



The Greatest Territorial Discovery of all Time

Figure 1. The discovery Series of 1882 Alaska territorial brown back is from the first sheet, sent to the bank in a shipment of 221 sheets May 6, 1898.

IMET ANDREW SHIVA ONE EVENING DURING DECEMBER 2012 in a hotel room in Washington, DC. We were in town conducting research at the Smithsonian, and we were joined by Cory Williams who was grading the Treasury collection at the Division of Numismatics.



The Paper Column by Peter Huntoon

It was a typical high octane conversation that ranged all over the map but focused largely on nationals. Each of us had been up to our ears in notes or proofs for a couple of days, so we were interrupting each other trying to give our impressions and tell our tales.

Shiva grew pensive. Clearly he wanted to get serious. He looked squarely at me and asked: "What are the greatest nationals left to be discovered?"

Come on, we both know the answer to that! But he had deposited the quarter in my slot and I blurted out: "\$1,000 Original/1875, Alaska brown back,

Hawaii red seal. Everything else is secondary.”

A sly grin crossed his face. Out came his tablet and he excitedly fired it up and started flicking images across the screen. I’m thinking this guy is going to try to blow my socks off.

The twinkle in his eyes grew to super nova proportions as he finally handed the thing to me. From across the space that separated us I could easily spy a \$10 brown back coming my way on the screen. There was no question what was coming.

I knew I was going to be choking down a Juneau brown back.

Look, I owned the Juneau \$20 1882 date back - until this moment the best ever territorial discovery. But this was no time to play Mr. Cool and feign nonchalance at what was about to slip into my sweaty hands. No, I was going to be looking at an epic note. You don’t have that experience but a few times, and the moment was on me.

As my eyes focused on what you are looking at on page 354, all I could do was croak out a breathless WOW! My former date back had been left in the dust.

I didn’t even need to look at the bank serial. The condition told me the note was going to be from the first sheet.

Alaska territorials occupy the pinnacle of the territorial hierarchy because fewer of them are reported than from any other territory. Now there are two.

They are the gatekeeper territorials. Completeness is impossible without one.

To fully appreciate any Territory of Alaska note, you must realize that only 6,792 were issued between 1898 and 1918, and all came from the small Juneau bank. That’s 770 sheets of 1882 10-10-10-20 brown backs and 928 sheets of 1882 date backs.

Most of these notes were replacements for others that had worn out and been redeemed from circulation.

A total of 3,080 brown backs were issued, but the maximum reported circulation for the bank during the brown back era was \$11,810 in 1908. This means that at the high water mark, only 945 of the notes were in circulation.

Shiva’s Accomplishment

Acquisition of the Juneau territorial won for Andrew Shiva admission to the

Figure 2. J. L. Irish (below left) and Andrew Shiva (below right) are the only collectors in history to complete a set of one territorial note from every issuing territory. Irish accomplished the feat in 1981; Shiva, in 2012. Irish’s Alaska territorial was the \$20 Series of 1882 date back; Shiva’s the brown back illustrated here.



most exclusive club open to National Bank Note collectors. He is the second person in history to assemble a complete set of notes from every territory in the country.

The first was J. L. Irish, who accomplished the feat in 1981. Irish's Alaska Territory note was, of course, the \$20 Series of 1882 date back.

The Bankers

This wonderful note is signed by bank president William T. Summers and cashier Herman H. Eddy. Both relocated from Santa Barbara, CA to Juneau specifically with intent to organize the first National Bank on Alaskan soil. The following from the *Los Angeles Herald* (February 17, 1898), announced their departure.

TO BANK AT JUNEAU

THE FIRST NATIONAL BANK TO BE ESTABLISHED IN ALASKA

Santa Barbara Capital Interested.

W. T. Summers, President, and H. H. Eddy, Cashier

SANTA BARBARA, Feb. 16. - Two young bankers of this city, with the backing of a sufficient amount of Santa Barbara's hardest cash, leave here this evening for Juneau, Alaska, where they will open the first national bank ever established on Alaskan soil. The president of the First National bank of Juneau will be W. T. Summers, and the cashier Herman H. Eddy. Both have established reputations in business circles here, and they have behind them the Santa Barbara County National bank, of which Mr. Summers has been for several years assistant cashier, and Mr. Eddy bookkeeper. Mr. Eddy's father is W. M. Eddy, president of the Santa Barbara bank mentioned, and E. S. Sheffield, cashier of this institution, is an uncle of Mr. Summers.

