Peaks and Valleys

An estimated 9,000 people jammed Blackhawk Tech, seeking applications for work at General Motors.

Chapter Six | Book of Beloit II
Recession and Recovery

Recessionary times brought economic growth to a virtual halt across America as the 1980s dawned. Despite hard times, Beloiters pulled together to achieve recovery.

Perhaps the most remembered word in the latter part of the Seventies would be "malaise." America had a bad case of it, according to then-President Jimmy Carter of Georgia.

Webster defines the word as meaning "a vague feeling of physical discomfort or of uneasiness." In other words, America was losing its confidence.

It had fought a war in Southeast Asia, to draw a line for democracy. Instead, the "peace with honor" promised by Richard Nixon as American troops left Vietnam turned into an unconditional victory for Hanoi, with the fall of Saigon. And Nixon? His presidency collapsed under the weight of the Watergate scandal.

Then came the sheiks of the oil-producing nations, turning off the spigot of crude upon which industrialized nations like the United States depended. Americans sat helplessly in long lines at gasoline stations, behind the wheel of their gas-guzzlers.

Propelled by the soaring price of petroleum, inflation hit new highs. Defying accepted theories of economics, interest rates joined the climb. The economy sputtered, lurching toward a serious recession. People were thrown out of work, while the cost of living continued to escalate. The ability of government to absorb the burden was strained, with federal budget deficits setting new records year after year.

To add insult to injury, the new and fanatical rulers of Iran - having deposed the shah, a staunch American ally - permitted a mob to storm the U.S. Embassy in Tehran, taking U.S. personnel hostage. America tried to negotiate their freedom, to no avail. America blustered and threatened, to no avail. Finally, in frustration, President Carter ordered a military rescue attempt. It ended in disaster, with U.S. military aircraft colliding in a fireball on the desert, far from Tehran. Eight American servicemen died. The hostages stayed in captivity. Americans were treated to pictures of hostile Iranians, displaying the charred bodies of the servicemen, and shouting "Death to America."

Malaise, indeed.

Trouble in River City

But it was not spared the travails of the late Seventies and early Eighties. The downtown area, targeted for urban renewal, had not attracted the sort of investment originally envisioned. Empty storefronts were becoming common on the main thoroughfares.

The vaunted "Superblock" plan had become little more than a big hole in the central business district. There were bright spots, such as the new Beloit Savings Bank and the Daily News Building, on lower State Street. But overall, the action was light.

The signs were pointing toward the recession that would soon sweep across America. Many of Beloit's strongest industries and largest employers were experiencing slowdowns. The Beloit Corporation underwent a three-month strike in late 1979, the longest in its illustrious history in the community.

Jobs were becoming threatened, and Beloit workers were nervous. The automobile industry, still reeling from the shock of the oil embargo, employed hundreds of Beloiters at the GM plant in Janesville and the Chrysler plant in Belvidere, Ill. Whether those jobs would survive the economic turmoil was a serious question.

But as the decade of the Seventies came to a close, there also was room for hope and optimism. There was talk of building a new City Hall on the vacant "Superblock" property. A new superintendent - Michael Walls - was hired by the Beloit district, arriving with a briefcase full of big ideas and a can-do spirit.

And, most of all, there was The Rumor: A big development, that would bring thousands of jobs to Beloit, was about to be announced.

There were smiles and handshakes all around in February 1980, when Caterpillar Tractor announced plans to build in Beloit. Celebrating were, from left, Caterpillar President Robert Gilmore, Beloit Town Chairman Arthur F. Kind, and Wisconsin Gov. Lee Sherman Dreyfus. Caterpillar later canceled construction plans, dashing the area's hopes for economic boom times.

Feb. 20, 1980. The Beloit Town Hall, on Afton Road. Presiding, the honorable Lee Sherman Dreyfus, governor of Wisconsin. The occasion, announcement that the Caterpillar Tractor Co., one of the leading firms in the United States, would...
build a huge new plant on a 600 acre site north of the city.

