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## **I. Schiffman & Company: A Depression-Era Success Story**

*By Dawn Suiter*

The decade of the Great Depression commonly brings to mind widespread, crushing poverty, with images of gaunt, hollow-eyed people lined up at soup kitchens, destitute families picking at scraps to survive, and businesses and farms struggling to stay afloat. However, the Depression was *not* uniformly cruel; some individuals and businesses prospered, even going so far as to spread their good fortune to the surrounding community. The Goldsmith-Schiffman family and its business interests in I. Schiffman and Company provide an example of this. I. Schiffman & Company and its officers, through their highly diversified, yet interconnected, business interests and investments in the city of Huntsville, not only successfully weathered the storm of the Great Depression, but also made significant contributions to Huntsville's survival, recovery, and growth over time.

While the stock market crash of October 24, 1929 caused the national income to drop from 88 billion in 1929 to its low point of 41 billion in 1933,<sup>1</sup> a closer look into the past reveals that not everyone suffered equally during this period. The impact of the

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<sup>1</sup> James Record, *A Dream Come True: The Story of Madison County and Incidentally of Alabama and the United States*, Vol. II (Huntsville: John Hicklin Printing Company, 1978), 207.

Depression, as Carol E. Heim of the University of Massachusetts, Amherst observes, was highly uneven. At its low point in 1933, a quarter of the American labor force was unemployed, but those individuals who kept their jobs experienced increasing purchasing power as prices fell.<sup>2</sup> This applied also to businesses that had invested wisely prior to the Depression and therefore had cash on reserve that could be used to purchase goods and property at a discount. Government policies, especially after 1933, also helped some businesses to thrive. In the United States, the South benefited in some ways from the Depression thanks to the positive, if unintended, long-term effects of government policies linking the formerly isolated Southern labor market with the greater national market and stimulating economic development.<sup>3</sup> Southern states received less New Deal spending than the rest of the nation because the region was perceived to be “safely in the Democratic camp,” but even so, the Southern U.S. received a larger share of wartime manufacturing facilities in the 1940s,<sup>4</sup> which would certainly work in Huntsville’s favor. According to Heim, the South was not only less severely impacted in the

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<sup>2</sup> Carol E. Heim, “Uneven Impacts of the Great Depression: Industries, Regions, and Nations,” in *The Economics of the Great Depression*, edited by Mark Wheeler (Kalamazoo: W.E. Upjohn Institute for Employment Research, 1998), 29.

<sup>3</sup> Heim, 29.

<sup>4</sup> Heim, 40-41.

short term, but it rebounded more quickly than the rest of the nation.<sup>5</sup>

Huntsville was no exception; the city does not appear to have suffered nearly as painful a blow from the Depression in the early 1930s as did larger cities across the nation. While The Hub and Sam Thompson's Department Store went out of business on July 31, 1930, city planners recommended a new half million dollar post office for the city and a new bus service replaced streetcar service on December 11 of that year.<sup>6</sup> On January 30, 1932, Erwin Manufacturing Company announced that despite the Depression, its profits for 1931 were greater than in 1930.<sup>7</sup> July 1933 brought a 25% wage hike for Woolworth, Grant, Kress, and McClellan employee wages, and 1937-1938 brought a bumper crop of cotton, breaking county production records. On December 18, 1938, Christmas shopping was reported to be the best since 1929.<sup>8</sup> An additional boost to the Huntsville economy, and for that matter its reputation as an up-and-coming Southern town, came with the opening of the the grand Russel Erskine Hotel in January 1930, to be discussed in more depth later. This hotel, the brainchild of Lawrence B. Goldsmith

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<sup>5</sup> Heim, 49.

<sup>6</sup> Bob Adams, "1930-1939: The Great Depression," *Eden of the South: A Chronology of Huntsville, Alabama 1805-2005*, ed. by Rane'e G. Pruitt (Huntsville: Huntsville-Madison County Public Library, 2005), 147.

<sup>7</sup> Adams, 148.

<sup>8</sup> Adams, 150, 154.

Sr. of I. Schiffman & Company and a notable Huntsville landmark, not only contributed to Huntsville's economy during the Depression, but also served as a pull factor to attract individuals responsible for Huntsville's future military and aerospace industries.

The company's diversification began just after the turn of the twentieth century. It opened in 1860 as a simple dry goods store on Huntsville's Courthouse Square, owned and operated by brothers Solomon and Daniel Schiffman, who immigrated to the United States from Hoppstaedten, Germany in 1857. Their nephew Isaac Schiffman came from Germany later, joining the company in 1875.<sup>9</sup> Isaac eventually took over the brothers' business, and in 1905 he began to diversify the company by entering the investment and cotton businesses.<sup>10</sup> Margaret Anne Goldsmith remarked that Solomon's will stated that the dry goods business had to stay open for a certain period of time after his death. Isaac, however, had a lot more in mind for the company than his uncle and chose to expand the business.<sup>11</sup> He needed a storage building and a main office, so Isaac purchased the former Southern

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<sup>9</sup> "Solomon Schiffman." Huntsville History Collection.

[http://huntsvillehistorycollection.org/hh/index.php?title=Person:Solomon Schiffman](http://huntsvillehistorycollection.org/hh/index.php?title=Person:Solomon_Schiffman).

