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Idaho and the Development of the J.C.Penney Chain

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Aside from Joe Albertson’s supermarket, most retail chains in Idaho today seem to have very little in common with Idaho’s past. Department stores like Falk’s, C.C. Anderson, and even Bon Marché have all given way to ubiquitous names like Macy’s, Target, and Walmart, and the thought of any national department store ever lining the Main Streets of Idaho’s small towns is almost an absurd concept. At first glance, the current JCPenney stores in Boise, Pocatello, and Idaho Falls seamlessly blend into this postmodern retail landscape. However, their modern and massive mall locations belie the fact that in 1902, the first JCPenney store was humbly originating southeast of the state line, in the Wyoming mining town of Kemmerer. Within eight years of James Cash Penney opening that mother store, Idaho became home to six of the first ten stores in the JCPenney chain. Over the next thirty years, as James Cash Penney turned his local shops into a national chain, he would bring a JCPenney department store to more than thirty Idaho Main Streets, not just in larger cities like Boise and Pocatello, but also in smaller towns like Downey, Mackay, and Wallace. Many of these JCPenney stores would remain a part of their communities well into the latter half of the twentieth century, and serve as icons for an era when downtown was still seen as the ultimate shopping center for Idahoans.\(^1\) While James Cash Penney was new to the region in 1899, the department store concept was certainly not new to Idaho, emerging in Malad City as early as 1865.\(^2\) The Falk brothers and C.C. Anderson had also opened their respective stores in Boise before the turn of the century. However, prior to 1900, none of these Idaho stores had expanded into the chain concept\(^3\). Although Penney moved fairly quickly from clerk to proprietor, his first stores in Wyoming and Idaho came about almost entirely from the guidance and
generosity of his business partners, Guy Johnson and Tom Callahan. Penney had been a valuable clerk for them at their Golden Rule store in Evanston, Wyoming, and in 1901 the older mentors decided it was in their best interests to set him up with his own Golden Rule store, in nearby Kemmerer. The two men struck a deal with young Penney: if he could come up with one-third of the investment needed to open his store, Johnson and Callahan would cover the difference, creating a profit-sharing partnership based on ownership shares. After successfully opening and managing the Kemmerer store, Penney was offered additional partnership opportunities in the Wyoming towns of Rock Springs and Cumberland. By 1903, the partnership of Johnson, Callahan, and Penney included three stores, all of them in southwest Wyoming. Penney expressed his gratitude to his mentors by naming his second son “Johnson Callahan Penney,” after their partnership, and the partners expressed their gratitude for Penney’s performance by giving him one-third ownership in their Montpelier, Idaho, store. The opportunity in Montpelier not only marked Penney’s first store in Idaho but, more importantly, the first store Penney would own outside of Wyoming. From his Kemmerer location, he had been able to physically scout the region, seeing firsthand how mining, irrigation districts for sugar beet farming, and the Oregon Short Line Railroad were creating growing communities that his stores could serve. Since few Golden Rule stores had been established outside of Montpelier, Penney believed that his formula of low prices and quality merchandise on a cash-and-carry basis could be successful. Penney began to envision opening more stores in small towns throughout the region, creating a retail chain that would offer maximum quality at minimum prices.

It was appropriate for Penney that his early stores were opened under the Golden Rule name rather than his own. Penney’s first stores, along with those of Johnson and Callahan, were all part of the Golden Rule retail syndicate, a loose-knit chain of merchants who provided quality merchandise at low prices, largely through volume purchasing and cash-and-carry sales to customers. Prominent Idaho retailers like C.C. Anderson were also part of the same retail syndicate and initially carried the Golden Rule name, even though their chains were independent of Penney’s. For Penney, however, “Golden Rule” was more than just a franchise name plastered across his store. As Penney himself reflected:

There were many golden-rule stores, doing many types of business throughout the West. But the name was a poignant link for me with my father’s and mother’s ideals and injunctions. For me it had the creative meaning of one of the most fundamental laws that can be expressed in words. While Christ was not the first to give it expression, His was the perfect pronouncement.\(^4\)

Penney practiced the values of “doing unto others as you
would have them do unto you” for each of his stores and its customers. He also felt that any employee who worked for him should be treated with dignity as a true associate, eligible for partnership opportunities similar to those Johnson and Callahan had generously offered him. He began conceptualizing chain store partnerships based on the concept of a mother store. Essentially, the profits from his Kemmerer store would be used to put up two-thirds of the investment to open a new store, provided an enterprising associate could come up with the remaining one-third. A JCPenney associate also had the option of becoming the new store’s manager, and could eventually use profits from the new store to open additional locations. Coincidentally, in 1907, just as Penney’s plans were about to take off, Johnson and Callahan’s friendship, and subsequently their partnership, came to a very abrupt end. Neither man had any quarrels with Penney, and both allowed him to buy out their shares in his stores for $30,000, entirely on a personal note. To help pay the note, Penney sold off his interests in the Montpelier and Rock Springs stores, scaling his operation back to the two remaining stores in Kemmerer and Cumberland. These financial moves were not a retreat from expansion but rather a retrenchment for it.

The departure of Penney’s mentors cleared the way for Penney to become a mentor himself and the catalyst for his chain’s future growth. Utilizing recruiting agencies in St. Louis and Denver, he hired Edward J. Neighbors and Earl Corder Sams, two young clerks with similar ambitions, to help him manage stores and eventually carry out his chain store enterprise, initially for southeast Idaho and northeast Utah. Sams moved to Wyoming from Kansas in 1907, quickly working his way up to store manager in Cumberland and living quite frugally with his wife inside the store to save money for future store partnerships with Penney. From the Kemmerer store, Penney began grooming Edward Neighbors to reestablish his presence in Idaho. Penney implemented his partnership plans in April 1908, setting aside Kemmerer profits to create a new store in Preston, Idaho, with Edward Neighbors. At the same time, Penney set up another salesman, Dayton Mudd, to open an additional store in Bingham Canyon, Utah.