The Juneau bank will begin existence with a capital of \$50,000, a large share of which is subscribed in this city.

Mr. Summers visited Juneau last fall, and then decided to found the bank, which will soon be in operation.

The bank was organized February 15, 1898, chartered April 4th and opened Monday, April 18, in the Horseshoe Building (*Alaska Mining Record*, April 20, 1898). The initial bond deposit to secure their circulation was \$12,500 on April 4th, an amount that remained unchanged until November 3, 1932, when it was raised to \$50,000.

The bank was organized during a mining boom when such mines as the Treadwell Gold Mine at Douglas and several smaller mines in the Silver Bow Basin were in full production. Summer's vision for a bank at Juneau was his conviction that Juneau was considerably more accessible to mines in the outlying areas than Sitka, which was the capital at the time.

The maximum circulation that the Juneau bankers could issue was:

\$11,250 1898 through March 1900	90% of value of bonds
\$12,500 March 1900 - November 1932	100% of value of bonds
\$50,000 November 1932 - 1935	100% of value of bonds

The first printing of 10-10-10-20 Series of 1882 brown backs was received at the Comptroller's office on May 6, 1898, and consisted of sheets T248587-T248836, 1-250, with no regional letter. Three more printings of brown backs were received over the ensuing years as follows:

Dec 28, 1899	U718006-U718205	251-450 no regional letter
Jan 7, 1905	N57949-N58068	451-570 regional letter P
Apr 22, 1907	U21885U-U22084U	571-770 regional letter P



Figure 3. The First National Bank of Juneau building was on the northwest corner of Front and Seward streets, where the bank remained until 1925. The banking facilities are currently occupied by a McDonald's hamburger restaurant.

The first shipment to the bank was sent May 6, 1898, and included sheets 1 through 221, amounting to \$11,050.

Clement M. Summers replaced Herman Eddy as cashier shortly after the startup. Eddy thereafter served as assistant cashier in both the Juneau bank and Bank of Alaska, Skagway, in which the Summers also had an interest. Eddy then returned to The Santa Barbara County National Bank, charter #2456, where he served as assistant cashier (1900-1903), cashier (1903-1907), vice president (1908-1917), and eventually president.

The Juneau bank was moved to the northwest corner of Front and Seward streets in 1899, where it stayed until 1925 when it was relocated into the Hellenthau Building, which the bank purchased.

The outstanding circulations and officers as reported in the annual reports of the Comptroller of the Currency during the brown back and Summers era were as follows:

Year	Circulation	President	Cashier
1898	2,350	W. T. Summers	C. M. Summers
1899	7,900	W. T. Summers	C. M. Summers
1900	6,410	W. T. Summers	C. M. Summers
1901	4,350	W. T. Summers	C. M. Summers
1902	2,870	W. T. Summers	C. M. Summers
1903	5,000	W. T. Summers	C. M. Summers
1904	10,000	C. M. Summers	S. G. Holt
1905	8,270	C. M. Summers	S. G. Holt
1906	9,500	C. M. Summers	S. G. Holt
1907	11,150	C. M. Summers	S. G. Holt
1908	11,810	C. M. Summers	S. G. Holt
1909	11,150	C. M. Summers	S. G. Holt
1910	12,000	C. M. Summers	S. G. Holt

The reported circulations are particularly interesting because the amounts are what the bankers reported as outstanding for tax purposes. The fact that these amounts generally are but a fraction of the allowable circulation reveals that the

bankers were holding substantial numbers of notes in the bank rather than placing them in circulation. Notice for example the \$2,870 figure for 1902, which is a quarter of what they could have circulated then.

The Summers brothers were born in Ottumwa, Iowa, William Thomas in 1867 and Clement M. in 1871. Both set their sights on careers in banking.

William went to Iowa State University and then on to California as the assistant cashier of The County National Bank of Santa Barbara before relocating to Juneau to organize The First National Bank.

Clement graduated from Princeton in 1895, returned to Ottumwa to study law, then moved in 1898 to Juneau to become the cashier of The First National Bank alongside his brother. He simultaneously served as vice president of the Bank of Alaska, Skagway, from 1900 to 1904 where he resided.