<sup>10</sup> "Isaac Schiffman," Huntsville History Collection

[http://huntsvillehistorycollection.org/hh/index.php?title=Person:Isaac Schiffman](http://huntsvillehistorycollection.org/hh/index.php?title=Person:Isaac_Schiffman).

<sup>11</sup> Margaret Anne Goldsmith, interview with author, July 23, 2017.

Savings and Loan building at 231 Eastside Square the same year, transforming it into the base of operations for the family's business holdings.<sup>12</sup> In 1908, Isaac's son, Robert, and his son-in-law Lawrence Goldsmith, Sr. joined the business, forming a partnership. Isaac died in 1910, but his wife, Bettie, who inherited the business, stayed on with Robert and Lawrence until her death in 1932. The following year, the business was incorporated as I. Schiffman & Co., Inc.<sup>13</sup> Robert Schiffman died in 1936, at which point Lawrence became president of the company.

By the time I. Schiffman & Company incorporated, the company was involved in much more than investments, dry goods, and cotton: for instance, Lawrence and Robert operated one of Huntsville's first automobile dealerships, bought, sold, and leased commercial properties, and oversaw numerous farm properties throughout Madison County as part of their duties with I. Schiffman & Company.<sup>14</sup> The automotive business existed from 1910 to 1962, while the farming business operated from 1896 to 1976. The

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<sup>12</sup> Margaret Anne Goldsmith, "The I. Schiffman Building," Huntsville History Collection.  
[http://huntsvillehistorycollection.org/hh/index.php?title=The\\_I\\_Schiffman\\_Building](http://huntsvillehistorycollection.org/hh/index.php?title=The_I_Schiffman_Building).

<sup>13</sup> "Isaac Schiffman," Huntsville History Collection  
[http://huntsvillehistorycollection.org/hh/index.php?title=Person:Isaac\\_Schiffman](http://huntsvillehistorycollection.org/hh/index.php?title=Person:Isaac_Schiffman).

<sup>14</sup> Margaret Anne Goldsmith, "Lawrence Bernstein Goldsmith, Sr.," *The Bernstein Herstein Schiffman and Goldsmith Collection: A Catalogue*. Personal files provided by Margaret Anne Goldsmith.

property management business is still in operation today.<sup>15</sup> The company also provided banking services and managed the business affairs and estates of the extended Bernstein, Herstein, Schiffman, and Goldsmith families, all of which fell under Lawrence's oversight.<sup>16</sup> As for the latter, Margaret Anne Goldsmith stated in an interview that this is a traditional practice for many Jewish families--the company managed individual assets, taking care of family members even if it did not benefit the company.<sup>17</sup> In addition to these ventures, I. Schiffman & Company had business operations in agriculture and textile manufacturing and invested in a diversified portfolio of stocks and bonds, both local and national. According to the archival documents uncovered by Paul Hays, this portfolio included several mining companies, transportation companies, Chrysler Corporation, power and communications companies, as well as government bonds. The 1934 portfolio was valued at \$130,300.00, worth the equivalent of \$2,381,913.17 in 2017.<sup>18 19</sup> The company's

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<sup>15</sup> Paul Hays, *I. Schiffman & Company: Huntsville's Most Diversified Entrepreneurial Business* (West Conshohocken, PA: Infinity Publishing, 2013), preface.

<sup>16</sup> Margaret Anne Goldsmith, "Lawrence Bernstein Goldsmith, Sr.," *The Bernstein Herstein Schiffman and Goldsmith Collection: A Catalogue*. Personal files provided by Margaret Anne Goldsmith.

<sup>17</sup> Margaret Anne Goldsmith, interview by author, July 23, 2017.

<sup>18</sup> Paul Hays, *I. Schiffman & Company*, 103-104.

<sup>19</sup> <http://www.usinflationcalculator.com/>

diversification served the business, and the Goldsmith-Schiffman family members, well throughout the depression. Not only did its business interests keep the company solvent, but they also put the company's officers in a position that allowed them to contribute to the development of the city through the lean years of the Depression.

Despite its successes, the company did not escape the Depression unscathed. For instance, the partnership's 1930 tax return showed a net loss of \$23,943.68: the Investment Department lost \$6,401.34, while the Automotive Department lost \$4,097.64 and the 433 bales of Call cotton in their inventory lost \$17,956.98 in value.<sup>20</sup> Salaries took a hit as well, with Leo Schiffman, manager of the Auto and Auto Accessories Department, taking a drop in salary from \$4,000 to \$2,689.42 in 1930. Lawrence Goldsmith's income dropped by a whopping \$10,768, which Hays notes is "consistent with the economic slowdown of the era."<sup>21</sup> Hays reports that in 1931, Leo Schiffman earned a salary of only \$2,427.98, paying no taxes for the year, Robert Schiffman suffered a net loss of \$1,938.12, and Lawrence Goldsmith had a net

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<sup>20</sup> "Call cotton" is defined by the U.S. Commodity Futures Trading Commission as "physical cotton bought or sold, or contracted for purchase or sale at a price to be fixed later based on a specified delivery month future's price" (<http://www.cftc.gov/MarketReports/CottonOnCall/HistoricalCottonOn-Call/deaconcall040210>)

<sup>21</sup> Hays, *I. Schiffman & Company*, 38.

