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“It Pays to Shop at Penney’s”: A National Department Store on the Main Streets of Arkansas

DAVID DELBERT KRUGER

ON THE MORNING JAMES CASH PENNEY opened his first Arkansas store in 1923, the mastermind of Walmart was just five years old, and the founder of Dillard’s had yet to see his ninth birthday.¹ At the same time, the lives of Arkansas department store magnates Joseph Pfeifer, Gus Blass, and Mark Matthias Cohn were all coming to an end, while prominent national retailers such as Sears, Roebuck and Montgomery Ward were still only selling merchandise via catalog, with no conventional department store presence.² The very idea of a national department store chain operating in Arkansas, much less a store that sold quality merchandise at everyday low prices, was still a novelty. Yet Penney’s first Arkansas location, on Garrison Avenue in downtown Fort Smith, would be a harbinger of many more to come.³ Between 1923 and 1941, James Cash Penney would bring his department store to the downtowns of nearly twenty Arkansas cities, where the company’s small-town customer service and “golden rule” values al-


³The Fort Smith J. C. Penney opened at 1104 Garrison but soon moved to 624 Garrison, where it would remain until moving to the Central Mall in 1972.

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lowed Penney’s to thrive despite a tide of regional anti-chain store sentiment. Not only did J. C. Penney stores serve customers on Arkansas’s main streets for the better part of fifty years, they also paved the way for future retail empires that would eventually spread across the state and, in some cases, the nation. Penney’s innovations in bringing his shoppers quality merchandise at low prices through volume purchasing, as well as standardizing best practices for merchandising, advertising, and customer service, continue to foster successful retail chains, which today operate well beyond the central business districts initially favored by Penney’s. The fate of Penney’s downtown stores reflects, in turn, the shifting geography of commerce in modern America.

Historian Bethany Moreton has explored how socioeconomic and cultural factors in postwar Arkansas enabled Sam Walton to drastically
J. C. PENNEY’S

change consumer culture and chain store retailing, particularly after he began expanding his retail empire out of Bentonville in the late 1950s.\(^4\) It is important to note, however, that J. C. Penney was operating his Arkansas stores on similar principles for more than twenty years before Walton opened his first Ben Franklin franchise in 1945—adjacently, incidentally, to a J. C. Penney store in Newport, Arkansas. Indeed, two decades before Walton unveiled the first Wal-Mart, he and his brother Bud were working at Penney’s department stores, learning the retailing trade as young management trainees. Moreton pays particular attention to the role of Christianity in the corporate and consumer culture of Wal-mart, and Walton may also have been influenced by the way James Cash Penney had ingrained his Christian ideals into his retail chain’s operations.

When its first Arkansas store opened in 1923, Penney’s chain was barely two decades removed from its humble origins as a tiny Wyoming mercantile operating under the Golden Rule nameplate. Penney’s abbreviated name had only been officially used on his stores for about nine years, and the impending opening of the first J. C. Penney store in Arkansas generated no press in the local Fort Smith \textit{Southwest American}. Not surprisingly, attention was instead focused on the sudden death of President Warren G. Harding. Still, the J. C. Penney Company took out an ad in the newspaper, introducing itself to its future customers. Unlike Sears, Roebuck and Montgomery Ward, Penney’s chain had no catalog operations prior to 1963, and its trade was entirely dependent on people willing to come into its stores and make cash purchases. One week before the store opened, the company offered to mail any interested Fort Smith shopper a brochure called “Pictorial Particulars,” giving an overview of Penney’s merchandise and philosophy of customer service.\(^5\) These promotional efforts helped generate a sizable, friendly crowd at its August 4, 1923, grand opening, prompting store manager John O’Connell to take out an ad in the \textit{Southwest American} the next morning:

\begin{quote}
Thanks—
For your patronage and words of welcome and encouragement.
We were indeed pleased with the manner in which the people of Fort Smith welcomed us, when our store was opened yesterday. The first day’s business and the words of praise from local
\end{quote}


\(^5\)\textit{Southwest American} (Fort Smith), July 29, 1923, p. 9A.
Though unable to attend the grand opening, James Cash Penney was eager to begin a long-term relationship with Arkansas customers.

Elegant window displays on both the first and second floors showcase Easter dresses to drivers and pedestrians along Garrison Avenue in Fort Smith in 1929. Penney’s store remained on Garrison Avenue for over forty years, before finally moving to the Central Mall in 1972. Courtesy DeGolyer Library, Southern Methodist University.

people was very encouraging and we know that Penney’s store in Fort Smith will be as popular as the other 474 department stores operated by J. C. Penney Co., throughout the United States. We shall endeavor to prove ourself worthy of your patronage and friendship and want you to know that you are always welcome at our store—we want to get better acquainted with you.6

6Ibid., August 5, 1923, p. 5A.
J. C. PENNEY’S

Penney’s early life stood in sharp contrast to the opulent success of the main street department stores that made him a household name. Born in Hamilton, in northwest Missouri, on September 16, 1875, Penney had spent his formative years in poverty on his father’s small farm. On Penney’s eighth birthday, the financial situation of his family had gotten so grim that his father informed young “Jimmy” that he would have to pay for his own clothing from that day forward. Given the limited income he could earn from raising and selling livestock and watermelons, Penney quickly became a student of value, trying to find the best-quality clothing at the lowest prices. As a teenager, he took an additional job at the department store in Hamilton, J. M. Hale Dry Goods, which formally exposed him to merchandising. That experience, along with the untimely death of his father and his own tuberculosis, eventually brought Penney to the dryer climates of Colorado and, ultimately, Wyoming, a retail frontier.

By 1900, Penney was working in Evanston, Wyoming, as a sales clerk at the local Golden Rule mercantile, one of several stores owned by William “Guy” Johnson and Thomas Callahan, two older businessmen who became his mentors. Callahan was arguably a pioneer of both the modern American chain store and discount retailing. The Golden Rule chain was actually a merchandising syndicate of affiliated store partnerships, with each store having at least two partners. By purchasing merchandise on behalf of multiple Golden Rule locations, Callahan could buy inventories at volume discounts and pass those savings on to customers at each small-town store. Callahan taught Penney that by having low prices, quality merchandise, and good customer service, stores could turn over merchandise inventories as rapidly as possible, generating higher profits than independent merchants who did not employ those methods. By 1902, Johnson and Callahan had partnered with Penney to open his first store, a Golden Rule mercantile in Kemmerer, Wyoming. Within two years, Penney was overseeing two additional stores and, a decade later, more than thirty across Colorado, Utah, Idaho, Nevada, Montana, Washington, and Oregon. By 1914, Penney had formally incorporated his chain as the J. C. Penney Company, officially dropping the Golden Rule name and moving his head-
quarters from Utah to New York City.\textsuperscript{10} By 1917, he had 175 stores in 22 states.\textsuperscript{11} Six years later, he was ready to establish his first store in Arkansas.

