CHAPTER SIXTEEN

THE "BINDER BOY" was a peculiar outcropping of the Florida boom and was evident in obnoxious numbers from March through August, 1925. At the end of that period, the binder boys began leaving Miami and other boom centers like angry bees out of a hive, many so impoverished that they were glad to get space in empty Northbound freight trains.

A composite picture of the binder boy possibly would reveal an individual slightly under normal height, never very clean or neat, bending every effort to make a lot of money in a hurry without the slightest pretense of remaining in Florida once that was done. He was attired in golf knickers, because they didn't need pressing nor the addition of a coat, and the binder boy made the knicker at one time standard male daytime garb in almost any gathering, even church.

He spoke in a peculiar dialect, which soon had even the natives pronouncing the word "binder" to rhyme with "cinder" instead of with "kinder." He slept in hotel or rooming house halls, three and four to a single room, or wherever he could find temporary space.

Headquarters in Miami for the binder boys was the Ponce de Leon Hotel, principally because it was the largest downtown commercial hotel close to the big real estate offices. The binder boys never got very near the tourist hotels. The Ponce de Leon was operated until 1925 by W. P. (Cutey) Pearce, former Jacksonville hotel and restaurant owner. He sold it in 1925 to Emmett Robinson, owner at that time of the Aragon Hotel in Jacksonville. Previously it was the property of the McAllister estate. Aside from that brief visitation in 1925, it always has had a normal clientele. It was sold by the controlling bondholders to new owners a short time ago, according to reports.

By July the routine of the incoming real estate operators was stripped down to bare essentials. They alighted from the train and looked about for someone who knew his way out of the depot. "Is this Miami?" usually was the first question. Then, "Where can I rent an office?" "What is the price of acreage?" By the first of July, the city of Miami had issued 5,917 real estate brokers' licenses and was putting new ones out at the rate of 60 a day.

That was the only time that a Miami journal ever went on record as opposing the immigration of honest and law-abiding citizens. Somewhat wearily, The Herald declared, "We no longer get a thrill out of the announcement that someone is coming to Miami to engage in the real estate business. We really feel that Miami has all the real estate dealers necessary." One might as well have whistled into a gale!

The mechanics of the binder were not complex. It is the customary thing now, as then, for a person contracting to buy a lot for, say, $5,000, to put up 10 per cent or less of the agreed purchase price to seal the bargain until the necessary formalities could be gone through with to close the deal. The buyer would receive a binder receipt, and at the end of 30 days would pay possibly another 15 per cent to complete the first payment upon the transfer of the property.

But the binder boys who came here upon the heels of the abbreviated 1924-25 winter season found that binders were just as good as money. Having more native shrewdness than capital, they first began swapping binders among themselves in the crowds that overflowed into Flagler street from the Ponce de Leon lobby. First they made small profits on the binders themselves, and then quickly worked into the business of running up the price of a lot through several transactions while the lot still was on one binder.

The movement spread like wildfire, something similar to the margin speculating on the New York Stock Exchange, and for five months at least the binder boys set a pace that had the ordinary citizens glassy-eyed and breathless.

It was not unusual, real estate men declare, for a lot to change hands as many as eight times from the day when the first buyer got his binder until the deal finally was closed. When closing time came, the buyers would group around the papers like hungry boys around a picnic pie, each with his real estate man at his elbow ready to take a slice out of the profits. Usually, by trading papers, it was possible for a deed to issue only to the last buyer, but it might have seven or eight mortgages clinging to it like ticks on a cow, each representing the profit of one of the principals along the line. The real estate brokers usually got most of the actual cash involved.

The hours of the binder boy were from 9 o'clock until 2 in the afternoon, when the banks closed. Checks were rushed at once to depositories for the cash. Time was the very essence of success until midafternoon arrived, when a check became just another piece of paper.

Several highly entertaining fiction stories were printed after the boom, attempting to show that the phenomenal sale of Seminole Beach early in August was deliberately planned to drive the binder boys out of Miami Beach, and that it really broke the back of the boom. These appeared from the pens of Kenneth Roberts in The Saturday Evening Post and Ida Tarbell in McClure's. Henry Ford's Dearborn Independent also treated of the subject.

