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ANDREW JACKSON DAVIS
A Story of Frontier Capitalism, 1864-1890

By
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INTRODUCTION

The popular and often mythical story of the American West has been told in numerous entertaining accounts of romantic characters such as trappers, prospectors and cowboys. The glamorous side has been narrated in exciting but often questionable stories of the picaresque heroes such as the Goulds, Clarks, and Heinzes. More serious works have been done on magnates like the Stanfords, the Huntingtons, and the Mackays. These are the first rank business leaders in the West. Comparatively little, however, has been written about the less glamorous or second rank entrepreneurs.

In a very real sense these businessmen were more important in the development of the West than were their more illustrious counterparts. Many of these neglected figures were in the vanguard of economic development in the far West and made substantial fortunes. They laid the foundations for the Western economy. Two common characteristics of all these men were unusual capability and an intense ambition to build a fortune on the untapped natural resources of a rugged, virgin land.

Such a man was Andrew Jackson Davis who arrived in Virginia City, Montana, the year following the discovery of gold at Alder Gulch (1863). Davis was not one of the thousands of frantic, restless Montana argonauts, for by this

time, at age forty-four, he was a seasoned and successful trader, farmer, and merchandiser. It was not his first experience with the Northwest. Shipments from his Iowa farm had arrived at Fort Benton on the earliest steamboats.

Unfortunately, material on Davis before coming to Montana and up to 1876 is sketchy and found primarily in secondary works. Therefore, during these years the study is necessarily shallow. The most active and rewarding portion of his career fell within the Territorial period of Montana history.

Typical of frontier enterprisers in a transitional period, Davis entered into a variety of ventures. Through an examination of his career knowledge of the relatively neglected period between the gold rush of the 1860's and the "wars" of the Copper Kings in the 1890's can be gained. These were decades of rapid change during which mineral resources of the Territory were first uncovered and extracted. It was a period which saw mining pass from an individual enterprise to one dominated by large domestic and foreign corporations. General business passed from an ephemeral condition to a more permanent and stable state; banking evolved to a well developed segment of the national banking system; and ranching made the painstaking passage through the classical open-range era to a more restricted, business like enterprise. In all these major developments Davis was

a significant participant and through him we can view the nature of frontier capitalists and capitalism in nineteenth-century Montana.

CHAPTER I

THE MERCHANT-CAPITALIST

Andrew Jackson Davis was born in Wilbraham, Massachusetts, on April 25, 1819. He was one of thirteen children of Asa Davis who had emigrated to America from Wales. Ancestors had preceded them to Massachusetts Colony as early as 1633.

Young Davis went to work in a dry goods house in Boston at age thirteen as an errand boy. Three years later the house had enough confidence in him to advance him a small stock of goods and he travelled as far as Madison, Indiana, selling them at a profit. Thereafter, this firm supplied him with goods which he traded in towns along the Ohio and Mississippi Rivers. This enterprise also brought him an acquaintance with the bustling trade centers of Nashville and St. Louis. By age nineteen, as an aggressive and advanced enterpriser, he had established a chain of small stores throughout Iowa. He used Fairfield as a base of operations.¹

¹Semi-weekly Intermountain, Butte, March 16, 1890; Joaquin Miller, An Illustrated History of Montana, Chicago, 1894, p. 206. Hereafter the latter cited as Miller, Montana.

Davis' extensive travels brought him into contact with the Indians of Iowa, and from them he purchased 800 acres of farm land located on the Des Moines River. He retained the farm throughout his life, conceiving of it "as a 'nest egg' to fall back upon if necessary."² With characteristic energy and efficiency he developed the farm and determined to utilize his trading channels by marketing the production himself. He built grist and flour mills and shipped the produce by water through St. Louis and up the Missouri to the Northwest. He expanded into the distilling business and erected a distillery on the farm. By 1850 the farm and mills were a profitable agricultural unit.³

Ever alert to new opportunity Davis leased his farm and made a trip to the California gold fields and the Puget Sound area, in 1853, where he engaged in some speculative and brokerage activities. After three years he returned to Iowa and concentrated on further development of the farm to supply an expanding trade area.

In 1864 he sent a large stock of merchandise into Montana by water and followed it the same year, traveling across the plains to California and back up through the

²Miller, Montana, p. 206.

³E. G. Leipheimer, First National Bank of Butte: Seventy-five Years of Continuous Banking Operation 1877 to 1952, passim, p. 1-5. Hereafter cited as Leipheimer, First National Bank.

Puget Sound region.⁴ He arrived in Virginia City in the fall of 1864 and disposed of his merchandise to various merchants in the Territory. He sensed the almost unlimited economic opportunities that lay before him. Here was a market for his Iowa farm products and merchandising business. His experience in California taught him that taking gold dust from the miners for merchandise was almost as profitable and a great deal more certain than taking it out of the ground.

Business on the Montana frontier, however, was not without substantial risk. It was not an occupation for the dull or unindustrious. Those conditions which combined to make it unusually risky were largely beyond the control of the inhabitants. In essence their problem was threefold: (1) the area was geographically isolated from the railroad, financial centers, and commercial centers; (2) the prevailing national currency, United States notes or "greenbacks", were in insufficient supply; and (3) the ratio between gold and greenbacks fluctuated wildly.

The currency problem was most serious in the early years. "Since a majority of the people came from other mining camps in the West or fled the clutches of Union and Confederate Armies, there was very little of the predominant

⁴M. A. Leeson, (ed.) History of Montana 1739 - 1885, Chicago, 1885, 1330. Hereafter cited as Leeson, Montana.

currency of the nation in the mining region The years from 1866 to 1870 were, in many respects, a transitional period--between a time when the circulating media was predominantly gold dust, and one where greenbacks were finally accepted at par and transactions in gold dust were of secondary importance, except as a commodity."⁵

The dual function of gold dust as a means of exchange and as a commodity was the main reason for its being an inadequate currency. Gold dust was abundant during the warm months when water was available for flushing it out of the ground, but during the freezing winter months it was scarce. As a commodity the best of it was purchased and shipped east. Also, provisions purchased in the East by local merchants and miners returning there created a continuous drain on it. That which was left, in conformance to Gresham's law, was for the most part of poor quality. Consequently, if the merchant was not careful in his transactions he would suffer an unexpected depreciation in the balances at accounting time. In addition, the quality of the dust varied from gulch to gulch causing uncertainty and confusion. If a party to a transaction was not an expert in distinguishing the different grades, he could easily be taken

⁵John Hakola, "Currency in Montana 1863-1873", Historical Essays on Montana and The Northwest, eds. J. W. Smurr and K. Ross Toole, Helena, Montana, 1957. 114-132. The analysis of the currency problem is based on this study. Hereafter cited as Hakola, "Currency".

advantage of by sharp traders.

The dangers of using a currency, the value of which fluctuated radically, can be seen in the experiences of merchants who purchased goods from Eastern suppliers in the winter and between the time they arrived in the spring the value of gold had changed. For example, during the winter of 1864-65 greenbacks, the terms in which prices were quoted in the states, "were valued at less than fifty cents in gold, by the time the goods arrived in Montana, greenbacks were worth over seventy-one cents in gold in New York."⁶ The task of running a business successfully in the face of such adversities was thus a formidable one.

Davis first became known in the Territory as a freighter and merchandiser. At this time railroads in the Montana area were dreams in the minds of ambitious promoters. Banks limited their functions to buying and selling gold and control of them was in the hands of Eastern monied interests. "Particularly during the very early period, the functions of these bankers were limited almost exclusively to gold buying, accepting of deposits, and selling exchange."⁷ They did not broaden their role until the initial mining boom wore off in the 1870's. During the interim, some merchants undertook the banking functions of financing and

⁶Hakola, "Currency", 121.

⁷Ibid., 136.

loaning money.

Due to the nature of Davis' business he moved into the role of financier naturally and probably eagerly. It not only provided a profitable sideline but was a necessary adjunct to his merchandising and wholesaling trade. In this pre-railroad era the local businessman depended almost exclusively on the credit of, or outright financing from, an Eastern supplier.⁸

In the spring of 1865 Davis shipped in more goods and leased his farm to a brother to better promote and protect his interests in the mining region. That winter he took stocks of goods via wagon train from Virginia City to Deer Lodge, Silver Bow, and Helena. His trade brought him into the Gallatin Valley where agriculture was making a weak beginning.

In the Gallatin small ditches had been dug by individuals and neighborhoods to carry water from the Gallatin Rivers to the farms in the bottoms. Under the stimulus of high prices wheat yields were plentiful. The harvest in 1865 was 20,000 bushels; it swelled to 300,000 bushels in 1867.⁹ Davis was one of the earliest to move to process

⁸For a study of merchant-capitalists in the West see Floyd S. Fierman, "The Spiegelbergs of New Mexico: Merchants and Bankers, 1884-1893," Southwestern Studies, Volume I (Winter 1964).

⁹Robert G. Dunbar, "The Economic Development of the Gallatin Valley," Pacific Northwest Quarterly, XLIV, 1953, 24.

these bumper crops. He erected the Gallatin City Flour Mill and sold it shortly afterwards. He built another in partnership with W. H. Drew in Willow Creek Valley in the Gallatin. He leased his half interest in it to W. A. Fredericks, a millwright who was heavily in debt to him.¹⁰ Agriculture continued to flourish and Davis shipped in some of the earliest reapers and threshers from St. Louis. He participated in the financing of other mills and farms. In addition he located a saw mill near Bozeman.¹¹

After the placer discovery at Alder Gulch in May, 1863, discovery followed discovery throughout the Territory. More people, chasing the Golden Fleece, were attracted to the Territory and Davis' freighting and wholesale merchandising grew accordingly. In 1866 the saloons and hurdy-gurdy houses were bustling. Whiskey was the flywheel of camp society. The demand was great and the price high. Davis brought in a wagon train full of whiskey from his Iowa distillery to assuage the demand.¹²

In the 1870's the placers began to play out and the grain market slumped badly. Many mills went bankrupt or

¹⁰Henry N. Blake & Cornelius Hedges, Reports of Cases Argued and Determined in the Supreme Court of Montana Territory, Volume 3, San Francisco, 1911, 251. Hereafter cited as Blake, Reports of Cases.

¹¹Ibid.

¹²Miller, Montana, 206.

were abandoned. Through default and purchase Davis acquired twenty-seven mills and some farms. Some of the farms remained in his hands well into the 1880's. The machinery from the mills he utilized in the quartz mines.

As the placer mines gave up their wealth the quartz mines, with their concealed riches, came into prominence. Quartz mining is a mining method radically different from placer mining. The former is deep vein mining requiring large capital investment, use of heavy machinery and labor, and ample time. In comparison, trifling amounts of capital and labor are required for placer mines to yield their treasure. With the development of the quartz mines and their necessary reduction mills to process the ores, Davis shifted his merchandising activities to emphasize supply of mining and milling equipment. Although this venture held promise of very lucrative returns, it was unusually risky inasmuch as the industry was in the developmental stage and the operator's collateral generally consisted of an unproven claim.

Moreover, financing of the equipment fell to the supplier. Between 1868 and 1870 Davis financed Charles Hendrie, proprietor of the Hendrie Mill near Helena, to a total of \$23,469, \$5,400 of which was at five per cent interest per month; over \$12,000 was at four per cent monthly interest, and the remainder was funded at a generous two and one-half

per cent monthly.¹³ He also financed, in 1868, Hendrie & Company in construction of the Hendrie Mill in Butte, one of that city's earliest mills.¹⁴ By 1876 he had furnished \$80,000 worth of equipment to Butte which by this time was being hailed as the "silverado" of Montana.

Looking back on the first decade of Davis' career in Montana Territory certain impressions and conclusions can be made. It is clear that he came to the frontier to take full advantage of the opportunities. He had the necessary capital and was prepared to conduct sound business enterprises and to venture into the more speculative areas. His activity as a capitalist fulfilled an essential function in helping the nascent agricultural and mining industries to develop, a function which the banking institution was reluctant to engage in at that time. As a result of the nature of his investments in the closing years of the 1860's and early 1870's the financial base and direction were laid for more widespread operations which would follow.

¹³See A. J. Davis vs. Harvey Alvord, (U. S. Supreme Court, No. 217) Hendrie Mill, Montana Historical Society Library, Helena, Montana.

¹⁴Leeson, Montana, 918.

CHAPTER II

MINER: THE LEXINGTON MINE

The success of Davis' initial mining venture with the Lexington Mine in Butte laid the foundation for the large fortune he built so early in the Territory. The wealth of this mine supplied him with the wherewithal to undertake ventures in other fields.

As noted, Davis financed Harvey Bay, Jr. and Charles Hendrie in the construction of the Hendrie Mill at Butte City. It was built for the reduction of gold bearing ores that were pouring from the gold claims. In 1867 Butte was at its height as a gold camp. The population had reached 500.¹ During 1868 placer production abruptly declined. That year the Hendrie Mill was completed at a site which would later be the corner of Broadway and Arizona. It consisted of 10 stamps¹ weighing 500 pounds geared to drop 65 times per minute and employed the wet process for reduction. The mill operated for a short time but was inefficient and closed

¹cf., Merrill G. Burlingame & K. Ross Toole, (eds.), A History of Montana, Volume I, New York, 1957, 343. Hereafter cited as Burlingame & Toole, Montana. It says William Farlin's Dexter Mill built in 1875 was the "first 10-stamp mill" in the district.

down. Hendrie and Bay defaulted to Davis, who made some improvements and started it up again.² In 1869, however, the area was struck by drought and the scarcity of water forced the claims and mills to shut down. Many miners left the camp and either abandoned or disposed of their claims to the few who chose to stay. As the years wore on and gold became harder to wash out, only the most tenacious remained. Among those most undaunted were Davis and W. A. Clark, who had come to the Territory in 1863.³ By 1870 Clark was a man of means as a result of his merchandising business. They stayed for two reasons: Davis and Clark were entrepreneurs and their activities necessitated investment in properties that they were reluctant to leave; and the two were aware of the mineral wealth that lay beneath them. All that was needed to tap the bonanza was the knowledge of how to work the ores once they were brought to the surface. As early as 1867 a government survey informed the House of Representatives that "at Butte City and Silver Bow the mines have done well. Placers only have been worked; but in every gulch where good placer mines are found, gold-bearing quartz veins are found also, many of which contain silver, copper,

²Ibid., 342-343, and Rossiter W. Raymond, Statistics of Mines and Mining in the States and Territories West of the Rocky Mountains, (Washington, U. S. Government Printing Office, 1870), 277.

³Burlingame & Toole, Montana, 193.

antimony, arsenic, and manganese, and are rich but very refractory."⁴

Years before Davis took over the Hendrie Mill the problem of the intermixture of metals in the Butte hill had doomed other attempts at reduction to failure. The Butte ores' resistance to ordinary treatment had rendered a \$7,000 furnace erected in 1866 defective, as it did a second attempt in 1868. In 1866 William L. Farlin succeeded in producing a meager bar of silver weighing one ounce. By 1871 an oppressive gloom had settled over Butte. Farlin left in discouragement, packing with him the silver bar and samples from a black-stained ledge on one of his claims.

Clark, still struck by the possibilities of the hill, went east for several months in 1872 for an intensive course in mineralogy. Staying in Butte, Davis plyed his merchandise in other camps and worked the Hendrie Mill in Helena, which had come into his hands through foreclosure in 1872. It was similar to the Butte mill and did custom-milling for the gold-quartz mines.⁵ At the same time he kept a close eye

⁴Herbert Peet Papers, Notebook #31, Montana Historical Society Library, Helena, Montana. See "Report of J. Ross Browne on the Mineral Resources of the States and Territories West of the Rocky Mountains," Transmitted to the House of Representatives by H. McCulloch, Secy. of Treas., March 5, 1868, 504.

⁵Davis vs. Hendrie, Montana Reports, Volume 2, I, 499; and M. A. Leeson, History of Montana, Chicago, 1885, 1360. Hereafter cited as Leeson, Montana.

on developments at Butte, purchasing claims from time to time and applying his capital to their development. In 1872 Clark returned and began buying quartz properties, among them the Original, Colusa, Mountain Chief, and Gambetta. The same year he shipped a carload of copper ore to Corinne, Utah, by wagon train and thence east for refining. Even with the copper graded at 35 per cent it was not rich enough to turn a profit after such extensive handling.

When Farlin left Butte he travelled to Idaho. While there, he had the samples from his Asteroid mine assayed. They were found to be very rich in silver. But Farlin had abandoned his claim to other prospectors, who, like him, were looking for free gold ore to placer. Frustrated both by the abundance of silver quartz and by the paucity of gold, they too had moved on. During his sojourn Congress passed a law on June 6, 1874 that required owners of quartz claims to perform a certain amount of development work yearly or forfeit their claims. The date set for forfeiture was January 1, 1875. With his secret, Farlin hurried back to Butte and went to work on his old claim the night before the new year was to dawn. He worked through the night and the following day he relocated the claim and named it Travona. One orator proclaimed: "Hardly had daylight dawned when a new era opened to Butte, the Travona at every stroke of the pick, showing up her treasures to the world. Never before

in Montana had such a lode been discovered."⁶ The following day Rolla Butcher located the Alice. The word was soon broadcast that both were rich in silver and Butte was swept up in another boom.⁷

With the rush for the locating of old leads, prospecting for new ones, and implementation of the new quartz law, conflicts were bound to arise. The less volatile and more experienced miner turned to the courts for judication. In 1875 Davis and Clark came into contention over the Original lode. The Original was discovered by G. O. Humphreys in 1864 and within a few years he had mined the shaft to a depth of 90 feet in search of gold. It was destined to be one of the largest producers in the camp. Davis challenged Clark's title and alleged that his title to the mine was preponderant. The court ruled that Clark's antecedents were sounder than Davis' and found for Clark. The following year Davis tried to have the verdict reconsidered but was denied a hearing.⁸

Sometime between 1872 and 1876 Davis acquired the Lexington claim. For it he traded a "bob-tailed sorrel

⁶Charles S. Warren in R. G. Raymer, Montana: the Land and the People, New York, 1930, 442. Hereafter cited as Raymer, Montana.

⁷The foregoing relies on Burlingame & Toole, Montana, Volume I, Chapters IX & XIV and Raymer, Montana, Chapter XVI except where otherwise footnoted.

⁸Montana Reports, Volume II, 310, 394.

horse."⁹ The early Butte mines were classified roughly into two categories according to the mineral make-up of the vein. There were copper veins, carrying more or less silver, and silver veins carrying little or no copper with a manganese gangue. The Anaconda and Parrott mines were of the first group and the Lexington and Alice fell into the second. To extract the quartz, numerous shafts had been sunk within a rich metalliferous rectangle that had an approximate length of two and one-half miles and a breadth of one mile.¹⁰ Within this confine competition was intense. In 1876 Davis hired D. M. Evans,¹¹ who had gained wide experience in the Utah mines, to direct the development of the Lexington. To assist Evans he also hired Phil Shenon, an experienced quartz miner from Bannack.¹² They began to develop the mine aggressively.

