

2015

Transcript for Episode 01: Copper Collar: Montana's 75 Years as a Corporate Colony

Robert Swartout

Harry Fritz

Evan Barrett

Executive Producer, ebarrett@mtech.edu

Follow this and additional works at: http://digitalcommons.mtech.edu/crucible_transcriptions

Recommended Citation

Swartout, Robert; Fritz, Harry; and Barrett, Evan, "Transcript for Episode 01: Copper Collar: Montana's 75 Years as a Corporate Colony" (2015). *Crucible Written Transcripts*. 1.
http://digitalcommons.mtech.edu/crucible_transcriptions/1

This Transcript is brought to you for free and open access by the In the Crucible of Change at Digital Commons @ Montana Tech. It has been accepted for inclusion in Crucible Written Transcripts by an authorized administrator of Digital Commons @ Montana Tech. For more information, please contact sjuskiewicz@mtech.edu.

[Begin Copper Collar - Montana's 75 Years as a Corporate Colony]

00:00:00

[Music]

00:00:03

Narrator: From the beginning of Montana's distinctive yet troubled history, the Treasure State was dominated both economically and politically by powerful outside interests who shipped in capital and bought control of the State.

00:00:14

Historians tell us that as the Anaconda Company and its friends ran Montana, economic and political power flowed out into the hands of distant capitalists and corporations.

00:00:26

Policy was determined in far off New York City and control of the press was rigid. Anaconda's corporate dominance in Montana's political affairs was unique in American history. For its first 75 years, Montana was a one-company State. But then big winds of change roared across the Treasure State; between 1965 and 1980 Montanans ripped off their copper collar, transforming Montana from a corporate colony into a free modern State.

00:00:55

The people finally controlled their own destiny. The pitched battle between the people and the established power structure was not easily won but fired In a Crucible of Change a new Montana was born. Join Evan Barrett and real history makers of the time as they shine the light on this remarkable era.

00:01:17

Evan Barrett: Welcome to *In the Crucible of Change*. This series about Montana history from the period of 1965 to 1980 is about the progressive change made in Montana when we escaped from the copper collar that had dominated Montana for the first 75 years of its statehood. This is--this program today we have some extraordinarily qualified and unique individuals who are going to provide some interesting perspective about those first 75 years. Both the period in which we were economically, socially, and politically dominated by the Anaconda Company and

its allies and the eventual seeds of change that started happening in the 1950s and leading into the 1960s that kind of set the stage for the change to a people-oriented State that took place during the essentially second progressive era of Montana politics and history in the 1965 to 1980 period.

00:02:22

We're joined by two special professors of Montana history. Harry Fritz is the--was a UM Professor of History for 40 years before he retired, Chairman of the History Department there for 14 years; he took over Montana History at the University of Montana when preeminent Montana historian Ross Toole died. And Harry got his BA from Dartmouth and his Master's from the UM, his PhD from Washington University in St. Louis; in addition to teaching Montana history for so many years, Harry helped make some Montana history. Harry was a member of the Montana Legislature, the House for two Sessions and the Senate for two Sessions, serving in 1985 and '87 Sessions in the House and the 1991 to '93 Sessions in the Senate.

00:03:26

In addition, Bob Swartout, Carroll College Professor Emeritus and by the way I must say Harry has been designated a Professor Emeritus at UM as well; Bob Swartout is a Carroll College University, Carroll College Professor Emeritus who focused substantially on Montana history among other things. Bob got his BA and his MA from Portland State University and then his PhD from Washington State University. Bob was a Professor of History for 36 years at Carroll College including 24 years as Chairman of the Department. And he spent two decades being an Advisor to *The Montana*, the magazine of western history which is produced out of the Montana Historical Society.

00:04:11

In addition, these two gentlemen are partners in a way because they are co--they produced two anthologies as co-authors and co-editors of two anthologies on Montana history, one called *Montana Heritage* and one called *Montana Legacy*, both excellent books to get--get a handle on Montana history. So we're pleased to have you here because you can lend a sense of perspective to the change that needed to happen for Montana to become a different kind of State than it was for its first 75 years.

00:04:44

Let's start with the real seeds of Montana's copper collar which probably came with the formation of the Montana Constitution back in 1889, first 1884 and 1889. Why don't you start us with that a little bit Bob and give

your reflections on that Constitution and how it was designed as so many elements are to protect the interests of those that had economic and political power at the time?

00:05:10

Dr. Robert Swartout: Okay; well I'd begin by saying that mining was tremendously critical to the evolution of Montana as a territory and then a state. It becomes a territory in 1864; that wouldn't have happened had it not been for the gold mining frontier that explodes across Montana in the early 1860s.

00:05:29

Over the next decade or so as--as gold mining begins to falter a bit, silver mining becomes big business in Montana by the 1870s. And in the 1880s copper comes on the scene. So again, you can't understand the history of Montana without appreciating the importance of mining in Montana's history.

00:05:50

By the 1880s the railroads had arrived in Montana. The first Trans Continental Railroad to build--to be built entirely across Montana; it was the Northern Pacific. Once the railroads are in place they bring--begin to bring new folks into Montana, begin to make industrial mining, underground mining possible in Montana, so in the 1880s the population begins to grow. There's a chance that Montana would have enough people to qualify for statehood.

00:06:19

So there's an early effort to do that. They actually write up a Constitution that might serve as a State Constitution in 1884. All the forces aren't quite in place to bring about statehood, so it's postponed for roughly a half decade. Finally in 1889 this log jam is broken. Several new States are brought into the Union in 1889. So Montana is part of that; they kind of trod out that 1884 Constitution they had originally written, adjusted a little bit, and then presented it so that Montana can gain statehood status.

00:06:58

Evan Barrett: And given the economic, and by the way I will mention to our--to our viewers that these are always conversations that we engage in, and so feel free to--you jump in on anything I might be asking or talking about and I'll be doing the same thing. Essentially because of the preeminence and the economic importance of mining to

Montana, clearly when the document was written it took care of mining because the forces that were--were there, I think the President of both Constitutional Convention's was WA Clark one of the copper kings wasn't it?

