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WESTWARD HO FOR BUSINESS

Before World War I, when building several blocks from the established core area was a source of controversy in business circles, no major Los Angeles retailer would have contemplated a site outside downtown. The belief was universal that only a center city location could tap a sufficient consumer market to sustain large stores and many types of small ones as well. The development of ever more ambitious retail outlets reinforced this view. During the early twentieth century, the construction of enormous department stores and complementary emporia consolidated the regional market, attracting ever greater crowds from ever increasing distances. So strong was downtown's hold on the metropolitan area's consumer public that it is doubtful whether many Angelenos really believed the *Times's* warning in 1920 that major stores would relocate outside the city center if the parking problem was not satisfactorily resolved.

Yet attitudes soon began to change as a result of the fast pace of both residential and business growth in areas some distance from downtown. The greatest concentration of new development now lay along a broad path extending toward the Pacific Ocean, giving rise to forecasts that the metropolis would occupy the entire intermediate area within the foreseeable future. Predictions such as that made in 1922 that La Brea Avenue, located five miles west of downtown, would become a major commercial artery in ten years no longer seemed far-fetched. Already one real estate veteran had asserted that "in Los Angeles it is 'Westward, Ho, for Business.' City builders are in a progressive trek toward the sea."¹ Within

the next decade many such speculative claims were realized; sometimes they were exceeded. By 1930 several large shopping districts had emerged between the city center and the coast, all but one of them located in areas where there had been virtually no commercial development at the end of World War I. Dozens of other business centers, more modest in size, could be found throughout the metropolitan area. Prior to the depression, the capacity for continued growth in this sphere seemed limitless.

ORIGINS

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ORIGINS

Commercial decentralization did not begin in Los Angeles until the early twentieth century. Prior to then most types of consumer goods and services were predominantly or exclusively found in the urban core.² Downtown enterprises included stores for clothing and accessories, household goods, and a variety of other items such as books, stationery, novelties, plumbing supplies, and photographic equipment. Financial services were quartered downtown, as were most physicians, dentists, tailors, florists, hairdressers, laundries, restaurants, and places of entertainment. Even some kinds of food stores, such as those specializing in candy, fish, and poultry as well as ones selling tobacco and beverages, were concentrated in the core. The principal exceptions were groceries, meat markets, and about a third of the city's drug stores. Other types were rare. The collective total of dry goods, millinery, and hardware stores within the city limits but outside the city center, for example, numbered twelve in 1900. Significant changes in this pattern were under way in 1910. Not only had the quantity of establishments increased (fivefold for dry goods and hardware stores, fourfold for millinery, threefold for furniture), but a marked rise occurred in the proportion of them located outside downtown (60 percent in 1910 versus 15 percent in 1900 for dry goods stores, 68 percent versus 31 percent for hardware, 38 percent versus 11 percent for millinery). Some functions quartered only downtown in 1900 now had a sizable share (33 percent of furniture stores) in outlying areas. Nodes containing about thirty to forty businesses each rose in at least seven locations ringing the city center.³

The dispersal of business continued to intensify over the next decade. By 1920 the proportion of outlying stores relative to those downtown had not increased so much as their numbers and their tendency to form sizable groupings. At least ten outlying centers now contained eighty or more businesses, and probably a greater number contained forty to sixty.⁴ Outlets purveying convenience goods—those purchased on a routine basis, such as food and pharmaceuticals—and everyday services—including cleaners, laundries, dressmakers, tailors, hairdressers, barbers—comprised the majority. Yet a wide variety of shopping goods—those purchased less frequently and often on a comparison basis—were available in these nucleations as well. Indeed, relatively few basic types of goods and services could not be found within the largest outlying centers.

Among the approximately 180 businesses located along the 4200 to 4900 blocks of South Broadway, for example, were stores selling dry goods, jewelry, notions (two each), shoes, men's wear, millinery (one each), hardware (five), furniture, plumbing supplies, paint (two each), and stationery (one). The precinct also contained a bank, twelve restaurants, three movie theaters, and two automobile repair shops.

No matter how large, the outlying centers that had developed by 1920 complemented more than competed with the city center. Nothing approached the selection of goods offered by the large downtown department, apparel, and furniture stores, whose items were also often of higher quality and sold at lower prices. The spectrum of downtown specialty shops far exceeded what could be found in all outlying centers combined. More than 80 percent of stores selling jewelry, hats, shoes, toilet articles, electrical appliances and supplies, books, stationery, musical instruments, photographic equipment, automobiles, and tires remained downtown, as did virtually all establishments concentrating on articles of high fashion. The best restaurants were downtown as were all first-run movies and stage performances. Despite the operation of twenty branch banks in Los Angeles by 1920, many financial transactions could occur only in the city center. Professional services in outlying areas likewise remained limited.

Both the extent and the distribution of the largest outlying centers indicate that they catered primarily to a localized clientele. All these nucleations were, of course, along streetcar lines, and their placement reflected the well-developed residential sections of the city. Their greatest concentration lay within the arc of most intense residential growth during the first two decades of the new century, extending from south to west of downtown. Smaller outlying centers, containing forty to sixty businesses each, were located along the same or nearby arteries. The great majority of the city's residents lived within a mile or at most two of a sizable outlying center.

The area occupied by an outlying center was considerable. Those with from forty to ninety businesses typically extended four to five blocks along an artery. All but one of the seven centers containing more than 100 businesses extended six to thirteen blocks. Each of the latter group had a core zone, two to three blocks in length, that was the most intensely developed, but many important functions within the center lay outside this zone. Indeed, there was seldom much hierarchy in the distribution of businesses. Major facilities such as a furniture store or movie theater could be located at the edge of the center where land was less expensive just as frequently as within its core.⁵ Purchase of more than one or two types of goods often entailed traversing a distance of several blocks, perhaps the whole length of the center. The great majority of businesses faced the main street, and the exceptions seldom stood more than 100 feet away from that thoroughfare. Linearity was matched by modesty of scale. Even in the core zones, more street frontage was occupied by one- than by two-story buildings (figure 35).⁶ Anything taller was virtually nonexistent save for a few neighborhood movie houses. Beyond the core, the density

was lower, with flats, houses, and vacant lots interspersed among business buildings (figure 36). When two or more centers arose along a single artery, the distance between them seldom was much greater than their respective lengths. To observers, the impression was probably of more or less continuous development, varying in density but with few real breaks, rather than of separate nucleations that defined one neighborhood from another.⁷