loss of \$3,571.82. Irma Schiffman, on the other hand, earned a net gain of \$2,889.43, paying \$9.36 in taxes.<sup>22</sup> The partnership's net loss totaled \$2,184.41. The company filed two tax returns in 1932, with one showing a collective loss of \$10,111.13 and the other a gain of \$24,177.50. The second return also noted that as of July 31, 1933, the company dissolved the partnership and reestablished itself as a corporation.<sup>2324</sup>

One of the most visible Depression-era legacies of I. Schiffman & Company and the Goldsmith-Schiffman family is the aforementioned Russel Erskine hotel, located at the downtown corner of what is now Clinton Avenue and Spragins Street. The hotel celebrated its opening on January 3, 1930 with public tours and a grand ball. The *Huntsville Daily Times* article covering its opening notes that "More Than Four Thousand Visitors Pass Through," "Compliments Pour In City," and "Day Is Successfully Closed With Grand Ball

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<sup>22</sup> According to Margaret Anne Goldsmith, Irma was a single woman who inherited a third of her mother Betty's estate and had money to invest, so the family helped her financially by putting a stable stream of income in her name. She added that the company did the same for Ella Davis, a black employee of the company who had funds of her own. Interview by author, July 23, 2017.

<sup>23</sup> Hays, *I. Schiffman & Company*, 38.

<sup>24</sup> According to Margaret Anne Goldsmith, this gain was the result of the business's revaluation when it incorporated. Interview with author, July 23, 2017.

Which Delights Visitors.”<sup>25</sup> Local historian Diane Ellis describes the hotel as “symbolic of our own modest splendor during the Depression years,” symbolizing the possibilities of a better future for Huntsville residents and their nation and allowing those who could afford its comforts the opportunity to briefly forget the troubles of the larger world.<sup>26</sup>

At the time of the hotel’s debut, it was becoming evident that the national economy faced serious problems. The hotel’s estimated worth totaled \$614,932.96, a massive investment for a town of only about 11,500 people. It involved major financial risk for investors and loan providers, especially given the national economic circumstances. The Commonwealth Life Insurance Company of Louisville, Kentucky was one of these investors, and while many banks closed, this one chose to weather the storm in the hopes that its \$175,000 loan to the Huntsville Hotel Company would not go into default.<sup>27</sup> About fifty Huntsville investors shared the risk, committing themselves to put up \$200,000 for stock in the new company. One of the biggest contributors, according to the minutes of the “first meeting of the Stockholders of the Huntsville

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<sup>25</sup> “Erskine Hotel Successfully Opened Third,” *The Huntsville Daily Times*, Sunday morning January 5, 1930, 1. Microform.

<sup>26</sup> Diane Ellis, “An Artifact of Time and Place,” *Huntsville Historic Quarterly of Local Architecture and Preservation* 30 (Fall/Winter 2004), 7.

<sup>27</sup> David Bowman, “The Russel Erskine Hotel,” *Huntsville Historic Quarterly of Local Architecture and Preservation* 30 (Fall/Winter 2004), 14.

Hotel Company,” held on April 19, 1928, included Oscar Goldsmith, Executor of the Bernstein Estate, who invested \$20,000 in the company. L.B. Goldsmith and R.L. Schiffman also invested \$7,500 each. The meeting minutes were prepared by the hotel company’s secretary-treasurer, Lawrence B. Goldsmith, who “worked tirelessly on its behalf for about thirty-eight years.”<sup>28</sup>

The task of financing the Huntsville Hotel Company fell on the shoulders of a group of men referred to by David Bowman as “The Seven Financial Samurai.” This group consisted of brothers-in-law Lawrence B. Goldsmith and Robert Schiffman, partners in I. Schiffman Co., Morton M. Hutchens, partner in the Hutchens company, attorney Robert E. Smith, Alabama Power Company executive Wells M. Stanley, downtown dry goods merchant T. T. Terry, and *Huntsville Daily Times* editor and general manager J. Emory Pierce, who together filed a deed pledging “to underwrite and guarantee the repayment” of a \$275,000 loan for the building.<sup>29</sup>

The hotel posed a financial struggle for its backers from the start as a result of the shrinking economy of the early 1930s. Margaret Anne Goldsmith recalled in an interview that the upper floors did not open initially because the hotel lacked the business to justify the opening of the entire building at the time. Lawrence

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<sup>28</sup> Bowman, 14.

<sup>29</sup> Bowman, 14.

Goldsmith was not one to let something fail, however. This, according to Margaret Anne, was the only time her grandfather ever borrowed money.<sup>30</sup> During the hotel's first seven years of operation in the lean years of the Depression, Stanley, Terry, Goldsmith, Schiffman, and Hutchens contributed their own money to the hotel, donating \$2,150 each in 1930, then \$5,300 each in 1931, \$5,500 in 1932, followed by differing amounts totaling \$2,550 in 1933. In 1935 each donated \$800, followed by \$600 in 1936. The grand total during these seven years was \$83,981.35, with \$84,850 coming from the five hotel officers.<sup>31</sup> The group's devotion to the hotel's success is evident in L.B. Goldsmith's letter to Judge Homer Batson, in which he states that the Directors of the hotel invested approximately \$160,000 in the project, with another \$85,000 put in following the original loans, "and since the Depression it is impossible for the hotel itself to carry the burden. The matter has been constantly before us," he adds," 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."<sup>32</sup> This sort of group venture was not unusual for the period, according to historian C. Wright Mills, who describes local societies as having "cliques" of powerful upper-

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<sup>30</sup> Margaret Anne Goldsmith, interview with author, July 23, 2017.

