

Miami In 1926

By FRANK B. SESSA

Three decades have passed since Miami experienced its most exciting and colorful year. Yet the image remains bright in the minds of those who lived through it and its stories and legends have stirred the imagination of more recent arrivals. If present day economic activity is frequently considered a boom time economy, the word "boom" to Miamians holds only one meaning: The fantastic speculation in real estate in 1925.

The year 1926, when Miami had reached half its present age, was in many respects a year of anti-climax. It mattered little that bank deposits, building permits, postal receipts and other indices of economic well-being were at their highest point for any year but 1925. The boom had come and gone and only a severe hurricane was needed to provide a dramatic ending.

Miami, and most of the country which thought about Florida at all in the summer of 1925, thought only of real estate. Little or no attention went to the changes taking place in the Florida scene. It is true that a considerable number of books, magazine articles and newspaper stories about Florida appeared with increasing frequency, all of them descriptive of Florida's progress, but equally true that the emphasis was put on the most exciting development in the area, chronicled over and again in tales of remarkable profits some fortunate individuals had taken from speculative real estate ventures.

As the *New York Times* put it:

Everybody is telling stories of Florida and the wonderful real estate developments there. . . . Hardly anybody talks of anything but real estate, and one is led to believe that nobody in Florida thinks of anything else in these days when the peninsula is jammed with visitors from end to end and side to side—unless it is a matter of finding a place to sleep. Ten minutes to half an hour in any spot in the state would convince the most skeptical eyes and ears that something is taking place in Florida to which the history of developments, booms, inrushes, speculation, investment yields no parallel.

That newspaper had, in an editorial "Triumphant Florida," approached a week earlier the question from a different viewpoint. Five years ago, it

observed, the last great unclaimed wilderness in the United States was the State of Florida. "Today, hand in hand with a real estate boom that makes a Klondike rush seem tame, a sound and solid development is in progress, the child of the best pioneer instincts." At the moment "development" was the rage, with much of it in the hands of those who had made good elsewhere. They had come to Florida for the winter, had been "fired with the old zeal" to reclaim "miles of dismal swamps" and turn them "into villages, towns, hotel and club sites, orange, grapefruit and coconut groves, etc." Those coming to Florida fell into two groups: "resorters" who filled hotels, beaches, links, and those who wanted a home away from bitter northern cold. The real wealth of Florida, the editorial continued, lay in the richness of its soil which, once drained, will grow anything. "The old spirit of adventure which built the West still persists. There is a certain gusto about the conquerors of Florida. Feeling that they are building a tropical empire, they are working with lavish hands."

The work of the "lavish hands" made itself manifest largely in large hotels, projected subdivisions, and ornamental gateways. The more solid achievement of Miami and its environs was not so readily apparent. It is true, of course, that these were physical aspects of the boom. They could be seen. As Paul P. Wilcox, Assistant City Manager and editor of the *City Manager's Report to City Commission*, expressed it, "without reading a word, a story of Miami's growth can be obtained in pictures by slowly turning the pages of this record."

The document is a remarkable one. It delves into the expansion of Miami in its five years of city-manager government, 1921-1926. It is half statistics of the various departments of municipal government and half propaganda for the future of the city. Sandwiched in with figures showing harbor expansion, use of bridges, and output of public utilities, are statements as to "Miami's Possibilities," and "Pertinent Points." The latter part of the book is devoted to the industrial possibilities of Miami, Miami as a resort city, Nothing can stop Miami, and more Pertinent Points.

Free-lance English journalist, Theodore Weigall, although most impressed with the bizarre aspects of the boom, also felt something of the solid achievement of Miami. In a column in the London *Daily Telegraph*, written after he had left Miami, he observed: "Behind the boom, behind frenzied speculation, behind even those ludicrous charabancs crowded with shirt-sleeved 'realtors' selling lots on time-payment to the music of the saxophone, there is something happening in Florida that is very significant and very real."

Real estate had been the chief business of Miami for the past several years and it was, of course, the chief activity of the boom. It made the boom, but with it came an expansion of building, the development of excellent harbor facilities, and the expansion of railroad facilities. Too, Miami made a population gain of considerable size and that remained a permanent development. If sidewalks and streets were cut into the wilderness that failed (until recently) to materialize into housing areas with homes and landscaped lawns, there were scores of new buildings, hotels, and apartment houses erected and wide streets paved that would be crowded later.

Annexation, held in abeyance for the better part of two years, came before the electorate once more in the summer of 1925. Once more opposition mobilized. The town of Silver Bluff published a full-page advertisement in the *Miami Herald*, the gist of which was that the community should remain independent until Miami had expanded to its present limits and until it had made needed improvements such as extensive street-paving, sewers, and so forth. The issue was settled on September 2, 1925, however, when the voters of the various communities about Miami approved annexation. The city area grew from thirteen to forty-three square miles; and Silver Bluff, Little River, Lemon City, Buena Vista, Coconut Grove, and Allapattah became an integral part of it.

Miami's building activities took a forward spurt beginning in mid-summer, 1924, but the city made its outstanding record during the calendar year 1925 when the value of building permits issued touched \$60,026,260. For the city fiscal year, from July 1, 1923 to June 30, 1924, the figure for permits issued was \$11,176,981, an increase over the previous fiscal year of 93.3 per cent. In the fiscal year, 1924-25, the figure reached \$31,835,741, or an increase of 108.5 per cent; but of that figure the first six months of 1925 totaled \$21,711,001. The largest single month was the month of October when 1,499 permits were issued in the amount of \$10,289,889. Miami ranked sixth in the amount of building permits issued in the United States. For the entire year, 1925, it ranked ninth in the nation's cities, with only New York, Chicago, Detroit, Philadelphia, Los Angeles, Boston, Cleveland and Washington, D. C. ahead of it. The building record for the major communities in metropolitan Miami, in 1925, reached the amount of \$103,272,192, according to the January 1, 1926, issue of the *Miami Herald*.

