A governor from and for the super-rich

Jim Justice: A profile of the new governor of West Virginia

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Last week, wealthy Democratic businessman Jim Justice was inaugurated as the 36th governor of West Virginia. Justice is the state's richest man and West Virginia's only billionaire. According to *Forbes*, his personal fortune is valued at more than $1.6 billion and was amassed over four decades through more than 100 businesses, the most important of which are in coal, agriculture, and tourism.

The Democrat defeated Republican Bill Cole, former president of the West Virginia Senate, after spending some $4 million from his fortune in the general election. Justice will head a divided state government, with the Republicans controlling both houses of the state legislature, and takes over a poverty-stricken state, mired in economic and social crisis. The global economic crisis and the plunge in commodity prices have collapsed the state's coal industry, bankrupting coal companies, decimating tax revenues, and leading to mine closures and mass layoffs.

"As part of tough decisions during tough economic times, we have cut more than $600 million from our budget in the past five years," outgoing Democratic Governor Earl Ray Tomblin explained in his farewell address. Tomblin's final budget brief contains a $213.7 million funding gap for the current fiscal year and a projected $497 million budget deficit for the 2017-2018 fiscal year beginning in July.

The election of Justice has many parallels with the victory of Republican Donald Trump in the presidential election. As in national election, the super-rich are seizing control of the machinery of government in West Virginia directly, while seeking to divert the growing anger of workers toward the political establishment in an extremely right-wing direction.

Like Trump, Justice is a wealthy businessman who has never ran for, nor held, political office, a fact he has proudly played up as a virtue. With no firm ideological outlook, Justice has drifted between the Democratic and Republican parties. "He was a Republican for 10 to 12 years, a Democrat for 15 to 18, then a Republican again, and most recently became a Democrat again in February 2015," noted an editorial in the *Dominion Post* .

Despite his most recent affiliation with the Democrats, Justice refused to support the party's presidential nominee Hillary Clinton, who was deeply unpopular in the state due to her close ties to the Obama administration and lost the West Virginia primary to Vermont Senator Bernie Sanders by large margins. At the same time, Justice has sought to capitalize on the popularity of Trump among certain sections of the state's population.

"Whether you like it or not like it, but Donald Trump is our president," Justice said in his inaugural address. "And let me just tell you this: I'm friends with the Trump family. I know them; I know them well. And I truly believe that he will provide us some opportunities within West Virginia as well."

Following the election, Justice received a congratulatory phone call from Trump during which the two discussed how they could work together to revive the coal industry. In a press release announcing the conversation, Justice pledged, "I will work closely with the President-elect and his administration on clean coal technology, rolling back the job-killing [U.S. Environmental Protection Agency] regulations on coal, and growing West Virginia's other job opportunities."

Justice's populist campaign did not contain the same level of demagogy as Trump's, nor the blatant appeals to law-and-order and political backwardness—racism, sexism, and xenophobia. Rather, Justice presented himself as an outsider, an everyman, a non-partisan pragmatist, a job-creator, and a successful business owner who would apply his talents and acumen to running the state like a business. "I am not a career politician; I am a career businessman," Justice wrote in a *Charleston Gazette-Mail* column during the primary. "I've stepped up to take on tough projects and turned them around."

During his campaign, Justice acknowledged the problems of the state and sought to tap into the growing disaffection of the working population, campaigning under slogans like "Jobs. Jobs. Jobs." and "Tired of being 50th?"—a reference to the fact that West Virginia ranks last in nearly every index of social wellbeing. While remaining short on concrete details, Justice made grand promises about turning the state around, reviving the coal industry, and bringing back jobs.

According to his biography on the West Virginia Governor's web site, Justice entered his family's agricultural business after college and has turned it into a major agricultural enterprise encompassing "more than 50,000 acres of corn, wheat, and soybeans in West Virginia, Virginia, North Carolina and South Carolina." Today, Justice is "the largest farmer east of the Mississippi River."

Upon his father's death in 1993, Justice inherited the latter's

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$25 million Bluestone Industries, including its subsidiary Bluestone Coal Corporation, which operates coal mines in southern West Virginia. Over the years, Justice augmented his Bluestone holdings with other coal operations in West Virginia, Virginia, Kentucky, Tennessee, and Alabama organized under his Southern Coal Corporation.

In May 2009, Justice sold Bluestone Coal to Russian-based mining and steel giant Mechel OAO for $436 million in cash and 83.3 million in Mechel preferred shares, offloading more than $130 million in debt through the deal.