Davis took charge of the mill and converted it from a gold quartz mill to a silver quartz mill. By 1878 it had run for twenty-two months with but short intermissions. Daily production averaged fifteen tons and within this span the mill reduced approximately 10,000 tons of ore. Estimated

⁹Leeson, Montana, 954.

¹⁰Holiday Miner, Butte, January 1, 1886. The paper reprints the "U.S. Geological Survey upon The Resources of the United States," (1885).

¹¹Leeson, Montana, 1333.

¹²The Weekly Herald, Helena, November 21, 1878.

net proceeds of both the mine and mill was around a half million dollars.¹³ To extract the greatest amount of silver from each ton of ore, Davis had applied the use of Frece Vanning machines to concentrate the tailings of the mill. This was the first use of these machines in the camp.¹⁴ Shortly afterwards they were applied to the concentrator of the Parrott Mine.¹⁵

In this area of mining, the milling of ores, Davis was most knowledgeable, and it enabled him to make an early success of the Lexington Mine. The perceptive and shrewd Franklin Farrell of Connecticut best expressed the value of such knowledge when he wrote a Davis associate in 1878:

The fact is, it is worth full as much to know how to do with ores in Montana as it is to find a mine worth half a million. For instance, Esler said Davis' mine at Butte was so poor that no one in the country would think of working it but some old close fellow like Davis. But today tell me which is worth the most, Davis' Butte property or Vestal's prospect [The Penobscott Mine]. The fact is if Davis would let me mine his mine and mill that inside of two years I would furnish Davis with all the money to start up another mine in the same way he did in Butte and give him half of it for his skill and services.¹⁶

¹³Ibid., November 21, 1878.

¹⁴The Weekly Miner, Butte, February 2, 26, 1878.

¹⁵Ibid., Franklin Farrell to S. T. Hauser, February 16, 1878, Hauser Papers, Montana Historical Society Library, Helena, Montana. Hereafter these papers and their location will be cited as HP, MHS.

¹⁶Franklin Farrell to S.T. Hauser, June 6, 1878 HP, MHS.

By the end of 1878 the mine consisted of four shafts reaching a depth of 70 feet and showing a vein 3 to 26 feet wide. Levels driven from the shafts had an aggregate distance of 1,040 feet. A second mine, the Wappello, was begun 520 feet west and by May was 40 feet deep. Davis planned to connect it with the Lexington, and if the ore assayed as rich as the latter, he intended to construct a 20-stamp mill. Over \$100,000 had been spent and observers felt that the property was "just ready for working."¹⁷

Other mines and mills were in operation. Farlin had built the Dexter Mill to work the Travona's production. The properties had defaulted to W. A. Clark as early as 1875. Clark's Original, Colusa and other mines fed the mill to capacity. He persuaded the Boston and Colorado Smelting Company to construct a custom smelter to treat both silver and copper. Another custom plant was in operation at Olin on Silver Bow Creek concentrating about two tons of crude ore per day. The Clipper Mill was in operation north of Walkerville. Marcus Daly was pushing development of the Alice which had been purchased by the Walker Brothers of the Salt Lake City Banking house for \$25,000 in 1876. In the following December their 20-stamp mill commenced operations.¹⁸ As a lusty silver camp Butte had arrived. The

¹⁷The Weekly Herald, Helena, November 21, 1878.

¹⁸Burlingame & Toole, Montana, passim 342-346; Leeson, Montana, passim 953-958.

inhabitants numbered nearly 9,000.¹⁹ Primitive wood windlasses and dull-yellow ore dumps outnumbered the drab buildings. On first sight, dirty, dusty and bustling Butte struck the tenderfoot as a "gash on the face of nature."

The excitement of the boom was carried east to the centers of finance. Indeed, territorial newspapers were pleading for investment capital, for without it development could not go forward. The boom in 1878 was only as deep as the local operators' pocketbooks. Big money was needed, and local capital was insufficient for the systematic development of the mines. Shafts had to be dug, drifts had to be driven, and ore removed and crushed; such operations called for heavy machinery, vast quantities of timber, and wages for the miners. As early as 1876 "a campaign had developed that nearly amounted to a crusade. The camp's one newspaper, the Butte Miner, seldom went to press without exhorting its readers to make Butte attractive to foreign capital."²⁰

On June 10, 1878 the miners went on strike as a result of a reduction of wages in the Lexington and Alice. That afternoon they "knocked off work" and in "an orderly procession of 400 men, headed by a brass band" they marched

¹⁹Holiday Miner, Butte, January 1, 1886.

²⁰K. Ross Toole, "When Big Money Came to Butte," Pacific Northwest Quarterly, 44, 1953, 23.

from Walkerville through Butte's principal streets.²¹ Second only to a diminishment of the mineral resources, the Miner viewed the strike as the worst possible thing that could happen to jeopardize injections of capital into the camp.

Nevertheless, the paper extended a reluctant, sympathetic understanding to the position of the miners. In a long editorial written after formation of the Butte Workingmen's Union (June 13, 1878) the Miner lectured the labor force and declared its position in the conflict:

In the first place, the Union being properly organized, it must be the constant care of its members to guard it from the faintest approach to anything smacking of communism. Let no such remark as "the Lexington lode was not made for A. J. Davis," or "the Alice for the Walker Bros" ever be heard at any of its meetings....Labor, as much as any other representative of value, is a commodity, and as such is bought and sold just as tea or cordwood is bartered in the market....The mine is the absolute property of its owner and consequently no laborer has the shadow of a claim on it....In the discharge of his various duties as a citizen, the laborer acts in his individual capacity, but when it comes to the question of the price he is to ask for his labor he forms a single unit of a large class before whose decision, even informally rendered, his liberty of action in the matter of accepting wages must always give way. This truth, that the right to decide upon the wages to be received, is fixed by the class, not by the individual, is generally understood....If labor has of late been overpaid, the strikers are wrong and the reduction submitted to; but if the wages...have not been excessive as measured by the standard of neighboring mining

²¹The Weekly Miner, Butte, June 11, 1878.

districts, then the reduction is uncalled for. On this matter we do not choose to express our opinion.²²

In view of the prevailing nineteenth-century attitude that unions and strikes were unlawful, immoral, and economically disastrous, this was a markedly unusual, enlightened and liberal posture.²³

The strike spread to the other mines and on June 24, once more "under the stars and stripes and headed by a brass-band,"²⁴ the strikers marched up to the Alice where a truce was arranged with Marcus Daly until he could confer with the owners. From there they marched to the office of Davis "who appeared on the balcony of his residence and addressed the Union in a speech of some length defining logically the rights of the capitalists as well as those of the laborers. He then informed them that his mines were closed indefinitely . . . At the conclusion of the address the procession returned to hall and disbanded."²⁵

To the relief of the Miner the course of the strike was orderly and by late July it was settled on the basis of

²²The Weekly Miner, Butte, June 18, 1878.

²³See K. Ross Toole, "The History of the Anaconda Copper Mining Company: A Study in the Relationship Between a State, Its People, and a Corporation," unpublished Ph.D. dissertation, University of Calif., Los Angeles, 1954 for an account of the early labor history of Butte.

²⁴The Weekly Miner, June 25, 1878."

²⁵Ibid.

removing ore by contract, which gained back any money lost by the reduction.²⁶ On July 30 the Miner rejoiced that the Lexington Mill resumed production "and ever since we have heard our favorite melody, the 'music of the stamps' ". . . and proclaimed for the benefit of any well-heeled financier within earshot that. . . "Montana is a law abiding country, one of the very safest in which money can be invested. . . a great strike suddenly arises, runs its course and quietly ends without a blow being struck or a dollars worth of property being destroyed."²⁷

The sophisticated and enterprising operators did not, however, rely on the advertisements of the local press agents to tap Eastern pocketbooks. They began to develop connections with capitalists in the industrial and financial centers; and gradually, through frequent trips and the good offices of influential relatives and friends, financial bridges were built.

Montana's most incomparable promoter and user of other people's money and influence in the decades of the 1870's and 1880's was Samuel T. Hauser. He and Davis had founded jointly the banking house of S. T. Hauser and Company in Butte in 1877. He was president of the First National Bank of Helena and he and Davis were major stockholders. Their

²⁶The Weekly Miner, July 30, 1878.

²⁷Ibid.

mutual interest in mining had brought the two together and they formed an unusually competent team in exploiting opportunities in mining and other fields. Hauser had been promoting the development of Montana quartz mines by Eastern capitalists as early as the 1860's through a partnership known as Hosmer & Hauser. In 1866 with funds from St. Louis capitalists he had organized the St. Louis and Montana Mining Company to mine the claims around Argenta about fifteen miles from present day Dillon. There he built the first silver smelter in Montana. The enterprise was a dismal failure, but Hauser, undaunted, turned the same investors into financing the highly profitable Hope Mining Company at Phillipsburg in the late 1860's. There he constructed the first silver amalgamation plant. In the 1870's his interest shifted to bringing a railroad into Montana and construction of branch railroads to service the mining districts. In 1877 he was deeply involved in the Montana Company in developing the silver mines around Wickes near Helena. He envisioned a mining empire built around the Helena area. Recognizing the importance of copper mining in 1878 he became interested in the Parrott Mine in Butte and endeavored to enlist the aid of Eastern capitalists to fund the development of copper properties there.²⁸

²⁸ John W. Hakola, "Samuel T. Hauser and the Economic Development of Montana: A Case Study in Nineteenth-Century Frontier Capitalism," unpublished Ph.D. dissertation, Univ. of Wisconsin, 1961. Hereafter cited as Hakola, Samuel T. Hauser.

His efforts began to produce results for in 1877 the high-powered Franklin Farrell, of the Farrell Foundry and Machine Company of Ansonia, Connecticut, wrote Hauser that he wanted "to talk up about if the mines can be bought at a small price and work so commenced in good earnest by good men. I have no doubt of it being a good operation. My opinion is that capital can be found to operate as you propose, especially if I would agree to go out and do the business in Butte."²⁹

For the next few years Davis continued developing the Lexington that had now come to be known as the Lexington Mines. In connection with the "Lex" a group of claims had been acquired and mined in conjunction with it. In addition to the Wappello they comprised the Atlantic, Wild Pat, Allie Brown, Millsite, and Waterloo. The latter were worked through one shaft at the Lexington. The success of the operation attracted the interest of Eastern and foreign investors.

In January of 1880, D. C. Corbin of the Corbin Banking House in New York and Boston,³⁰ and Hauser attempted to

²⁹Franklin Farrell to S. T. Hauser, October 24, 1877. HP, MHS.

³⁰D. C. Corbin was an early associate of Hauser's in the First National Bank of Helena. His wife's poor health necessitated their returning to the East where his family was prominent in railroad building. For his career in the West see John Fahey, Inland Empire: D. C. Corbin and Spokane, Seattle, 1965.

form a group to purchase the mine. Corbin wrote Hauser from New York that he had some "Boston and Massachusetts Parties" in mind. Conspiringly he told him: "I shall open the matter up in a way that will compromise nothing and will mention no names, and will only speak to one or two parties about it until you know what you can do with him. If you get it, the price that will have to be paid the Judge³¹ will necessitate a company with capital stock not less than \$1,000,000--perhaps more--for whoever would handle the transaction would want a good deal of 'sugar'." ³² By March Hauser thought he had enough capital to bond Davis' mine in order to prospect it before making the decision to buy. In a terse note Davis wrote the precise terms to Hauser from Chicago on March 9:

Will give you twenty days to get up your company and then give you a bond for forty days longer to dress the matter up. You paying \$25,000 down, or your note for the same, and the balance before the expiration of the forty days, making all five hundred thousand dollars, and my brother will give you my obligation for twenty thousand dollars as a forfeit if I should not see proper to comply with said bond. If you accept the proposition, which is as I remember, please let my brother know at once and telegraph me at Independent, Iowa. If you require any statement from me in regard to the mine, direct by telegram and I will forward to you the same.³³

³¹Davis is often referred to as "The Judge." How this sobriquet was acquired has not been learned.

³²D. C. Corbin to S. T. Hauser, Jan. 22, 1880, HP, MHS�

³³Davis to S. T. Hauser, March 9, 1880, Herbert Peet Papers, Hauser Chronology 1881-1883, MHS�.

Whether Hauser failed to get enough parties interested or whether the pre-sale terms were too stiff is not known, but less than twenty days later Davis unequivocally dispensed with the matter: "In regards to the Lexington, I have no further propositions to make. I shall be obliged to decline your offer of meeting you at St. Louis."³⁴

With infallible judgement, Davis knew that his mine had real value on the world market and that time was on his side. Unlike his wandering predecessors--the volatile prospectors whose assets consisted of a donkey and what was on its back--Davis had capital, that indispensable element for success in a society dominated by industrial capitalism.

When Davis returned to Butte that April he stepped up the development of the Lex. Plans were activated to sink a main shaft 500 feet. The mine had yielded about 400 tons of ore monthly through the winter. Battery samples showed the average value of the ore per ton to be \$75 in silver and \$16 in gold. Bullion production for the month of April was \$30,000. Through May it produced about 15 tons of 75 ounce ore carrying from \$10 to \$15 in ore.³⁵ These were heady and exciting days for the tenacious enterpriser.

At the same time that improvements at the mine were going forward, Davis was involved in organizing a large

³⁴Davis to S. T. Hauser, March 26, 1880, HP, MBSL.

³⁵Weekly Miner, Butte, April 13, May 4, 25, 1880.

cattle company with Hauser and Granville Stuart, Montana's most publicized frontiersman. His personal hand at running the mine necessitated his foregoing a meeting with Hauser about the new venture. His letter of regret belied his enthusiasm:

My business is such that it is impossible for me to go. I am now in the midst of my hoisting works, receiving freight, repairing mill, besides my usual labors of operating the mine, the mill-foundry having no general-superintendent to relieve me and I assure you it keeps me on the jump day and night, doing all of my own clerking besides. I am obliged to be at the mine the greater portion of the day--giving my personal attention until I get all the machinery up and running. I have my building nearly completed and the foundation ready to receive the engine and hoisting works....Everything is going on smartly thus far and the mine is paying all expenses.³⁶

Corbin and Hauser tried again to purchase the mine early in 1881. "I have but little confidence that you will be able to do anything that will be satisfactory with him. However, see what you can do and if you succeed we will give it a try. It is undoubtedly a big mine and if it is as big as represented it is worth a good deal of money."³⁷ Once more they were unable to meet Davis' terms and Corbin, piqued, wrote Hauser: "I had no confidence whatever that you would be able to do anything with Davis. I tell you the chances are that he will stay with it until he is found dead on the

³⁶Davis to S. T. Hauser, Sept. 12, 1880, HP, MHS�.

³⁷D. C. Corbin to S. T. Hauser, April 18, 1881, HP, MHS�.

dump some day."³⁸

Davis, however, had other plans than joining the tailings on the dump. For sometime he had been receiving feelers from representatives of a French syndicate regarding the mine. Early in August of 1881 he told Hauser: "My French friends are all here now with an attorney from Paris examining titles and the papers....They will probably take the property."³⁹ The prestigious Engineering and Mining Journal broadcast the sale to the mining world in their September issue:

The most important mining event in the history of Montana took place on the 17th inst. when the celebrated Lexington Mine was transferred by its sole owner, Judge A. J. Davis, to a French syndicate, the head of which is Baron Erlanger, the well-known Paris banker. The price paid is one million dollars cash and one eighth of the stock of the company, which will be formed in Paris. In addition to purchase money, the purchasers put up a cash working capital of five hundred thousand dollars....A 40-stamp dry crushing Stetefeldt furnace mill will be erected this fall....The Lexington is probably the most valuable mine in Montana, and has great promise of being, in the near future one of the great silver and gold mines of the world....The success of this company will lead to the investment of other large sums of foreign money in Butte and hasten the boom that we of the "bed-rock aristocracy" have so patiently and confidently waited for.⁴⁰

The name of the company was the French "Bingham" Company.

³⁸D.C. Corbin to S.T. Hauser, June 6, 1881, HP, MHS�.

³⁹Davis to S. T. Hauser, August 6, 11, 1881, HP, MHS�.

⁴⁰Engineering & Mining Journal, 32:145.

It had invested over \$3,000,000 within a few years in a disastrous venture with the Old Telegraph Mine in Utah and had just abandoned the mine as worthless.⁴¹ The Journal, reflecting the desires of Montanans, hoped that the Lexington would "revive the spirits of European investors" whose ardor had been "dampened" by too many experiences like the Telegraph.⁴²

The extent to which the sale of the Lexington and its subsequent success served to accelerate the flow of capital into Montana is a moot question; nevertheless, indications suggest it was significant. In almost every issue of the Engineering & Mining Journal reference was made to the production or status of the mine. The publicity it received must have encouraged investors and ambitious entrepreneurs to look closely at the mines in the area.

The total realized value of the Lexington Mine during 1882 was \$416,102.76.⁴³ Dividends paid between January 1 and December of 1883 were \$200,000 compared to \$45,216 in the same period for the famous Hope Mine at Phillipsburg.⁴⁴ The new owners reorganized under the name of Societe Anonyme des Mines de Lexington in Paris and in 1883 filed

⁴¹Engineering & Mining Journal, 32:165.

⁴²Ibid., 33:219.

⁴³Ibid., 35:131.

⁴⁴Ibid., 36:361.

incorporation papers in Montana Territory with a capital stock of 20,000,000 francs.⁴⁵ Davis' one-eighth share of preferred stock amounted to \$2,000,000.⁴⁶ As of 1885 the mine had paid \$565,000 in dividends. In comparison, other notable mines in the camp as of 1887 had paid the following: Alice - \$750,000, Moulton - \$350,000, Original - \$120,000, Parrott - \$18,000.⁴⁷ Owing to the dividends that flowed from the Lexington the corporation had recovered from the Old Telegraph disaster and the Annual Report for 1887 declared no liabilities, except ordinary operating expenses, and no secured indebtedness.⁴⁸

In 1889 when life was ebbing out of the creator of the Lexington, its superintendent reported that silver was running out at the lowest level (the 1400) of the mine.⁴⁹ The next year "half the stamps" of the mill had been "hung up". In 1897 the "great bonanza" was sold to a Mr. Berthement for \$50,000.⁵⁰ Before being enveloped by the giant Amalgamated

⁴⁵Engineering & Mining Journal, 35:259. Incorporators were: Charles Wallnut, George Alfred de la Bouglaise, Laurent Goybert, William Booth Finley, Charles Arthur, Viscount de Rafelis Broves, Abraham Cremnitz, and Edmond Pierre Auguste Lemoine.

