

The Smallest Town in the United States to House a National Bank -probably

by Steve Jennings SPMC LM 103

Premise: Waddams Grove, Illinois appears to be the smallest (population) town in the United States to ever house a national bank which issued national currency. After much research into the background of this tiny village in Northwest Illinois, it appears that the population was in the 50-60's (possibly as low as 37) when the bank was in operation.

As the Crow Flies: Why should I write this article? I had always hoped that some other local historian or other Illinois National Bank note collector would take up the cause, but, since 90 years have passed since the bank closed the front door and there is still no article, it appears to be that it will have to be me. Conveniently, the First National Bank of Waddams Grove, Illinois is/was 12 miles, as the crow flies, from the front door of my house. I was one of the early subscribers to the information provided by Louis Van Belkum on Illinois National Banks. Ever since those days in the 1960-70s, I have contended that Waddams Grove (WG) is the smallest town, by population, to ever house a national bank that issued notes.

My friend, Lee Stickle, and I have collected national bank notes from these northwestern Illinois counties for almost 50 years. Lee insisted that I had to get this done and has been very helpful in providing a sounding board, information about the banking world of 1920 and offering ideas as to why anyone would choose to open a national bank in such a tiny village in an obscure corner of northern Illinois.

I have started this article several times in the last 40 years, but always flamed out for lack of information. After reading a similar article written by Gerome Walton about the smallest national bank in Nebraska in the Numismatist in 2012, I became convinced that we would just have to go with the information that we have. Thus, I wrote this article, which is intended to illustrate and provide interesting historical information about this remarkable business venture. So here we go.....

Location, Location, Location, Part 1: Illinois became a state in 1818 and was settled along rivers and alongside natural resources. Thus, Galena, Illinois, located near the Mississippi River in the far northwestern corner of the state was the largest town (about 14,000) in Illinois in the 1820's-1840's—much larger than Chicago--because of river boat traffic and lead mining. Galena survives today with 3,400 people, while Chicago has grown somewhat larger.

The population of Illinois moved slowly from the south in 1818 to the north in the 1830's. Pioneers moved east very cautiously from the Mississippi river. The Winnebago, Fox and Sac Indian tribes were farming/hunting/fishing along the Wisconsin/Illinois/Iowa border. They were not overly fond of the white farmers who planted fields of corn, displacing their hunting /fishing areas. There were many tales of woe on both sides as the two cultures clashed on the frontier.

Squire William Wadham built the first cabin in 1832/3 according to local historians, on the north side of a hill that was probably built more with defensibility than farming in mind. Indeed, some old pictures exist of even older buildings and barns with walls that were built to provide gun ports that were wider on the outside of the hole than the inside, so that the shooter could swivel a gun better. Most farm houses don't need gun ports in order to help grow crops. Additionally, there are natural springs located there which would be good for farming and providing water while defending the farm.

In the area hills surrounding WG, the locals say that one can still find the stage coach wheel ruts that were ground into the rocks when the stage coaches drove through 3 days each week from Chicago on the way to Galena (161—must have been ugly—miles). One writer describes this form of travel at that time as “assiduously uncomfortable”. In the Traveler's Guide through the United States (1836) one can find that scheduled stage coaches stopped at a variety of towns, villages and inns along the trail/road. One of these stops was Waddams Grove .

The terrain northwest of WG is dominated by hills and rocks which held lead for the Indians and early settlers. The lead could be used for bullets or could be shipped out to earn cash. While this type of ground is good for growing rocks and mining lead, it is not very good at all for growing corn crops.



WG is right at the edge of one of these hills, so that some very good farm ground is immediately in front of the village which was farmed by the Stouffer family—starting circa 1888. Indeed, the farm ground in front of WG was viewed by the author of the 1880 Stephenson County History in this fashion—”The low level, rich prairie, with its fields and meadows, farms, barns and houses skirted in the distance by the range of mounds, heading around like an amphitheatre (sic) into Jo Davies County, presents as fine a scene beneath a glowing June sun, as can be observed in any State.”

The elevation of the area is 800-1200 feet with the hills a few hundred feet higher than good farm ground. Standing on the sides of these hills while trying to pick corn by hand or using a corn knife, can be quite formidable. Trying to pick corn in November would have required one determined farmer. My grandfather used to tell of his childhood Thanksgiving Day activities including ice skating on local ponds. Worse would have been trying to plow these hills with a horse/mule. However, by 1880, 85% of West Point Township, which is 22,800 acres, was under cultivation.

