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The Russel Erskine Hotel

DAVID BOWMAN

What follows is a quick look into an immense topic: the rise and fall of the Russel Erskine Hotel, financed by a group of civic-minded individuals in Huntsville, Alabama during the late 1920s, and going out of business in the early 1970s. This is not intended as a definitive study of the hotel, but perhaps some of the details sketched out here may encourage others to pursue certain aspects further, delving into the wonderful cache of business records and correspondence relating to the hotel now archived in the Heritage Room of the Huntsville-Madison County Public Library.

A Hotel at the Crossroads

Location, location, location. The Russel Erskine Hotel sat on a great spot. Huntsville's premier hotel, located on the southeast corner of what is now Clinton Avenue and Spragins Street, was one block south of U.S. 72, which ran west along Holmes Avenue towards Athens and east out towards Scottsboro and Chattanooga. The twelve-story hotel also enjoyed high visibility for north-south travelers driving along U.S. 241 (now U.S. 431) from the direction of Nashville, on down the Meridianville Pike, turning into Meridian Street, and jogging south onto Jefferson, one block east of the hotel. From the courthouse square, this highway route connected up with the Whitesburg Pike, proceeded south across the Tennessee River, and eventually ended up in Birmingham.

On March 15, 1929, the Huntsville Real Estate Board appraised the hotel site—described as a lot fronting 114.5 feet on the south side of West Clinton Street and extending south on Gallatin Street 137.5 feet—as being “valued at this time” at \$137,400. The board's appraisal also noted that the new reinforced concrete building going up on this site would have a construction cost of \$397,532.96—broken out as the general contract (\$253,927.18), mechanical equipment (\$99,568), elevator

equipment (\$21,688), mail chute equipment (\$1,630), and architect's 6 percent fee (\$20,719.78)—plus another \$80,000 for furniture and equipment as estimated by the hotel's lessees, Robert and Roland Meyer—for a grand total of \$614,932.96. This is a lot of money to invest in a town of only about 11,500 people, even if Huntsville's business and civic leadership saw itself as the commercial capital of North Alabama in the late 1920s.

When the hotel was given a grand opening on January 3, 1930, there were ominous signs that the nation's economy was in serious trouble. Some financial institutions, like the Tennessee Valley Bank, located a block east of the hotel at the corner of Clinton Avenue and Jefferson Street, didn't shut down until 1933. Others, like the Commonwealth Life Insurance Company of Louisville, Kentucky, simply battened down their hatches to weather the storm, hoping that their \$175,000 loan to the Huntsville Hotel Company would not go into default.

A number of others shared the risk of this hotel venture, notably about fifty Huntsville investors, who committed themselves to put up \$200,000 for stock in the new hotel company. The biggest contributors, according to the minutes of the "first meeting of the Stockholders of the Huntsville Hotel Company," held on April 19, 1928, included The Hutchens Company (\$20,000); Oscar Goldsmith, Executor (\$20,000); T.T. Terry (\$10,000); H.C. Laughlin (\$10,000); A. R. Erskine (\$10,000); R.E. Smith (\$10,000); L.B. Goldsmith (\$7,500); R.L. Schiffman (\$7,500); J.E. Pierce (\$5,000); W.M. Stanley (\$5,000); W.M. Newman & Company (\$5,000); O.J. Brooks (\$5,000); and R.C. Allen (\$5,000). The minutes were prepared by Lawrence B. Goldsmith, who served as secretary-treasurer of the hotel company, and who worked tirelessly on its behalf for about thirty-eight years.

The Huntsville Hotel Company venture seems to have had its genesis in the late summer of 1927. The earliest surviving reference to it is in a letter (September 19, 1927) from A.C. Huggins, a bond department officer of the Canal Bank & Trust Company of New Orleans, writing to T.T. Terry as HHC's president: "We note that the Huntsville Hotel Company has recently been incorporated with authority to sell

\$400,000 capital stock for the purpose of financing a 11-story building at the corner of Clinton and Gallatin streets. Assuming that you will desire major financing through the medium of a first mortgage bond issue, we would appreciate your letting us have the benefit of such preliminary data as you may have.” (The hotel has a “tower” of eleven floors of guest rooms sitting on a main floor containing the lobby, ballroom, coffee shop and other amenities.)

Rather quickly the word of the new hotel spread, either through business and financial circles or through efforts of principals like Goldsmith and Terry to line up the key participants. One inquiry, from Isaac B. Tigrett of Memphis, references a story about the new hotel project in *Manufacturers Record* (September 22, 1927), which was probably the main source for the other solicitations of business. On September 21, 1927, John Pritchett, officer of the Pritchett-Thomas Company, a Nashville-based company whose letterhead describes itself as “builders and operators” of apartment and office buildings, wrote to Goldsmith with a complete detailed “set-up” for operating the hotel based on the \$400,000 figure: “You will notice the cost of operation is \$41,340. If you want to be conservative, add \$15,000 to this; also, \$10,000 to your vacancies. Then, when you have done this, you will see from the set-up that you will have in the neighborhood of \$25,000 net to retire the 8 percent bonds. No question in our minds but what Huntsville needs a hotel of this kind and we are anxious to see you build it because we want you to cooperate with us. After figuring on this thing, it looks so good we will still be interested in going in with you gentlemen, splitting 50/50 on raising the additional \$50,000.”

The four-page set-up—what would today be called a pro forma balance sheet—provides some wonderful details as to what a 1920s hotel operation would include:

Personnel expenses per month—manager (\$300), two clerks (\$100 each), bookkeeper and stenographer (\$100), telephone operator (\$60), three bellboys (\$25), porter (\$40), housekeeper (\$75), five maids (\$25), engineer (\$100), fireman (\$60), and two elevator girls (\$25). Noticeably absent from this list are any food staff, something Pritchett-Thomas apparently had no experience with

for their apartment and office building properties.

