

Paper Money with a Connection to Keokuk's Estes House

by Tom Gardner

Keokuk's Estes House hotel had the misfortune to be built at exactly the wrong time. Before it was completed in 1857, a financial panic swept through what was then considered the West but would today be called the Midwest. This panic, or "business revulsion," was the result of a bubble in western land prices, and it hit Keokuk especially hard, with some real estate parcels taking several decades to recover the prices they had sold for at the time the Estes House was first proposed. Furthermore, Keokuk lost well over a third of its population in the late 1850s, dramatically reducing the community's need for a hotel.

So, for a couple of years the Estes House stood nearly empty on Keokuk's Main Street, though at 150 by 140 feet and five stories high (six stories high on at the lower alley behind it), it clearly dominated the downtown district. And then the Civil War started in April of 1861. Keokuk, located on the Mississippi River in the southeastern corner of Iowa, became a principal point of departure for Iowa's volunteer soldiers, off to fight for the Union further south. Within a few months, some of these soldiers began returning to Iowa, some dead or dying, to be buried in Keokuk's National Cemetery, while others were seriously ill or wounded, in need of hospitalization.

For some years Keokuk had had a medical college, so it had both physicians and those training to become physicians. What it needed was suitable space to care for an ever-increasing number of patients. In the spring of 1862, just after the battle of Shiloh, the Estes House was converted into the largest of Keokuk's five Civil War hospitals. By the time 300 wounded soldiers arrived in Keokuk from Pittsburg Landing in Tennessee, 179 rooms had been fitted out for hospital use. Doctors from Keokuk's medical college attended to these wounded and ill soldiers, and they were nursed by the women of Keokuk, who also provided a lot of the hospitals' supplies during the first few months of operation.

By the end of the Civil War, Keokuk had regained much of its lost population and the promise of peacetime prosperity encouraged the establishment of a number of new businesses in Keokuk as well as other communities across Iowa and the Midwest. This quickly led to the establishment of a number of new business colleges and the expansion of the few business colleges that predated the war. In the first two

years after Lee surrendered to Grant at Appomattox, business or commercial colleges were established in Burlington, Davenport, Des Moines, Iowa City, Keokuk, Oskaloosa and several smaller cities. Baylies Commercial College, later to be called Baylies Mercantile College and other names, got started in Keokuk in 1866 by the same firm that established Baylies Commercial College in Dubuque in 1858.


BAYLIES

GREAT MERCANTILE COLLEGE!

A School of Trade and Finance

AND NORMAL SCHOOL,

KEOKUK, IOWA, ON THE MISSISSIPPI.



THE GREAT PRACTICAL COLLEGE OF THE WEST.

ANNOUNCEMENT FOR THE SCHOOL YEAR
COMMENCING MAY 1st, 1877.

Students enter at any time. No preparation is necessary. Students fourteen years of age and upwards, to all ages, are admitted.

MERCANTILE DEPARTMENT

Gives complete instruction in the theory and practice of bookkeeping by single and double entry. Our course is thorough and practical. Retailing, wholesaling, commission, manufacturing, banking, railroading, steamboating, &c., are fully represented. We use the most practical portions of the old Baylies Course and the Bryant & Stratton Course. No extra charge for this department.

ACTUAL BUSINESS DEPARTMENT

Gives practice in the Bank, Merchants Emporium, &c., forming a very novel and useful feature of the College. The bank payment and receipts often amount to five million dollars in a single day. A roll of honor is kept, on which are inscribed the names of all who keep the bank accounts correctly. No extra charge for this department.

PENMANSHIP DEPARTMENT.

Thorough instruction is given in the beautiful and useful art of Penmanship. Day and evening exercises are given to the entire College by competent penmen. Personal instruction is also carefully bestowed. No extra charge for this department.

TELEGRAPHIC DEPARTMENT.

Telegraphing is taught by a practical Western Union Operator. Entire new instruments were put in last season, and are added as needed. We send a Telegraphic Alphabet accompanying this circular. No extra charge for this department.

PHONOGRAPHIC DEPARTMENT.