<sup>31</sup> Bowman, 30-31.

<sup>32</sup> Bowman, 31-32.

class people from different business sectors that worked together to achieve economic goals for their local area.<sup>33</sup> It proved an effective strategy in the case of the Huntsville Hotel Company.

The Russel Erskine Hotel was equipped with the latest modern luxuries, described in the hotel's letterhead stationery as featuring "running ice water/electric fan/and radio in every room." The latter feature involved an expensive (\$3,103.40, or the equivalent of \$45,395.91 in 2016) rooftop radio antenna that brought broadcasts to each room, much like the "community antenna" (cable) television systems that arrived decades later.<sup>34</sup> The hotel also featured a coffee shop, "Huntsville's most elegant restaurant," and a grand ballroom, as well as a barber shop and a "fireproof garage." Margaret Anne recalls that the coffee shop was THE place in Huntsville. It was the only upscale restaurant in town, with waiters in coats, cloth napkins, and tablecloths.<sup>35</sup> Originally slated to carry the name Joe Wheeler, the hotel's owners instead named it after Huntsville native Albert Russel Erskine. According to the grand opening announcement in the Thursday afternoon edition of the January 2, 1930 *Huntsville Daily Times*, secretary of the Chamber of Commerce James M. Gill suggested the name "because of its significance in Huntsville's

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<sup>33</sup> C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 1956), 37-38.

<sup>34</sup> Bowman, 37.

<sup>35</sup> Margaret Anne Goldsmith, interview with author, July 23, 2017.

history, the present bearer of the name, Russel Erskine, being president of the Studebaker Corporation, third captain of Industry in America and one of the sons of whom Huntsville is most proud.”<sup>36</sup> According to Kadie Pangburn, They hoped that, as a member of one of Huntsville’s oldest families, he would invest substantial funds into it.

Unfortunately, Erskine had fallen on hard times and reportedly only invested \$500, as well as loaning a portrait of himself to the Huntsville Hotel Company to be hung in the lobby.<sup>37</sup> Modern amenities helped the hotel to fulfill its purpose. Margaret Anne Goldsmith recalls that it was her grandfather, Lawrence B. Goldsmith Sr., who had the idea of building a first-class hotel “to put Huntsville on the map and provide a much-needed public facility for the town.”<sup>38</sup> The land for the hotel property was originally acquired by Margaret Anne Goldsmith’s great-great grandfather Morris Bernstein, who purchased a row of buildings prior to the Civil War on the property that later housed

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<sup>36</sup> “New Hotel Erected At Cost Of Over Half Million Dollars: Magnificent New Edifice Is Realization Of Plans Of Local Capitalists,” *The Huntsville Daily Times*, Thursday Afternoon, January 2, 1930.

<sup>37</sup> Kadie Pangburn, “Historic Huntsville: The Russel Erskine Hotel,” Crunkleton Commercial Real Estate Group, Huntsville, Alabama, January 3, 2017.  
<https://crunkletonblog.wordpress.com/2017/01/03/historic-huntsville-the-russell-erskine-hotel/>

<sup>38</sup> Margaret Anne Goldsmith, “Living at the Hotel: Childhood Memories,” *Huntsville Historic Quarterly of Local Architecture and Preservation* 30 (Fall/Winter 2004), 50.

the hotel. Those buildings were demolished so the hotel could be constructed. Goldsmith notes that the hotel became the “social, business, and civic heart of Huntsville” for many Huntsville residents for four decades and provided significant contributions to Huntsville’s growth.<sup>39</sup> This Depression-era facility ultimately lured the generals who chose Huntsville as the site for Redstone Arsenal, becoming their temporary home base when they visited to inspect the land on which it would be built. This eventually led to Huntsville’s entrance into the Space Age, bringing new growth and prosperity to the former small town known mostly for cotton and watercress.

The company’s property investment wing, combined with its farming operations and automobile business, played a significant role in its ability to survive the Depression. The business entered the 1930s with significant monetary assets on hand, providing a financial cushion that would help facilitate its survival. The 1932 estate of Bettie Schiffman, for instance, indicates an impressive array of real estate holdings totaling over 5,200 acres of farmland, valued between \$7 and \$15 per acre at the time. In addition to this, the business owned numerous rental homes, lots, warehouses, and business properties in and around Huntsville.<sup>40</sup> Bettie Schiffman’s estate was valued at \$333,652.29, or the 2016 equivalent of approximately

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<sup>39</sup> Goldsmith, “Living at the Hotel: Childhood Memories,” 51-52.

<sup>40</sup> Paul A. Hays, *I. Schiffman & Company*, 6-10.

\$5,966,034. The 1934 tax records also listed the partnership's ownership of 51 lots in 8 different

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For Your  
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With—

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Lobby Furniture  
Bed Lounge - Four Lights  
Private Dining Room Suite  
Cotton Wool Furnishings  
Parlor Furniture on 12th Floor  
Pillows - Pure Glass Furniture Vase  
Draperies.