William relinquished the presidency of the Juneau bank to Clement in 1904, so Clement moved back to Juneau. William returned to California where he organized The Union National Bank of San Luis Obispo, charter #7877, in 1905. In 1910, he went on to organize The First National Bank of Paso Robles, charter #9844. He served as president of both institutions from their founding through 1915.

Cashier Stuart Garfield Holt was family as well. Clement Summers was married to his Holt's sister, Harriet.

It is here that things get interesting. The Juneau bank was purchased by the Bradley mining interests in 1911. H. Shattuck and J. E. Beale, respectively took over as president and cashier in 1911, quickly followed by T. F. Kennedy and A. A. Gabbs in 1912.

All was not well with the bank's books because during the first week of January 1911, Clement Summers and his brother-in-law Stuart Holt were indicted on charges of fraudulent banking by a Federal Grand Jury. This earned Clement a conviction and five-year prison sentence, which he appealed all the way to the Supreme Court where the conviction was set aside on a technicality. The following appeared in the *New York Times* in 1913:

Washington, Nov. 10. The prison sentence imposed upon C. H. Summers, President of the First National Bank of Juneau, Alaska for alleged misapplication of the bank's money, was set aside to-day by the Supreme Court. Summers was found guilty of fifty-six separate offenses and was sentenced to five years on each, the sentences to run concurrently. The court held that only one count should have been included in the indictment.

Clement relocated to Oregon in 1911 whereupon he became vice president and treasurer of the Ketchikan Power Company, a manufacturer of lumber and mill products in Ashland. He died in 1919.

Figure 4. The Series of 1902 plate for the Juneau bank made in 1918 gave its location simply as Alaska. It should have been labeled Territory of Alaska.



So What's the Big Deal!

The big deal with Alaska in National Bank Notes is that the labels on the notes from the two large-size-issuing banks usually didn't reflect the legal status of Alaska at the time the plates were made or when the notes were issued.

The First National Bank of Juneau was the first National Bank chartered in Alaska. The Series of 1882 plate made for the bank, a 10-10-10-20, carried a territory label. The Series of 1902 10-10-10-20 plate made upon extension in 1918 simply says Alaska. Neither label was correct!

In contrast, the other issuing bank, the First National Bank of Fairbanks, chartered in 1905, issued notes that are labeled District of Alaska. Alaska was a judicial district at the time that plate was made so that label is okay. However, Congress decreed in 1906 that the place should be called a territory, yet the district labels weren't changed on the Fairbanks plates!



Figure 5. The Series of 1902 plates for the First National Bank of Fairbanks were correctly labeled District of Alaska at the time they were made in 1905.

What is a truly serious territorial collector to do? If going for completeness in large size notes is the criterion, then you have to attempt to collect all three possibilities: territory, district and unspecified! Suddenly the Juneau bank is the key but it offers a virtually insurmountable challenge. There are plenty of Fairbanks district notes to go around, but not Juneau territorials!

You have to digest some really interesting history to understand the labels on Alaska nationals. In a nutshell, the place was the first U. S. colony, viewed not as a potential state, but as a land of resources to be exploited by special interests protected by a compliant Congress, a Congress that didn't consider enfranchisement of the Alaskan population a particularly pressing concern.

Our First Colony

Alaska was our first possession, purchased from Russia during the administration of President Andrew Johnson on August 1, 1868. The vast wilderness ceded to us, following more than one hundred years of Russian rule, was not taken very seriously by Congress. At that point in time Congress and the country were preoccupied with reconstruction following the Civil War. The Federal Treasury was groaning under Civil War debt, and most of the public and those in Congress thought spending \$7,200,000 for ice and snow northwest of Canada to be an extravagance.

Instead, this unique, wonderful and valuable land was the prey of special interests who, abetted by an indifferent Congress, feasted on its natural resources. Worse, but by design, the population in Alaska was to remain disenfranchised until 1912. Much of the following discussion is summarized from Hulley (1953) and Gruening (1968).

The acquisition of Alaska is credited to Secretary of State William Seward

who negotiated its purchase with Baron Edouard Stoeckel, Russian Minister to the United States in March 1867. Russia's loosening grip on the place was influenced by several factors, among them the fact that Alaska was too far from Saint Petersburg for the Czar to effectively rule it. The wealth in furs that sustained most of Russian interest was almost depleted. Rumors of gold in the interior aroused Russian concern that the place would become ungovernable, particularly if Americans and Canadians overran the place in the inevitable rushes. Russia was in dispute with Britain at the time, so a sale to the United States was a thumb in the eye to the British, especially because the natural attachment of the place seemed to be to Canada, not the United States.

