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Patriarch passes - Banker, philanthropist Elmer Rasmuson played a prominent role in state's economic development

Correction: CORRECTION An A-1 story on Sunday about Elmer Rasmuson included an incorrect title for Diane Kaplan. She is the administrator of the Rasmuson Foundation.

Elmer Rasmuson, patriarch of the state's largest bank and modern Alaska's biggest philanthropist, died Friday night in a Seattle hospital. He was 91 years old.

Rasmuson succumbed to congestive heart failure, likely brought on by the aftermath of gallbladder surgery several weeks ago, said his son Edward.

His wife, Mary Louise, and three children were at his bedside at the Virginia Mason Clinic. A funeral is tentatively planned for 3 p.m. Friday at the First Presbyterian Church on 10th Avenue.

Rasmuson, who began life as the son of missionary immigrants, leaves a personal fortune estimated at more than \$400 million, all of it earmarked for charity, his son said.

From relatively early in his life, Rasmuson used his money to support arts and education throughout the state, most notably the University of Alaska, where he served as a regent from 1950 to 1969, and museums in Anchorage and Fairbanks.

"Having provided substantially for the members of my family, I decided some years ago that my entire estate would be channeled to charitable and public benefit," he told celebrants at his 90th birthday party. At that event he announced the transfer of \$50 million in National Bank of Alaska stock to the Anchorage Museum Foundation and another \$40 million to the family foundation in the hope the he could see "some of these worthwhile projects come to fruition during my active lifetime."

And what a lifetime it was.

Rasmuson's personal journey mirrored the history of Alaska as it moved from raw western territory to 21st-century Pacific player. The family bank both profited from and contributed to the transformation of a collection of settlements where fishermen, miners and missionaries eked out subsistence lives into a highly centralized society with billions in the bank.

Born in Yakutat in 1909 to Swedish missionary teachers, Rasmuson was delivered by a midwife because a bad storm kept the boat carrying the doctor from docking. His arrival wasn't officially recorded for 20 years, not until he needed a birth certificate to get a passport.

But Rasmuson's parents never allowed the rude life of the frontier to sabotage their love for learning or the education of their children, Elmer and his older sister Evangeline. In a memoir published earlier this year, Rasmuson described his father, E.A. Rasmuson, as a learned, disciplined man who kept his personal diary in Greek, who learned law and banking through correspondence courses.

After 10 years in Alaska, E.A. Rasmuson moved his family to Minneapolis, where several of his relatives from Sweden had settled. He passed the bar there, but his wife, Jenny, wanted to return to Alaska, so the family moved to Juneau in 1915.

E.A. soon discovered there were too many lawyers in Juneau to make a good living, so he took a magistrate's job in Skagway, and that's where Elmer grew up.

It was 1916 when they arrived and Skagway had fallen into the doldrums of a post-Gold Rush bust. The originals of the western-style buildings that tourists now visit were boarded up, and the economy was dependent on the vagaries of the railroad business. The memory of Soapy Smith was still fresh, and Rasmuson remembered "Ma Pullin" riding Soapy's white horse in parades. The family remained deeply religious, and much of life revolved around the Presbyterian Church.

Because E.A. was the only lawyer in town, it was natural for him to become the attorney for the new Bank of Alaska, founded in 1916 by a group of New York financiers. It wasn't much of an edifice -- four walls and usually two employees, but this chance convergence of time and place sealed the destiny of three generations of Rasmusons.

"I cannot say that I had a happy childhood," Elmer wrote in his memoirs. "I am sure I was introspective and quite shy. I suffered from the unnerving affliction of stammering." But his shyness masked an unusual determination and an abiding confidence in his own intellect and abilities.

"I did not become a rebel," he wrote, "but was determined to succeed in the conventional social structure. I was a small boy seeing life through a picket fence, frustrated by the barriers but confident of entering the desired land I could glimpse beyond."

"This belief that he was going to prevail" is how historian Terence Cole put it. Cole is co-author of "Banking on Alaska," a companion volume to Rasmuson's memoirs. "He was always amazingly optimistic about the future," Cole said. "He saw opportunity everywhere."

Outside of the movie "It's a Wonderful Life," bankers rarely are beloved figures, and Rasmuson had his share of critics. His reserve and self-confidence were sometimes dismissed as arrogance. He had a moral certitude grounded in his religious convictions and the values willed to him by his parents that irked some people.

He didn't suffer fools gladly, say people who worked with him, and like any banker, he had to say no to a lot of people over the years.

Because of his natural reserve and the nature of the banking business, Rasmuson did not respond to critics, Cole said, "so you only hear the people who are angry."

Cole, a professor at the University of Alaska, worked closely with Rasmuson for more than 10 years. "Without question this is the smartest person I ever met in my life," he said Saturday. "This is not just some rich guy who counts his money. . . . This is somebody who is interested in everything all the time."

People who knew him personally agree. Jack Conway and Elmer met when they were children in Skagway. They remained friends over the years, working, hunting, fishing and traveling the world together with their wives.

"He was a wonderful man, one of those friends that you admire and you're just happy that you know him," Conway said. "He made friends everywhere."

Diane Kaplan came to know Elmer only recently when she became president of the Rasmuson Foundation.

"He was very principled, and he didn't care what anyone else thought. I don't care who it was," Kaplan said. "People were very respectful of him but very nervous too. The very first time I met with him, I knocked on the door and expected him to give me five minutes. I was in there for more than two hours. The discussion would always get into philosophy and history. I really treasured those hours with him."