⁴⁶Raymer, Montana, 445.

⁴⁷Engineering & Mining Journal, 45:46.

⁴⁸Ibid., 44:154.

⁴⁹Ibid., 47:529.

⁵⁰Ibid., 64:257.

Mining Company as a copper mine, it had the dubious distinction of being the last mine worked by the notorious F. Augustus Heinze.⁵¹

Although he had sold his silver mines, Davis was not out of the mining business. He had not missed the potential of copper in the Butte hill. As early as 1877 he and Hauser and A. M. Holter, a prominent Helena businessman, were trying to acquire copper properties of known value. In February of that year Davis wrote Hauser about the problem he was having bonding ground:

I find that the excitement is so great here that I cannot do anything with the copper mines.... I can only get ground that is of no known value and such ground at fancy figures--This man [Marcus] Daley [sic] who represents Walker & Bros. is bent on getting up an excitement, and with our people here he has succeeded. Probably, it may cool down in a few days, if so, I may do something yet. But to talk to them about bonding ground only tends to excite them more. I see nothing more than usual to be excited over this man Daley I think has an object in getting up this excitement.⁵²

The reason for Daly's "getting up an excitement" is not clear. Daly had not arrived in the camp until 1876. His main job was to run the Alice for the Walker Brothers and that mine was paying handsomely in silver. He was doing some prospecting on his own, but there is nothing concrete to suggest that he was prospecting for copper. Indeed, the

⁵¹Raymer, Montana, 508.

⁵²Davis to S. T. Hauser, February 6, 1877, HP, MHS.

evidence suggests that silver and gold quartz were his primary interests. In March of 1878 Davis and Daly met in Deer Lodge to discuss investment in an unnamed mine. Daly wanted Davis and Hauser to take an interest in it along with the House of Cook and Brothers, J. B. Haggin, of San Francisco and Walker Brothers. After Daly made a full inspection of the mine he wanted to get together with the two Montanans "regarding a program."⁵³ The same month the New Northwest in Deer Lodge told its readers that Marcus Daly had been in Helena examining the Belmont Mine for J. B. Haggin.⁵⁴ The Belmont was a gold quartz mine in the Stemple District situated about twenty miles from Helena. Earlier, Daly had bonded it and the Penobscott mines.⁵⁵ At the time these mines were of proven richness. Apparently, nothing came of these meetings and activities. On March 28, Davis wrote Hauser about them and expressed his business maxim:

I was a little surprised to see Daley [sic.] change of program after meeting Fogus--still the thing may all come out right--we do not wish to put in much money--and a small interest with a large company does not usually amount to much. I had rather keep my money now under my own contract or at least keep it from the contracts of strangers--Keep however by all means on the right side of these fellows for we want their business. Please keep me posted in regard to what is going on.⁵⁶

⁵³Davis to S.T. Hauser, March 26, 1878, HP, MHSLS.

⁵⁴New Northwest, Deer Lodge, March 22, 1878.

⁵⁵Weekly Herald, Helena, April 4, 1878.

⁵⁶Davis to S.T. Hauser, March 28, 1878, HP, MHSLS.

When Daly purchased the Anaconda Mine from Michael A. Hickey and his partners in 1880 for \$30,000 he shared the investment with the Walker Brothers, Senator George Hearst, James B. Haggin, and Lloyd Tevis, all of San Francisco. They formed the Anaconda Silver Mining Company and commenced sinking a shaft in search of silver. The deeper they went, the poorer the ore assayed in silver; yet it grew increasingly rich in copper. Their expectations for finding a rich silver deposit dimmed with each report from the assayer. Faced with failure, they gambled and sunk the shaft to an unprecedented depth and struck the fabulously rich Anaconda copper lode.⁵⁷ The results of this strike are well known, and a treatment of them is beyond the scope of this paper. The noteworthy conclusion is, however, that the evidence indicates that Daly's rise as a "copper king" was the result, initially, of unusually fortuitous circumstances.

Other less fortunate men labored and risked their capital years before Daly seriously thought about copper. In May of 1877 Davis, Hauser and Holter bonded \$60,000 worth of copper property in Butte. Much of it was on the Parrott lode. The Helena Weekly Herald happily announced the significance of the bonding: "Should the sale be perfected it will cause a great increase in business, since we learn that it is the design of these capitalists to develop their

⁵⁷Burlingame & Toole, Montana, 347.

mines and build a large smelter."⁵⁸

Strangely enough, the most aggressive promoter of the Butte copper properties in the 1870's was an individual who had not yet seen the camp and was only acquainted with it through correspondence and conversations with Hauser and Davis. Nevertheless, Franklin Farrell, gruff and audacious, was acutely aware of the possibilities of copper. As early as February, 1877 he was ready to purchase copper properties in Butte. To Davis, his counterpart in Montana, he wrote: "I am now ready to look into the copper business, of which we talked, having the desired information Please write me upon receipt of this, if you are still ready to operate with me as you proposed. And if you have made any purchases of the mines we talked about write me at Ansonia, Connecticut. What has been done about the railroads."⁵⁹

The high cost of transportation was the greatest deterrent to exploitation of the copper properties on the scale Farrell envisioned. In the pre-railroad years, miners paid freighters 25 per cent of the value of their ore to get it to market.⁶⁰ Farrell wrote Hauser throughout 1877, urging him to buy copper properties and to get information regarding

⁵⁸Weekly Herald, Helena, May 31, 1877.

⁵⁹Franklin Farrell to S. T. Hauser, February 5, 1877, HP, MHSL.

⁶⁰Butte Miner, November 28, 1876.

reduction and marketing of the metal.⁶¹ Indeed, probably as a result of his persistence the three local capitalists purchased the \$60,000 worth of copper properties when they did. After meeting with Hauser in the East, Farrell wrote him instructions about what to do in Montana: "On your way home, you will bond some of the copper property and at once write me what you have done and I trust you will be more liberal with your letters than in the past."⁶² Palpitating with excitement he informed Hauser in August:

Copper is down to 17½ and is looked for at 17 cents...things keep going down, down. The bottom soon will be reached! That is, within a year or two, and then all the boys that have money and talent left can make some money...
I want to make big money out of copper yet.⁶³

By November he was putting together capital for the venture. "I will go down and see Seymour and if he looks on it with favor I will have him see parties we know and have it worked up if possible."⁶⁴

Farrell wanted Davis to take a share of the original and preferred stock.⁶⁵ In 1878 he asked Hauser why Davis did not answer his letters.⁶⁶ By this time Davis had determined

⁶¹See Hauser Papers for late 1870's and early 1880's.

⁶²Franklin Farrell to S.T. Hauser, March 26, 1877, HP, MBSL.

⁶³Ibid., August 31, 1877.

⁶⁴Ibid., November 6, 1877.

⁶⁵Ibid.

⁶⁶Ibid., October 5, 1878.

to apply his resources to developing the Lexington and was probably constrained to keeping his money under his own contract and "from the contracts of strangers." In August of 1880 Farrell and Hauser formed the Parrott Silver and Copper Company.⁶⁷ The same year they began work on a smelter and the first run of copper matte was run in July of 1881,⁶⁸ a year prior to Daly's striking of the Anaconda lode.

Davis' banking interest brought him an interest in the Silver Bow Mine as early as 1879. The mine was a gold and silver mine owned by James A. Talbott, Richard S. Jones, and Dennis Leary. The mine was situated north of Butte near the Alice. Davis' interest, although indirect, was substantial. Through his Butte bank he acted as middleman, purchasing their ore outright and shipping it east. By 1881 the company had borrowed heavily through the First National Bank of Helena in which Davis and Hauser owned the predominant share of stock and carried a \$50,000 overdraft with the Butte bank. E. W. Knight, cashier at the Helena bank and Hauser's brother-in-law, wrote Hauser who was assisting at the Butte operation about his uneasiness with the Silver Bow account: "Would it not be as well for us to let Davis take the entire

⁶⁷Franklin Farrell was president, S. T. Hauser was vice-president, and Thomas Wallace, Jr. and A. F. Migron, of Connecticut, were secretary and agent, respectively.

⁶⁸Leeson, Montana, 953.

loan and leave us easy."⁶⁹

The mine was incorporated into the Silver Bow Milling and Mining Company in 1881. James A. Talbott was named president and general manager, John Downs and Dennis Leary were superintendents of mines, and Richard Jones the assayer and chemist. In the same year they invested \$140,000 in a modern 20-stamp mill with automatic feeders. Among the mines developed by the company at that time were the La Plata, Mount Moriah, Midnight, Josephine, Maximillian, Carlotta, and Pawn-broker. The company produced from \$45,000 to \$48,000 in silver bullion by the end of that year.⁷⁰

If Knight had exercised the bankers' typical skepticism about mining property in judging the Silver Bow account risky, its potential value was not lost to Davis. By 1882 Joseph Hyde, the new cashier at Butte, revealed in a letter to Hauser that Davis had extended them a good deal more credit and that the company's financial condition was worsening:

I spoke to Judge Davis regarding the S--B-- matter, said, as you did, that the overdraft was to be reduced this month, and that he would see the parties personally and see if something could not be done to secure us. This matter is running along and growing no less....I think they have been and are yet making money, but putting their money in other property, and taking chances, at the same time, interest eating them up. They are too good natured for their own good, sign paper for every Tom,

⁶⁹E.W. Knight to S.T. Hauser, Sept. 15, 1881, HP, MHS�.

⁷⁰Leeson, Montana, 906-907.

Dick, and Harry that comes along. And are now on enough paper to wreck the whole outfit if pushed.⁷¹

That year Silver Bow's bullion product was a substantial \$505,280.56 and their mill was increased to 30-stamps. The local newspaper reported: "This is one of the staunch companies of Summit Valley district and owns some of our very best mines."⁷² The following year it was third in the camp to the Lexington and Alice in gold and silver production.⁷³

By 1884 the Silver Bow had signed over a considerable amount of its property to Davis' bank as security against its loans and overdrafts. While Davis was in the East, Richard Hauser, Samuel Hauser's brother, got into a conflict with President Talbott regarding the account and overdrafts. Somewhat flustered, he wrote to Hauser: "Talbot is hot... says it was the understanding with the Judge when he made over the property of the Silver Bow" that a certain part of it was for security against overdrafts. "He wants to have a talk with you and the Judge together. . . . The truth is the Judge has been lying to us and Langford⁷⁴ about the Silver Bow . . . he knows he has made himself responsible to the

⁷¹Joseph A. Hyde to S. T. Hauser, July 22, 1882, HP, MHSLS.

⁷²The Holiday Miner, Butte, June 1, 1882, HP, MHSLS.

⁷³Engineering & Mining Journal, 36:362.

⁷⁴Nathaniel P. Langford was the bank examiner for all the Territories and Pacific States.

bank in his eagerness to gobble up the Silver Bow!"⁷⁵

Sometime between 1884 and 1888 Davis "pushed" the Silver Bow Company and acquired a substantial amount of the stock.⁷⁶ During the same period the magic of electricity was being applied to industry with eagerness. Arc lighting was introduced in 1880; use of the incandescent filament followed; the electric motor was displacing manual labor in the factories; electric street railway systems emerged in the cities; the superiority of copper for wiring and roofing was being publicized by leading technical journals. Such technological advances immensely increased the demand for copper. Concurrently, Butte began to produce copper. Seemingly overnight the prayers of the Territories' inhabitants were answered. Investment capital from the far West and the East began to stream in. The trend was discernible in the late 1870's, in the mid 1880's it was conspicuous, and by the 1890's it was as if the sluice gates were wide open.

The year 1887 presaged a change in the ownership of the mines and mirrored the national movement toward consolidation. The first large corporation, the Boston and Montana Consolidated Silver and Copper Company, preponderantly

⁷⁵Richard Hauser to S. T. Hauser, February 1, 1884, HP, MHSLS.

⁷⁶Leeson, Montana, 1330, says he "purchased" The Silver Bow property and an "interest in all the Silver Bow Mines" in 1883.

financed by non-resident capital, filed incorporation papers in the Territory in July. To meet the ever increasing demand it was necessary to work low grade copper ores which required larger, more efficient concentrators, smelters, and refineries; which in turn required investment capital in amounts far beyond the capacity of Montana capitalists. The make-up of the board of directors expressed the geographic character of the new company--three Bostonians, one New Yorker and a lone Montanan, Charles X. Larrabee, prominent Territorial banker. The company's management strikingly indicated where control of the region's resources would reside in the future. Joseph W. Clark of Boston, brother of W. A. Clark, was president. Subordinate officers were Albert S. Bigelow, Charles Van Brunt, and George F. Bemis, all of Boston, and Leonard Lewishon of New York. The corporation consolidated the mines of the Montana Copper and the Mountain View Companies. Within two years construction began on an extensive smelter works on Black Eagle Falls a few miles from the town of Great Falls.⁷⁷

Early in the following year Davis went east to negotiate the sale of the Silver Bow Mines to another corporation being formed in Boston to work the Butte mines. The reported agreed purchase price was \$1,250,000.⁷⁸ Out of this meeting

⁷⁷Raymer, Montana, 450, 460; Engineering & Mining Journal, 46:224, 245.

⁷⁸Engineering & Mining Journal, 46:224.

was born the Butte and Boston Mining Company with a capitalization of \$5,000,000 divided into 200,000 shares at \$25 par value. Davis emerged as president. Articles of incorporation were filed at Butte August 31, 1888. The extent of its mining property was auspicious. The properties covered a larger area than the Anaconda or the Boston and Montana Consolidated. The Butte and Boston consolidated three groups of mines totalling thirty-three in all. The first group consisted of the Bell of Butte, the Annie & Ida, and the Chicago situated between the Alice Mine and mines of the Boston and Montana Consolidated. The second group comprised a number of mines situated between the above and Butte City.⁷⁹ The Silver Bow properties covering from 250 to 300 acres comprised the third group. The various mines were located on both the copper and silver belt that ran through the district. Plans for erecting a smelter capable of reducing 600 tons of ore per day were drawn up.⁸⁰

With the formation of the Butte and Boston, the interlocking directorate was formally introduced into Butte. Directors and officers of this corporation held management positions and were members of the board in the Boston and

⁷⁹Among these were the Transit, Del Monta, Missoula, Wappello, Buenos Ayres, Alexander, Flag, La Plata, Sister, Midnight, Josephine, and Gray Rock.

⁸⁰The Holiday Miner, Butte, January 1, 1889; Engineering & Mining Journal, 46:224, 428.

Montana Consolidated Silver and Copper Mining Company and others. Officers of the Butte and Boston were A. J. Davis, president; Stephen M. Crosby of Boston, vice president; and D. L. Demmons of Boston, secretary and treasurer. Demmons was also treasurer of the Franklin Mining Company engaged in copper mining in Michigan. On the Butte and Boston's board of directors were Joseph W. Clark, president of the Boston and Montana Consolidated Copper and Silver Mining Company and the Tamarack Mining Company of Michigan; Albert S. Bigelow of Boston, treasurer of the Tamarack Mining Company and director of the Boston and Montana Consolidated; Charles Van Brunt, member of the board of the Boston and Montana Consolidated; J. A. Coram of Lowell, Massachusetts; and Hiram Knowles of Montana. At the time Knowles was a Territorial Justice and the year following he was appointed Federal Judge for the Ninth District.⁸¹

The sale of mortgage bonds secured by the company's real and personal property further strengthened the common interest of the companies. The bonds were for \$1,000,000 payable in Boston in ten years at seven per cent yearly interest. A sinking fund of \$100,000 per annum for the payment of the bonds was placed in trust with the Massachusetts Loan and Trust Company. The bonds were purchased largely by interests within the Boston and Montana Consolidated, Tamarack and

⁸¹Engineering & Mining Journal, 44:65; 46:217, 245.

Franklin Mining Companies. What remained was taken by other mining companies and German capitalists.⁸²

Through 1889 the Butte and Boston engaged primarily in development work in the Silver Bow and the Gray Rock mines. The ore in the former was high-grade copper-silver; in the latter it was high-grade silver-copper. No serious attempt was made at producing copper until the new smelting facilities were available. Nevertheless, the silver product yielded from \$20,000 to \$25,000 per month. As of November of 1888, the stock had advanced on the Boston Stock Exchange to \$29½.⁸³ By April, 1890, the Butte and Boston had produced thirty million pounds of copper, 792,000 ounces of silver, and 2,639 ounces of gold. Although heavy production of copper did not commence until February of 1891, within that time the company earned \$681,000 which was reinvested. By the fall of the following year its smelting facilities were capable of handling 1,500,000 to 2,000,000 pounds of copper monthly.⁸⁴

In the 1890's the Butte and Boston and the Boston and Montana Companies and the interests of W. A. Clark were the chief competitors of the Anaconda Copper Mining Company.⁸⁵

⁸²Engineering & Mining Journal, 46:245.

⁸³Ibid., 48:13; 46:408.

⁸⁴Raymer, Montana, 455.

⁸⁵The Anaconda Silver and Copper Mining Co. was reorganized into the Anaconda Copper Mining Co. on June 18, 1895.

The consolidations by the first two companies in the mid 1880's--done without sinister motives--were the precursors of the larger consolidations that followed nearly a decade later. The latter were attended with a freeze-out of Montana minority stockholders and placement of arbitrary control in the hands of relatively few men. The phenomenon, with its interlocking directorate, also hinted at the possibility that the Montana mining industry would fall under monopolistic control.

Davis' role in the Butte and Boston Mining Company was cut short by his death in March of 1890. Nevertheless, given his willful nature and business acumen, he undoubtedly played a significant and forceful part in the formation of the corporation and its initial policy decisions. As regards a departure from his basic business philosophy of preferring to keep his money under his "own contract" and from the "contracts of strangers", it is a credit to his vision that he recognized as early as he did that the era of the independent, entrepreneurial capitalist was drawing to an end.

While being deeply involved with his mines and other businesses Davis did not allow his merchandising of mining equipment to expire. Indeed, it was accelerated. Machines and their replacement parts required the heaviest outlays of capital in quartz mining, and the necessity to send east for them was costly because of freight charges. Even more importantly, parts were expensive owing to the delays in

production while they were making their way west. Davis moved to take advantage of the situation by constructing a foundry and machine shop in connection with the Lexington Mill in 1878. The machine shop was equipped with lathes and boring machines capable of making any kind of mill machine, and the cupola in the foundry was large enough to cast the heaviest of mortars used in the quartz mills.⁸⁶

In 1882 the plant was expanded to include a boiler works. It was called the Lexington Foundry throughout the decade of the 1880's, with the subtitle of Tuttle & Esson up to 1886, and Tuttle & Company thereafter.⁸⁷ In the early 1880's he also established the firm of Davis & Tatem: Iron Founders and Machinists in Helena. Davis was president of all the enterprises. D. H. Tatem was vice president of the Helena firm. It manufactured steam engines and quartz crushing, amalgamating and mining machinery. Hauser's mines at Wickes and vicinity were among the firm's more important customers.⁸⁸ Conceivably with Davis' influence and Butte's 12 quartz mills, 4 smelters, 2 arastras, and 2 40-stamp mills under construction Butte was the largest market for the products of the firms.⁸⁹

⁸⁶The Butte Miner, May 14, 1878.

