This Was J.C. Penney: A Century of James Penney’s Main Street Department Stores in the Rocky Mountain West

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A Century of James Penney’s Main Street Department Stores in the Rocky Mountain West

by David Delbert Kruger
When the Penney Brothers, James and Herbert, opened their Golden Rule mercantile in Great Falls, Montana, one hundred years ago, they received no press beyond the small grand opening ad they took out in the Great Falls Tribune. This wasn’t really a slight on the part of the newspaper: the Great Falls store was the first in Montana for the Penneys. Even the Penney name held little significance to customers since the roughly thirty stores James Penney owned in Wyoming, Idaho, and Utah all operated in association with the Golden Rule syndicate that had given him his start and supplied his merchandise.

For James Penney, having his own name on stores was secondary to conveying the values—literal and figurative—he wanted them to represent:

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. . . . [W]hile Christ was not the first to give it expression, His was the perfect pronouncement.

James Penney’s philosophy of doing business by the “Golden Rule” of “doing unto others” led to his incredible success and the creation of what was, arguably, America’s first national department store chain and certainly the first of its kind to originate in the West. Within twenty years of the Great Falls opening, Penney oversaw a retail empire headquartered in New York City with stores on more than fourteen hundred Main Streets, forty-three of them in Montana. J.C. Penney stores ultimately played a crucial role in defining and serving trade centers throughout the region. Remarkably, a large majority of these department stores remained commercial and cultural icons of their downtown business districts well into the latter half of the twentieth century.

Born in 1875, James Cash Penney was a relatively late arrival to retailing in the West. In Idaho, German brothers David and Nathan Falk opened their first department store on the streets of Boise in 1868, while Mormon pioneer Brigham Young established the Zions Cooperative Mercantile Institution (ZCMI) in Utah that same year. Five years before Penney was born, Thomas C. Power opened his first department store in Fort Benton, Montana. At the time of Penney’s birth, Edward L. Bonner had already established stores in Missoula, Deer Lodge, and Butte and hired a sales clerk named Andrew B. Hammond, who would eventually overshadow Bonner as manager of the Missoula Mercantile. During the 1890s, Romanian immigrant Herbert Fligelman unveiled his New York Dry Goods Store in Helena, and copper king Marcus Daly laid the financial foundations for Daniel J. Hennessy’s elegant department store in Butte.

Born in Hamilton, Missouri, Penney grew up as a poor farm boy before moving west in 1897. Penney’s retail career formally began in 1899, at the Golden Rule store in Evanston, Wyoming, where Penney’s older mentors, William “Guy” Johnson and Thomas Callahan, owned that location and a small chain of others throughout the region. Several other proprietors also operated affiliated, or “cousin,” Golden Rule stores, with some outlets under autonomous ownership while others featured joint partnerships. Many of these Golden Rule businessmen had known one another since boyhood, and the majority of them had emigrated from Missouri.

Thomas Callahan was perhaps the most innovative of these Golden Rule proprietors. In many ways, he pio-
neered not only the logistics of a department store chain but the modern practices of volume purchasing and discount retailing. Callahan knew he could maximize profits by selling merchandise to customers on a cash-only basis while turning over store inventories at a high volume. Callahan also knew that he could sell quality merchandise at lower prices if he could combine the purchasing power of every Golden Rule store. Although the rural West was his home, Callahan frequently made buying trips to New York City, Kansas City, and St. Louis to keep Golden Rule stores stocked with inventories of family clothing, linens, notions, and other merchandise.

Penney paid close attention to his mentors’ ideas and ultimately embraced them as his own. As a sales clerk, he quickly impressed Johnson and Callahan with his youthful energy, work ethic, and salesmanship. In 1901, the two older men agreed to set him up with his own Golden Rule store. The arrangement would be a three-way profit-sharing partnership called “Johnson Callahan Penney.” Guy Johnson suggested Penney’s new store be located in Ogden, Utah, but when Johnson took him there for a site visit, Penney backed away from the offer on account of the city being “too big” for him. Penney felt most comfortable in places where he could get to know his customers personally. He also felt he would overextend himself on credit if he had to borrow his share for a store large enough to serve a city that size. As an alternative, Penney convinced Johnson and Callahan to locate a new store in the mining and sheep-ranching town of Kemmerer, fifty miles north of Evanston. Penney selected the site and secured a fifteen-hundred-dollar loan for his share in the new store, which concurrently became the home for his wife, Berta, and their infant son, Roswell. When the Kemmerer store opened in 1902, it generated enough profit for Penney to pay off the entire note within the first year of operation.

Johnson and Callahan were so pleased with Penney’s performance over the next five years that they gave him partnerships in their stores at Rock Springs, Wyoming, and Montpelier, Idaho. Penney persuaded them to open an additional store in the Wyoming mining town of Cumberland. In 1915, the Cumberland store (above) bore both the Golden Rule and the J.C.Penney names on its facade.
Springs, Wyoming, and Montpelier, Idaho, while Penney persuaded them to open an additional store in the Wyoming mining town of Cumberland. Penney and his wife showed their gratitude to these men by naming their second son Johnson Callahan Penney after the business partnership.

Unfortunately, in 1907 Johnson and Callahan’s friendship came to a sudden and permanent end. Both men remained on good terms with Penney but wished to dissolve business contact with each other. Penney was able to buy the partnership’s Golden Rule stores simply by giving his word to repay each man on a personal note of thirty-four thousand dollars. The fact that Johnson and Callahan agreed to those terms is a testimony to Penney’s impeccable integrity. To pay down the debt, Penney sold off the Montpelier and Rock Springs stores, leaving him full owner of the Kemmerer and Cumberland locations.

