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Restrictions:

1/28/86 1/29/86
Date of Agreement

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12 Apr 1988
Accession date

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Bob McCarthy, director of the Butte Community Union, interviewed in his home by Teresa Jordan, March 29, 1986.

Notes taken at time of interview; not audited against tape.

Bob worked on the plant closing initiative. In 1980, he was working for the AFL CIO. It sponsored a plant closing bill because there were many closings on the horizon. The Evans Mill had closed in Missoula in 1979. It was profitable but laid off several hundred employees. There had been no attempt to deal with unions or their future. It was clear that was first of many closings in timber industry.

A group of workers and community people in Helena, Butte, and Missoula discussed the initiative. Some were union members who persuaded their unions that this was a good thing to try and do. The initiative would require large co's shutting down plants in cases other than bankruptcy to provide advance notice to the workers, provide some sort of severance pay, and also provide a community fund for economic redevelopment.

The AFL CIO agreed to sponsor this, but they came into it sort of late in the game. The initiative fell short of getting on the ballot by a few thousand signatures. Shortly after that, the smelter shut down in Anaconda.

Bob had left the AFL CIO and did some other things. He was very affected, very upset by the closedown. Anaconda is his home town, knew a lot of people affected by that. The Anaconda churches, Anaconda minister's association formed the Interfaith Community Renewal Agency, trying to do some social ministry, concerned with suicide problem, economic problems.

Early in 1982, Bob tried to organize some of same people inv. in initial initiative effort to put it on ballot again in 1982. He approached the unions and some of the churches. The AFL CIO chose not to participate. They were on record at their last convention as having endorsed it; but that year was an election year, and some moderate democrats were not supporting it. AFL CIO felt that the election of democrats was more important than winning that one issue. That was not the case with unions in the wood products industry--they strongly supported it. Churches in Anaconda were supportive. Founding meeting was sponsored by the Anaconda Interfaith Renewal Community Agency. Primarily from people from the Anaconda community, from northwest MT and the timber industry. Came away with a version of the initiative. Had agreed to form a group called Montanans for Corporate Responsibility, entitled the initiative the Community Stabilization Act. Bob was the coordinator.

Others on the committee included Howie Rosenleaf, business agent for the Carpenters Union; Michael Moore, president of the MT Associated of Churches, from Absorkee--Absorkee was experiencing the other end w/ Anaconda Co opening a platinum and palladium

mine which would change the character of the community, last maybe 20 years; Tom Towe, a progressive legislator from Billings; union members, others.

They began the signature gathering process. The initiative was the most controversial issue in that political year. The larger union business interests which controlled MT Chamber of Commerce were concerned about. Papers editorialized against it. Some businesses threatened to shut down if it got on the ballot, threatened a boycott of capital of MT. Supporters continued to focus on the fact that only 3 % of MT businesses would be covered by the law--the largest 500, those with more than 50 in one workplace. The initiative had some small business support--they felt that shutdowns hurt them.

In Butte, the support of the people in the street was enormous as it was in Anaconda. More support in those places than elsewhere. But in both places, response from institutions, labor and political was not as supportive. Either they thought it was too late, that it would have been good 5 years ago, but most of the shutdowns had already happened; or, people were afraid that business would fight back, boycott capital, shutdown before the law went into effect.

The cost of the initiative for the shutdowns in Anaconda and Butte, figured for something like 1000 employees, giving them severance pay based on their seniority, providing a fund to the community based on a % of the payroll, continuing health insurance for a year--would have been less than 1% of ARCO's profits.

ARCO provided this, even exceeded it, in the case of the Smelter shutdown, which came after the first initiative attempt and may have been influenced by it. But it was charity, and charity is always at the option of the Co. They didn't provide the same in later layoffs and the Butte shutdown. Since then, no one has been so generous. And, the Chamber of Commerce controlled the money; It was frittered away.

Since 1982, many shutdowns--timber mills, MT Bell laid off workers, the Burlington Northern pulled out of Livingston, and of course the ARCO shutdown in Butte.

The timber industry supports 1/2 the wage earners in W. Mt either directly or in support businesses. The likelihood is that that is going to decrease in the next 10 years. Champion is the major player, and almost all their development is located in Canada and in the south. They are getting marginal timber in MT now, squeezing the last of the life out of W. MT. The coal development in E. MT has a life span.

The companies that complain most about the initiative--all of them do business in W. European Countries, and the plant closing regulations are much stronger there than what the initiative proposed. There are versions of plant closing bills in Ohio,

Michigan, a couple other states. Bob has a scrap book; there are fact sheets in there. The US Congress just defeated a very modest bill that only required 90 days advance notice of a shutdown.

