Florida’s Post-World War I Boom and Bust

I. Lesson Summary

Summary
In the minds of most Americans entering into the 20th century, there were two Floridas: the northern part (including St. Augustine), where wealthy Northerners vacationed in the winter along the Atlantic coast less than a hundred miles from the “civilization” of Georgia; and southern Florida, which was little more than a rough place of sweltering heat, alligators, and mosquitoes. In the next three decades, several factors would come together to turn the notorious swamplands of southern Florida into a virtual paradise on Earth. As quickly as Florida was built up, however, it soon collapsed even more rapidly, leaving broken dreams and economic ruin in its wake. This lesson explores the factors and the dynamic individuals that turned Florida from a wasteland into a wonderland, only to see it collapse before their very eyes.

Objectives
Students will:
1.) Understand how advancements in industrial production led to the era of installment buying, more automobiles, and a growing American middle class in the post-WWI years;
2.) Discuss the changes in population growth Florida experienced from the end of the 19th century to 1930;
3.) Identify major causes and results of the Florida land boom of the 1920s;
4.) Examine the reasons why the Florida land boom went bust in 1926, beginning an economic depression.

U.S. History Event or Era
This lesson may be implemented into any unit on the “Roaring Twenties” and the growth of the American middle class.

Grade Level
This lesson has been developed for the middle school and high school classroom.

Materials
One copy of “Preview Assignment E-9-1”, “The Post-World War I Years”, and “Gone with the Wind: The Bust of ‘26” for each student; one copy (for each group of four) of “Destination: Florida”, “‘Wet’ Florida”, “The Boom Begins”, and “Selling the Drama: The Developers”.

Lesson Time
One block period, or two 45-minute periods.
II. Lesson Procedures

Procedures
1.) As students enter the classroom, greet them at the door and give them Preview Assignment E-9-1. Instruct them to look at the maps and answer the questions to the best of their ability.

2.) After allowing sufficient time to view the maps and answer the questions, lead a discussion of the results. The underlying idea that your students should get from this preview activity is that something happened between the years of 1900 to 1930 that fundamentally altered Florida’s population dynamics (where and how many) forever.

3.) Group your students into mixed-ability pairs and pass out “The Post-World War I Years” to each student. This reading passage is meant to place the Florida land boom in historical context. Write the following questions on the board or an overhead projector and have students answer them as they read this passage: “What innovations made American industry more productive in the years after World War I?” “Define ‘installment buying’. Was this a good or bad thing for the American economy? What would be the advantages and disadvantages of installment buying?” “How did Henry Ford and the automobile change the American economy? Give three examples.” After reading, allow several minutes to discuss the answers as a group. Ask students for examples in our current society of installment buying. Then ask them what happens to both the lender and the buyer when the buyer overextends himself or herself on credit.

4.) Have each pair join with another pair. Then, give each group of four one copy of each of the following: “Destination: Florida”; “Wet Florida”; “The Boom Begins”; and “Selling the Dream: The Developers” (you may want to give the best reader in each group the longer “Selling the Dream: The Developers”). Instruct each student to read their assigned passage and keep in mind the following questions: “What is the main idea or ideas in this passage?” and “How did the events described in this passage affect the state of Florida?” Be sure to point out any pictures included with each passage as being important to understanding the information enclosed in the passage.

5.) After allowing each group sufficient time to read their passages individually, allow them to share the main ideas of each passage with the other members of their respective groups. Group members should begin to see the subtle similarities between all of the passages. The central theme to be gathered from all of these passages is this: “How did the events depicted in each reading passage serve to make Florida an attractive destination for so many people in the 1920s?”

6.) After a discussion of the main ideas of each passage, pass out to each student a copy of “Gone with the Wind: The Bust of ’26”. Have students answer the questions that appear after the reading passage in their Interactive Notebook or on a sheet of paper. Allow the class to discuss their answers.

7.) To debrief this lesson, have students give examples of the lessons that people can learn for their own lives from the Florida land boom, and subsequent bust, of the 1920s.
III. Activities

The above maps and population chart show the breakdown of population in Florida in 1900 and in 1930. Look at the maps and the population figures to answer the discussion questions below.

1.) Where was the biggest decline in the concentration of population from 1900 to 1930?

2.) In what two areas of the state did the percentage of population increase from 1900 to 1930? Did one increase substantially more than the other, or did both increase at about the same rate?

3.) True or false: Though the percentage of people living in North Florida declined from 1900 to 1930, the actual number of people living in the region increased by over 200,000.

4.) Though South Florida contained only 5% (26,427 people) of the state’s total population in 1900, it held two large cities by the standards of 1900: Key West (approx. 18,000) and Miami (approx. 5,000). This means that over 87% of the people living in South Florida in 1900 lived in one of two cities. What conclusions can you make about this region in 1900, based on this information?
The three maps and the chart above show the development of Florida’s counties from 1900 to 1925. Answer the discussion questions below based on this information.

1.) Which region had the largest increase in the number of counties from 1900 to 1925? Why do you think this happened?

2.) Which region had the smallest increase in the number of counties added in the first 25 years of the 20th century?

3.) Nine counties were added to South Florida from 1920 to 1925; the state’s total population grew in those five years from 968,470 in 1920 to 1,263,540 in 1925, an increase of over 31%. What conclusions can you draw about the growth of South Florida from 1920 to 1925 based on this information?
The Post-World War I Years

After World War I ended in 1918, the American economy experienced problems readjusting to peacetime. Millions of soldiers returned, entering the labor force and competing for jobs. Government orders for war materials came to a halt, forcing many companies to lay off workers. Other companies went bankrupt. Prices rose, making it more difficult for workers to make ends meet. This economic downturn, or recession, lasted about two years. The economy then experienced steady growth that lasted for most of the 1920s, fueled mostly by technological advances.