Operating expenses (utilities, laundry, housekeeping supplies, taxes, insurance, repairs, linen replacement, and depreciation and replacement of furniture): \$41,340.

Income would come from 132 hotel rooms (at \$2.50, for \$330 per day), five shops, barber shop, cigar stand, Western Union stand, pressing shop, beauty parlor, and commission on laundry, telephone and miscellaneous concession: \$133,950 gross income, minus \$53,310 expenses, for a \$80,640 net profit.

This, in turn, would service the debt—a 6 percent loan of \$200,000 and the 8 percent stock certificates—worked out respectively as \$12,000, \$16,000, and \$6,000 for amortization, totaling \$34,000, leaving \$44,640 as “funds to retire the eight percent certificates.”

It all looked awfully good, even when a 20 percent vacancy rate was factored in (\$24,090); but then everyone was still basking in the rosy financial glow of the 1920s.

It’s interesting to note that Pritchett-Thomas’s offices (706-8-10 Stahlman Building) were located on the same floor as the architectural firm of Marr & Holman (701-703 Stahlman Building) that would be designing the Russel Erskine Hotel. Joseph Holman wrote Goldsmith on October 29, 1927, to memorandize the essentials of their new relationship: “I thought I would write this letter to confirm our understanding last night with reference to the architectural work on the new hotel. We are to be paid a fee of 6 percent of the total cost of construction of the building, \$10,000 of which fee is to be taken in 7 percent preferred stock with its allotment of common stock. It was agreed that Mr. M.M. Hutchens, Mr. R.E. Smith, and you are to purchase all of this stock from us at the end of eight years for \$10,000 and we are also to give you the allotment of common stock which we receive.”

The Russel Erskine’s Architects

The two principals of Marr & Holman are an interesting pair. Thomas Scott Marr



The Andrew Jackson Hotel, Nashville. Courtesy Tennessee State Library & Archives

(1866-1936) was born in Nashville. A childhood illness resulted in his deafness, so his parents sent him to the Tennessee School for the Deaf in Knoxville. From there he went to Gallaudet College in Washington. Then he studied architecture at the Massachusetts Institute of Technology for a year. He set up a solo practice in Nashville for fifteen years before joining with Joseph Holman (1890-1952). Holman came to work for Marr as an office boy at the age of thirteen. He studied engineering at Vanderbilt for a year, then worked as a draftsman in Marr's firm from 1904 to 1908 before he and Marr created their architectural and engineering partnership. Holman also served as a set of "ears" for Marr when dealing with their clients.

The major breakthrough for the firm came in the early 1920s, when it came to be allied with the fabled empire builder Rogers Caldwell, whose company built an immense financial pyramid that collapsed in 1932. According to James Draeger's master's thesis on the firm's Art Deco work ("The Art Deco Architecture of Nashville Architects Marr & Holman," Middle Tennessee State University, 1986), Caldwell "underwrote construction costs of 68 projects from 1923 to 1930 with a total valuation of \$25,487,500, including numerous Marr and Holman projects" (p. 41) like the Andrew Jackson Hotel and the Cotton States Life Insurance Building.

The firm did a remarkable variety of work—movie theaters, parking garages, office buildings, schools, hospitals, courthouses, post offices (including the wonderful

Art Deco post office in Nashville, completed in 1934 and recently renovated as the Frist Center for the Visual Arts), and even sports stadiums. For our purposes here, however, it is important to focus on the firm's hotels—notably four Nashville hotels: the Andrew Jackson, the Savoy, the Sam Davis, and the Noel. The first three, unfortunately, were demolished in the 1970s and the 1980s. Only the Noel—at 200 Fourth Street, North—survives, which is good luck for us because it is a virtual twin of the Russel Erskine Hotel.

The Noel Hotel was conceived in 1927 and financed with the efforts of eighty Nashville businessmen when the economy was still roaring. By the time the twelve-story, 250-room hotel was completed, late in 1929, at a cost of about \$1,000,000, the Great Crash was already compromising everyone's financial future. According to a reminiscence offered on the day the hotel building was set to be converted into a bank building, "it was touch and go all through the 1930's to keep the hotel alive." ("US Bank site has seen ups and downs," *Nashville Banner*, April 9, 1983).

Similarly, the Russel Erskine Hotel was conceived in 1927, was built at a cost of about \$640,000, and had 132 rooms. It opened its doors to guests on January 3, 1930, and shut them for good in August 1975. The hotel's name honored Albert Russel Erskine, a native of Huntsville nationally famous as the president of the Studebaker Corporation; unfortunately, the well-known automobile company went into receivership in March, 1933, just a few months before Erskine's suicide early in July.