"Elmer was the most talented man I ever knew," said Sen. Ted Stevens. He was the first chairman of the North Pacific Fishery Management Council, a founder of the Anchorage Museum of History and Art and the first chairman of the Alaska Permanent Fund. His gifts "have ensured that Alaskans for generations to come will have access to one of the finest collections of art, history and literature in our nation," Stevens said.

To develop the interests that later fueled his philanthropy, Rasmuson had to leave the Territory.

When he and his sister were teenagers, their mother moved with them to Seattle so they could attend a high school that would give them a better leg up to a good college than a small-town Alaska school. By then Elmer had begun working a series of jobs at his father's banks -- teller, janitor, manager -- in Skagway, Ketchikan,

Cordova and Anchorage. He also traveled with his family to Europe -- to Paris, Versailles, Switzerland, Sweden and Rome, where, when he was 13, the family had enough status to get an audience with the Pope.

Elmer graduated from Queen Anne High School in 1925, worked for a year, spent two years at the University of Washington, then transferred in 1928 to Harvard. Attending Harvard was "the turning point in my life," he wrote. For most of the next 15 years, he lived and worked Outside, in New York, New Jersey and Texas, studying banking, accounting and economics with some of the best minds in the fields. He devoured books, knowledge of all kinds and over the years became a pilot, a big game hunter and an accomplished sailor. He even played the saxophone and banjo for a while.

In 1931, after Elmer had completed a year of graduate studies, E.A. asked him to come home to handle a crisis. The manager of the Cordova branch had embezzled almost all the money the bank had and spent it trying to keep a cannery he owned afloat. When it didn't work, he burned the bank's books, went to Los Angeles and shot himself to death in a hotel room. Elmer spent months reconstructing the books and kept the bank operating until E.A. could sell it to a local, more successful competitor.

Elmer was 23 years old.

After finishing graduate studies at Harvard, Elmer went to work for Arthur Anderson & Co., eventually one of the largest accounting firms in the country. Anderson became a mentor, and in later years Elmer listed him and his father as the two most influential people in his life.

In 1939, Elmer married Lile Bernard of New Jersey, and in 1940 Anderson sent him to Houston, Texas, to develop the company's tax division. He became enough of an expert in petroleum taxation, working mostly for Texaco, that he wrote a book on the subject.

In 1943, E.A., suffering from heart disease, asked Elmer to come back to Alaska to run the family business. E.A. died six years later, and the bank belonged to Elmer .

Cole's history of Rasmuson and NBA takes 500 pages and is, in essence, the story of the Alaska economy for the past 50 years. Though the Great Depression was tough on Alaska banks, it killed only one small Alaska institution. NBA held on and grew steadily over the next few decades.

The recession of the 1980s, however, killed more than a dozen Alaska banks. NBA had resisted the go-go economics of the oil boom, and when the recession ended, it had absorbed the accounts of most of the failed institutions and nearly doubled in size.

Lile Rasmuson died in 1960 after a long fight with cancer. The couple had three children: Edward; Lile Gibbons, who was just elected to the Connecticut State Legislature; and Judy Rasmuson, also of Connecticut and a nationally known dog breeder.

In 1961, Elmer married Mary Louise Milligan, then national director of the Women's Army Corps.

By the 1960s, NBA was the largest bank in Alaska, with 16 branches statewide, and Rasmuson was involved in a field he understood well from his days in Texas: oil. In 1954, a group of local movers and shakers that included Elmer and his brother-in-law, Robert Atwood, publisher of The Anchorage Times, the state's largest newspaper, partnered with Richfield Oil in a quiet arrangement to buy what proved to be extremely lucrative oil leases on the Kenai.

In the 1960s, Elmer also flirted with politics. Dismayed by what he considered a disorganized response to the great earthquake of 1964, Cole said, he ran for mayor of Anchorage and served until 1967, overseeing much of the reconstruction.

In 1968, Rasmuson ran in the Republican primary for the U.S. Senate and beat his competition, Ted Stevens, but then lost in the general election to Democrat Mike Gravel. That year, the other Alaska senator, Bob Bartlett, died and everyone assumed Republican Gov. Wally Hickel would appoint Elmer to the seat. Instead, Hickel gave the job to Stevens, who still has it. Years later Hickel explained why:

Rasmuson was already "serving Alaska in an important way with his bank," which was likely to take most of his energy, Hickel said. "He wasn't going to want to stay in Washington for very long." Alaska needed a senator who would make the Senate a career and rise through seniority to a position of real power, he said.

"Elmer was a great citizen of Alaska," Hickel said Saturday. "He'll be missed as a real Alaskan with a long history."

"When I became a senator, he remained a great friend and truly a great adviser," Stevens said.

Elmer retired from active management of the bank in 1974. As he had succeeded his father, so his son Edward succeeded him.

In 1999, the family, which was by then dominant shareholders in a now \$3 billion bank, sold its interest to Wells Fargo & Co. in a \$907 million transaction. The worth of the family's stock was estimated at \$450 million.

Afterward, Elmer focused much of his energy on how best to spend the millions. He settled on the Rasmuson Foundation.

Though his physical health declined over the past year, his son said, "there was nothing wrong with his brain. He was very proactive in the foundation."

At Kaplan's last meeting with Elmer, about two weeks ago, Elmer talked about using the foundation's money to attract Outside charities to contribute in Alaska, to make them partners in projects. "He said he wanted his money to be used to encourage people to do bigger things," Kaplan said. "The words I underlined in my notes were 'Lasting effect for Alaska, so in years hence the foundation will have made a difference.' "