While national department store chains were new to Arkansas in the 1920s, the department store concept was not. Joseph Pfeifer and Gus Blass had opened their stores in downtown Little Rock soon after the Civil War, while M. M. Cohn moved his store from Hot Springs to Little Rock when Penney was only five. These majestic department stores prominently carried their family names for most of the twentieth century.\textsuperscript{12}

In contrast to these large, family-owned department stores, though, the J. C. Penney chain had a variety of characteristics that allowed it to grow rapidly. The opportunities for personal and professional growth that Penney offered attracted ambitious recruits. Every executive and manager in the chain, from James Cash Penney to Penney’s new manager in Fort Smith, had come up through the ranks of a J. C. Penney store.\textsuperscript{13} Penney pioneered the practice Sam Walton later made famous at Walmart, addressing all company workers as “associates.” Penney, however, did not use this term as a glorified synonym for “employee,” but instead as a deliberate expression of shared respect, responsibility, and opportunity within his growing chain. Any man who came to work for J. C. Penney, if he proved himself, should have the opportunity to not only manage his own store and share its profits, but possibly move

\begin{itemize}
\item[\textsuperscript{10}] Penney bought out Johnson and Callahan’s interests on a personal note so that he could offer partnerships to his own associates. In the 1920s, Penney would buy out all of the remaining Golden Rule stores in each man’s chain, converting them to J. C. Penney locations. Penney’s relationship with the Golden Rule chain somewhat mirrored Sam Walton’s relationship with Butler Brothers and Ben Franklin stores. Golden Rule stores under other proprietors continued to exist even after Penney had broken away, just as Ben Franklin stores continued long after Walton had phased out of them in favor of his Wal-Mart locations. On Walton’s relationship to Butler Brothers and Ben Franklin, see Nelson Lichtenstein, \textit{The Retail Revolution: How Wal-Mart Created a Brave New World of Business} (New York: Metropolitan Books, 2009), esp. 21-26.
\item[\textsuperscript{11}] J. C. Penney store location chart, \textit{Dynamo} (J. C. Penney Company corporate magazine), June 1917, p. 20.
\item[\textsuperscript{12}] Cohn had begun operations in Arkadelphia; “Mark M. Cohn, who Founded M. M. Cohn Company, Is Dead,” 1; “Illness Is Fatal to Mark M. Cohn,” 1, 8. Gus Blass’s flagship store was located on the northwest corner of Fourth and Main in a seven-story building, eventually featuring an appliance, sporting goods, and toy store in a separate building across the street. Joseph Pfeifer’s flagship store was located in a three-story building on the northwest corner of Sixth and Main, eventually featuring a Pfeifer’s Home Store on the southeast corner of the same intersection and a branch store in downtown Hot Springs. M. M. Cohn’s flagship location at 510 Main, which still bears its storefront signage as of this writing, was opened in 1940. “Memories of Pfeifers,” 3F.
\item[\textsuperscript{13}] J. C. Penney’s policy of promotion from within would continue until 2000, when Allen Questrom was brought in from outside of the company to turn around its struggling performance.
\end{itemize}
up to leadership of the company.\(^{14}\) By 1917, even before his chain had arrived in Arkansas, Penney had already turned over the company presidency and control of daily operations to Earl Sams, a Kansas protégé he had hired as a sales clerk in 1907, who significantly assisted Penney in leading the company and shaping its stores.\(^ {15}\)

In serving the J. C. Penney customer, the firm was determined to sell only quality merchandise, including “house brands” like Town-craft, Nationwide, Marathon, and Big Mac, at the lowest possible price. All merchandise considered by the company was vigorously tested in company labs before it ever was allowed on the sales floor.\(^ {16}\) In addition to providing high-quality merchandise, Penney had learned from his mentor Thomas Callahan that volume buying allowed volume discounting, and the larger his chain became, the greater the savings he could pass on to customers. Penney believed selling on a cash-only basis was another way to keep prices low, since his customers would never have to “pick up the tab” for bad credit sales, and since fewer clerical staff would be required for bookkeeping. Penney loathed debt.\(^ {17}\) He had witnessed firsthand the harm that credit sales had inflicted on Wyoming miners and their families in the “company stores” owned by their employers.\(^ {18}\)

Prior to Penney’s arrival, Arkansas shoppers had been conditioned primarily to shop “sales” at competing retail businesses. So Penney used local advertisements, such as this one for his Morrilton store, to explain his “no sales” pricing system and how it ultimately benefitted them:

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\(^{14}\)Women did not become J. C. Penney store managers until 1970. The decision to open management opportunities to women was supported by Penney’s two daughters, who shared their father’s ambition and individualism but were much more liberal politically. His younger daughter, Carol (1930-2002), a Stanford graduate, became a civil rights activist during the 1960s and strongly advocated expanding opportunities for women in the company.


\(^{16}\)During the chain’s first years of existence, Penney had personally tested materials and merchandise himself, but the company had, over time, developed its own elaborate testing laboratory in New York City. \textit{Camden News}, November 15, 1939, p. 8. All J. C. Penney “house brands” sold for lower prices since they incurred no advertising costs.

\(^{17}\)Even his Fort Smith store was opened using cash profits from Penney’s location in Laramie, Wyoming, rather than financed through a bank or venture capitalist.

The downtown Blytheville store, opened in 1925, was a standard design for J. C. Penney locations of that era, with yellow and black mosaic tile around its apron and a glass block front for economical lighting. Inside, the store featured an office balcony above the front and a merchandise mezzanine at the back. Courtesy DeGolyer Library, Southern Methodist University.

J. C. PENNEY CO.
WHY WE DO NOT HOLD SALES
We can see no logical reason to hold so-called Sales, when the merchandise is priced right in the first place. Can you? We believe that any article only worth one dollar today could not possibly be worth a dollar and a half tomorrow. Do you? It has been said that there are tricks in every trade, even the dry goods business. So often we notice statements like this: Worth $20.00, now $15.00. Ridiculous, isn’t it? Now if you were selling any article really worth $20.00 can you see yourself selling that article for less? Of course you would not, and neither would we or any other merchant. Rather than hold sales we place our tremendous buying power . . . into the markets of the world to obtain the best possible quality at...
the lowest prices obtainable. These prices we pass on to you not just now and then but every day in the week.\textsuperscript{19}

In the latter half of the century, former J. C. Penney associate Sam Walton and his protégé Jack Shewmaker (1938-2010) would make “everyday low prices” a merchandising norm at Walmart.\textsuperscript{20}

Even as it grew into a major national retailer, the J. C. Penney Company continued to be guided by Penney’s moral code, commonly known as the “Penney Idea,” a mission statement of “golden rule” objectives that ended with the final exhortation, “To apply this test to everything we do: ‘Does it square with what is right and just?’”\textsuperscript{21} The Penney Idea did not merely pay lip service to Christian morality. Penney sincerely believed that his stores could improve local communities and the lives of his customers, and he was strongly opposed to increasing store profits and sales if those increases came at the expense of these principles. In 1924, Earl Sams personally advised a store manager in Utah: “I don’t want you to get the idea . . . that we want to make too much profit. There is danger in doing that very thing. There is a certain service that we owe to our community and it is one of the fundamental services that we want to give, which is merchandise at a fair profit.”\textsuperscript{22}

Two years after opening its Fort Smith store, J. C. Penney opened four additional Arkansas locations, in downtown Blytheville, Texarkana, Pine Bluff, and Hope.\textsuperscript{23} The opening of the Pine Bluff store at 116 Main became front-page news for the \textit{Pine Bluff Commercial}, with Penney’s including a two-page ad that promoted autumn dresses at $9.90 and Pay Day overalls at $1.39 a pair.\textsuperscript{24} The store received such a positive reception from businesses and the general public that its manager, R. M. Roe, took out an advertisement thanking the people of Pine Bluff the following day.\textsuperscript{25} The opening of the J. C. Penney in Hope was also front-page news for the local newspaper, which applauded its “metropolitan” appearance and arrangement, and noted how the multitude of people visit-