00:07:30

Dr. Robert Swartout: That's correct; yes.

00:07:32

Evan Barrett: And but--but they did reflect the economic and social needs of the mining and other vested interests at that time, but that's kind of understandable. It's where it went from there was maybe the issue.

00:07:44

Dr. Robert Swartout: So the two groups that were most crucial in writing the document were ranching forces in Montana and mining forces. And they saw eye-to-eye on a lot of issues, so they cooperate in producing that document. And again, it then becomes the--the Constitution under which the State operates from 1889 until 1972 when Montana's second Constitution is voted on and ratified.

00:08:10

Evan Barrett: And I think those economic interests that you say the--the agricultural interests predominantly stock growers and that type and the Anaconda Company and the mining interest kind of stayed in coalescence until all the way through the 75 years I believe didn't they?

00:08:26

Dr. Harry Fritz: I think so and that's the process that we're going to begin to trace today. I hold a decade of the 1880s to be the single, most important decade in the entire history of Montana. Right behind it is the decade that we'll be investigating from '65 to '75 or '80 or so. It's in the 1880s where the mining industry especially the copper industry came to fruition. It's the decade of the hard winter and the beginning of the modern cattle industry in Montana, the logging industry boomed, and of course the decade culminated in statehood. Montana became the forty-first State in the nation in 1889.

00:09:11

Evan Barrett: Uh-hm and once we became a State in the 1890s there was a lot of formative activity going on inside the government and kind of the--

00:09:21

Dr. Harry Fritz: Well I think the main thrust of Montana history in these early years is economic and it centers around the mining, the logging, the agricultural sectors of the economy. The Constitution of course is a political document. It's a very conservative document politically; it--it circumscribes legislative action, it--it creates a plural Executive. There's no strong Executive in early Montana history. And it does as Bob mentioned, give the economic aspects of the territory, mining and--and ranching especially preferred status.

00:10:00

Evan Barrett: You know we talked in later programs a bit about the strengthening of the Executive Branch that occurred during the period of the *Crucible of Change* and the strengthening of the Legislature. But clearly the early document had a weak Executive--a weak Executive Branch because it was so diffused and not a powerful Governor, and then a fairly weak Legislative Branch too because it was not empowered to--staff-wise and those kinds of things didn't happen. So did that--was that something with which the powers that be if you will had some comfort level would you guess?

00:10:41

Dr. Harry Fritz: I think so. Certainly when the Legislature meets only for 60 days every two years--

00:10:48

Evan Barrett: Calendar days, too.

00:10:49

Dr. Harry Fritz: --when most Montanans wish it met for two days every 60 years [*Laughs*] and it's a conservative document, the Constitution of 1889 like similar Constitutions. And it was out of date almost before the ink was dry. The first Governor of Montana to call for a new Constitution and a new Constitutional Convention was Governor Joe Dixon in the early 1920s. And it's the movement for constitutional reform which we'll be tracing again in part today.

00:11:23

Evan Barrett: Uh-hm; you know after the Constitution is in place and the government comes in place the--perhaps one of the most dramatic incidents that started to really establish the economic and--I mean the powerful dominance of the Anaconda Company or its predecessor was what happened in 1903. Can you tell us a little bit about that because that's such a dramatic episode? I mean it's--

00:11:59

Dr. Robert Swartout: Well I think Harry makes an important point that when he says the Constitution was almost out of date from the time that it was written it was a 19 century document. We need to think of it in those terms and until the very late 19th century America was primarily an agrarian country, an agrarian society. During the last third of the 19th century America embraces the Industrial Revolution but the laws were slow to adjust to that. So again I think it's helpful to think of that original Constitution not only as a conservative document but in some respects as an agrarian document, not a document that was attuned to the industrial changes that were taking place in American society. Lawmakers couldn't imagine the kind of power that--that these new industrial companies would be able to exercise, but Montanans began to get a strong glimpse of that early on.

00:12:57

The Anaconda Company begins to arise in the 1880s; in 1899 something known as Amalgamated, a company known as Amalgamated with its roots in New York, it--

00:13:11

Evan Barrett: That's where Marcus Daly just prior to his death sold all of his interests to this New York group.

00:13:17

Dr. Robert Swartout: Right and it wasn't a hostile takeover; it was a friendly takeover. It included people like William Rockefeller, Henry Rogers, but these were people who wanted to establish a kind of monopoly control over the copper industry not just within the US but around the world. And this Anaconda copper mining company was one of the chief targets. They created a holding company called Amalgamated. And it begins to buy up different copper companies throughout the United States and other places. They'd take control of the Anaconda Company in the 1889. And--

00:13:55

Evan Barrett: Eighteen ninety-nine.

00:13:56

Dr. Robert Swartout: Excuse me, 1899 and as a result of that, a showdown begins to develop among the copper kings. And by the early 20th century one of the other copper--and in 19--1900 Marcus Daly passes away. William Clark of course is still very much alive. But there's a young fellow by the name of Fritz--F. Augustus Heinze, often known as Fritz Heinze, who decides that he wants to challenge the power of Amalgamated and the power of Anaconda, and he has friends in the Courts in Butte. One of those is a Judge by the name of William Clancy. He would often attempt to tie up properties that were claimed by Amalgamated, often used in something called the Apex Law. A lot of Montanans are familiar with it.

00:14:47

Evan Barrett: I think we discussed that Apex Law that it's--if the--if the vein broke the surface you could follow it anywhere it went and take everything--

00:14:56

Dr. Robert Swartout: That's right.

00:14:56

Evan Barrett: --and Heinze was essentially going to Amalgamated stealing a bunch of its underground copper.

00:15:03

Dr. Robert Swartout: That's a harsh word.

00:15:05

Evan Barrett: You know--

00:15:04

Dr. Robert Swartout: That's a harsh word Evan but--but he had a nose for copper we like to say; at the very least he would often then tie up their properties in--in Court cases and he would often get a friendly hearing in these Butte Courts. So Amalgamated became so frustrated that they wanted a Change of Venue Law. They wanted to be able to take these cases someplace other than Judge Clancy's Court. How could they get that? They decided they wanted a special Bill passed by the Montana State Legislature.

