



RELEASE FORM

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Restrictions:

2/5/86
Date of Agreement

x Richard M. Skitar
Narrator

2850 Kossuth
Address

Butte, MT 59701
City, State, Zip

Teresa Jordan
Interviewer

Butte Historical Society
PO Box 3913
Butte, MT 59701

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Accession date

Mary Murphy
Archivist

NOTES ON USING MATERIALS FROM

"IS THERE LIFE AFTER COPPER?" ORAL HISTORY PROJECT

Because of limited funds available for this project, audited transcriptions of the tapes were not possible. However, there are detailed notes for most of the interviews. The user should be aware of a few limitations on the use of these notes. Unless otherwise specified, the notes were taken at the time of the interview and were not later audited against the tape. They can give you a good idea of what was covered in the interview. However, if you find something specific that interests you, you should verify it with the tape. Because the notes were taken quickly during the interview, they may include inaccuracies. If you use information for attribution, you must go back to the original tape.

There are rough transcriptions for many of the interviews. Again, because of time and funds available, these transcriptions were not later audited against the tape. They are more accurate than the notes, but again, if you use information for attribution, check it against the original tape.

A few interviews have restrictions against use of the tape. The notes for these have generally been read and corrected by the subject of the interview and are accurate. Check the releases for further information.

Richard Skates, Assistant Vice President in Operations, First Bank Butte, interviewed at the bank by Teresa Jordan, 2/5/86.

Dick grew up in Harlowton; his father worked for the railroad, transferred down here in 1946. Dick had worked for railroad in Harlo when he got out of high school, had ruptured himself, came here to be fixed up; the railroad doctor was here. The injury made him realize that he didn't want to stay with the railroad; he joined the Marines. Came back to Butte in 1951.

His father worked in Butte on a trunk line that provided passenger service to Spokane, part of the Milwaukee.

When Dick came back to Butte, he worked 14 years for Safeway--7 years in the store, 7 years in the warehouse; started to work for bank 20 years ago. Is now Assistant Vice President in charge of operations.

Q: How did strikes and layoffs at the Anaconda Company affect your bank customers? Were many delinquent on loans or mortgages?

Dick came to work at the bank in 1966; about a year later, there was a long strike. The bank moved into this new building in 1968.

Butte has always been known as a good savings town. People saved through savings accounts, CD's, Christmas clubs. They used the Christmas club for Christmas; also for property taxes. Christmas Club is still popular, even though there is not much publicity for it. And something that is not done much anymore that was very popular was payroll deductions for Savings Bonds. The bank used to print scads of them for people who worked for the Anaconda, for Safeway, for Montana Power. Some still have deductions for bonds, but not many.

Also, sign overs used to be popular. Banks were involved with this, Prudential, savings and loans, credit unions, merchants. A miner would sign over his check to the bank or store; it would take its loan or account payment out of it, then turn it back to the worker. Now that isn't done; people would probably think it violated their rights. But it was entirely voluntary.

Q: Why do you think Butte was such a good savings town?

It could have been the anticipation of strikes, hard times. On the other hand, the bank doesn't have a time-pay department anymore. But when there were a great number of employees at the Company, many of them bought things on the installment plan--refrigerators, cars, radios, etc. Now much of that is carried by individual merchants and credit cards.

Probably the biggest effects of strikes or layoffs were in real estate loans, because that generally is people's biggest payment. A striking miner could ask for an extension; if his credit was

worthy, if he had been a good customer in the past, the bank would usually extend it, ride out the strike with him. Usually, though, when he was back to work, he would have late charges; late charges are assessed when anyone is late with payment.

Of course, a certain number ended up on welfare. Landlords may have gone along with tenants until the strike was over; some probably kicked people out.

But everyone seemed to survive. Dick remembers a Time Magazine article during one of the strikes that wasn't very true. It painted the times harder than they were, said people were poaching to survive. Dick doesn't think it was that bad. The earlier strikes were bad, more violence. Probably, people had nothing to fall back on, they were more desperate for survival and violence resulted.