**MASON'S**  
CLINTON STREET AT JEFFERSON

blocks, as well as half ownership in four more lots in two blocks.<sup>41</sup> I. Schiffman & Company also had a number of business interests throughout the 1930s, including the aforementioned Dodge dealership, as well as inventories of cotton harvested from their farm holdings.

The shift to a corporate structure took place following Bettie Schiffman's death in 1932, at which point Robert, Annie, and Irma Schiffman acquired the partnership and

assorted properties and securities in her estate. Robert Schiffman and Lawrence Goldsmith opted to incorporate the I. Schiffman & Company Partnership on the grounds that they believed a corporate

<sup>41</sup> Hays, *I. Schiffman & Company*, 40-41.

structure would simplify the process of passing the assets of I. Schiffman from generation to generation in the future.<sup>42</sup> The incorporation took place on August 1, 1933. Schiffman company assets at this time consisted of cash, loans, farm properties, stocks and bonds, the automotive department, city property and machinery, trucks, and equipment, valued at \$694,000.<sup>43</sup> The 1933 tax returns indicate the resurgence of the newly incorporated company's fortunes, with net gains enjoyed by all primary members of the business. I. Schiffman & Company now declared a net income of \$13,407 for the year, with capital assets of \$305,715.24. Robert Schiffman's salary, as President, was now \$8,000, and Secretary and Treasurer Lawrence Goldsmith earned a salary of \$7,909.10.<sup>44</sup>

While the Depression provided only temporary setbacks to I. Schiffman & Company, it dealt a heavy blow to farmers: according to economic historian Peter

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<sup>42</sup> According to Business News Daily (<http://www.businessnewsdaily.com/8163-choose-legal-business-structure.html>), incorporation would have protected family members from personal responsibility were the company to have legal or financial problems. The corporate structure also prevents issues with distribution of company assets if a partner were to die or divorce. As a family-owned and operated business, this was a less risky way to do business than a partnership.

<sup>43</sup> Margaret Anne Goldsmith, "The History of I. Schiffman & Company, Incorporated." *The Bernstein Herstein Schiffman and Goldsmith Collection: A Catalogue*. Personal files provided by Margaret Anne Goldsmith.

<sup>44</sup> Hays, *I. Schiffman & Company*, 40.

Fearon, the collapse of agricultural prices after 1929 impacted nearly all farmers. Cotton, which sold for around 17 cents per pound in 1929, dropped to below 6 cents per pound in 1931, while corn dropped from 60 cents per bushel in 1930 to a mere 32 cents per bushel in 1931.<sup>45</sup> The average net farm income fell from \$945 in 1929 to only \$304 by 1932.<sup>46</sup> Bumper crops of cotton and wheat paired with falling prices further exacerbated farmers' financial woes during the same period. While this led many farmers to face foreclosure, it provided opportunities for resourceful companies such as I. Schiffman & Company, who still had significant capital, to increase their property investment holdings. The company owned a large number of farm properties throughout the 1930s, contributing to the company's 1937 taxable income of \$18,232.20, with capital totalling an impressive \$519,267.29. I. Schiffman's depreciation schedule for the year shows nineteen farms, many of which contained buildings.<sup>47</sup>

When asked about the farm purchases, Ms. Goldsmith stated that the company was not trying to "just acquire more and more land" with the purchases of multiple farms but were rather in the business of farming. It is uncertain whether all of the owners of the farms I. Schiffman purchased became

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<sup>45</sup> Peter Fearon, *War, Prosperity, & Depression: The U.S. Economy 1917-45* (Lawrence: University Press of Kansas, 1987), 101.

<sup>46</sup> Fearon, 102.

<sup>47</sup> Hays, *I. Schiffman*, 42-43.

sharecroppers or tenant farmers, but it seems likely, as the farms continued to need workers and the previous owners could continue to live in their homes while working the land with the objective of paying off their debts. In addition, the company remained in the finance business during the Depression. Ms. Goldsmith recalls a conversation with her grandfather, Lawrence Goldsmith Sr., about a Mr. Nunn, who owned much of the Big Cove Farm. Mr. Nunn, he told her, “kept coming to the Company to borrow money to purchase more and more farmland contiguous to his holding when they became available.” Her grandfather, she said, shook his head, telling Margaret Anne that he had tried to get Nunn to stop going into greater and greater debt, but Nunn persisted. “When times were good and Nunn made money, there was no reason not to continue lending to him.” However, she continued, her grandfather “knew that markets never move continuously upward without downturns. Eventually, the times turned during the depression and my grandfather said that there had been no choice but to foreclose.” In response to a question regarding what became of the farmers whose properties I. Schiffman acquired, she responded that while she is aware of “a great deal of buying and selling farmland,” she is uncertain about what other properties were acquired by foreclosure. Ms. Goldsmith assumes that following foreclosure, the former owners would have either been asked or allowed to remain on the land. She notes that it made sense for both the farmers and the company, as the land needed to be farmed, “and who but the

former owners knew the land the best?,” adding that she would have chosen that course of action were she alive then and in her grandfather’s position.<sup>48</sup>