00:15:38

In October of 1903 they closed down all their operations in Montana. All the mines, all the smelters, overnight 15,000 workers were thrown out of work. And if you think of the ripple-effect, what about the other members of those families? What about the clerks working in stores where--where the miners would buy their goods? It ripples through the State economy. They closed down all their operations in the State October 1903 and then say to the Governor of Montana, Governor Joseph Toole, we want you to convene a Special Session of the State Legislature where the Legislature can take up this one Bill. They called it a Fair Trials Bill right Harry?

00:16:23

Dr. Harry Fritz: Change of Venue Bill, Fair Trials.

00:16:26

Dr. Robert Swartout: And what does Governor Toole do to this kind of blackmail?

00:16:30

Dr. Harry Fritz: Well he held out for as long as he could which is about two or three weeks. And then when you have 15,000 workers out of work at the beginning of winter you basically have to cow-tail to the company's will.

00:16:44

Evan Barrett: Essentially a capitulation but it was a good example of--

00:16:47

Dr. Robert Swartout: Well he's not only getting pressure from the company but he's now getting pressure--he's getting letters, telegrams from--from these workers and their families still out of work. They're saying to him this Bill may not be fair but we need our jobs back.

00:17:00

Evan Barrett: You know the--I don't know if it's anecdotal or whether it's actually the--been established by the facts but there's certain things that--that there was bribery alleged, obviously the--that Clark, we discussed this in other programs, Clark's bribery was a personal level bribery about him wanting to be a US Senator. And so he bribed a couple Sessions of the Legislature to try to become Senator, one of--eventually he got there after his fifth try. But for a fairly non-descript single term, but Heinze supposedly felt like I don't need to bribe 150 or 100 Legislators; I just need to have friends as you would say in the two Judges in Butte. And all the cases arose in Butte and--and supposedly there was some money behind all that. But that being said the Amalgamated wanted to fix it and asked the Governor to fix it and very--you understand this, particularly as being--. You had to go out and rustle for votes to run in the Legislature. When your electorate--it isn't just that the Anaconda or the Amalgamated shut down, but those impacted workers were voters. I'm a Governor; I say well okay so guess what? We--we pass a Change of Venue Law which probably was in one shape or another probably a good policy.

00:18:30

Dr. Harry Fritz: Well I've always argued that the single most important event in the entire history of Montana is the coming of the railroads in the 1880s because it jump-started the economy in all of its aspects. But right behind

that if not a close equal is the consolidation, centralization of the mining industry in Butte which we call the War of the Copper Kings or the Wars of the Copper Kings of which this 1903 shutdown, this corporate shakedown of Montana is a central and pivotal event.

00:19:07

But what I think needs to be understood about this and historians have not liked this at all, corporate control of Montana is that it was absolutely necessary to continue mining copper in Butte, in Montana on an economic basis because the Apex Law, the fractured veins meant that all of these claims were tied up on Courts. Fritz Heinze had a firm with 100 lawyers in it, 100 lawyers to stymie his competition by taking them to Court with his favorable Judges.

00:19:43

So until most of the copper mining in Butte was under a single corporate control it couldn't continue very long.

00:19:51

Evan Barrett: So the policy that this incident--that came out of this incident, that policy was probably well-founded but the politics of it were revealing of this consolidation of political power, not just economic power.

00:20:11

Dr. Harry Fritz: The politics of it reverberated for the rest of the 20th century right up from that period.

00:20:15

Evan Barrett: So there we go.

00:20:16

Dr. Robert Swartout: And to wrap up that story then, the--the law is written up; it's passed very quickly by the Legislature, so it becomes part of the State law. The Legislature then goes about its business. The Session ends. Heinze then says all right; well I'll give it my best shot, over 1905--1906. He then sells out his properties to

Amalgamated at a handsome profit. In return he agrees to halt the 100 lawsuits that his lawyers had pending against other Amalgamated properties.

00:20:53

So--so he makes his pile of money out of this; he then goes off to Wall Street where he takes on other challenges and this time he bites off more than he can chew and he--he doesn't win in those fights. But Amalgamated is able to consolidate all of those properties and then finally in 1915 Amalgamated disappears as a holding company. All of its properties are--are blended together into a single entity that is renamed ACM, the Anaconda Copper Mining Company.

00:21:23

Evan Barrett: Anaconda Copper Mining Company.

00:21:23

Dr. Robert Swartout: And at the time that this happened this is the largest copper company not just in Montana, not just in the US as the largest copper company in the world with assets of more than \$100 million.

00:21:34

Evan Barrett: Yeah.

00:21:35

Dr. Harry Fritz: And it would soon be the fourth largest corporation anywhere in the world, corporation of any kind in the world by the 1920s when it acquired the--the means of processing and selling goods made from copper.

00:21:50

Evan Barrett: And it's worth noting that in this period we're talking about in 1912, you know they always found a way to--for example to get the lumber. They got [Plum Creek] or their Anaconda Lumber Company, so they had lumber for the railroad ties to deliver stuff, but also lumber for timbering the mines. They needed with these smelting processes, they needed electricity and out of that in 1912 came the Montana Power Company--was really

an offspring of the Anaconda Company and it became almost a--a partner of them politically forever until the demise of the Anaconda Company.

00:22:28

Dr. Harry Fritz: Yeah; they--those two companies, the Montana Twins had an interlocking Board of Directors and the same President, President of both Anaconda and Montana Power, the Montana Twins.

00:22:40

Evan Barrett: It's fair to say that--that the Amalgamated--first even before Amalgamated and then Amalgamated and then ACM had a strong impact on electing people in Montana. And most of these people elected to be Governor of Montana were approved by the--say the mining interest; very seldom did the mining interests not elect who they wanted to as Governor. In 1920 they were facing a dilemma because Burton K. Wheeler who was a progressive that they didn't particularly care for because of some of his activities in Butte was running as the Democrat and they usually supported Democrats who were mostly Governors of that time and then Joe Dixon, a very progressive Republican was running and the Anaconda Company was facing Amalgamated, Anaconda--ACM was facing a dilemma. What emerged out of that Harry?