Building statistics translated themselves in part into a number of large structures erected or contemplated during the most active period of Miami real estate in 1925. Dade County proposed a \$1,600,000 county courthouse

and city hall with construction to begin about September 1; the Miami Bank and Trust Company, a half-million dollar ten-story building, the Miami Realty Board, through the Miami Realty Board Investment Company, a half-million dollar, fifteen-story building; and the First Baptist Church a twelve story building to cost \$1,250,000. Less than a month after its first announcement, the church had decided upon a twenty-two story church and office building—which never materialized. It was to be twenty stories high and have two additional stories in a tower. The plan approved by the building committee involved \$1,500,000. Not to be outdone, Trinity Southern Methodist Church announced, on May 13, 1925, that it was starting a drive to raise \$250,000 as the first part of the sum needed to erect a million-dollar church and office building.

John H. Kinkaid, of Cleveland, planned a twelve-story apartment-hotel for the corner of North Bay Shore Drive (now Biscayne Boulevard) and Fifteenth Terrace. The Fred French Corporation, which had been building successful apartment hotels in other cities under the French plan, received a permit to construct the \$1,200,000 building on Bay Shore Drive which eventually became the Everglades Hotel. Owners of the Congress building received a permit to enlarge that structure by adding fifty feet of frontage and raising its height to seventeen stories. The permit came to one million dollars. Rand Properties planned to construct the Huntington Building at the southwest corner of Southeast Second Avenue and First Street. The project when completed would cost, according to estimate, one million dollars.

Among hotels for which permits were secured was the Robert Clay Hotel, to be erected in Dallas Park by the Meyer-Kiser Corporation of Indianapolis. It was planned as a luxury hotel of ten stories with 164 guest rooms, each with bath. A permit was secured for the erection of a \$1,200,000 hotel at the corner of North Bay Shore Drive and First Street, eventually the Columbus Hotel. One of the most ambitious projects was that of Rand Properties, the Roosevelt Hotel, to be located on the northwest corner of Northeast Second Avenue and Fourteenth Street. The fifteen-story building, designed by Louis Kemper of Detroit, would have a frontage of 120 feet on Second Avenue and 210 feet on Fourteenth Street. Halted in construction by the effect of the railroad embargo of late 1925 and early 1926, the unfinished building long remained a boom landmark. It is now the Lindsey Hopkins Vocational School. As projected, the sponsors envisioned a \$2,750,000 luxury hotel. The site, however, was far enough from the bay and from transportation and shopping centers to be considered a white elephant by most

prospective purchasers who might have completed and operated it. Still another project was a twelve-story, million-dollar hotel to be located on the northwest corner of Bay Shore Drive and Northeast Fifth Street (the Alcazar). In the same area, along North Bay Shore Drive, the Watson Hotel, sixteen stories and costing \$700,000 was announced in August.

The projected All States Society Hotel, a twelve-story building, planned for the southeast corner of Northeast Second Street and Tenth Avenue, was to be the culmination of a long-nurtured plan to attract visitors to Miami. There had been organized in Miami, prior to boom times, a number of state societies, organizations made up of former residents of the various states. Their function seemed to be to hold meetings and plan recreational outings and entertainment to which visitors to Miami from their respective states were invited. The plan, apparently a successful one, received frequent mention in the Miami dailies, both for the social events the societies planned and for their help in publicizing Miami. This hotel would be one to which visitors who were strangers to the area might come; there, they would be sure to meet in a strange city people with whom they had something in common.

The more than thirty-one million dollars spent during the city fiscal year, 1924-25, and the more than fifty-nine million dollars in permits for the fiscal year, 1925-26, were responsible for the large hotels currently found along Biscayne Boulevard between East Flagler Street and Northeast Fifth Street, for the Congress Building, the Huntington Building, the new building of the Bank of Bay Biscayne (presently the Biscayne Building), the Realty Board Building (presently the Pacific Building), the Meyer-Kiser Building (presently the Dade Commonwealth Building), the News Tower, and the twenty-two story Dade County Courthouse. These are the buildings that give Miami most of its present-day sky-line.

Not all of the projects for which prospective builders secured permits were completed or even begun. Cases in point were the announced project of a new \$2,000,000 hotel on Brickell Avenue, south of Point View and along Southeast Twenty-third Road; and the two churches mentioned above never completed their combination office-building, church structures.

Despite plans that did not mature Miami's building record, and that of the surrounding communities, constituted one of the substantial, lasting achievements of the boom era. Although the buildings were planned in a burst of optimism in the period just before the crescendo of real estate activity, they were completed in most cases and were available for occupancy

when the demand for space and accommodation came in later years. All of Florida, for that matter, had participated in the building boom.

As a major indication of Miami's progress and new-found place in the business world, Miami publications stressed the growth of the city's financial institutions. Reports of marked gains in deposits and resources also found their way into the columns of the *New York Times*, the *Wall Street Journal* and the *Commercial and Financial Chronicle*.

Miami had not had a clearing house until January of 1924, and then not all of the banks joined the association. Most reports made in the *Miami Herald* and the *Miami News-Metropolis* were labeled as Clearing House Association banks; occasionally reports of the deposits of smaller institutions were made. Clearings for the year 1924 totaled \$212,333,780.40. In 1925, totals began to climb rapidly. The figure for January fell just under \$40,000,000, the one for February, over \$46,000,000. The totals for those ten months were \$861,291,549.46, as compared with \$159,386,235.59 for the same period of the previous year. Returns on May 2, were \$3,267,406.56, on May 4, \$4,257,426.60. The highest figure in the spring, however, was \$4,500,000 (April 13) and the second highest figure \$4,400,000 (June 30). By August 31, the figure reached \$6,278,850. For the calendar year clearings passed the \$1,000,000,000 mark, a gain of 475 per cent over 1924. The figure given by the Comptroller of the Currency and that listed in *Statistical Abstracts* is \$816,788,000, but for those publications the period of compilation ends on September 30.