\textsuperscript{19}Morrilton Democrat, October 22, 1929, p. 3.
\textsuperscript{20}Lichtenstein, \textit{Retail Revolution}, esp. 189.
\textsuperscript{22}E. C. Sams to A. W. Hughes, February 22, 1924, box 9, A2004.0007, J. C. Penney Company Records, DeGolyer Library, Southern Methodist University, Dallas, TX [hereinafter cited as JCPCR].
\textsuperscript{23}Pine Bluff Commercial, September 4, 1925, p. 1. The Texarkana store was originally on the Arkansas side of that city but between 1925 and 1978 alternated between four locations on either side of the state line.
\textsuperscript{24}Ibid., 2-3.
\textsuperscript{25}Ibid., September 5, 1925, p. 7.
ing the store made it almost impossible for sales clerks to wait on customers.26

Though embracing smaller communities like Hope and Blytheville, neither Penney nor his company coveted a presence in larger cities like Little Rock. J. C. Penney stores had expanded predominantly through smaller cities and towns, a pattern famously repeated by Walmart years later, and the Penney company remained committed to its “small-town” strategy throughout the 1920s.27 As Penney later reflected: “For me, innately, cities were places to keep away from. Small towns were where I was at home. I knew how to get close to the lives of small town people, learning their needs and preferences and serving them accordingly.”28

Accordingly, J. C. Penney, despite becoming a national chain run out of New York City, gave each of its store managers considerable latitude in selecting merchandise from company product lines, allowing them to customize their store’s inventory specifically to local tastes and needs. Pragmatically, smaller towns meant smaller stores with lower overhead expenses, but the preference was also a component of the company’s philosophy of community service. As Earl Sams explained:

Every store in the entire J. C. Penney Co. organization is a local store in its service to the community in which it is located. It is a fixed policy of the company that the local managers shall contribute in every way to the development and growth of the cities in which they are doing business. Many store managers own their own home. Practically every manager is a member of one or more local organizations and contributes to local enterprises. Insofar as it is possible, we turn all construction work over to local contractors. The managers are the buyers for their stores and buy in accordance with local requirements.29

In 1926, the company opened another Arkansas store, on Cherry Street in downtown Helena, again making front-page news in the local paper, which praised the “very modern and well-designed front.”30

27 See Glen G. White, “Picking Sites for Penney Stores,” *Chain Store Age* 1 (July 1925): 5.
29 *Northwest Tribune* (Stevensville, MT), April 4, 1929, p. 3.
Over the next two years, the company opened an additional store in Conway, followed by Jonesboro in 1928.31

The positive public reception to new J. C. Penney stores consistently reported in local papers suggests the anti-chain store sentiment that Bethany Moreton finds so important in shaping Walmart corporate culture was already eroding by the late 1920s.32 The fact that Penney never had to shut down an Arkansas location during his lifetime is a testament to the success of his stores throughout the state. Ironically, Penney and his company president Earl Sams had both begun their retail careers as young independent merchants in small communities, running the sorts of businesses the anti-chain store movement wished to defend. However, Penney and Sams saw chain store retailing as their best means to serve the public, ultimately improving the quality of life for their customers (anticipating Walmart’s “Save Money, Live Better” theme). Sams answered criticism from the anti-chain store movement at a company convention in Tulsa: “Chain store organizations constitute a new method for bringing down the cost of the necessities of life. They are as great an improvement upon the older type of retailing. . . . as the motor car is an improvement over the one-horse buggy.”33

By the beginning of 1929, over one thousand J. C. Penney stores were operating in all forty-eight states. The company was planning on opening 500 additional stores nationwide, a feat that no other department store chain had ever attempted.34 As part of this expansion, the company planned to double its number of locations in Arkansas, strategically targeting regions it had yet to serve. Penney still avoided setting up a store in Little Rock, choosing downtown North Little Rock as his location for central Arkansas, with a building at 304 Main.35 The Siloam Springs J. C. Penney marked the company’s first location in northwest Arkansas, while a new store in Searcy served the north-central portion of the state. According to the White County Citizen, the Searcy store was eagerly welcomed by shoppers from town and country:

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31Log Cabin Democrat (Conway), September 15, 1927, p. 1.
33Earl Corder Sams, “Yesterday, To-day, and To-Morrow,” address delivered at the Dallas and Tulsa sessions of the J. C. Penney Company Spring Convention, 1929, pp. 17-18, box 12, file 4, JCPCR.
34J. C. Penney store location chart, Dynamo, December 1928, p. 32. J. C. Penney actually opened 395 new stores nationwide by the end of 1929; the remainder opened in 1930.
35Arkansas Democrat, March 19, 1929, p. 6.
At 9 o’clock this Thursday morning, the J. C. Penney store threw open its doors to the citizens of Searcy and surrounding communities with a cordial greeting to come visit, look or buy. A large crowd was present at the opening hour and throughout the day a good day’s business continued. . . . This proved not merely an opening day but a day of real business as the wonderful values and reasonable prices were most attractive.36

In southwest Arkansas, the success of the J. C. Penney store in Hope made Arkadelphia and Malvern seem like viable locations, while a new store in Morrilton bridged the gap between locations in Fort Smith and Conway.37

Amid the excitement of expansion, James Cash Penney and his board of directors decided to take the company public in late October 1929, securing a listing on the New York Stock Exchange. The timing could not have been worse: the stock market crashed six days later. J. C. Penney

36White County Citizen (Searcy), November 20, 1929, p. 1.
37Morrilton Democrat, March 29, 1929, p. 1. Russellville would not have its own J. C. Penney store until 1976, first opening at City Mall on D Street before moving to its current location at Valley Park Center in 1992.
sales nationwide dropped by nearly $36 million over the next two years. Executives and store managers weathered their financial crises, but Penney had placed his own shares of J. C. Penney stock as collateral for philanthropic projects and kept his savings in a Florida bank he had overseen. By 1931, the bank had failed and Penney had lost his entire fortune of roughly $40 million, in addition to facing a million-dollar lawsuit from depositors who held him personally responsible for the bank’s collapse. As the year progressed, Penney sank into a deep personal depression, even contemplating suicide. But having checked into the Kellogg Sanitarium in Battle Creek, Michigan, Penney had a religious experience he would never forget:

I had a feeling of being lifted, out of an immensity of dark space into a spaciousness of warm and brilliant sunlight...God had answered me when I cried out, “Lord, I can do nothing. Will you take care of me?” This was His answer. A weight lifted from my spirit. I came out of that room a different man, renewed. I had gone in bowed with a paralysis of spirit, utterly adrift. I came forth with a soaring sense of release, from a bondage of gathering death to a pulse of hopeful living. I had glimpsed God.

Penney spent the rest of his life delivering Christian sermons and writing extensively about his faith. This made for an interesting contrast with Sam Walton. Though both men’s companies could be identified with “Christian free enterprise,” Walton never approached the spiritual zeal Penney exhibited after falling from immense financial heights, an experience the Walmart founder never had to face.