Technology made rapid industrial growth possible, and electricity powered American industry. Before World War I erupted in Europe in 1914, only thirty percent of American factories were powered by electricity; by 1929, this figure had jumped to seventy percent! Electricity was cheaper than steam power, so by cutting utility costs, businesses could lower prices and increase profits.

At the same time, businesses also attempted to build better relations with their workers by providing a safer workplace and benefits for their workers like health insurance, and by increasing their wages; before long, the average industrial worker was making a yearly salary of over $1,300! With more take-home pay, and as electricity became more available in factories and homes during the post-World War I years, demand grew among Americans for electrical appliances such as refrigerators, stoves, fans, and radios. As the demand grew, more of these new conveniences were produced by American industry, lowering the prices and making them more affordable. For example, between 1920 and 1929, the average cost of a refrigerator went from $600 to $300, a decrease of 50%!

As the buying power of Americans increased, and advertisements encouraged consumers to buy even more, people found a new way to make large purchases—in installment buying. Consumers could now by products by agreeing to make small, regular payments over a period of time. The era of only being able to purchase what one could buy with cash at that moment was over; Americans now had credit.

One advantage to installment buying was that more expensive items could now be purchased by a greater number of people. One such item that people began purchasing on credit was the automobile. During the 1920s, the number of automobiles owned in the United States jumped from 8 million to 23 million. America quickly became a “car culture,” in which people’s lives revolved around their vehicles. The nation’s economy itself quickly became dependent on the automotive industry: almost 4 million Americans worked for auto companies or in related industries.

Henry Ford was a pioneer in the manufacture of cheap automobiles with his Model T, a sturdy, reliable, no-frills car that his assembly lines began producing prior to World War I. When the Model T Ford rolled off the production lines in 1914, it was offered in only one color—black. Black paint dried much faster than other colors, so Henry Ford’s car factories could make more automobiles in less time by painting their cars black. Ford was famously quoted as saying that you could get a Ford in “any color you want, so long as it’s black.” It wasn’t until 1926, when the competing General Motors Company began offering their own cars in different colors, that Ford begrudgingly offered his Model Ts in other colors.

Ford was also a pioneer in that he began paying his workers a $5-a-day wage, an unheard-of amount in the early 20th century. His workers were happy and worked hard to produce more cars. As more cars were produced, the price of cars dropped, from $850 when the first Model Ts rolled off the assembly line in 1908, to less than $300 in 1924. Cars became so cheap that when one was wrecked it was often just left at the scene of the accident. As other industries increased their workers’ pay to keep up with Ford (and to keep their own workers happy), many more families were able to afford a Model T.

So, with new cars to drive, more time on their hands, and more money in their pockets, many Americans began to look for diversions outside of their own neighborhoods. Millions soon found a place that had primarily been the playground of the rich during the last few years of the 19th century: Florida.
In 1882, Henry Flagler, New York entrepreneur and cofounder of Standard Oil, became interested in the city of St. Augustine and its potential as a winter resort for wealthy Northerners. Flagler's subsequent development of transportation and resort facilities in St. Augustine and along the east coast of Florida would spur rapid development in the late 19th and early 20th centuries. A focal point of this development was Flagler's Hotel Ponce de León. In 1887 Flagler hired two young architects named John Carrere and Thomas Hastings from the prominent New York architectural firm McKim, Mead, and White, to design the hotel. Flagler chose the Spanish Renaissance Revival style so that the hotel's design would compliment its historic surroundings. Completed in 1888, the hotel quickly became known throughout the world for its innovation and its beauty. With the addition of Henry Plant's Tampa Bay Hotel in 1891, Florida quickly became well known as a playground for the very rich, but not really a place where anyone would want to live full-time. Indeed, most of the peninsula was untamed scrub and swampland, full of creatures such as mosquitoes, alligators, and snakes, which took great pleasure in feasting on people.

With the increased fortunes of average Americans after World War I, however, many Americans looked to Florida as a favorable destination for a family trip. Many Americans now owned automobiles, and with the number of cars on the road increasing, state and local governments began spending money to build new roads and improve existing ones. Before long, the average drive from Chicago to Miami only took two weeks—three days in the state of Florida itself along the just-completed Dixie Highway (pictured above). Besides, many families had not been able to travel during the WWI years, so they had saved their money and piled into the Model T to head south with the first opportunity. Combined with the number of people who were out-of-work due to the post-WWI recession but who wanted to escape the approaching cold of the Northern winter, the roads were soon filled with cars headed to Florida in the fall of 1919, most intent on staying for the entire season.

The arrival of these early snowbirds was certainly not what Flagler or Plant had had in mind three decades before when they built their extravagant hotels on opposite sides of the Florida peninsula. These new winter visitors were of more modest means than the usual wealthy tourists. There were simply not enough accommodations in Florida to house the advancing hordes. This was soon remedied by tent cities that sprang up all over Florida. These winter visitors were soon dubbed “Tin Can Tourists” by native Floridians for their stock of canned goods rattling in the trunks of their Model Ts that were also used as patches for their rusted exhaust pipes after the beans were cooked.