Two versions were evolved by these writers. One had it that only alternate strips of Seminole Beach were sold on the first day, and that after all the binder boys had flocked in and were hooked the parallel unsold strips were thrown on the market a few days later at greatly reduced prices, and the binder equities dissolved like snowballs in the hot place. The other version said that after Seminole Beach was sold, the same interests opened adjoining subdivisions of equal merit but much lower-priced, to destroy the value of the lots on which the binder boys had sunk their all.

Records of the times show, however, that all of Seminole Beach was sold in one day, and was resold within a few days thereafter. They also show that while two parts of Golden Beach were put on the market soon after to capitalize on their nearness to the famous Seminole Beach, the prices were approximately the same and the volume of sales inconsiderable when other contemporaneous sales are considered. But it made good reading.

The first signs of breaking in the upward flight of values occurred about the middle of August on Miami Beach, where the very choicest properties were. At that time an unusually observant sales executive noted that one of his lots which had started at $7,000 and had gone to $50,000 on binders was not sold to the last bidder. Instead, the last one and several below him had to sacrifice their binders and let the lot slide back down to $25,000, where it finally was taken. The crest was passed then, and although they were a long time in finding it out in the hinterland, the sales feature of the Florida boom was drawing to a close.

The binder boy went as he came, only some left on the tie-rods and for several years thereafter contributed no little to the unfavorable attitude toward Florida that persists in some quarters of the country. It is of the binder boy that we think when we shudder gently and cry, "Deliver us from another such boom!"

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While south Florida was establishing new records for building in July, 1925, the boom had run up the advertising volume of The Miami Herald to put it in first place among the newspapers of the world for the first six months of that year.

The Herald led its nearest competitor, The Detroit News, with an eighth more advertising. The Chicago Tribune and The New York Times were far back in the field. No other Florida newspaper came close to The Herald's volume.

This is recited not boastfully, but as another of the almost unbelievable effects of Florida's land rush. From 48 to 56 pages daily was the low average up to July, and it went up to 88 pages daily quite frequently until the following February. The Sunday Herald usually ran from 112 pages up to 168 pages. At one time there were 25 solid pages of classified ads alone in a Sunday Herald, and it was not unusual in August and September to see 20 pages of classifieds. Even The Miami News' special edition of 504 pages in July, issued when that newspaper opened its new plant and tower on the bayfront, did not owe its unique size to boom advertising of general state coverage so much as to free-handed spending on the part of the many concerns which took part in the construction and outfitting of the tower.

The lead which The Miami Herald maintained through the boom was due in part to the journalistic genius of O. W. Kennedy, the managing editor, and in part to the mastery of circulation and classified advertising of George V. Harper, the business manager. In reviewing the columns of those days it is significant that the developers and land owners who could afford to advertise only in one newspaper, picked The Herald, while those who had plenty of publicity budget adopted others also.

Attracted to Miami in July was the East Coast Chamber of Commerce, which listened to Florida East Coast railroad officials declare that their railroad would be ready by January 1 to handle all freight. Most prominent among delegates was David Sholtz, president of Daytona's chamber, largest in the state. Because of his energy in local civic matters, Sholtz was given the nickname of "auctioneer" in Daytona, a title he shed when he became the successful candidate for governor seven years later.

The long simmering fires under the state road department broke out in the middle of June when Gov. John W. Martin summarily dismissed Chairman H. B. Philips and William M. Corry, Quincy members, telling them, "You are not in sympathy with this administration in its determination to take Florida out of the sand and the mud and put her people on paved highways." The specific charges were "incompetency and neglect of duty." Dr. Fons A. Hathaway, secretary to the governor, was promoted to chairmanship of the state road department, predicted early completion of the Dixie highway and the Tamiami Trail, and forthwith began calling lagging contractors on the carpet.