In addition to their similar conception and delivery dates, the two hotels really look remarkably alike, owing to their Marr & Holman parents. Particularly striking are the two ground floors, with commercial space along Fourth Avenue (Noel) and along Clinton Street (Russel Erskine), and lobby, banquet hall, and ballroom spaces on their respective side streets (Church and Gallatin). These high-ceilinged single-story ceremonial spaces have similar romanesque-arched windows—eight for the Noel and six for the Russel Erskine—that pierce handsome limestone-clad exterior walls. Other ornament shared by the two hotels includes classical urn finials sitting on the parapets of the main floor and on top of their eleven-story tower



The Noel Hotel, Nashville, as seen on 1930s postcard. Courtesy James Draeger, “The Art Deco Architecture of Nashville Architects Marr & Holman,” Master’s thesis, Middle Tennessee State University, 1986

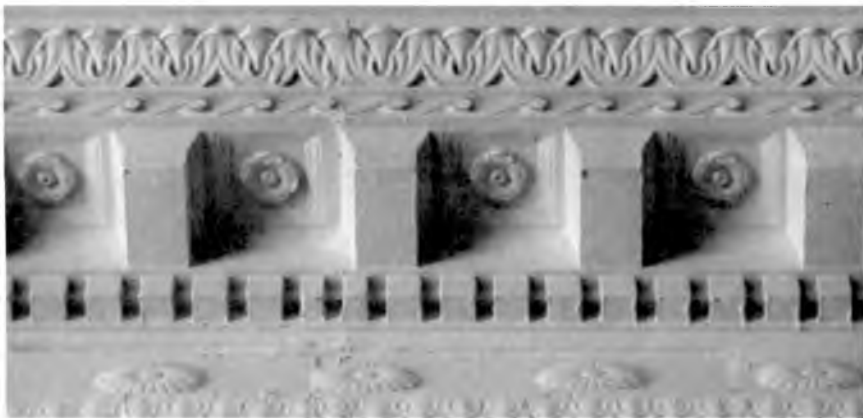
blocks. Underneath these main floors are parking garage spaces for that automobile-crazy 1920s age. Notation on the floor plans of the Russel Erskine—which have survived in the Tennessee State Library & Archives—show that its garage had spaces for fifty-two cars, or more than one for every three hotel rooms.

Like the Russel Erskine, the Noel Hotel claimed a similar strategic location in Nashville’s financial and governmental district. No longer a hotel, but a bank and office building now called Noel Place, after the family that owned and operated buildings there since before the Civil War, the building houses First Bank on its main floor. Claire Tucker, city president of First Bank, took me on a tour of the well-cared-for landmark on February 25, 2004. She pointed out with pride how much of the original historic fabric (marble arches and travertine walls, brass stair railings and balconies, ornate chandeliers, etc.) has been preserved.

It’s remarkable that the Noel building has survived, since the firm’s other Nashville hotels have been lost. The Savoy was demolished in May 1978, the Sam Davis in February 1982—the latter razed so that two big parking garages could be built to serve the Nashville Convention Center on Commerce Street at Seventh Avenue. By far the biggest loss, the 400-room Andrew Jackson Hotel, was demolished

with explosives on June 13, 1971, to make way for the Tennessee Performing Arts Center and the Polk State Office Building. All that survives of this landmark hotel is a collection of photographs in the Tennessee State Library & Archives, a building located on Capitol Hill next to the Tennessee Supreme Court Building (1936-1938), which the Marr & Holman firm also designed. The TSLA holdings of Marr & Holman—copies of letters, photographs, and other archival materials originally donated to Gallaudet College in Washington—date from 1911 to 1929. They include a few items of undeniable importance for the Russel Erskine story, including three original floor plans (basement, main floor, and hotel room floor) that seem not to have survived elsewhere.

Equally important in some ways is the TSLA’s possession of photographs of the interior of the Andrew Jackson Hotel. The Andrew Jackson was one of two landmark hotels (the other was the Greystone Hotel in Montgomery) that a Huntsville Hotel Company representative visited in search of the “look” the company desired for their new building. The TSLA photos show that the Andrew Jackson Hotel, which opened in 1925, set an undeniable standard of elegance that not even the Hotel Peabody in Memphis could match, much less the Russel Erskine. Still, it is signifi-



Mezzanine plaster crown molding, 2004. Courtesy Fuqua Osborn Architects



Mezzanine column capital detail, 2004. Courtesy Fuqua Osborn Architects

cant that the only marble clad pillar in the lobby of the Russel Erskine has precisely the same Corinthian capital as the nine or so marble-clad columns in the lobby of the Andrew Jackson. The bronze railings up the stairs to the mezzanine that extend across the top of the Russel Erskine lobby also seem to be identical in design to the Andrew Jackson’s mezzanine railings. Slim spindles alternate with cast panels consisting of an upright lyre + sunburst + inverted lyre pattern on these railings. Plaster crown moldings—around the lobby ceiling and running below the mezzanine railing—are also

close in their grammar of ornament (egg-and-dart, rod-and-ribbon fascies, etc.) to those used in the Andrew Jackson lobby.

In this sense at least, Lawrence Goldsmith’s reply (November 22, 1928) to a representative of Associated Hotels Inc. (New York and Richmond) as to the kind of hotel that was being built—“The building plans are similar to the Andrew Jackson at Nashville, Tennessee”—is only a slight case of wishful thinking. On the other hand, once Goldsmith entered into an olympiad exchange with the Meyer Brothers, the Russel Erskine’s first lessee, the rhetoric was turned against the Andrew Jackson. Robert Meyer says (March 5, 1929) that the “Hermitage Hotel is 15 years older than the Andrew Jackson yet is in better condition today.” Perhaps not surprisingly, prominent among the hotels the Meyers operated—in Atlanta, Jacksonville, Roanoke, Knoxville, and Nashville—was the Hermitage Hotel. His bottom-line conclusion delivered to Goldsmith was that “a good operator can save the lessor a great deal to offset depreciation.”

The Meyer Brothers

Enough of the correspondence between the lessor (Huntsville Hotel Company) and the lessee (Meyer Brothers) has survived archivally in the Heritage Room of the Huntsville-Madison County Public Library to argue a delightful dialogue presented on its own merits. At one point, when the two parties were grappling with the myriad details of the hotel under construction, Roland Meyer announced that he would come to confer personally with the HHC. “I feel that the hotel is part mine,” he said, “I spent so many hours on the plans” (February 25, 1929).

