

Panic, Copper and the MBA

E.D. Edgerton, president of the Helena National Bank, gazed out over bankers assembled from throughout the country for the 19th annual meeting of the American Bankers Association in Chicago. It was October, 1893, and the bankers he had come to address were in a serious mood.

So was Edgerton. "The year '93 will undoubtedly go down in history as the most eventful year," he said, "and one that has affected the fortunes of more people, directly and indirectly, since the Christian era began."

Given a choice ranging over nearly two millennia, one might have been tempted to pick a different year. But Edgerton and his fellow bankers may be excused for indulging in a little overstatement. The year 1893 had, in fact, been miserable. Not until the aftermath of World War I would Montana's bankers face such a surfeit of gloom.

Nationwide, the year would see 642 bank failures, or five percent of all U.S. banks. More than 15,000 commercial firms would declare bankruptcy. Few manufacturers, trusts, railroads or banks would escape severe difficulties.

In Montana, with its mines stretched on the rack of falling silver prices and its banks squeezed by the twin thumbscrews of liquidity shortages and panicked bank runs, the situation seemed grimmer still.

Although a few silver mines were hanging on, most communities throughout the mining regions — Castle, Park City, Elkhorn, Wickes, Philipsburg, Granite, Glendale, Hecla —

Typical interior of a turn-of-the-century Montana bank, complete with eagle and cuspidor.

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were sick, dying, or already dead. Castle, which saw its First National Bank expire in January, was a ghost town by summer. By the end of the year, Montana's unemployment stood at

No. Name	Certific No.	NAME	AMOUNT	Interest	Total Due	NAME	Payment
18	1175	Miss L. Lakin	1	0	1	Miss L. Lakin	1.00
18	1176	Miss L. Lakin	1	0	1	Miss L. Lakin	1.00
30	3	Henry - out	1	18	19	Henry Lakin	1.00
18	4	A. H. Livick - out	5	0	5.00	Cash	5.00
18	90	Morris & Clark	1	0	1	Morris & Clark	1.00
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px;">RECEIVED 1902</div> <div style="border: 1px solid black; padding: 5px;">RECEIVED</div> </div>							
Total Collections,							56.00
Less Commission,							7.00
Amount Received,							49.00
Treasurer							

Banks acted as agents for out-of-state lending companies, as shown by this 1902 report from the Morris State Bank in Pony.