



**Sierra Madre
Historical
Preservation Society
Newsletter
Spring 2011**

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Timing and Townhood

The population of Los Angeles County had reached 33,000 by 1880-four times the number at the time of statehood in 1850. This sprinkling of humanity, however, was clearly inadequate to those such as N. C. Carter who chiefly considered how much real estate was involved. At a personal crossroads, Carter had just purchased and subdivided the foothill tract directly below the steepest front facing section of the San Gabriel Mountains.

As an agent for others, Carter had been doing his Yankee best to sell land and populate the southland for ten years: he'd worked with Collis Huntington and Charles Crocker of the Southern Pacific's Big Four in bringing excursionists west (and south, from San Francisco), and as a sales agent for E.J "Lucky" Baldwin and other prominent landholders. This was different. In purchasing land for himself and in founding Sierra Madre, Carter embarked upon the real estate project that became his legacy. His agency was no longer for others: his family would be the town's First Family and his own role would approach that of town squire or "leading civic spirit", as he would often be described in later years.

The Run-up to the Great Boom

The knack Carter possessed for locating next to useful neighbors was remarkable. At this point in his career, Rancho Santa Anita's owner Lucky Baldwin was land rich and cash poor, having paid \$200,000 for the Santa Anita in 1875, and then a couple of years later lending \$310,000 to the Temple and Workman Bank. The bank failed in just weeks, just one in a string of business deals that earned Baldwin the nickname "Lucky." Foreclosing on the tens of thousands of prime Southern California acres that had secured his loan came with its own headaches and expenses, however, not least of which was an irritating tax bill.



Baldwin's response to the cash flow problem this created had far reaching consequences for Sierra Madre and across Southern California: most important, he managed to hang onto his vast new holdings through the depression of the late 1870's, when productive land couldn't be sold for what it was worth. Thousands left California, and the market for unimproved real estate was non-existent. During this period, he sold chiefly small, special parcels for which

agents such as Carter could fetch top dollar. He also disciplined his own spending through ruthless trimming of expenses and habitual refusal to pay debts until dragged into court. In this way he waited in the wings until land prices began rising again...

Beyond "location, location, location" as key ingredients to success in real estate development -Baldwin understood timing was every bit as fundamental to the recipe. Joseph O'Flaherty, historian of the South Coast from statehood to World War I says of Sierra Madre's early neighbor: "Baldwin obstinately refused to sell the bulk of his lands (in spite of pressing debts), and the great Boom (from the mid-1880's to late 1887) was a blessing for him because it enabled him to offer limited acreage at rich prices. His known reluctance to relinquish his lands helped to give him the reputation of a superb salesman.

Unquestionably, he was a key factor in maintaining the Boom's momentum". One of the few sizable pieces of land he agreed to sell in the real estate up-cycle that began in the 1880's, was to his trusted agent Carter. It is unknown which man backed away from the original deal for 1,500 acres, only that in the end Carter purchased 845 acres. A thought for the "what might have been" department is that had Baldwin sold down more substantial acreage to pay debts instead of hoarding prime land as throngs of immigrants began arriving and heating up demand, Southern California might have had a softer landing rather than the "great bust" caused by unsupportable prices. The region might have dodged some of the effects of the depression that constrained its economy from late 1887 through much of the 1890's. The price war between rail companies encouraging immigration was certainly another key factor-but far from the only one-in the stupendous real estate bust of 1887-1888. Excerpt from *Southern California Story: Seeking the Better Life in Sierra Madre*, Chapter 3, *Timing and Townhood*, author Michele Zack

Photos shown on the back of this newsletter are from a new postcard line published to help celebrate the SMHPS 80th birthday. Look for them at our booth in Memorial Park at the Art Fair (May 7 & 8), in Kersting CT at the Mt. Wilson Trail race (May 28) and back in Memorial Park for the 4th of July events. Also note that the famous SMHPS lemonade, made with lemons and Rangpur limes, will be on sale during the Art Fair and Fourth of July events. See you there!

Credit in the last newsletter should have been given to Joe Catalano, Director-at-Large of the SMHPS, for his fine article on the Bella Vista Terrace. The photos are from the Sierra Madre Library Archives, jointly owned and maintained by the library and the SMHPS.



M.D. Welsher Grocery and Central Market, ca 1906. Sierra Madre Historical Archives (1999.38.1)



Sierra Madre Volunteer Fire Department, ca. 1929. A. R. Gerlach photograph. Sierra Madre Historical Archives (1999.92.1)



The Trail Lunch Stand and the foot of the Mt. Wilson Trail, ca. 1910. Sierra Madre Historical Archives (1999.111.2)



Pickett's Service Station, Roberts Market, and Wistaria Home Bakery, July 1937. Johnson Collection, Sierra Madre Historical Archives (1.2004.6)

THE SIERRA MADRE HISTORICAL PRESERVATION SOCIETY, under the name SIERRA MADRE HISTORICAL SOCIETY, was originally founded on or about April 21, 1931, by interested residents of Sierra Madre, California. Its founding is evidenced by that certain **Constitution of the Sierra Madre Historical Society** which was, as noted in a *Sierra Madre News* story dated April 24,

1931, "...passed upon by a committee composed of Mrs. Jessica Wright, E.E. Bacon, Mrs. F.M. Eakman, L.R. Goshorn and Thomas W. Neale." Subsequent thereto, this Constitution was amended by Amendments dated May 21, 1960, November 1964, October 27, 1969, October 18, 1971, and October 28, 1974. On August 22, 1975, this organization was officially incorporated as a California

nonprofit corporation with the California Secretary of State under the name SIERRA MADRE HISTORICAL SOCIETY. In April 1991, the *Sierra Madre Preservation Society* joined the Sierra Madre Historical Society and the name SIERRA MADRE HISTORICAL PRESERVATION SOCIETY was adopted.