When J. C. Penney associates learned of their founder’s financial devastation, many of them donated portions of their own salaries and stock shares to help him get back on his feet. In the midst of the Depression, Penney’s company was still able to follow through with plans

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38Curry, Creating an American Institution, 266.
39Mary Frances Wagley, interview by author, August 18, 2010, Cockeysville, Maryland.
40Penney, Fifty Years with the Golden Rule, 159.
41Wall Street Journal reporter Bob Ortega points out that, despite Walton having once led Bible studies in college, his 1992 autobiography makes no mention of God. By contrast, the majority of Penney’s writings, including books Penney wrote ostensibly about the J. C. Penney Company and its stores, explicitly and repeatedly address his faith in Jesus Christ. Bob Ortega, In Sam We Trust: The Untold Story of Sam Walton and Wal-Mart, the World’s Most Powerful Retailer (New York: Times Business, 2000), xxiv; Orlando Tibbetts, The Spiritual Journey of J. C. Penney (Danbury, CT: Rutledge, 1999).
to open a store in downtown Fayetteville, on the town square at the corner of East and Center. On its grand opening in November 1931, the *Fayetteville Democrat* reported that the store was pleasantly crowded from open to close. Fayetteville customers bought everything from Nationwide bed sheets at 83 cents to Pay Day overalls at 98 cents. The company’s Marathon fedora hats were available at $3.98, while women’s cotton and satin dresses sold for 79 cents and $4.98, respectively. Manager W. D. Morning and district manager W. F. Cole were pleased with the reception. “I have never seen more friendly people than you have here in Fayetteville,” Cole commented to the *Fayetteville Democrat*, “and I have participated in many store openings for the Penney Company.”

The same year as the Fayetteville store opened, J. C. Penney established its first “big city” location, a six-floor metropolitan store in downtown Seattle, Washington. The success of this store gave the company confidence to open a store in downtown Little Rock the following year, at 505 Main. Earl Sams informed the *Arkansas Democrat* of J. C. Penney’s strategy for operating the store, which was consistent with company practice generally:

The Little Rock store will be under the complete local direction and control of Mr. Williams [the store manager]. He will buy merchandise to fit the specific needs of the city, employ his sales force locally, and plan and direct his own advertising and sales promotion programs. Back of him, however, stands the tremendous resources of the J. C. Penney Company and its gigantic buying power, which is second to none in the United States today. This combination of actual local management and direction, together with nation-wide financial and buying resources, places the Penney company in an exceptionally strong position in today’s competitive market.

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43 The Fayetteville store would soon move to a larger, longstanding location on the corner of Block and Mountain. The current J. C. Penney in Northwest Arkansas Mall is actually the fourth location for Fayetteville, the last two being within the mall.
47 *Arkansas Democrat*, September 7, 1932, p. 16.
The new Little Rock store employed about 140 associates, with more than 130 of them coming from within the city or state. The day before the grand opening, the *Arkansas Democrat* provided the following teaser:

With an elaborate and colorful display of merchandise gathered from the markets of the world, the newest addition to Little Rock’s group of department stores is complete in every detail, occupying all of the four floors and basement of the large and modern fire-proof building.48

The *Arkansas Democrat* reported that the grand opening drew “one of the largest crowds ever attending the formal opening of a store here.”49

James Cash Penney dropped in on the store six months later, alone and unannounced. Unfortunately, the store was already on its second manager, H. C. Stephens, and Penney recorded his displeasure with just about everything he saw:

Between trains I stopped at this store, and was much disappointed in its appearance. It is as flat and as lacking in customer appeal as any store I have seen. I have my doubts as to Stephens being big enough for the job. The stock is heavy and consequently unbalanced. The piece goods display on the second floor is the worst I have seen. The man in charge of that department simply is not the man for the place. The basement is doing the best job of any department that is a mess in itself, though I do think the new man in charge is perhaps the best man in the store. Stephens was not looking for me. I found him in his office on the fourth floor (Saturday afternoon) “getting out an ad.” His personnel is very poor. They are convinced that people will not buy unless goods are “on sale,” which means that they have failed to sell the Penney Company. This store needs help badly.50

It clearly took some time for Penney’s concept of “everyday low prices” to catch on in the capital city. Throughout the decade, the downtown Little Rock store would continue to be James Cash Penney’s biggest disappointment in the state. Even with the Depression easing, profits at the

48Ibid.
49Ibid., September 8, 1932, p. 6.
store actually dropped from $36,000 in 1936 to less than $10,000 in 1939, underperforming even the J. C. Penney stores in smaller Arkansas communities. After a series of failed managers, Penney selected Vernon R. Gusewelle to go to Little Rock and shut the store down within a year. When Gusewelle’s management tripled sales, Penney decided to keep his store in Little Rock, and Gusewelle committed to stay on as its manager.51

Vern Gusewelle’s tenure at the J. C. Penney in downtown Little Rock would ultimately span two buildings and four decades, a tenure similar to that of Samuel D. Tressler, who would manage the Fort Smith store from 1934 into the 1960s.52 It was not uncommon for J. C. Penney managers to have long tenures in the towns they served. Albert R. Stout opened the Siloam Springs J. C. Penney in 1929, and would oversee that location until his retirement in 1957.53 In Fayetteville, George L. Bowen would manage the J. C. Penney store for twenty-three years, guiding it through the Depression and World War II before his retirement in 1955.54 Ira Gentry opened the Helena store in 1926 and would eventually retire from the Arkadelphia store in 1954.55 G. R. Palmer would manage the Searcy store from 1939 until his retirement in 1965, taking its annual sales over that period from $73,270 to $508,900.56 Even as Penney’s chain topped 1600 stores nationwide, the company founder still made a concerted effort to know and remember each manager during store visits and company conventions.

By 1934, J. C. Penney sales nationwide had finally begun to exceed their 1929 levels. Every J. C. Penney store in Arkansas had survived the worst of the Depression; in fact, sales were so good at stores in Siloam Springs and Texarkana that the company relocated them to larger, newer locations before the end of the decade.57 In the spring of 1936, Penney personally returned to Arkansas, visiting stores in Arkadelphia, Blytheville, Helena, Little Rock, Pine Bluff, and Texarkana while hosting motivational

52Store history for J. C. Penney Store #415, Fort Smith, AR, December 2000, JCPCR.
53Store history for J. C. Penney #1270, Siloam Springs, AR, January 2001, JCPCR.
54Store history for J. C. Penney Store #1322, Fayetteville, AR, January 2001, JCPCR.
55Store history for J. C. Penney Store #839, Arkadelphia, AR, January 2001, JCPCR.
56Store history for J. C. Penney Store #1267, Searcy, AR, January 2001, JCPCR. Other notable J. C. Penney tenures in Arkansas include Paul Pryor, who managed the Blytheville store from 1939 until his retirement in 1958; Woodrow Scott, who managed the Camden J. C. Penney from 1949 until his retirement in 1971; and Max N. McCoy, who oversaw the Helena store from 1949 until his retirement in 1972.
57The Texarkana store moved to the corner of Broad and Main in 1935, while the Siloam Springs store relocated to 112 South Broadway in 1939.
J. C. Penney initially avoided larger cities like Little Rock, but in 1932, opened this store at 505 Main, providing customers with four floors of shopping space, plus a basement. *Courtesy DeGolyer Library, Southern Methodist University.*

“store meetings” for J. C. Penney associates throughout the state. Penney also began to consider further expansion in Arkansas, assessing cities that might viably host a J. C. Penney department store. In downtown Hot Springs, the company secured a lease on the Townsend Building at 812 Central Avenue and opened that city’s first J. C. Penney store in 1937. Two years later, the company leased a portion of the Ouachita Hotel build-

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58 James Cash Penney, “Recapitulation—Arkansas-Texas Trip: February 17-March 13, 1936,” 1, box C-2, JCPP.