⁸⁷The Holiday Miner, Butte, January 1, 1882, 1886.

⁸⁸Davis & Tatem to S.T. Hauser, Nov. 4, 1882, HP, MHSLS.

⁸⁹The Holiday Miner, Butte, January 1, 1882.

Through private financing and the Butte and Helena banks, Davis gained interest in numerous mines throughout western Montana.⁹⁰ Among the most notable were the Penobscott and Snowdrift Mines of the "Bonanza District" near Helena and the Algonquin and Speckled Trout near Phillipsburg. The Penobscott and Snowdrift were rich gold quartz mines. They were sold in 1878 to W. Bell True, of Detroit, Michigan, and Davis and his banking partner, Hauser, received as much as \$44,000 as a result of the sale.⁹¹ The Speckled Trout and Algonquin were famous silver mines. Davis foreclosed on the Speckled Trout in 1878⁹² and he and Hauser foreclosed on the Algonquin in 1884.⁹³

In Davis' experience with the Lexington Mine we see him in his most natural and characteristic role: the independent, enterprising capitalist, totally involved, free from the restricting influences of partners or stockholders. To succeed as he did he necessarily risked the bulk, if not all of his capital; yet by spending heavily to put the mine promptly on a paying scale, he reaped the full benefit of

⁹⁰Leeson, Montana, 1330.

⁹¹Agreement on Penobscott and Snowdrift, March 18, 1878, Herbert Peet Papers, Hauser Chronology 1878; Bill of Sale on Sales Agreement, "The Penobscott & Snow," March 18, 1878, HP, MHS�, The Weekly Herald, Helena, May 2, 1878.

⁹²Cole Saunders to O. B. O'bannon, March 20, 1878, HP, MHS�.

⁹³Davis to S. T. Hauser, April 6, 1884, HP, MHS�.

its production during a time when the price of silver was at its highest. After 1885 the price of silver plummeted. In the formation of the Butte and Boston, we see Davis as a primarily independent businessman make the passage to participation in the large corporate form of business organization and become an unwitting accomplice in fixing a colonial status on the region.

CHAPTER III

BANKER: THE FIRST NATIONAL BANK OF BUTTE

The capstone of Davis' enterprises was the founding of the First National Bank of Butte. When the strike at the Lexington was settled in mid-1878 on the basis of removing ore by contract, it relieved Davis of a great deal of supervisory activity and allowed him to channel his energy and talent into banking and related businesses.

Banking in Montana reportedly began with the firm of Nowlan & Weary in early 1863 at Bannack.¹ Booming Virginia City housed the firm of Ben Holladay and W. L. Halsey, and that of Allen and Millard shortly after the discovery of gold. In 1864, with the discoveries in Helena, others were founded. Most were as short-lived as the placers and functioned only to make quick profits from the purchase and selling of gold dust. Some sold eastern exchange and accepted deposits but no interest was paid on balances. Loaning money was done primarily by merchants.² As more

¹Wilbur F. Sanders, "History of Early Montana," Typed Ms., 204, MHSLS.

²Material on Territorial banking is limited. See John Hakola, "Currency in Montana 1863-1873," Historical Essays on Montana and the Northwest, Helena, 1967, 111-148, and

discoveries were made more banks were founded, and as the claims washed out the banks closed out.

Samuel T. Hauser and Nathaniel P. Langford, then collector of internal revenue for Montana, founded the banking house of S. T. Hauser & Company in December of 1864 in Virginia City. In November of the following year the business was closed at a net loss of nearly \$4,000.³ Various obstacles stood in the way of easy profit for bankers. Capital resources had to be sufficient to contend with the great distances over which transactions had to be carried out. Telegraphic communications did not reach Virginia City until late 1866 and thus quick turn-overs in capital were impossible. The radical fluctuation of gold on the New York market as a result of the vicissitudes of the Civil War was probably the greatest impediment to turning a profit.

The initiation of banking on a permanent basis and the development of a national banking system within the Territory was the work of Samuel T. Hauser. When his initial venture with Langford was closed out he had developed a plan for establishing a national bank under the terms of the federal act of June 3, 1864. He spent the year of 1866 lining up

James H. Dion, "History of Banking in Montana," A History of Montana, Vol. I, (eds.) Merrill G. Burlingame and K. Ross Toole, New York, 1957, 399-410. Hakola's article on Montana Currency is cited hereafter as Hakola, "Currency in Montana."

³Hakola, S. T. Hauser.

partners for the enterprise. Helena was selected as the site for the new bank on the advice of local associates who felt it would soon outstrip Virginia City. He interested a wealthy relative, Luther M. Kennett, and other Missouri capitalists in the venture. In addition, some Montanans joined the venture. By March of 1866 arrangements were completed and the First National Bank of Helena, Montana Territory was chartered with a capitalization of \$100,000 in shares of \$100. Most of the stock was taken by St. Louis parties. Hauser took \$20,000 worth. During the 1870's the stock interest slowly changed until by 1875 nearly all of the St. Louis investors had been bought out by Montanans. Various Helena businessmen, such as Anton M. Holter, a prominent hardware dealer and lumberman, were brought into the organization to broaden the basis of local support. By this time Hauser personally held an absolute majority of the stock.⁴

As the production of silver outstripped gold the First National turned increasingly to the role of middleman between the miner and the Eastern or foreign processor. By the mid-seventies the bank purchased ore outright, assumed all the risk and retained all the profit from its disposition. The First National was especially active in Butte in the purchase of ores.

⁴Hakola, S. T. Hauser, passim 78, 79, 89, 101-102.

Davis' Lexington Mine was becoming one of the largest producers of silver in the camp. It was through this connection that the interests of Davis and Hauser were brought together. By 1877 the business in Butte had developed to such an extent that a more efficient arrangement had to be found to take full advantage of the potentialities. Jointly the two men founded a private bank in Butte, S. T. Hauser and Company.

On February 6, 1877 organizational details for the new bank were agreed upon. It carried Hauser's name, for the sake of publicity with a subtitle of Butte bank; but from the beginning Davis owned a majority interest. In March it opened its doors in a building on Main Street, owned by Granville Stuart, which formerly housed Mr. Bowes' furniture store.⁵ "Mr. T. H. Kleinschmidt, the gentlemanly assistant cashier of the First National Bank of Helena" was in charge of the office.⁶ It engaged in general banking business, bought gold dust and silver bullion, made collections, and "drew drafts on all parts of the world." For about a year the relations between it and the larger Helena bank were quite close. Officials from Helena were sent periodically by Hauser to assist in the operations. As part of the over-all agreement Davis acquired a large portion of the

⁵New Northwest, Deer Lodge, March 2, 1872.

⁶Weekly Herald, Helena, April 5, 1877.

stock in the Helena bank and by the following year he held over thirty-five per cent of the outstanding shares.⁷

During this time Davis' personal interest in the banks was as an investment. The daily affairs of the firm were handled by officers of the Helena bank. Davis was busy developing the Lexington silver mine.

Competition to the Butte bank came from the banking House of Donnell, Clark & Larabee under the management of W. A. Clark. This firm was also established in February of 1877, as a branch bank of Donnell, Clark & Larabee of Deer Lodge which was established in that city in 1870.⁸ The competition from Clark, however, did not injure the development of Davis' bank judging from the comments of E. W. Knight, cashier of the Helena bank who wrote Hauser while assisting in Butte. "At present most all businessmen are borrowers except Dellinger & Hyde . . . as customers increase just now it means further loans. The Silver Bow Mining Company are warm friends, especially because of the dislike for Clark. With fair management I think our business will materially increase during the coming year, but it will be difficult to hold the loans down to the increase of deposits."⁹

⁷Hakola, S. T. Hauser, 102 - 103.

⁸Leeson, Montana, 566, 933.

⁹E. W. Knight to S. T. Hauser, June 13, 1879, EP, MHSL.

With the settlement of the strike at the Lexington, Davis entered the banking business with typical thoroughness. In March of 1879 he purchased \$30,000 worth of stock in the Helena bank which was the last block of stock held by Missourians. He paid a premium of nearly two for one¹⁰ and thenceforth took an active interest in the affairs of that bank. At the regular directors meeting that year he was elected vice president. Hauser retained the presidency and E. W. Knight and T. H. Kleinschmidt were reelected as cashier and assistant cashier, respectively.

The balance sheet for 1878 foretold a bright future. Deposits increased from \$51,480 to \$732,787. Thirty new accounts were added. Total cash transactions for the year amounted to \$26,240,268. Net profit was \$30,000.¹¹ The bank's competitive position was strengthened when the People's National Bank folded in August of that year. "Excessive loans to insiders and losses in highly speculative mining ventures undermined its position. Davis and Hauser made some sort of proposition to save the bank but nothing was done."¹² This left Hauser's bank as the only National Bank in Helena. No significant competition challenged it until 1882 when the Utah and Northern Railroad and Northern Pacific

¹⁰Weekly Herald, Helena, April 3, 1879.

¹¹Ibid.

¹²Hakola, S. T. Hauser, 105.

Railroad reached the general area stimulating and solidifying Helena's position as the wholesale trading area for the Territory.

To take advantage of the boom monied men established three new banks that year--The Merchants National Bank with a capital stock of \$150,000; The Second National Bank of Helena capitalized at \$75,000; and the Montana National Bank, the most formidable, capitalized at a quarter of a million dollars and supported by such powerful figures as Charles A. Broadwater, currently challenging Hauser's leadership of the Democratic Party; Benjamin F. Potts, former governor; and Russell B. Harrison, son of Senator Benjamin Harrison of Indiana. The First National's first step to counter the new competition was to secure the "extremely lucrative" account of the Northern Pacific Railroad. The vice president of the Railroad, Thomas F. Oakes, was a close friend of Hauser's and he was acquainted with president, Henry Villard. Hauser wrote an urgent letter to Martin Maginnis, Territorial Delegate in Washington, instructing him to hasten to New York to see the two men and get them to "commit themselves" to the First National, "which would serve as an excuse when these other banks appealed to him, which they doubtless will do" . . . and . . . "of course you will draw on me for your expenses."¹³

¹³Hakola, S. T. Hauser, 105 - 108.

The second step was to attempt to have the Railroad purchase stock in the bank to give them a vested interest but President Villard vetoed the plan. Thirdly, Hauser attempted to secure the accounts of prominent Helena merchants by selling them stock and he asked Davis to join him in providing the shares.¹⁴ Davis refused, presumably on the basis that he did not want to give up any measure of control to people who were contributing less. Significant control of a business was a prerequisite with Davis if he was to invest seriously. Naturally, the new competition to the bank slowed the rate of development but it did not stop its growth. "On February 1, 1883, deposits totaled \$1,905,049.18. Total net surplus and profits on February 23, 1883, amounted to \$328,760.62, more than \$100,000 above the total for a similar period a year earlier. This indicated a one hundred per cent profit on paid in capital" and a cash dividend of \$125,000 was declared.¹⁵

The chief problem bankers faced in the West was the chronic shortage of currency. Because of Montana's geographic isolation in the pre-railroad days the problem was even more acute. Stringencies in currency plagued the banker continually throughout the nineteenth century. Rapid industrialization and the boom in railroad building after the

¹⁴Hakola, S. T. Hauser, 108 - 109.

¹⁵Ibid., 109 - 110.

Civil War produced alternate periods of boom and bust. In the interim of the major panics of 1873 and 1893 they varied in intensity, but to an increasing extent affected the entire economy. The lack of currency adversely affected the bankers' ability to make loans--the principal source of profit.

Davis' first concern and project upon taking up the affairs of the Butte bank was to remedy this situation to the greatest degree possible. Edward W. Knight wrote Hauser from Butte about Davis' concern: "Arrived here last night and had a long talk with Davis who thinks it a great shame that currency has not been provided here, especially as we are opening a new a/c with the Silver Bow Mining Com. with silver bullion delivered and shipped. There has been no refusal to pay yet but entirely too close . . . We must supply more currency."¹⁶ Davis decided to take matters into his own hands rather than depend on Hauser's bank to supply him. Knight dutifully reported to Hauser that "Davis says when he goes over, he is going to bring his balance over here with him; that he will need currency here, and will take exchange from here when he goes east . . . He seems very much wrapped up at present in the business here and seems

¹⁶E. W. Knight to S. T. Hauser, June 7, 1879, Herbert Peet Papers, Hauser Chronology 1879, MESL.

very anxious for large supply of currency here."¹⁷ Davis solved the stringency problem, although there were times when the ability to pay on demand was "close" during the first few years of the 1880's.

The best evidence as to how well the currency problem was solved is found in the experience of the First National of Helena in 1884 when a flurry in New York financial centers and business circles throughout the country threatened the solvency of that bank. Hauser began to feel the pinch on currency late in 1883. He had asked his friend and former associate in the Helena bank Daniel C. Corbin for a loan. Corbin was founder and director of the Corbin Banking Company of New York and Boston. He was forced to turn Hauser's request down and in a series of letters outlined the causes of the stringency.

Cannot make arrangements you desired....The fact is the demand for money from farmers in the west has been greater in the last sixty days than ever before and it has been all, and more, than the Corbin Bkg. Co. could do to meet it.... The reason for the unusual demand from the west is, as I am told, on account of the low price of wheat and the fact that many producers are holding their grain and raising money to pay off their debts, by mortgaging the farms. I wish I could do this for you Sam....I may be able to do something later, and will if I can.¹⁸

He advised him that "one or two large houses here are very

¹⁷E. W. Knight to S. T. Hauser, June 16, 1879.

¹⁸D. C. Corbin to S. T. Hauser, January 30, 1884.
HP, MBSL.

hard pushed and may have trouble." If they should suspend it would be almost certain to precipitate a panic." That they have been helped by some big men, I think is certain I think for the next few months it is a good idea for individuals and banks to keep themselves strong in resources."¹⁹ After such dark prophecy even the redoubtable Hauser must have trembled when the First National Banks of New York and Chicago and also Clark, Dodge & Company requested him to reduce their overdrafts with them. "It meant that the First National of Helena had to pay the three banks a total of \$135,000."²⁰ In addition other banks in the Territory felt the squeeze and withdrew nearly \$300,000 that they had on deposit in Helena and borrowed \$75,000 more. He wrote to a friend, a Connecticut brass manufacturer, that the bank needed money badly. He appealed to debtors for repayment of overdue notes. The bank "limped along for a few months attempting to meet the demand for loans on a curtailed money market."²¹ In May he had to turn to Davis, who with unusual foresight had a substantial reserve on hand, and asked him to increase the balances of the Butte bank by \$20,000 to \$30,000 with the promise to return the funds in twenty days, explaining that the "flurry in money matters in New York. . . ."

¹⁹D. C. Corbin to S.T. Hauser, Feb. 4, 1884, HP, MHS.L.

²⁰Hakola, S. T. Hauser, 116.

²¹Ibid., passim, 105 - 106.

has made it extremely close with us."²² Davis advanced this and much more during the period of crisis charging ten per cent interest. The bank managed to survive but its position was precarious. Davis allowed the due dates on the notes to pass but in August wrote a blunt, uncompromising missive demanding redress:

In regard to the money deposited at the First National Bank of Helena it was expressly agreed and understood that the money should be paid at any time after 90 days from date of certificates. Then I was asked to wait until after shearing of sheep, which has come and passed and no money. July was the time that I expected one hundred thousand dollars. I made my arrangements accordingly but was obliged to disappoint parties that I felt under obligation to. I do not like these disappointments. I am used to pay my obligations when they become due. Banks should always be prompt in order that their credit may be good. All the money due me I shall expect due at the earliest moment--for I have use for it on this side of the range. On the 30th of this month your note of \$4,444.44 falls due with interest thereon. Money matters are tight and prospects not flattering in the future. I vouched for you once on the note. Your matters need looking after.²³

Davis' concern was not unwarranted. J. W. Buskett--the secretary of the Helena Mining and Reduction Company, a million dollar project that Hauser was directing and in which he had heavily invested both his and the bank's resources--wrote that they were having trouble meeting bills and getting

²²S. T. Hauser to A. J. Davis, May 21, 1884, Hauser Letterbooks 1881-1885, HP, MHS�.

²³Davis to S. T. Hauser, August 20, 1884, HP, MHS�.

ore out of the mine profitably.²⁴

To meet Davis' demands Hauser was forced to appeal to Clark, Dodge & Company for assistance. Complainingly he wrote them: "My principal object in asking you to discount these notes . . . was to enable this bank to pay my beloved partner \$150,000 September 10--without cramping our reserve."²⁵ The firm, hard pressed for cash itself, begrudgingly loaned him \$24,000 stipulating that the duration of the loan was four months and that the entire amount was subject to recall at any time within that period. A further indication that money was dear was the interest rate charged. Normally, Eastern banks loaned at about six per cent. Interesting but painful to the hard-pressed Hauser, was the manner in which the interest was negotiated: "the note is to be 10%, but we would prefer the notes to carry 6% and the balance to be paid as commission."²⁶

Davis' dissatisfaction with Hauser was learned in the East and Clark, Dodge, concerned about the relationship between the two institutions and Davis' interest in it, wrote Hauser inquiring whether he was selling his stock. Hauser clearly showed the strain of the year's activity

²⁴J.W. Buskett to Hauser, August 21, 1884, HP, MHS�.

²⁵S.T. Hauser to Clark, Dodge & Company, August 21, 1884, HP, MHS�.

²⁶Ibid.

and pressure from Davis when he answered petulantly in a revealing letter:

He has no idea of selling his stock! He would ask an unreasonable price for it unless he felt badly and sick....No danger what he would come to the rescue if we were ever to get into absolute danger, but god help the rest of the stockholders! If he ever found we had to have his money, he would demand at least five per cent per month....He thinks it is his duty to squeeze this bank or anybody, if they are in need of money! Its the only religion he has. He owns 42½ per cent of the bank, our capital and surplus is \$800,000....His investment of seventy five thousand, has paid him over 25% per annum for the four years he has had it in the stock! From which you can see why I feel a little hostile to him for squeezing us, whenever we ask any of his money.²⁷

Another condition Davis quickly moved to change was the domination the First National of Helena had in silver bullion purchases in Butte! In June of 1879 Knight wrote to Hauser from Butte: "Davis has fully made up his mind to ship silver bullion from here and is putting up furnaces to melt into bars."²⁸ The practice of the Helena bank, as well as others in the area, was to pay a certain percentage of the average assay value per ton, then ship the ore overland to Fort Benton consigned to a commission firm such as Clark, Dodge & Company or Jay Cooke & Company. Typically, from the proceeds of the sale the bank would purchase currency for

²⁷S. T. Hauser to Clark, Dodge & Company, September 16, 1884, HP, MHS�.