As the coal industry imploded after 2012, Mechel eventually closed all the Bluestone mines, and in February 2015, Justice repurchased the assets from Mechel for a mere $5 million in cash, renaming the company Bluestone Resources, Inc. The deal returned four coal processing plants, coal mines in McDowell and Wyoming counties, and more than 565 million tons of high-grade metallurgical coal to Justice's control.

The sale of Bluestone in May 2009 was undertaken simultaneously with the purchase of the Greenbrier luxury resort in White Sulphur Springs, West Virginia, for $23 million from Jacksonville, Florida-based railroad company CSX Corporation. Since then, Justice has acquired other resorts, country clubs, and golf courses throughout the state. He has also built himself a 15,000-acre hunting and fishing preserve in Monroe County, West Virginia.

Justice's companies are notorious for their unpaid bills and are perennially sued by workers, subcontractors, regulatory agencies, and local governments. Most recently, Justice's Greenbrier resort was sued in December by Texas-based BMS CAT for $771,268 in unpaid cleanup work performed at the resort following the floods that ravaged West Virginia last June.

Also in December, a federal judge gave final approval to a $5.9 million settlement between Justice's Southern Coal and the U.S. Environmental Protection Agency. The settlement, $5 million of which is dedicated to company upgrades to control pollution discharges, resolved more than 23,000 outstanding violations of the federal Clean Water Act (CWA) between 2009 and 2014 in West Virginia, Virginia, Tennessee, Kentucky, and Alabama.

As the *Gazette-Mail* noted, while CWA violations can bring civil penalties of up to $37,500 per day of violation, "The $900,000 penalty being paid by Justice's companies amounts to an average of less than $40 per violation, not taking into account the potential for some violations to stretch for more than one day."

In October, a National Public Radio (NPR) investigation concluded that Justice's "mining companies owe $15 million in six states, including property and mineral taxes, state coal severance and withholding taxes, and federal income, excise and unemployment taxes, as well as mine safety penalties, according to county, state and federal records."

The report followed two years after a November 2014 investigation by NPR into delinquent mine owners, at which time Justice ranked fourth in the nation. As the *World Socialist Web Site* reported at the time, "The investigation found that Justice owes nearly $2 million in unpaid fines for some 500 safety violations—four times as many as any other delinquent. His 71 delinquent mines have an injury rate twice the national average and have been issued more than 4,000 safety violations reaching back to 2007. Meanwhile, Justice has been allowed to extract an estimated $500 million in coal from his delinquent operations."

In the latest investigation, NPR concluded that Justice's unpaid mine safety penalties had grown by an additional $1.38 million over the past two years, while his delinquent mines continue to have injury rates that are twice the national average and violation rates that are more than four times the national average.

Despite this record, Justice won the endorsement of the United Mine Workers of America because of his recognition of the union at his operations. The political promotion of a billionaire coal baron by the union represents the culmination of the nationalist and corporatist policies pursued by the union over the course of decades.

As if saying it made it so, Justice has assured the population that his wealth insulates him from outside pressure and his character places him above any perceived conflict of interest. "I don't want a thing, and absolutely, I want to underline that," he told reporters following his election. "You can't bring me anything to my business that's going to be beneficial to me in any way."

In reality, Justice's vast business holdings create a web of conflicts of interest. As the *Gazette-Mail* noted, "the governor's casino is regulated by the state Lottery Commission. His coal mines are overseen by the state Department of Environmental Protection and the Office of Miners' Health, Safety and Training. His resorts have received millions of dollars in marketing and advertising money from the state in past years."

Like Trump, Justice refused to release his tax returns during the campaign and has yet to place his substantial business holdings in a blind trust as he claimed he would do in mid-December. He has instead passed the day-to-day operations of his coal and agricultural operations to his son, Jay, and made his daughter, Jill, the president of the Greenbrier resort.

Justice's assurances that he has nothing to gain notwithstanding, the day after the inauguration, his campaign advisor and transition team leader, Larry Puccio, registered as a lobbyist for Justice's Greenbrier and Southern Coal. Puccio is a former West Virginia Democratic Party chairman and was a campaign manager and chief of staff for former governor, now U.S. senator, Joe Manchin.

While presenting himself as a pragmatic political outsider, Justice has proceeded to staff his administration with CEOs, lobbyists, and political insiders. He is preparing to deepen the assault on West Virginia workers under the guise of cutting waste, fighting bureaucracy, bringing accountability to government, and eliminating regulations deemed harmful to big business.

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