59 The building was significantly modified internally and externally to create the store. Store history for J. C. Penney #1519, Hot Springs, AR, March 2002, JCPCR.
Four days before the Camden store opened, its new manager, A. P. Jenkins, told the *Camden News*:

Arkansas has always been very appreciative of this company which caters to the thrifty and salaried and working people vitally interested in stretching their dollars to the utmost. We promise in the Camden store to carry on the Penney tradition of selling first quality, dependable merchandise only, always at the lowest possible price.  

The Camden J. C. Penney opened to a large, excited crowd, with shoppers taking advantage of virgin wool blankets priced at just 79 cents, women’s shoes at $1.98 a pair, and men’s Big Mac overalls at 89 cents.

By the 1940s, the Penney organization was serving as a training ground for the man who would later revolutionize American retailing from his headquarters in Northwest Arkansas. In 1940, as a young college graduate, Samuel Moore Walton went to work for J. C. Penney as a management trainee. With a starting salary of $85 a month, Walton had been assigned to the store in downtown Des Moines, Iowa, as an understudy to its manager, Samuel Duncan Major, highly regarded across the J. C. Penney chain as an outstanding “people person” and management trainer. For Sam Walton, the Des Moines store became a merchandising and retailing laboratory, exposing him to Major’s leadership style, Penney’s merchandising methods, and ideas that would indelibly shape his own identity as a merchant. Walton became so enamored of the company that he persuaded his younger brother Bud to join J. C. Penney as a management trainee.

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61 Ibid., November 11, 1939, p. 1.

62 Ibid., November 15, 1939, pp. 4, 5. The company also offered the following tongue-in-cheek disclaimer in its grand opening ad: “No bands will be employed for the opening celebration of the new Penney store in Camden. No flowers or souvenirs will be given away. Our method is to say it with bargains.”


During his nearly two years with J. C. Penney, Sam Walton came to idolize “Dunc” Major and his charismatic style. “Watching this guy is what got me excited about retail,” Walton reflected in his 1992 autobiography. “He was really good. Then, of course, the icing on the cake was when James Cash Penney himself visited the store one day. He didn’t get around to his stores as often as I would later on, but he did get around.”

As James Cash Penney strolled through the Des Moines store, Walton went about his work with a female customer before suddenly realizing that Penney was directly observing him and a fellow trainee during the transaction. As Walton later recalled:

I finished wrapping and tying the package, and the lady left. Then Mr. Penney came over. “Boys,” he said, “I want to show you something.” And he took a box about the same size and he went around it with paper and let it overlap about like that . . . maybe a quarter inch. Then he went around it with twine one time like this and one time like that, and he tied it. He said, “Boys, you know we don’t make a dime out of the merchandise we sell, we only make our profit out of the paper and string we save!”

This brief moment obviously had a profound impact on Walton’s approach to merchandising operations, manifested in, for better or worse, Walmart’s aggressive preoccupation with reducing operating expenses. Even after the immense success of Walmart fifty years later, the admiration Walton still held for the company that inspired him was apparent. “I worked for Penney’s about eighteen months,” he fondly recalled near the end of his life, “and they really were the Cadillac of the industry as far as I was concerned.”

The arrival of World War II marked an end to Sam Walton’s career with J. C. Penney. He resigned his position in 1942 and prepared for service as a draftee in the United States Army. Bud Walton followed him into the military. While the Walton brothers never returned to J. C.

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67 Walton’s inclusion of employee wages and benefits among the operating expenses to be cut in order to lower consumer prices has drawn significant criticism from a number of academic historians, particularly for its adverse effects on labor both inside and outside of Walmart stores. See Lichtenstein, *Retail Revolution*.
J. C. Penney leased a portion of the Ouachita Hotel building and hired local contractors to create the Camden store, which opened in 1939. In 1973, the store was extensively remodeled and expanded to occupy almost all of the building. *Courtesy DeGolyer Library, Southern Methodist University.*

Penney, the war did not stop the company from expanding its operations in Arkansas. In downtown Newport, J. C. Penney unveiled a new location at 318 Front Street.\(^6^9\) By 1942, Vern Gusewelle had generated $100,000 in profits at the Little Rock J. C. Penney, the first time the store had ever done so.\(^7^0\) The Camden J. C. Penney even won the company’s coveted Sales Banner for the entire nation in 1945, with an 86 percent increase over the previous year.\(^7^1\)

When the war ended, aspiring merchants such as Sam Walton and William T. Dillard returned to retailing, with clear visions for their respective enterprises. Both men would have a profound impact on department stores throughout Arkansas during the second half of the

\(^{69}\) This store would move to 504 Front soon after opening.

\(^{70}\) Store history for J. C. Penney Store #1477, Little Rock.

\(^{71}\) Store history for J. C. Penney Store #1556, Camden, AR, January 2001, JCPCR.
twentieth century.\footnote{While numerous articles and several books have been written about Samuel M. Walton and William T. Dillard, West Virginia native and Penney associate William “Mil” Batten (1909-1999) was every bit their equal, with significant retail innovations that predated both Walton’s and Dillard’s. Beginning in the late 1940s, Batten’s influence began to transform J. C. Penney into a suburban shopping mall anchor with “full line” stores, credit sales, and catalog merchandising. After his retirement as J. C. Penney C.E.O. in 1974, Batten went on to become C.E.O. of the New York Stock Exchange, a position he would hold from 1976 to 1984.} For J. C. Penney, business became so good at Pine Bluff, a city whose population had nearly doubled since the store opened, that the company moved into a larger building at 407 Main in 1947, making it the second largest J. C. Penney store in the state.\footnote{The relocation of the Pine Bluff store brought congratulatory ads from J. J. Newberry, Hotel Pines, Matthews Hardware, and John A. Pope Furniture in the August 13 edition of the Pine Bluff Commercial. The store would remain in this location until 1977, when it moved to a freestanding location on East Harding. It would move again to the Pines Mall in 1986, where it operates as of this writing.}

Arkansas shared in the booming consumer economy of postwar America and its epicenter continued to be the downtown business districts. Although J. C. Penney had already experimented with a shopping center location in suburban St. Louis, the company was committed to serving the central business districts of its cities and small towns, and every J. C. Penney store in Arkansas remained in a downtown location. The company’s competitors in the state shared Penney’s preference for main street locations. Blass, Pfeifer, and Cohn still dominated central Arkansas from their massive, modern department stores in downtown Little Rock, complemented by Sears and F. W. Woolworth. Aspiring Arkansas merchants like Walton, Dillard, and Edward Rephan were also operating exclusively in downtown locations, as were smaller Arkansas chains like Graber’s, the Boston Store, Hunt’s, and Baim’s, and independent department stores like Campbell-Bell.\footnote{Edward Rephan operated Rephan’s department stores out of Hot Springs and, at the time of his death in 1962, had locations in downtown Hot Springs, North Little Rock, Hope, Malvern, De Queen, Prescott, Mena, and Ashdown. Rephan also operated “Busy Stores” in Russellville, DeWitt, and Brinkley. Charles Ross Anthony, an Oklahoman and former J. C. Penney associate, also had his Anthony’s department stores on the main streets of several Arkansas towns. “Owner of Chain Store Dies,” Arkansas Democrat, September 3, 1962, p. 10; Roy Stewart, One of a Kind: The Life of C. R. Anthony (Oklahoma City: Western Heritage Books, 1981).}

Throughout the 1950s, this formidable downtown competition led J. C. Penney to modernize its department stores with massive renovations in nearly every location. These included the welcome additions of air conditioning, new storefront windows with stainless steel doors and
trim, tiled and carpeted flooring, and better fluorescent lighting. The older yellow and black metal signage was replaced with larger individual lettering that tastefully drew attention to each store. These improvements were capped with grand re-opening events for the “new” stores. In July 1956, the re-opening celebration for the Morrilton J. C. Penney gave residents an excellent opportunity to test out its new air conditioning system. The manager reported over 700 sales transactions within two hours of opening. As the decade continued, the company also laid out plans for constructing a much larger store on the Arkansas side of downtown Texarkana, near the corner of Broad and Wood. It opened in 1960.