The village of Waddams Grove is located 5 miles from the Wisconsin state line no matter how the crow flies; 7 miles from Kellogg’s Grove, where Lincoln “fought”; about 20 miles from Galena and 12 miles from Freeport, Illinois.

Famous and Important Visitors: Abraham Lincoln “fought” in the Blackhawk Indian war of 1832, i.e. after Colonel Stephenson fought with Chief Blackhawk and his Indians up and down Yellow Creek—from Waddams Grove to Kellogg’s Grove and back again, there were a number of dead soldiers and Indians. Other battles were fought in this war, but these places are relevant to this article. For whatever military reasons, Lincoln having been elected “Captain” of a group of rather rowdy drinkers who called themselves soldiers and who apparently had enlisted for 90 days—probably because of a lack of other employment—was/were sent to help “fight” the Indians. In later years, Lincoln recalled that they bravely fought the elements and lost much blood-- to the mosquitoes. They also struggled mightily with wild-- onions, but never saw any wild or even any live Indians. His real task was to bury the dead soldiers—numbering somewhere between 8-18, depending on the source and date in which the article was written as there is little agreement among the articles as to exact numbers. The Indians were buried where they fell.

The locals all tell of farmers bringing in more bones of soldiers and Indians when the Kent Monument was constructed near Kellogg’s Grove in 1885. Kellogg’s Grove, which had consisted of a few cabins, was on a trail from Peoria to Galena about 100 miles from the south to the northwest. It is in a direct line of sight of Waddams-- 7 miles straight north and can be seen quite clearly. This line of sight today is measurably helped by giant electricity generating wind mills that are now located in the backyard of WG. The wind swirling around the hills creates just the right situation for the wind mills. Thus, the monument is located on a hill overlooking a beautiful valley which is straight south of Wadham’s grove of trees.



Whether Abraham Lincoln was ever in William Wadham’s cabin or on his land is up for speculation, but it was easily within reason that Lincoln and his “soldiers” needed shelter after the Indians had shot up Kellogg’s Grove of trees and houses. Wadham’s land/cabin became the next immediately available shelter. The Indians had left the area entirely by 1836. White settlers then moved into the area to farm.

Abraham Lincoln returned to the area in August 1858 after practicing law in the Springfield, Illinois area, 183 miles to the south. His reason to return to the area was much different than 25 years before. He was now running for the U.S. Senate seat from Illinois against Stephen A. Douglas. Their debate, number 2 of 7, was held in downtown Freeport. The nearby banking center of the town has later relevance to this article. This debate was important in that Lincoln phrased a question about slavery to Douglas which trapped Douglas into a political position which severely limited his popular support in the 1860 presidential election. Lincoln lost the 1858 Senate race, but more importantly for the nation, later won the Presidency.

Much had transpired in those intervening years. Stephenson County –named after Benjamin Stephenson, a politician from the area, had split off from Jo Davies County. Thus WG moved from one county to the next by not moving at all. Twenty years later the residents moved the entire town, but stayed in the same county--Stephenson. Jo Davies County had been formed much earlier because of the population surrounding Galena’s lead mines and shipping. Galena, the Jo Davies County seat, is a hop, skip and a jump down the road from WG on the Stagecoach Trail of today—a very curvy, very scenic, blacktopped stage coach trail.

It appears that (Hiram) Ulysses S. Grant was in WG multiple times starting in the summer of 1860 and extending into the spring of 1861. He was working for his brother, Orvil, at the insistence of their father, Jesse. Orvil ran a tannery and retail/wholesale leather business in Galena and the surrounding counties in the three states of

Iowa, Illinois and Wisconsin. Jesse, had insisted that Ulysses work there as he had had little or no success in any business that he had tried since leaving the military in the 1850's. There is no way of knowing how many times

Grant was in WG, but given the proximity of WG to Galena, it is reasonable to assume that he was there at least quarterly, maybe monthly, depending upon the needs of the stores in WG and other merchants in northwestern Illinois. Grant went south from the Galena area in 1861 directly for the civil war and subsequent Presidency.

The Illinois Central Railroad (IC) laid track through the area in 1853-54. Thus, Grant could have easily been in WG in a matter of minutes—very much different that only a few decades earlier where the stagecoaches ran with real horses, not iron horses. The lead mines had created much prosperity for the entire area for decades. Perhaps it was this lingering historical prosperity that was the ultimate hope of the founders of the bank in WG 60 years later.