00:23:35

Dr. Harry Fritz: Well they chose the lesser of two evils from their point of view. I think we need to remember that in the early 20th century for the most part the Republican Party was the progressive Party in the American Party system. The Democratic Party nationally with its base in the solid post-Civil War South was the conservative Party. Now each Party had its--the Republican Party had a conservative wing which ultimately take over in the 1930s. The Democratic Party had a liberal wing which got Woodrow Wilson elected in 19--in 1912.

00:24:12

But in 1920 there were two progressives running for the Office of Governor, Burton K. Wheeler, the Democrat and Joseph Dixon, the Republican. And Burton K. Wheeler had a little more of a radical reputation. He'd supported the Non-Partisan League in North Dakota which was a socialist organization, government ownership of

grain elevators and railroads and so forth. And Joseph Dixon seemed to be the--the more logical choice. So they-- they supported the Republican Joseph Dixon who turned around and taxed them.

00:24:48

Evan Barrett: Low and behold, he did win.

00:24:50

Dr. Harry Fritz: He did win.

00:24:52

Evan Barrett: He became Governor but once he became Governor that lesser of two evils decided that taxing more for the mining companies, a little bit more or maybe even a lot more was something we ought to do.

00:25:02

Dr. Robert Swartout: Well and as Harry said, both Dixon and Wheeler were hard core progressives and the Progressive Movement that came about in the first two decades of the 20th century arose in part because of the Industrial Revolution that had taken place in the late 19th century. They feared that the tremendous economic power that these corporations were gaining could be a threat to America's institutions. Now the--the great majority of progressives were not socialists, were not leftists. They saw themselves as traditional Americans in many ways but again they feared that these massive amounts of money that the Industrial Revolution was producing could be a threat to America's traditional democratic order.

00:25:50

And so they wanted to rein in the power of these corporations. And Wheeler felt that way; Dixon felt that way. The company was more familiar with--with Wheeler in a sense because he had been a Federal attorney in Butte during the First World War and had fought for workers' rights during that time. And of course workers in Butte meant--meant workers in the mines in Butte during that time period. So the company, the Anaconda Company was concerned about Wheeler and the position that he was taking on many of these issues. In fact, another development was taking place and that had to do with newspapers in Montana. The Anaconda Company was

beginning to take control of most of the major dailies in the State so that the company voice could be--be put forward. In the 1920 election as I recall that was about the first time these papers began to refer to Burton K. Wheeler as Bolshevik Burt.

00:26:54

Dr. Harry Fritz: Boxcar Burt.

00:26:55

Dr. Robert Swartout: He was no Bolshevik.

00:26:57

Evan Barrett: Boxcar yeah.

00:26:57

Dr. Robert Swartout: He wasn't a communist but again, he was too anti-corporation for the company's concerns. And this was a way of discrediting him. Again, it wasn't so much that they were for Dixon; it's that they were against Burton K. Wheeler.

00:27:10

Dr. Harry Fritz: And Burton K. Wheeler's political career was by no means over.

00:27:13

Evan Barrett: No.

00:27:14

Dr. Harry Fritz: Because two years later in 1922 he was elected to the first of four consecutive terms as United States Senator from Montana.

00:27:23

Evan Barrett: It's--I think it's interesting that--that having--clearly the Anaconda Company had enough political strength and influence to help Joe Dixon get elected even though he was just the lesser of two evils. But once he taxed them what happened in 1924 to Joe Dixon?

00:27:42

Dr. Harry Fritz: Well he put--he put the--the gross profits, Metal Mines Tax on the ballot, a good progressive tactic. And the company turned its attention to him, the candidate and not to the issue.

00:27:55

Evan Barrett: And the tax passed.

00:27:56

Dr. Harry Fritz: And he lost and the tax won.

00:27:57

Evan Barrett: They killed him but they got the tax.

00:27:59

Dr. Robert Swartout: And again, one reason the tax--that tax was on the ballot was because back in the 1889 State Constitution the mining companies essentially got a free ride. They would not be taxed according to the language in the 1889 State Constitution.

00:28:13

Dr. Harry Fritz: And in 19--in 1917 Evan an economist from the University of Montana published a book called the *Taxation of Mines in Montana*, a very sexy title. And the company called attention to that book by trying to suppress it and by trying to get the author fired from his job at--at the University of Montana. But that book revealed

that as an industry the mines paid nowhere near their fair share when you compared them to the railroads, to the agricultural industry, to the timber industry. Their taxation was minimal. So it was a question of fairness by 1924.

00:28:56

Evan Barrett: It--it seems to me that--that with the demise of Dixon even though there was the passage of the tax the '24 of May represented the end of the first progressive era in Montana politics.

00:29:10

Dr. Harry Fritz: That's what--that's what we usually argued and it--it ended on the national level with the failure of the--to ratify the Versailles Treaty in 1919. But it lasted another term; the first Dixon Administration in Montana.

00:29:23

Evan Barrett: And then essentially I like to think that if the copper collar was kind of tightened about that point and stayed firmly around the State until we started reaching into this second progressive period, but there are some--now this press thing is a very interesting thing and most people don't remember that--that control of the press that occurred back then I mean it--they owned virtually all--all but one major daily as I recall.

00:29:49

Dr. Robert Swartout: Well to tick off some of those papers, I mean you've got the *Anaconda Standard*, *The Montana Standard*, *The Missoulian*, your paper--

00:29:58

Dr. Harry Fritz: Joseph Dixon.

00:29:58

Dr. Robert Swartout: *The Helena Independent Record*, *The Billings Gazette*, all are owned at this point by the Anaconda Company.

00:30:06

Dr. Harry Fritz: All except the *Great Falls Tribune* which ironically was more conservative than all the company papers.