Penney was somewhat disheartened by the loss of his mentors, but their exodus cleared the way for him to take leadership of his own fledgling chain. In the spirit of “doing unto others,” Penney conceived of associate partnerships like the ones Johnson and Callahan had provided. For Penney, the word “associate” was not a synonym for “employee”: it held a deeper meaning of mutual respect and shared opportunity. If a man decided to work for Penney, he could count on long hours, but he could also count on the opportunity to partner with Penney and eventually open and manage his own store. Typically, if an associate came up with enough money for a one-third share in a new store, Penney provided the remaining two-thirds using the profits of his Kemmerer store.

Penney’s first partners—Earl C. Sams, Dayton Mudd, and Edward Neighbors—were young sales clerks who worked their way up in Kemmerer and Cumberland before joining Penney in 1908 to open new stores in northern Utah and southern Idaho. Within a year, Mudd, Neighbors, and Sams were able to propose associate partnerships to their own protégés. If Penney approved of a proposal, he would select the site as well as put up at least one-third of the investment required. This arrangement allowed the chain to expand with minimal reliance on banks.
or lines of credit. If a loan was necessary, Penney or his partners could make one out of their personal savings, and the new manager would pay them back from the store’s profits.

Penney continued to recruit young men from his Missouri hometown, particularly those who shared his ambition as well as his personal values. Sharing Penney’s personal values explicitly meant abstinence from alcohol or tobacco use and a belief in a “Supreme Being.” “Creeds were not discussed,” Penney later explained, “and I made no great point at that time of a church connection either. But I would never have an atheist in a store of mine.”

Penney’s protégés had a profound impact on retailing in Montana even after they left Penney’s employ. Associates J. M. McDonald and C. R. Anthony both learned the retailing trade as Penney understudies, and eventually each man started his own chain of department stores. Years later, brothers Sam and Bud Walton would also start out as J.C.Penney management trainees before creating their own retail empire.

Seven years after opening his first store, Penney was able to persuade his brother Herbert to come to Wyoming, and between 1909 and 1912 Herbert worked as a sales clerk in his brother’s Kemmerer and Eureka, Utah, stores before becoming “first man,” or assistant manager, at the newest store in Spanish Fork, Utah. In 1912, Herbert became the Great Falls manager and a formal business partner. While few men could match the energy and business acumen of James Penney, Herbert was nonetheless a very successful manager. The store capitalized at twelve thousand dollars, one of the highest values for any store at that time. It also yielded enough profit in its first year that the brothers were able to open an additional Golden Rule store in Kalispell by 1914. James Penney used his other partnerships to establish a store in Anaconda the same year, followed by one in Missoula at 123 East Main in 1915.

Montana’s homesteading boom in the 1910s increased the number of potential Penney’s customers, but there was competition for their business from catalog merchants. Aaron Montgomery Ward had operated his catalog warehouse out of Chicago since 1872, while Richard W. Sears and Alvah C. Roebeck opened their massive mail-order business out of Chicago in 1887. Their successes came largely from serving rural customers with a vast selection of merchandise. With rail access throughout Montana, catalog merchants could ship goods to customers and sell them at lower prices than local stores that bought merchandise through “middlemen.”

Penney’s in-store, cash-only sales policy did not prevent him from reaching “out-of-town” customers. In an advertisement for his new Missoula store, Penney offered mail order as an alternative to catalog purchasing:

Ofttimes one has not the time to come to Missoula just when you are in need of some article of our line. To those thus situated, we respectfully solicit your mail order business. In sending mail orders to us you may rest assured that they will receive the same careful consideration as would be shown you if you were here in person. As we do a strictly cash business, we advise that you send enough to cover the price of the article wanted and also the postage. Anything over the purchase price and postage will be immediately returned to you.

Between 1909 and 1917, Penney spent considerable time scouting potential new locations in cities and small towns throughout the region, taking into account prominent industries and crops, transportation lines, and the potential for community growth. Typically, Penney preferred smaller towns with railroad connections and suitable Main Street buildings. When he found a location, Penney “hand-picked” his new store manager as it was very important to him that the right manager be paired with the right community. “Serve community in which you live” became the motto for all managers.

In Montana, the factor limiting Penney’s expansion was the presence of other Golden Rule proprietors, particularly Frank S. Jones and J. N. McCracken. Golden Rule policy prohibited any “cousin” Golden Rule chain from operating in the same community, and Jones and McCracken owned nearly thirty locations between the two of them. McCracken had operated out of Livingston since 1897. His largest location was Billings, but he also saturated railroad and mining towns in the western half of the state, including Big Timber, Harlowton, Livingston, Bozeman, Butte, and Helena. McCracken also owned locations as far west as Hamilton and
Stevensville and as far east as Bismarck, North Dakota. Frank Jones, by contrast, focused on the opposite half of the state, with locations in Polson and Shelby and fanning east to Plentywood, Sidney, Glendive, and Baker. Other Golden Rule merchants owned stores in Lewistown and Forsyth. Even Penney’s mentor Guy Johnson had opened a Golden Rule store in Dillon.13

Outside of Montana, Penney was not hemmed in by other Golden Rule proprietors, and between 1911 and 1915 he rapidly created the largest of the region’s Golden Rule chains, with eighty-three stores in thirteen states. In 1913, he formally incorporated his stores under the name “J.C. Penney Company, Inc.,” to protect his many partners from unlimited liability. A year later, even the New York Times began to notice the company with its nearly fifty stores generating $3 million in sales. The paper interviewed Penney during one of his buying trips to the city. When questioned about his formula for success, Penney simply answered: “We cater to the masses and we do it in a simple way. . . . [W]e have no cabarets or moving pictures, but we do have one price for every purchaser. Rich Mrs. Smith gets no better price or attention than poor Mrs. Jones.” When asked about future expansion, Penney replied, “Our stores are now located in the West because they were started there and have made good. Some day we may extend our operations eastward, but it is too far distant to even hazard a guess as to when it will be.”14

It turned out the move east was sooner than Penney anticipated. In 1914, Penney began opening stores in North Dakota and Nebraska and had to reluctantly accept that to capitalize on merchandise buying and distribution logistics, he needed to relocate his headquarters to New York City. Within the year, Penney and his partners sold their Salt Lake City homes and moved to New York.