The land was sold without formal boundaries for about two cents per acre. The sale was paid for with Draft 9759 on Treasury Warrant 927, dated August 1, 1868, for \$7,200,000 in coin. It was made out to Edouard D. Stoeckel, Envoy Extraordinary, and signed by Francis E. Spinner, Treasurer of the United States, and Noah L. Jeffries, Register of the Treasury.

The Russians, who had governed the land with a strict authoritarian hand, moved out as the Americans moved in. However, the Americans did not bring a government with them. Congress neglected to enact legislation giving the land any form of civil government during the next 17 years. Various commissioners and military men assumed limited jurisdictions over the southeastern panhandle, but they did not govern, nor were the people who settled the land given any form of representative voice in their affairs.

The normal route to statehood was for a territory to be organized by an organic act passed by Congress. Such acts established a civil government, provided for land distributions, and considered other matters necessary to prepare a region for statehood. This process fell flat for Alaska. "Seward's Ice Box" was held at arm's length much like Puerto Rico, Guam and Samoa today, and primarily for the same reason: the population was not dominantly Caucasian and did not speak English.

First Organic Act

Congressional attitudes were little improved when the Alaskan organic act finally was signed into law by President Chester Arthur on May 17, 1884. Senate Bill 153, drafted by Senator Benjamin Harrison of Indiana, constituted Alaska as a Civil and Judicial District, not a territory. This totally inadequate act provided for no representative government; rather a governor, district judge, clerk of court and four subsidiary judges were appointed by the president. General United States land laws were specifically excluded by the act, although the mining laws were put into effect.

The laws of Oregon were declared the law of the district so far as they might be applicable; however, there was a major flaw. The civil government in the Oregon code assumed town and county forms of government, yet both were excluded in Alaska because the general land laws were denied by the act. Local governments could not be created, and if they were, their functions could have no legal standing and their mandates could have no authority. No representative, even a non-voting one, was allowed to be seated in Congress. Alaska was formally designated the District of Alaska.

Former Alaskan Governor Ernest Gruening (1968, p. 53) wrote:

Alaska was a civil district in which the civil administration was authorized only to inspect, enforce the laws, and report, yet denied the means either to inspect or enforce.

Alaska was a judicial district, but Congress had so confused its mandate that no judge could be certain what the law was, and the marshal and his deputies often lacked the wherewithal to enforce a court order or sentence when there was one.

Alaska was a land district, but without land laws.

The dismal administrative situation that resulted from the first organic act was compounded by public apathy toward and ignorance of Alaska. It would take major gold rushes before the people in the lower 48 would become conversant with the land and marginally aware of the Alaskans' plight.

The first major cry of gold came from Juneau in 1880, when gold was discovered along the Inland Waterway by Joseph Juneau and Richard Harris. Next, in 1897, came the Klondike gold discoveries giving birth to Dawson City in the Yukon Territory. The resulting stampede brought 50,000 fortune seekers, and most traveled through the northern part of the Alaskan panhandle on their way to the gold fields in Canada. Skagway and Dyea, Alaska, became the primary disembarkation ports during the years 1897 and 1898.

The Klondike strikes were followed by those on the golden beaches of Nome in 1900, and Fairbanks in 1902. Nome and Fairbanks were in Alaska, so the fever settled on American soil.

The economic fabric of Alaska between 1884 and the early 1900s was dominated by a small group of very wealthy, politically influential corporate exploiters, foremost among them the Morgan-Guggenheim copper interests. However, civil government, and even basic justice, languished.

Under the weight of the gold rush population, successive Congresses belatedly, tentatively, and with piecemeal legislation imperfectly tried to correct the

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defects of the first organic act. This process proved to be fitful, inadequate and painfully slow.

One piece of legislation passed in 1906 provided for the election of a delegate to Congress, and decreed that Alaska should be referred to as the Territory of Alaska. Gruening (1968, p. 139) wrote cynically that this act conferred "a promotion without the expense of territorial government or the self-governmental features inherent in territorial status."