Early outlying center development in Los Angeles differed somewhat from the norm for large cities of the period. Typically such places were more compact, with few breaks in business frontage along the main artery and with two or three stories of residential units above the stores. Large outlying centers also generally served consumers of modest means who seldom had the time or the money to go downtown. By the 1910s, business centers in middle-income neighborhoods of major cities could be just as dense. For medium-sized cities, on the other hand, businesses tended to be either on thinly scattered sites or in smaller nucleations.⁸

The low density of the Los Angeles examples reflected the residential tracts they served. Fewer households per acre on average meant lower demand for businesses in any one precinct, and hence relatively low prices for arterial frontage. Furthermore, both the prosperity and the free time enjoyed by many local citizens enabled frequent trips to the city center. For most Angelenos, outlying centers were probably not their principal marketplaces other than for routine purchases. Only in the mid-1920s





would some centers begin to compete with downtown.

Whatever the differences, the early twentieth-century outlying centers of Los Angeles were like those of other U.S. cities in being piecemeal accretions owned and operated by myriad individual parties. Often little or no coordination occurred among property owners. Projects within a center might be complementary or might be redundant. Oftentimes insufficient attention was given to the type or quality of merchandise purveyed. Some outlying centers were overbuilt, with too many stores of a certain kind or just too many vacant store units.

Yet if laissez-faire practices prevailed, the process was sometimes guided by a degree of order, even control. How an outlying center developed depended in part on the nature of property ownership. A single party holding a large tract, especially one intended for residential development, was in a good position to orchestrate the creation of a business cluster that would serve the area. Much of the relatively small commercial node at Main Street and Washington Boulevard, for example, was built by members of a syndicate, Central Pacific Improvement Corporation, that also owned the adjacent Prager Park tract. Begun in 1912, the business center included three sizable buildings, each with between five and twelve stores at ground level and around sixty small apartments above (figure 37).⁹ The size of these buildings reflected their proximity to downtown (about twelve blocks from Seventh Street) and thus the demand for modest living quarters easily accessible to it. The syndicate's head, Robert H.

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Vermont Avenue at Twenty-third Street, Los Angeles. Photo "Dick" Whittington, 1929. (Whittington Collection, Department of Special Collections, University of Southern California.)

36

Pico Boulevard at Ardmore Avenue, Los Angeles. Photo "Dick" Whittington, 1929. (Whittington Collection, Department of Special Collections, University of Southern California.)



Raphael, owned a large building supply company and was active in lobbying for public improvements that would stimulate development toward Prager Park.

Between 1900 and 1920, numerous residential buildings with ground-level stores like those at Washington and Main were erected along arteries within a two-mile radius of downtown, but such intense use of property seldom extended further. The costs of land and construction alike were sufficiently low that many people with moderate incomes could purchase a house for about the same amount per month as they paid in rent.¹⁰ As a result, subdivisions located as far as four to five miles from the city center were undertaken well before 1910. Purchasers were willing to endure a thirty-minute streetcar commute to work rather than a thirty-minute walk or ten-minute streetcar trip; however, they were loath to travel long distances for convenience goods. The small, temporary stands—selling a few basic items, sometimes of questionable quality, often at high prices—that appeared in tracts before retail services were developed were not considered an adequate substitute (figure 38). Proximity to bona fide stores was a distinct asset in marketing residential subdivisions, one often mentioned and sometimes prominently featured in advertisements (figure 39). At a time when most new subdivision sales were for unimproved lots rather than completed houses, neighborhood stores could help reassure prospective buyers that the area would develop according to expectations. One writer for the *Times* noted in 1910 that “when a new section of scattering houses gets to the point where it can support a small mercantile establishment the first step in the growth of a permanent community has been taken.”¹¹

The value of businesses in stimulating residential sales prompted some developers of remote tracts to erect commercial buildings, just as the Central Pacific Improvement Corporation did on its more costly, close-in location. Frederick W. Braun undertook such a project, which included a theater and service garage as well as a range of stores, next to his forty-acre subdivision at Vermont and Slauson avenues. However, such coordinated development strategies were rare.¹² The norm was for the tract owner to promote the sale of lots to those wishing to build commercial facilities no less than to those wishing to build houses (figure 40).

DEVELOPMENT

Just as boulevard frontage was treated as neutral space, available for a potentially wide range of commercial functions, so most store buildings were designed as shells that could be easily adapted to suit the needs of individual tenants. Called taxpayer blocks in many parts of the country, these unassuming and, by the 1910s, ubiquitous components of outlying urban areas might contain only two or three units; many had around six; few had more than ten. Often there was a second level for offices or apartments, but one-story buildings became even more common after World War I when mounting automobile traffic made arterial routes less agreeable places to live and apartment dwellers increasingly expected some off-street space for their cars. The great majority of taxpayers were built as speculative enterprises by property owners wishing the most profitable use for their land. On average, the per-square-foot cost of a one-story taxpayer did not differ significantly from that of a two-story apartment building, but income could be substantially greater. Base construction cost was quite low; \$10,000 for a block with four or five units was typical in the late 1920s. If many owners believed their land would soon rise in value to the point that they might sell it at a handsome profit, many others prob-

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Washington Boulevard, looking east at Main Street intersection; apartment hotel for Washington Sullivan (1912, Neher & Skilling, architects) at left, apartment house for Central Pacific Improvement Corporation (1912–1913, E. H. Dorr, architect) at right, showing modification to buildings as part of street widening project. Photo 1930. (California Historical Society Collection, Department of Special Collections, University of Southern California.)

38

Grocery stand, probably in El Sereno district, Alhambra or Los Angeles. Photo ca. 1920s. (Alhambra Public Library.)