The first time Dick came to Butte, in 1946, there was a strike on; much violence, many homes destroyed or damaged. Supposedly they were scabs' homes, but now they wouldn't be considered scabs--they were supervisors, etc. That violence was the first thing Dick saw; he thought it shouldn't be permitted.

Harlowton had maybe 2,000 people at its peak. It was fairly prosperous; a division junction for the railroad; they changed from steam to electric engines and v.v. there. The next division point was Deer Lodge. Harlow had the flour mill at one point; it was an agricultural community. When the Milwaukee shut down, many left Harlow.

Butte survived hard times better than anyone thought. That was probably because Montana Power was here, as well as other industries--the hospital, Stauffer Chemical, MHD.

If you look back over the years, for every bank in Butte, the deposit base has kept increasing. They have more money in fewer accounts. Part of that is inflation, but still it is interesting. Dick doesn't know if that is typical across the nation.

From '68 to around '74, First Bank had free checking accounts; few banks in the country offered free checking for more than the first year they were in business. The bank had all the accounts it wanted; it also had all the bad accounts it wanted. When they started charging a fee, many of the bad accounts closed. At one point, they had about 10,000 checking accounts; now they have probably half that many. And the accounts are more stable. Banks are now more intolerant of overdrafts than they once were. They charge high service charges; they close out accounts more often.

When the mines closed, the word of mouth was that Butte would be a shambles. That's exactly what didn't happen. It showed that people who did business with banks were pretty stable. There were no large scale foreclosures. At one point, the bank had two

full time field people who tracked delinquent payments, repossessed cars, etc. But when the mines shut down, they didn't need two. After the mines shut down, there weren't as many repossessions as before. A lot of accounts were held by merchants or credit cards. And the unions helped.

Q: What is the role of banks in Butte's survival?

There has been no panic; what was expected never happened. There is still high unemployment. People want to stay here; perhaps they are waiting for something to happen. Butte has a pretty large welfare base.

Some years ago, law was passed that striking workers could get welfare if their strike benefits ran out. That was a controversial law. Dick thinks that unions helped one another from time to time as well.

Q: Did the bank policy change in any way after the shutdown?

Most the mechanisms needed to cope with it were in place--policy towards extensions, etc. In a lot of families, the wives were already working so the family had some income.

Q: What do you think the blue collar attitude in this town is toward banks?

Dick thinks that the attitude is typical of blue collar attitudes toward banks, shaped, perhaps, by the years of negotiating with Anaconda. There is a certain animosity toward corporations. Yet, supervisors at the Anaconda have told Dick how much they admire the union workers, how skilled they are, hard workers. And when Anaconda made money, it was because it was cooperating with the unions.

Q: Two cases just recently have hit Butte banks pretty hard--the Flanagan case with Prudential, and the Excelsior Meat Market case with you folks. Do you think they indicate a frustration with corporations; perhaps anger that can't be vented at Anaconda is vented at the banks?

It's hard to say. Jurors will say they came to the verdict because it was just. There is a piece of legislature pending which would allow only certain amounts of damages for certain types of cases. The uniform commercial code that banks operate under in something like 44 out of 50 states and is acceptable from one state to the other deals with things like rules for dealing with checking accounts, closing them when delinquent; rules for loans, etc. If a bank has operated within that code without challenge for 100 years or so without trouble and now there are objections--if you have an objection and you can get a lawyer who can get the jury to go along, with our laws, you will win. Maybe that is just. But the problem is that sometimes the settlements are more than a firm has made in 50 years of business.

Q: Do you think those two cases are related to the situation in Butte specifically, or are just part of a national trend toward more litigation.

Dick doesn't know. They say that Montana is 3 to 5 years behind the rest of the country. We have a good life here--not too much population, a lot of elbow room.

There was gambling in Butte when Dick first came; it was outlawed, he thinks, in the 50's, and attempts to legalize it have failed. But it seemed that Butte was booming all the time. You couldn't find a parking place uptown any night of the week. There were about 5 movie houses; the largest, the Rialto, was where the bank is now.