One of the great lessons Bob learned from the campaign was that most political institutions are not democratic in a participatory sense. The grassroots support in Butte was tremendous; the institutional support wasn't. They are structurally democratic, but there is no rank and file activism. What it implies to Bob is that organizing people to take control of community institutions, political institutions, that's what the big need is. These issues are important but they aren't going to happen without mobilization and secondly, it is people getting organized, democracy, that is the whole point in the long run.

The initiative fell about 20% short. It had the necessary signatures, but after some were discounted for being illegible or not registered to vote, it fell short.

At the beginning of the 1982 campaign, the Secretary of State held the initiative much too long. He then did a press release, saying that it was the sloppiest receipt of a submission he had ever seen, and he was turning it down. The supporters blasted him for violating the law and politicizing it.

The initiative got a lot of support in Western Montana--Columbia Falls, Libby, Missoula. The support fell off as you went east. There was none in Billings. The initiative got an extremely high signature rate, but there were not enough people gathering signatures. Word came from the top down that this was not a good issue to be involved in. People were afraid.

Saul Alinsky
Saul Alinsky (sp?) had organized in Butte in the 1950's--the Butte Citizens Project, basis of which was to build a coalition of churches and labor. It wasn't ultimately very successful; even at that point, very little participatory democracy in those institutions. Based on the premise that there was part. democ. and the problem was to build coalitions, mobilise people to take certain kinds of actions. It lasted for several years.

But with the initiative, they started late, then it was held up by the Secy of State. Also, in the final two weeks of signature gathering, Mount Saint Helens blew; people were afraid to drive because the ash would damage their cars.

There was the pressure of time--just not the time to organize or build an organization. If there had been a coalition intact, it would have been easier. There was no support from the media.

Bob was pretty penniless. He had lived a couple months in Anaconda, then moved to Helena because the bulk of organizations were there, the media was there. After the initiative, he was unable to get a job. He had alienated both the liberal organizations who felt it was irresponsible to put pressure on

democratic politicians to support it, even though they were on record as having supported it previously, but the political winds had changed--Reagan's popularity increased, the swing to the right. And of course, he had alienated the business establishment. Also, the economy was bad, no one was getting jobs. He did a number of odd jobs. Applied for welfare in Helena--ironically. He was told there wasn't any, and he believed them.

He had had ideas about organizing, but was intimidated by the professional organizers, the idea that there was only one way to do it.

But he spent more time in Butte, talked with churches, some labor people, some unemployed miners. He decided to try it.

Tape 1, Side B

He knew that funding was going to be a problem. Formed a sponsoring committee to get it off the ground. Pam Campbell was interested. They talked to Angellina Costello, Pastor Rodin, Fr. Ed. Hislop, Ted Tracy of the machinists union.

They saw their mission as the empowerment of the unemployed, of low income people, to do something about their situation in a collective way, that attributed their economic condition to their lack of power. "The reason they were unemployed wasn't immutable laws of economic nature but because the economy was controlled by people with power, and people without power, depending on how much little power they had, were poorer. BCU tried to identify some issues. Through the Northern Action Rockies Groups, I got in touch with a foundation called the Youth Foundation."

Talked awhile, made a proposal to them, got a grant, \$6000 or so--enough to set up an office. The first 6 months or so, Bob lived in the Miners Union Hall, ran the office out of his tiny apartment, later got a separate office down the hall. In time, moved the office down stairs. Had an office, could use the meeting rooms. Initially, the focus was corporate responsibility. Did some major meetings, 200 people or more, in MU Hall, to raise issue of what the Anaconda Co responsibility was in relation to the layoffs and the community. Severance pay was a big issue.

Q: Right at the time, miners formed the Coalition for Benefits...

Right. Shortly after BCU started, the CFB disbanded, gave the BCU their treasury, \$168 or so. A lot of the leaders in that movement joined the BCU, saw it as a more broad-based community organization.

Q: From the beginning, how much of a response directly to the miners situation were you? Or were you focussing on low income from the start?

At beginning, more focussed on miners' situation. As they began to organize, it was clear that while many had been laid off, there were a lot of poor people who were never lucky enough to have a job in the mines.

Initially, issues were issues of laid off miners, and miners were involved. Leroy Guizzo and his friend Jim Ralph. Ralph was, Bob thinks, the last person out of the underground mines. Some miners have become inactive since the priority of the BCU has moved more to issues of poorer people--housing in Central Butte Neighborhood, welfare.