Larry Long, whose grandfather was a tenant farmer on the I. Schiffman holding Green Grove Farm, and who was a childhood friend of Margaret Anne Goldsmith recalls that “it was pretty tough back then...cotton went to a nickel a pound overnight.” Long said that the company was in the loan business and loaned a lot of money to farmers, and “when the bottom fell out, they could not pay their debts.” He noted that because nobody in the Goldsmith-Schiffman family were farmers, the business had to rely on the farmers to stay on the land and become tenants, adding that they were well taken care of in that role. Long stated that they all received a good house, well water, a cow for milk, and a couple of hogs for meat. I. Schiffman and Company also provided each of the tenant farmers their own land on which to farm. Each family was allotted a certain amount of cotton to plant depending on the size of their families. If the farmers got behind, Long said, the company “sent people who’d already finished on their land over to help the farmers who needed help...the company made sure everyone was taken care of.” Everyone, he continued, helped everyone else.<sup>49</sup> Eventually, Green

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<sup>48</sup> Margaret Anne Goldsmith, email correspondence, June 9, 2017.

<sup>49</sup> Larry Long, interview with author, July 26, 2017.

Grove would take on a new life as a key component of Huntsville's development.

Following the Depression, the corporation's land holdings ultimately contributed to the reinvention of Huntsville as a city with strong links to both military and space technology: On April 22, 1942, a special board meeting took place to approve the sale of land for \$30,965.00 to the United States Army for the proposed Ordnance Plant. The former Green Grove Farm, bordered on three sides by the Tennessee River, became the bottom center of what was then known as the Siebert Arsenal, renamed Redstone Arsenal in February 1943.<sup>50</sup> In addition, the Goldsmith and Schiffman families deeded for \$1.00 the property bounded by Beirne Avenue on the north, Schiffman Street on the east, and Ward Avenue on the south to the city of Huntsville for the future Goldsmith-Schiffman Field, the first athletic venue in Huntsville to host night games.<sup>51</sup> Oscar Goldsmith acquired the two-acre tract as early as the 1880s and he, Lawrence B. Goldsmith and Annie Schiffman Goldsmith, and Robert and Elsie Schiffman gave the property to the city in January 1934 in memory of Betty Bernstein Goldsmith and Betty Herstein Schiffman<sup>52</sup> with the stipulation that it would revert back to the family if it

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<sup>50</sup> Hays, *I. Schiffman*, 163-164.

<sup>51</sup> Hays, *I. Schiffman* 41.

<sup>52</sup> "Oscar Goldsmith," Huntsville History Collection, [http://huntsvillehistorycollection.org/hh/index.php?title=Person:Oscar\\_Goldsmith](http://huntsvillehistorycollection.org/hh/index.php?title=Person:Oscar_Goldsmith).

was no longer used by the city schools. On the night of its dedication on October 4, 1934, Huntsville High defeated Gadsden High. Goldsmith-Schiffman Field hosted hundreds of high school games over a period of almost eighty years before Huntsville City Schools moved its games to Alabama A&M University's Louis Crews Stadium in 2012.<sup>53</sup>

Following the Huntsville City School move, Oscar's great-granddaughter Margaret Anne Goldsmith sought permission from relatives living as far away as Scotland to deed the field to the city without restrictions. "Nothing could make the ancestors happier," Goldsmith stated. "I think they're all clapping, wherever they are. I'm delighted that the people of Huntsville will continue to have wonderful memories of this park." Mayor Tommy Battle said that Huntsville will continue using Goldsmith-Schiffman Field for recreation league youth football, soccer, and lacrosse "for many, many years." The donation legally permits Huntsville to sell the property in the future, but in the event that occurs, the Goldsmith family requires that the net proceeds go to the Goldsmith-Schiffman Wildlife Sanctuary near Hampton Cove.<sup>54</sup>

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<sup>53</sup> Steve Doyle, "Family's Donation Will Maintain Goldsmith-Schiffman Field's Treasured Place as Huntsville Sports Venue," *AL.com*, September 5, 2014. Steve Doyle, "Family's Donation Will Maintain Goldsmith-Schiffman Field's Treasured Place as Huntsville Sports Venue," *AL.com*, September 5, 2014.

<sup>54</sup> Steve Doyle, "Family's Donation Will Maintain Goldsmith-Schiffman Field's Treasured Place as Huntsville Sports Venue," *AL.com*,

In addition to this contribution, the family helped to grow Huntsville in another significant way. Robert Schiffman, along with County Agent J.B. Mitchell and Congressman John J. Sparkman, were instrumental in the establishment of Huntsville's Monte Sano State Park. These three men worked together to obtain the cooperation of the Tennessee Valley Authority's parks and recreation department and the Alabama Forestry Commission. The group persuaded the Madison County Commissioners to approve an appropriation of \$18,000 for the purchase of 1,992 acres of land on Monte Sano on April 15, 1935. Madison County then deeded the property to the State of Alabama for the purpose of constructing a park, which was then built by young men in the Civilian Conservation Corps later that year.<sup>55</sup>

Related to the company's farming business was its textile business. According to Peter Fearon, the textile industry normally experienced ups and downs, reaching an employment peak of 472,000 in 1923, followed by a fall to 425,000 in 1929 and a more drastic drop to 330,000 in 1931. The 1933 returns indicated a rebound to 379,000. Fearon argues that "the South emerged from the Depression with some

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September 5, 2014.