Though the hotel management company’s headquarters were in Birmingham, in Rooms 1501-1504 of the Comer Building, both brothers travelled a good deal in their line of work, and always learned more about the hotel business when they did. So when he stayed in the Roosevelt Hotel in New York City, Robert Meyer noted that that landmark hotel had a wood floor for the ballroom. Therefore, in the letter cited above (March 5, 1929), he said pointedly that for the Russel Erskine to have “a terrazzo floor in the ballroom would be a big mistake.” Ten days later, however, he pulled in his horns and said he guessed terrazzo would be okay (March 15, 1929).



Mezzanine balustrade with lyre + sunburst + inverted lyre pattern, 2004. Hotel mailboxes in background. Courtesy Fuqua Osborn Architects. Missing in this photo is the brass ball that topped the newel. Every time someone discovered that the ball was removable, it would go missing for awhile. See the wedding reception photograph in this issue (page 44) to view both balustrades’ newel toppers in their proper places.

A draft version of the twenty-five-year lease agreement between HHC and Roland Meyer was drawn up as early as November 1, 1927, but it was not signed because Meyer's original co-signer, R.E. Hyde, dropped out of the deal. Hyde, at the time, was the resident manager of the Hotel Hermitage, when the proposed lease was sent to Robert E. Smith, who was acting as attorney for the Huntsville Hotel Company. Roland Meyer was the resident manager of the Hotel Savoy, one of Marr & Holman's smaller and more modest hotel designs. Robert Meyer at first declined to be drawn in to the deal with his brother—possibly because he sensed a shakiness on the part of the financial underpinnings for the hotel—but eventually he signed on to an eight-page lease agreement dated May 9, 1929. Here are some of the lease's key provisions:

In addition to completing the hotel building on or before October 1, 1929, the Huntsville Hotel Company agrees to add high-tech features such as wiring for radio and telephones, automatic signals in the elevators, an electric sign on the roof, and fine furniture, for a total investment of about \$80,000.

The lease of the hotel shall run for a term of 30 years and be based on the actual cost of the property, on a sliding scale of percentages—6.5 percent/first two years; 7.5 percent/next four years; 8 percent/next four years; 8.5 percent/next five years; 9 percent/next 10 years; and 9.5 percent/next five years. Rent will be paid quarterly.

The lease can be terminated with 30 days' notice—should the lessee become bankrupt or judicially determined insolvent or be in default in the payment of rent for a period of 30 days—or terminated with 60 days' notice for nonpayment of taxes agreed to be paid by the lessee.

The lessor may execute a mortgage or deed of trust on the leased property not to exceed \$300,000.

Lessee agrees to take \$25,000 preferred capital stock in the Huntsville Hotel Company and to pledge \$20,000 of this stock to a trustee of the Company to

secure performance of his undertakings under this agreement.

Lessee can demand, at his option, an addition of 66 rooms to the hotel, up to 10 years before the expiration of the lease. The value of such improvements would increase the rent proportionally.

Voluminous correspondence, mainly between Roland Meyer and Lawrence Goldsmith, has survived. The letters suggest that no detail, large or small, could be overlooked, whether concerning toilet paper holders or invoices for sheets and pillowcases.

A Dose of Hotel Economics Realism

Among the Russel Erskine Hotel files there is an enigmatic news clipping affixed to a sheet of paper on which is scrawled: "Lawrence / This does not sound so good. / HBC."

Regrettably, the clipping is undated, but may be traced back to its source in the *Saturday Evening Post* by some diligent scholar of the once most-respected magazine in American life. Here is the clipping, in its entirety, with no apologies for intruding on what is otherwise an essay on collective civic pride:

HOTEL ROOMS ARE DECLARED LIABILITY

(James R. Crowell in *Saturday Evening Post*)

Out of three hotels, the average shows, one succeeds, one breaks even, one fails. Rooms produce 55 per cent of the operating revenue, food 45 per cent. A hotel uses six tons of coal per room per year, including bedrooms and the large public rooms. It costs \$60 a year to keep a room in repair. About 2 per cent of room income is required to replace linen used in the room.

Bad accounts, including no-good checks, represent a loss of \$10 per room per year. A hotel can be prosperous with an average of 25 per cent room vacancy and can manage to exist with as much as 40 per cent unoccupied. The tele-

phone service is conducted at a loss and would still be an unprofitable item in most instances even though 15 cents a call were charged, instead of the usual 10 cents. More than 50 per cent of all persons registered at the hotel use one call a day. A 1,000 room hotel employs twenty operators at a salary of \$85 a month each.

It is rather startling to learn that if hotels did nothing except rent rooms the expense would be \$1.10 for every dollar of income. To put this in another way, if all outside income and expenses were eliminated and the total room expense were put against a total room revenue, there would be a net deficit of 10 cents for each \$1 taken in.

Fortunately there are several things which operate against any such deplorable situation. Primarily these are the fact that some of the overhead must be charged off to the restaurant as a revenue producing agency, even though there is no way to allocate rent, light, heat, power and so on to the food department; that store rentals cut further into the general overhead and that a heavy return comes from concessions.

If it were not for concessions and store rentals, the hotel business would have died of anaemia soon after prohibition, or raised room and food prices to such an extent that the public would have been incensed beyond belief.

My guess—and it is merely that—is that the HBC who took the trouble to send this cautionary tale to Lawrence Goldsmith was Henry B. Chase, one of the hotel stockholders, involved to the tune of \$1,000 (ten shares).