As with clearing house statistics, Miami's bank deposits showed a sharp upward trend in 1925, with the peak occurring in the late summer. The bank deposits of the city's banks belonging to the Clearing House Association reached in the quarter ending September 30, a peak of \$189,148,319, a 48 per cent increase over the figure for the period ending June 30, 1925.

On October 8, 1925, the *Miami Herald* published the figures of the amount of deposits in representative banks, indicative of the growth of Miami banking in the first nine months of 1925. At the conclusion of the year, (January 3, 1926), the same paper published figures showing the gain made by representative Miami and Miami Beach banks. Taken separately, the twelve-month gains are imposing; compared with the figures for September 28, 1925, they show a decrease of several million dollars in deposits. The First National Bank of Miami had dropped in ninety days from \$63,029,867.82 to \$55,255,861.54, and the second largest bank, the Bank of Bay Biscayne, dropped in the same period from \$57,713,440.91 to \$54,517,610.64.

It should be noted also that the Southern Bank and Trust Company with deposits in excess of \$14,000,000 was included, yet the year's totals for eight reported banks fell a little less than \$2,000,000 below the total for September 28.

A natural result of the rise of property values in Miami was the increase in assessments. Although assessments were made for the fiscal year ending on June 30, "regardless of when the assessor makes his call, he values the property as it was January 1st, for all." The net valuation for Miami in 1923, was \$70,341,895, for 1924, \$87,651,714, and for 1925, \$166,898,974. With the addition of the newly annexed areas in September, the latter figure increased in amount to \$184,242,219. The valuation for 1926 was set at \$389,648,391. (1956 evaluation is \$689,441,010).

The *Wall Street Journal*, on December 24, 1925, set Miami's per capita wealth at \$7,470, based upon a population in greater Miami of 177,061, with real estate valued at \$750,000,000 and \$199,651,065 on deposit in Miami banks. It did not include Coral Gables and Miami Beach.

Postal receipts in Miami climbed rapidly throughout the boom period. By the close of 1924, they were \$493,000, just \$7,000 short of the \$500,000 volume of business the Post Office Department required for the two-division system, one for handling mail, the other for financial activities. In view of the rapid growth of the city, postal authorities decided to institute the system as of July 1, 1925. "Extraordinary conditions" in Miami, because of the influx of people, led the Postmaster General (Washington) to open up a branch of the department in Miami to handle postal problems as they arose.

One dream of Miami expansionists, passenger and freight service by sea, came to full realization in 1925. Early in January, the S. S. Berkshire, of the Merchants and Miners Line, arrived in Miami's port. Music, noise, and cheers greeted the ship's arrival. Miami, observed the *Miami Herald*, was now linked by water with Philadelphia. By September, the *Herald* was able to report that very shortly steamships would bring almost 2,000 passengers every seven days, an increase of 400 per cent over the service offered one year before. The *New York Journal of Commerce*, on September 19, 1925, carried an advertisement for the Clyde Line, announcing direct service without transfer to the heart of the City of Miami; and on November 13, it carried three block-advertisements for New York to Miami steamship service: the American and Cuban Steamship Line, the New York and Florida Navigation Corporation, and Oceanic Lines. The arrivals of the steamship H. F.

Alexander, on October 24, 1925, marked the inauguration of service by the Admiral Lines, and touched off a large celebration with boats and small yachts going out to meet it as it entered the channel and with bands and crowds on hand to welcome its docking. Even the London *Daily Telegraph* noted that the S. S. Kroonland, formerly in the Red Star Line's transatlantic service, had begun, on December 11, a new service from New York to Miami. Among the 400 passengers were several golf champions who were to winter in Miami.

Miami's water-borne freight handling increased just as did steamship passenger service. The volume of imports in 1925 increased more than 350 per cent over those in 1924. Exports increased almost 100 per cent.

To the *Miami Herald*, a major indication of the volume of real estate and commercial activity in Miami was the enormous increase of its advertising lineage. It had carried daily advertising statistics in a small box in a lower corner of the front page for some time past, but in April, 1925, it began to stress the rapid expansion of space devoted to advertising. The *Nation* also considered the *Herald's* advertising advance significant. In fact, it had seen no "more impressive confirmation" of Miami's boom than a statement of the *Herald's* advertising lineage in *Editor and Publisher*. The *Miami Herald* led the nation's "seven day a week" newspapers at the end of the first quarter, the second quarter, and for the entire year of 1925. By the end of October, the *Miami Herald* had carried 34,106,030 agate lines of paid advertising, exceeding the 1924 world's record (twelve months) of the *Detroit News* by 3,501,512 lines. In the matter of the number of classified advertisements published the paper also had an extraordinary record. On September 1, 1925, the number of advertisements published had surpassed the record of the entire previous year (363,320). By the end of the year the *Miami Herald* had published 674,738 classified advertisements.

The *Miami Daily News* could not compete on equal terms with the *Herald* in either numbers of classified advertisements or in lineage. Its lineage for real estate advertisements (1925) amounted to 8,256,402 lines as opposed to 12,654,586 lines for the *Herald* to September 30. It did, however, produce the largest single issue in the country. The occasion was the formal opening of the *News Tower* and the twenty-ninth anniversary of the city. Some fifty carloads of newsprint were needed for the 504-page issue of twenty-two sections.

In the late summer and fall of 1925 Miami had received a number of sharp setbacks. The housing shortage, the embargoes, the increased tempo

and effectiveness of anti-Florida propaganda, and reports of increased vigilance by internal revenue agents over realty transactions all combined to jeopardize the delicate balance of Miami's economy. It remained for the "season" to arrive to answer the question of the city's immediate future. No one had expected real estate sales to maintain the extraordinarily high levels of the summer indefinitely; the question of concern to most of the community's inhabitants and boosters was whether sales would be brisk enough to continue forward progress.