Even though many miners are now on welfare, there is a class distinction. The miners don't see themselves as poor. This is not across the board. But many feel they are working class, not poverty class. They didn't come from there, they don't intend to stay there. Poorer don't believe they have the opportunity.

[trouble with tape; change to different tape recorder]

BCU started in November '82. Through the summer of '83 and the final shutdown of the mines, issue concentration was laid off workers. Had forum, Arco's Obligation to Butte, attended by legislators, State Commissioner of Labor. Governor didn't come-- he had accepted a ride on ARCO's jet to Washington recently, some other issues, criticism of him. But the forum was to define what people felt ARCO's obligations were--severance pay was an issue. Every union co-sponsored it, even down to the Sheepshearers Union.

In June, '83, sponsored the Community Renewal Festival on eve of final closing. Corporate responsibility was the theme. The Catholic Bishop of Western MT made a hard hitting speech on what he felt the community responsibilities should be. It was a large affair--band, music, hot dogs. Shortly after that, unions reached an agreement on severance pay.

BCU issues started to turn to lower income. Started spending more time in welfare lines, cheese lines, talking to people about what issues bothered them. Did some very formal surveys. Sharon Vingom was a board member, long time advocate for low income, low income herself. Minor issues about how welfare bureaucracy dealt with people. Then some changes--the medicaid co-payments. The state made it sound like the co payment would be 50c to \$1 per visit, but it was really per service, so could be quite high. The BCU was the only organization organized to do something about it. They organized citizen hearings--held several in Butte; generally about 50 people came. State Welfare director came to some. Low income people ran the meetings, told him what they thought. That was the beginning of demonstrations, people attending meetings in Helena. Didn't defeat the co payment, but got limits--no more than \$120/yr. Sharon's co payments under the old system would have been more than her entire income for the year.

Got involved with shut-off issues, negotiated over payment policies. Initially, when the BCU got involved, they were just trying to buy time for people affected. MPC was not willing to negotiate, continued the shut offs. BCU turned to confrontational tactics. They are always criticized for using confrontational tactics, but what is more confrontational than turning somebody's power off? Had a soup line protest at an MPC shareholder's meeting, others. Ultimately, the MPC negotiated--if you paid your current bill plus 10% of your old, wouldn't shut off. That helped, but it was only stop gap. It was still more than some people could handle. Later, worked for guaranteed heat, payment as a % of a persn's income. Before last winter season, the PSC had an emergency ruling--people would pay 5% of their current income on their current bill; 5% of income on back bill. That was a breakthrough in terms of % of income rather than % of bill. Also, the PSC extended the moratorium on shutoffs. The BCU hopes by this spring to have negotiated some sort of % of income plan, long term.

Other issue involved with more recently--Low Income Energy Assistance Program (LIEAP) is funds for low income heat. It only covers a small part of the need, but there are several million dollars involved in the state. MPC had gotten overpayments in the program, and had earned profits on interest from the overpayments before returning them. BCU wanted an audit of LIEAP funds. Rep Quillici from Butte didn't want an audit of MPC; attacked union. But there will be an audit on LIEAP funds. BCU hopes that that audit will support the need for a total audit of MPC, which has always been avoided.

Director of State Welfare Agency said he knew about overpayments and interest, said it was the state's way of thanking MPC, said that the income on the account is only a small part of what it costs MPC to administer it. But MPC is already compensated for ALL administrative costs through their rate base.

Tape 2, Side A

"For BCU, the priority is not the issue so much as the process of organizing people to take some power over a situation, building that sense of empowerment, building an organization of poor people that is capable of wielding some power and affecting the issue, but any of these issues by themselves are kind of small potatoes. They are certainly life and death in some cases, but the important thing is connecting the issues."

For a hearing on LIEAP, BCU was never notified of the meeting. Quillici took that opportunity to say that BCU didn't care for poor people.

BCU is criticized because it uses the media. It's something more than a tactic in that the public has a right to know. But people with power are not going to negotiate with poor people unless they are forced to. BCU does things openly; the Power Company

does things quietly. BCU doesn't have the power to make a deal. Public pressure is an important part of what the BCU is doing. The press knows that is standard practice in organizing. And to let the use of the media be the issue when people are going without necessities is unconscionable. Hopefully, BCU will get to the point that they can deal quietly because they have the power--if MPC doesn't negotiate, they know there will be confrontation. But BCU isn't there yet. Analogous to labor unions. You have negotiations; sometimes they break down and you have strikes. When the Co thinks unions don't have enough power to affect what they are paid for their labor, it will take advantage of that.