Around this time, Penney also made a difficult decision to break with the Golden Rule syndicate,
which meant a new name for his stores. While “J.C.Penney” was never a name that Penney himself favored, it was ultimately the one his associates wanted. By 1916, new stores were being opened under yellow and black J.C.Penney Company signage. While the Golden Rule name and its distribution lines faded from Penney’s stores, it prominently continued throughout the region in those of McCracken, Frank Jones, C. C. Anderson, H. C. Stevens, J. B. Byars, and Guy Johnson and Thomas Callahan, among others.

Even though J.C.Penney stores were now independent, Penney continued to honor the Golden Rule noncompete agreements. Thus, the growth of J.C.Penney stores in Montana between 1915 and 1925 was disproportionately slower than their growth in other states, particularly those in the Midwest and Pacific Northwest. In the ten years after opening his Missoula store, Penney’s only new locations in Montana were Whitefish in 1920 followed by a Red Lodge store in the Pollard Hotel Building in 1925.15 While Penney had six stores statewide by the mid-1920s, smaller chains such as Vaughn & Ragsdale had expanded to Billings, Absarokee, Columbus, Forsyth, Lewistown, and Miles City.16 Frank Buttrey extended his department store chain out of Havre as well and by that time had relocated his home and headquarters to Great Falls.17

Aggressive capitalists might have disagreed with Penney’s approach to business, but in a 1925 speech that later evolved into a Saturday Evening Post article Penney philosophically articulated how his spiritual convictions continued to drive his plan for success:

No man, in my opinion, can pull himself up by his own bootstraps, favorite theory to the contrary; he is hoisted by his personal efforts and the cooperative efforts of his friends, and the latter are benefited and not battered. . . . In business, true, there is a survival of the fittest, but the fittest is synonymous with the one who practices most consistently and conscientiously the cardinal virtues of being patient, humble, diligent, charitable, and honest. To my idea, the one rule to which an ambitious young man or woman can adhere and remain morally safe, is the Golden Rule. In it are

In 1913, Penney incorporated his stores under the name “J.C.Penney Company, Inc.” The company’s first convention in Salt Lake City, Utah, was attended by its officers and store managers (above). As Penney continued to bring associates into his rapidly growing organization, he became known as “the man with a thousand partners.” Penney is seated fourth from the left in the second row. His first partner and later company president, Earl C. Sams, is seated to the right of him, and his brother Herbert is standing on the right end of the fourth row.
The main factor limiting Penney’s expansion in Montana was the presence of other Golden Rule stores. Golden Rule policy prohibited any “cousin” stores from operating in the same community, and Penney honored this tradition with informal noncompete agreements. The Philipsburg Golden Rule store, shown here, was opened in 1888 by William Neu and M. E. H. Gannon as the Gannon & Neu Mercantile. The 1923 staff included (from left) Clyde J. Neu (William’s son), Ella Gird Miller, and Gussie Ballard Potts. The store became a J.C. Penney location in 1930.
encompassed all commandments and conventions; through it and it only, I think, success and happiness can be derived.\textsuperscript{18}

Practicing the “Golden Rule” paid off. In 1927, J. H. Akins sold Penney his Lewistown store, which Penney converted to a J.C. Penney location. Frank Jones wanted to retire from retailing the same year, and he offered to sell his entire chain to Penney. By that time, Jones had amassed over fifty stores across Montana, the Dakotas, Minnesota, and Iowa. While the Jones Golden Rule chain had recorded annual sales of about $3 million, Penney believed his buying power, distribution system, and service model could double that figure. Penney bought every Jones store, including store inventories, and began converting them into J.C. Penney locations. As part of the process, the new manager traveled to St. Paul, Minnesota, to select merchandise from J.C. Penney product lines. All of Jones’s merchandise was then heavily discounted to clear out the existing inventory. Exteriors of stores were remodeled to feature yellow steel signage with “J.C. Penney Company” in bold black letters as well as matching yellow-and-black tile along the apron of the storefront.\textsuperscript{19}

Throughout the spring and summer of 1927, new J.C. Penney stores were created from Jones stores in Big Sandy, Chinook, Choteau, Cut Bank, Glasgow, Havre, Malta, Plentywood, Polson, Shelby, and Wolf Point as well as Baker, Glendive, Roundup, and Sidney. Penney also acquired Guy Johnson’s Golden Rule store in Dillon and opened a brand-new J.C. Penney department store in Harlem. In most cases, grand openings became front-page news, accompanied by full-page advertisements promoting company “house” brands such as Big Mac work shirts, Jaciel cosmetics, Marathon fedora hats, and Belle Isle muslin. These J.C. Penney products were all quality tested and sold for less than competitors’ since they incurred no advertising costs. By the beginning of 1928, J.C. Penney had twenty-two Montana department stores, selling everything from delicate women’s
frocks at $.79 each to working men’s Pay Day overalls at $1.15 a pair.\(^{20}\)