With some of the real estate fever subsiding, Miamians turned their attention, in the late fall, to preparations for the coming of the tourists. The *Miami Herald* surveyed a number of Florida cities and published their estimates of the coming season, based, said the paper, upon actual hotel reservations. Tampa expected its largest group of visitors for the ninety-day season, Sebring anticipated a 300 per cent increase, and Key West presently had more visitors than at the height of the previous season. Late in December, however, there appeared a news item that might indicate all was not well or going as hoped. Miami rents, reported the *Wall Street Journal*, were coming down, "the most hopeful sign of a prosperous winter." Apartments advertised for \$3,500 a season on November 1, now brought \$1,500 or less. Miami Beach apartments were reported as being 30 per cent lower than before. Such a report could be considered a harbinger of winter prosperity only by indirection. A bumper season meant crowded conditions, more reservations than accommodations, and rentals under such circumstances tended to climb. Rents appreciably lower than formerly might attract more visitors ultimately, but they would be looked upon temporarily as a recession.

Despite such indications, Miami went ahead with its seasonal plans. On Christmas Day, visitors were treated to the spectacle of the "Gray Ghost," Red Grange, and his Chicago Bears professional football team defeating the Coral Gables Collegians, 7-0. On New Year's Day, the famous Four Horsemen and Seven Mules of Notre Dame defeated the ex-Princeton Stars, 6-0, in the last thirty seconds of their game held in the Coral Gables stadium. Spectators had paid three to five dollars for grandstand seats and seven dollars to sit in reserved seats in boxes.

With a great deal of fanfare two special trains departed from the Pennsylvania Station in New York for Coral Gables for the opening of the Biltmore Hotel. John McEntee Bowman, its builder, had chartered two trains, one from the Seaboard Air Line Railway and one from the Atlantic Coast Line Railroad. The trains, with picked engineers, raced toward Miami; they

carried specially invited guests and notables who were to attend the hotel's formal opening. The Seaboard passengers had some inconvenience. Although theirs was the shorter route, their rail journey ended at West Palm Beach and, with their baggage, they had to complete the journey by bus.

Tahiti Beach, the private beach of the Biltmore Hotel, opened officially on February 7. By 11:00 A. M., a steady stream of motor cars was making its way to the South Sea native-style huts with thatched roofs of palmetto and palm fronds. Native Tahitians served fruit "Tahitian style," that is, they sliced coconuts with machetes and brought the guests oranges and bananas on sticks. Even more bizarre were the gondolas with native Italian gondoliers brought to America by Bowman, to carry romantic guests on afternoon and moonlight trips along the winding route of the local "Grand Canal," a six-mile stretch from the gondola basin south of the Biltmore Hotel to Tahiti Beach, a "stretch of water the Venetians have beautified with reproductions of lights and ornaments used in Venice."

Other events of some consequence to the community and of interest to the visitors were the opening of new hotels, like the Floridian and Roney Plaza on Miami Beach, the opening of the Venetian Way (along the route of the old Collins Bridge), Rosa Raisa singing "Aida" and Mary Garden singing "Thais" at the Coral Gables Stadium, and the "on-again, off-again" Tunney-Stribling prize fight.

Racing, of course, attracted many visitors to Hialeah until March 15. A new attitude had appeared toward the race track, however, for some opposition to horse racing had developed. A check of Miami department stores, after the close of the racing season, revealed an improvement of business. Woolworth's reported a 10 per cent increase in sales, Burdines, more business than in a long time, and Sewell and Brothers, "somewhat better than usual." S. A. Ryan, of Ryan Motors, offered \$1,000 toward the establishment of a fund to be used to abolish horse racing in Miami: "I have 28 salesmen and many of them are out at the track every day instead of being on the job." The Miami Credit Men's Association joined the movement for a shorter racing season. Creditors could not collect, according to the association president, because debtors had lost on the races; the "long season and the large amount of money diverted from regular channels are working a serious injury on the business men and community in general."

Plenty of entertainment and attractions were offered to visitors, but the season of 1925-26 was not considered a success. By ordinary standards, perhaps, it would have been, but not after the extraordinary summer. If Clarence

W. Barron, publisher of the *Wall Street Journal*, reported the Florida East Coast Railway officials as saying they carried 2,500 persons into Florida (75 per cent to Miami) and only 1,500 out daily, the complaints of Miami business and hotel men seemed to belie the implications of a bumper crop of visitors. The Chamber of Commerce bent every effort to get hotels to guarantee a reduction of rates for the coming off-season period. N. B. T. Roney, at Miami Beach, was also attempting to get his fellow hotel owners to cut rates.

In real estate, as with the tourist trade, optimistic notes sounded as the 1925-26 season approached. John J. McGraw, famous manager of the New York Giants Baseball Team, was advertising Penant Park. His advertisements indicated the folly of waiting "until the ninth inning." In his description of the property, said the *New York Times*, he disclosed "a wealth of vocabulary that undoubtedly would stun any National League umpire: 'Soft zephyrs' and the 'rustle of the fronds of the palms in gentle Aeolian music.'" McGraw, whose development lay near Sarasota, advertised extensively in Miami papers.

In Miami, Rand-Shepard Company reported transactions totaling about \$3,000,000. The Tatums announced a bonus of \$400,000 paid to its seventy-two salesmen and its office force. Company sales, in 1925, had amounted to \$65,000,000 as compared with the 1924 figure of \$14,000,000. Fisher interests reported sales of almost \$2,000,000 in the first three weeks of January. Coral Pines, Incorporated, sold 133 acres to the Cambridge Company for \$7,500 an acre, or just under \$1,000,000. A twenty-five foot site in the 200 block of North Miami Avenue sold for \$5,000 a front foot. In view of the fact that January was not considered an especially good real estate month, local seers found the outlook good. In the first twenty days of January, 7,400 realty instruments were filed with the County Recorder, 370 a day. At that rate, the figure would reach 11,100 as compared with 9,704 in January, 1925.

