

ON THIS DAY IN WEST VIRGINIA HISTORY FEBRUARY 23



On February 23, 1953, Governor William Marland addressed the West Virginia legislature to plead for the passage of his severance tax bill.

CSO: SS.8.9, SS.8.10, SS.8.25, ELA.8.1

Investigate the Document: (*State Papers and Public Addresses of William C. Marland*, p. 85-91, Go 24.1:1957)

1. Why were there concerns that a severance tax would ruin the coal industry? What is a severance tax?
2. Governor Marland's primary concerns revolved around obtaining revenues for *what* two entities?
3. What does Governor Marland state that the Legislature did during the war (WWII) to taxes that the coal industry was paying?
4. Does Governor Marland provide any foreshadowing about the lack of economic diversity and the future of the coal industry in southern West Virginia? Cite the specific passage.
5. Did Governor Marland seem confident in his decision to support the passage of the severance tax? If so, why?

Think Critically: What do you know about the history of coal mining in West Virginia? Mine wars? Mechanization? Economic downturn? In recent years, the State of West Virginia has applied a severance tax on *this* industry in hopes that the state would reap the benefits of its location on top of the Marcellus and Utica Shale formations. Do you think there was similar opposition to the tax? If so, why?

education that we all want our children to have. Insofar as our Medical School is concerned, it will place a cloud over that entire program that the slightest recession will undoubtedly turn into a thundershower of obstacles in the way of the speediest possible development of what I consider the most important single thing that has been done in West Virginia in the past four years.

CONCLUSION

Nevertheless, let me reiterate that the Executive Branch of your Government will continue, and I hereby pledge every effort to work with you and for you and with and for the citizens of our State, for the most efficient administration of those laws that you do enact that it is possible for us to give. Let me say further that I know it is difficult for a program this comprehensive to be outlined in detail in one message, and I stand ready and willing to appear before you as a Body, in groups or individually, to answer any questions, make any explanations and to attempt, as best I can, to justify the pressing necessity for a solution to these problems.

In conclusion, let me say again I appreciate this opportunity of appearing before you. I want each of you to feel free to make yourself at home in the Governor's office. I have but one aim, and that is to do all in my power to help you solve our many problems. With hard work and Divine Guidance, I trust that this legislative session will result in another step toward the goal of making West Virginia the best State in the Union.

Message to the Fifty-first Legislature

REGULAR SESSION FEBRUARY 23, 1953

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MR. PRESIDENT, MR. SPEAKER AND MEMBERS OF THE FIFTY-FIRST LEGISLATURE OF WEST VIRGINIA:

Just one month ago I appeared before you and offered what seemed to me a constructive program for the people of West Virginia. The program offered called for the necessary funds to put our roads on a "pay-as-you-go" basis and to provide some desperately needed revenue for our schools.

The revenue measures to carry this program are: First—the property of the citizens of West Virginia should be equalized in its valuation, and thus provide more money on a county level for governmental services. Second—the natural resources of the State of West Virginia should be

asked to contribute toward the support of a road and school program that the State of West Virginia must assume. Third—that a constitutional mandate of the people of West Virginia should be enacted into law. That constitutional mandate being one passed in 1948, stating that the Legislature should provide money to retire a road bond issue passed that year.

I do not propose to discuss the third revenue measure because that is not my recommendation or the recommendation of the Legislature. That is not a recommendation of anyone; that is a direct mandate of the people of West Virginia. And there is nothing that I can add that would be more forceful than the direct voice of the people speaking in a free election.

Since that message, one month has gone by, and that program has been assailed very vigorously insofar as it relates to the natural resources of West Virginia. I have heard very few citizens make outcry against that part of the program that asks them to contribute through increased property taxes, and comparatively little against that part of the program that asks the Legislature to carry out a direct vote of the people of West Virginia in 1948. But insofar as the natural resources of this State are concerned, we have been beset continuously by those who are in the business of exploiting West Virginia. But even they have had no criticism of the principle embodied in a natural resource or severance tax.

You have just finished hearing factual testimony on this legislation. There are those who have said that if this legislation is successful, West Virginia's basic industry will be ruined. On the other hand, there are those who have presented facts which have certainly cast a great doubt upon the proposition that this Severance Tax will be unduly costly to the coal industry of West Virginia. I come before you today to make the position of the Governor of West Virginia crystal clear on the entire program of the Democratic party as it is now before you.

Your interim Committee did, during the past two years, a constructive piece of work and attempted to find ways and means of curing the problem of property valuation inside the counties of West Virginia. It is called equalization of valuation, but by whatever name we call it, it means in effect that the taxes of the home owner and the farmer will be increased. This piece of legislation was brought to me by legislative leaders and recommended to me by them. I acquiesced in their recommendation and agreed that it should be a part of the Democratic program. I submitted my own recommendation as to where another source of revenue might be found to at least three men who are now in positions of leadership in the Legislature of West Virginia. Even before that time, however, I had submitted my recommendations on needs, and revenue for those needs, to the then Governor of West Virginia. I submitted the

same recommendations and needs to other officials of the Democratic party. My explanation to them of the needs of West Virginia in roads and schools, and my recommendations to them as to where the State of West Virginia might find the necessary revenue, was later passed on to the entire Legislature in my message to you one month ago and need not be repeated here today. Suffice it to say that the main principle involved is that of a tax on the natural resources of West Virginia.