Following the Financial Paper Trail

In some ways the most fascinating aspect of the Russel Erskine Hotel is not the building itself— not its reinforced concrete skeleton, or the Bedford limestone cladding on its main floor facade, or the gray Tennessee marble wainscot in its lobby, or a hundred other architectural details—but in the convolutions of its financing

by a small group of people, none of whom were inordinately wealthy. Naturally, after the initial announcement of the Huntsville Hotel Company project in the *Manufacturers Record* (September 27, 1927) and elsewhere, a number of financial institutions lined up to court the hotel principals. Besides the Canal Bank & Trust Company of New Orleans, whose letter is quoted above, there were many other solicitations. One, from the Mortgage & Securities Company of New Orleans, offered “6.5 percent and bonds purchased at 92 percent of par,” which Lawrence Goldsmith turned down in a letter of September 26, 1928.

Whitney-Central Trust & Savings Bank, of New York, had solicited the hotel company’s business back on September 29, 1927, but exactly one year later the bank wrote to say it was no longer interested in the deal.

There was also Emrich Mortgage of Cleveland, Ohio, responding on November 6, 1928, to Goldsmith’s asking about a \$280,000 loan. Goldsmith enclosed a picture (architect’s rendering) of the 132-room hotel and its fifty-two-car garage. The contract for its construction had just been let, with the E.G. Holladay Company of Nashville, and completion was expected within ten months.

In some ways, the most exotic artifact in this financial file is a mysterious personage whose elegant engraved-script letterhead identifies himself as Paul Klein-exel, 10 South LaSalle Street, Chicago. His correspondence with the hotel company begins in late October 1928 and runs on into late January 1929. His final letter to Goldsmith is a terse but gentlemanly declaration that the times may well be changing: “As you probably know, hotel paper is not in good standing at the present time, and that is particularly true of small town hotel paper. The best that you can expect



Roof finial. Courtesy Fuqua Osborn Architects

on a construction loan would be eight points discount, and, in a bad bond market like this, discount might even run up to 10 percent.”

The financial set-up that Goldsmith sent to Paul Klein-exel in January 1929 reflects considerably more optimism—perhaps borne of a growing nervousness—than the set-up that the Pritchett-Thomas Company had sent the Huntsville Hotel Company in the fall of 1927. For example, in its “statement of estimated operating expense and income” is the projection of \$377 a day for rooms, for a yearly income of \$137,605, up from the \$120,450 projected by Pritchett-Thomas. True, this 1929 set-up used an adjustment of “30 per cent for vacancies,” as opposed to the 20 percent figure used in 1927, but that was not as high as the rather authoritative figure of 40 percent used in the *Saturday Evening Post* article. Other key elements emerge in this set-up that show how much financial juggling the Huntsville Hotel Company will have to engage in for a successful launch in 1930:

A projected annual income of \$105,349, minus a total annual expense of \$47,920, will leave a “net available for interest and amortization” of \$57,429.

The capital stock of \$200,000—“75 percent of which has already been paid in”—with the balance being paid monthly.

There is also the cost of the land (\$57,250) plus the valuation of 1,011,000 cubic feet @ 47 cents for the building, totaling \$475,170. To this is added the 6 percent architect & engineer fee (\$28,510); interest—six months—6 percent (\$8,400); discount 8 percent (included 1 percent to K-X-L) of \$22,400; and \$500 for legal expenses, for a grand “total valuation land and building” of \$592,230.

With a total valuation of land and building of \$592,230, the hoped-for “loan—first mortgage —6 percent—10-year sinking fund” of \$280,000 would leave roughly \$312,230 in equity, making this “less than a 48 percent loan.” This bottom-line judgment, appearing as the final line of the set-up, is capitalized and underlined.

Unfortunately, or otherwise, K-X-L was having none of it, not even for a one percent fee.

Goldsmith's financial tree-shaking continued through 1929 with a growing sense of urgency as the construction bills continued to come in with demands for payment: First Securities Company of Chattanooga returned all the financial papers related to the hotel on March 25, 1929, because it would not go forward with the loan application. Chickamauga Trust Company (Chattanooga) reported that Prudential (headquartered in Newark, New Jersey) would not be interested in making the loan (April 15, 1929). Goldsmith wrote to the Louisville Trust Company for a loan on April 13, 1929, but got no reply. The Life Insurance Company of Virginia (Richmond) declined a loan request on April 23, 1929. Fourth National Company, an investment securities firm in Atlanta, told Goldsmith (May 10, 1929) that he could not be encouraging and felt it "unfair to ask you to hold off any longer." W.C. Bowman, president of the First National Bank of Montgomery, wrote (June 28, 1929) that "Just at this time, we hardly think we would be interested in this loan."

Leo Steiner—the Birmingham representative of Steiner Brothers Banking House, with offices at 220 Broad Street in New York—wrote Goldsmith (June 19, 1929) that "At the present time, we would not be interested in a loan of that size on a hotel proposition in your city. We feel from the facts given to us, the loan is attractive, but the Insurance Company that we represent, would not care for a loan of that size in a town of the population of your city." Steiner's mention of their insurance company seems to be the magic words. Insurance companies—as we are coming to know—are where the money will be.