Since the majority of Penney’s stores were located in small towns, the stores themselves were significantly smaller than their later incarnations. Most of them opened in what Penney referred to as a “single room” configuration, essentially a narrow downtown building with a twenty-five- to thirty-foot-wide storefront and a single-door entrance in the center. The stores in Baker, Choteau, Deer Lodge, Polson, Forsyth, Laurel, and Plentywood all fit this description. In larger towns, J.C. Penney stores tended to open in a “double room” configuration, essentially two adjacent single-room sales floors with support columns down the middle. A new Anaconda location was constructed according to double-room specifications, and Penney also reconfigured existing buildings in Kalispell and Lewistown. The town’s population did not always determine a store’s size; the J.C. Penney store in Harlowton opened with a double-room layout because of its proximity to the Milwaukee Road rail line and the Graves Hotel. As business grew in single-room locations like Stevensville, the store simply took over adjacent building space to become a double-room store. Sales were so strong in Baker and Glendive that the company moved those locations to entirely new, larger buildings within two years of their grand openings.\(^ {21}\)

Regardless of size, one of the most striking interior features of early J.C. Penney stores were the stamped-tin ceilings, often seventeen feet or higher, and mezzanine balconies that overlooked a symmetrical sales floor. J.C. Penney stores were cash-only operations, but money was not exchanged on the sales floor. Instead, stores utilized a complicated system of cables and spring-loaded containers, officially known as the Lamson cash conveyor.\(^ {22}\) Whenever a customer made a purchase, the customer handed the money to a sales clerk, who wrote out the items, prices, and cash amount on an invoice. The clerk secured the customer’s cash and invoice inside the container, which was then propelled up the cable into the balcony, where another clerk processed the transaction before sending the container back down with a receipt and any change due. During busy shopping periods, these containers constantly going up and down their cables made a frenetic sight and sound, particularly in larger stores like Great Falls and Butte. Over time, as secure cash registers on the sales floors made this system obsolete, the cables were removed.\(^ {23}\) Stores ultimately utilized the front balconies as offices for managers, while rear balconies were increasingly used as a children’s clothing department, with the shoe department typically underneath on the main floor.

By 1928, over one thousand J.C. Penney stores dotted the nation. In Montana, J. N. McCracken sold nearly all of his stores to Penney that year, and J.C. Penney emerged with a store in the state capital as well as ones in Billings, Bozeman, Butte, Livingston, Columbus, Conrad, Hamilton, Harlowton, Laurel, Manhattan, Stevensville, Townsend, and Whitehall.
McCracken stock was liquidated, with dresses ranging from $3.97 to $9.97 and men’s and boy’s suits from $2.97 to $19.98.24

Reception for new J.C. Penney locations was at times overwhelming. The Bozeman store held a grand opening just three days after a new Montgomery Ward store, yet the Bozeman Daily Chronicle estimated that nine to ten thousand people inundated J.C. Penney during the day, frequently making it impossible to move inside the building. Several times, the front entrance had to be locked until customers could make their purchases and exit into the alley behind the store. “It was one of the most spontaneous responses I have ever seen and I am more than pleased with results,” the store’s new manager, J. H. Bell, told the Chronicle reporter. “The spirit was truly Montana and as we are primarily a western institution, having our beginning out here in this country, we are perhaps, in a way, better able to appreciate and understand western ways of doing things than the average newcomer. I like Bozeman and feel that we are going to fit into the picture perfectly.”25

The McCracken acquisitions were among five hundred J.C. Penney stores opened nationwide in 1929. With a brand-new J.C. Penney store constructed in Libby and the acquisition of the Lindsey-Webb Golden Rule store in Forsyth, the chain had opened almost forty department stores across Montana in just seventeen years, making the company’s market saturation the highest any retailer has ever had in the state; today, the Albertsons grocery store chain has thirty locations in Montana, while Walmart has just fifteen. Within the western region, only California, Washington, and Colorado would ever have more J.C. Penney locations statewide, with Montana counting nearly as many as in Arizona, Nevada, and New Mexico combined.26

Managers for these new Montana stores were expected to become actively involved in their communities not only as local businessmen but as contributors to the general progress of the towns. As company president 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.27

As buyers from the company’s merchandise lines, Penney managers could tailor inventory or even departments to local tastes and needs. While every store stocked merchandise for men’s, women’s, children’s, and shoe departments, managers could also carry larger inventories of Jaciel cosmetics, linens, fabrics, or seasonal lines of kitchen utensils, serving sets, lamps, and luggage. During one week in 1927, for example, the Havre J.C. Penney manager was promoting drapes, bedspreads, muslin, and towels while the J.C. Penney manager in Baker advertised baby accessories and toddler clothing.28

It was natural that J.C. Penney managers had long tenures in the same location. Roy S. Currell was the third manager for the Great Falls store and stayed in that position from 1930 until his retirement in 1955. Marion R. Smith spent nearly his entire J.C. Penney career in Montana towns. He worked as a salesman in Anaconda before becoming manager of the Whitefish store in 1932, the Livingston store in 1934, and finally the Kalispell store from 1937 to 1960. One of the longest single-store tenures in Montana belonged to Fred R. Little, who took over the Helena location four years after it opened and served as its manager for nearly thirty years, guiding a move to a new downtown location in 1961 before he retired in 1962. Fred Little’s sons, after earning their business degrees from Montana State University, also chose careers as J.C. Penney store managers.29

By the end of the 1920s, J.C. Penney had almost 1,400 stores nationwide, with twenty-two thousand employees and annual sales of almost $210 million.30 Penney himself had amassed a personal fortune of over $40 million. In October 1929, Penney and his board decided it was time to take the J.C. Penney Company public. They had no way of knowing they were less than a week away from one of the worst events in American economic history. The ensuing stock market crash was only the first of several finan-
cial catastrophes that broke J.C. Penney’s founder financially and emotionally. Penney had refused to take a salary from his company since 1909, living instead off profits and stock dividends. He had generously placed his shares of J.C. Penney stock as collateral for philanthropies and kept his savings in a Florida bank he oversaw. When the bank folded in 1931, Penney’s personal finances imploded.