For many realtors, however, the vaunted upswing did not come. They fell back on various devices to attract patrons. J. S. Bain placed a two-page, eye-catching spread in the *Miami Daily News*. He invited one and all to meet Jack Dempsey at his office, 213 Northeast First Avenue. The J. C. H. Corporation advertised that it had employed several baseball players of the Champion Pittsburgh Pirate team to sell real estate: Max Carey, Lee Meadows, Emil Yde, and "Pie" Traynor. Yde and Meadows had been with the firm for some time. They were engaged "not only because of their great

popularity but because of their personality and business acumen." In February, the trend turned toward auctions, auctions of ocean front property, of apartment and hotel sites, and of business sites. The *Miami Daily News* found by March that the auction idea had grown in favor in the Miami area, "a new development in the history of Miami," although that plan of selling real estate had been used extensively in the North. The real estate editor had not consulted his back files. In 1923, auctions of real estate had been quite common although not as extensive as early in 1926.

Sales were disappointing. February, normally a good month, had revenue stamp sales far below those of February, 1925, \$46,560 as compared with \$62,693, representing an estimated dollar volume of business of \$46,560,000 and \$62,693,000 respectively.

Coral Gables attempted to bolster up its disappointing sales record with an announcement of outstanding projects for 1926: the Coliseum, a million-dollar structure; the Urmev Arms, a \$12,500,000 project with 1,855 rooms; and a building program of the American Building Corporation of Cincinnati, involving \$75,000,000 worth of homes in the Riviera section. The University of Miami also moved forward. Its regents announced that more than \$7,000,000 had been pledged by less than twenty residents of greater Miami. Merrick had given 160 acres of land valued at \$1,000,000 and \$4,000,000 in cash. A real estate dealer, had also pledged a generous sum, \$1,000,000. The corner stone laying took place, February 4, before 7,000 spectators. Arthur Pryor's band played for the ceremonies.

If Miamians were seeking a means to revitalize a failing real estate market, outside observers were seeking explanations as to the cause of the decline. Although many persons earlier had offered the prognostication that when the saturation point of realty sales had been reached, the whole flimsy structure of Miami's economy would collapse, most writers, when the end came, were unwilling to accept so simple an explanation. Miami's experience had entailed much more than real estate frenzy and they were well aware of the fact. The *New York Times*, as a case in point, had used the descriptive word "lull" rather than "collapse" in describing Miami's apparent recession. It found that the mid-February boom, predicted by Florida realtors, had failed to materialize; there was, instead, a decided "lull." Hundreds of investors had failed to unload, even at their original purchase price, with resales virtually at a standstill. Some Miami observers, continued the *Times*, found only that prices were stabilizing, admitted that values were temporarily at a peak, but insisted there would be no decline in prices. Others found the situation

disturbing for two reasons. What would happen when buyers, who had invested all of their money with the expectation of selling at a profit before the second payment came due, found themselves unable to meet the second payment? What decision would be made on the deferred-sale problem with regard to income taxes due March 15? If money had to be raised through excessive discounting, many would lose considerable sums of money. The paper ended with the comment:

The promised boom has not materialized. Real Estate men say a digestive period has set in. Florida, they say, may suffer from a slight attack of colic due to swallowing more than she could really digest. But the attack won't be serious. Reverses may come, they say, but Florida as a great vacation State is here to stay.

Many Miamians and those who had invested heavily in the state were unwilling to concede the disappearance of the bonanza without a struggle. The line they followed was essentially one that admitted speculation of the flamboyant sort had passed; values now had stability, and investors would find excellent opportunities for venture capital. In short, Miami was sound. No bubble had burst in Miami or in Florida, for no "bubble" was ever known there. None therefore could burst. Miami and Florida were durable and permanent, solid and substantial. G. L. Miller, whose firm had invested heavily in Miami mortgages, advised that no alarm need be felt in regions where economic contraction was taking place. The area was well rid of speculators and "Get Rich Quick Wallingfords." Business men actually had a chance to take stock, to reorganize their affairs on a safe, sane basis. By the 1926-27 season, the undesirable elements would be gone and Florida would forge ahead steadily.

Lon Worth Crow, President of the Miami Chamber of Commerce and head of the realty board, observed that the real estate market could not rise indefinitely. "We are glad," he said, "that the asking price of property has reached a reasonable basis." A quieter market would be the foundation of steady, normal activity. He listed funds to be spent for improvement in the area as evidence of Miami development in 1926. Expansion of railroads, utilities, new buildings, city improvements, to name a few, would total \$406,405,000 by the year's end. John B. Devoney, a Miami realtor recently returned from a northern trip, advised his fellow citizens that they must be prepared to show northern capital the difference between the situation then and what it had been the previous summer. Developments would undergo the closest scrutiny before investment followed. The chief argument being

used against Miami, he said, was the high cost of living. Workers who had come to Miami and left were giving it a "black eye."

The Miami phase of the Florida boom was over, at least so far as real estate was concerned. And it was by real estate sales and real estate valuation that most persons, in and out of Miami, judged Miami's economic condition. That the dollar volume of building permits, bank deposits, and various other indices remained high or at satisfactory levels, escaped the average observer. In vain might the Miami booster point out that 1926 levels were well above those of 1924; the year 1925 was, after all, a freak year and to use it as a basis of comparison was grossly unfair in their eyes. Miami, in truth, did need a period of stabilization, a chance to catch up with itself. That period did not materialize. Whatever chance the city might have had to recover some measure of its boom-time economy was wiped out by the hurricane that struck in September, 1926. It should be noted, however, that the boom was over before the storm struck.