Theoretically, one can ride the IC all the way from “downtown” Waddams Grove to the Memphis Paper Money show. The ornate train station in Memphis is only a few miles south of the convention center.

Oh, Who Cares About Spelling Anyway: William Wadham (also spelled Wadams, Wadhams and Waddams) had built a cabin on the other side of the hill from the village that Grant visited, but when the IC went through, it had to lay the track on the Western side of the hill. So, this time the people moved, but not very far—it is less than 1 mile around the side of the hill. Moving the town to the railroad was a common occurrence in that era. In fact, I own 2 real photo postcards of bank buildings being moved to a new location—1 of the banks is on a sled!

This was the time period when the spelling of Waddams Grove (a unique name in the United States) became slightly confusing and more than a little inconsistent. The first name of the village/area/grove of trees was Wadham, obviously named after William. That name lasted from 1832-1872. Then, the IC changed the name to Sada; the name of the daughter of the railroad agent—Mr. Ozborn. This name lasted only for 4 years when the name went to Waddams Grove for the post office, but went back to Wadham for the railroad. This would seem to have been no major problem, except the locals were not consistent. I have a photocopy of a 1911 real photo postcard in which the owner of the general store (William M. Rote) identifies his address in the text as Wadham while it is postmarked Waddams Grove. Rote's general store was located one door away from the --soon to be built --bank building. In another real photo postcard --this shot of the depot was located 15 feet north from Rote's store, the spelling on the side of that depot is Wadham. None of the locals can explain these variations and don't seem to care a whole lot. Moreover, the depot changed names on the signage back and forth at least twice, but sometime after WW2, when the old depot was torn down, the name Wadham disappeared.

In addition to the above confusion, WG is located in West Point Township and not Waddams Township which is in the adjoining township. The village is located at the base of a hill called West Point which is the second highest point in the state of Illinois @1168 feet. The highest point—by 69 feet—is located at Charles Mound about 20 miles west of WG.

Clarence Stouffer, the eventual bank president, must have decided, only 7 years later, that the above name issues had been settled as his legal paperwork for the bank only uses Waddams Grove. There is no use of an apostrophe or other spelling. However, there is confusion connected with the spelling of his last name in a variety of publications. His family name is Stouffer, not Stauffer nor Slauffer.

Clarence and his mother (his father had died recently) along with at least one sister, Ida, arrived in WG from Pennsylvania, in 1888ish, when he was 19 years old. Exactly how they were able to buy farm ground, produce some wealth and escape the national depression of 1893-4 is not known, but within a few years he was investing in farm ground. If he had read the 1880 Stephenson County History (quoted earlier), which is possible, he must have been brimming with enthusiasm to get to this paradise on earth.

Location, Location, Location- Part 2: There are a number of factors that any new business needs to address in finding a location for that business. Each of these factors needs to be weighed in order to determine the success or failure of that business—in this case, a national bank.

Population changes; the federal census of urban areas had been increasing and in most situations continues through today. I'm sure that Walter Duft, the soon to be head cashier, who had been living in Chicago, was clearly aware of this increase in population. However, in the rural areas, it started to decline in the oughts and teens. By 1920 all of the local rural areas were in serious decline. This rural decline continued for decades and, in many areas, continues through today. There will be further discussion of population issues later.

Availability of improved transportation; this had changed immensely around WW1. The new, cheaper automobiles made “getting to town” much easier for all people. New, bigger trucks made getting the produce to market easier and faster. This speed came at the expense of small rural towns and villages because the produce was being sold to consumers in urban centers. The majority of these people were located a long way from the farm fields, so that trucks became a major factor in transporting fresher crops from the farmers to these urban populations. Railroads had not laid anymore track in northwestern Illinois by 1910, but this was a result of them having laid track

to almost every conceivable town and village in previous years. In fact, in Iowa, in 1910, one could travel no more than 4 miles in any direction without crossing a railroad track.

Improvement of roads; given the new vehicles, there was a strong need for better roads. Cement roads went through the area in the 1920's. However, most rural areas relied on gravel or macadam—i.e. early blacktop. Given that some type of road was already there—Indian trails—most of the new roads followed the old roads. These new “hard roads” led to some major changes in marketing and advertising products.

