

Chapter F17

by
Peter Huntoon

Shawnee, IT, Preordained to Become Industrial City



I have made a habit of reporting on newly discovered Oklahoma and Indian territorial notes because most are rarities from some small bank in a tiny town that most people have never heard of. As such, they have a very special allure for national bank note collectors.

Although there are plenty of each in my census, many are the only note reported from the bank or at least the only territorial. My census of them (2025) at the moment is 134 Oklahoma territorials from 74 banks and 166 Indian territorials from 82 banks. Obviously, the notes are thinly distributed among those banks.

The photo reveal above is quite different but equally important and interesting. For one thing, it isn't a new discovery. The note has been in numismatic hands for a couple of decades. When discovered, it slid under the radar of census takers by not being advertised or flashed around shows before reaching its owner Mark Sims. More importantly, Shawnee quickly developed into an industrial city that went on over the course of the note-issuing era to host eight national banks of which seven issued notes. Thus, the notes from Shawnee are obtainable with patience so they seem rather common.

The Shawnee national banks were the following, along with their years of operation during the note-issuing era, and fate if closed then.

5095	The First National Bank of	1897-1906	liquidated
5115	The Shawnee National Bank	1898-1932	receivership
5875	The Oklahoma National Bank of	1901-1909	liquidated
6416	The State National Bank of	1902-1934	receivership
9998	The National Bank of Commerce of	1911-1923	liquidated
12339	The Federal National Bank of	1923-1935	
12441	National Bank of Commerce in	1923-1924	receivership
13930	American National Bank of	1934-1935	* non-issuing *

But here is where the common stereotype ends. All the national banks in Shawnee were modest to small with peak circulations for a few reaching \$100,000. Some were very short-lived. Only four were in existence during the territorial period. Back then, three had peak circulations of \$50,000 with the other being \$25,000. Those modest circulations coupled with their antiquity spelled minimal survival rates for their territorial emissions.

The fact is, only four territorial notes have been reported from the Shawnee banks—two \$5 and one \$10 82BBs from charter 5115 and one \$10 02RS from charter 6416. Characteristic of most Oklahoma and Indian territorials, they are rarities on a bank-by-bank basis. Drink in the attractive condition of the illustrated note—the highest grade in the group—and understand why Sims is so justifiably proud of having landed it for his brown back state/territory collection.

The Shawnee National Bank was organized March 1, 1898 and chartered March 24th. It was launched with a capitalization of \$50,000 that allowed for a circulation of \$11,250 at the time. The bankers quadrupled their capitalization in 1900 so their circulation rose to \$50,000 where it remained for the rest of the life of the bank.

Sims' note was printed in 1900 and sent to the bank in 1901. It is signed by president H. T. Douglas and cashier I. F. Pedigo. The bank issued from a total of 2,525 sheets of 5-5-5-5 and 2,880 sheets of 10-10-10-20 territorial Series of 1882 brown backs. Sims' note is from 10-10-10-20 sheet 854.

Ultimately The Shawnee National Bank ran into trouble during the Great Depression and was placed in receivership on November 15, 1932 while issuing Series of 1929 type 1 notes.

Shawnee is located 40 miles east of Oklahoma City. From the outset of its founding, its citizens promoted it for industrial development. Thusly it emerged as one of the leading industrial cities in Oklahoma.

The area surrounding Shawnee was used after the Civil War by a number of Native American tribes militarily evicted and relocated there from their former homelands. The Sac and Fox were originally deeded land in the immediate area but were soon followed by the Kickapoo, Shawnee and Potawatomi tribes.

In 1871-2, a Quaker mission and school was established in the vicinity, followed by a post office and trading post a half mile away called Shawneetown in 1876.

The opening of Shawnee to non-Native American homesteaders dates to the land rush of September 22, 1891. Etta Ray, John and Lola Beard, James Farrall, and Elijah Ally staked 160 acre claims in what became the core of Shawnee. Etta Ray married Henry Beard, John's brother, in November and they built the first log cabin residence there.

Farrall laid out Shawnee's first main street through his property. City lots were sold. By 1892, the population was estimated at 250, complete with businesses including two territorial banks.