Even though the nickname given to these tourists was meant mockingly, the people it referred to took it with pride. They organized campgrounds for “Tin Can Tourists of the World” and became quite proud of their near-legendary cheapness. It was rumored that whenever any Tin Can Tourist spent a quarter, he gave it such a fond farewell squeeze that the eagle on it squawked in pain. Still another joke told of how Tin Canners came to Florida with one shirt and a twenty-dollar bill, and didn’t change either all winter.

What was different about these first Tin Can Tourists was that many decided to stay in Florida. Before long, they were selling their farms and businesses back home and began looking around for vacant land in the Sunshine State; they soon found plenty of it, and cheap. At the time, Florida was half the size of Italy with only a third of the population of Brooklyn. In other words, there was plenty of land to buy. Soon, it doubled in price. Then, it doubled again. The great Florida land boom was just beginning.
“Wet” Florida

The 18th Amendment to the Constitution, passed in 1918, was the culmination of the efforts of Progressives to remake America in a more pleasing image. Prohibition exhibited many of the characteristics of most progressive reforms. That is, it was concerned with the moral fabric of society; primarily the middle classes supported it; and it was aimed at controlling the "interests" (liquor distillers) and their connections with corrupt politicians in city, state, and national governments. Still, it was not until U.S. entry into World War I that Prohibitionists were able to secure enactment of national legislation. In 1918, Congress passed the 18th Amendment to the Constitution, prohibiting the manufacture, transportation, and sale of alcoholic beverages. States ratified the Amendment the next year.

Herbert Hoover called prohibition a "noble experiment," but the effort to regulate people’s behavior soon ran into trouble. Enforcement of prohibition became very difficult. Soon, such terms as "bootlegger" and "speakeasy" became household words. Gangs of hoodlums became more powerful as they trafficked in alcohol. By the 1930s, a majority of Americans had tired of the noble experiment, and the 18th Amendment was repealed.

One reason why Florida became such a popular destination for northern tourists was because of the ease with which anyone could gain access to illegal liquor. Florida was a renowned oasis in a drinkless desert. It seemed that every Floridian knew a bootlegger. Every café became a secret saloon where the espresso cups were just as likely to hold whisky as coffee. Florida soon became a smuggler’s paradise. The nearby Bahamas suddenly became the only nation in the world that was completely out of debt, owing in large part to the sale of liquor to industrious Floridians (the sale and consumption of alcohol were still completely legal in the Bahamas). Nassau, the sleepy capital city of the Bahamas, soon became a boomtown importing shiploads of premium liquors to stock in Bahamian retail stores, where any Floridian with a boat and knowledge of the shoreline of the east coast could load up several cases for $18 a case and make five times that much in profit on each case for one day’s round trip across the water. Havana, the capital of Cuba, was a long weekend away but still readily accessible and welcoming of U.S. money.

Rumrunning soon became a way of life to Florida fishermen who knew the thousands of coves and inlets along the Atlantic and Gulf coasts. False bottoms were built into boats, torpedo-shaped tanks were built and towed underwater behind otherwise legitimate commercial craft, and cedar logs felled for the production of cigar boxes were hollowed out to provide small hiding places for illegal “hootch.” Special boats were designed to outrun the authorities. The standard unit of measurement for smugglers became a “ham,” which was six bottles of liquor in a burlap bag padded with straw and paper. Soon, beachcombers walking along the shores of Tampa Bay and other communities on Florida’s coasts began finding “hams” that had been thrown off of boats in order to avoid arrest. It is not known how many of these “hams” were actually turned in to the proper authorities…

Smuggling was just one way that illegal alcohol found its way into the Sunshine State. What wasn’t secretly shipped in was made right at home. It has been estimated that at least half of the families that were living in Ybor City and West Tampa during the Prohibition era were home-cooking “alky” in small stills and selling whatever they didn’t use. Rural Central Florida was ideal for small stills, and most of Central Florida in those days was rural. There were plenty of hidden locations in the nearly impenetrable swamps, surrounded by firewood that was there for the cutting in order to fuel the stills. For moonshine’s raw materials, there was plenty of clean water, cheap sugar, and corn ordinarily used to feed livestock.

Of course, smuggling in or making illicit alcohol was half the trick; distributing it to thirsty tourists and the native population was the other. The way Florida managed to stay so notoriously “wet” was through a combination of factors, among them an underpaid (as little as $75 a month) and easily corrupted police force in many areas. Even honest cops hesitated upholding the 18th Amendment when public opinion was stacked so heavily against them.
The Boom Begins

Walter P. Fuller, a part-time newspaperman who became a millionaire by dealing in Pinellas County real estate, once told the story of forty acres in what is now Pinellas Park that he bought in 1920 for $45.27; less than four years later, he resold it for $40,000. Nine months later, the land was resold again for $60,000. After that, it didn’t find a buyer for eleven years, until it was auctioned from the courthouse steps for $450 to pay the owner’s back taxes. This small example of forty acres in Pinellas County pretty much tells the entire story of the Florida land boom of the 1920s.

The land fever set in subtly at first. Fuller later recounted how people who took a Florida vacation in the post-World War I years would buy a small building lot before returning home, if for nothing else than to be able to say that owned a little piece of sunshine. The next winter, they would sell the lot in order to make enough to pay for their next Florida vacation. Through word-of-mouth, other northerners began doing the same. These modest snowbird deals soon snowballed into a land rush. Soon, get-rich-quick legends began circulating about high school students making $20,000 in an afternoon, or 11-year-olds winding up with $100,000 in their pockets. A barber supposedly turned $80 in tips into a cool million in less time than it took him to give a shave.