Over the next year, the Preston store generated enough profits for Neighbors and Penney to open another Idaho store, in Malad City. Malad City became the fifth store in James Cash Penney’s Golden Rule chain, behind the Kemmerer, Cumberland, Bingham Canyon, and Preston stores. Since Penney owned two-thirds of the Malad City store, he handpicked its manager, a young Danish immigrant named Christian Woidemann. Woidemann was only twenty-seven but had acquired extensive merchandising experience in Denmark and was able to bring an air of European sophistication to Malad City that made his store a popular shopping destination. Concurrently, Neighbors’s counterpart in Utah, Earl Sams, teamed up with Penney to open an additional store in Eureka. With the Malad City and Eureka stores, Penney now had a retail chain of six locations. Penney was keen enough to foresee sustained growth for his chain, and he quickly realized he couldn’t effectively oversee additional stores if he continued to operate out of Wyoming. In 1909, he decided to leave his position as Kemmerer store manager to establish a company headquarters in Salt Lake City, allowing him to focus on buying merchandise from New York City while scouting new locations throughout Idaho, Utah, and the Pacific Northwest.

The Salt Lake City headquarters gave the company a foothold for entering several Utah towns in 1910, including Midvale, Murray, Price, and Provo. At the
time, Penney and his associates weren’t interested in opening stores in larger cities like Boise, and certainly not emerging metropolises like Salt Lake City. By focusing on smaller towns, the company could open smaller stores with very little start-up cost. In many cases, the manager and his wife would use the store itself as a home, living in a balcony above the rear of the sales floor. Neighbors continued as manager of the Preston store, with Penney and him using profits from the Preston and Malad City locations to open a new store in Rexburg, Idaho. Christian Woidemann had been so successful as the Malad City manager that he was promoted as a partner and manager of the larger Rexburg store when it opened in 1910. That same year Penney opened his first Nevada store in Ely, and partnered with another associate, J. S. Truex, to open an additional Idaho store in St. Anthony.9

The next three years marked explosive growth and change for the company. By 1911, Penney’s chain had already expanded to twenty-two stores, including new Idaho stores in Lewiston and Moscow, as well as locations in Oregon and Washington. As the number of stores continued to grow, the partnership arrangement of store ownership became increasingly awkward and cumbersome. Having so many owners without formal incorporation created difficult legal issues, and banks were uncomfortable lending to such a structure. In June of 1911, to preserve each of his partners from unlimited personal liability, Penney decided to incorporate their Golden Rule stores into the JCPenney Company of Utah.10 Although the Utah incorporation did not remove his chain from the Golden Rule syndicate, it crudely but effectively incorporated a formal ownership for all Golden Rule stores in which Penney had partnerships, which by that time included stores across Idaho, Oregon, Nevada, and Washington. By 1912, just five years after venturing into Idaho, Penney’s Golden Rule chain had further expanded into Montana and Colorado and totaled thirty-four stores, including another Idaho location in Mackay. The company continued its policy of avoiding larger towns like Boise, which already had C.C. Anderson’s Golden Rule store and Falk’s Idaho Department Store as major competition, as well as three other large department stores.11 Even Pocatello, Idaho Falls, and Twin Falls were not high on Penney’s location wish list—the company still chose to focus on smaller Idaho towns, especially railroad towns with potential for growth.12 A year later, three new stores were unveiled in Downey, Kellogg, and Shoshone. While Penney’s group of stores were merely one component of Golden Rule stores nationwide, his business was clearly on pace to outgrow the rest of the Golden Rule chain.
Boise merchant C. C. Anderson was not just a competitor to Penney, but a fellow member of the Golden Rule merchandising syndicate. Like Penney, Anderson had also begun expanding his own Golden Rule stores in Idaho, branching out from Boise to open additional locations in Idaho Falls, Twin Falls, Lewiston, and Buhl. Anderson and Penney had much in common, including their Missouri roots and the fact that they were nearly the same age. The two men had also known each other before Anderson moved to Boise and in the early 1900s were still on good terms. Penney had even helped Anderson by accepting his New York shipments in Utah so that Anderson could reduce freight costs. However, Anderson’s emerging Idaho chain posed an ethical problem for Penney’s continued Idaho expansion, as Golden Rule policy prohibited entering a town served by a “cousin” Golden Rule store. Inevitably, as both men continued to expand their respective Golden Rule chains in Idaho, they found themselves at odds with one another, personally and professionally.

In 1913, Penney and his associates made a difficult decision to break with the Golden Rule syndicate, which meant giving all of their stores a new name. Penney still believed in the meaning of the Golden Rule name and was not entirely comfortable with his own name adorning the storefronts. However, his partners and associates felt his abbreviated name was the most appropriate name for the chain, and soon all of Penney’s Golden Rule storefronts—both old and new—began to feature yellow-and-black metal signs with THE JCPENNEY COMPANY emblazoned across them. Nevertheless, while the partnership method of growth had worked for the first twelve years of Penney’s chain, urban financial institutions continued to dismiss the loose-knit ownership as a “whimsical” corporation. For every hindrance the partnership structure caused, it undeniably allowed Penney to open new JCPenney stores without having to depend on financial institutions for loans. But rapid, nationwide expansion would require dependence on banks, and it became clear that even the initial Utah incorporation was insufficient. To establish financial credibility, Penney formally reincorporated the JCPenney Company on January 17, 1913, effectively ending the partnership structure of ownership. Partnership equities in stores were converted into shares of preferred stock and common stock, and Penney was elected president by his board of directors. Still, Penney tried to maintain as much of the “partnership incentive” as possible even within the new stock structure, as that incentive had played a crucial role in his own start, as well as the starts of the associates he had mentored.