75 Malvern Daily Record, December 1, 1951, p. 3; Morrilton Democrat, July 12, 1956, p. 1; Searcy Daily Citizen, November 11, 1958, p. 1. Additional expansions were undertaken at J. C. Penney stores in downtown Arkadelphia, Camden, Conway, Fort Smith, Hot Springs, Malvern, Morrilton, North Little Rock, Pine Bluff, and Searcy.
The glass block fronts, wooden doors, and simple metal signage shown in this 1948 photo of the Morrilton J. C. Penney were charming features of early stores, but post-World War II consumers found them antiquated. During the 1950s, nearly every J. C. Penney in Arkansas underwent modernizing renovations. *Courtesy DeGolyer Library, Southern Methodist University.*

In the 1950s, the Conway store was given a smooth cladded storefront with larger “J. C. Penney Co.” lettering on the outside, as well as air conditioning on the inside. The Conway J. C. Penney moved to the Conway Towne Center in 1986. *Courtesy DeGolyer Library, Southern Methodist University.*
In 1958, the downtowns of Arkansas’s three major cities saw grand openings for “new” J. C. Penney stores. The Fort Smith and Pine Bluff stores were modernized and remodeled almost beyond recognition, with smooth, ceramic facades and large “J. C. PENNEY CO.” letters extending from their storefronts. Arkansas shoppers doubtlessly welcomed larger stores, air conditioning, elevators, brighter sales floors, and additional merchandise departments. The unveiling of the new J. C. Penney in Fort Smith was a particularly satisfying milestone for manager Sam Tressler, who had overseen the store since 1934. The company established a new crown jewel, however, in downtown Little Rock, where it built a completely new J. C. Penney at the northeast corner of Sixth and Main, directly across the street from Pfeifer’s. Vern Gusewelle, the manager whom Penney had tapped to shut the store down just nineteen years before, remained in charge of the new location, a completely modern facility with over 60,000 square feet of selling space on four merchandising floors, as well as side-by-side escalators, elevators, and an office.

77 *Southwest American*, July 31, 1958, p. 20.

penthouse that faced the Capitol. The Little Rock Chamber of Commerce lauded the new J. C. Penney as “the first major department store on Main Street in seventeen years.” The store garnered Vern Gusewelle so much renown that he was elected president of the Arkansas Council of Retail Merchants the following year. As downtown Little Rock entered the 1960s, it remained the most prominent center for shopping in the entire state, with Blass, Woolworth’s, Kempner’s, Sears, M. M. Cohn, and Pfeifer’s all complementing Penney’s new location. Downtown merchants continued to safeguard themselves against the threat of suburban competition by

78The sales floor spanned the basement and the first three floors above ground, while the office penthouse was essentially the fourth floor.
79M. M. Cohn’s flagship store at 510 Main had opened in 1940. Store history for J. C. Penney #1477, Little Rock.
80*J. C. Penney in Arkansas,* April 2002, JCPCR.
collectively agreeing not to open stores in suburban shopping centers, ostensibly to preserve the strength of the central business district. Nevertheless, the retail supremacy of downtown was being challenged for the first time in the city’s existence. Park Plaza in west Little Rock opened less than a year after Penney’s new downtown store. William T. Dillard knew from his brief employment at Sears, Roebuck that the chain regarded suburban outskirts, rather than city centers, as the preferred locations for future Sears stores. After Dillard acquired Little Rock’s Blass department store in 1963, he ignored the downtown merchants’ agreement and in 1965 set up a Blass branch store in Park Plaza.

The same trend was evident elsewhere. Just a month after J. C. Penney remodeled and reopened its store in downtown Pine Bluff, Sears completely abandoned theirs for an expansive new location at Sixth and Popular. By 1961, Pine Bluff was also witnessing the emergence of Jefferson Square, a suburban shopping center anchored by Shainberg’s department store and a sizable Blass department store branch. In hindsight, the push for suburban stores in Arkansas had been gaining momentum since the 1950s. Berryville native Herbert R. Gibson had been increasingly capitalizing on the outskirts of cities and towns with his Gibson’s discount chain out of Texas. Sam Walton, ever the opportunist, had seen the phenomenal performance of shopping centers in Kansas City in the early 1950s, and tried to open the first one in Little Rock, only to fail after overextending his finances. “I probably spent two years going around trying to sell people on the idea of shopping centers in Arkansas in the middle fifties,” Walton later reflected, “which was about ten years too early.”

By 1962, however, the suburban discount store had come of age. In July, Walton had opened his first “Wal-Mart Discount City” on the out-

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81 Rosenberg, Dillard’s: The First Fifty Years, 46.
83 “Sears to Open on Wednesday,” Pine Bluff Commercial, February 23, 1958, p. 1; “About 15,000 Visit Sears Opening Day,” ibid., February 26, 1958, p. 1. The new Sears in Pine Bluff offered shoppers 34,000 square feet of shopping, with free parking for 300 cars, its own restaurant, and its own service center. The store would eventually become obsolete, and, by 1986, would join the suburban J. C. Penney store on East Harding and the Dillard’s location in Jefferson Square as anchor stores in the new Pines Mall.
84 Walton, Sam Walton: Made in America, 38 [quotation]; Trimble, Sam Walton, 73-74. Arkansas financier Jack Stephens would eventually bail Walton out and finish developing that shopping center at the corner of Markham and Hays.
skirts of Rogers, Arkansas, with plans for a second store in Harrison. Similar discount chains such as Gibson’s and TG&Y were also hitting smaller towns, while downtown discounters F. W. Woolworth and S. S. Kresge unveiled their Woolco and Kmart stores, intent on positioning their chains for a new life in the suburbs. That same year, J. C. Penney launched its own suburban discount chain known as Treasury, with locations across the South, while Minnesota department store Dayton’s opened its first Target discount store in suburban Minneapolis. 85

Regardless of the size of the community, discount stores offered their shoppers ample free parking and vast merchandise selections, amenities that downtown department stores lacked, envied, and ultimately wished to emulate. Better roads, bypasses, and interstate highways were making it easy for people to avoid the traffic and congestion of city centers throughout Arkansas. These improvements drew shoppers into the suburbs, where many of them were increasingly taking up residence.