By the latter months of 1931, Penney found himself staring into a financial abyss with no stock, little money, and a looming lawsuit from depositors who blamed him for the collapse of his bank. The merchandising genius quietly began to regard himself as a complete failure. Within the confines of his New York home, he sank into a severe depression, going as far as writing out suicide notes to his wife and two daughters. Suicide, however, was not in Penney’s nature. Desperate for a way out of his misery, he sought the solace visiting J.C. Penney stores throughout the country. During a December trip to Battle Creek, Michigan, a doctor referred Penney to the Kellogg Sanitarium. Unable to sleep, Penney began pacing the halls until he came upon its chapel and the sounds of a familiar hymn from his childhood, “God Will Take Care of You.” As Penney later recalled:

In the next few moments something happened to me. I have never been able to explain it clearly in words and cannot now. I believe it was a miracle. . . . 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.32

By the end of 1931, Penney was back to work in his New York office, ready to move forward. He did
not emerge from his financial troubles entirely on his own. Herbert Penney, who had advanced through the company, became aware of his brother’s situation and lent him fifty-two thousand dollars. Many other J.C. Penney associates were also moved by their founder’s hardship and donated both money and portions of their stock to help him recover. Though Penney would never regain the apogee of his previous fortune, the entire experience gave him the peace and strength necessary to lead his company through the rest of the Great Depression.

J.C. Penney stores in Montana battled the hardships of the early 1930s as sales dropped at every location. Declines in Columbus, Townsend, and Whitehall were so severe that those locations were permanently shuttered. Still, the company was able to open successful new locations in Deer Lodge, Philipsburg, and Miles City as well as a metropolitan store in downtown Seattle, which generated over $1 million in cash sales during its first year of operation.

In November 1933, Penney decided to visit several stores throughout the region. Travelling by rail from Salt Lake City, he spent entire days at J.C. Penney stores in Butte, Missoula, Helena, Great Falls, and Billings, with half-day visits in Hamilton and Stevensville. He even took time to be guest speaker at Rotary clubs in Great Falls and Billings and to deliver a radio address in Missoula. Ultimately, these visits may have been as therapeutic for Penney as they were for associates and customers who were facing their own economic uncertainties.

Consider Penney’s positive reaction to his store in uptown Butte as written in his travel notes:

This store is a delight to see. It is well located, with windows attractively trimmed. Upon entering one cannot fail to be impressed with its set-up. The stock is well displayed and priced and in perfect order. There are no old goods in the house. Samsel is one of the most alert managers I have ever contacted—quick, and knows his business. The personnel—both men and women—are of very
high type. Symonds [sic], our chief competitor, located diagonally opposite our store, is doing a large volume, but the J.C. Penney Company store is recognized as a factor in Butte. The mines are very quiet and there is no outside trading area.35

Penney’s notes upon visiting the Billings store indicate his capacity for critical judgment as well:

This is a very well located store, but there is no sign marking it, save small gold leaf signs on the windows, and a large electric sign on top of the building that does no good in the daytime. I recommend that two neat gloss signs in black and yellow be placed on the corner of the building. This store is very crowded and poorly arranged. Dell [Billings store manager] is not a high-powered merchant; he is slow and I should call him extremely conservative; but he is doing a good business. There is plenty of competition in Billings. Hart Albin [sic], old timers, have an outstanding store and do a large business, going after the medium and low-priced business in their basement. Montgomery Ward have a large stock here and are doing a big volume in all lines.36

Penney applied the same attention to his smaller stores as he did to larger ones. In Hamilton, he recommended that the location be approved for a sheltered stockroom at the rear of the building and successfully negotiated with the landlord in Stevensville to remove a cumbersome wall that divided the sales floor, while still managing to keep the rent at eighty-five dollars a month.37

In addition to analyzing stores, Penney conversed with local residents and discreetly visited competitors like the Missoula Mercantile and Hart-Albin. Penney’s general analysis of Montana’s economic and agricultural conditions reflects an understanding as personal as it was businesslike:

The sheep business is one of the bright spots in the West. In Montana the industry returned around twenty million dollars to upwards of four thousand sheep men. I expected that the sheep men would be feeling cheerful, but found considerable dissatisfaction among them. They complained of the price of lambs, of drought, and that they had marketed their wool too early. The legislature has been called into extraordinary session to meet the most serious economic situation Montana has had to face in its forty four years of statehood. The governor has broad plans for irrigation and reclamation work that will affect hundreds of farms and for solving problems affecting the general welfare of the citizens.38

Nationwide, J.C. Penney stores actually gained customers as a result of the Depression as the company developed a reputation of quality and low prices among cost-conscious consumers. In 1934, store sales exceeded their pre-1929 levels. Even Franklin D. Roosevelt grew quite fond of the company’s stores; in a presidential parade through Wyoming in 1937, FDR wore a lap robe purchased from the J.C. Penney store in Casper.39

As the Depression subsided in the latter half of the decade, thirty-eight J.C. Penney department stores

J.C. Penney’s moved its stores into larger downtown locations in many regional trade centers, including in Great Falls (right, 1948). Over the years, the Great Falls store was remodeled and expanded a number of times before moving to the Holiday Village Shopping Center in 1976.
were doing business on Montana Main Streets. In Butte, the company was able to upgrade to a cosmopolitan location on the corner of Park and Dakota. With four floors and a basement—three of which were sales floors—the new Butte J.C. Penney became Penney’s largest location in Montana.