Penney continued seeking new and talented managers he could trust and mentor for his chain, and he frequently recruited them from his hometown in Hamilton, Missouri. He had lived away from Missouri for nearly two decades, but he was well-known there, returning at least once a year, usually during his buying trips. Over time, more than twenty-five of Penney’s boyhood friends came out from Missouri to become partners and help him open new stores. Working for James Cash Penney gave these new managers a glimpse of emerging communities throughout Idaho, not to mention established metropolises in the Midwest and East. In 1913, Penney even organized a merchandise buying
trip for his partners and their families—taking them from their small towns to Kansas City, St. Louis, and even New York City.\textsuperscript{17}

By 1914, the company had opened another Idaho store in Rigby, as well as stores in California, Arizona, and New Mexico, and had begun to head east, with new locations in North Dakota and Nebraska. Penney was increasingly spending company time in New York City, and realized that Salt Lake City was becoming an inadequate operating location for an emerging national chain. Penney preferred living in smaller towns, but New York’s proximity to manufacturing, transportation, and national banks led him to urge the board to move the JCPenney headquarters there in 1914. As a result, many of the young men who had been managing small-town stores in Idaho, Utah, and Wyoming soon found themselves becoming business executives in New York City. While Edward Neighbors was content to remain at his store in Preston, Earl Sams chose to follow Penney to New York, becoming Penney’s number two man before eventually overseeing day-to-day operations as president. Christian Woidemann, Neighbors’s protégé in charge of the Rexburg store, was also promoted to the New York office as a buyer in 1915. Woidemann’s promotion allowed his own protégé, John Watson, to take over the Rexburg store. Watson did such a good job as a manager and trainer that the Rexburg store ultimately became a management training site for future JCPenney store managers throughout the region.\textsuperscript{18}

Six years after moving its headquarters to New York City, the JCPenney Company had expanded from 48 stores in seven states to 197 stores in twenty-five states. At the same time, annual sales increased from $2.6 million to $28.7 million.\textsuperscript{19} Despite the East Coast base of operations, the company continued to focus on opening new stores throughout Idaho, particularly in the northern half of the state. From 1915 to 1919, six new JCPenney stores opened in Wallace, Coeur d’Alene, Jerome, Sandpoint, Shelley, and Hailey. Though marketing data at that time was often crude or nonexistent, the JCPenney Company was able to keep identifying new store locations throughout Idaho, the region, and the nation with little more than census figures and personal visits. From the New York headquarters, eight men scouted the nation as store location scouts. Their function was to visit potential towns across the country and report back to the company headquarters. Ideal locations for new JCPenney stores were, specifically, towns with fewer than eight thousand people and reasonable Main Street locations.\textsuperscript{20} In Idaho, the company investigated not only towns like Coeur d’Alene, but in many cases, considerably smaller communities like Rupert that had barely been established but showed promise for growth. Competition in smaller towns was a factor only if Penney had friendships with the proprietors—in most cases, those he had met through the Golden Rule syndicate. Even though Penney was no longer a Golden Rule merchant, he generally refrained, out of propriety, from opening stores in towns where his former colleagues were operating, even if the location itself met his criteria. Nevertheless, if a town appeared to be a viable store location, a representative from the JCPenney Company would eventually visit the area and assess whether a JCPenney store could effectively serve that community’s needs. If the company decided to open a store there, the prospective store manager would be selected partially on managerial ability, but largely on how well they could “fit” within that respective community. In the tradition of JCPenney’s first store in Kemmerer, Penney provided any ambitious associate the opportunity to not only invest in a new store location, but in many cases, become its manager.

More often than not, the JCPenney Company was very successful in matching the right manager
with the right town. When plans were finalized to open the Coeur d’Alene store in 1916, an enterprising associate named Lars Tendall was selected to become its manager. Tendall not only opened the new store, he stayed on as its manager for nearly twenty years.\textsuperscript{21} Willard Knox, manager of the Salmon JCPenney store, went on to manage the Kellogg store from 1934 until his retirement in 1960. JCPenney managers often became such integral parts of their Idaho towns that it wasn’t unusual for them to turn down promotions or transfers in order to remain in Idaho. Leonard Wood managed the Boise JCPenney from its opening until his retirement in 1950. Charles Stephens managed the store in Mackay for twenty-seven years.\textsuperscript{22} Joseph Jeffries managed the Idaho Falls store from its opening until his retirement, while George Unternahrer managed the Bonners Ferry store from its opening until his retirement.\textsuperscript{23} The longest single-store tenure at any Idaho JCPenney store belonged to Howard Gentles, who managed the Rexburg store for nearly thirty-one years, until his retirement in 1953. Although women were not hired for management positions until 1970, managers’ wives in many cases were heavily involved with the operations of early JCPenney stores.\textsuperscript{24} Penney had started this tradition by operating and living in the Kemmerer store with his first wife, Berta, who served as a sales clerk, while Earl Sams and his wife continued that arrangement in the Cumberland store. Wives of managers often served as sales clerks, with the incentive that increased sales and profits in a store would collectively improve the couple’s livelihood, since their husbands were partnered with Penney and shared in store profits. When Penney bought out the Samsel store in Buhl, he retained its manager, E. A. Russell, and Russell’s wife as head of the ready-to-wear department.\textsuperscript{25} Although Penney did not break with societal conventions for women at that time, he did recognize the quality of his employees independent of their gender. On a later visit to the Boise store, Penney explicitly wrote in his notes that “The women of the personnel are better than the men.”\textsuperscript{26}

As the company was opening stores across the nation in the 1920s, Penney himself began to embrace agriculture and country living. Although he remained chairman of the board of the JCPenney Company, he turned over daily operations to his most trusted protégé, Earl Sams, who Penney felt had superior judgment to his own in objectively leading the company. He then purchased an agricultural estate in upstate New York to use as his permanent residence, ostensibly to study and breed Guernsey dairy cattle. Soon after, he purchased over 100,000 acres of Florida farmland and established Foremost Dairies and other agricultural initiatives under the name Penney Farms.\textsuperscript{27} Business contemporaries like Henry Ford also began to create and embrace agrarian communities and culture. However, Ford’s motives were more rooted in nostalgia and historic preservation than as a means to improve profits for the Ford Motor Company.