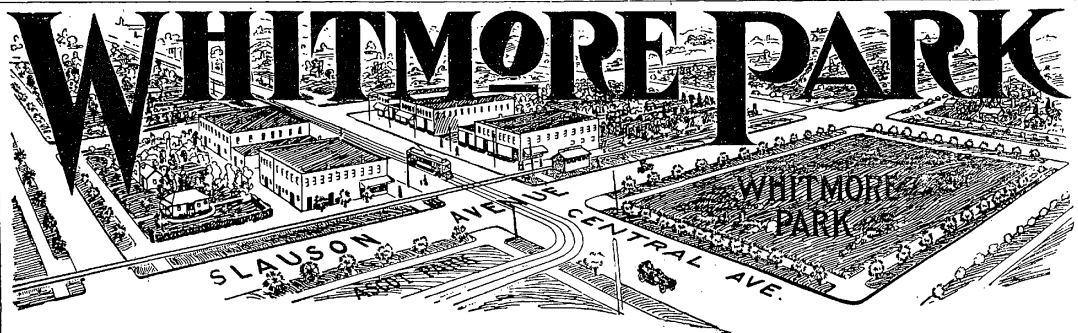


ably realized that change might not be so rapid and were content with the income from their investment. A taxpayer filled with successful stores generated more revenue than the carrying costs of the property; it could be a lucrative enterprise in itself, earning a 15–20 percent return, and for that reason the supply of such buildings more than kept up with the demand.¹³

Flexible space was important to the taxpayer's plan because the nature of the tenants was generally unknown at the design stage, and, once the building was erected, tenancy could change, perhaps at frequent intervals. A real estate broker worked to secure tenants on the owner's behalf. If circumstances were favorable, the units could be fully leased before construction, but often leasing progressed at a slower rate, and many taxpayers remained partially vacant well after completion. The broker's aim was to get tenants as quickly and on as good terms as possible. Securing a drug or grocery store might be the first priority because these businesses were likely to attract numerous customers on a frequent basis and thus provide an added incentive to other merchants to locate close by. Beyond such measures, little thought appears to have been given to the types of establishments in a taxpayer. These projects were almost never conceived as integrated business developments where tenants were selected as complementary parts, each reinforcing the presence of the others.

Taxpayers were not intended as long-term investments. One account of the type in New York put the maximum profitable life expect-

Los Angeles Sunday Times. IV SUNDAY, AUGUST 22, 1909.



WHITMORE PARK

THE CREAM OF THEM ALL!

Whitmore Park

Consists of 127 large lots, being 50 ft. front, situated on Central and Slauson avenues. Fine garden loam, with no adobe. Lies high and dry, being 49 FEET HIGHER than all of the much advertised tracts further west. SCHOOLS, CHURCHES and BUSINESS building are close by. You ABSOLUTELY CANNOT DO BETTER with your money than a purchase in

Whitmore Park

Why

- Because Every LOT Has Fifty Feet Frontage.
- Because the Best Car Line in the City Passes the Tract.
- Because You Can Get a Car Every Three Minutes.
- Because Central Avenue is Paved to the Tract.

Because It Is On the Most Direct Avenue to the Los Angeles Harbor.

Come Out and See the Best **\$500**
Lots on the Market for

—ON VERY LIBERAL TERMS—

Whitmore Park Co., Owners

A 7146 **200-202-204 FROST BUILDING** Main 2719

BRANCH OFFICE ON TRACT
CENTRAL AND SLAUSON AVENUES

PHONE 29774

NOTICE!

Our sale of the \$500 lots has been so great that they are getting scarce; one builder bought ten, so we advise you to come early, for we cannot agree to hold them at that price longer than today and Monday.

Whitmore Park Co.



tancy at ten years.¹⁴ Both the design and the construction of the buildings therefore tended to be of an elementary kind. Yet some embellishment often was considered helpful in attracting tenants and customers alike (figure 41). A somewhat comparable balance characterized construction. By the early 1920s, wood frame commercial buildings—which in southern California were then almost always sheathed in stucco and referred to by that material—were seen as distinctly inferior to those of masonry. Brick or hollow-tile terra cotta exterior walls became the norm after World War I, if not earlier, due to public preference as well as, perhaps, lower insurance premiums. The typical Los Angeles taxpayer block of the 1920s represented standards that were conspicuously higher than the norm twenty years previous or than what was still the standard in many small towns outside the metropolitan area (figure 42). These new buildings represented more than basic shelter. They were a benchmark of neighborhood progress. However, after being welcomed as an addition to the precinct, they were subsequently taken for granted. Architectural features, no matter how ornate, almost at once began to be overshadowed by a panoply of signs. Conceived as neither permanent nor transitory, taxpayers had a useful purpose but almost never contributed to a sense of singular identity for the places they served (figure 43).

Even when many parties were involved in the development of an outlying center, some order could be brought to the process by one or a small group of property owners who solicited the involvement of others

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Whitmore Park advertisement, 1909. (*Los Angeles Times*, 22 August 1909, V-12.)

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Commercial building, 2521–2535 S. Hill Street, Los Angeles, ca. late 1920s. Photo “Dick” Whittington, 1929. (Whittington Collection, Department of Special Collections, University of Southern California.)



and who sought to guide the general course of work. Such orchestration appears to have become especially pronounced after World War I, when the patterns of outlying center development established over the previous decade intensified throughout the metropolitan area. The underlying aim of this involvement was to increase the value of one's own holdings. Arterial frontage in outlying areas cost a small fraction of prime frontage downtown, but could yield substantially greater profits. Between 1917 and 1927, business property values rose as much as 850 percent in the Southwest district, 833 percent, on South Broadway in the South Central, 586 percent along the Pico and Washington Boulevard corridors. These figures were modest compared to those for property at key intersections. During almost the same time period, land at Western Avenue and Fifty-fourth Street rose over 2,100 percent at Western and Slauson over 3,600 percent. By contrast, increases at Seventh Street and Broadway were 171 percent, at Ninth and Broadway 18 percent. The rise in dollar value remained much higher downtown, but investment required huge sums of capital and opportunities were limited in comparison to the miles of potentially lucrative business property in outlying areas. The ideal situation was to select a site prior to substantial growth in the area when the purchase price was low. The assessed value of the land at the northeast corner of San Fernando Road and Los Feliz Boulevard, just beyond the Los Angeles city limits in Glendale, was only \$680 in 1919, for example. A decade later the value had risen to \$12,000.¹⁵

