WHAT HAPPENS WHEN YOU DON’T OWN THE LAND

There have been plenty of theories about the causes of poverty in Appalachia. But too little time has been spent discussing the region's wealth and who owns it.

*We can either have democracy in this country or we can have great wealth concentrated in the hands of a few, but we can't have both.*
— Louis D. Brandeis (1856-1941), U.S. Supreme Court Justice, Louisville, KY

*The democracy thing? It isn't working. Here, our democracy is being held hostage by our capitalism.* — Nina McCoy, high school teacher, Martin County, KY
The national broadcast media rarely grapples with the interplay of concentrated wealth and power and the functioning of democracy when it attempts to explain the widespread, stubborn poverty in rural Central Appalachia.

The recent ABC 20/20 program *The Hidden America—Children of the Mountains* which followed for two years four children growing up in poverty in Eastern Kentucky, drew 11 million viewers. According to ABC “thousands offered to get involved and make a difference.” This wasn't the first network spotlight on Appalachia's children to evoke a strong reaction. Charles Kuralt's *Christmas in Appalachia*, which aired in December 1964 and focused on eastern Kentucky, lit up the CBS switchboard with offers of help.

Both of these documentaries attempted to interpret a piece of the poverty puzzle by putting faces on poverty and showing how poverty is lived at the level of individual and family relationships. Inevitably unemployment, lack of education, poor health care, drug addiction, and inadequate housing are the reasons given by the networks for why there is persistent poverty in Appalachia. What they don't attempt to explain is the century-old political/economic framework in which this individual poverty plays out. University of New Hampshire sociologist Cynthia Duncan, who has spent her career studying rural poverty, refers to this context as “these larger histories of deliberate underinvestment for control, to maintain vulnerability.”

Appalachia's rural poor have been put under sociological and psychological microscopes many times over the last 150 years. Basically, two theories have been offered for their poverty. The culture of poverty theory directs attention inward to the capacities and habits of the poor themselves. In contrast, a structural theory focuses attention on the relationship between poverty and the corporate economy within Appalachia – especially in its coal regions. Appalachian sociologist Helen Lewis drew a sharp dividing line between the two theories by stating, “In simple terms it [the cause of poverty] is either fatalism or the coal industry.”

Kentucky attorney and author Harry Caudill began raising a warning about the region's uneasy relationship with the coal industry in his 1963 book *Night Comes to the Cumberlands*. Despite some cultural stereotypes that upset regional activists and a good many of his neighbors, Caudill's popular book, more than any other vehicle at the time, moved the poverty discussion from folk culture to issues of absentee corporate control of the region's land and minerals. Caudill's work opened the door for a flood of young academics and activists to look at the political economy of the region and the cozy relationship between the dominant industry and the public officials shaping economic, tax, and environmental policy.

A theory centering on coal as a major contributor to poverty in the Appalachian coal region looks something like this:
The region’s immense wealth found in timber and coal has never benefitted local communities because it is owned largely by out-of-state corporate interests, resulting in the region’s wealth being transferred to urban centers outside the region. Despite extensive land and mineral holdings, the coal industry historically paid a pittance in taxes, leaving the region deprived of basic municipal services and adequately-funded schools.

After establishing central Appalachia as predominantly a one-industry economy, the coal industry mechanized, destroying hundreds of thousands of jobs and leaving the unemployed with few alternatives but to flee the region or stay and live with intermittent or no formal employment. To expand profit margins, coal companies increased strip-mining and mountain top removal techniques, further reducing jobs and leaving the region a legacy of economic and environmental ruin.

Taken together, these factors help to explain poor people in a rich land. This is not to suggest that coal is the only reason for poverty in Central Appalachia. Poverty is prevalent in areas without extractive industries as well. In fact, 80% of the world’s population exists on less than $10 a day so worldwide, prosperity is more of an aberration than poverty. Legendary urbanist and economist Jane Jacobs suggested that “to seek the ‘causes’ of poverty...is to enter an intellectual dead end because poverty has no causes. Only prosperity has causes.” Even if Jacobs is correct, there are conditions and policies that exacerbate or ameliorate the impact of poverty and to depict poverty without taking into account structural issues related to the political economy is to present what Appalachia historian Ron Eller refers to as “a pattern of critical but superficial commentary” about the region.