When it opened at 301 North Main in 1927, the Pocatello JCPenney store was one of the largest stores in the chain, at nearly 46,000 square feet. The store also underwent a significant renovation and expansion in 1960. In 1981, after more than 50 years in this location, the store was moved to the Pine Ridge Mall. (Photo courtesy of the DeGolyer Library - SMU.)
Company. In contrast to Penney Farms, Ford’s creation of Greenfield Village could arguably be seen as antimodernist, an attempt to hang on to the simplicity of America’s agrarian past in the midst of the rapidly changing, industrialized society Ford helped set in motion. Penney was certainly fond of his own agricultural heritage, but his motives for embracing agriculture were as much pragmatic as they were nostalgic, a component for ultimately improving the JCPenney Company itself, since his stores were, by their very location, immersed in agrarian communities:

As far back as the days of starting out in Kemmerer, I had perceived that, since stores in small towns are naturally dependent in great measure on rural people, prosperity for farmers means prosperity for our stores.... By the onset of the twenties we had over three hundred stores, located in a large number of states, and my incessant trips among them enabled me to form a clear impression of agricultural conditions and problems. It seemed to me that nearly everywhere I went farmers stood in need of better cattle.28

In upstate New York, Penney developed an award-winning herd of dairy cattle, and even took some of them with him on a business trip to Portland; their awards were displayed in JCPenney stores throughout Oregon.29

Even without Penney’s direct supervision, the JCPenney Company continued to rapidly open new stores nationwide. During the 1920s, JCPenney’s retail expansion saturated more cities and towns in Idaho than any other retailer before or since.30 The decade began modestly with new stores opening in Rupert and Salmon. However, in 1927 alone, nine new JCPenney stores were opened in American Falls, Buhl, Burley, Idaho Falls, Montpelier, Oakley, Pocatello, Soda Springs, and Twin Falls. The Pocatello store was, at 46,000 square feet, one of the largest JCPenney stores in the entire chain.31 Not all the stores were opened in new buildings. In the case of Buhl, the company bought out a local Samsel’s store and converted it to a JCPenney.32 The opening of the Montpelier store was a bit of a homecoming for James Cash Penney, as that town had, for a brief period, marked his first store venture outside of Wyoming. He had sold his interests in the Montpelier Golden Rule in 1907 to help finance his initial expansion, but twenty years later the timing was right to return to Montpelier with a JCPenney store. Grangeville and St. Maries welcomed JCPenney stores to their Main Streets a year later, in 1928. Nationwide, nearly four hundred new JCPenney stores were opened that year, giving the chain at least one store in each of the continental United States.33

By the end of the 1920s, Penney had thirty stores in Idaho, stretching from Sandpoint to Montpelier. Although primarily located in smaller towns, these JCPenney stores brought a national department store to the Main Street of each community they served, selling everything from fashionable women’s dresses to men’s overalls. Store managers had considerable control over buying from Penney’s vast merchandise lines, allowing them to tailor their inventories to specific needs of the community. While similar department stores existed in small towns, they were either independent or regional in scope, and could not take advantage of the buying power and volume discounts the JCPenney Company could garner. Other national department store chains such as Sears, Roebuck and Co., Montgomery Ward, and even discounter F.W. Woolworth operated retail stores in Idaho, though none of them ventured into the
smaller communities like JCPenney did.

The early Main Street stores of JCPenney bore little resemblance to their modern shopping mall counterparts. The store in Bonners Ferry, for example, was only thirty feet wide. Originally, the majority of downtown JCPenney stores had narrow yellow-and-black tiled storefronts with relatively small square footage. In addition, one of the most noticeable interior features of early JCPenney stores was a rear balcony, clearly visible upon entering the store, with a staircase leading up to it, typically on the left side of the sales floor. Originally, the function of these balconies was specifically for handling cash transactions, as currency was normally not exchanged or stored on the main sales floor. Thus, whenever customers purchased items from JCPenney stores with balconies—such as stores in Burley, Moscow, Pocatello, or Sandpoint—the sales clerk would take the customer’s money and place it with a bill of sale inside a closed container, which would then be attached to a cable “zip line” that extended from the main sales floor upward into the balcony. Once the clerk had sent the container up the cable to the balcony overlooking the sales floor, another associate in the balcony would retrieve the cash and, if necessary, make change before sending the container back down. In some stores, the zip lines were eventually upgraded to pneumatic tubes, until secure cash registers made remote cash transactions unnecessary. Eventually these rear balconies became the primary location for children’s clothing, with the shoe department directly underneath, at the back of the sales floor.

Prior to October 1929, James Cash Penney and his partners made virtually no mistakes as they created a national department chain of over one thousand stores. Unfortunately, they saved their first major blunder for the worst possible time, taking the company public less than one week before the stock market crash. The aftershock of the Great Depression dropped JCPenney sales nationwide by more than $19 million, and set in motion a series of unfortunate events that left the company founder broke. For the previous twenty years, Penney had chosen not to take a salary from the JCPenney Company; he was able to build his cash fortune from partnership profits before his stores were incorporated, which later generated dividends after his ownership had been converted to stock shares. As the company had been highly profitable prior to 1929, Penney was able to buy his agricultural properties and reinvest in his company with ease. However, Penney had deposited his money in a failed Florida bank, and he compounded his financial woes by generously using his entire fortune of JCPenney stock as collateral for philanthropies. For all his successes, in a matter of months Penney came to regard himself as a complete failure. Many of his associates were moved by his troubles, well aware that Mr. Penney’s own generosity was the reason for his financial ruin. More than a thousand of Mr. Penney’s employees came to his rescue, donating portions of their own salaries and stock shares to help him recover financially.