The boom began in Miami. Just before the turn of the century, Miami was largely regarded as a wasteland of sweltering heat, alligators, mosquitoes, and rattlesnakes. To Northerners at this time, Florida usually conjured up images of St. Augustine, the famous winter resort for the wealthy located less than a hundred miles from the Florida-Georgia border. At its incorporation a little over a century ago, Miami consisted of two or three stone buildings and a handful of shacks bunched together around the mouth of the Miami River. A few paths led off into the scrub, where panthers and assorted other varmints lurked. Mosquitoes brought misery and disease.

What opened Florida’s east coast to development were Henry Flagler and his railroad. Flagler, an oil baron and a partner of John D. Rockefeller, extended his coastal railroad south from St. Augustine to Palm Beach in 1894, and then to Miami in 1896. At the same time, he financed and planned the construction of enormous luxury resorts along the rail line. In Miami, besides the Royal Palm Hotel, Flagler put in roads, courthouses, and electric plant, and water and sewage works; in effect, he paid for a city to ensure that his railroad had somewhere to go.

Miami’s year-round population soon grew from a few dozen in pre-railroad 1896, to 5,000 in 1900. By 1920, Miami was the permanent home to over 30,000 people. Newcomers also swelled the population centers of Tampa, Orlando, and West Palm Beach; these were the advance guard for the hordes of Northerners that were coming in the next five years.

A number of conditions made Florida ripe for a land rush. For the first time, the nationwide period of prosperity that followed World War I let many middle-class Americans consider not only taking winter vacations but also buying lots of land and second homes. With malaria and yellow fever epidemics no longer a threat thanks to mosquito control and pesticides, Florida began to look more inviting to more people. Cars were becoming commonplace, and the improvement of roads thanks to federal acts providing funding for highway projects made the trip to Florida a more tolerable drive of only several days from the most remote reaches of the North. Perhaps even more appealing to the wealthy in Northern states was the fact that, in order to attract more tourists to settle in Florida, the state legislature passed laws that prohibited state income taxes and inheritance taxes. Horse and dog racing were also added among the attractions of the Sunshine State as another way to entice rich gamblers to visit.

As long as a tourist or a prospective settler had a decent job, obtaining credit was an easy task. People then used this credit to purchase Florida land. People who wanted to make money by buying land at cheap prices, and then selling it at a profit, known as land speculators, soon poured into Florida along with the potential settlers. And there was plenty of land to buy. Along both coasts and well into the interior of the peninsula, developers and speculators were paying old-timers a few dollars an acre for large tracts of pine and palmetto scrub, and drawing up plans for subdivisions.

Before long, a typical scene in Miami and many other Florida cities looked like this: “Amid the din of automobile horns, ...hatless, coatless men rushed about the blazing streets, their arms full of papers, perspiration pouring from their foreheads. Every shop seemed to be combined with a real-estate office; at every doorway, crowds of young men were shouting...thrusting forward papers and proclaiming...the unsurmounted chances which they were offering to make a fortune.”
Selling the Dream: The Developers

On June 13, 1913, a new landmark was dedicated in Miami: the first bridge to Miami Beach, the narrow mangrove-infested strip of land that separates Biscayne Bay from the Atlantic Ocean. This bridge was the idea of John Collins, a successful horticulturalist who had invested $5,000 in a scheme to grow coconut palms on the southeast Florida coast in the 1880s. Collins came to Miami himself in 1896 and acquired land on Miami Beach with an eye to its future resort possibilities; in the meantime, he attempted to make money through the growth of avocados, potatoes, and bananas.

In order to assure the development of the area, Collins realized that there had to be a bridge from Miami to Miami Beach. In 1912, with the backing of his three sons and his son-in-law, Thomas Pancoast, he began his bridge across Biscayne Bay. Halfway across, the company that had been contracted to for the construction of the bridge failed, and Collins’ money ran out. The fate of the venture seemed doomed to failure until Carl Fisher, a man from Indiana who had founded the Indianapolis Motor Speedway who was vacationing in Miami at the time, met Collins and immediately took an interest in the plan. Impressed with Collins’ idea, Fisher invested $50,000 of his automobile-headlight fortune in the uncompleted bridge.

Immediately, Fisher became even more involved in the development of Miami, paying to have the bottom of Biscayne Bay dredged up in order to add to the size of Miami Beach, and then dredged up even more mud to create a series of artificial islands in the bay. Fisher imagined his modern artificial archipelago as “a place where the old can grow young, and the young never grow old—the sort of place Ponce de León dreamed about.” Over the next few years, he paid millions pumping sand from the bay and piling it up in the shallows. Altogether, he and others following him tripled the buildable land area. Fisher paid an army of laborers to plant palm trees and Australian pines on his new islands as soon as they were dry. Then he began subdividing.

People living along the southeast coast of Florida couldn’t understand why Fisher was spending as much as $50,000 a day turning saltwater into dry land when there were millions of empty acres available on the mainland. When Fisher incorporated the town of Miami Beach in March 1915, he immediately offered free beach property to anyone who agreed to settle it. Later, when the first auctions of house lots on Miami Beach were hardly noticed by anyone, Fisher, a born promoter, began to drum up publicity for his new development. First, he had auctioneers hand out dishes and clocks from the backs of their wagons to all attendees. Then, he popularized the “bathing beauty” photograph, which began appearing in wintertime Northern newspapers. Fisher went so far as to rent a billboard in Times Square in New York City, one of the most heavily congested places on Earth, to inform bitterly cold New Yorkers that “IT’S JUNE IN MIAMI!” Finally, he financed a string of hotels to be built in the midst of his Miami Beach holdings, then laid out golf courses and 50 acres of polo fields. He even brought in two elephants, Carl and Rosie, to haul cartloads of children around the main island; one of the elephants even caddied for President Warren Harding when he paid a visit to the area. Constituency