00:30:11

Evan Barrett: Yeah; but--but they ended up not necessarily putting out erroneous news but essentially controlling the news by suppression if you will to make sure that things counter to their interest did not appear in the news. Did that happen?

00:30:26

Dr. Robert Swartout: Well one way of approaching it is to say that--see in the first decade or so of the company's control of these newspapers, the newspapers would run stories attacking the enemies of the company. But voters picked up on that and said well. Gee if--if the newspaper is attacking so and so maybe he's somebody I should vote for. Maybe this means that he's not such a bad guy after all. And so certainly by the early 1930s the company had begun to shift its policy and instead of attacking its foes it simply stopped reporting news about them. Their names disappeared from the papers all together. Harry there was a term that was used--

00:31:07

Dr. Harry Fritz: The journalists called it *Afghanistan(ism)*. The readers of--the newspaper readers in Montana learned all there was to know about what was going on in Afghanistan but nothing about what was going on in Helena. **[Laughs]**

00:31:20

Dr. Robert Swartout: In fact, there was a poll taken by professional journalists looking at all 48 States. This was before Hawaii and Alaska had been added to the Union. This is in the early '50s as I recall. A poll was taken of the 48 States to see how well they covered local news, State news, and out of the 48 Montana ranked 47th in its coverage.

00:31:43

Evan Barrett: Well [*Laughs*]--

00:31:46

Dr. Harry Fritz: Montana was always seen as one of the two corporate dominated States in the--in the Union of 48 States at the time. The other was Delaware with the DuPont Company--Corporation and the other was Montana under Anaconda, under the thumb of Anaconda.

00:32:01

Evan Barrett: And you know dominating Delaware which is that big is a lot different than dominating you know 144,000 square miles of Montana.

00:32:11

Dr. Harry Fritz: Yeah; Delaware is about as big as Beaver Head--

00:32:12

Evan Barrett: Yeah; yeah.

00:32:13

Dr. Robert Swartout: But I think Anaconda was able to do that in part because it also had important allies. We made reference to this a little bit earlier, but in terms of their political goals, those often aligned with--with the Montana Stock Growers Association, with the various railroads that were active in Montana in the first half of the 20th century, so they had--they had allies or colleagues if you will who would help to push that agenda.

00:32:35

Evan Barrett: Now the--I'm going to continue on that thought but let me finish one other thing and mention that--that control of the press, the Anaconda Company controlled that press until they sold out in 1959, all the way--almost to 1960 and right about--that certainly was an element of opening for change happening when they got rid of

that. But there was a--a population thing built in--and change that took place later; we had a shift of population if you will that started occurring because we were a rural State and our Constitution was rural as you said. But eventually that started to change as well and that was--and that led to the--the Reapportionment and that shift of population started to change things and that started changing the elements of control in Montana. Why don't you jump in on that?

00:33:36

Dr. Robert Swartout: Well the greatest single boom in Montana's population growth occurred during the first 20 years of the 20th century. During that progressive era, from roughly 1900 to 1920 we have a Montana--what's known as the homestead era. And literally tens of thousands of people poured into Montana to settle on homesteads across the State. It--it dramatically increases the population of the State. It leads to what we sometimes call county splitting. Montana went from having a dozen or so counties all the way up to the current number of 56. Most of the counties--county splitting took place in Eastern Montana.

00:34:15

So again the rural population grew dramatically during the first 20 years of the 20th century.

00:34:21

Dr. Harry Fritz: And so did the female population.

00:34:25

Dr. Robert Swartout: And in fact when Women's Suffrage is then passed in Montana during the progressive era it passes in part because it's strongly supported by these homestead communities.

00:34:34

Dr. Harry Fritz: About 1915 was the first year where there was sex equity in Montana, roughly equal number of males and females. And--and it's--it's those homestead females that passed--

00:34:48

Dr. Robert Swartout: Or convinced their husbands and their others--

00:34:50

Evan Barrett: Convinced their spouses.

00:34:53

Dr. Harry Fritz: The females passed Prohibition. [*Laughs*]

00:34:58

Evan Barrett: Yeah; and--and but the Women's Suffrage it's interesting to note that it had to be passed by male voters that had to be influenced by--

00:35:04

Dr. Harry Fritz: It was close but--

00:35:05

Evan Barrett: And it was like 46-percent or 48-percent voted against it but it still did pass. And that was part of that progressive era. But we started to see a change in both the demographics of Montana, the population of Montana over time that reflected a time for Reapportionment I think taking hold and making a governmental difference then.

00:35:26

Dr. Robert Swartout: Well then starting at about 1919, from 1919 to the early '20s Montana goes through terrible drought conditions especially in Eastern Montana and agriculture is devastated. Two things are happening; this terrible drought hits Montana and then with the end of the First World War agricultural prices suddenly plummet as--as European Soldiers can return home and start growing their own grains and whatnot.

00:35:52

So far prices are falling, prices for farm crops are falling, and you have this terrible drought. It devastates communities in many parts of Montana especially these agrarian based communities. In fact, it's so bad I think Harry this is one of the most telling statistics for Montana--

00:36:11

Dr. Harry Fritz: Yeah.

00:36:11

Dr. Robert Swartout: --of the 48 States within the Union in say 1930, out of 48 States only 1 has a population loss between 1920 and 1930.

00:36:25

Dr. Harry Fritz: A net loss and that's Montana.

00:36:27

Dr. Robert Swartout: And it's Montana. Forty-seven grew. Now some grew faster than others.

00:36:32

Dr. Harry Fritz: And at the same time when--when the cost of governments particularly local governments is increasing because of the internal combustion engine, they have to buy fire engines, they have to buy police cars and so forth, in a declining and--and Depression-ridden population.

00:36:48

Evan Barrett: That's between 1920 and 19--?

00:36:50

Dr. Robert Swartout: Thirty.

00:36:50

Evan Barrett: Thirty.

00:36:51

Dr. Robert Swartout: And again most of that is occurring in rural Montana. It's not occurring in urban Montana; it's occurring in rural Montana.

00:36:58

Dr. Harry Fritz: The population of rural Montana peaked in 1920. It's been going down every 10 years since.