Mechanization of agriculture--there were huge changes taking place. In reading background for this article, I came across many advertisements for new and improved tractors, plows, reapers, etc. One of the ads showed a farmer sitting behind the tractor while riding on a plow that was very close to the ground being plowed. Theoretically, the farmer was able to run the entire setup using remote controls made of long steel rods.

Economic cycles—all capitalistic systems cycle, i.e. Prosperity, Recession, Depression, and Recovery. World War I had created a changed demand for food—much of Europe had produced very little food during the war. The farmer in the United States had produced food for much of the world. This led to the euphoria of Prosperity. The lack of mechanization in agriculture before the war resulted in a large demand for farm hands. The new mechanization led to a major change in demand for farm hands—down--to help produce the product. And, in what is clearly the most underrated macroeconomic event of capitalism in the United States, there was a significant economic depression in the early 1920s. It was later greatly overshadowed by the 1930's depression. In 1921 the United States lost 23-28% of its industrial activity.

Competition—there were no banks in WG. A group of interested businessmen from Warren (a larger, small town 7 miles away that had 3 national banks and at least 1 state bank in their history) had announced in 1919 that they were going to try to form a state bank to be located in WG. However, they announced on February 5, 1920 that they were not going to start that bank. This apparently created an opening for the Stouffer group to form their national bank in WG. They started construction within 30 days.

Local business support—the locals apparently had optimism in the water supply. Before 1920, circa 1910, an automobile dealership (possibly a Cadillac/ Ford dealer) built a new building, immediately next to the to-be-built bank. Memories are hazy as to the length of time they were in business and there appears to be no record of their demise and I could not find any ads as to their time in business, but they were there in the time period immediately preceding the building of the bank. The tax assessor's office listed the construction date of the car dealer building as 1897, but considering that they listed the bank's construction date as 1915, I am confident that the 1897 date is incorrect as well. Consistent with the rampant optimism of the community, the car dealer building was laid out to be twice its current size—on a dry summer day, one can see the outline of the larger foundation in the grass in the side yard between the car dealer and the bank.

Given all of the above optimism and the background of the area; famous people wandering in and about, farms and farmers multiplying and prospering, business was very good, so how could an investor/lender make a mistake by jumping into this prosperity?

On February 24, 1920 several directors were appointed and the officers elected. The directors included two of Clarence's children, Avery and Thad, William Woodley, Joseph Schneider and Joe Scheible. The article listed Walter W. Duft as president and cashier which was surely reported in error as Stouffer emerged a few weeks later as the president with no more meetings having been identified. Apparently the writers of the 1970 Stephenson County history used the same source as this created much confusion for me in the early versions of this paper. Elmer Ferguson was elected Vice President. The investors pledged \$30,000 in capital stock.

Opening Day with Friends and Family: Clarence W. Stouffer, soon to-be the bank president of The First National Bank of Waddams Grove, Illinois, Charter #11675, had gathered enough investors around him to build and open the bank. I'm sure that friends were a major factor in choosing partners and employees. And while Duft was 24 years younger than Clarence, Duft had been raised on a farm—a mile or two from the farm on which Clarence had been raised. Duft had also married into the Stouffer family. The investors appear to be all family or locals who had done financially well in past years based on the advice of Clarence.

The building of the bank was described to me about 30 years ago, by a man who was in his 80s. He and his family did not wish for their name to be used in print, so I have identified him as old man interviewee. He had lived across the street from the new First National Bank (interestingly, he also lived across the street from a bank at the time of the interview--the Lena State Bank) and had watched with a child's curiosity as the national bank was being built that spring 1920. In an interesting story of a truly anachronistic act, he described to me how Mr. Stouffer had spun together, by hand, using a Model T Ford wheel, the single strands of wire to be used for the horse hitching post. I can imagine Stouffer getting the wheel from the neighboring car dealership whether or not they were still in business, although the old man said that the car dealer was gone by then. The old man clearly remembered the construction being done largely by Stouffer. These tasks involved mixing the mortar, laying the bricks, getting the

roofing to the roof and nailing the roof. The construction time period was under 60 days from starting construction to opening day. Our interviewee even had some small, grainy pictures of the bank which he had taken with his Brownie Camera from his home across the street.

The building measures 40 feet wide by 26 feet deep. The “sturdy” vault was 11x13 feet and was built using cement and railroad ties. The walls of the vault were 18 inches thick. It was built without a bathroom, so that one can note in later pictures that a bathroom addition was added to the north side of the building after the bank closed. Avery Stauffer, the president’s son and a director of the bank, who had a recorded lien on the contents of the bank, moved his family of 6 into the bank and used some of the extra space in the rear of the car dealership building for bedrooms for some of the kids.