With even a cursory glance, socioeconomic data on eastern Kentucky paints a dramatic picture of a connection between coal country and poverty. The two dozen coal producing counties consistently have the highest overall poverty rates, the highest percentage of children in poverty, lowest median income, the lowest high school graduation rates in the state and a substance abuse problem that is eroding the area’s social and economic fabric. A more focused look at the history of the eastern Kentucky coal region illuminates in greater detail the impact of coal on the Central Appalachian economy.

**Losing the minerals**
Appalachian Regional Commission

The counties in red above are considered economically distressed by the Appalachian Regional Commission. Most of the Eastern Kentucky coalfields are distressed according to the federal agency.

By the mid 1800s eastern industrialists realized that eastern Kentucky was abundantly rich in timber and coal. The timber industry moved in first, removing virtually all of eastern Kentucky's virgin timber by the early 1900s. In the 1880s John C.C. Mayo, a Paintsville, Kentucky, school teacher, began buying mineral rights and selling them for three or four times his purchase price, eventually receiving backing from industrialists. After 20 years Mayo had obtained mineral rights for thousands upon thousands of acres, often persuading landowners to part with their timber and coal for as little as 10 cents an acre or as much as a dollar an acre for the more resistant land owners. At the time of his death, Mayo was alleged to be the wealthiest man in Kentucky.

Although Mayo is the most famous, there were others buying mineral rights at the time as well and it should be noted that many of these mineral leases were shrouded in controversy from the outset. Due to a variety of uncoordinated titling processes coupled with unscrupulous land speculation practices, it is said, only half jokingly, that more land was titled in Kentucky than existed. Additionally, the validity of many conveyances was questioned when mineral buyers possessed mineral deeds “signed” with a surface owner’s mark or X when the surface owner could read and write, raising questions whether the land owner had been involved in the deal at all. Dubious title or not, with the coming of the railroad, the lease holders began to exploit their leases.

Much of the minerals were obtained through a conveyance called the broad form deed. This type of deed, which would later
The broadform deed, which allowed large-scale strip mining on leases signed nearly a century before, was finally overturned by Kentucky voters in 1988. The citizens' group Kentuckians for the Commonwealth led the campaign to restrict the use of these deeds to allow stripping.

become the center of great controversy, allowed the mineral owner to extract coal or other minerals by any means “necessary or convenient.” While other states construed the broad form deed to refer only to coal extraction methods existing at the time the deed was executed, Kentucky courts would rule that the broad form deed allowed large-scale, mechanized strip mining, a practice inconceivable in the late 1800s. This ruling allowed coal companies to destroy surface land even if the surface owner objected. It took an amendment to the state constitution in 1988 to change this law.

Dependence on King Coal

From its entry into Central Appalachia, the coal industry controlled virtually every aspect of miners' lives. The companies built the coal camps. They owned the houses miners lived in and frequently the stores where they shopped. The companies hired the doctors who tended their workers and, until outlawed, they paid miners partially or totally in scrip that could be used only at stores owned by the coal company. Miners, historians report, were frequently expected to vote as the company wanted. Dependency and vulnerability go a long way toward fostering loyalty.

This is not to deny the importance of well-documented and frequently corrupt political machines at the county level. These machines, often dominated by one or two families, used control over federal work and commodity programs along with county job patronage to create a power base. As long as they did nothing to damage coal's economic interests there was little interference from the industry. In fact, some local political leaders became involved in the coal business so that political and economic interests overlapped.