Harvey Bayliss, mayor of Pensacola, took Corry's place in the department and joined Hathaway in checking up on the road contractors who were inclined to let the state work lag while borrowing against state contracts to push more lucrative private paving. They were given the option of producing state roads or seeing their contracts annulled, and business picked up in that department at once. Hathaway may have been a poor politician, but as an executive officer he had few equals.

Among the procession from Georgia noted at this time was E. C. Collins, prominent citizen of Macon, who came to Miami to make his home for 11 years. L. T. Cooper came hurrying back from his Dayton home to jump again into the boom at El Portal. John Gruelle arrived from the North to locate on Miami Beach. Charles Rodes of Fort Lauderdale, the man who invented the synthetic water front lot in his subdivision of Venice, loaded 50 relatives in two chartered pullmans and set out for a trip to the West that sent back echoes from nearly every way station.

The ill-fated Pompano race track was started in June, with the purchase of 180 acres near the town of Pompano from L. T. Cooper. A perfect rash of subdivisions broke out around it. Joe H. Adams got the track charter and with him were Charles H. Hyde, R. E. Hall, J. K. Dorn and several New York associates. The track was to open in February and did enjoy one season, until the State Supreme court ruled pari mutuel wagering illegal. It was then that Governor Martin issued his famous threat that he would "send the militia down there with a tractor and plow up the Pompano track and plant it to cowpeas" if the owners attempted to run with gambling. The track did not run.

Fort Myers was starting a $300,000 fishing pier on local subscription. The Tampa Tribune, leading West Coast daily, was sold by Col. Wallace Stovall for $1,200,000 to a group of Tampans headed by Dr. L. A. Bize, who was to attain some notoriety later with crashing banks. Colonel Stovall quit journalism for real estate, but it wasn't three weeks before he was back in again with The Tampa Telegraph, which fell a victim to the early Florida depression.

New Smyrna was preparing to become the equal of the ports of Miami or Jacksonville on the strength of a $1,500,000 bond issue which had been rushed through the legislature to provide funds for cutting a channel from the ocean through Mosquito inlet. Charles B. Griner of Jacksonville leased the Pelican Hotel in Stuart and the new county of Martin cast about for a winter homesite to be presented to Governor Martin as a thank offering. John D. Rockefeller, sr., sold his Ormond home to his son, John D., jr., for $191,000, along with all his other property, but his son still permits him to live there.

At Miami Beach Carl G. Fisher's new $400,000 estate on Surprise waterway was under construction, replacing The Shadows. His companies sold two tracts on the beach opposite Allison island for $1,948,000 to Lyle C. Hall of St. Marys, Pa. This, with additional land, was to become the site of the Gulf Stream apartments. The fame of Fisher's name gave the unscrupulous some chance to capitalize on it by rumors that he was buying elsewhere in Florida. Before going North for the summer Fisher had inserted advertisements all over Florida, declaring he would not invest in any Florida land outside of Miami Beach. At that time it was reported that of 3,000 lots developed originally by Fisher, only 246 remained unsold.

The Shoreland Company of Anderson and Wright let a $2,000,000 dredging contract to fill in 400 acres at Arch creek, to make a seawall in front of the mainland property, and to join two submerged islands and make what is today the Indian Creek Golf Course island, but known then as the Miami Shores island.

The St. Joseph's College for Girls was finished in Coral Gables. The St. Stephen's Episcopal Church in Coconut Grove was putting up a new building costing $150,000 with a $40,000 pipe organ. The artists and architects of Coral Gables took time off to visit New York, where they executed an "abracadabra" in front of the prosaic Rand building and changed it into a Mediterranean facade before the startled eyes of New Yorkers. A similar transformation put a Coral Gables touch on Peachtree street in Atlanta, from whence special trains were bringing eager prospects—300 at a clip.

Miami was so busy with its new skyscrapers, its thousands of subdivisions and its plans for annexation that it didn't even notice the mosquitoes that summer.

. . . even Moorish architecture like this at Opa-Locka was not considered too bizarre to entice boom customers.—Brower Photo.