Even in smaller towns, some stores were beginning to transform from spartan mercantiles to modern department stores. The first of these transformations occurred in Sidney, where the company teamed up with Franklin T. Reynolds, a local grocer, to construct a larger building at 117 East Main. Designed and built according to company specifications, the building was leased back to the J.C. Penney Company. When the new Sidney J.C. Penney opened just after Thanksgiving in 1941, it was undeniably one of the more modern in the “tri-state” region and gave the small farming community a department store nearly as large as J.C. Penney locations in Bozeman, Helena, and Missoula. The store boasted a sales floor nearly sixty feet wide, front and rear balconies, a basement, and fluorescent lighting throughout. A large, vertical “Penney’s” sign extending from the corner of the building was clearly visible in day or night from the Central Avenue strip and the store’s main competitor, the Yellowstone Mercantile. Similar new J.C. Penney stores soon followed in Hamilton and Wolf Point.

By the 1940s, the J.C. Penney Company had already been experimenting with the “metropolitan” store prototype in downtown Seattle, Washington, and Portland, Oregon. The success of these stores gave the company confidence not only to move into the country’s largest cities but to upgrade its existing stores in larger towns. The store in Great Falls was expanded accordingly, and Billings followed in 1946.

Billings was not yet Montana’s largest city in 1946, but it was clearly becoming the regional trading center for much of eastern Montana and northern Wyoming. Montana-based department stores of Cole’s, Hart-Albin, Vaughn & Ragsdale, and Buttrey’s had all moved into prominent locations in downtown Billings as did F.W. Woolworth, Montgomery Ward, and Sears Roebuck. The J.C. Penney Company found a large location at 207 North Broadway, directly across the street from Hart-Albin’s massive store. When it opened, the new J.C. Penney store was unprecedented for a Montana location, with elevators, escalators, and several levels of shopping space—innovations also found in modernized J.C. Penney stores in Missoula and Great Falls. These stores introduced many “Baby Boom” children to the thrills of riding on escalators and elevators—often the first they had ever encountered, providing an added incentive for mothers to take their children to Penney’s.

The success of its metropolitan stores as well as sustained smaller locations gave J.C. Penney a visible presence across Montana. Nearly every resident was within fifty miles of a J.C. Penney store, and even the remote ranching outposts of Alzada and Wyola were within forty miles of stores in Belle Fourche, South Dakota, and Sheridan, Wyoming, respectively. Penney’s “cardinal policy” of accepting returns or exchanges on merchandise purchased at any J.C. Penney store was particularly useful for residents of Powder River County since their cattle- and sheep-ranching activities meant trips in any given year to Miles City, Belle Fourche, or Gillette, Wyoming.
In postwar Montana, many older businesses such as The Paris Dry Goods in Great Falls, Fligelman’s in Helena, and the Missoula Mercantile were also evolving into modern department stores. Hennessey’s had branched out from Butte to open new locations in downtown Bozeman and Livingston. Buttrey’s, while increasingly moving into the grocery business, was planning renovations for some of its fashionable downtown locations around the state. In smaller towns, local department stores that predated J.C. Penney’s arrival—the Kalispell Mercantile, Sidney’s Yellowstone Mercantile, A.W. Miles in Livingston, Bozeman’s Chambers-Fisher, and Lewistown’s Power Mercantile—also modernized into formidable competition for J.C. Penney locations.

For the J.C. Penney Company, sometimes the necessity of a new store arose from unforeseen circumstances. In 1950, a nighttime fire destroyed the interior of the Missoula J.C. Penney store on Higgins Avenue, just north of the Florence Hotel. After the building’s remains were demolished, J.C. Penney built a much larger, modern store on the same site. The new store featured three levels aboveground plus a basement and a smooth, brown storefront that complemented the Missoula Mercantile, its long-standing competitor across the street.

By contrast, many of Penney’s smaller stores remained largely unchanged since their openings. With their narrow “single room” or “double room” configurations, bright yellow-and-black storefronts that had defined the early stores as an offshoot of the Golden Rule syndicate, and upper glass-block fronts, these buildings were virtually architecturally the same as they had been in the early part of the century. Entrance doors, window casings, sales counters, and display fixtures were typically wood versus the more trendy chrome and stainless steel. In many
stores began to disappear from Main Streets as populations shifted away from rural areas, transportation improvements made it easier for customers to travel out of town to shop, and shopping centers gained popularity starting in the 1960s. The company’s logo also changed over the years. Those represented here date from 1914 through 2011.

Missoula, Montana, opened in 1915; above, salvage sale following store fire in 1950

Missoula, Montana, rebuilt after fire in 1950; moved to Southgate Mall in 1979

Miles City, Montana, 1933–2000

Helena, Montana, 1929; moved to Capital Hill Mall in 1984
Forsyth, Montana, 1929–1965

Harlowton, Montana, 1929–1960

Anaconda, Montana, 1914–1992

Cut Bank, Montana, 1927–1928 and 1955 to the present

J. C. Penney Historic Store Photograph Collection, DeGolyer Library, Southern Methodist University, Dallas, Texas

Courtesy the author
cases, the Lamson cash conveyor cables remained in use. Such features gave J.C. Penney stores the appearance of being out of style right at the dawn of a booming consumer economy.