Almost overnight, housing subdivisions sprang up, the hotels flourished, and new stores and service industries opened. Fisher later admitted that all of the glitz and the publicity weren’t meant to attract tourists, but to find wealthy buyers for his housing lots along Biscayne Bay. Whatever the reason, it worked. Wealthy northerners looking for a place to vacation after the outbreak of World War I made Europe inaccessible came to Miami and the surrounding areas. Many of them were so enchanted with this exotic corner of the United States that they began to snatch up land in order to build second homes. The boom was on. By the early 1920s, Miami Beach was an internationally known resort, and ordinary lots fetched thousands. The price of real estate everywhere in South Florida rose drastically. Miami had become the playground of the rich led by the efforts of Carl Fisher, a man who was such a good salesman that, according to humorist Will Rogers, he had even somehow managed to train the mosquitoes not to bite potential land buyers until AFTER the deal was completed.

Question: How do you think these pictures of “bathing beauties” may have helped to influence Miami’s land boom?
Not to be outdone, several other developers bent on making a fortune in real estate arrived on Fisher’s coattails. One such developer was George Merrick, who also succeeded in creating a fanciful new world out of the South Florida swamps. But while Fisher advertised Miami Beach as a playground for the rich, Merrick had other plans for his new development of Coral Gables.

Prior to Merrick’s arrival into Florida’s developing boom, Floridians had seen more and more middle-class tourists arriving with each new winter. Merrick decided to take advantage of this trend and proclaim Coral Gables as a tasteful, tropical utopia for the growing American middle class. He quickly assembled a team of artists and architects to begin drawing up plans and constructing his new tropical paradise, complete with: 100-foot-wide streets marked by grand arches at the ends and fountains at the intersections; dazzling colors on all of the buildings consisting of white walls, striped awnings, red roofs, and brilliant greenery; thousands of coconut palms; a drainage ditch that was soon billed as “40 miles of inland waterway,” with the lots along it described as “waterfront estates;” and modest homes on 50-foot lots, complete with a “weathered” look which was created by leaving exterior walls partly unfinished, revealing patches of brickwork.

On November 27, 1921, Merrick sold his first lot; he would later fill 10,000 acres and make millions of dollars. A coral rock quarry in the middle of the development was fashioned into what Merrick called the “Venetian pool.” By 1925, the height of the Florida real-estate boom, Coral Gables had become a sensation, aided by a sales force 3,000 strong and a nearly $3 million advertising budget. Elaborate sales offices opened in New York City and other major urban centers in the northern United States. Prospective home-buyers streamed south aboard a fleet of over 75 courtesy buses with “Coral Gables” printed on the sides. America’s foremost public speaker, three-time presidential candidate William Jennings Bryan, was hired by Merrick to greet prospective buyers with a twice-daily speech about Florida’s natural beauty and modern conveniences while standing on a platform built out over the pool. For his trouble, Bryan was paid $100,000, half in cash and the other half in land.

As the boom advanced, construction on Coral Gables accelerated. Lakes and waterways connected to Biscayne Bay were dynamited out of the marshes surrounding the development, and winding avenues and plazas were built through the pinewoods. Golf courses, a country club, and the twenty-six-story Miami-Biltmore Hotel were constructed. Merrick even ordered the establishment of an institution of higher-learning to be built, one that would rival the great academic centers of the East; thus, the University of Miami was born.

Other Florida communities soon sprang up in across the peninsula. There was Hollywood, “The Golden Gate of the South”; Orlando, “The City Beautiful”; Ft. Lauderdale, “The Tropical Wonderland”; Haines City, “The Gateway to the Scenic Highlands”; Sebring, “The Orange Blossom City”; and St. Petersburg, “The Sunshine City”, just to name a few. Even Palm Beach, long the base of Southeast Florida’s wealthy elite, allowed the eccentric home designs of Addison Mizner, the architect of the Everglades Hotel. Combining as many styles as he could in each dwelling and working without a blueprint, Mizner was well-known for adding staircases to the outside of homes instead of the interior, as well as achieving the all-important look of antiquity to the furnishings by using such tricks as: burning pots of tarpaper to smudge up the walls of rooms; taking icepicks and sledgehammers to woodwork and marble statues; using penknives, and air rifles to create an aged look to furniture; and hiring inexperienced help to lay the tiles so that they would be askew. Mizner sometimes added among his finishing touches doorknobs made from solid gold: “It saves on the polishing,” he would say. Meanwhile, David Paul “DP” Davis, taking a page out of Carl Fisher’s book on creating land where almost no land existed before, financed the dredging of the area in Tampa Bay around the mouth of the Hillsborough River in order to add to the existing Grassy Islands on which he had fished and played as a child growing up in Tampa. The subsequent sale of home sites and office space on the new Davis Islands made DP over $18 million in a little over 31 hours.

Suddenly, everybody wanted to own a little piece of Florida. In five years, Miami’s population more than doubled to 71,000 year-round residents. More than 2.5 million people visited Florida in 1925 alone; panic ensued in northern banks as thousands of people withdrew their savings daily in order to purchase Florida real estate.