Opening Day

The people standing on the front porch of the brand new bank are probably the 3 officers of the bank. Please note that no sign shows in the picture. None was ever erected or painted—apparently one just knew that this was a bank and walked in to conduct business.

There are several reasons why I think that is was opening day or very close to that day. Construction material is still scattered around the building. The street is still a dirt road that has not been improved. In one of the weekly updates of the construction of the building found in the local

newspaper--the stone having been quarried locally, the foundation laid, the windows installed, etc.-- was an announcement that the building had been purposely built several feet higher than the street as the street was to be later raised and improved. Thus, this picture was taken very soon after construction was completed.

Additionally, one of the men pictured, who I contend is Elmer Ferguson, has a coat and a hat on. Given the normal temperatures in Northern Illinois in April, that is perfectly reasonable. The old man interviewee said that he saw only two people running the bank at any one time. This would also be consistent with the role of Vice Presidents of banks, i.e. it was often a ceremonial role and that person had a job elsewhere. No one knows as to the exact working arrangements for this bank, but it would seem likely that Elmer had shown up for the picture on the day they opened.

The tall man in the picture is Walter Duft and is dressed as a cashier would be for that time period. The shorter man, at age 50 and looking quite proud, is Clarence Stouffer and is dressed in a bank president’s suit. There is some concern about the identity of these men among the surviving family members, but I am quite sure that I have them sorted out correctly.

On their first day of business, they took in \$20,000 in deposits, a very large sum for the time and location. This early success was surpassed by the end of the week in which they had received \$60,000 in deposits. The bank operated from April 12, 1920, a Monday, although the legal paperwork from Thomas Kane, the Comptroller of the Currency, states April 9, 1920. Neither of these dates is listed in Hickman or Kelly so those of you who really care about tidying up details, you will need to pick a date for their opening day. I did find a nice size advertisement offering their national bank status as much more secure than state banks. Miss Zoe Gray, age 33, previously with banking experience as a cashier in Warren banks, was hired about opening day. They stayed open on Saturday night from 7-9 p.m. and must have been quite busy those opening days.

How Small Is Small?: The federal government census counted 146 people in 1900 and 75 in 1910 for Waddams Grove. Nationwide, the census takers must have experienced some difficulty in counting people in an area with no specific boundaries. Thus, beginning with the 1920 census, the government, probably in an effort to save money and disputes over the population gains/losses, stopped listing all of the unincorporated areas by the village name that the locals used. Because WG is/was not incorporated, they are not in the 1920 census by name. The people were all counted as part of the township. Thus, we cannot know the exact number of people who lived there in 1920, but because of the census of the immediate area, we can surmise reasonably well what the population had become. The nearest incorporated village, Nora, four miles north, had lost almost exactly 1/3 of its population from 1900 through 1920 going from 313 to 213; indeed Nora had consistently lost population since its high point in 1872 of 1046. West Point Township includes Lena which was doing pretty good, but the township still lost 15 % of its population from 1900 through 1920. If WG, in the teens, lost in direct proportion to the township, WG would be 63-64. If WG lost in direct proportion to Nora, then WG would be in the 50’s. WG lost 50% in the first 10 years of the new century begging the question, did they lose in direct proportion in the teens? If so, then the 1920 population would be 37-38. The locals decided, by an informal count, that the population in the fall of 2013 was 44 depending how one would count children attending college.

The Duft family had moved in on March 23, 1920 and out again sometime after November, 1923 counting for at least 3 people. The old man interviewee said that his family's house was torn down soon after they moved to Lena later in 1920 and they counted for 5. He was pretty sure that no one else lived in the house after they moved. The car dealership opened and closed in this era, but it was not in business in a picture showing the building housing the Sadie Stouffer Hatchery in 1926 and probably closed before the bank was built. Who knows how any of these circumstances would have been treated by the census takers?

Probably no one can know the exact number, as the population in these unincorporated was self-reporting as to their address in 1920 and later. I looked in Ancestry.com for answers of the self-reporters. They were listed by the last name of the families. There seemed to be little chance that one could find the names of all the families who self-reported their addresses. Also I found that several of the family names were not spelled correctly so I gave up looking.