²⁸E. W. Knight to S. T. Hauser, June 7, 1879, Herbert Peet Papers, Hauser Chronology 1879, MHS�.

deposit in one of their correspondent banks in the East.²⁹ Owing to high transportation costs in the pre-railroad days only the highest grade of ores could be shipped. Also, in the method of using a certain percentage of the assay value as a guide to covering costs of disposition and ultimate profit there was substantial risk involved in clearing a reasonable profit when final sale was made. By processing the ores and melting them into silver bars Davis both increased the volume he could sell and narrowed his margin of risk.

Up to the time his reduction works were available Davis employed a clever, if questionable, practice in beating the transportation and handling costs. Knight evidenced a certain awe and admiration when he wrote Hauser of his discovery that: "The way they value silver shipments here, makes it a burden to ship assay office bars. Silver shipment of

²⁹((For an example of this type of transaction see Hakola, S.T. Hauser, 84. A correspondent bank was a bank in some other city with which a banking firm regularly did business. To facilitate operations, agreements were made with banks in various key commercial cities. These agreements dealt with such matter as the honoring of checks and bank drafts, maintenance of deposits, and making of loans. Banks organized under terms of the National Bank Act were required to maintain reserves of fifteen per cent against deposits and, at first, against outstanding bank notes. Of this, forty per cent had to be held in the bank's vault, while the remainder could be deposited with other national banks in the so-called redemption or central reserve and reserve city banks. Generally reserves were deposited in banks in St. Louis, Chicago, and New York. Through the correspondent bank relationship customers were enabled to transfer funds from one part of the country to another.))

Silver Bow Mining Company of \$10,000; they ship at value of \$5,000. Shipped by us to Clark, Dodge and Company."³⁰

Aside from the profit motive in purchasing bullion by banks, there was another important reason for the practice. It gave them an intimate knowledge of the prospects of the various mining districts and individual mines. If the banker was so inclined, or any of his friends, he could invest in a mine showing good prospects when the price was favorable. Equally important were the opportunities afforded by helping firms on the verge of bankruptcy or bankrupt. If the mine was a promising one a banker could step in with his funds and help the firm back on the road to prosperity, taking in turn a share of the stock. This practice led directly to Davis' acquiring the rich Silver Bow Mining Company which evolved into the Butte and Boston Mining Company in the closing years of the 1880's.³¹

Davis had intelligence, prudence, and patience which were necessary ingredients to survive and prosper as a banker in an age dominated by the frontier principles of ruthless exploitation and unbounded optimism. In 1880 he wrote Hauser a letter advocating the maintenance of a more liquid position even if profits were reduced. In it he expressed

³⁰E. W. Knight to S. T. Hauser, June 7, 1879, Herbert Peet Papers, Hauser Chronology 1879, MHSLS.

³¹See Chapter II.

the banking philosophy which became the cornerstone of the "Davis Bank" policy and implemented by all of his successors, making of it one of the soundest banks in Montana up to the present day:

It seems to me we are doing too much business for our capital. We should never so expand as to allow ourselves to get into these tight places. Would it not be better to make less money and take fewer chances. With our means we should always keep ourselves perfectly easy and make enough to keep the wolf from our doors. This thing of relying upon deposits for capital seems to me subjects us to frequent tight places not having currency to meet the demands....we are taking too many chances and I would rather dispose of my interest here than to hold it.... Our field is too broad for our capital.³²

The shortage of capital was of deep concern to Davis. He felt that the Helena bank's volume of transactions was too large for its resources. He warned Hauser that "the Helena bank is all right if she had a little more capital to meet the growing demands of the country."³³ A larger capitalization would allow for more flexibility in operations, but Hauser would not be convinced until the formidable opposition of 1882 arose. In 1883 after a profit of \$117,000 had been declared for the year the board voted an increase to half a million dollars in capital. At the same time a cash dividend of seventeen per cent in outstanding stock was paid. The additional stock was taken up on a pro rata basis.

³²Davis to S. T. Hauser, Dec. 5, 1880, HP, MHSLS.

³³Ibid.

Davis felt that it should be increased to a million dollars, "knowing and believing that the safety of the bank would require it and that a handsome dividend could still be paid on the larger figure. Of the large owners, Davis was the only one with sufficient resources to float such an increase, and Hauser, though anxious to diversify ownership, was unwilling to spread it to the extent of losing absolute control."³⁴

Davis was as responsible with other people's money as he was with his own. He complained bitterly to Hauser in 1881 about the stringency of currency and how it jeopardized the security of depositors. "I have got sick of such operations for this is no new thing and if this bank is compelled to stop you will have a lively time in Helena. Money is fast being drawn from the bank and within the next three days probably thirty thousand more will be drawn. Men want their money where they feel it is safe and they can get it when they want it."³⁵

The month following this exchange he decided to reorganize the bank under the terms of the National Bank Act of 1863.³⁶ To some extent his reason for doing so was his

³⁴Hakola, S. T. Hauser, 111.

³⁵Davis to S. T. Hauser, May 4, 1881, HP, MHSLS.

³⁶The act of Congress of February 25, 1863, and later acts, made national banks out of commercial banks upon issuance of a charter under said act. National banks were

dissatisfaction with the limited resources of the bank and his lack of total control in the affairs of it. But even more significant was the fact that the bank was an outstanding success from the beginning and prospects for the future were bright. The Utah and Northern Railroad was making its way north to Butte which would open up the mines to the outside world. The mines and mills were attracting workers and their families. From a population of 360 in 1867, Butte City housed 5,000 in June of 1880 plus several thousand in settlements surrounding the camp mining the vast resources. Continued immigration would raise the figure to 14,000 by 1884.³⁷

"By mid-January, 1881, \$180,000 in demand and time deposits

empowered to issue bank notes up to ninety per cent of the par or market value of United States bonds which they purchased and kept on deposit with the United States Treasury. A monopoly of note issue was assured them by the imposition in 1866 of a ten per cent tax on the issue of bank notes by state banks. The act placed all national banks under the supervision of the comptroller of the currency. The national banking acts were instituted as a result of a generally acknowledged need for a safe, uniform currency and tighter reigns on the quantity of notes that could circulate; it was believed that a limit on issues would lessen the frequency and severity of panics. See Phillip Cagan, "The First Fifty Years of the National Banking System--An Historical Appraisal," Banking And Monetary Studies, ed. Deane Carson, Homewood, Illinois, 1963, 15 - 42.

³⁷The Utah and Northern Railroad was making its way north to Butte which would open up the mines to the outside world. The mines and mills were attracting workers and their families. From a population of 360 in 1867 Butte City housed 5,000 people in June of 1880 plus several thousand more living in settlements surrounding the camp. Continued immigration would swell the Butte population to 14,000 by 1884. (Leeson, Montana, 917.)

were reported, with \$214,000 in loans and overdrafts outstanding."³⁸ After careful consideration he wrote Hauser and stated the proposition frankly:

I have been thinking over our banking matter at Butte and have come to the conclusion that a national bank, all things considered, will be the best for us. I must stand in this bank so far as stock is concerned the same as you do at Helena. That is I must have at least 51 per cent of all the stock here and you have the controlling interest there, in all outside banking our interest shall be equal....Under no circumstances will I have any thing to do with banking here without I have a controlling interest. Neither will I continue in banking here with unlimited individual responsibility. I must know the full extent of my liability.³⁹

Negotiations were completed by October. At one point in the deliberations Davis was prepared to undertake the entire venture. "I am willing to take all of your stock if you wish and whatever of Dick's [Hauser] he may want to let go. Would rather you would hold enough at least to occupy your present position."⁴⁰ In the agreement for incorporation, which was finally consummated, Davis took 65.7 per cent of the stock. Capital stock was in the amount of \$100,000--1,000 shares at \$100 each. It was divided as follows:

| | | |
|--------------------|-----|--------|
| A. J. Davis | 657 | shares |
| H. D. Hauser | 166 | " |
| S. T. Hauser | 157 | " |
| J. A. Talbott..... | 10 | " |
| E. W. Knight | 10 | " |

³⁸Hakola, S. T. Hauser, 103.

³⁹Davis to S. T. Hauser, Aug. 24, 1881, HP, MHSLS.

⁴⁰Ibid., October 1, 1881.

They agreed to give each other first chance to buy if one decided to sell. Davis was president, S. T. Hauser was vice president, and H. D. Hauser was assistant cashier.⁴¹

From the beginning Davis dominated the daily affairs and policies of the First National Bank of Butte. By December 31 of 1881 it had total resources of \$287,914.68 with undivided profits of \$1,522.46. By the same date the following year the cashier at Butte wrote Hauser proudly that earnings for the year totaled \$36,249.19 and the volume of business aggregated "in round numbers" \$26,000,000. "I think that a very good showing. We need a book keeper very much--too much work for one man."⁴² Nearly a decade later the figures had increased to \$2,926,071.15 and \$846,376.89, respectively. No dividends on earnings were paid out during this time. When they were paid, in 1896, profits had accumulated to approximately one million dollars.⁴³ In 1884 Davis purchased both Hauser's and Knight's shares for \$125 per share making him the sole owner of the banking house.⁴⁴

To house the new national bank Davis purchased a lot

⁴¹Memorandum of an Agreement between Davis and Hauser, Oct. 5, 1881, HP, MHS�, E. G. Leipheimer, First National Bank, 12.

⁴²J. A. Hyde to S. T. Hauser, Jan. 2, 1883, HP.

⁴³Report of the Comptroller of the Currency 1891; E. G. Leipheimer, First National Bank, 40 - 41.

⁴⁴Agreement on Butte Bank stock, S. T. Hauser & A. J. Davis, Feb. 12; Memorandum of Agreement, Feb. 12, 1884; Memorandum of Agreement, Promisory Note, Mar. 28, 1884, HP, MHS�.

on Park and Main in October of 1881 and construction of an imposing brick structure was undertaken. A construction delay occurred which even the hard-driving Davis could not overcome. "Our brick man turned into a whiskey shop and is still there," he wrote his colleague in Helena.⁴⁵

Although demanding and judicious in business dealings, Davis seems to have been sympathetic with some of the veterans of the camp. In 1882 while Davis was East J. A. Hyde, cashier at Butte, wrote Hauser an appraisal of the accounts at the bank. "We have many old timers that renew every three months, tis hard to close down on these fellows, but with the present outlook I think we should, in justice to ourselves, insist on at least a small portion of the principal, if a renewal is asked."⁴⁶

One of the main functions of a bank is to make loans. They constitute one of a bank's most profitable forms of earning power. In 1882 loans and overdrafts amounted to \$132,034.50; by 1886 they had swelled to \$799,006.43,⁴⁷ an increase of over 100 per cent per year. Davis' widespread acquaintance brought his financing activities into the remotest parts of the Territory. They were as varied as

⁴⁵Davis to S. T. Hauser, Oct. 1, 22, 1881, HP, MHS�.

⁴⁶J. A. Hyde to S. T. Hauser, July 2, 1882, HP, MHS�.

⁴⁷Report of the Comptroller of the Currency 1882, 1886.

they were widespread, financing the industries of agriculture, mining, lumber and livestock.

In 1885 Granville Stuart, then superintendent of the Pioneer Cattle Company in the Musselshell country, himself heavily indebted to Davis, seems to have doubled as a kind of loan agent-at-large for the bank. He wrote Davis from Fort Maginnis where he had collected a \$679.55 note and exercised a mortgage for another to a certain sawmill operator named Walker. "He is a good worker With good management (which he seems disposed to use) I think he will be able to pay out in a couple of years & have the mill & quite a stand in money on hand. He is wearing patched overalls and working like a hero."⁴⁸

The ambitious promotions engaged in by Hauser during the decade of the 1880's and 1890's provided one of the largest sources of income for the Butte bank. It functioned as a readily available reservoir for financing his expanding enterprises. Hauser was vice president of the Parrott Silver and Copper Company of Butte, Montana, one of the largest in the camp. Franklin Farrell was the president. Anton M. Holter, prominent Helena businessman, was heavily interested in the Parrott as he was in other Hauser ventures. In the early 1880's they were busy developing the silver and copper potential of their mines in Butte and heavy outlays of

⁴⁸Granville Stuart to Davis, March 28, 1885, HP, MHS.L.

capital were required. By July of 1882 they owed the Butte bank \$76,000. The following month Davis told Hauser and Holter that more money was available.⁴⁹ About a month later Farrell wrote Hauser:

I have concluded to go out in 2 or 3 weeks and try to push the works along and make more moneyI will go and work it up in Butte. For a time our money wants will be greater and thus I want to know if your bank will let us have it. Please talk this up with your people (Davis) and let us know what to depend on. Their [sic.] better be an understanding about this to have no blunders.⁵⁰

The Butte bank was "pleased" to make them loans at one per cent per month.⁵¹ In a bit of subterfuge Hauser wanted Davis to come into the Company as president and as a director. "The company only owes your bank and you could keep track of the business and protect yourself and the bank, besides personally informing me. Please answer at once. The company are [sic.] making money and their [sic.] is no risk."⁵²

Loans were made regularly between 1884 and 1890 in amounts ranging from \$20,000 to \$80,000. In Hauser's and Holter's development of the Helena, Boulder Valley and Butte Railroad loans were made monthly in amounts exceeding

⁴⁹Davis to S.T. Hauser, July 20, Aug. 27, 1882, HP, MHS�.

⁵⁰Franklin Farrell to S.T. Hauser, Aug. 27, 1882, HP, MHS�.

⁵¹J.A. Hyde to S.T. Hauser, Feb. 6, 1883, HP, MHS�.

⁵²S. T. Hauser to Davis, June 19, 1884, HP, MHS�.

\$20,000.⁵³ In spite of the wealth of the Parrott lode, Hauser and Holter were in default on these loans as late as five years after Davis' death. James A. Talbott, administrator of the Davis estate was exasperated with the two in his efforts to adjudicate the estate. Discouraged he wrote them in 1895:

I have come to the conclusion that there is no use trying to change the present condition of the Hauser-Holter indebtedness to the Davis Estate, secured by lien on the stock of the Parrott Silver & Copper Company....I think it is useless to try to have him renew the old notes by giving new ones as you proposed.... You must remember that Mr. Leyson thinks that people of the standing of yourself and Mr. Holter should have fixed this matter up long ago, and that he is inclined to make you both "toe the mark", consequently your proposition must be a liberal one. Let me hear from you soon.⁵⁴

When the First National Bank of Butte was established there were three other national banks in the Territory--the Helena bank, and the First National Banks of Missoula and Fort Benton. All of them were capitalized at \$100,000. The Butte bank, or "Davis bank" as it came to be called, was the second largest in resources by as much as 100 per cent. The First National in Helena was the largest. In 1890 at the end of Davis' tenure there were twenty-five national banks and the Butte bank was still the second largest in the state.

⁵³See letters between F. O. Barbour of Hauser's Helena bank and Davis or Butte Bank in Hauser Papers, MHS�.

⁵⁴J.A. Talbott to S.T. Hauser, June 13, 1895, HP, MHS�.

Its resources had grown to \$2,453,617. In 1883 the Montana National Bank in Helena edged it out in total resources, otherwise it was second only to the First National of Helena throughout the decade.⁵⁵

Although the First National of Helena was by far the largest--its resources in 1890 amounted to \$4,732,182.62--it was weak financially because of the loose administration and loaning practices of Hauser. "It narrowly squeaked by in 1884, 1888, and 1890, but failed to do so in 1893 when it closed temporarily. Then its assets, tied up in great part in doubtful loans to companies in which Hauser and his associates were interested, were not liquid enough to meet the cash demands of depositors and correspondents."⁵⁶ In sharp contrast the stability of the Davis bank never wavered. In 1882 the successor to A. J. Davis went to work at the bank. He was a nephew from Chicago and nineteen years old--also named Andrew Jackson Davis. He was succeeded by his son, Junior, in 1941. Name:--Andrew Jackson Davis.⁵⁷

In addition to his banking and mining interests, Davis was president of the Butte Hardware Company founded in the early 1880's. Davis apparently provided the capital and

⁵⁵See the Reports of the Comptroller of the Currency for the decade.

⁵⁶Hakola, S. T. Hauser, 89.

⁵⁷Leipheimer, First National Bank, 13 - 15.

P. A. Largey, former mine owner, managed the business. They sold general mining supplies, construction materials, household wares and furniture. With Davis' mining and foundry businesses together with Hauser's vast enterprises they had a built-in market.

Davis' banking business and personal financing activities also brought him large holdings in real estate throughout Butte City and in Deer Lodge County in 1880 owed its existence to Davis' Lexington and other mines and the Alice Mine, then owned by Walker Brothers and managed by Marcus Daly. Early in 1880 the Weekly Miner reported that since the patented boundaries of the Lexington Mine encompassed the site on which the settlement was built it was the "intention of A. J. Davis . . . to have a town site surveyed for Walkerville . . . to sell the lots . . . but reserve all mineral rights."⁵⁸ By mid-1880 it boasted a population of about 400, a good hotel, two general merchandise stores, three butcher shops, several boarding houses and several of the ubiquitous saloons. By 1887 the population numbered 3,000.⁵⁹ Judging from an experience of Hauser's in Helena, real estate could be an unusually profitable sideline. He boasted to Davis that in 1885 he "took a piece of property

⁵⁸Weekly Miner, Butte, April 27, 1880.

⁵⁹F. W. Warner, Montana Territory: History & Business Directory, Helena, 1879, 125.

in payment of a debt" . . . of \$1,000 and two years later .
 . . "sold same for \$16,000."⁶⁰

The Davis bank functioned as a vital channel in funnelling capital from the East to Montana, especially in the 1880's when banks were rare in the Territory and development capital was eagerly sought. Davis' eagerness to provide funds to miners and developers like Samuel T. Hauser and Franklin Farrell contributed significantly to the industrial development of the Territory. Loans to merchants in Butte and throughout the Territory enabled business to develop on a wide scale. The soundness of the bank was a source of confidence for the local community as well as for Eastern investors. Even though the bank was born in a boom period and rode the wave of prosperity associated with an expanding economy, under Davis' guidance, it maintained a sound financial position which inured to the benefit of the State.

⁶⁰S.T. Hauser to Davis, April 12, 1887, EP, MBSL.

CHAPTER IV

CATTLEMAN: THE DHS

Davis' alertness to investment opportunities led him into the cattle business where he was instrumental in promoting one of the most famous and successful ranches in the west--the DHS, which later evolved into the Pioneer Cattle Company. It is in this experience that the authentic nature of the frontier capitalist is demonstrated.