Pictures E-9-12 (L), E-9-13 (C) , & E-9-14 (R): Busloads of prospective buyers arrive in Coral Gables after an all-expenses-paid trip over several days from northern cities. After arriving, potential residents listened to William Jennings Bryan speak about the advantages of living in Florida, and then the buses were loaded up again to take everyone out to the nearby land auction.
The average lot in Coral Gables, though only measuring 50-by-120 feet, started at $4,000, with $1,000 due immediately and three years to pay off the remainder. Lots in humbler subdivisions went for as little as 10% of the Coral Gables rate. Each morning, busloads of people arrived in the Miami area to a sales office, where they then continued down bumpy dirt roads to view a few hundred acres of burned-over land, some of which was still smoking.

**Anatomy of a Development**

- **Picture E-9-15**: After the land was cleared, tractor graders leveled the earth.
- **Picture E-9-16**: Roads and lots were then divided and planned.
- **Picture E-9-17**: Sign in the background at the right reads: “Homosassa - Millions of dollars are being spent now building the city of Homosassa according to the most modern plan. Paved streets, sidewalks, sewers, water and electric lights will follow as soon as possible. What you see has been accomplished in 90 days - picture this city sixty days hence.” - February 2, 1926
- **Picture E-9-18**: The lots are then auctioned off, drawing people from all around Florida and the greater United States.
- **Picture E-9-19**: Part of the finished product; a row of businesses in Hollywood, FL, 1926.
During the Florida land boom of 1925, the center of what could only be described as madness was Miami's Flagler Street, which was appropriate since it was Henry Flagler's initial visit to Florida that set the wheels in motion for what one writer later described thusly: “All of America’s gold rushes, all her oil booms, and all her free land stampedes dwindled by comparison…with the torrent of migration pouring into Florida.”

Flagler, an early partner of John D. Rockefeller's, and, according to Rockefeller, the real brains behind Standard Oil, had first seen Florida on a vacation trip in 1878. He returned to St. Augustine for his honeymoon in 1883 and soon embarked upon a career of developing a string of resorts along Florida’s east coast. Starting with two hotels in St. Augustine and the improvement of railroad connections from Jacksonville, he pushed his Florida East Coast Railway south along the Atlantic shoreline. The resorts that sprang up along the rail line soon became a favorite destination for America’s wealthy.

Entering the 1920s, Florida became a destination for America’s growing middle class as well. These visitors soon began making plans on staying permanently. They bought up the surrounding land in a frenzy, and developers were only too willing to sell them more. On Flagler Street, which soon became the Mecca of real estate sales in Florida, mobs of people gathered to listen to sales spiels. In the evening, salesmen strolled through the crowds like circus barkers, calling out lists of properties for sale complete with the acreage and required down payments. The cost of office space on Flagler Street soon climbed as high as $70,000 a foot, surpassing midtown Manhattan.

Entering 1925, the landscape of real estate changed; instead of trying to find land for a second home, or to relocate, many people began buying land in order to sell it again for a profit. Ben Hecht, a writer who worked as a real estate salesman in Miami in the boom year of 1925, later recalled that summer: “Everybody was trying to get rich in a few days. Nobody went swimming. Nobody sat under the palm trees. Nobody played horseshoes.” People were no longer even interested in buying land; most were now buying options on land, called binders. Simply put, a binder was a piece of paper listing a property that was given to a buyer after a nominal fee (usually 10%) was paid; this would hold the property for thirty days, at which point a larger down payment would be required. The idea was to sell them at a profit as quickly as possible. As with stock options, binders simplified the gamble but raised the stakes; those who put everything into purchasing a binder were ruined if forced to come up with an actual down payment when the 30-day option ran out.

Soon, paper profits rose to dizzying heights. For example, one strip of land in Palm Beach that was originally sold in 1915 for $84,000 sold for almost $250,000 in 1922. A year later, the price rose to $800,000. The next year, it almost doubled again to $1,500,000. By 1925, the peak year of the land boom, this same piece of land was worth nearly $5 million! Everywhere, a piece of land that was purchased on binder changed hands more than a dozen times before the down payment was due (sometimes a dozen times a day!), and each time for a profit. The binder craze made real estate prices climb faster than ever. Buyers desperate for binders almost staged riots at some opening-day sales in Miami-area subdivisions once land started to become scarce; they hurled checks and large wads of cash at anxious salesmen, who scooped the money up in large wastebaskets.

The need for real estate salespersons was so great at the height of the boom that Florida relaxed its regulation of Realtors. It didn’t really matter since two-thirds of all Florida real estate was sold by mail to speculators who never visited Florida. The strangest element of the Florida real estate industry was the use of binder boys to start land transactions and to relieve realtors of the task of standing around hot, vacant land waiting for investors. Most binder boys were young, ambitious male were college students with tennis or golf skills who demonstrated the desirability of some future real estate development. Often there was little more than a fancy entrance way and a tennis court resting in some isolated field. Binder boys did not get paid a commission until the binder check cleared the bank, a process that sometimes took weeks. However, many binder boys soon discovered the mere presentation of their binder receipts gave them instant credit in hotels, restaurants, and nightspots. It was exciting being a young person with so much credit, even if they hadn’t actually been paid yet.
In 1925, an estimated $1 billion flowed into Florida projects. Some of this capital was from Wall Street speculators, who saw it as an opportunity to make more than they already were in stocks. Potential buyers were bombarded with advertisements like this one: "Why stop at one lot? Buy several, sell off a few, and the rest would be free!" It was as though a massive profit-laden chain letter had been set in motion. It was all too good to last, however.