I have always used 65 as the highest possible number and something in the high 30's as the lowest possible population number. Thus, one can pick any number in the 37-75 range and have some reasonable credence in relation to it, although someplace in the 50-60 range is the most likely.

Reality Smashes into our Budding Bank and their Buddies: Clarence had been youthful enough to take the financial risk, do lots of physical work in building the bank and assume the role of country banker. There were, however, some serious negatives in all of this optimism and enthusiasm. He had been born only 4 years after the end of the Civil War and moved to a successful farm in the prosperous Midwest and while, I'm sure that he worked hard, he had probably never seen the effects of a national depression on the local economy. There never is unemployment or a shortage of work to be done on a farm. One may have a lack of income for a variety of reasons, but not a shortage of work, especially before the advent of labor saving technology. Additionally, while we do not know of his education but I suspect he made it through 8th grade although this level of education certainly did not provide him with the knowledge of macroeconomics. For that matter, few, if any economic theorists knew much about macro or micro economics in the early part of the 20th century.

In 1920, World War I was just over with lots of "doughboys" returning who needed jobs. Jobs were not easy to find and paid poorly, especially on the farms. Obviously, many unemployed people with low skills and low pay do not create large bank accounts. Additionally, these returning veterans were returning to the towns and cities, not rural areas and villages. The Freeport Journal Standard ran an article in June 1920 which speculated that Stephenson County had lost population in the census of 1920 from the federal census of 1910. Their loss estimate was between 1000-2000 residents in the rural areas while the population of the county increased by almost 1000 people to 37,743. WG was clearly in the rural category.

There was much turmoil in Europe given the need to feed their people during and after the war. Influenza had ravaged the world including my great aunt's fiancé. These issues created many changes in supply and demand issues for agriculture. As Morris Dickstein wrote in *Dancing in the Dark*, "After the expansion of agriculture acreage and subsequent output, especially in the Midwest, in order to meet the enormous demand created by the war, the agricultural economy had virtually collapsed by the first half of the 1920s." Additionally, farmers were not protected as today's farmers are, with subsidies and price protection from the federal government. Indeed, it was this depressed time period (1920's) which encouraged legislation to erect these protections of farmers.

The new hard roads created much speedier marketing of their products, but for fewer farmers who were farming more ground for each farm. These hard roads meant that into the 1960's small towns/villages stayed open on Friday and/or Saturday nights to accommodate the farmers and their families spending ag related income (often called egg money, which was earned by the families by raising chickens and eggs). However, this led to larger stores in larger towns which caused much distress for the general stores located in small towns and villages including Rote's general store next to the bank in WG. Thus, rural villages in Illinois, like WG, started to decline in the late 1800's. That decline continues through today. Rote's general store was gone before WW2 and the building was gone by the early 1950s.

In 1920 there were a handful of all types of businesses in WG, probably 6 or so. Since the village was not large enough to have a city directory, computing any number is a matter of looking for ads in the Lena Star newspaper. Today there is only one business left, Lane View Ag Supply, run by the banker's descendants, which is located in the car dealer's building. All of the rest of the buildings have been torn down, fell down or converted to residential use. One building blew up, but that is a story best left for another day. Almost all of the buildings left in WG today serve some purpose including the former bank.

Stouffer must have been very persuasive and/or optimism must have been as rampant among the citizens as it was with Stouffer, as several Lena Star articles identified his officers and board of directors and the amounts of money they raised to get the operation started. However persuasive Stouffer was, he appeared to have been mired in the past with his thinking. I suspect he could remember many good times in the farm life and small villages of the

area, as could his friend and relative Walter Duft, so that adding a bank where there was none made good sense, if one ignores all of the other issues presented here. In retrospect, it seems that the story of Clarence spinning the hitching post wire was really the story of the bank, i.e. using a car wheel from the 20th century to create an object used in the 19th century. Clarence was backing into the future using skills and knowledge that worked well in the 1800's, but led him to a disaster in the 1900's.

One more important issue that contributed to the demise of this bank was competition. I used a protractor to draw a circle around WG for 15 miles as the crow flies. I was able to count, from memory, 19 national and state banks in that circle with a handful more credit unions, savings and loans as well as some other specialized ag lenders. If one extended the protractor out to 20 miles there were another dozen or so banks that were in existence at that time. Even though the bank in WG had rather spectacular opening day's deposits, I suspect that within a relatively short time, the deposits stopped coming in and the withdrawals started to decrease their asset base, so that they had little capital to lend out to farmers. To add insult to injury, their nearest competitors which were only four miles away, The Citizen's State Bank in Lena opened a new building in April 1920 and The Lena State Bank opened a new bank building September 23, 1923. However, not all of the competition was doing so well, as the First National Bank of Warren, seven miles to the northwest, filed for voluntary liquidation in 1926.