But choosing sites that would increase exponentially in value was a risky proposition. Miles of undeveloped boulevard frontage existed, the vast majority of it deemed suitable only for commercial use well before such thinking was codified by the city's 1921 zoning ordinance (figure 44).¹⁶ One of the most dependable indicators of good business location in outlying areas of older cities such as Chicago was a transfer point between streetcar lines.¹⁷ However, few such places existed in Los Angeles. Beyond the periphery of downtown, the municipal railway network had few intersecting paths in 1910, and almost none that did exist became host to a business center of consequence.¹⁸ Crossings were more numerous a decade later and in some cases afforded stimulus to commercial growth, yet the automobile was now eclipsing public transportation as a barometer of human movement. By the mid-1920s, counting the number of cars that crossed an intersection daily seems to have become a conventional means of gauging the strength of adjacent property for business purposes.¹⁹

The mobility afforded by cars fueled the competition between established and nascent outlying business centers alike, for if one close at hand did not fully suit a customer's wishes, it was easy to drive somewhere else. Sustaining a critical mass of businesses that provided the products desired by a local market was thus crucial to a center's success. Property owners could not afford to remain passive under the circumstances; without an ongoing effort to secure good merchants, the outlying center could fall far short of realizing its potential. There was no better example of the dynamics of this process in Los Angeles during the early 1920s than along Western Avenue between Wilshire and Hollywood boulevards.

So named because it once formed a western boundary for the city, Western Avenue experienced little real estate activity of any sort before World War I. Residential development in the area was just beginning in 1913. But less than a decade later Western was heralded as the "Wonder Street"—a magnet for commerce that would become an unbroken

41
Commercial buildings, 742-772 S. Vermont Avenue, Los Angeles, ca. late 1920s; 742-758 altered, 760-772 no longer standing. Photo "Dick" Whittington, 1931. (Whittington Collection, Department of Special Collections, University of Southern California.)

42
Commercial buildings, 1501-1525 W. Seventh Street, Los Angeles, ca. 1920s; altered. Photo "Dick" Whittington, 1929. (Whittington Collection, Department of Special Collections, University of Southern California.)



shopping corridor second only to downtown.²⁰ The transformation began abruptly. Between 1918 and 1921 at least seven business centers emerged along the two-and-a-half-mile path. The size to which several of these nodes grew in a short period provided ample ammunition to boosters' claims that Western was destined to become another Broadway. One business center, located just north of Wilshire Boulevard around the Sixth Street intersection, boasted some eighty stores by the early months of 1922.²¹ The blocks between First and Third streets were even more intensely developed, with close to one hundred businesses (figure 45).

The scope of enterprises found in such a node by the mid-1920s increased from that of the decade previous, in part because many small-scale, independent business owners were moving from downtown due to rising rents. Operational costs outside the city center, even in a prime location such as Western Avenue, were significantly lower. Furthermore, these sites lay closer to the prosperous clientele many merchants hoped to attract, a factor that rapidly became predominant. The same reasons induced



WE TOLD YOU SO!

The Business Lots We Offered Last Week Are Going Fast and Inquiry Is Increasing Every Day. The Number is Limited, So Don't Delay. These are

BOULEVARD BUSINESS LOTS

On a Los Angeles Paved Main Artery

THE BIG PROFITS ARE IN COMMUNITY CENTER BUSINESS LOTS

They are the inspiration, the heart and the keystone of real estate activity today. You want to make money. See these lots. Bring a deposit.

Terms as Low as
\$125 Down

\$1250

\$15 Monthly
Including Interest

No Reservation Will Be Made Without a Deposit. Get an Early Start. Our Salesmen Will Be on the Ground at 8 A. M.

BUY LOS ANGELES

It Is Better to Be Glad You Did Than to Be Sorry You Didn't

TO GET THERE

By Auto:
Go West on Slanson Avenue
to Tract Office at Slanson
Ave. and Mesa Drive.

ANGELES MESA LAND CO.

OWNERS & BUILDERS
612-15 PANTAGES THEATRE BLD'G.
411 W. 7th ST. PHONE -66015

TO GET THERE

By Street Car:
Take Grand Avenue-Mesa
Drive Car or Hawthorne-
Inglewood Car to Tract Of-
fice at 54th Street and Mesa
Drive.



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Angeles Mesa Land Company advertisement for commercial property fronting Slauson Avenue. (*Los Angeles Times*, 22 January 1922, V-10.)

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Undeveloped boulevard frontage, La Brea and Willoughby avenues, Los Angeles. Photo "Dick" Whittington, 1931. (Whittington Collection, Department of Special Collections, University of Southern California.)

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Western Avenue, looking north at W. Second Street intersection, Los Angeles. Photo C. C. Pierce, ca. 1924. (California Historical Society Collection Department of Special Collections, University of Southern California.)



many entrepreneurs to start businesses in outlying areas. At the decade's end, a veteran Los Angeles real estate broker summarized the mood: "Nearby customers are the best customers. The neighborhood store draws from about a mile. The store in a sub-center [such as Sixth and Western] of 50,000 people draws from about two to three miles, and the nearer its customers live the oftener they come and the more they buy."²²

A principal force behind Sixth and Western's prosperity was the Lilly-Fletcher Company, a construction firm that started purchasing land along the thoroughfare in 1919. Within a year, Lilly moved its offices to Western and concentrated on developing the area. The firm expanded its scope to include departments in real estate brokerage, rental, insurance, and architecture so that it could design, construct, finance, and secure tenants for both apartment and business buildings. Many projects were done for others, but about a third were undertaken on land Lilly owned or controlled. The firm also helped launch the Western Avenue Improvement Association, comprised of merchants and property owners, which lobbied for public improvements. Lilly's professed aim was to have the area "constitute a complete community."²³

Much the same objective was pursued through somewhat different means at Western and Santa Monica under the auspices of A. Z. Taft. While still in his early thirties, Taft rose to regional prominence as a real estate developer. He was first vice-president of two family enterprises—Taft Realty and Taft Land and Development companies—and involved in two others—Taft Building and Taft Mining and Exploration companies.