The early 1930s were certainly the economic nadirs for most JCPenney stores nationwide, and the stores in Idaho were no exception. Annual sales at the Pocatello store dropped 50 percent from 1929 to 1932. Smaller stores saw similar proportionate sales drops, but lower profit margins made the declines even more painful. Sales at the Shoshone store dropped from just over $100,000 in 1929 to under $50,000 three years later, leaving that store with a net operating loss for 1932. The company kept the Shoshone store open, but in 1932 the American Falls store became the first JCPenney store in Idaho to permanently close, followed by the store in Oakley a few months later. But Penney had not given up on opening new stores in Idaho; that same year, he was finally able to establish a presence in Boise, opening a store at 918 Main Street. Not only did this mark his first store in Boise, but the first JCPenney
to be located in the entire Treasure Valley. The move into Boise was also evidence that the company was now considering larger cities and trade centers as potential JCPenney locations. Unlike his competitors, the move into larger cities was unique for Penney, as the overwhelming majority of JCPenney stores were located in small, agrarian towns. The larger store in Pocatello had been, from 1927 to 1930, one of the largest in the chain. However, in downtown Seattle, the company had already opened a “metropolitan” JCPenney store prototype in 1931. Located at Second and Pike, the Seattle metropolitan store had six floors of selling space and—even in the midst of the Depression—generated sales of $1.5 million during its first year of operation. The success of the Seattle store ultimately gave the company enough confidence to open gigantic JCPenney stores in larger cities throughout the nation, giving the company a department store presence in communities ranging from a few hundred people to millions. Although the Boise store was not initially built in this metropolitan format, its location gave Penney the capability to eventually convert it to a metropolitan JCPenney store.

In the fall of 1933, James Cash Penney decided to return to Idaho to personally visit his stores and touch base with managers and associates. He had made a similar trip three years earlier, before the severity of the Depression had fully revealed itself. Sales figures for JCPenney stores had not yet rebounded to pre-Depression levels, but Penney thought the trip could produce insight for solutions and perhaps be a therapeutic experience for himself and his Idaho associates. Penney made his way to Idaho from Utah, appropriately beginning in Preston before making his way through towns and stores throughout the state. Being both a retailer and an agriculturalist, Penney brought with him a keen analysis of agricultural conditions in Idaho and their economic impact on JCPenney stores. Upon visiting the Preston store, for example, he wrote that the sugar beet crop was better there than in northern Utah, and he noted later that sugar beet crops had been especially good around his stores in Jerome and Twin Falls. He was also keenly aware of grasshopper infestations that had decimated crops from Pocatello to Downey, as well as pending irrigation projects that he felt were desperately needed by communities like Shoshone. Penney kept detailed notes of his observations, both in and out of his stores, which he would eventually take back as formal reports to the company headquarters in New York.

Penney’s analysis of his own personnel and the competitive scene in each Idaho town was equally keen, especially when one considers that his chain had over 1,400 stores in forty-eight states. He was aware that his locations were subject to changes in population, industries, competition, and long-term trends affecting sales, and that each JCPenney store would need to evolve to remain successful in their respective locations. Consider his comments after visiting Boise:

I was agreeably surprised in this store, for I went to Boise under the impression that the job was being rather poorly done. The store meeting, knowing the personnel, and spending a whole day on the floor, changed my mind completely. The store is small – too small for a place like Boise, which has five large stores each one of which would do credit to a town five times its size. Wood [the Boise store manager] is a splendid man for the place. He is well liked – stands very high in Boise among the business men. He has a fairly capable [assistant manager], though not heavy enough for the job…. C.C. Anderson is the main obstacle in our competition. He does not recognize our store. Fortunately, however, the other stores are friendly and they are all against Mr. Anderson, who, I am sorry to say, has acted very “small.”
Had Wood adequate space he would do a real business in Boise. There is an opening for one of our stores of the newer type.43

And Penney’s reflections after visiting Twin Falls:

Robinson [Twin Falls store manager] has a capable personnel. He is on top of his job and has the people coming, though he has plenty of competition, perhaps the keenest of which is the Stevens Van England store, located next to ours. The Ida Department Store, the big store of Twin Falls, is pretty well entrenched, though it is said they lost a lot of money last year. C.C. Anderson has a store here and is doing very little business. Montgomery Ward recently moved their store out of this town.44

Penney also used his 1933 visits to assess the quality of individual stores and the associates within them, and his reviews ranged from glowing to scathing based on what he saw. Upon visiting the JCPenney store in Downey, Penney noted that manager S. A. Hendricks was “an exceptionally bright young fellow, a good prospect for a larger store—well-educated and a fine character.”45 Conversely, he described the Rigby store as a “sorry looking sight” and the Soda Springs store as “run down at the heel.”46 He informally recommended that a new manager be hired for the latter. Penney was also quite disgusted with the Rexburg store, noting that its window signage was “a disgrace” and that its basement was “one of the worst imaginable.”47

James Cash Penney’s trip to Idaho was therapeutic and productive, and he left the state with at least some level of optimism. By the mid 1930s, the company’s national sales were recovering, and twenty-nine Idaho cities and towns still had a JCPenney store in their central business districts. After the Great Depression had subsided, JCPenney stores across the state began to expand and modernize their downtown locations. The company built a brand new store in downtown Twin Falls in 1934. Stores in Jerome, Pocatello, and Montpelier received new yellow signs with black JCPENNEY COMPANY lettering to update their appearances. During the last two years of the decade, the company also expanded the Boise store and opened five new JCPenney stores in the Treasure Valley, in the neighboring towns of Emmett, Caldwell, Nampa, Payette, and Weiser. Finally, the Preston store relocated to a larger, new location in 1939; this was followed by a store opening in Blackfoot, the
last new Idaho town JCPenney would enter.48