To correct the problem, nearly every Montana J.C. Penney store received some form of renovation during the 1950s. Locations in Dillon, Livingston, Malta, Miles City, and Glendive underwent complete storefront facelifts, with new ceramic cladding and larger, individual “J.C. Penney Co.” letters extending out from their storefronts. Plate-glass display windows featured families of happy mannequins wearing the latest fashions and were illuminated even after the store closed. Stores in Anaconda, Butte, and Havre received the same cosmetic upgrades in addition to significant sales-floor expansions. By the end of the decade, the company moved its department stores into completely new buildings in downtown Libby, Cut Bank, and Kalispell.46

By the late 1950s, J.C. Penney chairman William “Mil” Batten and the company’s board of directors felt the company needed to accept credit purchasing, which was emerging as a central part of consumer culture.47 James Penney had always opposed credit sales on moral grounds, acknowledging that while credit would increase company sales, it would also leave consumers in debt by encouraging them to purchase more goods than they truly needed. Penney would not be persuaded on this matter. When the credit decision was finally put to a vote by the J.C. Penney board in 1958, the only “no” vote came from Penney himself, though he reluctantly accepted the board’s decision. J.C. Penney also began offering catalog sales for the first time in 1963.48

The 1960s optimistically began with the unveiling of larger new J.C. Penney stores in downtown Helena, Laurel, and Whitefish as well as a significant remodel and expansion to the Great Falls store on Central Avenue.49 Offsetting this commercial optimism, however, was the beginning of store closures for smaller J.C. Penney locations as rural populations shrank, and the development of better highways made it easier for people to travel to larger commercial centers. Rosebud County residents could now trade in the Miles City Penney’s store, which was three times larger than the one in Forsyth. Customers of the Harlem store could conveniently shop at a bigger J.C. Penney store in Chinook and an even bigger store in Havre, and Harlowton customers could easily take their business to Lewistown.

In some towns, the tiny store buildings were as much a factor in declining business as changing economic conditions. The Deer Lodge J.C. Penney store was still operating out of its original twenty-five-foot-wide location, and the company was unwilling to remodel a store that small. J.C. Penney had dealt with cramped stores in Laurel and Whitefish by constructing and leasing newer, larger buildings; however, the New York office was not confident that Deer Lodge could support a new store. As a result, when leases expired at J.C. Penney stores in Deer Lodge and also in Harlem, Red Lodge, Harlowton, and Forsyth, those locations were permanently closed. In every case, the company offered managers and associates the opportunity to transfer to other J.C. Penney locations. Several managers did not move very far. Duane Lockard, who managed the Red Lodge store, was reassigned to Roundup, Deer Lodge manager William Doyle moved to Chinook, and Harlem manager John Boyle was sent to Deadwood, South Dakota.
Not every manager chose a J.C. Penney career over his town, however. Don Bain, who had managed the Harlowton J.C. Penney for nine years, had become so attached to the community that he severed his ties with the company and opened his own department store in the former J.C. Penney building.50

With its consolidation to larger stores, the J.C. Penney Company began taking steps toward shopping mall tenancy. The company had opened a store in a shopping center as early as 1948, and in the 1960s company chairman Mil Batten began implementing large-scale prototypes in New Jersey and Pennsylvania shopping centers. These stores were not designed for carrying larger quantities of the same merchandise but were “full-line” department stores selling expanded product lines of Penncrest major appliances, furniture, hardware, sporting goods, and popular music. Many also featured multi-bay automotive service centers with “Penney’s” branded tires, batteries, and gasoline. Throughout the 1960s, James Penney personally attended grand openings for several of these stores—many of which were two hundred times larger than his first location in Kemmerer. Despite the higher construction costs, full-line mall stores were extremely profitable, generating high-volume traffic due to the new consumer conveniences of expansive free parking and the comfort of climate-controlled shopping environments. By the late 1960s, full-line J.C. Penney mall stores appeared in Nampa, Idaho, suburban Salt Lake City, and suburban Denver.51

In Montana, the shopping-center movement increasingly gained momentum. Montgomery Ward and Buttrey’s moved to the mall when the Holiday Village Shopping Center opened on the south side of Great Falls in 1959. In 1965, Hennessy’s opened its first mall location as part of the Capital Hill Shopping Center in Helena. In Billings, Sears, Albertsons, and S.S. Kresge, the parent company of Kmart, capitalized on the indoor shopping of West Park Plaza Shopping Center. Butte Plaza, constructed just south of Interstate 90, was able to draw in Woolworth and Buttrey’s as anchor tenants in 1969.

In 1970, James Penney at the age of ninety-five, was still working at his Manhattan office five days a week. He was nearly blind but lucidly optimistic. “God willing,” wrote Penney in his personal testimony, “I hope to live to reach the century mark. I want the remain-
ing golden years of my life to be the best and most useful ones of all.” His empire had grown to nearly 1,600 stores, with 162,000 associates and $4.6 billion in annual sales. In Montana, 30 J.C. Penney department stores operated in downtown business districts, many in buildings Penney had personally selected. Penney celebrated Christmas that year but fell and broke his hip the following day. A few weeks later in a New York hospital bed, his long and eventful life came to its peaceful end.52

Penney’s death marked the end of an era for the Main Street J.C. Penney store and an increasing embrace of shopping centers for J.C. Penney locations. Nationwide, the “Penney’s” logo and trade name were discarded in favor of a modernized “JCPenney” logo that would be used for the next forty years. Increasingly, the slogan “This is JCPenney” and an accompanying musical jingle were used for company advertising for radio and television.