Sure enough, about this time the Huntsville Hotel Company met up with the Commonwealth Life Insurance Company of Louisville, Kentucky. Here is the good-news moment, delivered in a letter (August 8, 1929) to M.M. Hutchens from D.G. Roach, vice president of the mortgage loan department:

The application of the Russell Erskine Hotel of Huntsville, Ala. for a loan

of \$275,000 has been approved by our financial committee to the extent of \$250,000 subject to the following terms and conditions. The loan (is) to be made for a period of 20 years with interest at the rate of 6 percent per annum, payable semi-annually. Fire insurance policies covering the improvements and containing the National Standard Mortgage Clause endorsements are to be deposited with the company, and in addition a number of the stockholders acceptable to our company to apply for \$250,000 life insurance on the 20 year endowment plan, and the Hotel Company agree to keep the insurance in full force and effect to maturity, so that at the end of 20 years the proceeds of the policies will pay off the indebtedness of the Hotel Company. If the death of any one of the insured should occur before the 20 years, then the amount of the policy will be credited on the mortgage indebtedness. In addition the payment of the principal and the interest is to be guaranteed individually by the principal stockholders of the Hotel Company. I am enclosing herewith a copy of the agreement which we will have the principal stockholders sign. If the above terms are satisfactory we will be willing to advance you \$50,000 upon completion of the papers and \$50,000 per month until the building is fully completed when the total balance will be advanced. Please advise me at once if the above terms and conditions are satisfactory so that I may come to your city and prepare the papers so that we can close the loan.

At this very moment, however, Lawrence Goldsmith was writing to Robert Meyer (August 10, 1929), looking at an additional component to the proposition from Commonwealth:

“Roland requested me to send you the enclosed set-up. If we could sell the \$125,000 second mortgage 7 percent bonds, the plan looks about the best we can do. I do not think we would have any trouble placing a \$200,000 first mortgage insurance loan on the property, as we have heretofore always wanted to borrow around \$280,000, which was more than the insurance companies were willing to loan on the property. We have had a proposition from the Commonwealth Life Insurance Company,

of Louisville, Ky. to loan us \$250,000 at 6 percent, but we would be compelled to carry an equal amount of 20-year endowment life insurance, which would cost us approximately \$10,000 a year in premiums, but at the end of the 20 years the policies would mature and pay the loan in full.”

Regardless of the speculation riding on other financial vehicles, which would continue well into the 1930s, the Huntsville Hotel Company closed their loan agreement with Commonwealth on October 15, 1929. The agreement is interesting primarily for the names of the nineteen citizens who agreed to take out life insurance policies “as additional security” for the \$275,000 loan, which is, of course, secured by a mortgage on the hotel property. Their names, for the record, are James M. White, Columbus O. Mullins, Bunyan Harvard Broadway, William Edwards Putman, Lawrence B. Goldsmith, Redden H. Canterbury, Robert Joseph Lowe, William Lewis Certain, Jr., John Edgar Mitchell, Frank B. Wilson, Jr., Roland Moore Meyer, Leo Schiffman, Lawrence B. Goldsmith, Jr., Joseph B. Van Valkenburg, Jr., Joseph R. Burgess, Oscar Goldsmith Grosser, Thomas J. Taylor, Dorothy Hodges, and Augustine White, Jr. Most of these nineteen took out \$15,000 policies, which entailed the payment of \$707.55 as an annual premium, and held face values totaling up to \$274,000. It’s evident from Commonwealth receipts in the Russel Erskine files that additional citizens—including Milton H. Lanier, Jr., Thomas G. Jones, Stanley D. Myerson, George M. Mahoney, Thomas H. Johnson, and Richard Calloway—were enrolled in the company’s twenty-year endowment plan from 1933 to 1941.

The Seven Financial Samurai

The major burden for assuring that the Huntsville Hotel Company would meet its financial obligations stood on the shoulders of seven men:

Lawrence B. Goldsmith and Robert Schiffman—brothers-in-law, partners in I. Schiffman Co., dealing with commercial property, farm property, warehousing, etc.

Morton M. Hutchens—partner in the Hutchens Company, plumbing, heating, and electrical supplies, hardware, wholesale and retail.

Robert E. Smith—attorney at law.

T.T. Terry—dry goods merchant on the Square (“Great is the power of Cash”).

Wells M. Stanley—a vice president of the Alabama Power Company.

J. Emory Pierce—editor and general manager of the *Huntsville Daily Times*.

These seven signed “as the Officers and Directors of said Hotel Company . . . to underwrite and guarantee the repayment of said sum” (\$275,000) in a deed filed in the Madison County Courthouse on September 20, 1929. Five of the seven—all except Terry and Pierce—signed a subsequent memorandum of agreement on February 10, 1930, working out the details of their future obligations towards guaranteeing the loan repayment, including a pledge “not to sell or dispose of the aforesaid common stock held and owned in the Huntsville Hotel Company and agree that said stock shall be held during said time under a voting trust” for electing and maintaining officers and directors of the corporation, and for dealing with eventualities as “the death of one or more of the undersigned.”

During the hotel’s first seven years of operation—rather lean years in those biblical days of the locust—five of the seven stalwarts—Stanley, Terry, Hutchens, Schiffman, and Goldsmith—continued to put their own money into the pot. In 1930, they each put in \$2,150; then \$5,300 each (1931), \$5,500 each (1932), then differing amounts totaling \$22,550 (1933), then \$800 each (1935) and \$600 each (1936). During these seven lean years came \$83,981.35 “advanced out of earnings from the Russel Erskine Hotel Company” itself. Roughly a like sum (\$84,850) was advanced by the five hotel officers. Together with small sums from other sources, these seven years saw total advancements of \$173,931.85.