00:37:03

Evan Barrett: Uh-hm; uh-hm.

00:37:04

Dr. Robert Swartout: And then--and then in the 1930s of course, starting in 1929 you have the Great Depression. So Montana really--in fact we often like to say that Montana's Great Depression isn't one decade long; it's two decades long. It means that Montana's rural communities have to suffer through these hard times from essentially from say 1919 up to about 1940.

00:37:30

Now from 1940 onward things begin to get better. The droughts are finally broken. World War II brings great demand for various goods including agricultural goods. And those--those demands would continue in the post-War years as America works to rebuild the global economy. So you might say oh well things are better now in rural areas. Maybe the population will pick up. But of course now you've got modern mechanization. And so these small family farms that once existed, those are going by the board. You now begin to have larger farms not of a dozen--a few dozen acres or a few hundred acres, but of thousands of acres. So--so mechanization allows fewer and fewer people to grow more and more agricultural products.

00:38:15

So as Harry says, even though the economy in Montana overall rights itself from the 1940s onward, it doesn't affect the rural population in a positive way. These rural areas continue to lose people with every single decade that follows.

00:38:34

Dr. Harry Fritz: I think Evan in this--in this period right up until the 1960s perhaps the--the Anaconda Company controlled the Montana Legislature. It recruited candidates. It funded their campaigns. It ran--it ran a Bill writing service, a Bill filing service, a Bill tracking service; it was essentially the professional staff of the Legislature right up until 1957 as we'll see.

00:39:03

And if I can tell my one story about Montana control, Montana--Montana, Anaconda control of the Legislature; a friend of mine John Toole, the brother of the historian K. Ross Toole and later the Mayor of Missoula, served one term in the State Legislature. He was elected in 1952. And he had a Bill to raise the salaries of county employees. And he took it into the local government committee which was staffed and he said by seven cowboys who didn't come from cities, didn't come from counties where they needed a professional staff. He said they all had their booted feet on the table and their hats on. And he presented this Bill and he says before I got out of the room, they tabled it. But as soon as I got out of the room the Montana--the Anaconda Company lobbyists came up and said John you just tried for a little too much too soon. Here; introduce this Bill, and it was the same Bill with a smaller increase of salaries. It sailed through the Legislature.

00:40:10

Evan Barrett: Yeah; I think it--the proverbial signal from the company of this or this--

00:40:17

Dr. Harry Fritz: Up or down--

00:40:19

Evan Barrett: --it seems to have--that's not just anecdotal. I mean the watering holes--

00:40:24

Dr. Harry Fritz: The Company ran 24-hour watering holes. You didn't have to--to pay for food or drink if you--if you were so inclined.

00:40:35

Evan Barrett: If you take care of the Legislature--

00:40:38

Dr. Robert Swartout: But I think you make a good point there Harry that--that the representatives of the Anaconda Company, they could kill Bills that they opposed or they could get Bills they favored passed in part because they had the support of these rural Legislators. They often viewed political issues in--in a common fashion. But with this change in population would those rural areas be able to continue to hold those seats in the State Legislature? And so that became--

00:41:06

Evan Barrett: So let me--

00:41:07

Dr. Robert Swartout: --well just--and Harry has written about this in--in his earlier work that in 1960 that's the first census which indicated that a majority of Montanans were now living in urban areas, not rural areas. So over half of all Montanans were living in cities and yet the State Legislature both the House and the Senate but especially the Senate was--were firmly controlled by these rural Legislators that came in '56.

00:41:37

Evan Barrett: And that strength, that rural strength with--which is probably--the emblematic thing was probably the Montana Stock Growers Association which was the--

00:41:44

Dr. Harry Fritz: And the Farm Bureau.

00:41:45

Evan Barrett: --and the Farm Bureau which were the allies of the Anaconda Company and Montana Power if you will that was kind of the power elite if you will. Now we heard an interesting story in reading--Gene Tidball was the--one of the first, I think he may have been the first Director of the Legislative Council. He later ended up being an Anaconda Company attorney down in Denver.

00:42:13

Dr. Harry Fritz: And a biographer of his ancestor who was a Colonel in the US Civil War.

00:42:18

Evan Barrett: So Gene was an amazing guy and I did happen to know him.

00:42:21

Dr. Harry Fritz: Yeah; I--

00:42:21

Evan Barrett: And you know he--he said when he first went to the Legislative Council he tried to figure out, there were four--remember we didn't have copying machines back then. They were carbon copies--carbon paper in the typewriters. And he said there were four original copies of every Bill made and he knew where three of them went, but he couldn't figure out where the fourth one went. So he assigned one of his staff people; go find out--this is what he says in his oral history--go find out where that fourth copy goes because I'd like to know where the fourth copy goes. And the guy came back and says it goes to the Anaconda Company.

00:42:54

Dr. Harry Fritz: It goes to the sixth floor of the Finland Hotel in Helena where the company set up its Bill running Legislative process organization.

00:43:03

Evan Barrett: Yeah; so it's fair to say that dominance was very strong and--and breaking out of it took a lot of different things including the economic change of the Anaconda Company but also a change in the makeup of the Legislature which Reapportionment--Federal Reappointment is--comes to play here. If we're talking about forces that--we know the copper collar was there and it was strong but then the newspapers were given up. There was an economic decline of the Anaconda Company. We should talk about that very quickly and then we'll talk--why don't we talk about that before we go into the Reapportionment? The decline of the Anaconda Company economically with open pit mining and what happened in--in South America--

00:43:42

Dr. Robert Swartout: Right; well in--in 1923 Anaconda bought the Guggenheim Holdings in Chile.

00:43:50

Dr. Harry Fritz: The world's largest open pit copper mine--then and now.

00:43:52

Evan Barrett: Biggest capital transaction in the world at that point.

00:43:56

Dr. Robert Swartout: On Wall Street at that time; yeah, \$77 million--. Of course it indicated just how powerful this company had become. But from that point onward more and more their operation shifted overseas and that meant that the mining in Montana, while still valuable wasn't as critical to the bottom line--

00:44:17

Evan Barrett: To them.