The disappointing season of 1925-26 came as a shock to Miami. Men of sounder judgment and standing in the community spoke of a period of readjustment and stabilization. Miami had, perhaps, advanced too rapidly; it must now pause, consolidate its gains, and then move ahead again, this time with speculative enterprises under firm control. In the future episodes like that of the summer activity of the binder boys must be carefully avoided. Miami was sound: it had all of the things it had before 1925 and much more.

By the summer of 1926, however, there were many signs that "readjustment and stabilization" entailed something more than a leveling-off of real estate prices and an abatement of speculative fever. Bank clearings exceeded those for the first six months of 1925 (\$441,472,094.77 as compared with \$380,641,072.98), but deposits were down to a noticeable degree. Three of Miami's smaller banks had closed during the summer "to conserve resources": the Bank of Buena Vista, the Bank of Coconut Grove, and the Bank of Little River. All three were quickly replaced by newly organized institutions. Building permits were also slightly lower in dollar volume for the first six months of 1926. They were almost \$1,000,000 below the figures for the corresponding period of 1925, but, boosters pointed out, more than \$3,000,000 above the same period of 1924. The construction industry maintained a high level still when it is considered that the city stood twelfth among the nation's cities in building activities in the first half of the year. Much of the building then carried on had been projected or contracted before the embargo had hampered construction; and, in addition, a considerable portion of real

estate profits of the boom period had found their way into a building program that was nearing completion.

In July, too, delinquent tax sales began with some 15,000 parcels of land offered, some of which had been in great demand a few months before. About 10 per cent of the offering was taken up on the first day. The twenty bidders, according to the *Miami Herald*, were not so much interested in possessing the land as they were in collecting the interest obtainable under Florida law. On the second day of sales 2,200 parcels, with an assessed valuation of approximately \$500,000, were offered to purchasers. The sale ended on July 13 with about 50 per cent of the property going automatically to the state when no bidders appeared. Total assessed value of the property sold amounted to about \$1,500,000 and the sale brought local authorities about \$400,000.

Another indication that real estate prospects were somewhat nebulous was the organizing of Coral Gables Consolidated, Incorporated, described by Merrick as a "plan primarily of national financing under which will be brought to completion a ten-year program of development and sales of Coral Gables properties." Merrick was president and chairman of the board of directors of the new corporation; his associates were to be officers in various capacities. To finance the corporation, 100,000 shares of 8 per cent, cumulative stock at par value of \$100 per share were offered. With an additional issue, 500,000 shares of common stock with no par value were offered. Although the new organization had authorized and issued stock valued at \$10,000,000, the value of the properties turned over to the new company amounted to about \$100,000,000, according to the announcement. The formation of the corporation (with some six subsidiary companies) meant, in reality, that Merrick's sales were then insufficient to carry the heavy burden of promised and proposed improvements.

Despite these and other signs of a waning prosperity Miami's newspapers continued their optimistic comments about the community and the state in general. Miami business and that of the country too, said the *Miami Daily News*, was entering the last half of the year on a "basis saner, safer and sounder than it has been for a period of years." Business was not better in a profit-taking sense, however. The real estate business in Florida, for instance, had improved materially over that of 1924. The year 1925 should not be used as a basis of comparison, for such a comparison was unjust. "During the last seven months of 1925, particularly, dealing in Florida real estate was so highly speculative as to be little more than a gambling proposi-

tion." At the moment "real investors" had become the purchasers of Miami real estate; they investigated before they bought, did not over-extend themselves, and remained financially able to meet their obligations. Two days later the paper carried a suggestion of the Florida Association of Real Estate Boards that the state remove the "unsightly signs, decaying entrances, arches, street intersection signs leaning at angles and other evidences of the speculative period from the so-called 'developments,' whose authors have left the state."

The real estate situation received thorough scrutiny at the 1926 meeting of the Florida Association of Real Estate Boards held in Daytona in July. The consensus of those present seemed to be that Florida had gotten the bad phases of a real estate boom out of its system and was now ready to forge ahead. The failure of the boom, observed one speaker in retrospect, came from "an overindulgence in superlatives" which caused "a reaction in the minds of the conservative buyer, the seeker after permanent investments." That the spirit that had produced the boom lingered on may be seen from a souvenir passed out to delegates by the president of the St. Petersburg Inter-urban Transit Company. It contained the "Decalogue of Florida," which advised, "Thou shalt prepare thyself for the happy habitation of man; thou shalt drain thy swamps, bridge thy rivers and build thee highways to the uttermost parts of thy hinterland. . . ." The remainder of the decalogue followed the same pattern.

If it were true that Miami had reached a leveling-off period, a period free of the rigors of a summer of real estate frenzy and all it entailed, then the city might reasonably expect to resume its forward progress of 1923 and 1924. Many Miamians confidently looked forward to a good season, 1926-27. Statistics, they admitted, did not show the phenomenal gains of the previous summer, but they still showed a greater volume of business activity in 1926 than in 1924. No valid reason for pessimism existed. As a result Miamians returned to their pleasant, pre-boom pastime of planning for the coming season.

In July, however, a hurricane struck the lower east coast of the state. Miami felt the blow, which hit July 27, but the major damage occurred at Palm Beach where at least one estimate set the wind velocity at 100 miles per hour. In Miami, hurricane warnings had been posted at noon. Miami's damage consisted of a ruined avocado crop, damage to the Baker's Haulover Bridge approach, and the splintering and washing away of some old South Beach concession booths. In all, according to estimates locally, the damage

amounted to about \$100,000. Ten days later the *Miami Herald* published an editorial on hurricanes. It called attention to an inconspicuous news item in another part of the paper, a notice that a storm was forming in the Caribbean area. Such notices, said the editor, should receive close attention from the people now and for the next six months. Fourteen years had passed since a major hurricane had visited the region and many Miamians had never experienced one. For those on land no danger existed, for buildings properly constructed held no danger. One should prepare, however, by taking such precautions as removing loose items from porches, tricing up awnings, and staking trees on lawns. Hurricane warnings would be given well in advance, and the weather bureau would trace the hurricane step by step by plotting its course, speed, and so forth. The Miami area, in conclusion, had little to fear but damage to fruit groves. The *Miami Herald* had given some sound as well as misleading advice; it might well have added a warning that under no circumstances should one leave his place of shelter until the storm had passed from the area.