Coal has always been afflicted with dramatic boom and bust cycles and in the early days even the good times could be precarious. The 1950s brought an even more dramatic downturn. The 1950 wage agreement between the coal industry and the United Mine Workers of America allowed the rapid mechanization of the mines, which both sides knew would drastically reduce the number of mining jobs. For this concession the remaining union miners were to receive increased wages as productivity increased with mechanization. Because these terms were imposed upon all operators regardless of the size of the operation, the result – and most would say the intended result—was to drive out the small mines, leaving the large companies
in control of the market. The 1950 agreement, combined with the widespread conversion of home heating to oil and gas along with the railroads’ move to diesel fuel, devastated the Central Appalachian job market. Kentucky historians Lowell Harrison and James Klotter in A New History of Kentucky report that between 1950 and 1965 mechanization accounted for the loss of 70% of Kentucky’s underground mining jobs. Between 1950 and 1960 there was a net out-migration from Kentucky’s Appalachian counties of 340,000 people, 32% of the area’s population.

A final seismic jolt to mining jobs and the Central Appalachian landscape began in the 1970s as surface mining gained a permanent foothold in coal extraction thanks in great part to a partnership between the industry and the Tennessee Valley Authority (TVA). TVA’s early accomplishments and the widespread loyalty engendered by those accomplishments were hardly a harbinger of policies to come. In its early days, TVA hired miners blacklisted for union activity, built dams that averted devastating flood damage estimated at twice the cost of dam construction, planted two hundred million trees, created parks and recreation areas, and brought electricity to homes and factories in rural areas.

Protests of coal strip mining have been going on for nearly 50 years. Here the Widow Ollie Combs is carried off her property on November 23, 1965, when she attempted to block strip mining machines.

As early as the mid 1950s, however, TVA began shaping the path for strip mining's dramatic growth in what Appalachian journalist Jim Branscome would later refer to as “TVA's bitter harvest.” Reporting in the 1970s for the weekly Mountain Eagle newspaper in Whitesburg, Kentucky, Branscome documented how the agency gave strip mining a foothold in the region by providing long-term contracts for surface mined coal, by its willingness to buy non-union coal, and by building mine-mouth steam plants on or near strip mines. TVA became the nation's largest coal buyer, with 72% of its coal coming from Kentucky, half of it from strip mines. Additionally, 83% of the coal was supplied by a dozen companies, all owned by oil or metal conglomerates. Many coalfield residents must have felt that the TVA experiment, which historian Henry Steele Commager once called the “greatest peacetime achievement of twentieth-century America,” had gone extraordinarily awry.

In 1920, 784,000 miners in the U.S. produced a little over 658 millions tons of coal. By 2006, only 82,595 U.S. miners (14,000 in eastern Kentucky) were needed to produce over 1 billion tons of coal. While the United Mine Workers of America at one time represented 75% of U.S. miners, today the union represents about 28.5% of the nation's miners. There is not one coal miner working under a UMWA contract in Eastern Kentucky.

The Impact of Land Ownership
Land ownership isn’t usually offered as a mitigating factor in Appalachian poverty, but ownership of surface and minerals determines where people live and where they work and whether land is destroyed or preserved, polluted or left pristine. In Appalachia, ownership is directly related to who has power and how that power is exercised.

A startling example of the power of land ownership occurred in April 1977 when major flooding, exacerbated by strip mining practices, left thousands homeless in southern West Virginia and southeastern Kentucky. Relief trailers stood empty for lack of land to put them on and the government refused to seize corporate land for this purpose. Out of this tragedy, however, a region-wide coalition, the Appalachian Alliance, formed and put the question of land ownership high on its agenda. With support from private foundations and the Appalachian Regional Commission, the Alliance initiated the Appalachian Land Ownership Study in 1979. It remains one of the few efforts to explore land ownership patterns and their impacts on economic and community development. It is the only one that focused on such a broad area of the Appalachian region (covering 80 counties in 6 states), coordinated and carried out by activists, academics, and community residents.

The study was released in April 1981 and the findings were stark: Of the 13 million acres included in the survey, nearly 75 percent of the surface acres and 80 percent of the minerals were absentee owned. Forty percent of the land and 70 percent of the mineral rights were held by corporations – mostly coal and other energy companies along with some timber interests. One percent of the owners controlled 53 percent of the land.

The link between land control and longstanding problems with insufficient local tax revenues and public services became evident when the study revealed that 53 percent of the land generated only 13 percent of the property taxes.