By the early 1950s, JCPenney department stores were doing business on the Main Streets of thirty-two Idaho towns. Nationwide, the JCPenney Company continued its rapid growth fifty years after its humble beginnings, topping 1,600 stores and a $1 billion sales mark in 1951, a financial accomplishment that Penney had long predicted.49 JCPenney stores also surpassed Woolworth that year to become the nation’s third largest department store in sales, behind Sears and Montgomery Ward.50 National and local competition motivated the company to continue improving its stores in Idaho communities large and small. JCPenney began the decade in Idaho by relocating the Jerome store to a larger, new building, at 130 East Main Street, and the St. Anthony store to 138 North Bridge.51 In Boise, prosperity for the company was evident at 918 Main Street, where the JCPenney store underwent a massive renovation in 1952, reopening with a modern brick façade and a giant vertical PENNEY’S sign, visible for several blocks. The Boise remodel was so significant that the store held a grand reopening, drawing a huge crowd that extended along the sidewalk from the front of the store to the Idanha Hotel. The downtown business districts of Caldwell and Idaho Falls were also greeted with larger, newer JCPenney stores in 1956 and 1957, respectively. Despite the relative prosperity of the 1950s, the company reluctantly closed unprofitable stores in smaller towns where economic growth appeared to be finished. Among those casualties were JCPenney stores in Downey, Hailey, Mackay, and Shoshone. However, the closings of these stores were offset by the significant 1950s expansions and renovations to other JCPenney stores throughout the state. Virtually every store in Idaho received some form of renovation: the Burley, Lewiston, and Moscow stores were expanded and remodeled almost beyond recognition, with smooth exterior cladding and modern J.C. PENNEY CO. letters across their storefronts; the Kellogg, Rexburg, and Rigby stores also received complete facelifts on their store facades.

In the early 1960s, the company chose to relocate the Coeur d’Alene JCPenney to a new building at 212 Sherman Avenue, with a basement, two upper floors, and 26,000 square feet of selling space, along with a separate automotive center that sold tires, batteries, and accessories. Coeur d’Alene business pioneer Harley Hudson was the visionary behind the new store building, but he died before its completion.52 Nevertheless, the new Coeur d’Alene JCPenney opened with considerable excitement on February 6, 1964. The celebration was attended by its first manager, Lars Tendall, who had not only opened the original Coeur d’Alene store in 1916 but had also worked directly with James Cash Penney in Kemmerer. Penney himself was unable to make the trip, but Oakley Evans came out from the New York headquarters on behalf of the corporate office. Evans, who represented JCPenney’s Real Estate Department, commented, “This store is as up to date as any in the country. There is nothing newer or finer.”53

Although JCPenney had begun to relocate stores to shopping centers as early as 1948, the foregone conclusion for Idaho stores was that they would continue to operate in downtown locations, and the new Coeur d’Alene store was tangible proof of that. Even Bonners Ferry unveiled a new JCPenney store downtown, just ten months after the Coeur d’Alene store opened.54 The state’s largest JCPenney stores in
Boise and Pocatello also underwent additional store expansions in their downtown locations during the first half of the decade. As the decade continued, however, shopping mall developers like Harry Daum began to make the company rethink its strategy. By the time the new Coeur d’Alene store had opened, Daum was already planning Idaho’s first regional indoor shopping center, a project between Nampa and Caldwell which would eventually become known as the Karcher Mall.

JCPenney was not an original anchor when the Karcher Mall first opened in 1965. This was logical at the time: the company had opened a new store in downtown Caldwell as recently as 1957 and was already operating three other downtown stores in Nampa, Payette, and Emmett. Furthermore, the massive store in downtown Boise was only twenty-two miles away. But JCPenney’s early mall prototypes in New Jersey and Pennsylvania had given the company a chance to successfully experiment with much larger stores, providing ample parking and opportunities to sell everything from bridal gowns to basketball hoops. In each case, JCPenney stores had increased sales and profits by relocating to shopping centers. Within two years, Daum persuaded JCPenney to become a Karcher Mall anchor, with a new building that would cover nearly 134,000 square feet on two levels, as well as an automotive center with ten service bays. The Karcher Mall JCPenney would end up being more than three times the size of the Caldwell, Nampa, Payette, and Emmett stores combined—all in one location with plenty of parking and a climate-controlled shopping environment. JCPenney committed to the project, closing the Emmett store in 1967 and closing the downtown Caldwell and Nampa stores just before the Karcher Mall Penney’s—as it was signed—opened in the fall of 1968. The Karcher Mall store was a JCPenney store unlike any ever opened in Idaho, and it had enough space to sell furniture, appliances, sporting goods, and electronics as well as traditional JCPenney merchandise. The store even had its own candy and smoke shops. In addition to the twenty-five JCPenney associates who transferred from the Caldwell and Nampa stores, 215 more were hired to staff the massive new location. Harry Daum and the mayors of Caldwell and Nampa attended the ribbon cutting, and the reigning Miss Idaho, Karen Ryder of Weiser, was “Penney Host” for the day. The JCPenney store in downtown Boise also celebrated the grand opening, even though the Karcher Mall store technically competed for many of the same customers in the Treasure Valley.

In 1970, James Cash Penney was ninety-five years old, yet still active in the JCPenney Company. He was able to watch his stores evolve into the shopping mall concept, many of them more than two
hundred times larger than the first one he opened in Wyoming. Penney had no plans to retire from the company that carried his name, and continued to lucidly reflect as much about where he was going as where he had been:

“As I look to the future, each day of my life brings me new challenges and a diversity of stimulating activities. Without the coordination of my body, my mind, and my soul, I could not maintain my strength, spirit, and the zest of happy living. God willing, I hope to live to reach the century mark. I want the remaining golden years of my life to be the best and most useful ones of all.”

Penney died of a heart attack just a few months later, in New York City. On the morning his funeral took place in cosmopolitan Manhattan, every JCPenney store in Idaho, from his first one in Preston to his last one at the Karcher Mall, closed in remembrance.