Much of his energy was directed toward Hollywood, where all these concerns were based. During the 1920s he became a central figure in the development of Hollywood Boulevard, but he also had an interest in smaller commercial centers as well.²⁴

Taft's work at Western and Santa Monica began modestly enough in 1917, with the construction of a block containing five store units and offices above—the first commercial building in the vicinity and one of the first along Western. When the property was sold in 1925, it was part of a booming center that contained over 200 businesses (figure 46). Land Taft had purchased for \$50 per front foot now fetched \$2,240, an increase of nearly 4,500 percent.²⁵ The success of this venture stemmed not from large-scale holdings by Taft himself, but rather from a six-year campaign to make the area attractive for development. Taft first improved access by securing an extension of the municipal railway line in 1920—one of the few occasions when the creation of a transfer point proved successful in stimulating retail growth. The underlying aim was to attract other investors, whose projects the Taft Realty Company could finance and build. Many additional parties undertook projects on their own, convinced that the location was opportune. Some participants were in the real estate field as brokers or as developers, including Martin Kane, an associate of Taft's who built the Palomar Hotel in the precinct. Others were merchants, including P. A. BeHannessey, a supplier of movie props who expanded his business into the retail furniture trade; L. Felix, a Pasadena furrier who opened a branch store; or the Ries brothers, who left a motion picture studio to establish a photography business. Yet others were investors who employed third parties to realize the project.²⁶

Taft also seems to have sensed the advantages afforded by two new phenomena: the chain store and the branch bank. A lease for one of the first units of the Owl Drug Company to be situated away from the city center was secured for Taft's building in 1922. About three years earlier a store operated by Sam Seelig, then the largest chain grocer in the metropolitan area, opened across the street. Branches of the Los Angeles Trust & Savings Banks and the Security Trust & Savings Bank were completed in 1922 and 1923, respectively.²⁷ Together, these businesses were as important as any other factor in stimulating growth.

CHAIN STORES

The proliferation of chain stores during the early twentieth century was among the most significant developments in national retailing practices and one that ultimately had a profound effect on the nature of outlying business centers. Although the first chain store system in the United States—the Great Atlantic and Pacific Tea Company—originated during the Civil War era, the phenomenon as a whole remained in a nascent stage at the century's end. By 1929, however, chains accounted for 22 percent of gross sales in the retail trade, including about 40 percent of the

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Santa Monica Boulevard, looking east toward Western Avenue intersection, Los Angeles. Photo "Dick" Whittington, 1930. (Whittington Collection, Department of Special Collections, University of Southern California.)

retail grocery business and over 18 percent of the retail drug business. The most spectacular period of growth occurred during the decade after World War I. Between 1919 and 1928, chain grocery store sales increased 366 percent, chain drug store sales 159 percent.²⁸ To many observers, it seemed as if chain companies were not only transforming the nature of retail business but becoming monopolies that would displace the independent merchant.

Chroniclers of the phenomenon during the interwar decades generally defined a chain as any company having two or more stores, based on the fact that many of the largest enterprises started with a single unit and at first gradually expanded with a few additional ones. Yet the characteristics that made chain store operation significant were more numerous and complex. Around 1930 one analyst estimated that for chain methods to be fully effective in the grocery field a company needed at least fifty stores and could get the best results with at least two hundred.²⁹ A true chain operation had centralized management that included accounting, advertising, purchasing of stock, price and policy setting, and warehousing. The system entailed no main store, but rather multiple outlets of more or less equal stature, with standardized goods, pricing, hours, and other operational components.³⁰

The primary reason for the chain stores' rapid growth was that they offered merchandise of sound quality at lower cost than many independent merchants. An estimate made in 1930 found an average difference in grocery store prices of 11.2 percent.³¹ The savings stemmed from a series of practices implemented or considerably refined during the 1910s. Chain stores enjoyed greater buying power than most independent retailers and thus could command lower prices from manufacturers and wholesalers alike. Many chains developed their own wholesaling functions, eliminating an array of costs traditionally incurred at that middle stage of distribution. Costs were further reduced through operating efficiencies. Credit and delivery services were eliminated; all items were sold on a cash-and-carry basis. Stock was pruned to goods that enjoyed mass appeal to promote rapid turnover (an item that sold once a month generated one eighth of the profit of one at the same price that sold twice a week). Rapid turnover also ensured that goods always appeared new, an important factor in customer appeal even when items were nonperishable. Many small independent merchants had a considerable amount of seldom-purchased stock and lacked the time, and often the expertise, to develop efficient operational methods. A sizable chain could lure well-trained personnel who worked in specialized areas of management. Chains also could afford advertising in city newspapers, an expense too great for most retailers save the largest ones downtown.

Physical attributes of chain stores further contributed to their widespread appeal. Through the 1920s, chains generally avoided having elaborate stores; most sought to minimize the investment per outlet. At the same time, considerable attention was given to appearance. Chains did much to raise the standard for a clean, orderly environment among small

and moderate-sized stores. Good lighting and ventilation were deemed essential. Store layout was under constant study both to improve its convenience to customers and to induce greater purchasing.³²

Chains spent no less time studying those factors that made the best sites for their outlets. Initially, when most chain stores were concentrated in the city centers, the focus was on analyzing the optimal places within the retail core. Mass transit stations and transfer points, as well as other generators of extensive pedestrian movement such as a grouping of theaters, were key elements in determining the most advantageous site—what was termed a 100 percent location. The prices chain companies were willing to pay for purchase of, or a long-term lease on, a 100 percent location were enormous by the standards of the time and effectively preempted independent competitors.³³

During the 1920s a significant portion of chain store growth occurred in outlying areas, which theretofore had been almost exclusively the domain of the small, independent retailer. From the chain's perspective, this program's purpose was to maintain proximity to the target audience. But the impact chains had on outlying areas was considerable. The high prices chain companies were willing to pay for a good location accelerated the rise of values on neighboring property. The very presence of a chain store led other parties to deduce that the area was advantageous for retailing. Chain store companies added fuel to this tendency by often locating near competing chains.³⁴ As a result, chain stores became a central factor in the expansion of established outlying areas and the emergence of new ones. By the late 1920s, the extent and range of chain stores in a given center could be a valuable measure of its importance.