Penney’s clearly felt the pull of the suburbs. At the start of the 1960s, University Avenue was still the western fringe of Little Rock, but real estate developers saw the area’s potential to become a modern retail epicenter for central Arkansas. Before the decade was over, two sizable suburban shopping centers would grace Markham Street and University Avenue, literally across the street from each other. Their respective department stores—Pfeifer-Blass, Cohn’s, Montgomery Ward, Sears, and Penney’s—showed how the compact against suburban locations had broken down. 86

Penney’s massive University Mall store opened in 1968 as the company’s first Arkansas location outside of a downtown business district. Amazingly, less than ten years had elapsed between the grand opening celebrations for new J. C. Penney stores in downtown Little Rock and at University Mall, but seismic consumer changes had occurred in that short period. Although J. C. Penney, Pfeifer-Blass, M. M. Cohn, and Woolworth’s continued to maintain their department store presence in downtown Little Rock, the growing appeal, lower overhead, and higher sales of their mall counterparts spelled the doom of their urban locations. 87

Penney’s University Mall store, at 150,000 square feet plus an additional 20,000 for its automotive center, easily surpassed the downtown Little Rock location as the largest J. C. Penney store in the state (in fact, it was

85J. C. Penney shut down its Treasury chain in 1981.
86The University Mall was simply known as “The Mall” when it first opened. J. C. Penney anchored the west side of the mall.
87Sears closed their downtown location at 618 Main as soon as the store on University Avenue was completed.
twice as large). As the company’s first “full line” store in Arkansas, the massive new location carried more than just additional quantities of the same merchandise found at traditional main street J. C. Penney stores. It provided retail space for Penney’s expanded product lines such as hardware, sporting goods, major appliances, furniture, and music, plus a beauty shop and an eighteen-bay automotive service center that sold “Penney’s” branded tires, batteries, and gasoline.  

At the age of 93, James Cash Penney could not come to Little Rock for the store’s grand opening. Nevertheless, despite his advanced years and virtual loss of sight, Penney was still going to his office at the J. C. Penney headquarters five days a week. “God willing, I hope to live to reach the century mark,” he wrote at the beginning of the 1970s. “I want my remaining golden years to be the best and most useful ones of all.” The morning after Christmas in 1970, however, Penney fell and broke his hip. Two months later, a heart attack ended his life. At the time of Penney’s death, every J. C. Penney store he had initially established across Arkansas still operated at a downtown location, many in buildings that Penney had personally selected or approved as chairman of the board. During Penney’s funeral in New York City, J. C. Penney stores on nineteen Arkansas main streets, along with the massive University Mall location, shut down for the entire morning in remembrance.

Given the success of Penney’s University Mall store, the development of a new regional indoor mall in southeast Fort Smith prompted the company to bring a second “full-line” store to the state in 1972. With nearly 204,000 square feet of selling space, the Central Mall J. C. Penney still reigns as the largest J. C. Penney store ever opened in Arkansas, and its sheer size would only be rivaled by Wal-Mart Supercenters in the last decade of the twentieth century. Three days before the Central Mall store opened, the company closed its longtime location on Garrison Avenue, marking the first time J. C. Penney had ever

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88 Store history for J. C. Penney Store #1160-1, Little Rock, AR, April 2002, JCPCR.
89 James Cash Penney, “Personal Testimony,” 1971, 4, box C-1, JCPP.
90 J. C. Penney: An American Legacy, 29.
91 Store history for J. C. Penney #1961-2, Fort Smith, AR, December 2000, JCPCR. J. C. Penney dropped many of its expanded product lines in 1983, which meant that future locations would seldom need to be larger than 150,000 square feet. Current differences in new store design and size are clearly illustrated by the smaller Shackleford Crossing J. C. Penney that replaced the much larger University Mall location in Little Rock.
left a downtown in Arkansas. The second instance would occur just a year later when the company closed its department store in downtown North Little Rock in favor of another full-line location (the company’s second-largest in the state) at suburban McCain Mall.

Throughout the 1970s, the dominant retail trend was to close downtown department stores and relocate them to suburban shopping centers whenever opportunities presented themselves. While J. C. Penney continued operating its downtown stores in Fayetteville, Little Rock, and Jonesboro, each of these stores increasingly struggled to compete against emerging regional malls and the larger department stores that anchored them. Although department stores in downtown Little Rock still coexisted with their counterparts at University Mall and Park Plaza, their sales and profits continued to decline. William T. Dillard, then operating his Arkansas stores under the combined name of Pfeifer-Blass, angered many Little Rock residents when he abruptly shut down the historic Gus Blass location in 1972. After the Blass store closed, merchants and civic leaders in downtown Little Rock, gravely concerned about their future prospects, attempted to save the capital’s central business district by converting downtown into Metrocentre Mall, a pedestrian shopping center in the heart of the city, encompassing the J. C. Penney store at Sixth and Main along with fellow department stores Dillard’s and M. M. Cohn, as well as Woolworth’s. Metrocentre Mall opened in 1978 with a crowded nine-day fanfare, including keynote dedication speeches by President Jimmy Carter’s son Chip and future

92 The opening of Central Mall on Rogers Avenue crippled downtown Fort Smith. The large Sears store at 907 Garrison and the Boston Department Store at 716 Garrison also departed for new Central Mall locations at the same time as J. C. Penney. Longtime Fort Smith department stores such as Hunt’s, as well as Arcade, remained on Garrison Avenue, but the loss of downtown shoppers would inevitably force both stores to close.

93 Fayetteville’s Northwest Arkansas Mall and Jonesboro’s Indian Mall both opened without J. C. Penney as a department store anchor. Indian Mall had been open for almost a decade before J. C. Penney left downtown Jonesboro.

94 Rosenberg, Dillard’s: The First Fifty Years, 46, 61-62. By 1974, William T. Dillard would rebrand all of his retail acquisitions, including the Pfeifer-Blass department stores of Arkansas and the Brown-Dunkin department stores of Tulsa, under the Dillard’s nameplate. The closure of the downtown Dillard’s store in 1990, which followed the closure of M. M. Cohn’s flagship store the previous year, marked the end of the department store era in downtown Little Rock. The Dunlap Company, a private Texas retailer, shut down the M. M. Cohn flagship store in 1989, immediately after acquiring the chain. Unlike Dillard’s, Dunlap’s operation was not intended for an upscale clientele, and the quality and image of M. M. Cohn stagnated until 2007, when Dunlap’s went bankrupt and the remaining M. M. Cohn stores were shut down. Leroy Donald, “Cohn’s Era Ending,” Arkansas Democrat-Gazette (Little Rock), June 24, 2007, pp. 75, 78.
President Bill Clinton, then a gubernatorial candidate. However, the initial success of the downtown mall was short-lived, and the Metrocentre development failed to revitalize downtown Little Rock as a viable shopping destination. In fact, the urban renewal activities that helped create it may have actually accelerated downtown Little Rock’s tremendous decline in the 1980s.\footnote{Arkansas Democrat-Gazette, February 28, 1999, p. A1.}

Although a number of scholars have detailed the adverse impact of Walmart on Main Street commerce, downtown declines had already been occurring in many of those communities before Walmart arrived, and in regions where Walmart had yet to establish stores.\footnote{See, e.g., Sandra S. Vance and Roy V. Scott, “Sam Walton and Wal-Mart Stores, Inc.: A Study in Modern Southern Entrepreneurship,” Journal of Southern History 58 (May 1992): 251.} When J. C. Penney added three additional stores in Arkansas during the 1970s, they had to be placed where the majority of potential customers were shopping, and that was no longer main street. In Harrison, El Dorado, and Russellville, the company opted to open J. C. Penney stores in shopping center locations on the cities’ outskirts, rather than leasing buildings downtown, as the company certainly would have done in previous decades. Nevertheless, J. C. Penney still invested heavily in its existing downtown locations throughout the 1970s, extensively remodeling and expanding the Camden, Hot Springs, Searcy, and Newport locations.\footnote{Store history for J. C. Penney #1556, 2328-3, Camden, AR, January 2001; store history for J. C. Penney #1519, 2064-4, Hot Springs, AR, March 2002; store history for J. C. Penney #1267, 2213-7, Searcy, AR, January 2001; store history for J. C. Penney #1601, Newport, AR, April 1997, JCPCR.} In many Arkansas cities and towns, J. C. Penney had become the last department store still operating in the central business district.