January '84 was the beginning of transition of focus in the BCU. The state proposed rules to cut maximum General Assistance welfare benefit in MT from 47% of poverty to about half that. In Butte, the practice already was that people could only get about half of that (e.g., about 25% of poverty level.) BCU organized GA recipients who were only getting about 1/4 of the poverty level--max was \$107/mo for an individual plus about \$70 in food stamps. Joe Warren was getting about \$709 because he owns his own house--even though it is in bad shape. \$29 of the amount was targeted for rent. It was not a serious attempt to meet the constitutional requirement that the state shall meet the needs of indigent citizens.

People wanted to fight the state-wide reduction, and wanted to increase Butte's amounts to the state maximum. BCU filed as a class for a Fair Hearing. Had lots of meetings of people; everyone joined it. It was great to watch the poorest of the poor join together to change a situation. Discussed a class action law suit with the MT Legal Services. When it was clear that they would not be able to negotiate with Welfare, they tried to educate people about the situation, and put pressure on Welfare so they would have to negotiate.

The lawsuit was filed about Feb. '83. Resulted in an injunction from Judge Arnold Olson that the standard in Butte should be increased to \$212. There have been lots of battles over implementation since. One of state administrators, Lee Tickell, who is a Butte native, admitted on the stand to having issued memoes to local welfare directors to delay spending by delaying applications, or using welfare money to buy people a bus ticket out of MT. He said that he personally had established the standard of need by getting in his car, going to the gas station, the supermarket, filling up a handbasket with \$15 personal necessities--since food stamps are supposed to buy all the necessary food. Judge Olson in a ruling that was first in the nation to say so, said no, you can't buy all the food you need with the allotment of foodstamps. But Tickell said \$29 was enough for rent because housing is cheap in Butte. But Judge Olson said that 10,000 houses disappeared with the expansion of the pit. Rent is not that cheap in Butte. Lots of GA rec't testified at the hearing, which was empowering, a good experience for them.

In January, '85, the Governor proposed that everyone under the age of 50 be limited or cut from Welfare. A democrat from Missoula, Steve _____ agreed to sponsor it. The BCU persuaded him not to propose the bill but actually to oppose it. It was a 50 page bill; he gave BCU a copy of it, joked that they would burn it. He told the press that.

In the summer of '84, a statewide low income meeting was held in Butte, which saw the founding of the Low Income Coalition, (LIC) organized primarily around these issues. By the time of the Legislature, the coalition was staffed, and a new Low Income group had formed in Great Falls, the one in Missoula was reborn.

State had organized Priorities for People--a citizens involvement committee to set budget priorities. About 24 people. The BCU had attempted to get involved in that; but they later learned that there was an SRS (state welfare dept) person with a veto on membership on every planning team. As an upshot, there was only one GA recipient out of 24 on the committee. It was incredibly stacked. GA wasn't on their agenda. The final meeting was held in Butte at MT Tech. The BCU attended. They had one speaker, Sharon Vingom; the rest of the BCU stood behind the speaker with gags in their mouth while she lectured--to make a point. She said, we might as well be bound and gagged as be heard by you. They wanted to hinder the committee's attempt to say that GA was not a priority.

The state tried to play off the disabled with the low income--that, specifically, was the trade off, they said. That there was a limited social service pie.

After the bill went into the legislature, the coalition held a rally on the steps of the capital. About 30 Butte people went; about 70 total. They burned the bill. Every GA recipient there had a page to burn. They burned it page by page. Great event. Unfortunately, the administration was drafting another version of the bill.

The administration had had to find a republican sponsor for the bill; not a single democrat would sponsor. Cal Winslow of Billings sponsored it. Low Income Coalition spent the legislature testifying; some really eloquent testimony from low income; Bob was in tears many times. The Coalition documented that there were retraining programs around the state where half the money was spent on administration. Documented that 6% of those retrained were GA recipients, they were the lowest priority. Made the point that this was not an issue of money but of priorities. The same legislature cut coal taxes by 1/3. There were 10 bills the coalition identified in the legislature, each of which could have raised more than the GA cuts--bills to prevent cuts in corp tax cuts, or increase taxes on corporate or wealthy. They were all defeated. It was clear that that session of the legislature was interested in welfare for the rich but not the poor. Most dems were against the bill; most republicans were

for it.

