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PART III: THE REACTIONS OF TOWNSPEOPLE IN THE STUDY AREA

Townpeople in the Montana Sector

There is a good deal of suspicion among the inhabitants of Rosebud County that much of the tax money generated by coal development will be used by the more populous areas of the state. According to one informant, this is no longer a suspicion.

The percent of net proceeds tax paid the county has been reduced, with the balance going into the state general fund. Property taxes are paid and then redistributed on the basis of population for equalized school foundation funding. Consequently, no so-called "impact" money is made available to the affected counties.

Some even think that the larger cities of Montana are pushing for coal development in order to get more tax money out of it--a dollar benefit for which eastern Montana would pay a high social cost. One resident stated:

This suspicion is substantiated by the fact that a reduction to the county's share of the net proceeds tax was passed by the legislature, last year, and that \$136,000 was taken out of the Rosebud County school funds to finance education in Montana's urban communities.

All this has given people in this part of the state the feeling that many other Montanans would like to join out-of-staters in taking advantage of the area. Many informants stated that the coal companies were not being taxed enough

or were evading responsible action in this department.¹

One informant commented:

Traditionally, legislation in Montana has been written for the benefit of large ventures. This same tradition is still evident in the state's tax structure.

Whether or not sufficient tax money from coal will flow into the county, at least some locals are already enjoying substantial economic benefits.

The Forsyth residents interviewed showed considerable reluctance to examine the nature of their good economic fortune; this reluctance is understandably affecting their ability to plan ahead. Several informants reported perceiving a pervasive sense of greed in the community and a

¹For example, some Rosebud County locals have observed that the companies report the evaluation of their equipment, and county officials are not always able to determine its accuracy. This procedure suggests to these locals that the companies are not carrying their fair share of the tax load and do not intend to. In fact, some informants noted, it appears that they are deliberately seeking ways to avoid doing so. In contrast, a Montana Power executive stated, "We even try to report equipment on railroad cars so that we can pay more taxes to the county."

Another tax concern involves reclamation. Some feel that the cost of reclamation should be separated from rather than tied into net proceeds for tax purposes since by artificially inflating reclamation "costs," net proceeds tax can be greatly reduced; others prefer not to think of reclamation at all, assuming (or hoping) that company plans will bear fruit in due course.

concerted effort on the part of coal and power companies to play up to the latent greediness present in some businessmen and landowners. Some in Forsyth who originally completely welcomed economic development are now beginning to complain of such attendant social costs as a continually {overcrowded downtown area} Also, a feeling of fatalism about their future was reported cynically by some area locals because of their view of the power of the big companies, and resignedly by others because "you can't stop progress." For the most part it appears that, whether their current concerns and interests are primarily economic or not, residents are very much oriented to the present, although the ranchers have more interest in preserving the past than do the townspeople because they are more concerned about the possible long-range adverse effects from coal development which could put them out of business.

Few townspeople in Forsyth are upset about development in regard to both what has already happened and what is anticipated in the future. They feel it will benefit most people. One individual who agreed with this view stated that the life-styles of people in Forsyth had not been significantly affected. According to her, people who have been here a long time "feel they have a priority on