By that summer, warning signs began to appear which cast doubt on the firm financial footing of the Florida real estate market. A lot on Miami Beach which had sold for $50,000 only a few months before brought only $25,000 on the resale. Then, a fire started by an electric hair curler burned down both the Breakers resort complex and the Palm Beach Hotel. In August, as a result of their tracks having taken so much punishment from increased traffic due to the land boom, Florida railroad companies declared an embargo on all building materials until the tracks could be repaired. This embargo was encouraged by the state legislature and the agriculture industry because it made exceptions for Florida’s citrus exports and other perishable items. This embargo had a disastrous effect on the boom; thousands of desperate builders were left with unfinished construction projects on their hands. Empty railroad cars or worse, cars filled with construction supplies, sat at depots unused. The only alternative was to bring in material by boat to South Florida. But in January 1926, the 241-foot *Prinz Valdemar*, a former Danish training ship that had been turned into a floating hotel, ran aground in Miami’s ship channel, capsized, and blocked all shipping for almost a month. Before Army engineers could cut a path around the capsized ship, developers, who had already been pinched by the rail embargo, were pummeled by the *Prinz Valdemar* disaster. Soon, the bankruptcies and foreclosures began. By March 1926, the market was flooded with unsold lots, and Miami’s streets were empty.

In the meantime, con men had infiltrated the Florida real estate market, stealing millions of dollars from unfortunate investors across the United States with promises of land that did not exist. Potential buyers were becoming wary of these scams by the fall of 1925. Northern banks, alarmed at the loss in deposits that they had suffered through in past months, became more active in making Florida sound like a bad investment to their customers. Bankers in Ohio, who had watched helplessly as depositors depleted their accounts to splurge on Florida real estate, were especially active in this campaign, issuing bad-tempered warnings in newspapers ads, such as this one: “You’re going to Florida to do what? To sell lots to the other fellow who is going to sell lots to you?” Soon, Ohio passed “blue sky” laws, which forbade certain real-estate firms from selling Florida land in Ohio. Other states began to pursue similar action in order to protect their customers’ interests and their own financial viability.

To make matters worse, many prominent investors in Florida real estate developments began pulling out of their commitments for fear that the developers were scamming them as well. In November 1925, Delaware Senator T. Coleman duPont angrily and publicly pulled out of the Boca Raton development, located between Miami and Palm Beach. Boca Raton, the brainchild of the Mizner brothers, Addison and Wilson (who had called this development “a platinum sucker trap”), had attempted to attract buyers by guaranteeing all lot-buyers a profit; furious, duPont backed out of the whole scheme, followed by other large backers. Lot sales dropped to almost nothing overnight. The crash of Boca Raton reverberated throughout the state; Addison Mizner had been considered a genius, and duPont’s public pullout from Boca Raton cast doubt everywhere.

Developments all over the state began to dry up. Davis Islands in Tampa, which had sold out of lots in just 31 hours in 1924, only brought in $30,000 in mortgage payments (instead of the expected $4 million) in the first few months of 1926. It was obvious that the entire Florida real estate boom had peaked in 1925. Land prices had reached such a zenith that new customers failed to arrive and old customers began to sell their land. Suddenly, the only market for Florida land was for selling land. In February 1926, the *New York Times* reported a “lull” in the market; by July of that same year, Stella Crossley, a writer for *The Nation*, was calling it a collapse, saying “the world’s greatest poker game, played with building lots instead of chips, is over. And the players are now…paying up.” The roads leading north, she said, looked like a funeral procession, all black with “a strangely quiet exodus.” The worst, however was still to come.

On Friday evening, September 17th, the wind began to shriek, then roar. A wind-measuring device in Miami recorded winds of 132 miles an hour before it disintegrated. Telephone poles snapped in half and rammed through walls. A gush of seawater flooded the streets of Miami; one torrent smashed open the doors of a sales office on Miami Beach and surged back out, taking a grand piano with it. The salesman on duty kept his head above water all night by clinging to a chandelier.

Few of those in Florida in 1926 had ever experienced a hurricane; of the hundreds of people killed in the Miami area, many were struck by debris when they wandered out into the calm of the eye of the hurricane, unaware that
the storm would quickly intensify in fury. Four thousand homes were destroyed, nine thousand more were damaged, and 47,000 people were left homeless in the Miami-Ft. Lauderdale area. Property losses in the greater Miami area were estimated at $76 million. People that survived were amazed at the destructiveness of nature; gawkers gathered after the storm to look at a large steel ship that had been deposited by the storm’s tide in the middle of a downtown Miami street. In the days immediately after the storm, bodies were burned because there was no land in which to bury them. Weeks afterward, there were so many cars leaving South Florida that the southbound lanes had to be closed to traffic from the north in order to accommodate the number of departing vehicles. Disease and bank closings followed. Developers such as George Merrick, Carl Fisher, and Addison Mizner were ruined; their fortunes had been based on credit, and the installment payments no longer arrived. A second hurricane two years later proved even more devastating, and the Wall Street crash and resulting economic depression ended any hopes of the boom’s resurgence. Florida tourism and construction gradually revived in the late 1930s, but South Florida’s economy took two decades to shake off the effects of the “bust.”

Not all of the new arrivals turned tail and fled north when the bubble burst, however. Miami’s population had grown from 5,471 in 1910 to 29,571 in 1920; it rose steadily to 110,637 by 1930. Throughout the 1930s, Florida grew at a more rapid rate than any other state in the Union. But the Florida that people continued to migrate to was a far different place than the Florida that had existed during the boom years of the 1920s. Though some communities survived the collapse, such as Coral Gables, physical evidence of the bust lingered for years. In a 1928 edition of *The Nation*, Henry Villard described motoring down the Dixie Highway to Miami: “Dead subdivisions line the highway, their pompous names half-obliterated on crumbling stucco gates. Lonely, white-way lights stand guard over miles of cement sidewalks, where grass and palmetto take the place of homes that were to be...Whole sections of outlying subdivisions are composed of unoccupied houses, past which one speeds on broad thoroughfares as if traversing a city in the grip of death.” Decades later, people wandering in inland undergrowth would stumble upon vine-covered sidewalks or shallow trenches clogged with tropical vegetation—someone’s would-be “Grand Canal.”