[http://www.al.com/news/huntsville/index.ssf/2014/09/familys\\_donation\\_will\\_maintain.html](http://www.al.com/news/huntsville/index.ssf/2014/09/familys_donation_will_maintain.html).

<sup>55</sup> Jimmy Hill, "The Great Depression and the Civilian Conservation Corps," Monte Sano Civic Association.

<http://www.montesano.org/msca/history2/>

hope,” while New England was not so fortunate. The southern mills had a larger share of employment during this period and remained competitive due in part to lower wages. In addition, the textile industry did not suffer as much as other industries because of the continued demand for clothing.<sup>56</sup> One could argue that I. Schiffman and Company’s continued success through the Depression can be attributed in part to the business’s holdings in cotton, cottonseed, farms, and related equipment, which provided a measure of vertical integration when combined with its textile business. According to Whitney Snow, Huntsville was one of the top two textile cities in Alabama in 1922, hosting seven different manufacturing companies and mills.<sup>57</sup> This number began declining during the early depression years, with West Huntsville Cotton Mills Company closing by 1932,<sup>58</sup> but the textile industry remained active. Snow argues that the Depression-era Huntsville textile industry paralleled national trends, with the 1934 national textile strike bringing a walkout to Huntsville and leading to the closures of the Fletcher, Erwin, Rowe, and Helen mills. In 1937, Lowe Mill closed due to financial problems and strikes.<sup>59</sup> Despite these troubles, the I. Schiffman company continued to supply the mills with local raw

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<sup>56</sup> Fearon, 98-99.

<sup>57</sup> Whitney Adrienne Snow, “Cotton Mill City: The Huntsville Textile Industry, 1880-1989,” *Alabama Review* 63 (4), 272.

<sup>58</sup> Snow, 273.

<sup>59</sup> Snow, 275-276.

materials, further contributing to company income. I. Schiffman's 1934 tax folder, for instance, indicated that Lawrence Goldsmith gained \$2,579.43 by cotton contracts for the year.<sup>60</sup> The mill strikes of 1934 did not entirely decimate the industry in Huntsville, but they did hasten its decline and ended Huntsville's domination of Alabama's textile industry.<sup>61</sup>

In addition to its other exploits, I. Schiffman and Company owned one of the first automobile dealerships in Huntsville. The automobile industry, too, suffered setbacks during the Depression: While 4.5 million passenger vehicles were produced in 1929, there were only 2.8 million manufactured in 1930, with a further drop in 1931, and an even worse decline in 1932, with only 1.1 million passenger cars produced.<sup>62</sup> This, of course, impacted the family's automobile dealership, with both supply and demand diminished by the shrinking economy. However, the business chose wisely with Dodge: its parent company, Chrysler, was one of only two car manufacturers to see profit during the Great Depression (the other company was General Motors). This was due to the company's ability to adjust to customer demands and its adoption of more efficient manufacturing techniques in 1929. Dodge appealed to customers with new innovations,

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<sup>60</sup> Hays, *I. Schiffman*, 40.

<sup>61</sup> Andrew J. Dunar and Stephen P. Waring, *Power to Explore: A History of Marshall Space Flight Center 1960-1990* (Washington: NASA History Office, 1999), 3.

<sup>62</sup> Fearon, 95-96.

including the first overdrive transmission, draft-free interior ventilation, and independent front suspension. According to the Chrysler blog, the 1930s proved extremely important to Dodge, firmly positioning its brand in the market and cementing its reputation for providing durable, comfortable vehicles at reasonable prices.<sup>63</sup> While this did not solve the problem of customer loan defaults at the dealership, the Automotive Department continued to attract new buyers and to provide parts and service for current customers who opted for repair over replacement.

Perhaps the greatest asset that I. Schiffman & Company had during the Depression was Lawrence B. Goldsmith himself. On top of his many duties at I. Schiffman and elsewhere, Lawrence worked with the Huntsville Chamber of Commerce. In a July 26, 1971 letter to local historian James Record, he recalled that in 1938, the United States Government considered Huntsville along with other sites in the Tennessee Valley region in which to locate a large munitions and storage complex. The Chamber of Commerce appointed Goldsmith and an unnamed businessman “to escort several government officials through the lower district of Madison County to the Tennessee River for inspection of possible sites...Soon afterward Huntsville was chosen as the site for the Munitions

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<sup>63</sup> “100 Years of Dodge History: 1930s,” *The Country Chrysler Blog*, July 4, 2007. <http://countrychrysler.blogspot.com/2014/07/100-years-of-dodge-history-1930s.html>.

Complex.<sup>64</sup> The Chemical Weapons Service announced plans for a chemical weapons plant in Huntsville on the weekend of July 4th in 1941, and three months later, Redstone Ordnance Plant began operating on adjacent property.<sup>65</sup> This momentous event set the stage for the growth of Huntsville and Madison County into the dynamic region that it has become.