The idea of such a tax is not new, nor is it the product of your speaker's own ingenuity. It belongs to no particular individual of whom I am aware. I know that some segments of the press and some irresponsible gossipers have intimated or stated that this idea is some machination of this man or that, who, they say, controls the government. But I say to you today that for many, many years far better brains than mine—men who labored diligently in the ranks of the Democratic party and of the Republican party—have advocated the principles of the Severance Tax as applied to the natural resources of West Virginia. Some of our sister states are far ahead of us, and they exact tribute from us for the oil, iron ore, gas and other minerals that we use from their State. Everyone seems of the opinion that this tax should have been enacted fifty years ago, or twenty years ago, or during the war; but every time that anyone has dared whisper that such a tax is fair and equitable and should be enacted, he has been met with the cry "it will ruin the coal industry."

This particular tax has been bandied about on every street corner and in every group. Various speakers have discussed it in their addresses to every type of organization and, finally, this tax has been brought to you, the Legislature of West Virginia, for your consideration at a time when the need for state revenues for roads and school is desperate.

As late as last year, during the election campaign, I heard many people of responsibility say that a substantial and equitable source of revenue for the State of West Virginia would be one to which our natural resources contributed as a Severance Tax. But now that it has been proposed, again the cry "economic suicide" or "it should have been done fifty years ago" or "this is not the time"—one of these cries is heard throughout the length and breadth of our State by those who represent in this State the people from without our State who get fat on our resources. Those people are not yet ready to admit that it is the proper time. I wonder when the proper time will be.

Many say, even in opposition, that it should have been done during the war. Well, let's look at what did happen during the war. When prices were good, when tonnage was at its peak, when the coal market would stand anything that looked black, the Legislature of West Virginia convened in 1943, and after that session was over and the smoke had

cleared away, lo and behold the representatives of the coal industry had gone into the Legislature of West Virginia and talked themselves into a 10% reduction in the taxes that the coal industry was then paying—a tax that was probably siphoned directly into the Treasury over in Washington due to the excess profits that the companies were then making. So it wasn't the proper time even when prices were at a peak. I wonder why the 10% reduction could not have been given the consumers of West Virginia in the sales tax that they still pay.

Now, in the period of leveling off, again it is not the time. Although our State is slowly being relegated to a poor status from both a cultural and economic standpoint from lack of adequate highway transportation and lack of public school instruction, again it is not the time. I suppose that any time that the natural resources of West Virginia are asked to bear a fairer share of the cost of state government than they now bear, it will not be the time. From the testimony, you have seen that their share is now one-third, or less than that paid by the citizens of West Virginia in consumers sales taxes alone. It is significant to note that with the price of coal to the consumer in West Virginia of anywhere from five to eight dollars a ton, that consumer—a citizen of West Virginia—is paying a consumers sales tax of ten to seventeen cents a ton. But we hear that it would be economic suicide to ask the coal industry to pay ten cents per ton.

If the coal industry is as economically unsound as the opponents of this tax would have us believe, then does it not necessarily follow that the wages that they will pay to the coal miner will not be such that he can pay an additional property tax brought on by the equalization of his property; and does that not mean that the merchant will have less earnings from coal miners in his cash register, and that he too will be less able to pay an increased property tax that is brought on by equalizing his property? And won't the farmer have less market and be unable to pay an increased property tax brought on by the equalization of his property? And yet, the opponents of this natural resource tax are saying today that if the tax is placed on property, we will have all the money we need. It seems to me that to accept only the first fundamental principle of this program—that is, the equalization of property in the county—and to reject the other, is but another attempt to saddle the home owner and the farmer of West Virginia with more taxes, while those who are best able to pay, namely, the exploiters of our natural resources, are allowed to continue their exploitation without further recompense to the people of West Virginia.

We have seen the insignificant sum paid by the coal industry toward the support of free schools, and yet those schools would not be needed

if it were not for the development of the coal industry. We have seen that in our major coal producing counties—twelve of them out of fifty-five—we have over fifty per cent of our school children in our school population. I do not need to tell you that labor for those coal mines would be very scarce if the wives of the miners had no schools for their children.

The citizens of West Virginia pay all the cost of upkeep and construction of our road system, and yet without that road system, the coal industry would be at a very sad disadvantage. Who would mine the coal without roads to travel on to and from work? And yet, the very needs caused by an expanding coal industry are met with a cry of "economic suicide" when the industry is asked to contribute something toward the support of those needs.