It would employ 5,000 or more people. It would create spinoff businesses that industries that would at least double that number. It would boost the area's population overnight. It would probably occasion a crash building program in housing, and even schools, to accommodate the influx of people, seeking a piece of the new prosperity in Beloit. It would bring a new I-90 interchange at Townline Road. And it would make the job of economic development recruiters easier, by proving that Beloit was the place to be in Wisconsin.

The smiles on the faces of local officials – such as Town of Beloit Chairman Arthur Kind and City Manager H. Herbert Honeycutt – stood as broad as the smile of the first spade of dirt was yet to be turned. The recession was coming. full force, and the economy was cooling quickly. By July of 1980, unemployment in the Beloit-Janesville area exceeded 15 percent. The General Motors plant in Janesville had furloughed more than 3,000 workers. Business was down across the retailing and industrial sectors.

Hard times had arrived, and were getting harder. Public assistance agencies of government were pressed to meet the demand for services. Uncertainty was in the air. There were rumors that the Caterpillar development might never become reality.

In late January, 1981, the Stateline Area was rocked with the beginnings of a shooting spree unparalleled in the area's history. In less than a week, six people would be dead in Rockford and Beloit, gunned down in cold blood. The killer was still at large, and residents were frightened.

It all began in Rockford. A well-known grocery store operator and his teen-age assistant were slaughtered in what many thought might just be the senseless result of a robbery attempt. But within days, two clerks at late-night service stations in Rockford were found dead, victims of execution slayings. They were simply taken in back of the establishments and shot.

Then in early February, in daylight, tragedy struck at the N. Shack store in the Beloit Plaza. Manager Richard Boeck, 21, and a tow­ner, 26-year-old Donald Raines, were gunned down. Their bloody bodies were found in the rear of the store. The area was frantic. It could not be doubted that a psychopathic killer was on the loose. Police agents in both Illinois and Wisconsin wore their guns around the clock, searching for clues.

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Shooting spree shocks Beloit

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• Over the last ten years, Blackhawk Tech has averaged over 92% placement of its graduates eligible to the labor market within six months of graduation;
• Almost 80% of BTI's graduates are placed in jobs directly related to what they trained for;
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• BTI offers literally hundreds of classes in adult continuing education for job upgrading, teaching new skills, or personal enrichment;
• Blackhawk Tech's graduates remain in the area after graduation, with about 80% locating employment in Rock and Green Counties and over 90% in the state.

• According to a recent employer satisfaction survey with 160 of the 178 employers contacted responding (90%) - 86% of the BTI graduates rated excellent or good in accepting responsibility; 87% rated excellent or good in cooperating with their co-workers; 86% were excellent or good in work attendance; 84% desired to learn more or improve; 83% completed their work on time; 85% had excellent or good work attitudes.
• According to the same survey — 84% rated excellent or good in operation of equipment; 79% rated excellent or good in application of knowledge; 82% rated excellent or good in work quality.
Stateline Area suffers shock of frightening serial killings

Continued from page 121.

The only thing authorities had to go on was that the suspect was believed to be young and black. There were fears, not entirely unfounded, in the black community that authorities would be "rounding up" young people, in an effort to shake loose evidence.

No stone was left unturned. The Radio Shack Company and area businesses posted a reward of several thousand dollars. Authorities built a psychological profile of a "serial killer" with help from the FBI, and even consulted a psychic in hopes of finding a way to apprehend the person responsible.

They came a break. Authorities obtained evidence that pointed to a Beloit man - Raymond Lee Stewart - as the individual responsible. It was later learned that some early tips came from Stewart's father, who came forward claiming reward money.

Stewart was apprehended, without a struggle, in Greensboro, N.C. He was brought in handcuffs and legirons to Rockford, to stand trial for his life. Prosecutors wanted the death penalty.