Cattle ranching in Montana was initiated by Father Pierre Jean DeSmet, a Jesuit Missionary, shortly after he established a mission in the Bitterroot Valley in 1841. He brought cattle in from Oregon, and the Flathead Indians, under Jesuit tutelage, learned quickly the occupation of animal husbandry. By the latter 1850's they had established a herd of over a thousand head.

During the same decade traders who traded cattle to travellers on the Oregon Trail had taken up the practice of wintering their stock in the mild Beaverhead Valley. With the gold rush to Bannack in 1862 and subsequent discoveries, the cattle herds increased to meet the demands of the burgeoning population in the mining camps. Soon large herds grazed the bottoms and hillsides of the Beaverhead.

Bitterroot, Deer Lodge, Madison and Gallatin Valleys. These free, lush pastures and high prices induced Nelson Story to drive 600 Texas longhorns from Dallas to the Gallatin Valley over the Bozeman Trail in 1866.¹ The increase in livestock continued in succeeding years until by 1880 Montana had 250,000 cattle on the range.² The cattle had come from the overstocked ranges of California, Washington, Oregon, the midwest and Texas.

Prior to 1880 the greater portion of the cattle in Montana were locked securely in the grassy western valleys, however, were not large enough or profuse enough to accommodate the growing herds and the search for new pastures led the more adventurous cattlemen onto the plains even before 1880.

The Sun River Valley near Great Falls was one of the earliest plains ranges to be taken up in Montana. The White Sulphur Springs area had been made use of during the decade

¹E. S. Osgood, The Day of the Cattleman, Minneapolis, 1929, passim 12 - 21. Hereafter cited as Osgood, Cattleman.

²Hakola, S. T. Hauser, 225 N 2. "Estimates of the number of cattle in Montana varied widely. The Tenth Census in 1880 reported 480,000; the Territorial Auditor and Treasurer's Report listed 274,000; while in 1946 the Montana Department of Agriculture, Labor and Industry reported 555,000. Granville Stuart believed there were about 250,000." The Daily Miner (Butte) New Years Edition, January 1, 1886, reported that "in the summer of 1881 there were 253,440 head here."

of the 1870's. Frustrated and agitated, the more cautious cattlemen waited for the Indian barrier to be brought down. Robert E. Strahorn, paid agent of the Union Pacific Railroad, attending a Montana Stockmens' Meeting in Helena in 1879 wrote Jay Gould, president of the same Railroad, that:

Some points of paramount importance to the Union Pacific Railroad are coming to light in the meeting of Montana stockmen just now being held here. The favorite route of these cattle growers to market is undoubtedly via the Big Horn country to Cheyenne, Pine Bluffs and Sidney. Several large herds went that way last summer, but some of these came to grief on the Crow reservation, which is directly in the road and must be crossed....There is no route south of the reservation except the old one by way of Snake river, which cattle men do not like.... If the cattle men cannot get over the reservation by any "hook or crook" they want to obtain the assistance of the Union Pacific management in cutting off the western one third of that area and throwing it open to settlement.... Any help you can extend in this matter will be gratefully appreciated all over Montana and I am sure will rebound to the benefit of the Union Pacific in more ways than the one here briefly outlined.³

In the cattlemen's anxious minds the land beyond took on the appearance of the Promised Land. Granville Stuart on the verge of entering the livestock business wrote exuberantly to his brother Tom in Deer Lodge about the eastern range: "Any quantity of black tails, white tails, or antelope, sheep, and sometime a few buffalo right on the range. Just think of it!! Why we would live about 40 years longer

³Robert E. Strahorn to Jay Gould, January 25, 1879, Herbert Peet Papers, "Hauser Chronology," 1879, MHSL.

by going into the cattle business in a place like that, its a big range, timber handy, plenty of hay land, and not much snow. Plum trees and grape vines too."⁴ When the government constructed Forts Custer and Keough on the Yellowstone and Assiniboine near the Missouri, and planned relocation of Fort Logan (near White Sulphur Springs) to the Musselshell country the barriers were lifted. With the resumption of the construction of the Northern Pacific Railroad, which gave promise of an expanded and profitable market and an end to the isolation of the area, the cattlemen's dreams were answered. In conjunction with these developments, the classical period of the western range cattle industry--that period when "men, cattle, and horses held almost undisputed possession"⁵ of the Great Plains--dawned on Montana.

When the decade of the 1880's opened the boom spirit had infected the cattle business and it was in such a state that Davis, Samuel T. Hauser and Granville Stuart formed the DHS. Actually, promotional propaganda had been going on since the latter 1860's. In 1868 the Cheyenne Leader editorialized: "That a future of the greatest importance is in store for the Western plains, no one who has travelled over

⁴Granville Stuart to Thomas Stuart, February 11, 1880, Stuart Letterbooks 1880-1886, MHSLS.

⁵Walter Prescott Webb, The Great Plains, New York, 1931, 225. See Chapter VI, The Cattle Kingdom, for a comprehensive study of the period.

and lived upon them for any considerable length of time can doubt . . . this country will make stock raising a specialty, since it is one of the most profitable branches of industry which it is possible for civilized man to engage in." The Leader "in the next two years carried sixty-three articles proclaiming the 'wondrous' development of the cattle industry."⁶

Although the newspapers wrote eloquently about the silver-lined prospects of the livestock business their rhetoric faded alongside the unrestrained superlatives and "ballyhoo" propagated by the paid promoter-publicists. Robert Strahorn ignored the initial costs involved in undertaking cattle raising and wrote that in Montana 75¢ annually was the general cost of caring for a cow in herds of one thousand; taxes, etc., brought the amount to \$3.50 to produce a steer worth \$30.⁷ General James S. Brisbin, an army officer who served in the west after the Civil War, wrote a profitable little book in 1881 on how easy it was to get rich on the plains without really trying. He claimed to have visited many ranches and had intimate conversations with their owners. "They have large expectations of future profits, and some of the heaviest owners declared they would

⁶Gene M. Gressley, Bankers and Cattlemen, New York, 1966, 39, 40. Hereafter cited as Gressley, Bankers and Cattlemen.

⁷Robert E. Strahorn, Montana and Yellowstone National Park, Kansas City, 1881, 99 - 100.

not exchange their herds for the best gold-mine in the Territory. The profit on herds is estimated at from 26 to 48 per cent on the capital invested, and large as this may seem, I do not think it too high for realization."⁸ This was the Westerner's "pitch" but the reality was something far different. One year before Brisbin's book appeared, Quincy Shaw, developer of the Calumet and Hecla Mines and a substantial backer of the N. R. Davis Cattle Company in Wyoming and Nebraska, would have preferred the "gold-mine." "The profits you expected and I anticipated have never been seen" he wrote N. R. Davis.⁹ The reason for the sales talk, financed by Western capital, of a favorable economic environment was the hard economic fact that capital was unusually tight in the west. A twenty-four per cent yearly interest was common.

The various reactions of the DHS partners to the barrage of publicity is both interesting and revealing. Hauser with complete lack of restraint in a statement to Robert Strahorn said:

Four or five years ago, if a man came here to borrow money to put into a band of cattle or sheep, we would have laughed at him. Now we are doing a business with a hundred or more stockmen and are glad to loan them money about

⁸James S. Brisbin, The Beef Bonanza: or, How To Get Rich on The Plains, Philadelphia, 1881; Norman, Oklahoma, 1959, 172.

⁹Quoted from Gressley, Bankers and Cattlemen, 64.

as quick as we know they have stock and are inclined to pay honest debts. We loan at $1\frac{1}{2}$ and 2 per cent a month interest and we know their profits are often larger than ours. We know all a man has to do is to brand his cattle and go to sleep; he needn't wake up for a year and still his ability to pay will be unquestioned. Of probably a hundred men who borrow money here at these high rates of interest to go into the cattle business, we know of none who are not on a short and sure road to fortune....These are genuine facts and experiences....Room? Why we have hardly more than a cow for every square mile of pasture in the Territory, and you can ride for a whole day over some of our best ranges and hardly see an animal. Risk? There is almost none. We have passed through the worst winter known in the country for 20 years...and the loss was less than 2 per cent of all cattle in Montana.... We who had a little money a dozen years ago were short-sighted not to take hold of the stock business, but are a good deal worse if we don't take hold now.¹⁰

The impressionable Granville Stuart was as much a victim of the spirit as it was hoped the vital Eastern investor would be. In early 1880 he wrote his brother to induce him to go into open-range ranching: "It is a good thing . . . for the stock would be worth 200 per cent in three years sure. For cattle pay from 25 to 40 per cent per annum and their [sic] will be plenty of Eastern capital which is satisfied with 6 per cent brought here soon and the way they will go for stock in cattle companies will make it a mighty big investment outside of a good salary."¹¹ Davis, not

¹⁰Quoted from Hakola, S. T. Hauser, 227.

¹¹Granville Stuart to Thomas Stuart, February 11, 1880, Stuart Letterbooks, MHSL.

taken in, counseled Hauser: "In regard to cattle I think your ideas seem correct in regard to price being less towards spring. The prospect is now that we will be obliged to go to Oregon to make up the herd we contemplated I am anxious to go ahead as we have understood each other but we cannot afford to pay fancy prices under the circumstances of the present risk."¹² The "risk" he was weighing was the disease of Blackleg, which was prevalent at the time, and the cold winters.¹³

In the summer of 1879 the partnership was formalized. As a form of business organization the corporation had not come into vogue in the west. The partnership, limited in scope and uncomplicated in specifics fulfilled the legal requirements of the day.¹⁴ The organization was capitalized at \$150,000. Davis and his brother Erwin, a successful New York lawyer, each contributed \$50,000. Hauser and Stuart split the remainder, respectively, on a three-fifths, two-fifths basis.¹⁵ Hauser borrowed his \$30,000 from Erwin Davis at six per cent and Stuart, at the time a bookkeeper

¹²Davis to S. T. Hauser, Oct. 15, 1879, EP, MBSL.

¹³Ibid.

¹⁴Gressley, Bankers & Cattlemen, 89.

¹⁵cf., Granville Stuart's Forty Years on The Frontier, Vol. II, 1925, 99. Stuart said, "the interests were divided into thirds." A misrepresentation repeated in standard histories and other writings about Montana.

in Hauser's bank, borrowed his portion from that institution.¹⁶

Stuart, short on capital and hungry for the opportunity "to move successfully in a larger sphere of action than jade fortune [had] as yet allotted"¹⁷ him, was made superintendent and manager. Immediately he set about buying cattle and locating a range. Reece Anderson, his long time friend, was employed to help him. Davis felt they would be fortunate to buy cattle at \$18 per head and felt most of the herd would have to be purchased in Oregon.¹⁸ This was an accurate figure, considering that cattle buyers as early as 1874 had purchased cattle for the Chicago market in Virginia City paying from \$18 to \$22.50 per head.¹⁹ In addition to Reece Anderson, W. D. Flowers, an experienced cattleman, was authorized to buy cattle under Stuart's supervision. Stuart wrote numerous letters to stockmen in the Territory and surrounding states to ascertain the best prices.²⁰

Buying "stockers" was the heaviest outlay that any

¹⁶Davis to S. T. Hauser, August 25, 1879; November 24, 1879; Statement of General Cattle Business of Davis, Hauser & Co., February 22, 1881; and Hakola, S. T. Hauser, 230.

¹⁷Granville Stuart to S. T. Hauser, November 29, 1882, HP, MHS�.

¹⁸Davis to S.T. Hauser, Aug. 25, 1879; Oct. 15, 1879.

¹⁹Osgood, Day of the Cattleman, 55.

²⁰See Stuart Letterbooks 1880-1886, Hauser Papers 1879-1880, MHS�.

cattle company could make. The purchase of horses was the second largest outlay. Anderson purchased 700 head of cattle at \$10.88 each in the Deer Lodge Valley. Five thousand head had been purchased in the Beaverhead Valley by the spring of 1880 for prices that rose to over \$15 per head. By the middle of 1880 Stuart had acquired 9,400 head, only 1,100 of which were purchased in Oregon. The partners felt fortunate to purchase the Oregon cattle at an average price of \$17.50 per head. The total outlay came to \$141,327.50. Stuart figured that 100 horses would be required to move the herd. By April of 1880 he had bought fifty-two head of "pretty fair stock horses, generally small but tough and serviceable" at \$35 to \$50 each.²¹

The biggest problem was acquiring bulls. None were available locally and those purchased were acquired in Oregon but the most valuable were lost in the drive to Montana.²² From the beginning, Davis was intent upon upgrading the stock by use of thoroughbred bulls. On this question he would encounter continual, but unsuccessful opposition from Stuart who felt the herd was graded high enough. For some time Montana stock had been bringing higher prices than cattle

²¹Granville Stuart to A. J. Davis, April 5, 1880, HP; Statement of General Cattle Business of Davis, Hauser & Co., February 22, 1881, HP; and Hakola, S. T. Hauser, 231.

²²Granville Stuart to S. T. Hauser, January 23, 1880, HP, MBSL.

from other regions because of their better quality and heavier weight, and presumably, Davis wanted the trend to continue with his herd. Davis went East to buy what bulls the Company could afford. During the early 1880's midwest feeders "found it more profitable to sell to the western cattlemen at the high prices then prevailing, than to buy stock cattle for the market."²³ A tired Davis wrote Hauser from Iowa:

For the past two weeks I have been hunting bulls day and night....I find graded bulls very scarce back here and in Ill. Will probably get thorough-breds and grades to fill two cars but it will be a tight squeeze. Everybody here been through the country hunting them up and they have gone up pretty high, much higher than they were last year. Men from all parts of the mountains are here and in Ill. and Mo. hunting bulls.²⁴

Eventually he managed to purchase twenty-two bulls at \$133.33 per head.²⁵ The brand used was selected by Stuart who explained to Hauser that the present brand of a small capital H in the center of a large D, denoting Davis, Hauser & Company, scabbed together after branding, and that he had fashioned a new one. The famous D-S was actually DES joined together.²⁶

²³Osgood, Cattleman, 93.

²⁴A. J. Davis to S. T. Hauser, March 26, 1880, HP.

²⁵Granville Stuart to A. J. Davis, February 22, 1881, Stuart Letterbooks, MHS�.

²⁶Granville Stuart to S. T. Hauser, February 23, 1880, HP, MHS�.

The partners had not decided upon a range before buying the cattle. Initially they thought of settling on the Teton range north of the Great Falls of the Missouri but Stuart found "some objectionable features to it" and decided to scout the Yellowstone region and see if he could do better. They felt that the range at the head of Tongue River in Wyoming was much superior "to either but did not want to move out of Montana,"²⁷ their sphere of influence. Stuart felt they "could find a splendid range on the lower Mussleshell [sic.] but the d---d Sioux would be after our horses all the time, unless you and Maginnis [Montana Territorial Delegate] can induce our imbecile Gov't to remove Fort Logan (Camp Baker) out of the middle of the settlements and put it at the Big Bend of the Mussleshell or better still a little further N. E. at the mouth of Box Elder Fork, which would enable us to put our cattle on the very garden spot of Montana E. & S. E. of the Judith and Little Snowy Mountains. Try Gen. Sherman and the Secy. of War a little on that."²⁸

In the second half of the nineteenth century, under the philosophy of laissez-faire conservatism, financial commitment meant definite political involvement. Before leaving on the trip to scout a range, Stuart wrote an unabashed

²⁷Granville Stuart to S. T. Hauser, February 23, 1880, HP, MHSL.

²⁸Ibid.

letter with racial overtones to Delegate Martin Maginnis asking for assistance in expediting the venture.

Dear Major,

A delegation of Crow Indians has just started for Washington in charge of the Agent Maj. Keller....I presume this little jaunt is for the purpose of making some arrangement looking to the relinquishment by the Indians of the upper end of their reservation which contains the Evergrant, Bear, Crevice & Clark Fork Mines. Now while the matter is being settled we want your influence directed towards securing two other things to wit. First, the right of way to drive cattle, horses or trains of wagons across the reservation. Second. Take a slice of the eastern end of the reservation consisting of all that portion lying east of the Big Horn River. It is good stock country & the Indians make no use whatever of it and Hauser, Davis & myself do want to put a big band of cattle in there....I am going down to Custer County soon and will try to have the citizens thereof petition congress to cut off all east of the Big Horn River. And Major do please do your level best to get it done. It is a matter of great importance to the whites & relatively of but little moment to the Indians.²⁹

Maginnis was not, however, able to get the Crows to cede the "desired slice" of the reservation for his influential constituents.

Again after inspection of the Yellowstone region they decided against it because of the lack of adequate water in the summer.³⁰ Finally, they decided on the Flat Willow

²⁹Granville Stuart to Martin Maginnis, April 5, 1880, Stuart Letterbooks, MHS.

³⁰Granville Stuart to A. J. Davis, May 28, 1880, Stuart Letterbooks, MHS. In this letter Stuart describes the entire trip and discusses the pros and cons of the various ranges.

Country, that "very garden spot", in the Musselshell area, even if it involved some risk to their horses from the Sioux. Stuart's description of the location could hardly have failed to convince his banker-partners. "Two miles from the Judith Mountains we found a magnificent body of hay land with cold springs all through it. This is the very place we have been hunting for For a hundred miles in every direction is well grassed, well watered, and good shelter This is an ideal cattle range."³¹

At the head of Ford Creek in the "big hay meadow" the home ranch was located and 800 acres was claimed by squatters' rights.³² Stuart and Anderson built living quarters for their families, both of whom had Indian wives. The total cost of the enterprise had risen to \$152,933.51 by the time the buildings and corrals were erected.³³

During the first years of the firm several difficulties plagued it. The winter of 1880-81 was the severest in Montana for twenty years. The DHS was more fortunate than others because of the excellent range. Stuart wrote "as a result of the snow in various ranges this winter the loss will be severely felt but ours will be much less than the average loss." Snow on their range was much less "than

³¹Stuart, Forty Years on the Frontier, 144.

³²Ibid.

³³Hakola, S. T. Hauser, 232-233.

anywhere else, 6 to 18 inches, except drifts which were much more. If it only lets up now we are all right, but it has been an awful winter so far." Many of "the Oregon cattle were lost" but the "natives" did well with only a "light percentage of loss."³⁴

The most chronic problem and in Stuart's case, one which sent him into paroxysms of consternation, was the Indians or "British Indians" as Stuart called them.³⁵ By 1881 the buffalo was near extinction, and game was so scarce on the reservation that the Indians were forced to seek their food supply beyond reservation boundaries in the traditional hunting grounds. A remnant of the northern herd could still be found between the Missouri and Yellowstone and east of the Musselshell. By the Treaty of October 17, 1855 the Indians had as much right to the use of these lands as did the people of Montana who were grazing stock "thereon and so long as the treaty remain ed in force."³⁶ Naturally in the course of tracking traditional game the Indians made use of the beasts which had replaced them.