By some estimates, over ninety percent of the people who invested in the Florida land boom lost money, most of them in the uncertain final months. Paper millionaires discovered overnight that they were broke. In a history of the 1920s written in 1931, titled *Only Yesterday*, Frederick Lewis Allen identified the root of the problem to be that those speculators who came to Florida to gamble in property for the very rich learned too late that the speculators outnumbered the very rich. St. Petersburg developer Walter Fuller put it more succinctly: the boom went bust because it ran out of suckers.

1.) Who was almost single-handedly responsible for beginning the tourist industry in Florida?

2.) How did the Florida land market change during 1925?

3.) Define the following two terms: “binder” and “binder boys.” What term from the reading passage “The Post-World War I Years” could a binder be compared to? How did both of these help to make the Florida land boom so lucrative?

4.) Compile a short list summarizing the different events that caused the Florida land boom to go bust in 1926. What do you think was the most significant event that contributed to the demise of the boom? Explain your answer.

5.) Why would travelers driving along Florida roads or people exploring inland areas often come across the remains of unfinished developments years after the boom ended?

6.) Why do you think that, despite the collapse of the Florida land boom in 1926, population growth in Florida still continued?
IV. Assessment

1.) Which of the following items did **not** lead directly to the Florida land boom of the 1920s?
   a. The increase in buying power of the American middle class;
   b. The establishment of installment buying;
   c. The demise of the League of Nations;
   d. The increased production of automobiles and the improvement of roads and highways

2.) True or false: before the 1920s, tourists usually visited Northern Florida, concentrating on the St. Augustine-Jacksonville area. The establishment of Flagler's East Coast Railway into South Florida changed this.

3.) As a result of the Florida land boom, which two regions of Florida had the largest percentage of population growth from 1900 to 1930?
   a. North Florida and South Florida;
   b. Central Florida and South Florida;
   c. North Florida and Central Florida

4.) True or false: One reason that Florida received so many visitors during the 1920s was because of the relative ease which one could find illegal liquor.

5.) Using the two pictures below, make a Venn diagram to compare and contrast the traditional Florida tourist of the late 19th-early 20th century with the “Tin Can Tourists” who began traveling to Florida as a result of better roads and cheaper automobiles in the 1910s and ’20s.

6.) Why do you think that there was such a sudden demand for Florida land among the American middle- and upper classes in the 1920s?

7.) During the Florida land boom of the 1920s, many people came to Florida solely for the purpose of making money by buying land at cheap prices, and then selling it at a profit. These people were called:

8.) How do you think the pictures below, when displayed with advertisements that read, “It’s always warm in sunny Florida!”, helped to attract interest in the land boom?
9.) Which of the following was not a reason for the Florida land boom going bust in 1926?
   a. Investors began to lose faith in the Florida land market when Northern banks began dismissing the land boom as just a get-rich-quick craze, and prominent investors began backing out;
   b. Railroad companies enacted an embargo on all building materials;
   c. The stock market crashed;
   d. The capsizing of the Prinz Valdemar in the middle of Miami's shipping channel;
   e. The hurricanes of September 1926 and September '28.

10.) What do you think was the most significant event (from the correct choices from the list above) that contributed to the demise of the boom? Explain your answer.

(The following question could be used as a Culminating Project)

Create a visual metaphor for the Florida land boom of the 1920s. Your visual metaphor should begin “The Florida land boom of the 1920s was like…” You should then choose an example from the following:

   a. a rubber band stretched to the breaking point;
   b. a balloon blown up to a dangerous level;
   c. a house built on sand;
   d. a high-stakes poker game;
   e. a get-rich-quick scheme;
   f. (any other idea your students can come up with!)

Draw a picture representing how the Florida land boom was like whatever option you choose. Be sure to annotate your drawing with examples showing the similarities between the Florida land boom and your picture. All assignments should be colored and fully explained.

*For further information on how to create a visual metaphor, see Teachers' Curriculum Institute’s (TCI) “American Foreign Policy at the Turn of the 19th Century Was Like…” Visual Metaphor lesson in the “America Becomes A World Power” 20th-Century American History high-school unit.
V. Resources


http://fcit.usf.edu/florida/lessons/lessons.htm - USF’s Florida Center for Instructional Technology “Florida Then & Now” website

http://www.floridamemory.com/PhotographicCollection/collections_index.cfm - Florida Memory Project’s “Florida Photographic Collection”

http://www.unf.edu/thefloridacenter/data/databases/files/poptotaldecennialcensus.pdf -census info

http://www.lib.usf.edu/ref/rrc-archive/images/florida_counties.gif -map of Florida counties circa 2004

http://growth-management.alachua.fl.us/histstruct/infosys/hist_counties.html -Florida counties since 1821

http://www.classbrain.com/artteenst/publish/article_61.shtml -Prohibition information


http://www.floridahistory.org/floridians/1920's.htm - “Florida in the 1920s: The Great Florida Land Boom”

http://www.wku.edu/Library/museum/education/Quonset/map-of-DH-300-dpi.jpg -Dixie Highway map