The situation in Martin County, Kentucky, is particularly instructive. Long one of the poorest counties in the nation, it was here in 1964 that President Lyndon Johnson declared his “war on poverty” from Tom Fletcher’s front porch. While poverty rates in Martin County have dropped from 56 percent at the time of Johnson’s visit to 35.8% in 2007, it remains one of the nation’s poorest counties. Transfer payments represent 39% of personal income in the county. Nationally in 2002, transfer payments amount to 14% of personal income.

At the time of the Land Ownership Study, not only were Martin County’s residents poor, local government was starving. The county’s largest landowner was Pocahontas-Kentucky, a subsidiary of the Norfolk and Western Railroad, which owned 47,869 acres or one-third of the county’s surface and over half its minerals. Despite its vast ownership, however, the taxes the company paid on its surface land would have been about enough to buy one school bus for the county school system. The tax bill for its mineral holdings – the real wealth in the land—was $76, maybe enough to buy one tire for that school bus — a tire likely needed to replace one worn out from negotiating local roads badly damaged by heavy coal truck traffic. Despite being the state’s second leading coal producer, the county had no hospital, no sewage system, an inadequate water system, bad roads, and old school buildings in dire need of repair.

Given these conditions, it’s not surprising then that in the 1980s some coal county schools assigned homework to be done in class because there weren’t enough books (outdated books at that) for students to take home. Allowing time for homework in class, of course, reduces the time for teaching. Having the largest property owners virtually exempt from taxation created
innumerable problems for school systems.

The land study's findings stirred the press across the region. The Louisville Courier-Journal called for legislation against “this economic colonialism,” The Nashville Tennessean called the situation “an outrage,” and the Charleston (WV) Gazette demanded: “End the exploitation.”

Nearly fifty years after the Widow Combs was carried from her property, the fight against coal stripmining continues, this time with opposition to mountaintop removal mining.

Is it any wonder why regional activists and public thinkers puzzle over network news specials on Appalachia that repeat the statistics about poor schools, high dropout rates and poor health, yet never mention this more complete explanation about why these conditions exist?

**Paying the price of others’ prosperity**

It is difficult to avoid the conclusion that Appalachia has been sacrificed to fuel the nation's prosperity and development. The poverty, the bad health, the drug abuse and bad schools are the costs of coal that aren't reflected in the price of electricity. Harry Caudill warned over 45 years ago that these costs are ultimately paid when he advised that the nation “cannot afford to leave large islands of its own population behind, stranded, and ignored... an anchor dragging behind the rest of America.”

Unfortunately, stereotypes of mountain residents, often reinforced by television and film images, have hindered a productive response to these external costs. With stereotypes, utility trumps accuracy. University of Kentucky historian Ron Eller points out that stereotypes are very useful to those in power because they can be used to justify exploitation of those with little power. And here lies the rub. While sacrifice areas are easier to live with if they are invisible, merely shining a light on broken, addicted, poverty stricken lives doesn't illuminate the larger story of how these conditions became widespread and persistent. Showing these conditions isn't the same thing as informing the decisions necessary to shape productive energy policy and rural economic development strategies.

The growing economic divide between Appalachia's coal counties and nearby cities reflects a growing economic disparity around the nation. Yet they aren't the only rural places to be falling behind. The U. S. Government now recognizes the Pine Ridge Reservation in South Dakota as the poorest community in the nation. The South is the only region in the nation where low income students account for a majority of public school students. The colonias of South Texas, home to 400,000 Hispanic Americans, have only recently obtained access to water lines and safe sewage disposal.

The richest 1 percent of Americans possesses more wealth than the combined wealth of the bottom 90 percent. Appalachia is testimony that unless the uninhibited pursuit of self-interest is tempered by recognition of a common interest, our democracy may well collapse under the weight of intolerable inequities.

With a popularly accessible public discourse on economic, political and environmental issues, perhaps the nation could begin to grapple with the question of its obligation to Central Appalachia and other rural areas in the nation like it, for there are many.