At the end, the Coalition met with Schwinden to ask him not to sign the bill. A man from Great Falls was very emotional--he had said before that he might be driven to suicide by the cuts. At the meeting with the press present, he related the bill to Nazi Germany and the holocaust. The Governor lost his temper, left the room. When it came time to sign the bill, however, he was out of the state; his Lt. Gov signed it.

The BCU lawsuit was reactivated. It was joined by the AFL CIO, Operating Engineers in Butte, the churches, low income groups.

The first ruling came 2 days after the law became effective in July, an injunction against the law. Checks were issued. State appealed. In January MT Supreme Court upheld that injunction. District Court had ruled that Welfare was a constitutional right in MT; Supreme CT ruled that welfare is not a right because it is not in the bill of rights, but it is mentioned in the constitution, therefore has a high degree of importance, and the state must show something more than a reasonable relationship between a state objective and the benefits. They said that saving money was not sufficient. It was a strong statement. The other basis for the decision was that it was age discrimination. The law would have cut benefits for under 35 entirely, limited 35-50 to 3 mos a year.

When state welfare director referred to the bill, he always referred just to the under 35; that had gotten more support for it. The other dishonest thing they did was that the state welfare director said that 1/3 of the welfare recipients moved to the state for benefits. The Coalition challenged him to produce statistics; he admitted it was based on estimates from the field. LIC charged he had lied. State sent auditors out from county to county; the statement proved to be totally without basis. Butte had the lowest number of out-of-state recipients (recent arrivals). Almost all in Butte were long term; the statewide percentage of people receiving GA who had been in the state less than a year was something like 15%.

While the issue was in court, BCU tried to make JOBS the issue. Everybody on GA earns their assistance through workfare; no one would choose that. They are shitty jobs, they pay minimum wage and you can only work until you've earned 47% of the poverty level, and then you are laid off for the rest of the month. BCU wanted to make clear that people earn their welfare; they are NOT being freeloaders. They want to work. Legis. passed that law to insure people are not freeloaders; and they are not.

Also, tried to put pressure on state labor dept to open up its \$20 M over 2 year employment & training program, federal funds. \$5 M over 2 years is what the state said it was going to save by this cut in welfare. A program 4 times as large is intended, according to the federal legislation, to reduce welfare dependency and welfare recipients are supposed to be a high

priority. State approved plans for the operation of this program say that 2% in the program should be GA recipients. BCU calculated that there were enough GA recipients to fill all the retraining slots. GA are the poorest, 47% of poverty level. They should get the retraining. But people are selected by employers for the slots; employers get 1/2 wages subsidized by the program. And they are not going to hire the hard core unemployed. They are going to hire people they know.

BCU again has the problem of not being able to get anyone to negotiate. The Private Industry Council in Butte is chaired, ironically, by the man who oversaw much of the Anaconda shutdown--Ray Tilman. Made presentation at meeting that hiring priorities needed to be changed. If the hearing upheld the GA law, there would be over 1000 Montanans on the street and they deserved more consideration in these programs. If the state was serious that people were on welfare because they didn't want to work, then they should give them the opportunity to do that. Got nowhere; escalated over the months. Had frustrated negotiations, public demonstrations.

BCU finally decided that the Governor is responsible for this; he is charged by law with overseeing and approving the training plans for MT. He was not willing to discuss, wouldn't meet. Since the legislature, he has been met by a demonstration each time he's been in Butte. He came here to give an art award; opened his remarks to the poorest people with "Listen here, Buster." He came to address the Mt Press association, was met by about 20 or 30 people picketing. BCU wanted to question him; tried to get into the meeting; management escorted them out, called police, told them they could not be on the property. The next day, they were allowed to attend. Sr. Kathleen addressed the meeting, challenged the Governor to meet with them; the press to ask hard questions. A meeting w/ the Gov was scheduled for a week later. The decision came out a couple days before. Governor decided meeting wasn't needed. People were very upset about that.

Did meet with Commissioner of Labor. BCU proposed "Build Butte" in mocking ref. to Gov's Build Montana, that these funds be used to hire welfare recipients to do community rehabilitation work, part of the plan they were developing in Central Butte.

Q: Have the programs targetted for displaced copper workers--operating engineers retraining; crafts unions--reached GA recipients?

No. As a rule, those who have been employed in the past few years aren't on GA. To get GA, you can have a house, but most people lose it for taxes. You can have one vehicle worth no more than \$1500, and other belongings worth up to \$1000. Miners had better car, motorbikes, maybe 2 cars, money in the bank. You had to lose EVERYthing to get GA.