It has been said by opponents of this tax that we have no coal users in West Virginia. I assume they meant from an industrial standpoint. I say that if we do not provide highways on which industry can move, then we can never have coal users in West Virginia. This same spokesman, and others who followed him, bemoaned the fate of the small coal mine in West Virginia. Anyone familiar with the coal industry of West Virginia is well aware of the fact that if this legislation would drive all small coal mines out of business, the major coal producers would be for it "tooth and toenail." I have no desire to force the small operators out of business. The same can be said for the small timber interests; the small timber interests; the small oil and gas producers. If you are fearful from the standpoint of the "little man", you have committees that can make adjustments without seriously impairing the program. This is just another reason why this legislation deserves your most serious consideration.

When our coal is gone, there will be nothing to which our people can turn for their livelihood. This, I know, seems like a very far distant contingency. It is difficult for many of us, particularly in southern West Virginia, to visualize the day when our county—Wyoming, McDowell, Fayette, Raleigh—will become a ghost county; but inside the borders of West Virginia we have such a county. In the northern part of West Virginia there is a county named Tucker—a county that was once a considerable producer of coal. The coal in that county was mined, and now that county has been left a heritage of slate dumps and nothing more. The black diamonds that were found in the mountains of the county of Tucker have been used to enrich the exploiters of that county, and today the people of Tucker County must leave their native land and go to far distant places for employment. Today, one of the primary problems of our state government is to develop another source of revenue for the people of Tucker County.

Now this not only can, but will, happen to counties like McDowell, Fayette, Monongalia, Marion, and others. It may not happen in your time; it may not happen in the time of your son. But it will happen and it will happen at an ever increasing rate as this great age of chemistry finds new and varied uses for coal. If this bill should fail, fifty years from now the House of Delegates and the Senate of West Virginia will assemble and the problems of finances will be present to pay for governmental services that our people will always demand. Some one of those delegates or senators assembled then will rise to his feet and he will say "Why has not some previous Legislature taken a fair share of our coal resources. How fortunate we would be now if that had been done fifty years ago." And that delegate or senator might very well be the grandson or the great grandson of one of you assembled here today and he, too, will hear a cry, "It is too late—it will ruin the coal industry."

I do not know what the fate of this vital piece of legislation will be. I do know that it is not too late. I do believe that the fate of this vital legislation should be decided on the floor of our Legislature, and not be held up by any one committee of this honorable body. The problem is too pressing, and the welfare of our State is too vitally concerned. I say to you—let's use this equitable source of revenue, because whether we like it or not, West Virginia's hills will be stripped, the bowels of the earth will be mined and the refuse strewn across our valleys and our mountains in the form of burning slate dumps. This refuse will continue to be dumped into our once clear mountain streams. We are paying a fearful price to allow the coal to be extracted from the hills of West Virginia. It is only right that we should be able to point with pride to improved roads and schools as a result of this awful toll that we are taking of the beautiful State of West Virginia.

It would have been much more enjoyable for me to have appeared before you in my first message and informed you that West Virginia's finances were in such shape that we could grow and prosper without additional revenues. To have done so would have been to tell you an absolute falsehood. If we are to provide the things that we want to make West Virginia take its rightful place in the sun, we must pay for those things.

Let me freely admit to you that this decision was not an easy one for me to make. My entire life has been bound up and dependent upon the coal industry. It has been so with the Marland family for many generations. I am not afraid to say that I am more interested in the coal industry and its contribution to West Virginia than to our people who lend themselves for hire to the powerful interests who would exploit both our coal industry and West Virginia. I do not now, nor will I ever,

want to do anything that would injure West Virginia's life blood. I have studied the facts and figures for many hours, many days and many weeks, studying to see if I had reached a decision that I could conscientiously defend now and at all times. I have reached that decision. I can defend my position now and at all times. The responsibility has now passed to you—the Legislature of West Virginia. Will you make a decision that you too can defend now and forever more? I implore you to think about it; pray over it; and eventually, I hope you will make up your minds to step forward to a tomorrow bright with sunshine and with the knowledge that the State of West Virginia will be, in some small manner, recompensed for what she is giving to those who exploit her. Our people will know that the scars on our hills caused by the extractions of our natural resources are matched with scars on our hills caused from the construction of an adequate road system, and that the natural resources of West Virginia are, in a small way, contributing to an investment in our greatest resource for the future—our children.

Speech at the Extraordinary Session of the Legislature

JUNE 4, 1953

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MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE LEGISLATURE:

Let me say at the outset that I am very happy to see you gentlemen again, although I am sorry that circumstances have necessitated the added expense of a special session and the inconvenience of having to take time from your other pursuits.

As you know, last January the Board of Public Works prepared a budget for your consideration. It is needless for me to repeat the history of that budget and the ultimate fate that it received at the hands of the Supreme Court. Since that Court decision, the Board of Public Works and a Committee of your Legislature have worked together on a budget that will be submitted to you today. This proposed budget is the result of the thinking of both the legislative and executive branches of government. It is a so-called compromise, and I do not suppose that any one in the group responsible for this proposed budget will say that he is entirely satisfied with the result of our deliberations. However, this proposed budget, if it meets with your approval, will, I hope, enable us to operate during the coming biennium. As you know, the end of the fiscal year is fast approaching. Our institutions, even now, are badly in need of operating funds—and these facts, of course, were recognized by the budget committees.