presided over the 1861 convention, was Virginia's lieutenant governor from 1860 to 1863, and served in the Confederate Congress. Taliaferro served in the House in 1850-52 and was a Confederate general during the war.

See pages 36, 148-49.


Hanger defeated the Republican candidate for speaker, J. H. Van Auken of Sussex County, 98-23. Among those voting for Hanger were two black Radicals, James P. Goodwyn of Petersburg and Peter K. Jones of Greensville County. House Journal, 1874, 3-4.

For committee assignments, see House Journal, 1874, 40-42.

House Journal, 1874, 16.

House Journal, 1874-75 (Document No. 1), 24.

Ibid.

Maddex, Conservatives, 219-20.

House Journal, 1874, 16.

Ibid., 14.

Ibid., 18.

Ibid., 451-52; House Journal, 1874-75, 393; Senate Journal, 1874-75, 401.

Burton, "History of Taxation," 137.

Between July 1, 1871, and October 1, 1881, Virginia paid only a little more than half of the interest due, defaulting on the remainder. The interest paid totaled $8,707,615.50 in coupons and only $2,415,973.56 in cash. Burton, "History of Taxation," 140-41.

The best information on Virginia's legislative attempts to get rid of the tax-receivable coupons is found in Transcript of Record in the Supreme Court of the United States.
Notes to pages 173-177

States of the Virginia Coupon Cases (Washington, 1887); James C. Lamb, The Virginia Coupon Cases (Richmond, 1885); and Wyndham R. Meredith, Digest of Acts and Extracts from Acts in Relation to The Public Debt of Virginia (Richmond, 1886).

121 House Journal, 1874, 351-52.
122 Ibid., 343.
123 Ibid., 347.
124 Ibid.
125 Ibid., 348.
126 Ibid., 349-50.

127 Both Thomas and Dooley were staunch Funders and were believed to be bondholders themselves. It was in their private, as well as public, interest to reach some sort of agreement satisfactory to the bondholders.

128 House Journal, 1874-75 (Document No. 1), 29. The governor's complete speech is contained in Document No. 1.
129 Ibid., 31.
130 House Journal, 1874-75, 6.
131 Ibid., 7.
132 Senate Journal, 1881-82 (Document No. 11), 2. Public schools received $385,944 in fiscal 1872 and, after two years of decreased payments, reached a high of $443,000 in fiscal 1876. However, public school payments dropped to $326,266 in 1877 and $241,000 in 1878.

133 There were 3,442 white and 1,230 Negro schools in Virginia in 1877, but by 1879 these totals had dropped to 1,816 and 675 respectively. Wynes, Race Relations, 129.

134 William L. Royall, History of the Virginia Debt Controversy (Richmond, 1897), 99.

135 Riddleberger entered the House of Delegates in 1871 (see page 161). Massey entered the House in 1874, serving there until 1877 and then in the State Senate in 1877-78. He was lieutenant governor of Virginia from 1886 to 1890.

Massey believed that bonds held in Virginia and in the Northern states ought to be scaled in proportion to the destruction of the property of Virginia taxpayers in the war, but believed that bonds held by Europeans ought to be paid at face value by the federal government.


138 Ibid.

139 Ibid.

140 Ibid.

141 Hancock, Massey, 147.


144 Ibid., 148.


147 This was William E. Cameron of Petersburg, who served from January 1, 1882, until January 1, 1886.

148 Senate Journal, 1881-82 (Document No. 11), 2; Wynes, Race Relations, 129-31.

149 Interest under the Riddleberger Bill averaged $447,000 from 1882 to 1890, compared with an average of $1,160,000 annually from 1872 to 1880. Burton, "History of Taxation," 179.

150 Moger, Bourbonism, 39.
Anderson had voted for the Funding Act as a member of the State Senate in 1871.


Acts of Assembly, 1887, 557.

Burton, "History of Taxation," 173. The total also included $4,728,000 in bonds issued under the McCulloch Act and $719,000 of "peeler" bonds.

Ibid., 174; McGrane, *Bondholders*, 378.

Acts of Assembly, 1904, 400.


James M. Matthews, *Digest of the Laws of Virginia* (Richmond, 1871), 49; Moger, *Bourbonism*, 334.


Pulley, *Virginia Restored*, 181.
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The purpose of this study is to explore the circumstances surrounding the passage of Virginia's Funding Act of 1871, including the manner in which it was passed and the type of men who made up the General Assembly at the time. Also considered are the background of the public debt, other funding and related legislation of the 1870s, and both the short-range and long-range effects of such legislation.

Radical Republican congressional policies restricting the political activities of ex-Confederates were largely responsible for the election of the young and inexperienced legislators who made up the 1869-71 General Assembly. Such policies also allowed former Whigs, more urban and business minded than most prewar Virginia political leaders, to gain a disproportionate share of leadership in the Conservative party. These men were especially important in pushing through the Funding Act in 1871 and in supporting it in later battles against the Readjusters.

While dissimilar from antebellum legislatures, the 1869-71 General Assembly was fairly representative of the Virginia of 1870. It was made up primarily of middle and
upper class Virginians, mostly native born, and contained very few carpetbaggers. Blacks served in the General Assembly for the first time in Virginia history, but held only about sixteen per cent of the legislative seats while making up about forty-three per cent of the Old Dominion's population.

The Funding Bill was pushed by Governor Gilbert C. Walker, a carpetbagger who had settled in Virginia in 1864. Although elected as a "True Republican" in 1869, Walker had declared his political independence in 1870. The Funding Bill was passed by a combination of fifty-four Conservatives and forty-nine Republicans. It was opposed by fifty Conservatives and only two Republicans. Some corruption probably was involved, but most of the favorable votes reflected an intense pride in upholding Virginia's honor by paying the public debt. This was combined with an overly optimistic faith in Virginia's ability to bounce back financially from a devastating war.

Virginia's inability to meet its interest payments led to various attempts to modify the Funding Act's provisions in subsequent years, including major substitute measures in 1879, 1882, and 1892. It also led to the bitter Funder-Readjuster battles of the late 1870s and early 1880s, with their racial undertones. These experiences, in turn, led ultimately to Virginia's fiscally conservative "pay-as-you-go" policies of the first half of the twentieth century.

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