Significant changes for J.C. Penney stores in Montana did not occur until 1972, when a violent explosion in the basement of the uptown Butte J.C. Penney store set them in motion. At the time, J.C. Penney had been planning to remodel and expand the store on the corner of Park and Dakota to compete with the Hennessy’s flagship department store flourishing on Granite Street and the other uptown department stores, Burr’s, Montgomery Ward, and Sears. However, the nighttime explosion imploded the J.C. Penney building and set off a fire that destroyed an entire city block. Miraculously, not one person was killed, but the building was a complete loss. The business relocated to a temporary location along Park Street. The plans for a newer and larger J.C. Penney store in uptown Butte would never be revisited. In 1975, J.C. Penney vacated Butte’s central business district for a freestanding location on South Harrison Avenue. Twenty years later, the store relocated to Butte Plaza mall.53

The exodus of J.C. Penney from uptown Butte marked the first time that a Montana store had left downtown—an aberration that would quickly become a trend. Within five years, J.C. Penney stores in Great Falls, Havre, Missoula, and Bozeman all vacated their downtown buildings for shopping malls. The 1970s were also the beginning of store closures. The Polson store and the Whitefish store that had opened in 1960 were unable to survive the decade, chiefly due to Kalispell’s increasing dominance as the primary trade center not just for the Flathead Valley but for northwest Montana. J.C. Penney stores closed in Baker, Chinook, and Choteau as the communities experienced the continuing demise of small farms and ranches. Other Montana department stores suffered as well. Uptown Butte took a devastating blow at the end of the decade when Hennessy’s announced it was closing for good.54

By the early 1980s, company executives were focusing the J.C. Penney chain almost entirely on shopping mall locations in larger suburban communities. The formal policy, known as the “J.C. Penney Stores Positioning Statement,” made it clear that downtown J.C. Penney stores in larger cities would be relocated to shopping centers at the earliest convenience. J.C. Penney stores in communities not large enough to sustain shopping centers would be either expanded or permanently closed.55

The company seized on an opportunity to apply its repositioning strategy in Billings in 1982. Unlike the downtown areas in other large cities, downtown
Billings remained a powerful retail center into the early 1980s, with Cole’s Department Store, F.W. Woolworth, Hart-Albin, and J.C. Penney all occupying large locations in the city center. J.C. Penney held a lease that was not set to expire until 1987. On the west side of town, Rimrock Mall, which had opened in 1975, was the city’s largest shopping center. For about six years, downtown Billings, Rimrock Mall, and the older West Park Plaza Shopping Center managed to coexist. When The Denver suddenly closed its Rimrock Mall location in 1981, that harmony collapsed. Bruce Crippen, a state senator and Billings businessman instrumental in developing the city’s growing west side, did not want The Denver’s space to remain vacant, and his goal was to persuade J.C. Penney to open a new store in the mall location. Even though J.C. Penney had five years left on its downtown lease, Crippen and his Rimrock Mall partner, Ernest W. Hahn, agreed to assume it if the store relocated to the mall. Crippen hoped this incentive would encourage J.C. Penney to maintain two department stores in Billings. The company, however, had no intentions of staying downtown. During the 1981 Christmas season, the J.C. Penney on Broadway bustled with holiday shoppers, but the Helvetica letters of the company’s logo had already appeared on the Rimrock Mall location. When the store moved in February 1982, the retail superiority of Rimrock Mall and businesses along Twenty-fourth Street West and Central Avenue dealt a crippling blow to downtown Billings. Longtime department stores Hart-Albin and Cole’s never recovered from the exodus; both permanently closed within eight years.

By the mid-1980s, the J.C. Penney Company was clearly committed to moving all its Montana stores into mall locations. In 1984, the Helena J.C. Penney left its downtown store for a location in the Capital Hill Mall. The move effectively ended the reign of downtown Helena as the capital’s retail trade center and marked the third time that J.C. Penney and Hennessy’s anchored a Montana shopping mall together. Two years later, J.C. Penney closed its Kalispell store on the corner of Main and Second for a new location in the Kalispell Center Mall.

Concurrent with its focus on malls, J.C. Penney closed its department stores in downtown Anaconda, Conrad, Dillon, Glendive, Hamilton, Laurel, Lewistown, Libby, Livingston, Malta, Plentywood, Shelby, and Wolf Point between 1985 and 1997. The High Line region received an additional blow in 1998 when J.C. Penney shut down its store in Havre’s Holiday Village Mall after just twenty years in that location. By the end of the century, Montana’s only J.C. Penney department stores outside of shopping malls were in downtown Cut Bank, Glasgow, Sidney, etc.
and Miles City. In spring 2000, J.C. Penney closed both of its downtown department stores in Miles City and Glasgow. Today, only nine J.C. Penney stores still operate in Montana: in Billings, Bozeman, Butte, Cut Bank, Great Falls, Helena, Kalispell, Missoula, and Sidney.\textsuperscript{59}

Other Montana Main Street department stores have also passed on. Few people recall defunct chains like Vaughn & Ragsdale, while Buttrey’s is better remembered as a grocery supermarket than a fashionable downtown department store. In downtown Billings, G.R. Herberger’s, a Minnesota-based department store, tried and failed to sustain Hart-Albin’s majestic location on Broadway. In uptown Butte, the ornate Hennessy’s building now functions as office space, while the Hennessy’s name was absorbed and erased by the Dillard’s chain in 1998. In Missoula, The Bon Marché, which had successfully operated in A.B. Hammond’s Missoula Mercantile location since 1978, was absorbed by Macy’s, the New York City retail behemoth. Macy’s spent five years rebranding the store as one of its own before permanently shutting it down in 2010, ending more than 130 years of retailing tradition in downtown Missoula.\textsuperscript{60}

Across the state and the nation, it is easy to walk inside today’s largely homogeneous J.C. Penney stores and conclude that this is all Penneys ever was—an alternative to shopping at Macy’s, Dillards, or Target. But a visit to the store still operating in downtown Sidney tells a different story. Behind the Sidney storefront is a sales floor that has sold more than seven decades of fashions, linens, shoes, and work wear to as many generations of eastern Montana customers.\textsuperscript{61} Penney believed that his associates and customers—from fashionable women and men to the hard-working families of farmers, miners, ranchers, and railroaders—could have a better life as a result of stores like Sidney’s. And this is what a J.C. Penney store once was for over 1,600 towns and their respective Main Streets.

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