The process of trying Stewart would not be brief, or simple. The spectacular crime drew national attention, and Stewart played it for all it was worth. His behavior in jail was, to say the least, bizarre. He shouted obscenities, spat upon jailers, and even threw human excrement through the bars at authoritie. In court, that behavior wasn't much better. He ignored the proceedings, stared at courtroom spectators, occasionally shouted at participants, and sometimes had to be carried from the room because he refused to walk.

The most bizarre twist in the courtroom drama occurred on April 22, 1982. Facing a death sentence for his conviction in two of the murders, and on trial for a third, Stewart suddenly broke for freedom. He was being led to Rockford Circuit Judge John Sype's courtroom. He had nothing to lose.

Despite the stepped up security at the Winnebago County Public Safety Building, Stewart got away. But before he did, an officer squeezed off a shot at the fleeing felon. Stewart was hit on the left side, but he kept running, exiting the building and making his way through Rockford's downtown mall.

Stewart caught, justice is done

Within minutes, scores of officers sealed off the downtown, searching for the condemned man. For more than an hour, Stewart eluded capture. Finally, he was discovered, hiding in a barrel in an alley. His left side was blooded, but the injury was slight.

Shortly thereafter, he was back in court. He was convicted of the third Rockford slaying, and again sentenced to die. He would later be tried for the murder of his fourth Rockford victim. Next stop, Beloit.

In mid-May, 1982, Raymond Lee Stewart returned to Beloit, delivered by a caravan of police cars. There were questions about whether Rock County should go through the expense of trying Stewart, since he already faced two death sentences in Illinois. But prosecutors felt Stewart's convictions might be overturned on appeal, through some technicality, and that a Wisconsin verdict was needed for "insurance."

Stewart's jailhouse behavior didn't improve in Rock County. Neither did his courtroom demeanor. But in the end, a Kenosha County jury - chosen to avoid prejudice - found him guilty of murdering Boeck and Rains at the Radio Shack store. Stewart was sentenced to life imprisonment, the stiffest penalty allowed under Wisconsin law.

He was immediately transferred back to Illinois, where he was incarcerated at the Menard State Prison, on Death Row. Several appeals have been rejected, but at the time of this writing, Raymond Lee Stewart has yet to face the executioner.

Meanwhile, the economic roller coaster continued to take Beloit through peaks and valleys ... mostly valleys.

The recession was stubbornly embracing the community and the nation like a jealous lover. Despite determined efforts to shake loose and move forward, the recessionary forces wouldn't let go.

Federal budget deficits were growing, and relief services were being strained. In Rock County, the general relief fund for 1982 was overspent by more than $600,000. The federal government began to give away millions of pounds of surplus cheese to the needy. In early 1983, Emmanuel Baptist Church started offering free lunches.

Workforces in area industries were shrinking, as employers struggled to curtail losses. The unemployment rate was horrendous. For the nation, it peaked at nearly 11 percent. Bad as that sounds, it was worse in the Rockford-Beloit-Janesville corridor. At one point, the Beloit-Janesville area obtained the dubious honor of being the number one pocket of unemployment in America, at around 20 percent. Thankfully, that position was soon relinquished to another community.

The trouble was real, and deep. Retail sales were off. Industrial production was down. Foreclosures on property were reaching record proportions. And in 1983, the high hopes associated with the earlier Caterpillar Tractor announcement were dashed, when the firm announced cancellation of plans to build in Beloit. No 5,000 jobs. No spinoffs. No building boom.

Beloit never quit pushing

But Beloit is not a community of quitters. Things looked bad; they didn't look impossible.

There was a new president in Washington, one who refused to recognize the so-called "malaise." Ronald Reagan, the actor turned politician, played cheerleader and chief consoler to a worried nation. A tax cut, he said,

Continued on page 124.
Recession

Continued from page 123.

coupled with a renewal of America's can-do spirit, would set the recession on its ear.

Well, it wasn’t quite that easy. But there were signs of improvement, both in the nation and at home.