John and Henry Beard bartered land to railroads as an inducement to build lines through town. The first to do so was the Choctaw, Oklahoma and Gulf Railroad whose tracks reached Shawnee from Oklahoma City on July 4, 1895. The railroad received half of John Beard's wife's 160-acre claim to do so. The Choctaw Railroad built shops in Shawnee that fueled early growth. The Choctaw was followed by the arrival of both the Atchison, Topeka and Santa Fe Railway and Missouri, Kansas and Texas Railway in 1903-4, each redeeming land inducements provided by the Beard brothers.

Shawnee quickly became an agricultural center being at the heart of cotton, potato, and peach country. The city boasted of having the largest cotton seed oil mill in the Southwest. For the first few years of the new century, Shawnee was in the midst of a boom that came close to keeping pace with Oklahoma City.



Figure 2. Rock Island Railroad shops in Shawnee, Oklahoma, circa 1910. The Choctaw Railroad was absorbed by the Rock Island Railroad. Oklahoma Department of Libraries postcard photo.

Between March 1901 and March 1902, 375 railcars of cotton product along with 150,000 bales of cotton were shipped. The city began to be served by a street railway system in 1904. By 1907, there was an average of 42 passenger trains and 65 freight trains arriving daily in the city. The population of Shawnee was 12,474 in 1910, second only to Oklahoma City in the state, and up substantially from 3,462 in 1900. Oklahoma became a state in 1907.

The next growth spurt occurred in the 1920s with the Oklahoma oil boom. There was little oil in the immediate vicinity of Shawnee, but peak production from surrounding Pottawatomie County wells was more than 120,000 barrels per day. The boom stimulated residential construction, an oil-field service industry, and entertainment.

When considering Oklahoma and Indian territories, it is appropriate to explain how the land within them was opened for homesteading. The vast tracts of land in both territories were designated by the Federal government for Native American use through treaties imposed on the various tribes. The land was to provide new homelands for them following their relocation there. At the time the treaties were written, each tribe was recognized as a separate sovereign nation and the tribal members as citizens of that nation.

As political agitation grew to open Oklahoma to settlers, the Federal government created two classes of land that would be opened to homesteading: unassigned land and surplus land.

The unassigned land was land that had not been allocated to any tribe by the 1880s so it was diverted to the homesteading pool.

The surplus land came from the assigned tribal lands. Here is how that worked.

Using Oklahoma as a dumping ground for sovereign landed nations interior to the United States made little sense. Something had to be done and the solution came in the form of the Dawes General Allotment Act passed February 8, 1887. The ploy was to impose the concept of land ownership on the members of tribes whereby 160 acres were allotted to each tribal member from what formerly was collectively owned tribal land.

Once the distribution was affected, title to the parcels passed to the individuals and they were given United States citizenship. The objectives were to subdivide the reservations and dissolve the association between the individuals and their tribe. After the subdivision, the Secretary of the Interior was authorized to purchase the leftover so-called surplus land in the reservation and that land was added to the homesteading pool.

Conveniently, the amount of surplus land was maximized at the time because tribal populations had been decimated by decades of disease and deprivation.

In his first annual message on December 3, 1889, President Benjamin Harrison extolled the evolving wisdom of avoiding giving Native American tribes sovereignty with collective land rights. He stated: “We have fortunately not extended to Alaska the mistaken policy of establishing reservations for the Indian tribes, and can deal with them from the beginning as individuals with, I am sure, better results * * *.” (Richardson, 1897).

Implied was that the nomadic Naïve Americans were to be transformed into landed farmers who would seamlessly assimilate while adopting rural American lifestyles and values.

The first land opened in Oklahoma was unassigned land in Oklahoma Territory in the vicinity of what become Oklahoma City. That land rush occurred on April 22, 1889. The rush that opened the Shawnee area immediately to the east was the rush of September 22, 1891. Much if not all of it was surplus land.

Source Cited

Richardson, James D., 1897, A compilation of the messages and papers of the presidents, 1789-1897: Government Printing Office, Washington, DC, 10 volumes.

Historic facts are from various websites profiling Shawnee history such as:
https://www.shawneeok.org/community/history_of_shawnee/index.php.

This chapter is from The Encyclopedia of U. S. National Bank Notes published jointly by the National Currency Foundation (www.nationalcurrencyfoundation.com) and Society of Paper Money Collectors (www.spmc.org).