

Before Banking

The summer of 1856 had departed. Autumn snows were closing in on the mountains. The Blackfeet, still rulers of the wilderness above the Missouri from the crest of the Divide to the mouth of the Milk River, could hear the whispered news of winter in the cool October breezes.

Perhaps some of them watched, motionless atop a benchland prominence, as a grizzled mountaineer named John Silverthorne journeyed north toward the adobe brick walls of civilization's nearest outpost at Fort Benton. Perhaps they noticed, at his back, a westering sun had turned white Rocky Mountain peaks to gold.

As with many early stories, unanswered questions veil the historical validity of Silverthorne's trek. Yet, symbolically at least, the tale's significance transcends dispute. In a very real sense, the history of Montana banking was about to begin.

For that history begins with gold. And although a long season of prospecting had exhausted his supplies, Silverthorne wasn't worried.

Not with a small fortune in gold dust swinging in his poke.

When Silverthorne passed through the large, river-facing gate and entered the spacious interior courtyard of Fort Benton, he was met by a skeptical Alexander Culbertson. Major Culbertson had been running the up-river fur frontier for 16 years. He was a tall, tough, experienced trader who wasn't about to be taken in by the closed-mouthed stranger who insisted he'd panned his gold in the mountains to the south, but who "seemed averse to describing the exact locality" of his find.¹

After all, recalled young Lt. James H. Bradley, who years later would die in the Battle of the Big Hole, "nothing was known of the presence of gold in the adjoining country." He said Culbertson "had doubts of the (gold's) genuineness, or of its value if good, and hesitated to accept it."

It was only after others at the fort examined the dust and convinced Culbertson to take it that he and Silverthorne struck a deal. Bradley said Culbertson, who still was so doubtful he credited the trade to his own account rather than the company's, agreed to give the prospector \$1,000 worth of "horses, arms, blankets, tobacco, etc." for the gold.

When the dust was sent east, it returned \$1,525. "This was the earliest exchange of gold dust in Montana," Bradley said.

Maybe so. Certainly such an exchange would have helped spur the growing rumors of wealth that within a few years would attract discoverers of Montana's first important gold strikes.

But maybe not. Historians, unable to find documentation, have looked askance at Bradley's tale, despite his later report of "great satisfaction" in finding another old-timer at the fort who confirmed the story. Contemporary pioneer Granville Stuart specifically disavowed it. Stuart said Silverthorne, who lived near Fort Owen in the Bitterroot Valley, "was always poor," and John Owen's trading-post ledger shows the man never paid a debt with gold.²

Yet the historians' main dispute concerns whether Silverthorne should be honored as the first to find gold in Montana. The answer probably is no. Apocryphal or not, however, the story's importance to the history of banking lies not in the discovery, but in the transaction. That first simple gold trade, or one very much like it, directly presaged the development of Montana's first banks.

Early prospectors pan for gold near Virginia City.

Montana Historical Society