It might be wise to close off this financial discourse with two letters exchanged be-

tween Judge Homer Batson, president of Commonwealth Life, and L.B. Goldsmith, secretary and treasurer of the Huntsville Hotel Company late in 1936. The first (November 12, 1936), from Goldsmith, encloses a statement showing HHC's total net loans, together with "three propositions that we made to you in your office some few days ago." One can almost hear echoes of the meeting's heated debate coming through Goldsmith's words:

We believe that possibly you have overlooked the attention, both personal and financial, that the Directors of the hotel have given these loans. They have all told approximately \$160,000 invested in the project, and of this amount about \$85,000 has been put in since the loans were originally made, and since the Depression it is impossible for the hotel itself to carry the burden. The matter has been constantly before us, and we have in every instance consulted with your Company in advance and have by mutual agreement kept the matter current; and never for a moment have the loans been in default.

Homer Batson's reply, dated November 13, 1936, seems equally testy:

This will acknowledge receipt of your letter of Nov. 12, 1936 with enclosures as stated.

I hope you gentlemen will keep in mind down there that this matter of 3 3/4 percent interest is, in my opinion, not going in any way to be pleasing to our Board. The matter cannot be presented to the Board prior to our meeting with you about Dec. 15, 1936.

You will also keep in mind that I kept repeating at our conference on Nov. 2, 1936, that we ought to be able to work out something more concrete in the way of a guarantee.

As years go by, personal endorsements or guarantors often become of little or no value. However, I believe something practical can be worked out that will be adequate security if we can agree on terms.

If your relative, for any reason, cannot be available around the 15th of December, you had better let us know in advance.

(Aside from this exchange: does anyone remember those good old days when the U.S. Postal Service offered next-day service for a first-class stamp?)

Constructing the Hotel

The Huntsville Hotel Company directors met on September 12, 1928, to consider three items—approving E.G. Holladay Company (Nashville) as the general contractor; the Hutchens Company (Huntsville) to do the plumbing, heating, wiring, and ventilation work; and the Otis Elevator contract. All three items were approved by six votes (Terry, Schiffman, Goldsmith, Hutchens, Smith, and Pierce).

Actually, work had already started two months before, on July 30, 1928, when the hotel company approved a \$1,200 contract with S.M. Stewart to do the excavation of the hotel site, according to the plans of the Marr & Holman architectural firm (whose contract had been approved at a directors meeting on April 18, 1928). Before that, as well, four old stores were demolished, and the building materials were salvaged, including a \$6 per 1,000 brick deal with George M. Jones (513 West Clinton).

The Holladay Company came highly recommended. Five referees—including Russell Hart, architect, with the Hart Freeland Roberts firm in Nashville, and architects or engineers from Louisville, Cincinnati, and Birmingham, all speaking favorably of Holladay's work—sent their letters promptly in the space of a few days (August 13-15, 1928) to the hotel company.

From the start of construction, Holladay was supposed to complete the job in 250 working days, beginning September 12, 1928. That did not happen, owing to a number of change orders, plus lots of who-shot-John wrangling going back and forth between the architect (Marr & Holman), contractors (Holladay, Hutchens, and their subs), hotel lessees (Robert and Roland Meyers), and owner (Huntsville Hotel Company). Despite the new letterhead for the hotel saying that it would be





*The Russel Erskine under construction.
Courtesy Tennessee State Library & Archives*

“opening on or about Nov. 1, 1929,” they only missed that deadline by a couple of months, finishing up late in December 1929.

Remember from the Huntsville Board of Realtors figures in 1929 quoted above that the new reinforced concrete building going up on this site would have a construction cost of \$397,532.96—broken out as the general contract (\$253,927.18), mechanical equipment (\$99,568), elevator equipment (\$21,688), mail chute equipment (\$1,630), and architect’s 6 percent fee (\$20,719.78)—plus another \$80,000 for furniture and equipment as estimated by the hotel’s lessees, Robert and Roland Meyer—for a grand total of \$614,932.36. Anyone who has worked on a project of that magnitude knows that deadlines are only there to work against. Photos made of the work in progress speak for themselves, though it is too bad there were no dates affixed to each photo to show exactly when those stages were reached.

The opening of the hotel on January 3, 1930 was a grand party, one of the bigger-than-life occasions in Huntsville’s history. A good time, reportedly, was had by all. Less happily, on August 14, 1930, a U.S. District Court Clerk, District of North Alabama, noted the fact that the Huntsville Hotel Company had “paid into the registry of this Court” \$45,965.41, resulting from a decree entered on August 1, 1930, from a settlement reached with the E.G. Holladay Company. Once the attorneys (Lanier, Pride & Brickell) and court costs were added in, the total was \$48,184.56. At issue were liens or other claims filed against the Russel Erskine Hotel Company by forty-five contractors and suppliers, including J.E. Anderson, painter (\$2,941.30), Decatur Iron & Steel (\$1,848.76), Pittsburgh Plate Glass Company (\$2,821.78), and the Hutchens Company (\$3,624.97).

Sifting through the sheaves of correspondence about individual items and looking through the “change orders” that either bumped up costs or saved small amounts of money, we might have wished for some uncompromising architectural despot like Frank Lloyd Wright to demand nothing less than the best in workmanship. For example, about \$570 was saved by letting the bricklayers use “running bond instead of Flemish bond.” That distinctive pattern, achieved by turning every other brick



Russel Erskine Hotel letterhead

sidewise, would have been a nice touch for the eleven-story tower. As it is, when seen by sidewalk superintendents today, the bricklaying is rather unremarkable, and in patches downright terrible. One nice touch, visible only from the backside (south and east facades), shows five horizontal stripes in the brickwork created by bands of glazed yellow brick of the kind used on the facade of the Noel Hotel.