Helen Nicholls testifying before the legislature said, "My

husband worked in the mines for 20 years. He lost his car, his house, everything--finally, he qualified for welfare. And now you want to take that away from us.

Those retraining programs are targeted at a different class. Those people don't need training, they need jobs. The laid off miners have more skills than Bob would ever need to have. Not just skills they used in the mine; they are just handy.

Central Butte--when it became clear that GA might be cut, BCU looked into housing because they knew that a lot of people would need housing. They found that public housing in Butte was 25% vacant. Rent was 30% of income. People would apply and be told there were no vacancies. BCU tried to negotiate--they were told there were no vacancies. When they asked to see the records, they were told that there were no records. They would have to get a lawyer to see them. BCU involved the media; the media were told THEY would have to get a lawyer.

Ultimately the manager realized it would be better to address the problems. There had been an arbitrary policy of turning people away. BCU never knew why certain people were turned away.

BCU filed under the Freedom of Information Act to see an audit that HUD had done of Silver Bow Homes. It was very condemning--it noted there was virtually no record keeping, no application files. It mentioned a story about the office manager--when the auditor had asked her for records, she said she had them at home, working on them. He sent her home to get them. In time, a cab came with one meager file, and she didn't return. Sr. citizens with medical expenses were overcharged. Administration policies were outdated. So essentially what BCU had been told was true--there were no records. BCU had an additional fight over the deposit issue. In time, got some people moved in. That was the beginning of the tenants union.

Some of BCU members lived in Central BUTte Neighborhood (CBN). BCU did a study, found that the avg income was less than 1/2 the avg for Butte as a whole; 12% of CBN residents are minorities as compared to Butte avg of 4%; about 40% are single parent, woman-headed households. Unemployment was 29%. Some residents asked the BCU to help organize to go after a block grant of about \$2 million to benefit low to moderate income people. There was to be a competition within the city to see which neighborhood would be designated.

So BCU helped organize the neighborhood, developed a proposal. Had meetings for what the neighborhood wanted the money for--rehabilitation of homes, sidewalks; reclamation. The Emma Mine had been developed to supply manganese for the war effort. It was mined very close to the surface, and they knew that would cause problems. Essentially, the neighborhood had been sacrificed for the war effort. Over half the structures in the area have structural damage--probably from blasting, though it's too late to prove that. The company, for the immediate area

around the Emmna, paid off claims for damage, but paid nothing for public property damage--sidewalks, etc. In fact, the Company had gotten a rate increase to repair water lines there--ironic since they caused the damage. But they paid damage claims that usually ran about \$500, and that ended further claims.

But the damage occurred in a much larger area. Those people got nothing. The perception now is that the subsidence has stopped; that has been born out by studies. But the subsidence issue was used to defeat the proposal. The Community Development Director, Tom Cash, said that the best thing that could happen to CNB would be to run a bulldozer through it. At the hearing about the block grant, there were about 100 present from CBN. Maybe I spoke from another neighborhood. Peoples had said early on that he had made an earlier commitment to the north side. And Cash said that CBN was not suitable for rehabilitation.

Meanwhile, HUD had said in a telegram that subsidence was not a factor they would use to determine the suitability of the neighborhood for the grant. BCU produced that telegram. But there was also a letter from the state that if Butte Silver Bow nominated CBN, it would not be approved--or the state would be very reluctant to approve it because the investment could not be guaranteed.

Even at that, CBN dominated the second meeting. Several people spoke from the Near North Side. Sister Kathleen accused Peoples of recruiting people from there to speak. He admitted it. There was no grass roots support on the NNS for the grant. The vote was very close. The commissioner who represented CBN didn't show up; he hasn't filed for reelection. It will be interesting to see who CBN can come up with for another candidate. CBN lost by, Bob thinks, 1 vote.

The city should have had the guts to challenge the state over the issue of subsidence. If the state says they won't support money for an area with susidence, what about all of Butte? The city, far from being willing to fight it, encouraged it, because Peoples didn't want that grant for CBN.

Afterwards, BCU had a rally at the Emma Mine Site, Central Butte. 70 people showed up to a party on the mine site. It's covered with mine waste, utility lines, shaft with rotten covering. Had balloons, ice cream. The Chief Executive was invited; he showed up. Neighborhood leaders demanded his support to reclaim the mine site and build a park. He gave his support and also agreed to support CBN's request for funds--\$25,000 from the Urban Revitalization Agency, matched by \$25,000 from the State Historic Preservation Office. For neighborhood revitalization.