Stuart wrote numerous letters to his partners entreating

³⁴Granville Stuart to S.T. Hauser, Feb. 5, 1881, HP, MHSLS.

³⁵Although Stuart had an Indian wife and several half-breed children, all of whom he cherished, his letters evidence an irrational hatred of Indians and half-breeds in general. See especially letter to Hauser, June 28, 1881, in Hauser Papers.

³⁶Osgood, Cattleman, passim, 144 - 146.

them to combine their influence with Maginnis' to have them removed. In September of 1881 he estimated the loss of cattle at 1,300 and recommended making "claim against the the Government for these 1300 cattle killed by British Indians that they let come down on us and I think the English Government will pay it. I'll have Maginnis attend to it."³⁷ He asked the military "to escort any and all parties of Indians that may be rambling about in the vicinity back to their reservations,"³⁸ but the army had a different conception of their role on the plains. Exasperated he warned, "Now Sam if these or any other Indians, come on our range and the military will not send them home I propose to raise a force and kill them I will not stand idly by and be mocked in this manner, while our property is being destroyed by these thieving murderous savages. The situation has become intolerable and I will submit to it no longer" . . . Then apparently not sure himself added . . . "write me what Gen. Ruger says."³⁹ In the Financial Statement for 1881 he attributed 1268 head to depredations by British Indians.⁴⁰

³⁷Granville Stuart to Messrs. Davis, Hauser & Co., Sept. 6, 1881; March 7, 1882; to Davis, August 14, 1881; To S. T. Hauser, February 5, June 28, 1881.

³⁸Granville Stuart to S. T. Hauser, July 8, 1881.

³⁹Ibid.

⁴⁰DHS Cattle Statement, December 13, 1881, HP, MHS.

About the time a group of people at Miles City in mid-1881 watched sixteen hundred Indians herded on government steamboats for the Standing Rock Reservation in Dakota, Stuart received a letter from the Commander at Fort Maginnis, which forecast the partners' expulsion from the "garden spot." "You are respectfully notified that hereafter no timber nor hay must be cut within the limits" . . . specified . . . "without special permission to be obtained from Superior Headquarters."⁴¹ Stuart was thunderstruck. Immediately he dispatched a letter to his partners of the "rank injustice and favoritism of the act" and thus was initiated a bitter controversy between the DHS and the military over the coveted hay land.

A plan for a fort in the Musselshell had been in existence since 1875⁴² and territorial newspapers had agitated for one since 1876 to protect the nascent cattle business there. When Stuart had located the ranch on June 30, 1880 he beat the army by days only. General Thomas H. Ruger, Commanding Officer of the District of Montana, visited the site on July 13 and decided that the new five company fort would be built at a site situated about two miles above the home ranch. The new fort was to be named, ironically, Fort

⁴¹Capt. D. Parker to Granville Stuart, May 5, 1881, HP, MHSLS.

⁴²Merrill G. Burlingame, The Montana Frontier, Helena, 1942, 213.

Maginnis, in honor of the Montana Delegate. The newspapers and cattlemen hailed it as a blessing.⁴³ Stuart was ecstatic over the prospects of trade with the fort. "The soldiers are about two miles above us We are always sure of supplying this post at paying figures for there is no hay land to amount to anything except ours." Forgetting he was a tenant by sufferance he added: "We were lucky to get here first This is the best range in Montana, but I don't tell that to anybody, you bet."⁴⁴ In addition to protection the fort would provide a telegraph, mail service and post store, items of uncommon convenience on the frontier. Important as they were, compared to the value of the hay land they were nominal.

Originally the military decided that a military reservation approximately four miles square would be sufficient to supply the garrison with the necessary hay and timber. By the spring of 1881, however, they found it necessary to enlarge the reservation to seven miles in length to meet the requirements for hay. The enlargement encroached on the hay land claimed by the DHS. Charles A. Broadwater, who with other influential friends with government connections had secured lucrative government contracts for building forts

⁴³Weekly Independent, Helena, August 5, 1880.

⁴⁴Granville Stuart to S. T. Hauser, September 3, 1880, HP, MESL.

and other concessions, had obtained the contract to supply hay to the Fort. Broadwater was fast becoming a power in the Territory and challenging Hauser's leadership of the Democratic Party.⁴⁵ Stuart felt that Broadwater would not be able to supply the fort at paying figures if he had to haul the hay any considerable distance, and that he was behind the move to enlarge the reservation to include the land claimed by the DHS to facilitate fulfilling this contract. He urged his partners to "write or telegraph Maginnis to do his utmost to protect us, although he may perhaps be interested in doing that very thing for the other side. Quien Sabe?"⁴⁶

Stuart tried to reason the matter out with the military and wrote them a sonorous, legalistic treatise running six pages on the evolution of land laws in the west and Montana Territory.⁴⁷ Unimpressed, the army carefully explained that only the Federal Government possessed the power to legislate for the public domain.⁴⁸ Stuart apparently did more research and advised his influential backers:

⁴⁵Hakola, S. T. Hauser, 234 - 235.

⁴⁶Granville Stuart to S. T. Hauser, June 22, 28, 1881, HP, MHSLS.

⁴⁷Granville Stuart to Major D. Parker, July 15, 1881, HP, MHSLS.

⁴⁸Major Parker to Granville Stuart, containing endorsement from Gen. Ruger, July 23, 1881, HP, MHSLS.

The more I go over and write up our case the more I become convinced that Gen. Ruger is right in saying that we have not title as against the United States and any court would so decide....And in my opinion we had better not fight the case thru on legal grounds, or at least not definitely so, but rather bring strong personal influence to bear to get our right recognized, leave no stone unturned and work as fast as possible in the matter regardless of the expense for there is no such another location in all this country as ours, and we can afford to spend considerable money....Bring all your eastern friends to bare on Terry, Sheridan, Lincoln, Garfield or whoever is the best ones to go for. Gen. Terry is ⁴⁹probably the first one that should be seen.

While Davis and Hauser were marshalling their forces to bring the necessary influence to bear Stuart directed a steady barrage of letters at them and Maginnis excoriating the government and exhorting them to hurry. One was particularly revealing wherein he remarked indignantly: "One would suppose that forts were established to afford protection, and a market, so as to form a nucleus around which settlements could form and thus reclaim the useless wilderness to the use of civilization. But in point of fact they answer no such purpose."⁵⁰ The DHS resisted any attempt of the contractors to cut hay in their meadow. Reece Anderson, then foreman for the cattle company, threatened to "kill" the first "bullwhacker that put a fork" into their hay.⁵¹

⁴⁹Granville Stuart to S.T. Hauser, July 16, 19, 1881, HP, MHSI.

⁵⁰Ibid., July 29, 1881.

⁵¹Ibid., November 1, 1881.

During the winter the army was forced to seize some hay to meet its needs. In March of 1882 Stuart informed Davis and Hauser that he had been ordered to deliver 500 to 600 tons of hay to the fort.⁵² With this event Davis and Hauser apparently stepped up their efforts, for later in the month General Alfred H. Terry, commanding the Department of Dakota, wired Maginnis from Fort Snelling, Minnesota that no hasty action would be taken and promised to "see what I can do."⁵³ In early April Maginnis brought Hauser up to date on the situation and submitted his bill for services rendered.

Dear Sam:

Everything is moving all right. Sec. of War approved papers and Engineer Officer ordered to prepare a new map and description. Probably go to President on Tuesday.

I enclose a letter from Gen. Terry which explains itself. As he is responsible don't crowd for the return of the hay but accept a reasonable price for it.

Party here expecting more funds.
Maginnis⁵⁴

By General Order No. 12 of the Department of the Dakota issued on May 20, 1882, the boundaries of the military reservation were modified to exclude the major portion of the land claimed by the DHS. Of that which was lost, the

⁵²Granville Stuart to Messrs. Davis, Hauser & Co., March 6, 1882, HP, MBSL.

⁵³Hakola, S. T. Hauser, 236.

⁵⁴Martin Maginnis to S.T. Hauser, April 7, 1882, HP.

difference in hay was made up by irrigation.⁵⁵

In the affairs of the concern Davis seems to have implemented the age-old adage of "He who pays the piper calls the tune." He felt as much of a responsibility for his brother's interest as he did his own. He soon shattered any delusion Hauser or Stuart may have had about "branding the cattle and going to sleep." Davis was worried about the severe winter and he wrote Hauser an angry letter complaining of Stuart's failure to apprise him regularly of the condition of the cattle. "I understand that Stewart [sic.] was in the county a few weeks since but I heard nothing from him whatever. Possibly we have no interest there, or at least it would seem so from the manner in which we are neglected in the way of being advised and especially in such a trying time for stock as this winter proves to be thus far." He asked Hauser to come to Butte and discuss the cattle situation and to implement means by which he and his brother would receive regular reports.⁵⁶ Thereafter, communications were improved.⁵⁷

The first cattle sale of consequence was made in August of 1881. None of the partners had any experience in

⁵⁵Hakola, S. T. Hauser, 237.

⁵⁶Davis to S.T. Hauser, Jan. 10, 1881, HP, MHS.L.

⁵⁷See letters between Stuart and Hauser 1881 to 1883 wherein Stuart regularly urges Hauser to "be sure and inform the Judge."

shipping cattle east or in selling on the Chicago market. They decided to sell to Conrad Kohrs, an experienced cattleman of the Deer Lodge Valley, and let him undertake the chances on shipping east. Stuart and Hauser felt they should get \$32 per head delivered at the Northern Pacific Railroad in Miles City. Hauser and Kohrs could not come to terms. Hauser asked \$32 and Kohrs offered \$30.⁵⁸ Davis concluded the transaction in characteristic fashion:

Neither of you could agree as to basis and profits I always prefer closing a matter at once to taking chances on an uncertain market. The price may be today $4\frac{1}{2}$ and one month hence 3. The prospect now is Con will make money on the cattle but still he takes chances and we would take greater chances in sending a man unacquainted with the market and with shipping cattle and caring for them on the way I took this into consideration and proposed to him \$31 dollars which I think is a fair price.⁵⁹

1,266 head were sold to Kohrs at Miles City for \$39,246.⁶⁰ On the day of the sale the market price "had dropped heavily with a tendency still further downward" . . . and . . . "Con was blue . . . But he stood up to his contract like a man."⁶¹ Fortunately, the market took a turn upward and he sold the

⁵⁸Granville Stuart to S. T. Hauser, July 19, 30, 1881; Davis to S. T. Hauser, August 6, 1881, HP, MMSL.

⁵⁹Davis to S.T. Hauser, August 11, 1881, HP, MMSL.

⁶⁰Granville Stuart to Hauser & Davis, November 1, 1881, HP, MMSL.

⁶¹Ibid.

cattle at a profit.⁶²

The first year no dividends were paid. The proceeds of the cattle sale were applied to operating expenses and to the purchase of more cattle. At the end of 1881 they had 7,128 head on the range. In the Cattle Statement for that year Stuart again urged claim be made on the Government for the 1,268 head killed by "British Indians."⁶³ The following year 1,149 cattle were sold at Miles City for \$40,441; cattle on the range had increased to about 11,000 and over \$37,000 profit had accumulated. Dividends in this amount were declared.

In January, 1881 Davis again declared his desire to upgrade the herd and "go into the raising of thoroughbred cattle."⁶⁴ He determined to go east and ship out thoroughbred heifers, young cows, and bulls. Stuart was strongly against such a policy arguing that "it was a satisfactory arrangement for the Judge and his brother but of no financial benefit" to him and Hauser.⁶⁵ Davis prevailed, however, for in June Anderson met the Judge at Miles City to drive a herd

⁶²Granville Stuart to Hauser & Davis, November 1, 1881, HP, MHS�; Conrad Kohrs, "Autobiography of Conrad Kohrs," n.d., Typed, 159 pages, MHS�.

⁶³DHS Cattle Statement, Dec. 13, 1881, HP, MHS�.

⁶⁴Granville Stuart to S. T. Hauser, January 31, 1880, HP, MHS�.

⁶⁵Ibid.

of thoroughbreds to the range.⁶⁶ After this, dissension was evident between Stuart and Davis with Hauser oscillating between the two, depending to what extent his interests were involved. Stuart felt that the last bulls brought out by Davis were not as good as the previous ones and that the company should only value them at \$50 to \$60 each, plus freight.⁶⁷ The partners could not come to agreement over the value of the bulls which Davis and his brother had financed. Davis regretted that a settlement could not be achieved and wrote Stuart accordingly. Stuart reported the developments to Hauser in which he said maliciously: "Enclosed find a copy of letter. Burn when you read it and don't tell him you saw it. His talk about his brother sounds like the Jews. 'Mine broder he vas mad if he knows I sell dese tings so sheap'."⁶⁸

During the same time Hauser wanted to sell his interest. Davis was not interested at the price Hauser asked and Stuart wanted to buy if Davis would loan him the necessary \$74,550 at ten per cent. In December Davis loaned him the

⁶⁶Granville Stuart to S. T. Hauser, May 21, 31, July 31, 1882, HP, MHS�.

⁶⁷Granville Stuart to S. T. Hauser, July 3, 1882, HP, MHS�.

⁶⁸Granville Stuart to S. T. Hauser, October 31, 1882, HP, MHS�.

money at one per cent per month.⁶⁹

Perhaps because of the dispute over the bulls or the dissension Davis decided in October or November of 1882 to dispose of his and his brother's interest in the cattle company. Davis and Hauser had been discussing selling the venture for months. Hauser had neglected to inform Stuart of their deliberations. Davis had met W. A. Baillie-Grohman⁷⁰ in New York and the Englishman had expressed an interest in going into cattle ranching. Davis sent him to the DHS with a letter of introduction and proposed selling the ranch for \$15,000 or \$20,000 and the cattle at \$30 per head. To Hauser he wrote "this Englishman has some money and he thinks he can enlist his friends. If the sale does not go I pay a portion of his expense on this trip to the cattle ranch."⁷¹ Stuart was surprised at the move and stood firmly against the sale at Davis' figures. When the Englishman arrived at the ranch he wrote Hauser:

⁶⁹See Davis to Granville Stuart, Oct. 21, HP; S. T. Hauser to Granville Stuart, Oct. 25, 1882, Hauser Letterbooks; Granville Stuart to S. T. Hauser, Oct. 25, Oct. 31, Nov. 18, Dec. 24, 1882, HP, MHS�.

⁷⁰Baillie-Grohman was a well-known hunter and world traveller during the late nineteenth century. Born in England to an aristocratic family, he received his education in Austria, England and France. An independent income enabled him to spend most of his life big game hunting in Europe and North America. He wrote prolifically on his experiences, including several good works on the Great Plains and Rocky Mountains. See Who's Who, 1904, 64.

⁷¹Davis to S.T. Hauser, Nov. 12, 1882, HP, MHS�.

Judge said that doubtless you had fully informed me all about it, which you had forgotten to do Judge got off wrong to offer the cattle at any such figure and I am surprised at him, for he can't put the money into anything to equal it. He ought to have asked \$40 per head and thrown in everything else. . . . We are just beginning to make plenty of money with an endless rising market before us. For once be governed by my judgement and don't sell the cattle for less than \$40 per head.⁷²

Stuart pleaded emotionally with Hauser to use his influence to dissuade Davis from selling. "I am not willing to sell my portion on the terms mentioned. First, because they will go higher within a year. Second, because it completely busts me up. I have but just got fixed up to live comfortably at a world of trouble and expense. I have a large family on my hands . . . in any other business my family would be a millstone around my neck." Accurately he defined the difference between his interest in the company and his partners. "Of course the case is entirely different with you and the Judge, this being a trifle on the side to both of you, the keeping or selling of which is of little importance, while it is a grave question for me Sam I am sick and tired of this lingering along between life and death (financially)."⁷³ After obtaining Hauser's interest in December he asked him to use his influence with Davis to

⁷²Granville Stuart to S. T. Hauser, November 14, 1882, HP, MHSI.

⁷³Granville Stuart to S. T. Hauser, November 18, 29, 1882, HP, MHSI.

persuade him to sell his interest to "a friend". He wanted to buy out the Davises at twelve per cent over six years using the cattle as collateral.⁷⁴ Davis never took the offer seriously and had left on a trip to Europe with plans to meet Baillie-Grohman in England to discuss terms.⁷⁵ While he was in Europe Stuart continued efforts to dissuade him from selling:

Mr. John A. Jameson (the little Irishman who hunts in Montana every summer) has written... that W. A. Baillie-Grohman is a fraud, as he has bilked the New York Clubs out of his bills and also borrowed money of sundry persons which he forgot to pay....I only give this for what it may be worth, so that he may not get in on you for anything, and be sure and not say about this coming from Jameson for it might breed a devil of a row.⁷⁶

Stuart may have been close to the truth for the deal failed to go through. While Davis was making his return Stuart wrote: "Trusting that you have enjoyed your trip, and that you will return in excellent health and deign to cast the light of your countenance on this neck of the woods ere long . . . I would suggest that our herd is now graded up as far as it is supposed to go and would there deem it inexpedient to bring out any thoroughbreds."⁷⁷

⁷⁴Granville Stuart to Davis, Dec. 24, 1882, HP, MHS�.

⁷⁵Davis to S. T. Hauser, Nov. 12, 1882, April 10, 1883; Stuart to Hauser, April 10, 1883, HP.

⁷⁶Granville Stuart to Davis, Feb. 12, 1883, Stuart Letterbooks, MHS�.

⁷⁷Ibid., April 10, 1883.

When Davis did return to the Territory he was accompanied by 100 bawling thoroughbred bulls and heifers costing \$113.85 each.⁷⁸

Davis and his brother had apparently made up their minds to dispose of their cattle interest for in the spring of 1883 they quietly offered their share for sale to their partners, Conrad Kohrs and other Montanans. Conrad Kohrs and his partner John Bielenberg were probably the largest cattlemen in the Territory. They formed a pool with Hauser to effect the purchase of the Davis interest and organization of a new company. A splitting of the stock in the new company had been agreed upon before the purchase as A. J. Seligman, scion of the New York banking house, wired Hauser on July 15 that he and his friends would take one-third of the DHS at Davis' figures.⁷⁹ The sale was consummated that month. The Davis interest was transferred to Conrad Kohrs for \$266,667; the entire property, 12,000 head of cattle, buildings and corrals was transferred at the rate of \$400,000. This was the largest transaction in Montana Territorial history. It put Kohrs at the head of the cattle industry in Montana giving him a controlling interest in approximately

⁷⁸Statement of Business of Davis, Hauser & Co., per Settlement, Oct. 21, 1883, Stuart Letterbooks, MHS�.

⁷⁹A. J. Seligman to S. T. Hauser, Telegram July 15, Letter July 16, 1883, HP, MHS�.