Early in 1981, plans were announced for enclosure of the Beloit Plaza — soon to be known as the Beloit Mall. It would be a completely modern, climate-controlled facility in which shoppers could browse comfortably, rain or shine. At a cost of $2 million, the project was completed and a grand reopening was held in November.

That same year, plans were unveiled for a new Beloit City Hall, to be built on the downtown “Superblock” site. Initially, the plans were pretty grandiose, calling for the expenditure of more than $11 million. That wasn’t about to fly. But the idea would not die. It would be picked up by community leaders, scaled down to a more manageable figure, and the beautiful Beloit City Hall Building — the first permanent structure built strictly to house local governmental offices — would become a reality.

Local school authorities likewise were planning improvements. They wanted a new junior high school building, with Superintendent Walls acting as chief promoter. Pushing the project through would be a long, difficult process. But by the fall of 1985, McNeel Junior High welcomed its first students.

Beloit also joined the baseball world, approving major improvements at Telfer Park. The facility would house the minor league Beloit Brewers, a farm team of the American League’s Milwaukee Brewers.

Good things were happening.

In the economic front, there were signs of life returning to Beloit and the nation.

In 1982, Freeman Shoe officials began to make noises about a major addition to their Industrial Park facility. The project stalled, but never died. By 1984, Freeman was at work on a huge warehouse addition, and a retail outlet mall, to complement its own shoe outlet store. The Freeman Outlet Mall was opened in 1985, with several name-brand manufacturers displaying their wares. Business was brisk.

In addition, the city purchased property for later expansion of its Industrial Park. The park had become one of Beloit’s — and Wisconsin’s — big success stories. The fact that more land was needed was both good news for the present, and a promise for the future.

The Prairie Avenue corridor had become a major business center. A project was undertaken to widen it to four lanes, creating easier access for shoppers, and an added incentive for developers.

By 1983, housing sales had picked up, with figures indicating a 38 percent jump over the previous six months.

Developments came to town

Fairbanks Morse received a big Navy contract, to build diesel engines for fleet oilers. It was not to be a one-shot deal. The Navy work would become the lifeblood of Fairbanks.

There were numerous other developments. Pate Foods built a big snack products plant in South Beloit, across from the Holiday Inn. Meanwhile, the Holiday Inn expanded, too. There was an announcement that Cub Foods would build a huge supermarket, at the corner of St. Paul and Park avenues.

The golden arches came to downtown Beloit, with the construction of a new McDonald’s restaurant. Adjacent was a discount Aldi food store.

Late in 1983, this was a burning question in Beloit: What is an enzyme? The question was occasioned by an announcement that Enzyme Bio-Systems, a wholly-owned subsidiary of the giant CPC International Corp., would build a $30 million plant in Beloit’s Industrial Park.

The facility would be the community’s first real entry into the “high tech” market. It would be a state-of-the-art, highly-automated plant devoted to producing enzymes, which are critical to the food processing industry. The development fit nicely with Beloit’s newly-adopted image as the “Food Processing Capital.” That appellation at first glance sounded a bit presumptuous. It wasn’t. The Greater Beloit area in the 1980s boasted around 20 firms involved in the food industry. The more the merrier.

Fears were also eased as James A. Deeds purchased the Bendix facility in South Beloit, which had been nearing a shutdown. Operating as Besty Products, the firm would stay in Greater Beloit and keep people working.

Utopia, however, had not settled in Beloit. There were still plenty of problems.

On the economic front, uncertainty gripped some of the area’s largest em-
The Beloit Corporation was hit hard by the recession, scaled back to minimal levels, with about 170 steelworkers losing their jobs. BPS made plans to leave town.

Beloit Memorial Hospital was experiencing severe financial losses. The hemorrhage was not stopped without pain. Michael Rindler was brought in to head the hospital’s operations, and immediately set about reducing the workforce and lowering costs. Eventually, the hospital’s ledgers began to return to black ink.