Thus, our cute, very small, country bank was destined to be crushed by a combination of factors; a very serious national, regional and local depression which affected mainly agriculture; over optimism of the extent of local business to be had as depositors; too much nearby competition; wishful, probably nostalgic thinking that had been severely transcended by rapidly advancing technology and a lack of experience, as none of the officers had ever run a bank before.

I did find an article about their closing date which identified that in the last year of operation they had received almost no new deposits which left them with little business to conduct. Considering that they were only open for 43 months in total, this means that deposits must have truncated rather quickly after opening week. The opening day euphoria must have vanished like smoke from a campfire on a windy day.

In the October 11, 1923 Lena Star came the death announcement, The First National Bank of Waddams Grove sells out to The First National Bank of Freeport. Apparently, they were able to separate some of the assets as the Citizens State Bank of Lena took over their "accounts." My guess is that the loans went to Freeport and the checking and savings accounts went to Lena. This was all to be effective as of October 9, 1923.

Women and Children to the Rescue: As often described by the descendants of the Stouffer family, Clarence and his investors" lost everything" in the closing of the bank. He had also speculated on land values which collapsed in the agricultural depression of the 1920's. This agricultural depression is to be clearly delineated from the national depression of the 1930's. Son Avery lost his investments in the bank business in the 1920s along with his father. Avery lost his own investments in the bank building and farming in the 1930s depression. Avery's grandson, Ron, ended up back in the bank building again by the 1960's. Clarence's great-great grandson, Shad even told of playing in the vault as a child, because it was virtually indestructible.

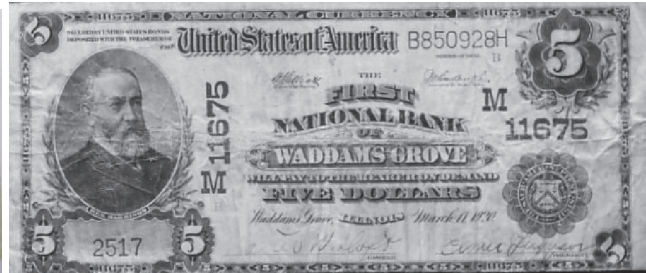
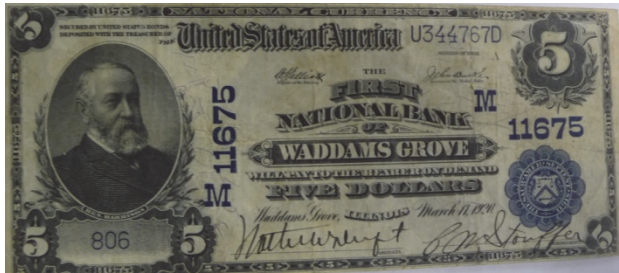
However, depression or no depression, the families had to eat and survive somehow. Thus, the women and children raised chickens and provided eggs for the local market. It was the hatchery business, however, that saved them all. The auto dealership building became the Sadie Stouffer (Avery's wife, Clarence's daughter-in-law) Hatchery by 1926. They later acquired the local post office, located it in the corner of the car dealer building and mailed out in three foot square boxes baby chicks by the thousands all across the U.S.

In reviewing Grantee and Grantor covenants for the 1920s in Stephenson County I found several recordings involving the extended Stouffer family who were all in the hatchery business e.g. one of Clarence's sons, Thad and his family, ran a hatchery outside of Lena as early as 1920. All but one of these listed financial promises was related to the chicken business. The sole recorded promise outside of the chicken business was for Avery Stouffer laying claim to the contents of the bank, he apparently had loaned money to his father Clarence, so that Clarence would have enough cash to buy the furnishings for the new bank. I suspect that Clarence paid little, if anything, to Avery upon the closing of the bank, besides Avery acquiring the bank building for housing.