On September 17, an Associated Press dispatch, from Turk's Island in the Bahamas, reported that a tropical storm of hurricane intensity had passed over the island the day before. Although no fatalities had occurred, property damage appeared to be enormous and nearly all of the lighters in port had sunk. The storm, arising near St. Thomas Island, moved rapidly in the direction of the Florida coast. By 11:00 A. M. Friday, September 17, storm warnings were raised. The Weather Bureau in Washington warned: "This is a very severe storm." The *Miami Daily News* later in the day carried a banner headline that read: "MIAMI WARNED OF TROPICAL STORM." The following morning the *Miami Herald* told its readers that hurricane warnings had been posted from Key West to Jupiter Inlet (some distance north of Miami), and that weather forecaster Richard W. Gray had remained on duty until midnight. Hurricane winds might arrive during the next morning or afternoon. By the time the evening edition of the *Miami Daily News* was on the streets, the paper displayed a headline warning that the hurricane would strike Miami.

News of possible trouble for Miami was not long in spreading northward. The *Boston Evening Transcript*, September 18, 1926, reported that the "advance guard" of the hurricane was sweeping Miami. The barometer there had dropped slowly and the wind had risen steadily. At Miami Beach a heavy surf pounded twenty or more feet above the high water lines. On the morning of September 19, the *New York Times* and the *New York Herald Tribune*

had their first reports of the hurricane's strike from a "fragmentary message" picked up by the Tropical Radio Telegraph station at Mobile, Alabama. The station had made contact with Ward liner S. S. Siboney, which in turn, had established communication with a makeshift transmitting plant at Hialeah. The sole information obtainable reported seventy-five persons dead, Miami in ruins, and damage to the extent of \$100,000,000. Miami Beach had been inundated to a depth of three feet, six feet of water covered the County Causeway.

Neither of Miami's two major papers published an edition for Sunday, September 19. The *Miami Tribune*, whose plant the storm wrecked, printed its issues in the plant of a sister paper, the *Palm Beach Times*. No outside account, expressing hostility to Miami, could have been more sensational than that of the *Miami Tribune*, which found Miami "quivering like a broken reed." "Every Building in Miami Wrecked; Sheriff Calls for 600 Troops for Stricken District," it reported. The seventeen-story Meyer-Kiser Building leaned about fifteen degrees toward First Street; it was "so badly twisted" it must be torn down. Cromer-Cassel's huge new department store lay in ruins as did Burdine's. Coconut Grove, Homestead, Goulds, South Miami, all were in ruins.

First reports were grossly exaggerated. The New York *Herald-Tribune* headline reported: "500 DIE, 38,000 Homeless in Florida Storm; Miami Area Swept; Red Cross Speeds Relief." The *New York Times* headline reported: "1,000 DEAD IN FLORIDA STORM, 3,000 HURT; MIAMI WORST HIT; 60 MILE SWATH OF DESTRUCTION LEAVES 38,000 HOMELESS; SCORES OF TOWNS ARE RAZED OR FLOODED; SHIPPING WRECKED."

Before long eye-witness accounts began to appear in out-of-state newspapers. One of the earliest reported the newly constructed El Commodore Hotel as being twisted on its foundation. Reese Amis, a *Miami Daily News* reporter, left Miami Saturday afternoon and made his way to West Palm Beach in a borrowed car. There he filed his story. The hurricane had hit Miami between 2:00 and 3:00 A. M. The weather bureau a few hours before had given warning. The barometer stood at 29.95 inches then and had dropped rapidly to 27.15 inches at 5:00 A. M. when all weather instruments exposed had blown away from the top of the post office. Gray, the meteorologist, estimated the wind velocity at the time at 130 miles per hour. After the first blow, a lull of about an hour and a half followed. The people in the meantime were digging themselves out of wrecked homes and were aiding the

injured. At 7:30 A. M., the second hurricane broke and the damage was even greater, for buildings weakened by the first blow, went in the second.

Ray Jackson, a Negro Pullman car porter, told his story on the train's arrival in New York:

It was the worst thing I ever saw. . . . Our car was right at the station, and from the time the storm hit about midnight Friday until we left at 1:30 Sunday morning, we were right in the middle of it. There were three separate storms. It began to blow and rain just after midnight, Friday, and until about 7 o'clock Saturday morning it was terrible. You couldn't see ten feet in front of you and the wind blew so hard it rocked the car like it was a cradle. . . . Along toward daylight Saturday morning you could see limbs of trees, roofs of houses and great big timbers sailing along through the air. . . . You could set in the car and see parts of houses go sailing by and telegraph poles would snap off right close to the ground.

The Miami Tribune Building was twisted until it hung over the street. . . . I noticed one building that was being erected near the station. It was several stories high and was built of steel. The wind hit it and swished those heavy steel beams all out of shape. It looked like a pile of scrap iron.

Still another eye-witness, who has left us an account, was Kirby Jones, Representative of the American Bakeries Company. Jones had come out of the area on the first train.

It was this lull which indirectly caused much of the casualties. Hundreds of persons, believing the storm was over, started for work. But about 8 o'clock the rain began again and the wind grew more and more violent.

The city was covered with a pall of darkness which obscured everything. Between 9 o'clock and noon the wind velocity reached its maximum. Thousands of homes were ripped from their foundations and the air was filled with flying timbers.

I was in a building seeking shelter from the storm when the roof caved in. There about 150 other people were with me at the time. All of us fled to a school house about a block away. It was a pitiful sight to see that crowd running through the driving rain, barely able to make headway against the terrific force of the wind.