30,000 head.⁸⁰

From an original investment of \$50,000 in 1879 in cattle, Davis realized over 150 per cent profit or over \$133,000 plus dividends three years later. The original DHS partnership was formally dissolved in October of that year.⁸¹ Thereafter Davis was not directly interested in the cattle business again except in the form of loans, primarily to Granville Stuart and Conrad Kohrs.⁸²

In retrospect, Davis' decision to sell at this time was a sagacious one. Obviously, the practical, cautious-minded Davis was not under the delusion which had infected so many investors--that the range was an unlimited source of profit. By 1882 the price boom had levelled off. That year the average price per hundredweight of range cattle at Chicago was \$4.75. For several years thereafter prices fell at an increasing rate. By 1887 the average price per hundredweight had slipped to \$3.15.⁸³ At the same time, on an industry-wide

⁸⁰Semi-weekly Miner, Butte, July 14, 1883; Davis to S. T. Hauser, July 12, 1883; Kohrs, "Autobiography," 120; Hakola, S. T. Hauser, 242.

⁸¹See Statement of Business of Davis, Hauser & Co. per Settlement Oct. 21, 1883, EF, MHSB.

⁸²cf., Gressley, Bankers and Cattlemen, 188. A careful search of the letters in the Montana Historical Society Library by this writer revealed no evidence that Davis was involved with the Pioneer Cattle Co. in the manner reported by the author.

⁸³1883: \$4.70; 1884: \$4.40; 1885: \$3.90; 1886: \$3.30. Robert S. Fletcher, "That Hard Winter in Montana, 1886-1887," Agricultural History, Vol. IV (Oct. 1930), 123.

basis, costs of operation were rising because of factors like high interest rates, competitive prices for stockers, feeding operations, personnel increases, disease, and necessity of acquiring land. The problem of overstocking developed early in the year that the sale was made.

Stuart felt the portents of trouble in early 1883 and defined the problem: "The ranges were free to all and no man could say, with authority, when a range was overstocked."⁸⁴ By fall there were about 600,000 head in the Territory and the dangers from overstocking loomed. The isolation which the DHS enjoyed in the earlier years was no more. Twelve herds roamed over the Fort Maginnis range.⁸⁵ As early as 1882 The Rocky Mountain Husbandman had been issuing regular warnings of impending high costs and disaster for the industry. It printed a discerning letter from Charles Anceny - a respected, pioneer Montana stockman - who observed that "Our good luck consists more in the natural advantages of our country than in the scale of our genius [*sic*]. . . . Those advantages are gradually disappearing."⁸⁶ It editorialized that "The cattle interest in Montana are

⁸⁴Stuart, Forty Years on The Frontier, Vol. II, 185.

⁸⁵Hakola, S. T. Hauser, 243; Michael Kennedy (ed.) "Judith Basin Top Hand: Reminiscences of William Burnett, An Early Montana Cattleman," Montana Magazine of History, III, Spring, 1953, 21.

⁸⁶Quoted from Osgood, Cattleman, 123.

threatened with imminent danger from two sources. One is the overcrowding of the ranges and the other, the shipment of diseased cattle from the States."⁸⁷ Davis, apparently, heeded these warnings and concluded that the end of free grass coupled with the natural vagaries of the market made the future too risky for a prudent man to continue in the business.

The new cattle company was organized as a partnership under the name of Stuart, Kohrs & Company. Stuart and Kohrs held a one-third interest each and the other was split between Hauser, H. P. Kennet, Hauser's step-son, Albert J. Seligman, E. G. Bailey and his cousin Farmlee Billings, son of Frederick Billings of the Northern Pacific Railroad. It was capitalized at \$400,000.⁸⁸ On January 7, 1885 Hauser, Stuart, Kohrs and H. P. Kennett incorporated the company under the title of Pioneer Cattle Company. The capitalization was the same and the stock shares were divided in the same proportion as the partnership had been.⁸⁹ Stuart's 3,333 shares amounting to \$133,333 were held by Davis to

⁸⁷Osgood, Cattleman, 181.

⁸⁸Granville Stuart to Messrs. Stuart, Kohrs & Company containing the Resources & Liabilities, and Financial Statement, December 31, 1883, HP, MHS.L.

⁸⁹Incorporation Papers, Sec. of State Office, Helena, Montana; Pioneer Cattle Co., Financial Statement, Jan. 16, 1886, HP; cf. Hakola, S. T. Hauser, 244 and Leeson, Montana, 595. They say it was capitalized at one million. The financial papers do not support this.

secure notes to finance his interest in the cattle.⁹⁰

Even with the phenomenal success experienced by the company--it paid half a million in dividends over a seven year period⁹¹--Stuart was unable to eliminate the debt because of the heavy interest of twelve per cent. The burden bore heavily on him. With some oblique reasoning he dramatically despaired to a friend: "But I tell you in confidence that I am paying heavy interest, and have all the trouble of my own that I can possibly carry, and feel that I am slowly breaking down under the strain of unpaid services that I have all my life been rendering to my fellow men."⁹² In early 1886 he was willing to sell, for Hauser wired the New York banking house of J. & W. Seligman & Company that "you can have Stuart's one-third cattle for \$170,000. Answer."⁹³

The savage winter of 1886-87 which decimated cattle throughout the plains and toppled most of the largest cattle

⁹⁰A. J. Davis, Jr. to S. T. Hauser, June 14, 1895, HP, MHS�.

⁹¹Pioneer Cattle Co. Ledger, 1891 - 1901, MHS�. A summary of dividends is provided.

⁹²Granville Stuart to James Fergus, October 24, 1885, Stuart Letterbooks, MHS�.

⁹³S. T. Hauser to J. & W. Seligman & Co., March 29, 1886, Hauser Letterbooks, MHS�. During 1885 and 1886 two other attempts were made to sell, one through Gen. James Brisbin for \$1,000,000 and another through Russell B. Harrison for about \$600,000. See letters in Hauser Papers for these years.

companies into bankruptcy⁹⁴ was a painful period ridden with nervous anxiety for the hardened frontiersman. In January, 1888 during a severe blizzard Stuart shuddered at the vision of another like 1886-87. He wrote to Hauser "to make that arrangement with A. J. Davis if possible for by the time it can be consummated I will know how the winter will be & can then take whichever alternative seems the best. So please do all you possibly can to bring it about, for it is almost life itself to me. I have struggled long and faithfully against an adverse fate, and but for your aid & friendship I do not know what I should do."⁹⁵ Later he asked Hauser again for assistance in extricating himself from debt.⁹⁶ Negotiations at an attempted compromise were terminated by Davis' death in 1890. Five years later Stuart's 3,333 shares were sold by the Davis Estate for \$35,000.

⁹⁴E.g., Dolores Land and Cattle Co. of Texas, Swan Cattle Co. of Cheyenne, The Dickey Bros., Niobrara Land and Cattle Co., and Union Cattle Co., See Gressley, Bankers and Cattlemen, 244-247.

⁹⁵Quoted from Hakola, S. T. Hauser, 252. This contrasts sharply with what he said in his journal, Forty Years, Vol. II, 237, in which he seemingly ascribed his reason for wanting to get out of the business to humanitarian interests. After viewing the gulleys and ravines clogged with the stacked carcasses of cattle he wrote: "A business that had been fascinating to me before suddenly became distasteful. I wanted no more of it. I never wanted to own again an animal that I could not feed or shelter."

⁹⁶Granville Stuart to S. T. Hauser, November 25, 26, 1888, HP, MESL.

Hauser handled the settlement for Stuart who was in South America. About \$20,000 went to the Estate and the remainder went to Hauser's bank to satisfy debts at that institution.⁹⁷ If to Stuart the financing arrangement at twelve per cent was an oppressive cross, to Davis it was an astute bargain. "When one computes the dividends on the few successful companies whose ledger sheets are available for the period of 1882 he discovers that the average declared dividend was just over 8 per cent."⁹⁸ In addition, Davis, as creditor rather than partner, was in a better position to mitigate a loss in the event of failure.

After the "hard winter" of 1886-87 Conrad Kohrs made the gloomy estimate of a fifty per cent average loss to Montana stockmen.⁹⁹ He reported that "One of the bright spots in the heavy losses of this season was the kindness of Mr. A. J. Davis of Butte. Hearing of my losses, he sent for me and offered me \$100,000 without any security. The confidence of such a friend added to my courage and I was very happy."¹⁰⁰ The following year Kohrs made use of the offer to rebuild

⁹⁷A. J. Davis, Jr. to S. T. Hauser, June 3, 14, 1895; July 25, 1895, HP, MESL.

⁹⁸Gressley, Bankers & Cattlemen, 275.

⁹⁹"There were well authenticated cases of loss as high as 90 to 95 per cent on the Yellowstone." Robert S. Fletcher, "That Hard Winter in Montana, 1886-1887," Agricultural History, Vol. IV (October, 1930).

¹⁰⁰Kohrs, "Autobiography," 134.

his herd providing as security the notes of Kohrs and Bielenberg.¹⁰¹

The experience of the DHS is fatal to the argument that the frontier or West was a special source of "rugged individualism." The partners eagerly sought, indeed demanded, assistance from the national government for whatever they needed - from dispossessing the aborigines to providing a market - in order to make the venture a success. Its experience in this sense can be considered typical, since most writers treat the DHS as a prime example of ranching during the classic open-range period. Of the three frontiersmen initially involved in the DHS, Davis emerges as the strongest character and most influential in the affairs of the concern. In the lives of Stuart and Kohrs as cattlemen, his role appears to have been decisive, much more so in the former's than in the latter's. To Davis the DHS was no romantic adventure or attractive sideline. It was a serious business enterprise directed to one objective--turning a profit. When the opportune time arrived to dispose of it as an investment it was marketed unhesitantly. It is ironical that the one who entered the business under such restraint, in comparison to the buoyant expectations of his associates, should have reaped the greatest rewards.

¹⁰¹Kohrs, "Autobiography," 136.

CHAPTER V

THE PERSON

Andrew Jackson Davis was the personification of the "Puritan ethic": intelligent, industrious, hard-working, frugal, thoroughly knowledgeable in and devoted to business. In an era dominated by business and committed to laissez-faire, he was a sound product of the time. He was happiest when "full of business." When he came to the Far West he carried Massachusetts' ideas about business and the art of money-making. In the self-made-man tradition, he reaped according to his deserts. In his career one sees the expression of William Graham Sumner come to life: "Nature . . . submits to him who most energetically and resolutely assails her."¹

Davis' zealous commitment to business was only limited by his extraordinary physical stamina. After having been bedridden for weeks he collapsed at the bank while trying to conclude affairs before going East for his health in 1881. Charles Dahler wrote Hauser that "he was quite feeble although gaining daily. It was wise to hasten him away as

¹William Graham Sumner, "The Challenge of the Facts," 1880.

he injured himself perceptibly on the last day here by over work, so many had business engagements with him."² His thriftiness may have exceeded the pale of the virtue. As late as 1884, at about the height of his fortune, he was still writing terse letters to associates on plain, white, lined tablet paper, while his cashier, Joseph A. Hyde, utilized the more expensive moderately embossed bank stationery advertising a \$75,000 Surplus and Profit.

Throughout the decade of the 1880's Davis, personally, was the highest taxpayer in Silver Bow County, primarily as a result of his real estate holdings. For the year 1888 W. A. Clark, with an assessed valuation of \$454,240 was second to Davis' valuation of \$567,379.³ For being the highest taxpayer he was uncommonly asocial. Out of eighteen "societies" in Butte in 1883 he was a member of only one, The Fidelity Lodge, and significantly, it was founded by his cashier, Hyde. Although he had many associates he had few close friends. His letters indicate a genuine affection for his physician, Dr. C. P. Hough, and an elderly bachelor's affection for the sensitive Ellen Hauser, wife of his associate S. T. Hauser. He never evidenced any desire for political office or position and did not exercise the degree of

²C. L. Dahler to S. T. Hauser, October 27, 1881.

³Semi-weekly Miner, Butte, November 21, 1888. For the decade see The Holiday Miner published each January 1 for the taxrolls.

influence in political affairs which as a matter of course would fall to him as a result of his wealth. He did, however, support the election of candidates who would best represent his business interests. "We are doing all that we can to bring out all the Democrats for Maginnis leaving all other candidates to take care of themselves,"⁴ he wrote Hauser, leader of the Democratic Party in 1880.

Davis was as distant with the press as he was with the populace. If consistency is a sign of integrity, then Davis was an unqualified success. His private face was his public face. Whether as a "man on the make" he did stoop for success, as an obituary writer implied, he was not compelled to stretch for respectability in the twilight of his years by cultivating the image makers.

Davis looked upon the West not as a new country to settle in and build a new life, but as a place for self-realization and self-improvement. He saw it as a unique country in which an entrepreneur could make a fortune and return to the East and live in style like a gentleman of the day among exciting business activities. After the million dollar sale of the Lexington Mine Davis seems to have been in a rare, expansive mood. From New York he wrote to Hauser in Helena:

Everybody's full of business in New York and

⁴Davis to S. T. Hauser, November 1, 1880, HP, MHSLS.

making money. When you arrive I hope to be in good condition and able to go anywhere, and may be induced to go and see some widowI...think probably that I will settle down in New York and in fact getting my shingle painted now. My office will be 83 Cedar Street. I have purchased a small place next to my brother....Part of the time I think Montana will be my home, at least for the time necessary to close up my business there. The cattle, banking business of course may run along. I only desire to sell all real estate in Montana.⁵

Davis never realized the leisurely non-resident life to the extent envisioned. He was caught up in the eddy of the quickening Montana economy.

Interestingly in a time when the popular idioms of survival of the fittest, struggle for existence, and unrestrained competition impelled men to excesses and ruthless business rivalry there was an ethic which regulated the relationships of some men. The ethic was that quality which constrained honorable men to abide by an agreement. Judging from an experience involving himself, S. T. Hauser and D. C. Corbin of New York Davis conformed to this ethic. Hauser, with his railroad promotions, other varied enterprises, and political activities was a kind of minor-league Jay Gould. In 1880 together with A. M. Holter and R. S. Hale he purchased the Elkhorn Mine in the Wood River District near Ketchum, Idaho, for \$12,000.⁶ Two years later he was

⁵Davis to S. T. Hauser, October 24, 1881, HP, MHSI.

⁶Paul C. Phillips & Albert J. Partoll, "Montana Reminiscences of Isaac I. Lewis," The Montana Magazine of History, Vol. I, (January, 1951), 71-72.

negotiating with D. C. Corbin for sale of the mine.

I. I. Lewis, superintendent of the Elkhorn, had submitted a favorable report to Corbin about the condition of the mine. "The first class ore . . . is the principal ore of the mine."⁷ Corbin had engaged Davis to make an inspection and recommendation on the mine. Davis' report was submitted after Lewis' and was unfavorable and advised against purchase of the mine. Corbin wrote Hauser upon receipt of Davis' recommendations:

He has since made his report and it is not such as would warrant me in going ahead in the matter, and I am reluctantly compelled to decline the purchase. He characterized it as containing possibilities for a big mine but says it is a "big gamble"....I am bound to accept Davis' report as I took great trouble to get the best man I could and selected him out of three that were recommended. His experience has been large and practical and his reputation is first rate. He does not say that there is no mine or that it may not be developed into a valuable property. What he does say in substance is that... development of a certain kind must be done before anything positive can be told about it.⁸

The report provoked Hauser and in a series of letters through July and August he queried Corbin about its contents. He implied that his and Lewis' integrity had been slandered and that the report was in error regarding the status of the mine. Yet during the same period Lewis was writing him

⁷D. C. Corbin to S. T. Hauser, July 17, 1882, HP, MMSL. The letter contains extracts of the report.

⁸Ibid.

regularly regarding the discouraging assays at the mine:

"Since yesterday morning the ore in the stopes of Elkhorn has pinched down to almost nothing. I shall go out in the morning again, and closely inspect every part, and unless I can see a prospect of opening into ore again I shall cut down the crew at least one half As the mine looks today, it would not sell for half it would four months ago (or even one week) ago."⁹ The reports which followed were no less discouraging. In the meantime Hauser still endeavored to discredit Davis' report with Corbin. Finally, Corbin tired of the argument and refused to discuss it and mailed all the data on the mine to Hauser. The episode severely strained the relationship between Davis and Hauser who were at the time involved together in the banking and livestock business. In view of the close association of the two, the situation provided an excellent opportunity for a "deal" mutually beneficial if Davis would have been disposed to shading his report to favor the mine.

The most fitting monument to Davis' energetic life of business is the staid "Davis Bank." Even today from the north wall, conspicuous as a gargoyle, an enduring, resolute Davis stares down upon the nervous fingers of conscientious tellers. During the winter of 1889 his health began to fail. He refused to make a will feeling that if he did "he would

⁹I. I. Lewis to S. T. Hauser, July 19, 1882, HF, MHS.

die at once."¹⁰ His condition confined him to his house for five weeks, then to bed for ten days where he finally expired at eleven P.M. Tuesday, March 11, 1890.¹¹ His estate, which was fought over for several years and became one of Montana's most celebrated cases, amounted to \$7,000,000 at the lowest estimate and \$11,000,000 at the highest.¹²

¹⁰The Inter-Mountain, Butte, March 16, 1880.

¹¹The New-Northwest, Deer Lodge, March 14, 1890.

¹²See the collection of newspaper clippings and papers regarding the litigation of the A. J. Davis Estate, Montana Historical Society Library.

CHAPTER VI

CONCLUSION

The career of Andrew Jackson Davis spanned the period when the undeveloped land of the West was opened and when the national economy underwent a tremendous expansion. Although Davis' remarkable business success was to a very large extent due to his sagaciousness and ability, much of it can be traced to the fact that he operated in an expanding economy. It is hard to imagine that his interests could have flourished as they did without outside financing. It seems safe to conclude that despite a wide profit margin in his early merchandising trade he could not have cleared enough to finance his extensive mining, banking, and cattle enterprises which were engaged in at roughly the same time. His frequent trips East suggest that he had well established lines of credit but the sources and terms are unknown. Consequently, Davis' image seems to best represent the western stereotype of an individual fighting a lone battle.

By the most conservative standards of the entrepreneur, investment in the West was a high-risk venture. But the rewards were equally high. Davis proved that by conservative, intelligent management the perils could be greatly

reduced and that financially one could both build stably in the West and make a large fortune. It is noteworthy that he made such wealth after he was middle aged. With the possible exception of W. A. Clark, it is doubtful that any other resident in the Territory as of 1882 had acquired as large a fortune as Davis from the natural resources within Montana.

As a result of Davis' development and sale of the Lexington Mine to a world-prominent syndicate with its attendant publicity, he was, perhaps, as responsible as any individual in attracting investment funds to the undeveloped Territory up to the early 1880's. Because of this and his responsible administration of the Butte bank and investments in livestock, he contributed significantly to the economic development of the Territory.

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