Rapid progress is made in Short Hand, without interfering with other studies. Students are not compelled to depend upon the occasional visits of a phonographer to the school as is frequently the case in colleges. An interesting class is held daily, with black board exercises. Official reporters are now being employed by the courts, offering a large field to all who become competent. No extra charge for this department.

NORMAL ENGLISH DEPARTMENT.

This department is designed to fit all who may need preparation to enter the Mercantile course. It also serves as a normal school—constantly fitting young men and ladies to act as teachers of public schools. Daily recitations are held in Practical Arithmetic, Higher Arithmetic, Geography, Grammar, Spelling, Reading, Algebra, Physiology, History, &c. New classes are frequently organized, adapted to new students entering the College. No extra charge for this department.

COMMERCIAL LAW.

Carefully prepared, eloquent lectures are delivered on this subject by our regular lecturer. It is not expected that students in a commercial college will become practicing lawyers, but

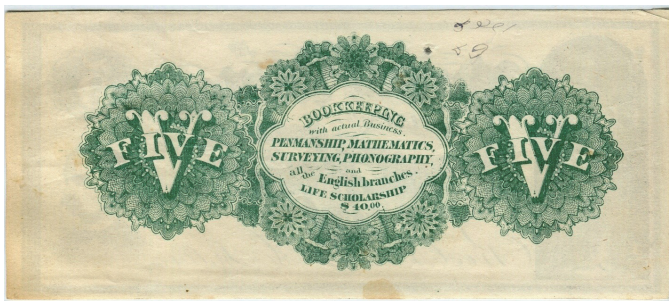
An advertisement for Baylies Great Mercantile College that features an image of the Estes House.

The man for whom both institutions were named was Aaron Baylies. In 1862 he brought his cousin Cornelius Bayless into the firm, first as an instructor, and then, in 1863, as his partner. On August 2, 1863, just a few months after forming this partnership, Aaron Baylies died suddenly during a visit to Boston. Cornelius would continue operating the college in Dubuque until 1909, at first spelling his last name the same way as his cousin did, but then changing the name of the college to Bayless Commercial College in the 1880s. Under this name it continued to be run by several different owners until 1967.

In 1866 Cornelius Bayless established a branch of Baylies Commercial College on the second floor of the Estes House in Keokuk. William H. Miller, a senior instructor at the Dubuque college, was put in charge of this enterprise. A “5” denominated note was issued for “THE United States BAYLIES’ COMMERCIAL COLLEGE Keokuk, Iowa.” It is signed “C. Baylies, Prest.” And “W.H. Miller, Cash.” This note is not listed in Schingoethe, and most likely it did not have much of an instructional role to play, but was used in advertising the college.



The 5 denominated note for Baylies' Commercial College.



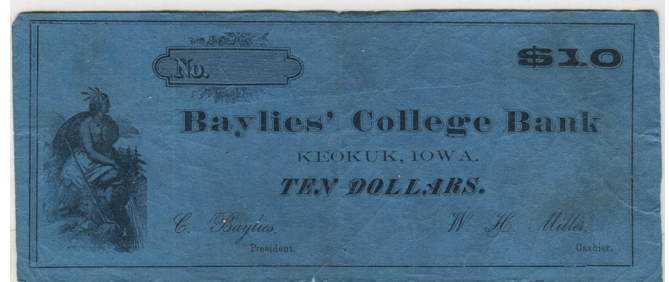
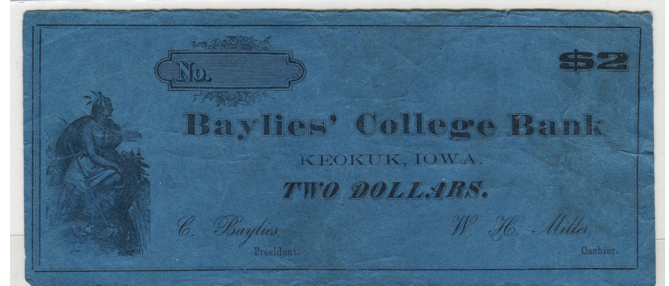
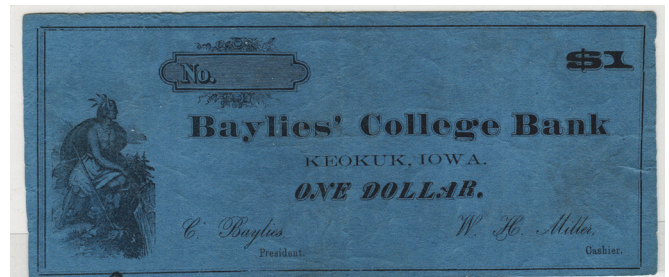
Shortly after this note was issued, a “1000” denominated note was issued with the same two signatures but a different institutional name. It reads “First National Bank OF BAYLIES MERCANTILE COLLEGE KEOKUK STATE OF IOWA. It is listed in Schingoethe, and because of its high denomination, it probably also functioned as an advertising piece.