Just as with the large downtown department store, the development of major chain companies occurred relatively late in southern California. The type was virtually nonexistent there in 1910, when a handful of drug and grocery firms operated from two to six stores each, all of them situated in or close to the city center. By 1920 the situation had begun to change in the grocery business, with two companies operating thirty-nine and twenty-four units, respectively. The expansion rate was enormous over the next five years, with six major chains operating between fifty and 260 stores in the metropolitan area. All but one, Piggly Wiggly, were locally owned, and all but one other, H. G. Chaffee Company, either had a single store or did not exist at all in 1914.³⁵ The most units belonged to Sam Seelig, who had opened his first store in 1911 and two more in 1915. Three years later he had seventeen. By the time he sold his business to the northern California-based Safeway Stores in 1925, Seelig had 263 units. Expanding into the Los Angeles market was a major early step in the growth of Safeway to become a national chain. Growth through acquisition became a distinct pattern by the decade's end. In 1931 Safeway acquired MacMarr Stores, which had entered the region three years earlier by taking over more than 200 units of two Los Angeles chains (E. A. Morrison and Von's) and one in Pasadena (Crown Emporium).³⁶

Between 1920 and 1930, the number of grocery outlets owned by chains with twenty or more units in Los Angeles proper rose from 63 to 418; their share of the groceries in the city rose from 03.8 percent of the total of 12.9 percent. Just two companies owned chains of this size in 1920; a decade later four did. Most other grocers with multiple units had only two or three and could hardly operate as full-fledged chains. Irrespective of chain size, the overwhelming majority of this expansion occurred outside the city center.

To independent retailers, a development program such as Safeway's, or Seelig's before it, must have seemed like an all-out assault. Safeway operated small units, requiring no more than 2,100 square feet to house its mix of grocery, produce, and meat departments. This size enabled the company to adapt space in taxpayer blocks rather than commission its own facilities (figure 47). Expansion in a precinct was accomplished by opening additional units—as many as four in all—because Safeway executives believed most patrons walked to their stores and as a rule would go no further than about five blocks or a quarter-mile. This saturation strategy carried with it the assumption that some units might not succeed. Closing an unprofitable store did not incur significant loss, however, due to the scale of the chain operation and the modest investment in each unit.³⁷

The emergence of a few firms controlling a substantial number of units also came to characterize the local drug store business during the 1920s. Here, however, expansion occurred at a much slower rate, in part because the cost of establishing a drug store was eight times greater on average than of establishing a grocery.³⁸ At the start of the decade, only two chains of any size existed in Los Angeles: the Sun Drug Company (thirteen units) and the San Francisco-based Owl Drug Company (six units). Five years later Owl had absorbed Sun and had thirty-seven units. The next largest competitor was Court Drug Company with nine units. Thirty-seven others had two or three stores. By 1930 Owl had not increased its base by much (to forty units), but remained well ahead of the others (Liggett had twelve units, Court eleven).³⁹ Besides numbers, the most conspicuous difference between the major grocery and drug chains was that the latter were predominantly situated downtown—39 out of 46 units in 1925; 42 out of 63 in 1930. Strong consumer identification with the individual druggists in a neighborhood made the position of independent operators far stronger than that of their counterparts in the grocery business. During the 1920s chain drug companies generally fared best downtown where their clientele was transient.⁴⁰ But Owl in particular was seeking to make inroads into the lucrative neighborhood trade. The Santa Monica and Western branch was one of the first outside the city center. Between 1925 and 1930 most of the firm's expansion occurred in similar places. Growth accelerated over the next decade, so that chain drug stores were a standard component of outlying business centers by the eve of World War II.

The pattern varied with other types of chain establishments. Among the fifteen shoe stores with multiple units in 1920, the largest had five, two others had four. Out of a total of forty chain units, only one was situated beyond the city center. A decade later, the largest shoe chain had ten units, the next nine, and eight others between four and six. The number of chain units had more than doubled to eighty-two, over a third of which now lay in outlying areas. Although no chain variety stores appear to have been operating in Los Angeles in 1920, at mid-decade there were at least fourteen, eight of which were in outlying areas. By 1930, twenty-three units out of a total of thirty-three were outside the city center. Both types illustrate the fact that, irrespective of particular differences, many prominent chain companies had targeted outlying areas as principal places of expansion by the decade's end. Yet chains seldom if ever initiated the development of Los Angeles's outlying centers prior to the depression. Aside from groceries, most chains came to these nodes after they were on their way to assuming a distinctive form. Chains thus helped validate the mercantile strength of those centers in which they located, chosen over many others that might seem just as good in a period of fast-paced metropolitan growth.

The branch bank was often a more important catalyst in the initial stages of an outlying center's development. Los Angeles differed from many other cities in this regard because it was a national leader in decentralized banking activities. State legislation passed in 1909 enabled state banks to establish branches in the same community as their respective home offices. While this provision was not unique, it was among the most favorable in the country. Los Angeles became the center of this activity due to the city's large geographic area, downtown congestion, and the considerable amounts of capital brought by newcomers, and the local practice

47

Commercial building, 2168–2170 Venice Boulevard, Los Angeles, ca. early/mid-1920s; altered. Photo 1925. (Hearst Collection, Department of Special Collections, University of Southern California.)



of the bank serving as an intermediary in real estate transactions. The success of a few initial ventures spawned a proliferation of branches after World War I. By 1925, nearly 140 branch offices could be found among Los Angeles-based banks. Five years later, the total approached 200.⁴¹

More than most early chain stores in Los Angeles, the branch bank was cast as a pioneer in providing services theretofore associated with the city center. These major financial institutions could instill a greater sense of confidence among depositors and had far greater resources from which customers could secure loans than small, independent banks.⁴² Branch banks were seen as a major stimulus to retail growth in their vicinity. Furthermore, at a time when elaborate commercial buildings outside downtown were still the exception, the branch bank became a local landmark, adding distinction and a sense of legitimacy to an emerging business node. Before the 1920s, small storefront quarters, much like those of retail establishments, were commonplace for neighborhood banks in cities nationwide. As branch expansion became more competitive, designs changed markedly. In 1926, the senior vice-president of Security Trust indicated his objective “to erect a building that will stand out as the best in the locality. . . . It is good business for the bank, . . . a good-looking building adds to its prestige and attracts the best class of people; it inspires other property owners to follow suit; and it serves in both a commercial and cultural sense to raise the whole tone of the community” (figure 48).⁴³ In both its physical embellishment and its broadening of choices available to consumers in outlying areas, the branch bank prefigured the branch of the major downtown store, which had a key impact on the rise of new shopping districts by the decade’s end.