Tape 3, Side A

CBN got the money, through the bid process, hired Renewable Technologies Incorporated to do the plan. The neighborhood formed planning teams of volunteers for the planning process,

information gathering.

While the CBN plan process was going on, the BCU didn't just shut down on other issues or lose sight of the goal of empowerment. Whenever they saw a situation that they thought people could win, they did it. They obtained funding for Central Butte, got approval from the City Council. They talked about hazards in the area, etc. RTI documented all the hazards--open basements, the Emma shaft, much more. The City came down, cleaned up some sites. They negotiated with the City--"Build Butte" employed 10 GA recipients to paint low income houses in Central Butte. Supposedly, they would also paint apartments in Silver Bow Homes, but the City didn't want to do that because it is a federal project; yet the build Butte funds were Federal. The City wanted outsides of buildings painted so it would be nice for the community; BCU wanted insides of apartments painted so it was nice for the tenants. Over this issue, the Chief Exec said he didn't have time to meet with them, he was tired of their complaining. They didn't win that battle; the apartments were not painted. But other than that, the project was pretty successful though the painting training didn't turn into permanent jobs. The jobs just aren't there.

When the plan was completed, they held a public hearing. About 90 people came. The central issue of the meeting became, what is the Anaconda Co responsibility. The headline in the paper was "Make Anaconda Pay." The final writing of the plan reflects this goal. Decided on process that identified dozens of projects, costs, funding, but also agreed that there is a need to build a grass roots decision making structure in the neighborhood. They are attempting to build block by block neighborhood organization so that every block has a representative, a copy of the plan.

They have not stopped working on the issues while the plan was being developed. They have a proposal in to Urban Revitalization Agency to fund both major sidewalk replacement program and a new playground at Silver Bow Homes. Looking forward this summer and fall to the community block grant competition if Grahmann-Rudmann [Federal budget cutting bill] doesn't do away with program before then. And longer range, looking toward negotiations with the Anaconda Company for what the plan calls for, setting up a community investment fund for Central Butte, based on damages in the neighborhood. That in some ways could become a replacement for something like the Community Block Grant.

FUNDING--

Original funding came from the Youth Project, in Washington, D.C. Also, funding from the Abelard Foundation. There are not a lot of foundations that fund community organizing as such. BCU has established its reputation over time. That first year, there were lots of times there was no money. They got a small grant from the Lutheran church. Some from a foundation in Seattle,

Territory Resource. Diocese of W. MT gave a small grant--that was followed by a letter to the Bishop by executives of Montana Power Co that they would withdraw their financial support of the church if it continued to fund BCU. Campaign for Human Development--through the US Catholic Conference has been the major source of funds in the last two years. The Sunflower Foundation, out of San Francisco, has given a couple recent grants.

Q: Have you gotten much local funding?

That's the BCU's biggest problem. They raised probably \$6000 in 1985; hoping to raise \$8000 in 1986. The membership just doesn't have the money--if all gave 10% of their incomes, still wouldn't have \$8,000. Where organizations like the BCU get their support is usually from middle income liberal people. Miners might have, but they are out of work. Many of middle income people work for MPC; a few have given a little, but not many. BCU expected a lot from churches, both from individuals and the churches as institutions. But MPC controls some of the churches in Butte, and their influence is felt by all of them. Example--the Presbyterian Church, an official in NY said their office in NY had a \$10,000 check written out for BCU. The local church said NO, we forbid you to give that money. BCU has met with them six times. Individuals have asked if BCU people are marxist, communists. But many groups are not going to support attacks on MPC. BCU has not had another grant from the Diocese since the letters--Bob doesn't know if that is why. Local fundraising is at the top of the list for this year. BCU can't continue to count on outside funding. BCU has established a really good reputation with funders. Yet they are saying it has to raise money locally. Some of them understand that a group like BCU is likely to alienate the sources of money; other just want to see local money.

So BCU wants to be more creative--they are thinking of having a monthly bingo game. But they don't want to get out of whack, so that they exist to make money or play bingo. And social events--their members can't go because they don't have the money. The BCU has decided that they can't do events that their members can't go to. And the members need to make whatever fundraising there is happen.

Some groups do effective canvases. They have lots of "paper members," those who have donated \$5, 10, 15. But those people don't take direct action. And it is not clear in that situation that anyone is empowered. And many successful canvasses only end up with 50% of what they have rasied because of administration. Also, the canvassers are often exploited, they get paid only minimum wage. Middle income groups like Fair Share and peace groups are often good at canvassing.