The 1000 denominated note for Baylies Mercantile College.



There is a series of “Baylies’ College Bank” notes, again with the same signatures, that were most likely issued for instructional purposes. They are printed face side only on blue paper and can be found with the usual run of lower denominations that might be encountered in ordinary business situations: “\$1,” “\$2,” “\$10,” “\$50,” and perhaps other denominations. Schingoethe does not list them.

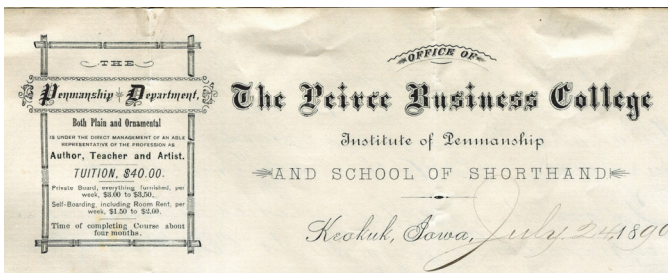


As the Schingoethe's point out, Cornelius Bayless apparently sold the Keokuk branch to William Miller in 1871. Miller continued to operate the school through the 1870s, but under yet another change of name. There are two denominations of notes, a "100" note and a "1000" note (that I know of) that have the name presented as "First National Bank OF GREAT MERCANTILE COLLEGE KEOKUK STATE OF IOWA. On these notes "W.H. Miller" has signed as president and "F. Longwith" has signed as cashier. Both of these notes, along with the 1000 note from Baylies Mercantile College, were printed by A Gast & Co., St. Louis. Schingoethe does not list the 1000 denominated Great Mercantile College note.



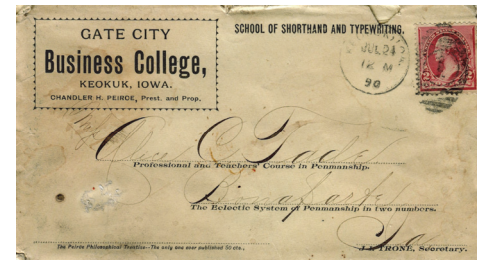
The 100 and 1000 denominated note for the Great Mercantile College, Keokuk.

Again, as noted by the Schingoethe's, the Great Mercantile College underwent another change of ownership in the early 1880s. The new owner is Chandler H. Pierce. He evidently thought there was an adequate supply of college currency on hand, and that he did not need to add to this supply any additional notes, even though he changed the name of the



institution to Peirce's Business College. Instead, he used a rubber stamp with this name on it to update some of the notes.

By 1890 Pierce had changed the name of his business college once again, renaming it the Gate City Business College. In 1894 it was reported that half of the upper floors were being used as a "strictly first-class hotel with elevator and all modern conveniences." These modern conveniences included new furnishings and hot and cold running water. They may have led to an increase in the rent Pierce was paying or there may simply have been a decline in his school's enrollment. Business conditions throughout the United States in the 1890s were not good. In any event, late in 1894 C.H. Pierce accepted a position of Supervisor of Writing with the Evansville, Indiana, City Schools, and that was the end of the Gate City Business College in Keokuk.



From 1866 on, through all of its name and ownership changes, Keokuk's business college had remained in the Estes House. Initially, it had also been considered a good location for shops, offices and a meeting hall, but even in the years just after the Civil War it was most likely seen as somewhat deficient in the amenities of a first-class hotel. Most notably, it had been constructed without even the provision for indoor plumbing. All water had to be carried up as many as five flights of stairs to be used for bathing, shaving or drinking.