**Political strife at City Hall**

It was understandable that Beloiters were uncomfortable with the ups and downs of the city’s fortunes. That frustration built to open rebellion against the City Manager/Council form of government. Leadership and accountability were lacking, said the proponents of a Mayor/Aldermen system.

Mayoral sponsors gathered sufficient signatures on petitions to force a referendum on the question of Beloit’s governmental structure. The election was held, with 57.4 percent of city voters opting to keep things the way they were, with a manager format.

But the issue didn’t end there. Despite denials by mayoral proponents that veteran manager Herb Holt was the target of their campaign, Holt’s political standing slipped with city councilors. The elected officials struggled to respond to the 43 percent of community voters who had wanted to throw out the system and start over. At one point, it was even proposed to rename the council president as “mayor.” That odd idea died a quiet and merciful death.

But councilors, many new and popular in orientation, targeted Holt for elimination. Council meetings became frac- tious. It was apparent there was bad blood between the manager and the council. Finally, Councilor William McGraw called for a vote of no confidence in Holt. The council backed off, but it was apparent that change was in the air.

Holt and the councilors worked out a deal. The manager would stay on until April of 1986, when he would reach his 65th birthday and retire. But the council would recruit a new manager, who would take over when he was hired. Holt would then handle other duties, as assigned by the new manager.

Hired was David Wilcox, of Missoula, Montana. He began his duties on Feb. 1, 1986. Holt took over responsibilities of economic development, awaiting his official retirement.

It would be wrong to imply that the veteran city manager was unceremoniously drummed out of Beloit. He departed office with the affection and gratitude of thousands of Beloiters. Holt had presided over some of Beloit’s best years — the prosperity of the early 1970s and the All America City recognition — and some of its worst years — the recessionary times of the late 1970s and early 1980s. During that time, he had many accomplishments, and many supporters. His trademark good humor never deserted him. At his last council meeting, he noted that he left office the same way he came in: “Fired with enthusiasm.”

In the mid-80s, Beloit got a new school superintendent, a move also smack of political discontent. Michael Walls, who had overseen several district changes — the move from a city to a unified district, the change to a 6-3-3 class structure, the building of McNeel Junior High — resigned to accept a position in Wilmington, Delaware. In taking his leave, the popular Walls cited interference from some board members as a motivating reason.

He was succeeded in May of 1985 by Frank McKinzie, of Wentzville, Missouri.

**Crime still shocked city**

Beloit had obtained the dubious distinction of having the highest per capita crime rate in Wisconsin. The biggest shocks came in 1985. In
Community worked to revive economic development power

Continued from page 125.

January, David Hatch kidnapped his former girlfriend, April Rankins, at gunpoint. Beloit Police Officer Peter Larsen was dispatched. The event ended in tragedy. Hatch shot Larsen twice, in the head. He shot Miss Rankins, also in the head. Then he turned the gun on himself. Hatch survived to stand trial, and was convicted of two counts of attempted first degree murder. He was sentenced to the maximum, 77 years in prison. Miss Rankins and Officer Larsen also survived. At the time of this writing, both are in deep comas.

On July 27, the body of Anthony Darnell Wilson was found behind his grandparents home. He had been brutalized and stabbed to death. He was 9 years old. Three of his playmates - ages 11, 12 and 14 - were arrested for the crime. At the time of this writing, two had gone through juvenile court. The third awaited trial.

The Wilson case garnered for Beloit much unwanted national publicity. It touched the community as few incidents ever had. Beloiters were not willing to accept a continuing tide of crime. During the 1970s and 1980s, they organized to fight back.

A Crime Stoppers organization, sponsored by the Association of Commerce, was formed in 1983. In November of 1985, the group recorded its 300th arrest, based on tips received and rewards paid. The Police Department sponsored Neighborhood Watch groups, which proved successful in reducing burglaries and property crimes.