In 1908, the articulate and forceful Judge James Wickersham was elected to serve as a non-voting delegate to Congress. With his influence, sentiment developed in both Alaska and the states for Congress to enact a second organic act that hopefully would establish a territorial form of government, which would pave the way for statehood.

Second Organic Act

President William Howard Taft signed into law Alaska's second organic act on August 24, 1912. Alaskans could now elect a legislature for the first time in 54 years. Unfortunately, as with previous Alaskan legislation, the second organic act was notable not for what it did, but rather for the powers and rights that it neglected. Land distribution was left in a continuing state of disarray, and many taxing and legislative powers normally accorded territorial legislatures were specifically precluded or omitted. Alaska in 1912 was formally a territory both in name and in legal substance, but the people felt cheated of an effective vehicle to transform their land into a state.

They were correct. It would take another 47 years to achieve that goal. A reluctant Congress put occasional patches on the second organic act, but that act always proved to be inadequate, but consistent with the past treatment of our northwestern colony.

Labels on Alaska Large Notes

Important in the foregoing is that Alaska was a district from 1884 to 1906, and a territory from 1906 to 1957. The Juneau Series of 1882 plate made in 1898 reads territory, which was wrong at the time it was made. The place was a territory when the Series of 1902 plate was made in 1918, but Territory was omitted from that plate!

The large size Fairbanks plates made in 1905 correctly carried the district label at the time they were made. However, notice that when Alaska was declared to be a territory in 1906, and later when it was awarded more formal territorial status in 1912 by the second organic act, no steps were taken at either juncture by Treasury officials to have the Fairbanks plates altered to reflect its new status. This is odd because as the various territories in the lower 48 gained statehood during that same era, their elevated status was acknowledged by removing territory from the plates of the affected banks.

Figure 6. The organization report for The First National Bank of Juneau shows unambiguously that the bankers placed their bank in the Territory of Alaska. The legal status of Alaska was that of a District at the time.

EXAMINED AND ENTERED.
L. O. M. E. M. B.

Treasury Department,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, D. C., *April 4th, 1898.*

"The First National Bank of Juneau,"
Located in the *Town of Juneau,*
County of _____
State of *Territory of Alaska.*
Capital _____ \$ *50,000*
Paid-in Capital _____ \$ *50,000*
Date of Organization Certificate, *February 15th, 1898.*
W. J. Summers, President, *H. H. Eddy*, Cashier.
Lawrence O. Murray, Examiner.
1898, April 4. Bonds deposited to secure circulation, \$ *12,500*
W. D. Swan, Bond Clerk.
No. *5117* Certificate of authority issued *April 4th, 1898.*
Examined _____ *L. O. M. E. M. B.*
Entered, _____ Entered, _____ Entered, _____

2-1310

Precisely why did the Series of 1882 10-10-10-20 plate for Juneau come out reading Territory of Alaska? The answer is simple and unambiguous, and no blame can be leveled at anyone in the Federal government. The clerks in the Comptroller of the Currency's office used the language provided by the Juneau bankers on their organization certificate. The Juneau bankers listed their location as "Territory of Alaska!" **See Figure 4.**

Twenty years later in 1918, when the Series of 1902 10-10-10-20 plate was ordered for the Juneau bank upon extension, the Comptroller's clerks gave the bank a *de facto* title change by simply labeling the place Alaska. They should have used Territory of Alaska at that time, so they were culpable in mislabeling the 1902 plate.

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***** Important Notice *****

At a special board meeting called for June 23rd and conducted via telephone, the SPMC continued over its discussion from its recent Memphis board meeting discussing its dues schedule.

The Society has held the line on a dues increase for the past 12 years.

At its June 23rd telephonic meeting, the board voted a new dues schedule commencing for

Calendar Year 2014:

U.S. Regular Membership \$39/annum

Canada & Mexico Regular membership \$45/annum

Other Foreign membership \$60/annum

U.S. Life membership \$800

Canada & Mexico Life Membership \$1000

Other Foreign Life Membership \$1200

Electronic (no magazine) memberships at www.spmc.org remain the same as before

You will see these increased rates for magazine subscription memberships reflected on the dues renewal envelope that you found inserted into this issue of *Paper Money*.

All members can also use this envelope to designate their tax-deductible gifts to support SPMC's special projects or general fund.