The courtyard in the middle of this 200+ room hotel contained one of the seven wonders of the American West: a five-story, cone-shaped outhouse, a marvel of mid-nineteenth century engineering that ran all the hotel's waste out to a sewer on Morgan Street and then into the Mississippi River. Flushing out this system was accomplished through a combination of used water that had been carried up to guests and rainwater from the roof, all of which was directed to the central outhouse. It was not a system that worked very well after a prolonged dry spell.

Still, several prominent Keokuk attorneys had their offices in the Estes House, including William W. Belknap, one of Keokuk's Civil War generals, who later became Secretary of War in the cabinet of Ulysses S. Grant until he resigned just ahead of being impeached by the House Of Representatives. That 1876 impeachment effort was led by Representative Hiestor Clymer, who many years earlier had been Belknap's college roommate at Princeton. Belknap had been accused of receiving kickbacks from men he had appointed to post traderships on the western frontier. The kickbacks soon became established fact,

but they had been arranged by his second and third wives. They were sisters, the third Mrs. Belknap succeeding her sister some months after the second Mrs. Belknap's death. It was never determined if Belknap actually knew where the money was coming from, and in the subsequent Senate trial a number of acquittal votes were based on the fact that Belknap had resigned prior to any congressional action.

In 1866 the shop at the main entrance to the Estes House was the clothing emporium of Marks and Ehrlich. The firm was listed in an 1866-1867 city directory for Keokuk but not in the 1868 directory. It issued an advertising note that leaves off the "s" at the



The 5 denominated note for the Mark & Ehrlich Clothing Emporium.



end of Marks' name, though it can be seen in his signature as well as in the directory. This "5" denominated note reads "No. 3 1/2 Estes House **United States MARK & EHRLICH CLOTHING EMPORIUM** Keokuk, IOWA Call and see H. Ehrlich, Treas. Abe Marks, Pres. A. McLean lith.

Alexander McLean, like August Gast, was a prominent St. Louis lithographer in the 1860s. This note is not listed in Vlack's *Early North American Advertising Notes*.

We know little about Abe Marks and even less about H. Ehrlich. Abraham Marks (1841-1892) and his wife Jeanette (1842-1904) had a daughter, Dora, who

was born in Keokuk October 28, 1868. Both Abraham and Jeanette died in St. Joseph, Missouri, which is probably where they went to live not long after the birth of Dora. H. Ehrlich, apparently the junior partner in the firm, may also have moved to St. Joseph. He may have been single while living in Keokuk, and so may have lived at the Estes House, which might be why there is no separate directory listing for him.

When the Estes House was torn down in 1928 several treasures that included paper money were found. A local newspaper reported that in the walls a pocketbook was found that contained \$50 in well-worn U.S. notes—so worn that some doubted if it would be possible to turn them in for newer notes. No record was kept of who found or who got to keep this money.

Then, as the demolition continued, more money was found: three \$1000 notes, a source of some curiosity, for the notes were not U.S. currency. Some later speculation was that these notes may have been issued by the State of Iowa or even by the City of Keokuk, both of which *did* issue paper money in the years before the Civil War. However, neither Iowa nor Keokuk issued notes of a higher denomination than \$10. Most likely these notes were issued by either Baylies College or by the Great Mercantile College.

Finally, in August, as the demolition got down to ground level, anticipation grew about the remaining, well-known treasure of the Estes House: the contents of its cornerstone. It was known to contain a bottle of Catawba wine, copies of three city newspapers, a one-dollar bill of City of Keokuk scrip, an 1857 one cent coin, an 1854 three cent piece, an 1857 quarter, a copy of Mayor Hawkins inaugural speech and a list of the premiums of the Lee County Fair. Gathered together for the opening of the cornerstone was nearly every Keokuk dignitary, so you can imagine their dismay upon discovering that the cornerstone had been looted! The wine had been drunk and the rest of the treasure was missing.

Within hours two men had been taken into custody. (Could it have been wine on their breath that gave them away?) However, both men denied their participation and no evidence could be found to back up the charges against them, so they had to be set free. The contents of the cornerstone were never recovered.

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