Goldsmith worked for the betterment of Huntsville in other ways too: he also served as treasurer of the Huntsville Industrial Expansion Center and was on both the Board of Education and the first Board of Huntsville Utilities. He was a Mason and a member of the Elks and Kiwanis clubs and was an active participant and supporter of the Boy Scouts, serving as treasurer on the local council from 1927-1937 and earning the “Silver Beaver” award from the Scouts for his service.<sup>66</sup> He also served on the Huntsville Board of Education from 1933-1936, and in late 1935, he served on Huntsville’s newly-established welfare board along with Mrs. Humphrey Kelly, Eva Quick, Mrs. C.T. Butler, Aaron Fleming, Thompson Kelly, Phil Peeler, and Harry Williamson.<sup>67</sup> These extensive connections helped him to establish a large number of strong personal and professional relationships, enabling him

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<sup>64</sup> Goldsmith, “Lawrence Bernstein Goldsmith, Sr.,” 93.

<sup>65</sup> Dunar and Waring, 3-4.

<sup>66</sup> Goldsmith, “Lawrence Bernstein Goldsmith, Sr.,” 94.

<sup>67</sup> Record, 223, 379.

to take advantage of these connections to further strengthen his business ties.

In addition, Goldsmith formed a private businessmen's camp, Hollytree, in Jackson County, Alabama, dedicated to fishing, drinking, hunting, and gambling. Hollytree opened in 1920 and held camp meetings until its sale in 1961. This organization, which began with only seven members, charged an annual membership fee of \$50, even though the Depression years. The club distributed 61 hand-lettered invitation cards in 1930, 55 of which cost \$.16 each, four \$.20 each, and two more \$.25 each. Hays hypothesizes that the higher-priced invitations went to "the more important personages."<sup>68</sup> It is difficult to tell the nation was embroiled in a depression at the time, given the expenditures of those involved with the camp on poker and dice, camp cooks and attendants, food, beer, and liquor. One can find evidence of Lawrence B. Goldsmith's business acumen in the Hollytree records—on July 28, 1932, for example, he wrote a check from Hollytree to I. Schiffman & Company for \$33.77 as an advance for a planned barbecue to entertain the game wardens. Hays notes that this is an indication not only of his conscious efforts to "grease the right skids as far of outside officials who might have influence on camp activities," as well as his scrupulousness in keeping

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<sup>68</sup> Paul A. Hays, *Hollytree: A Gentleman's Camp* (West Conshohocken, PA: Infinity Publishing, 2014), 79.

the financial records straight between the Hollytree and I. Schiffman business entities.<sup>69</sup>

Hollytree provides a view into Lawrence B. Goldsmith's networking skills and personal influence, which helped him to maintain key contacts with influential people in both business and government. Hays finds examples in a letter addressed to the Attorney General of Alabama, Thomas Knight, as "Dear Tom" and a friendly letter of appreciation from the state game and fisheries commissioner, I. T. Quinn, thanking him and the other members of Hollytree for the "very pleasant sojourn at Huntsville last week."<sup>70</sup> This combination of personal influence, careful accounting, and attention to client needs helped Goldsmith to cement a positive reputation and to build a network of powerful contacts. Although there was no camp meeting held in 1933, it resumed the following year, issuing even more invitations addressed to a variety of elite men. While it is unknown whether the future senator John J. Sparkman attended the camp, a letter to Lawrence from one Thomas Bragg of Birmingham notes Bragg's enjoyment at seeing Goldsmith, "Mort H., Mr. Lanier and Mr. Sparkman on the train to Washington." John Sparkman, Hays notes, was the one who brought the U.S. Army's German scientists to Huntsville, launching the beginning of the

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<sup>69</sup> Hays, *Hollytree*, 85.

<sup>70</sup> Hays, *Hollytree*, 88-89.

space program and the growth of Huntsville into what it is now.<sup>71</sup>

Schiffman and Company is a living piece of Huntsville's history that continues to serve as a tangible reminder of the city's rich heritage and as a lesson in civic and economic responsibility, fiscal strategy, and stewardship. The Great Depression did not leave the company, or for that matter, the city, unscathed. However, the company leaders' cohesive ties of kinship combined with their wise use of financial resources, promoted in large part by the continuing efforts of Lawrence Goldsmith, Sr. to serve both the company and the community, helped I. Schiffman and Company, as well as the Greater Huntsville area, to survive the Depression and to set the stage for future growth and prosperity.

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<sup>71</sup> Hays, *Hollytree*, 100.

bought or sold, or contracted for purchase or sale at a price to be fixed later based on a specified delivery month future's price" (<http://www.cftc.gov/MarketReports/CottonOnCall/HistoricalCottonOn-Call/deaconcall040210>)

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- ☛ According to Business News Daily (<http://www.businessnewsdaily.com/8163-choose-legal-business-structure.html>), incorporation would have protected family members from personal responsibility were the company to have legal or financial problems. The corporate structure also prevents issues with distribution of company assets if a partner were to die or divorce. As a family-owned and operated business, this was a less risky way to do business than a partnership.
- ☛ According to Margaret Anne Goldsmith, Irma was a single woman who inherited a third of her mother Betty's estate and had money to invest, so the family helped her financially by putting a stable

stream of income in her name. She added that the company did the same for Ella Davis, a black employee of the company who had funds of her own. Interview by author, July 23, 2017.

- ☛ According to Margaret Anne Goldsmith, this gain was the result of the business's revaluation when it incorporated. Interview with author, July 23, 2017.
- ☛ Andrew J. Dunar and Stephen P. Waring, *Power to Explore: A History of Marshall Space Flight Center 1960-1990* (Washington: NASA History Office, 1999), 3.
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