As late as 1976, J. C. Penney was still doing business on seventeen main streets across the state, but over the next six years it let go of seven of its downtown stores, all in favor of newer, larger locations on the outer fringes of their respective cities. Stores in Blytheville, Fayetteville, Hot Springs, Jonesboro, Pine Bluff, Siloam Springs, and Texarkana would all move to shopping centers. In 1978, the downtown Texarkana store moved across the Texas border along Interstate 30 to the newly constructed Central Mall. Nostalgia and tradition aside, it increasingly made sense for J. C. Penney to break with its Main Street paradigm, as the larger suburban stores not only provided ample free parking, greater merchandise selection, and exponentially higher sales and profits, but in many cases tripled the number of jobs J. C. Penney
stores could offer each community. Still, the loss of a J. C. Penney store was an irreversible commercial blow to the central business districts of many Arkansas communities, particularly Blytheville, Pine Bluff, and Texarkana, which arguably have never recovered from Penney’s exodus.

By 1982, the coups de grâce for the Little Rock J. C. Penney on Sixth and Main finally arrived. The company reluctantly announced it was permanently closing the Metrocentre store, after just twenty-four years in its newer location. Within thirty days, the J. C. Penney building that had been so anticipated in 1958 was stripped to its bare walls. The large vertical “PENNEY’S” sign and the “J. C. PENNEY CO.” lettering facing Main Street were soon removed and discarded, after a fifty-year Penney’s presence downtown. As J. C. Penney was closing up the downtown Little Rock store, the company finalized a document known as the “J. C. Penney Stores Positioning Statement,” which analyzed changes in population trends and consumer shopping habits, and their potential impact on future J. C. Penney stores. The primary architect of this document, W. R. Howell, concluded that most of the company’s downtown stores had outlived their usefulness. When the “Stores Positioning Statement” became official J. C. Penney policy in 1983, Howell, as incoming C.E.O., made it clear that J. C. Penney would actively pursue suburban shopping center locations, and that most of the company’s downtown stores would either be relocated or permanently closed. Over the next six years, J. C. Penney shut down the last of its main street stores in Arkansas. Four of them—in Arkadelphia, Camden, Conway, and Searcy—were simply relocated to larger new buildings in shopping centers. The other five, in Helena, Morrilton, Newport, Hope, and Malvern, were not so fortunate. As their

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98 Northwest Arkansas Times (Fayetteville), September 3, 1978; Siloam Springs Herald and Democrat, October 12, 1978, p. 1; Jonesboro Sun, September 6, 1976, p. 1; store history for J. C. Penney Store #584, 1282-3, Blytheville, AR, April 2002, JCPCR. The Fayetteville store that initially opened at Northwest Arkansas Mall had its own restaurant and sold paint, tires, bikes, and cameras, in addition to traditional J. C. Penney merchandise. In 1996, the store would relocate within the mall to a new building with two levels and 160,000 square feet of selling space.

99 Arkansas Democrat, July 30, 1982, p. 5B. Ironically, Jerry Gusewelle, son of long-time Little Rock manager Vern Gusewelle, was selected by the company a few months later to oversee its busy University Mall location.


101 In 1986, J. C. Penney also relocated its suburban Pine Bluff store on East Harding Avenue to the Pines Mall, and briefly experimented with a “J. C. Penney Outlet” clearance store in Little Rock’s Colony South Shopping Center.
main street locations closed, the company left town, entirely ending fifty years of Penney’s department store presence in those communities.102

Looking at busy suburban shopping sites around the state today, it is difficult to imagine Arkansas without the retail bouquet of Walmart, Dillard’s, Target, and Kohl’s populating the fringes of its cities and towns.103 When James Cash Penney first came into the state almost ninety years ago, none of these chains existed, and the land on which their stores now sprawl was quietly agricultural, a comfortable distance from the bustle of a city center. The extinction of the main street department store marked the end of an era when Arkansas city centers


This store in Texarkana, opened in 1960, was J. C. Penney’s last new downtown location in Arkansas. By 1978, J. C. Penney would vacate downtown Texarkana for the newly constructed Central Mall along Interstate 30. Courtesy Texarkana Museums System.

still defined local culture and community, and when downtown was instinctively regarded as the primary shopping destination for those from both city and country. Hardly any traces of Penney’s main street stores in Arkansas exist today, the majority of their buildings either demolished or gentrified into anonymous office space. Yet J. C. Penney did not disappear with its downtown stores. Since 1990, J. C. Penney has added new stores to the outskirts of Batesville, Benton, and Rogers, and relocated existing suburban locations in Blytheville, Fayetteville, Russellville, and Jonesboro to even larger stores. The late Little Rock journalist Leroy Donald may have summed it up best in 2007, as he

104 Former J. C. Penney buildings in downtown Camden, Malvern, and Morrilton still function as retail businesses. The “labelscar” from the J. C. Penney logo is still visible on former downtown locations in Camden, Searcy, and Texarkana.

105 The immense population growth of Rogers and Bentonville prompted J. C. Penney to open a store at the new Pinnacle Hills Promenade, an open air shopping center near Rogers.
commented on the closure of the University Mall J. C. Penney and its rebirth along I-430, at the new Shackleford Crossing:

As JC Penney goes, so does the city. Or maybe it’s wherever the city goes, JC Penney quickly puts its stamp of approval on the move by opening a new store and closing an older one. If Penney’s is there, it must be all right.\textsuperscript{106}

Ultimately, James Cash Penney demonstrated that it was possible for a national department store to succeed in Arkansas if it gave the people the value they sought, lessons that Samuel M. Walton and William T. Dillard later applied and perfected outside of the city limits.\textsuperscript{107} The influence of James Cash Penney and his chain of stores continues throughout Arkansas even forty years after his death—in memories of twentieth-century main streets around the state, and in twenty-first century stores that have outlived the founders he once inspired.

\textsuperscript{106}Leroy Donald, “Everybody’s Business: JC Penney Following Trend With Forthcoming Move,” \textit{Arkansas Democrat-Gazette}, August 26, 2007, p. 80. The Shackleford Crossing store is nine miles west of Penney’s original downtown location.

\textsuperscript{107}Dillard’s has emerged as the third largest upscale department store chain in the United States, with more than 330 locations coast to coast. Walmart, while still operating out of Bentonville, has become a retail giant unlike any in the history of world civilization and commerce, with over 8000 locations throughout all fifty states and fifteen countries.