After Penney’s death, executives Donald V. Seibert and William R. Howell began a new era for the JCPenney Company and its stores. The Penney’s trade name and logo that had been used since the early 1960s was replaced by the modern, Helvetica-scripted JCPenney logo that has adorned new JCPenney stores ever since. And in 1973 Howell initiated a series of studies examining the future of JCPenney stores, including whether or not they could viably continue to be located on the Main Streets of smaller towns. Nearly twenty-five JCPenney stores in Idaho still operated in a downtown location even into the 1970s, many of them in communities Penney himself had selected nearly half a century earlier. However, smaller downtown stores were simply not adapting to changing socioeconomic conditions and the consumers that came with them. The store in downtown Payette survived only one year after the Karcher Mall store opened. Smaller stores in Buhl, Malad City, St. Anthony, and Soda Springs were all shut down by the early 1970s. Perhaps the most significant sign of change came in 1975, when the company decided to close Penney’s fourth store in the company, in downtown Preston, followed by the store in downtown Rigby.

By the latter half of the 1970s, JCPenney stores in downtown locations became more of an exception than a rule. When the Teton Dam Flood of 1976 destroyed the Rexburg JCPenney, the company did reopen with a new store and building in downtown Rexburg. However, that decision was made chiefly because Rexburg did not have a suitable shopping center at the time, and a large enough building site was still available downtown. Ultimately, though, the Karcher Mall store had set a precedent for the future of JCPenney stores throughout Idaho. In 1977, Lewiston abandoned its downtown JCPenney for an anchor spot at the Lewiston Shopping Center. Two years later, JCPenney closed both of its downtown stores in Moscow, Idaho, and Pullman, Washington, to reopen as an anchor in the Palouse Empire Mall. Similarly, the JCPenney store in downtown Burley moved to the Burley Mall, while the neighboring store in downtown Rupert permanently closed. By the end of the decade, plans were already made to close the JCPenney in downtown Pocatello and reopen it at the Pine Ridge Mall in nearby Chubbuck.

These newer JCPenney stores in Idaho malls more than doubled in size compared to their previous downtown locations. Nationally, the company’s increasing movement away from downtowns to shopping centers quickly transformed the typical Main Street JCPenney store into a shopping mall anchor. In 1982, the company formally addressed this national trend by issuing The JCPenney Stores...
Positioning Statement. As the final report from the company’s economic studies during the 1970s, this document officially shifted JCPenney stores from downtown locations in rural towns to the shopping mall anchors of larger, suburban communities. The company immediately began evaluating smaller JCPenney stores outside of major metropolitan markets, such as Grangeville and Montpelier, noting that many stores in smaller markets would permanently close, while others would either be expanded or completely relocated to shopping centers. By the end of the 1980s, ten of the remaining eighteen JCPenney department stores in Idaho permanently disappeared from downtowns across the state. Five of them, including the mammoth JCPenney store in downtown Boise, were relocated to the outskirts of their cities as anchor stores in newer, indoor shopping malls. The other stores in downtown Blackfoot, Grangeville, Jerome, Montpelier, and Wallace permanently left their respective communities. By 1990, only the Bonners Ferry, Kellogg, and Rexburg JCPenney stores remained in downtown locations, and all of them were permanently closed by 1999.

The Idaho of today bears little resemblance to the one Penney saw a century ago, when he first opened his store in downtown Preston. Over a million more people now call the state home, and Idaho’s increasingly cosmopolitan retail scene seems to evolve—for better or worse—with the rest of American consumer culture. Virtually any city with a population above 20,000 now features the generic big-box suite of a Walmart SuperCenter, Home Depot, and Target. Gone are the Idaho Department Store, C.C. Anderson’s, and any traces of the Idaho JCPenney stores that James Cash Penney ever saw or knew about in his lifetime. Even the majestic building that once housed his downtown Boise store has vanished into thin air, leaving behind a transparent space that ironically provides a clear view of the building his bitter rival so proudly opened in 1929, which itself became absorbed by the Bon Marché and the quasi-generic Macy’s nameplate before closing altogether in 2010. Nevertheless, despite this postmodern scenery, the abbreviated name of James Cash Penney remains in Idaho’s culture and conscience. And the small number of JCPenney stores still operating in Idaho does not negate their founder’s retailing influence throughout the entire state—historically, socially, economically, even personally.

By venturing outside of Wyoming, Penney was able to give Preston and, eventually, thirty-two other Idaho towns a department store that practiced the Golden Rule, with the literal and figurative values he felt Idahoans deserved. As Penney himself reflected:

It wasn’t our way to invade small towns and villages out of the blue...to make a quick cleanup, then disappear again into thin air, leaving people with empty pockets and nothing of value to show for their money. We were settling permanently, as small-town men born and bred, who understood our neighbors as readily as they could understand us. And in coming among them to stay, it was with an idea beneficial to all.

Idaho, of course, returned the favor to James Cash Penney by giving him a glimpse of what his store and abbreviated name could ultimately become: a retail chain that carried out his vision, touching both coasts and nearly 1,800 communities in between.

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Notes

1 After spending his formative years in Missouri, James Cash Penney had come to the town of Evanston to work for the local Golden Rule store owned by William “Guy” Johnson and Tom Callahan. Although Penney’s first store was opened in 1902, his stores were referred to as Golden Rule syndicate stores until 1914.

2 Evans Co-op in Malad City remains in operation today, making it the oldest department store in Idaho. In Utah, Brigham Young had established Zions Cooperative Mercantile Institution (ZCMI) in 1868. ZCMI would eventually open stores in Pocatello and Idaho Falls before being absorbed by Portland’s Meier and Frank, and ultimately Macy’s.

3 Columbus Charles “C. C.” Anderson was ultimately responsible for the chain of stores that eventually became Bon Marché locations in Idaho, now under the Macy’s nameplate. C.C. Anderson’s Boise flagship store opened in 1929 at Tenth and Idaho, the former downtown Bon Marché most recently occupied by Macy’s until 2010. The Falk brothers’ retailing activities in Boise predated C.C. Anderson’s by nearly 30 years, and their Boise flagship store at Eighth and Main opened in 1898. Falk’s small chain would eventually operate under the Idaho Department Store nameplate, extending into Burley, Caldwell, Emmett, Homedale, Nampa, Idaho Falls, Lewiston, Pocatello, and Twin Falls.