The City Council and concerned citizens formed committees, with the intent of finding ways to reduce criminal activity. The jury was still out on how successful such efforts would prove, in the long run. But this fact was undeniable: As others before them, this generation of Beloiters was working hard to deal with its problems.

The uncertainty of the late 1970s and early 1980s had not disappeared. Great changes had taken place, in America and Beloit. The "age of technology" had arrived, with significant displacements in the workforce. Northern sections of the country - dubbed the "Rust Belt" - by some, continued to struggle for economic revival. But the so-called "malaise" had given way to a feeling that while things were different, situations could be improved, if people were willing to work hard enough to make it happen.

Ronald Reagan had ridden a conservative tide wave back into the White House for a second term, on the theme of patriotism and renewal. American confidence was rebuilt, through the return of the Iranian hostages, the upsurge in economic fortunes, and on the beaches of Grenada.

Upper Midwestern states, including Wisconsin, were paying more attention to meeting the needs of investors. Competition for economic development was stiff, and communities were realizing the need to offer attractive deals.

Taking the lead in Beloit were the city's Community Development Department, the Greater Beloit Association of Commerce, and a revitalized Greater Beloit Economic Development Corporation. These groups actively looked beyond city and state borders, sending out signals that Beloit was a good place to invest, a good place to do business, and a fine city in which to raise families and prosper.

Bright lights on horizon

Things might never be the same, but that didn't spell doom. There were good signs, as the city entered its Sesquicentennial Year. A home-grown firm - the Regal-Beloit Corp. - had become a national leader in its field. It was doing well enough to acquire other companies; one such purchase involved the acquisition of Noster Industries of Garden City, Mich. Fairbanks Morse continued to do well in defense contracting, landing a $44.8 million subcontracting order from the Avondale Shipyards of New Orleans.

Acquisitions became common. The old Beloit State Bank, which had been purchased by the Heritage Corp., changed again, with its acquisition by the Marshall and Isley organization of Milwaukee.

Pate Foods was sold to the Southland Corp. But Jack and Jerry Pate went back into business for themselves, building a big new cookie factory - J. Pate Industries - adjacent to their previous property.

Another of the community's major industries - Warner Electric Brake and Clutch Co. - was sold to the Dana Corp. The move solidified Warner's position in greater Beloit.

In February of 1986, the community experienced a major change, with the acquisition by Harnischfeger, a Milwaukee-based firm, of the Beloit Corporation. The corporation was Beloit's oldest and largest family-owned business, having been controlled for generations by the Neese family. But the acquisition was expected to strengthen the firm, which had taken a battering from the topsy-turvy world economy.

The joining of Harnischfeger and Beloit Corporation created a billion-dollar company. In addition, announcement was made late in 1985 that the Serta Mattress Company had decided to build and operate a facility in Beloit.

The ABC Supply Co. headed by Ken
Hendricks continued to grow and expand, named one of America's fastest growing businesses by a major publication.

Retail centers continued to do well. Even downtown Beloit had made a comeback, with specialty shops and professional offices.

The economy, after years of problems, was showing clear indications of life.

One hundred and fifty years after the founding of Beloit, the settlement situated at the confluence of the Rock River and Turtle Creek had grown and prospered. It had experienced challenges, from pioneer travails to economic nosedives to bloody wars. It stood, poised to move forward toward its Bicentennial. Its citizens were hardy and unbowed, reflecting the spirit of the early founders. Beloit remained a conservative town, but with the ability to respond to changes and shifts in the times. It had not yet experienced a challenge it couldn't meet.

There were projections that the lure of warm climates and cheaper labor, which had enticed development, would give way once again in the future to the plentiful water and skilled workforces of the North. As the community planned for its gala Sesquicentennial celebrations, it was not with a heavy heart - a feeling that the best was behind it - but with a belief in tomorrow.

— William R. Barth

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The old Arian's building, across from the Beloit Mall, had been an abandoned eyesore in Beloit for several years. It was taken over by the fast-growing ABC Supply Co., and renovated as a warehouse operation.

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