B O O M

In its scale and character, Western Avenue typified arterial development in Los Angeles during the 1920s. The rate of growth was now quicker than in previous years, the competition among business nodes was greater, and the advantages some such places had over others could be more conclusively demonstrated when they were selected for branch banks and chain store outlets. However, the basic physical pattern was no more than an extension of what was well established in the decade prior to World War I.

By the early 1920s, a number of real estate speculators sought undertakings of a larger scale. Based on anticipated growth, they believed that market demand soon would be great enough to spawn multistory business centers throughout the metropolitan area—places that were substantial “downtowns” in their own right. Most projections were inflated. One firm exhorted *Times* readers to “visualize tomorrow,” when adjacent

Visualize Tomorrow

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That a Million People Pass Beverly Vista every Month?
 That Beverly Vista will be the Very Heart of Beverly in the Near Future?
 That Beverly is the Finest Residential District in America?

Do You Know You Can Buy a Lot in Beverly Vista On a Concrete-Paved Boulevard For \$1575?

(Cheaper than you can buy a lot on an ordinary oil and gravel street away out in the southwest.)

No doubt you think a lot in this wonderful home section of Beverly will cost you many thousands of dollars. Quite the reverse is true.

Wilshire Boulevard at Beverly Drive undoubtedly will be the heart—the main business section—of Beverly in two years. Think of what lot values will be at that time!

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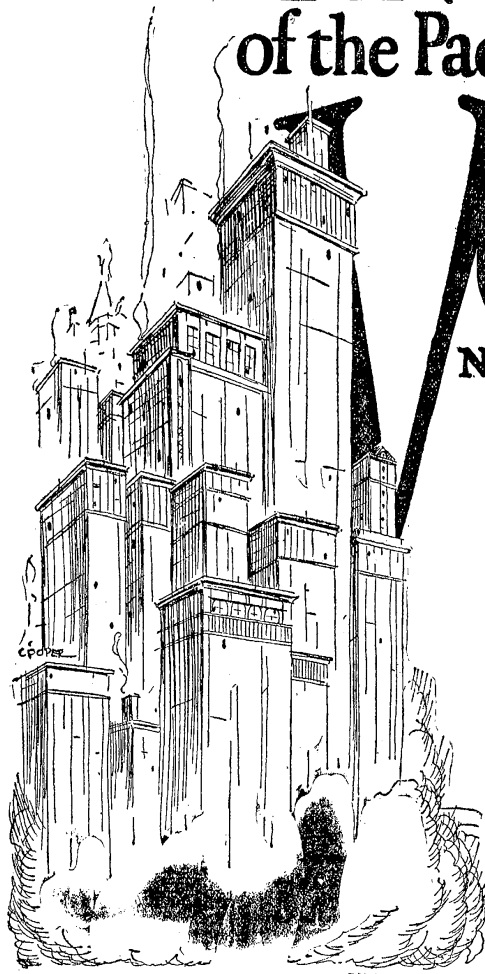
Beverly Vista

48
 Security Trust & Savings Bank, 2100 W. Pico Boulevard, Los Angeles, ca. 1923, John and Donald B. Parkinson, architects; burned 1992. (*Shapes of Clay*, January 1926, V.)

49
 “Visualize Tomorrow,” Beverly Vista advertisement. (*Los Angeles Times*, 29 April 1928, V-11.)

Oliver & Carver

Are selling the heart of
the ATLANTIC CITY
of the Pacific Coast



Venice

NEW BUSINESS DISTRICT

FIRST STEPS are now being taken to make Venice the ATLANTIC CITY of the Pacific Coast.

This community is the NEAREST beach to the heart of Los Angeles. It is now included within the Los Angeles city limits and has been definitely chosen for intensive development by the Los Angeles City Planning Commission and Playground Commission.

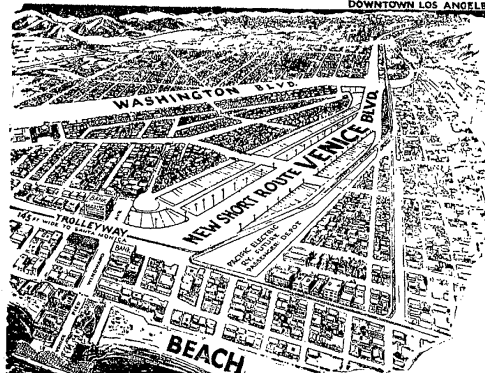
Today a NEW and MODERN business center is being developed in the exact center of the present business district.

Here will be erected the best of the new office buildings, hotels and shopping centers that are already necessary to meet the existing needs of Venice.

Here TODAY you may still secure FULLY IMPROVED business property at low OPENING PRICES to be increased 10% or more on November 1st, in line with the rapid increase in values that is now occurring.

The purchase to date of more than \$500,000 worth of this property by leading Los Angeles business men is sufficient reason for giving careful consideration to the unusual opportunity for profitable investment now presented.

Drive to Venice today over Washington and Venice Boulevards and see for yourself the actual situation.