5 JCPenney: An American Legacy; A 90th Anniversary History (Plano, TX: JCPenney Company, 1992), 4.


7 Both Penney and Sams used their first Wyoming stores as residences for their wives and children.

8 Curry, Creating an American Institution, 114. It is also worth noting that Falk’s Idaho Department Store was influenced by European retailers, the Falk brothers from Germany.

9 Curry, Creating an American Institution, 123.

10 Ibid., 135.

11 C. C. Anderson came to Boise to open his first Idaho store at the age of 23, and remained a Boise resident from 1896 until his death in 1958. The difficulty of Anderson and Penney’s competitive relationship was frequently noted by Penney whenever he visited JCPenney stores that directly competed with Anderson’s.

12 Curry, Creating an American Institution, 115.

13 Ibid., 123.

14 Penney, Fifty Years with the Golden Rule, 93. Although none of these signs remain in Idaho, they can still be found nearly a century later at downtown JCPenney stores in Cut Bank, Montana; Kemmerer, Wyoming; Sheridan, Wyoming; and Price, Utah.

15 The 1913 incorporation of the JCPenney Company was officially under the name Penney Stores
Company, since Utah law prohibited reincorporation under an existing name. For financial details regarding the 1913 incorporation, see Curry, *Creating an American Institution*, 149-153.

16 Penney, *Fifty Years with the Golden Rule*, 75.

17 Curry, *Creating an American Institution*, 147.


20 Glen G. White, “Picking Sites for Penney Stores,” *Chain Store Age* 1, no. 2 (July 1925): 5.

21 When JCPenney opened a newer, larger downtown store in 1964, Lars Tendall returned to help with grand opening festivities.

22 Store History for JCPenney Store #8 – Mackay, ID, 1997, Electronic Files, JCPCR, DeGolyer Library.

23 Store History for JCPenney Store #783 – Idaho Falls, ID; Store History for JCPenney Store #1015 – Bonners Ferry, ID, May 2001, Electronic Files, JCPCR, DeGolyer Library.


27 Curry, *Creating an American Institution*, 224.

28 Penney, *Fifty Years with the Golden Rule*, 120-121.

29 Penney would remain involved in agriculture throughout his life, eventually buying out his father’s farm and several adjacent farms in northwest Missouri. As part of his annual travels, he routinely visited and performed manual labor on these farms, even into his eighties.

30 Even modern retail giant Walmart has ventured into only eighteen Idaho cities as of this writing, fourteen fewer than JCPenney ultimately did.


33 *The Dynamo* 13 (August 1929): 10.


35 This layout was quite common in the majority of early JCPenney stores, whether they were built from the ground up or modified within existing buildings. The rear balcony layout is apparent in the original mother store still operating in Kemmerer, Wyoming, as well as JCPenney stores in downtown locations in Sidney, Montana; The Dalles, Oregon; Price, Utah; and Sheridan, Wyoming.

36 This zip line was formally known as the Lampson Cash Conveyor System.

37 Jerry Probst, interview by author, July 2, 1997. Probst was JCPenney Corporate Archivist at the company headquarters in Plano, Texas.

38 Curry, *Creating an American Institution*, 269.

39 Penney remained a devout Christian all of his life, and this experience, as well as the death of his first wife in 1910, both tested and galvanized his faith. Much of his subsequent personal writings, even
books he wrote ostensibly about the JCPenney Company, explicitly address his belief and faith in Jesus Christ. Orlando Tibbett’s *The Spiritual Journey of JCPenney* (Danbury, CT: Rutledge, 1999) details Penney’s faith and its indelible impact on his life.

40 *JCPenney: An American Legacy*, 16.

41 JCPenney would later open a second metropolitan store in Portland and continue to operate the Seattle store at that location until 1982.

42 The Boise store would remain in the same location from the time Penney opened it in 1932 until its closure for Boise Towne Square Mall in 1988.


44 Ibid.


46 Ibid., 8-9.

47 Ibid., 10.


51 Both buildings were nearly identical, built to JCPenney specifications. The former Jerome location is now occupied by Aracely’s Store. The building housing the former St. Anthony store, located next to the Roxy Theatre, has sat vacant for many years but is still intact. Despite the relatively small population of St. Anthony, at the time of its opening, this store was considerably nicer and nearly as large as its sister JCPenney stores in Idaho Falls and Rexburg.


54 History for JCPenney Store #1015 – Bonners Ferry, ID, May 2001, Electronic Files, JCPCR, DeGolyer Library.

55 JCPenney later teamed up with Daum to anchor his other indoor malls in Nebraska and Kansas.


59 The Karcher Mall had opened with teal-and-black Penney’s signage on the outside and inside of the store; that signage remained even after it was no longer officially used by the company.

60 *JCPenney: An American Legacy*, 29.

61 The newer Rexburg store was an expansive prototype on one level, very similar to current JCPenney stores in smaller shopping centers. JCPenney permanently closed this store in 1998, twenty years after it opened.

62 JCPenney remained at the Palouse Empire Mall for nearly twenty years before permanently closing in 1998.

63 The JCPenney at Pine Ridge Mall officially opened with the rest of the mall in 1981.

64 *JCPenney: An American Legacy*, 31.

65 Ibid.
Every Idaho JCPenney store that was operating at the time of Penney’s death in 1971 has either relocated to a shopping center or permanently closed. Even the Karcher Mall store in Nampa was shut down in 2001, due in part to competition with the even larger JCPenney store at Boise Towne Square Mall. Ironically, the immense population growth of the Treasure Valley led JCPenney to reenter the Nampa market six years later, with a freestanding prototype store at Nampa Gateway Center.

JCPenney continues to operate nine department stores statewide, in Boise, Burley, Coeur d’Alene, Idaho Falls, Lewiston, Nampa, Pocatello, Sandpoint, and Twin Falls. All but Nampa are located in indoor shopping malls.

Penney, Fifty Years with the Golden Rule, 75.