Picking Up the Pieces; Duft went back to Chicago and Stouffer went with him. They may have both bought boarding/ rooming houses. Clarence spent the rest of his life, 23 years running his boarding house and making some deals with others, possibly including Duft, because at some point in the near future, Duft went to Florida with a law degree. Given that he was 26 years old when the bank opened, it is any one's guess as to when he earned the degree as it would seem odd that he would choose to be a bank teller with a law degree. He probably participated in the Florida land boom of the late 20s. One of Duft's children, William, lived out his life working for and living in Lena and his widow is still there. Ferguson's activities are less well known, as the only known relative did not respond to my requests for information, but Ferguson stayed and worked in the immediate area. Ms. Gray became Mrs. Riskel and stayed in the Warren area the rest of her life.

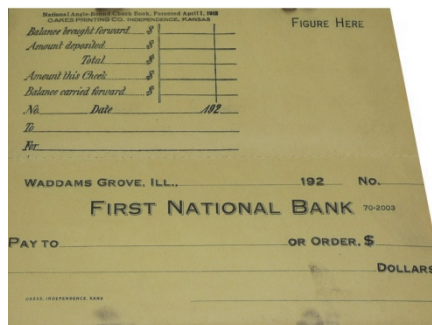
What is Left Today: Russ Hartman, a bored Freeport coin collector decided in the late 1960's, to collect all of the national bank notes located in the county seats in Illinois. There are 102 counties in Illinois, but there were a few of those towns which did not have an issuing bank, so that the collection could be 100 notes. However, this style of collecting did not provide notes fast enough for him, so he decided to collect local issuances as well. He was able to chase down at least one or maybe two of the WG notes that were held by the surviving families, which were not for sale. These are not listed in the national note census. In addition to the family held notes, there are probably 6 other surviving notes. Locals speculate that a few more exist, but probably not.

A year or two later, John Hickman did sell a WG note to Hartman for \$45. Hickman had offered the note to Lee Stickle, but neither of them knew where WG was located so no transaction took place. I told John that I would like to own a WG note also. John said, "No, problem, you can have the next one I own." Thus, I came to own several unique notes (Freeport, Illinois \$2 & a Little York, Illinois \$5) but John never did find me another WG note.

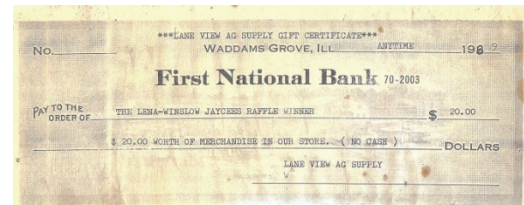


All of the notes issued are \$5 plain back 3rd Charter, numbers 1 through 2704. The 2 notes pictured above (courtesy of 2 Illinois collectors) have the president signing one of them and the vice president signing the other note. While this is no big deal for many larger busier banks, it does seem to be a stretch to believe that such a tiny bank president would ever be so busy that he could not find time to sign them himself. My guess is that the two officers shared the prestige in signing the notes.

A few checks of different types exist on the bank. The cutest "check" features a bank issued check as a basis for an advertising piece which was used in the 1980s by the surviving ag business—Lane View Ag Supply. The other picture of checks is an original pad as issued to customers.



A few cancelled checks do exist. I own 2 of them. They are of the same type in the above picture.



First National

Bank of Waddams Grove in 2013--this is a picture of Ron Stouffer (on the reader's right)—the great grandson of the banker Clarence and the author standing in front of the bank building taken on the exact day of the 90th anniversary of the

closing of the bank. The building looks a little rough and appears to be leaning, but is functional as an apartment.

Clarence Winslow Stouffer, President from August 27, 1869 to September 3, 1947 died in Chicago. However, he is buried in Lena, Illinois Burial Park, section 7, lot 17.



(Charles) Elmer Ferguson, Vice-president

from 1881 to November 1, 1960 died in West Point township, probably at home and is buried in the Lena, Illinois Burial Park, section 9, lot 18. His father's name was Charles, so that the VP became Elmer so as to distinguish between the 2 men.

Walter William Duft was head Cashier until June 12, 1950. He died in Fort Lauderdale, Florida and is buried there.

Miss Zoe Gray, cashier, died in Warren, Illinois on August 24, 1962. She was 75-ish and is buried in the Elmwood Cemetery Warren, Illinois under her married name of Riskel.



Waddams Grove, Illinois lives on in obscurity: So there you have the story of what appears to be the smallest town/village in the U.S. to house a national bank that issued notes. Over the years, I have found a few national banks located in small villages which may have challenged this small population—no one had done the research, but none of these banks had issued notes. Perhaps there is a smaller town than Waddams Grove, but I have not found it. Can you?

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