Another opportunity, lost apparently for cost-cutting considerations, involved the building's signage. Neon was ruled out, despite its high-tech allure in the late 1920s, in favor of a rooftop sign spelling out the hotel's name in six-foot letters by means of 390 sockets with twenty-five-watt lamps in them. Considering how neon signs were considered tawdry by the 1970s, perhaps the individual socketed lights—still visible underneath the Russel Erskine's marquee—will add renewed luster once the building is renovated.

Actually, the team that put the Russel Erskine Hotel together did opt for a number of wonderful thoroughly modern touches—summarized in the hotel's new letterhead stationery as offering “running ice water/electric fan/and radio in every room.” This last luxury involved a rather expensive (\$3,103.40) rooftop radio antenna that brought broadcasts to each and every room by means of radio cables, rather like a “community antenna” television (CATV) system for large buildings or apartment complexes a half-century later.

Once the building construction was finished and all the plastering and painting was done, in came carpets and furniture and all those luxurious touches like jardinières, temple jars, and fernery, that made hotel guests believe they were no longer in Kansas (or Alabama) anymore.

Most regrettably, in May 1979, nearly four years after the old hotel closed, all of its contents were sold off. Soon after, as well, the hotel rooms were rehabbed as apartments, resulting in roughly half as many units as there were hotel rooms.

Although today we view the Russel Erskine's accommodations as shown in the Judd photographs from very different notions of luxe and comfort, the photos reveal a level of design and sophistication that hotels in much larger cities and more prosperous times would be proud to claim. Other indications we have of the hotel's sophisticated style are the rather complete lists of the original purchases for the hotel, together with notations of every "commission" (3 to 5 percent) added to the item's price from its having been selected by a tastemaker making his selections from Imperial Furniture (Grand Rapids), Mallen (Chicago), Clifton & Pack (New York), White Furniture (Mebane, North Carolina), Bradford (Nashville), Algoma Wood Products (Algoma, Wisconsin), Simmons (Atlanta), Thonet Brothers (Chicago), and elsewhere. If catalogues of those companies survive, as they probably do, we could further visualize the Russel Erskine's lobby, dining room, and guest rooms. We can also re-visit the wonderful archival photographs of the Andrew Jackson Hotel and other hotels of the period to re-create that sense of grandeur and unutterable luxury, with furniture made of mahogany and walnut and drapes of damask or other fine fabrics.

A Possibly Tendentious Conclusion

Mostly neglected thus far is any focus on Albert Russel Erskine, the Huntsville native who was honored by having his name affixed to the Huntsville Hotel Company's civic creation.

Erskine's name was included as one of the original stockholders at the HHC's very first official meeting, held in the offices of attorney R.E. Smith, on April 19, 1928. The roll call of stockholders noted that Erskine was down for 100 shares of preferred stock and the pledge of a \$10,000 investment. Sadly, it is said, he was not good for his word. Though he visited the hotel, and was quite complimentary about the new addition to his hometown, Erskine reportedly paid in only a small sum. Perhaps he felt his prestige as president of the Studebaker Corporation was being borrowed against and therefore represented payment enough.

Erskine did, with hilarious generosity, loan the Huntsville Hotel Company an oil portrait of himself, under the condition that he reserved the right to withdraw the portrait from the hotel at some future time. In the letter confirming his portrait loan (August 29, 1929), Erskine offered some warm commendatory remarks that cost him absolutely nothing:

"I am deeply appreciative of the fine commercial structure which the representative business men of Huntsville have erected, to adorn and serve my native city, and have named in my honor. I feel certain that the venture will prove successful commercially and congratulate all of you upon your business initiative and courage."

A possibly tendentious conclusion here would be to say that, as often happens, we depend on history's great men to come through for us, and they very often fail us. On the other hand, what the story of the Russel Erskine Hotel may say is that the hotel happened because a number of citizens stepped forward with significant sums of money and created something more remarkable than anything a single benefactor might have offered.

And yet, as thousands of pages of archival documents in the Russel Erskine file attest, there is one man whose prodigious labors should be recognized. And that is precisely what Eleanor Newman Hutchens did, as president of the Huntsville Hotel Company, on July 10, 1973, the day the hotel corporation was dissolved, and its final liquidating distribution—at the rate of \$239.81 per share of preferred stock—





*Early 1930s hotel photos.
Guest suite, sitting room, and
bathroom courtesy Lynn Jones.
Lobby courtesy James W. Lee.
Photos were taken by Searcy
Wilson Judd (1880-1960),
Huntsville's premier pho-
tographer between 1903 and
1960. Judd's studio was on the
southeast corner of the court-
house square in what is now
the Harvie P. Jones building,
owned by Historic Huntsville
Foundation.*



was approved. Dr. Hutchens read out a beautifully expressed resolution honoring Lawrence B. Goldsmith, who had died in 1972, before seeing the hotel through to its final fade into history:

Now, therefore, be it resolved that the directors of the Huntsville Hotel Company feel deep regret that Mr. Goldsmith has not survived to see his wish realized; that they think of him with gratitude as they dissolve the company he helped to found and to keep in sound condition through many vicissitudes; and that they pray for the peace of his noble spirit and the consolation of his bereaved family.

Be it further resolved that this resolution be spread upon the minutes of the last meeting of the directors of Huntsville Hotel Company, and that a copy thereof be delivered to the bereaved family of Mr. Lawrence B. Goldsmith.



Old Clinton Street hotel marquee. Courtesy Fuqua Osborn Architects



Margaret Anne Goldsmith celebrates her marriage to John J. Hanaw of New Orleans, October 19, 1963. Following the ceremony at Temple B'nai Sholom, a wedding reception was held in the Hotel Russel Erskine. Courtesy Margaret Anne Goldsmith.