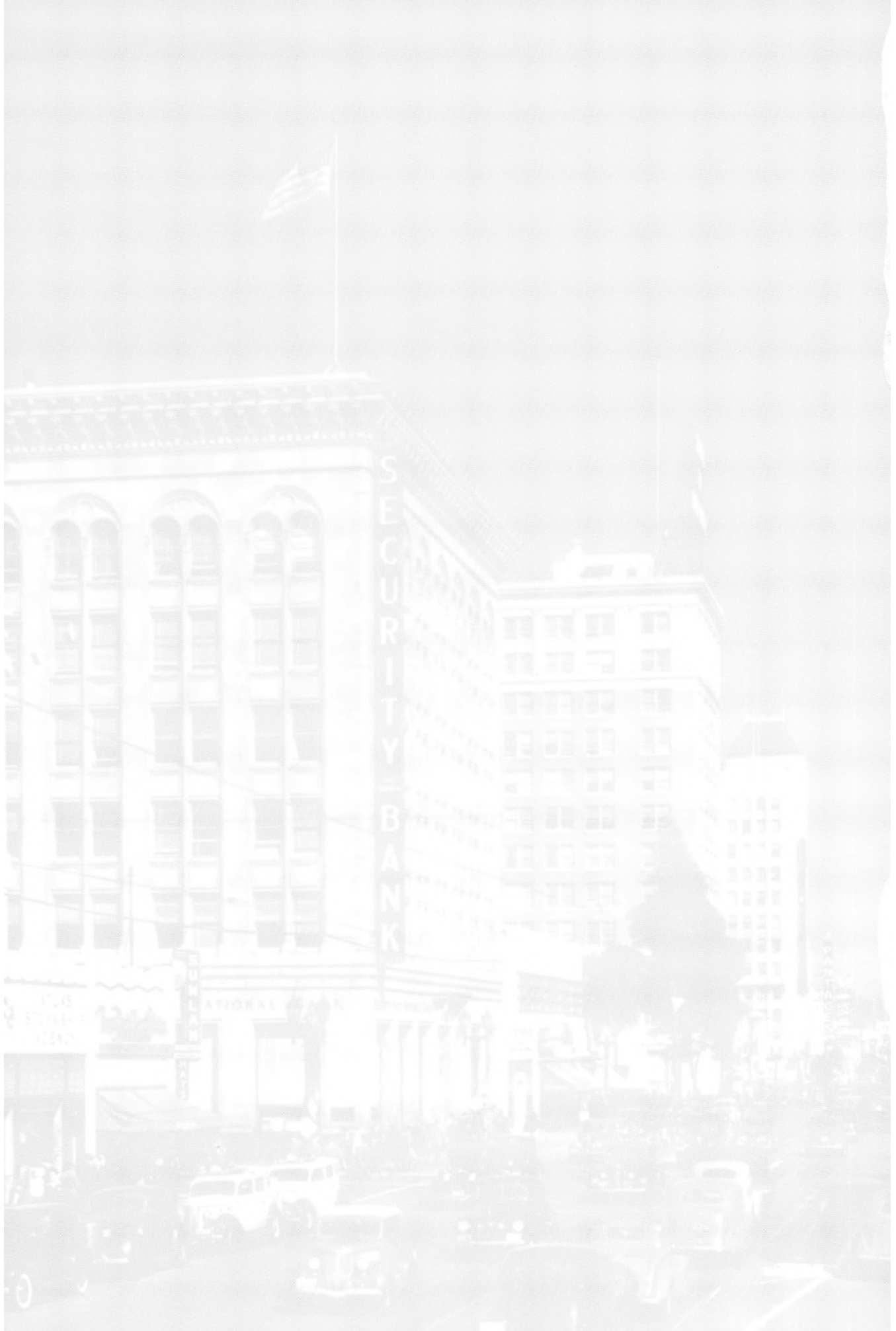


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blocks of Wilshire Boulevard (then still open land) would become the core of a major business district (figure 49). Now was the time to buy house lots, the advertisement coaxed, before the building boom that surely would soon occur. Industrial development was also seen as a stimulus. Boulevard frontage along one thoroughfare extending southeast of downtown into the new Central Manufacturing District was promoted as the “key to millions”; the profits made from office and retail development there would be comparable to those made in the expansion of the urban core a decade or two earlier. The ocean was yet another draw. The beach community of Venice was destined to become “the Atlantic City of the Pacific Coast,” according to another firm, presenting a vision of skyscrapers well above the Los Angeles height limit in an area that had persistently failed to attract a stable population (figure 50). Sometimes no pretext was used other than the implied one that all major arterial intersections would one day become latter-day Times Squares. A tract along Pico Boulevard at the fringe of the metropolis, thirteen miles from downtown, was heralded as the future “Great White Way of Western Los Angeles.” “There’ll be skyscrapers at Imperial Center,” its promoters insisted.⁴⁴

While such speculative visions were improbable, the idea of future dense urban growth in outlying areas was shared by many respected business interests as well. Even the depression failed to extinguish the idea fully. Writing in 1935, Charles Cohan, long-standing real estate editor of the *Times*, described at length how the city a hundred years hence would extend from Santa Barbara to San Diego and be laced with skyscraper business centers at frequent intervals.⁴⁵ Los Angeles was to be not just a lateral metropolis of enormous proportion, but also a multicentered vertical one. The intense building program that had transformed downtown was forecast to occur again and again, if not always at the same magnitude. Just as the business community projected images of the core area as a mighty forest of skyscrapers, equivalent to those of New York and Chicago, so they were fond of depicting the whole region in a similarly titanic, urban cast. To justify such dreams, boosters had more than wildly optimistic projections; they had the example of Hollywood.



IV

HOLLYWOOD — LOS ANGELES'S OTHER HALF

Just as the term “parkless” was used by the press to discuss parking problems rather than a dearth of municipal open space, so the “other half” referred not to the city’s poor, as Jacob Riis had popularized the term among east coast reformers, but rather to potential area of real estate growth. “Hollywood,” gloated a 1927 account in the *Los Angeles Realtor*, was rapidly becoming “a gateway between . . . new and old Los Angeles.” Lying to the northwest of downtown in an area roughly bounded by Vermont Avenue on the east, Beverly Boulevard on the south, La Brea Avenue on the west, and the Santa Monica Mountains on the north, the Hollywood district “has for a decade played the leading role in the suburban growth of Los Angeles during [the city’s] most remarkable period of development.” But this surge in metropolitan expansion “simply foreshadow[s] the big activity that is yet to come.” The author asked his readership to imagine a giant fan, its handle positioned near Hollywood’s business heart. If oriented to the southeast, the fan’s ribs “will point to everything that Los Angeles’ present ‘half’ has done in the last fifty years. Turn the fan around and it will spread over the San Fernando Valley, Los Angeles’ ‘other half,’ and Hollywood thus becomes the connecting link or gateway between the two.”¹

This buoyant prophecy did not materialize to a significant extent until the late 1940s; prior to then most of Los Angeles’s growth took place west and south of Hollywood. Yet the idea that Hollywood was destined