00:44:17

Dr. Harry Fritz: More expensive--

00:44:20

Evan Barrett: Montanans but not to the company?

00:44:21

Dr. Robert Swartout: --but not to the company. And then clearly the richest ores had been depleted by the time we get up to the 1940s and early '50s and the company concludes that the only way to continue to turn a profit off of its mines in Butte is by beginning open pit mining which they do in 1955.

00:44:38

Evan Barrett: Prior to that it was all underground.

00:44:39

Dr. Robert Swartout: Right; right.

00:44:40

Evan Barrett: Following--chasing the millions underground and then it became open pit.

00:44:42

Dr. Robert Swartout: And I think we--looking back on it from today's perspective we can say to some degree that's the beginning of the end. It of course has ultimately a devastating impact on uptown Butte, physically speaking.

00:44:56

Dr. Harry Fritz: Well my favorite statistic Evan about Anaconda and its workers is that at the height of employment in World War I it employed 15,000--15,000--count them, underground hard rock miners, skilled underground miners. How many does it--did it employ at the end? Zero--zero.

00:45:21

Evan Barrett: Yeah; in fact--in fact I was there when we were trying to get the remaining holdings sold which eventually were purchased by Dennis Washington and there were 17 people there oiling the hinges to keep the place open until it could be sold from 15,000 underground miners to the--

00:45:37

Dr. Harry Fritz: Yeah; that's the story of Montana at large.

00:45:41

Evan Barrett: Yeah; yeah.

00:45:40

Dr. Robert Swartout: So we can say that by the mid-'50s mining was beginning to lose its--its clout in Butte and in Montana as a whole. It still had--it was still happening but the glory days had--had begun to end by that point.

00:45:55

Dr. Harry Fritz: And the number of employees was dramatically being reduced.

00:46:01

Dr. Robert Swartout: And then another thing that you mentioned, 19--and there were--there were winds of reform that were beginning to blow in. And one example of that then was the creation of the Legislative Council in 1957. That would do some very important work. A lot of citizens weren't aware of it but they would do some tremendously important research in preparing for the changes that were going to be coming over the next couple of

decades. They would professionalize that research process. So that's '57; '59 the Anaconda Company sells its newspapers in Montana to the lead newspaper chain.

00:46:40

Now we might say that was an out of state operation. It was based in the Midwest. But this wasn't a mining company. This was a company specializing in professional journalism and they not only then worked to--to train or retrain their editors and--and their reporters, sending them off to conferences across the United States, many of them in New York City, Columbia University, but they also allowed those people to cover local stories in a way that could have never happened while the company controlled those newspapers., so all of that is happening in the mid and late 1950s.

00:47:19

Evan Barrett: Now Governor Schwinden in one of his--one of our programs says in his opinion a number of things led to this period of change. One of them was the professionalism and the--eventually a free unencumbered press which opened the gates for information flow in Montana which he said he thought was the single most important thing to the ultimate changes. But he also mentioned the emergence of a different body politic after World War II with the Soldiers coming home, more experienced, broader vision, and then getting under the GI Bill educated.

00:48:00

Dr. Harry Fritz: It's true. We--it's a different demographic profile after World War II. And Bob mentioned that the 1960 census revealed that for the first time in its history Montana was technically an urban State with more than half of the people living in what the Census Bureau defines as cities. It's the weirdest looking urban State in the nation; it doesn't look at all like New Jersey. In fact, Montana has been described as a medium-sized American city with long streets. **[Laughs]** But that has continued. The percentage of the population living in urban areas really hasn't changed that much but the most amazing statistic is this; we have 56 counties, 56 counties, over half of the people live in just 5 of them. And pretty soon it's going to be just four of them. So we're becoming more of an urban--urban State.

00:48:55

Dr. Robert Swartout: But--but the problem with that, the fact that by 1960 Montana was an urban State, the problem is the State was still saddled with the 1889 Constitution. And according to that Constitution each State would have one--excuse me each county would have one State Senator. So that you had malapportionment in Montana; you had--you had Yellowstone County with almost 80,000 people having one State Senator. You had Petroleum County with less than 900 people having one State Senator.

00:49:25

Dr. Harry Fritz: And this revolution came from the top. Even it came from the United States Supreme Court in the cases of *Baker v. Carr* which dealt with malapportionment in Tennessee and *Reynolds v. Simms* which dealt with unequal populations in congressional districts. Reapportionment was forced on Montana by the United States Supreme Court in the mid-1960s.

00:49:46

Evan Barrett: And in fact wasn't the Montana Legislature so resistant to it that they wouldn't reapportion themselves in any equitable manner that it took--

00:49:54

Dr. Harry Fritz: They had to do it by Court Order.

00:49:57

Evan Barrett: The District Court did it.

00:49:58

Dr. Robert Swartout: Right the Federal District Court.

00:49:59

Evan Barrett: The Federal District Court.

00:50:01

Dr. Robert Swartout: In 1965 for the first time.

00:50:01

Dr. Harry Fritz: And another--so it not only did we end up with--with a Reapportionment but it created equal electoral districts, something like 52--

00:50:16

Evan Barrett: Well they were multi-county originally but ultimately with the new Constitution they became--they broke member districts--

00:50:21

Dr. Harry Fritz: Broke the county--

00:50:21

Evan Barrett: But essentially by reflecting the Urban Movement it was a change so that this--this economic demographic change in Montana led to the period of progressive change with help from the US Supreme Court and the District Court in a big way.

00:50:40

Dr. Harry Fritz: You know I would argue that the most important event in 19th century America was the coming of the railroads in the 1880s. How about for the 20th century? Well take your pick; it's either the Great Depression and the intrusion of the Federal government in lots of aspects of the American economy and politics, especially Native American Rule, or it's World War II, World War II as Governor Schwinden would argue.

00:51:05

And I think what happened after World War II in many respects was a diversification of the Montana economy. It's only after World War II that you get big box store chains coming into Montana cities, fast food

establishments, which the Anaconda Company and its iron control of local government had--had for the most part prevented before then.