CLASS DISTINCTIONS

They tend to focus on the GA issue. A lot of miners haven't hit

that point yet. It's such a scary thought. You don't want to be one of them. And, the really low income have resentment for the others, for people who have had opportunities. Bob grew up in a poor family, but he is astounded at the life styles of GA recipients. The most minor problem is a crisis if you don't have money.

Q: Do you think there is a traditional prejudice against welfare recipients from blue collar workers?

No. The labor movement has been the chief supporter of every social program created. The more elite of the working class--the craft unionists--have the attitude the less the better; perhaps they tend to that mentality more than industrial unionism. But when there is a large pool of poor, the labor position is weakened. Sister Kathleen made an analogy that may be more to the point. Children make fun of a person with a handicap because they fear they will get it. The working class people are only a job away from GA; perhaps they are standoffish because they fear it.

Q: What do you see as your biggest successes--

The role of the BCU in the MT Low Income Coalition; organizing the campaign to increase GA levels, and the defense of that program; the agreement for the Emma Mine site; completion of the neighborhood plan, a tool for neighborhood resiliency. More important than the rest is seeing leadership develop; a number have developed as leaders.

Tape 3, Side B

Sister Kathlees has emerged as the leader of the organization--she deserves so much respect, she works so hard, she cares, has developed so many skills. Reverend Joe Warren became involved with BCU over the GA fight. At first, everyone wanted him to change, to look more acceptable (he has long hair, a beard). He worked in the mines for years, had a hard life. But he has a simple honesty, basic compassion. He got so turned on during that fight. Now he has just gone to Washington as a representative of the BCU at a meeting about guaranteed heat plans. He is determined that the BCU will win. [off the record, Bob mentions several more.]

Q: Failures? or frustrations?

Ironically--because the lesson Bob learned working on the Plant Closing Initiative was the importance of building an organization and base--what BCU has done is worked on issues. They have had some great victories; they can rally people around an issue like crazy. But they have not spent the same emphasis on the organizational development so although there is a lot of loyalty, there is not the degree of sense of ownership there should be. There is loyalty, admiration, affection, but those are not the same as ownership. So that's why they are building the block

structure into the neighborhood plans.

Q: Can you do anything about job creation?

The GA program is the only jobs program available. Build Montana is really business assistance rather than jobs assistance. BCU is really the reason that GA still exists, so in that sense, they have been effective in job creation (workfare).

The other thing is turning business assistance into jobs assistance. Taking Butte off the Superfund traded reclamation jobs, for, hopefully, mining jobs. Decreasing Washington's taxes, getting him \$15. M of taxfree bonds and a \$5 M UDAG grant--all these are a subsidy in the hope of creating jobs. But testimony or promises in applications don't make jobs. The study the BCU presented at the hearings on the UDAG application, a study of 10 projects, showed that none of them lived up to their job creation promises. The Sheraton in Missoula got gov't money, UDAG, on promise it would provide jobs for the Hmong. Not one Hmong employee works there.' So, the most important jobs issue--if a subsidy is to create jobs, we need to insure that the subsidy is not given until there is a commitment for those jobs. And there should be a commitment to monitor them. That will be BCU's major emphasis in the next couple years.

The other thing BCU has looked at is direct job creation. They are not very optimistic about then. The experience of groups that have tried has been pretty dismal; those that have done it have lost their original empowerment agenda and become a community business. It may be premature to think that poor people can create their own jobs.

In the CBN plan, there is a discussion of exploring business opportunities, of jobs through reclaiming the mine site and on housing rehabilitation projects. The BCU or the neighborhood org. wouldn't be the employer, but would help get those programs going. So jobs have been a part of everything BCU has done. And it does relate to chasm between real low income and less low income unemployed. The jobs issue is something that can really unite people.

Q: The BCU has a running feud with the County administrators. Any ideas how this could be defused?

One of the problems is that the city government doesn't take seriously the need for an open government. For instance, in the UDAG hearings just a couyple weeks ago, the application for the UDAG grant was not available to the public at the time of the hearing. It is still not today; it's not written yet and it has to be in by Friday. The gov't needs to respect people's right to participate.

It's an issue of power. Until the gov't perceives that poor people have enough power, they won't be consulted or a part of the process. All they CAN do is get the power necessary to be on

a better footing.

One person who has helped the BCU is Paul Bloyd from the Center for Community Change. He spent time in Chicago as community organizer; the headquarters is in Wash. D.C.; he runs the Oakland office. He has given much technical assistance comes in every few months, does workshops, spends a few days, spends time consulting. He is a real genius as far as community organization. He has been very important as a teacher.