You look at the history of Butte--it was a hell roaring mining camp. It lacked competition for labor. Some claim that the AMC didn't want other industry to come to town because AMC would lose it's edge hiring. Who would work in the mines if there was something else that paid as well? They shipped West Virginians in here to work; that didn't work out very well; most are gone now.

But with dangerous work, there is a feeling of living for today; people are good drinkers, live high.

Q: You worked for the bank during Butte Forward. What was the bank's response? How did it feel about investing in Uptown businesses?

The banks didn't really play a role. The company wanted to expand the pit; three or four years later, they didn't want to do it anymore. To move the town, the costs would have been huge. Also, at that time, they were talking about moving the airport, possibly between here and Anaconda. They wanted to put the new town where the airport is now. But the costs of that are too high; copper prices wouldn't have supported it. Certainly, looking back, they wouldn't.

When this bank built this new building, they had to buy land, raze a couple buildings. The national corporation questioned our desire to do it uptown; thought it would be better on the flats. But we have always been uptown.

Q: What do you see in Butte's future?

Washington buying the mines is an optimistic thing. But there is still high unemployment here, welfare. The stores have keen competition for the number of people here--there was recently an article in the paper about how the new fast food chains had hurt existing restaurants. But for the most part, people live like they always have. In the last couple years, real estate values have started to climb again.

Q: Could you talk a bit about your involvement with the Mining

Museum?

Dick is on the board of directors; is also treasurer. The Mining Museum banks here; the last treasurer was an officer of the bank. When he quit the bank, he asked Dick to take it on. Dick had always liked the mining museum; went up there every year.

When the museum was started in '65, Dick thinks it was started more as historical preservation rather than as a tourist attraction, but it's become a tourist draw.

They have two full-time people -- a security person, and a manager. THEY live up there. In the summer, they also hire college kids to work in the shop, at maintenance, drive the train, etc. The kids like it; they are not doing the same thing all the time. But there are scads of volunteers as well. One ladies' sorority in town has 70 members and they take turns manning the store during the off season. A crew of about six or seven including Dick go up on Saturday and work on different projects. In the spring and summer, the Boy Scouts and service clubs help out.

Dave Johns is president. He has been with the Mining Museum for over 20 yers. Sammi Keath is Secretary and is on the board; she is one of the oldest in time there as well.

Al Hooper has a crew that goes up Tuesday night, is involved with picture preservation. They provide pictures for the Sunday Montana Standard. People have donated pictures of mines, of Columbia Gardens.

Over the years, the Museum has never had a problem getting volunteers; they have maybe had trouble getting volunteers with the skills they need. Dick has been involved with Dave reconstructing old buildings. They are not fine craftsmen, but they take the time to look at old pictures, be accurate in design. If hired a professional carpenter, he might not care about accuracy.

Sammi Keath is the curator; she has had the biggest hand in furnishing and decorating the insides of the buildings.

The other part is having things to work with. In the middle 60's when the museum was getting going, the Company was tearing down and moving many buidings from East Butte. Literally truckloads of stuff was brought up to the museum from houses--old sewing machines, antiques. They got things they could never get again.

The whole lease of the museum is 33 acres; it occupies about 10 of it. There are about 30-some structures. It is located on an original mine site--the Orphan Girl.

Q: What is the relationship you see between the Mine Yard Plan and the Mining Museum?

Personally, Dick is not sure about the Mine Yard plan. For the amount of money involved and the other impacts it might have, environmental and such, he is not too optimistic about it. He thinks it parallels the Mining Museum; he thinks that the Museum might be added to to make it more like an original working mine. He thinks the park plan people know what they want to do with it, but he questions where the money will come from.

Anything like that will enhance our appeal to tourists. Others might as much at less cost, like restoring the look of Victorian buildings.

The costs are so high for the park plan. The Berk. Pit observation stand cost something like \$100,000 years ago. It doesn't look like it should cost that much, but it does when you contract it out. The volunteers at the mining Museum have saved a lot of money. You could never put a value on what is up there. It is insured, but you couldn't replace it.

The volunteer efforts around town indicate the inner spirit of Butte.