00:51:27

So it became far more difficult to keep an iron hand on--on Montana politics.

00:51:33

Evan Barrett: So the Anaconda Company economically is declining; I mean the death knell of that by the way was when their--all of their investment in Chile was taken away from them by the--

00:51:46

Dr. Harry Fritz: Allende government.

00:51:48

Evan Barrett: Allende comes in and with--sits down and nationalizes and takes over--

00:51:52

Dr. Robert Swartout: Uh-hm 1971.

00:51:54

Evan Barrett: --in '71, so that's during the period of change we're talking about. They were already in decline and suddenly this--what used to be the fourth largest corporation in the world had been totally decimated by a nationalization of all their properties.

00:52:07

Dr. Harry Fritz: In happened 09/11--09/11/71.

00:52:12

Evan Barrett: And boom; all of the sudden its economic power is totally gone. Montana Power kind of picked the mantle up as much as it could politically but the--that was kind of the death knell of the economics of the--

00:52:25

Dr. Harry Fritz: Well copper became less important to the American economy. You're not transmitting information over copper wires now; you're doing it electronically with fiberglass materials. So the price of copper plummeted. The world price of copper--copper hit I think an all-time low for the 20th century.

00:52:44

Evan Barrett: In fact, copper's pricing now which is very good is based upon the growth from third world status economies in the--outside the United States it created a demand that we had decades back and so it's a very-- But we--

00:52:59

Dr. Harry Fritz: And Chile produces half the world's copper now.

00:53:01

Evan Barrett: Yeah.

00:53:02

Dr. Robert Swartout: I think--but yeah Evan I think we should get back--sort of wrap up the loose ends regarding Reapportionment because viewers today might not understand why that was such an important issue. But the Courts ultimately concluded that the malapportionment that existed in Montana was essentially anti-democratic; that people did not have equal representation in their State government.

00:53:27

You know and then that's--that's what the Civil Rights Movement was all about that you couldn't disenfranchise 10-percent of the American population, the African American population which occurred across the

South until the Voting Rights Act of 1964--Civil Rights Act of 1964 and the Voting Rights Act of 1965 were passed.

00:53:48

So--so it was about equal representation which is protect is guaranteed by the 14th Amendment in the Constitution.

00:53:56

Dr. Harry Fritz: This is Phoebe Herwig of Butte who filed suit in District Court and said I'm not fairly represented in the State Legislature. And the Court said you're absolutely right.

00:54:04

Dr. Robert Swartout: And--and you know I talked about the comparison of Yellowstone County and Petroleum County. Here's another way of thinking about that. Before Reapportionment--got to get the figures straight in my mind, but less than--less than half of the US--less than half of the Montana population lived in rural areas and yet those rural counties controlled 84-percent--84-percent of the seats in the Montana Senate. So that was malapportionment with a vengeance.

00:54:47

Dr. Harry Fritz: And it was not quite as bad in the House because they did factor in some additional Representatives but it was not nearly equal.

00:54:53

Dr. Robert Swartout: So when--when the State is then reapportioned starting in 1965 and--and then other changes occurred after that it means that those urban areas that tended to be less conservative are going to have a much greater say in the State Legislature.

00:55:13

Evan Barrett: Which--which led to this progressive period because you had this representation of urban people to a higher degree. I always remember when Dave Manning who was out at Hysham, a wonderful--served in the Senate for 52 years said well you know this--you know cows and cattle--or no, cattle and coal need to be--have representation too instead of just people. But of course, the Court said it's only the people that counted.

00:55:37

Dr. Harry Fritz: Not trees or acreage was the Court's phrase, not trees or acreage.

00:55:41

Evan Barrett: Now--now I want to kind of try to wrap this up and see if I'm properly summarizing that we started with the Constitution that was essentially conservative but reflecting the economic realities of its time. And a consolidation and strengthening of the economic and political power of the Anaconda Company and its allies in the railroads and the--the agricultural industry in Eastern Montana and a period of progressive change in Montana, the early part of the 20th century, which ultimately went away and we had a tightening of the copper collar, the control of the press, strong control of the Legislature by--in all forms, a government that was by basis of the Constitution had a weak Executive and a--not a strong Legislature but that was controlled by the--the powerful interests were comfortable with that; that's how the copper collar was tightly around Montana. So it was one of only two States in the nation dominated by a single corporation to any degree--us and Delaware. And--and but from that seeds of change started to happen.

00:57:03

We reflected in our subsequent programs on what actually happened during the period of change but leading up to the period of change was changing demographics, the decline of the economics of the Anaconda Company, changing demographics that ultimately--

00:57:17

Dr. Harry Fritz: Economic diversification.

00:57:18

Evan Barrett: --and diversification of the economy, Reapportionment which established a governmental structure that reflected people and led to a more progressive reflection in the--in the governmental structures. Those were the things that happened leading up to the period of change that we're talking about and the loss of control of the press by the Anaconda Company--them giving it up and--

00:57:42

Dr. Harry Fritz: Television was a competing source of news that the company--

00:57:45

Evan Barrett: And emerging informed electorate and engaged electorate out of World War II which is more enlightened and then more educated. So out of those things we ended the *Crucible of Change*. Is that kind of a fair reflection--?

00:57:59

Dr. Harry Fritz: I would say Evan that in 1965 the State of Montana was on the verge of its most fundamental decade of change since the 1880s, not just politically but economically and ideologically with the coming of the Environmental Movement. The Court Ordered Reapportionment went into effect for the 1966 election so the 1967 Legislature might be regarded as the first modern Legislature in 20th century Montana.

00:58:26

Evan Barrett: And--and out of this we enter the *Crucible of Change* period and that in subsequent programs that we're going to have--we're going to have about 30-some programs--going to reflect that change. We appreciate each of you providing the context for that change. Thank you very much and we look forward to seeing you on subsequent programs of *In the Crucible of Change*.

00:58:48

[End Copper Collar - Montana's 75 Years as a Corporate Colony]