From the mass of conflicting detail, the *New York Herald-Tribune*, on September 24, 1926, pieced together the best account of the storm and the disaster it brought with it. It had originated in the area of the Virgin Islands and had passed swiftly through the Bahamas and the West Indies. On Thurs-

day, Miami felt it would be by-passed but the storm did not turn north as first indicated, instead it turned west toward Nassau and Miami. Although the papers carried warnings, many Miamians had laughed at them, for they remembered the July hurricane that "played hide and seek in the West Indies for more than a week" and then went north to Palm Beach.

Early Friday evening a strong northeast wind had come from Biscayne Bay; by midnight it had reached hurricane force. Many residents of Miami Beach, driving home late, were stranded halfway along the causeway. Two or three dozen of them spent the night huddled together as water came over the causeway. Several automobiles were swept into the bay waters. The last electric lights went out around 4:00 A. M. To that time damage seemed to be confined to the unroofing of a few houses. As the first evidences of dawn appeared there came a lull with absolute calm for thirty minutes. To the newcomers it would seem as if the storm were over; to those who had hurricane experience before, it meant simply that the wind would shortly shift to a different direction and become a "more vicious wind." During the lull many of those who felt the danger had passed started for work or to clean up some of the debris. "None went far. Great waves, tangled wreckage and houses blown across their paths sent them scurrying to safety." The wind had risen again rapidly, this time from the south, and increased in velocity until between 8:00 and 9:00 Saturday morning. The storm had continued for nine hours before subsiding sufficiently to permit search for the dead and injured. Miami's "ornate skyline was twisted into a wild medley of cocked roofs, crushed towers and suspended beams."

The damage to homes and properties in and about Miami was tremendous. After a few days members of the City Relief Committee surveyed damaged areas. They estimated total damage at \$76,000,000, excluding losses in personal property which was expected to run into several millions of additional dollars. Of the estimated 55,000 homes in the greater Miami district about 40 per cent had been damaged. Apartment houses seemed to have fared better. Of 1,800 (estimated number), only 30 per cent were damaged and that damage was principally to roofs. Hotels suffered little structurally but lost their awnings and window glass. On Miami Beach the Flamingo Hotel lost its huge glass dome, the Fleetwood Hotel its wireless antenna (it housed a radio station, WMBF), and the Floridian, Roney Plaza, Nautilus, and William Penn parts of the main roof or roof structures. The Pancoast Hotel suffered more severely with its damage estimated at about \$150,000. In Miami, only one office building was wrecked, the Meyer-Kiser Building, a

\$1,500,000 structure that rose seventeen stories into Miami's skyline. The building was condemned and the order for tearing it down issued. Apparently, its width was out of proportion to its height, and since it was turned broadside to the wind, it buckled. Not an inconsiderable part of the damage was to places of amusement, to tourist camps, and to the small hastily built houses of Hialeah. During the boom when labor and materials were scarce, "anyone who could drive a nail got a job." Bracing was used "sparingly," and the way in which one-story concrete block garages collapsed would indicate that blocks were merely laid one on top of another with just a bit of mortar to hold them in place. State construction engineers agreed that in almost every case of collapse of a house, faulty construction was the cause. Older type of houses had weathered the storm without difficulty. In almost every case of collapse it was a boom house constructed of wood or a Mexican-type house of concrete block, that is, with walls rising about three feet above the roof. When the wind caught and toppled these top sections, part of the lower wall went with them and the whole building collapsed. Running well into millions of dollars, too, was the damage done to landscaping around the more expensive homes. The committee set the figure at \$6,000,000, although the *New York Times* thought the final amount would run several times the first estimate.

Losses in dead and injured for Miami and environs were set in the first few days at 107 known dead, 1,400 persons injured, and 225 missing. In the hospitals of Miami and neighboring communities were currently 450 persons who had been hurt in the storm. One interesting sidelight was the thanksgiving services held in Miami, Hollywood, and Ft. Lauderdale, thanksgiving that the toll was not higher than it had been. Earlier several ministers, locally and out of state, had suggested that God had wreaked his vengeance upon the Godless area, a point not overlooked by a foreign observer who wrote in the *Manchester Guardian* that there was one aspect of "this appalling event upon which we shall assuredly hear a great deal." He went on to point out that to the simpler folk of America the display of wealth and luxury in Miami had seemed to be a denial of the "spirit that ruled America until the other day." Miami and Palm Beach, he said, had been denounced "as the modern counterpart of the Cities of the Plain. Nothing is easier than to foresee the influence of divine [sic] judgment that will be drawn by the millions of plain people who inhabit the Fundamentalist regions." The Reverend Everett S. Smith, however, chided those who would find Divine interference in the visitation of the hurricane. If "He wanted to punish Miami" for wickedness, He would have destroyed more dance halls and fewer churches.

The problems of relief for those who had suffered severe financial loss or were destitute because of the hurricane and reconstruction, unfortunately became involved in politics. The source of conflict seems to have been the fear on the part of some that to publicize the full extent of the damage would have a deleterious effect upon the region's attraction as a tourist center. Just how many persons were affected by the attendant adverse publicity is a matter of conjecture. It is true that the season of 1926-27 was a disappointing one, both from the standpoint of real estate operations and of winter visitors. Miami might well have made a faster comeback, however, had the national depression not been in the offing.

The year 1926 is, in many respects, a more interesting one than its predecessor. If it lacked "land by the gallon, brass bands, barbecues and sales by blueprint," it is the year which saw the completion of a considerable portion of the planning of much of Miami that we know today. It has afforded an excellent opportunity to study the period of adjustment of a community subjected to the shock of a boom. It is interesting to note, too, that not only have the predictions of Miami's recovery from the boom come true, but the extent of Miami's expansion far exceeds even the "wildest claims made by more ardent supporters."