

Commonwealth Land party, of which he was one of the founders, and whose generous help and quiet enthusiasm served to keep alive the energies and devoted labors of others do hereby record our appreciation of his great services; and

WHEREAS, We shall miss at our meetings the wise counsel and unbending spirit which characterized his devotion to the principles of our great leader, Henry George, be it

RESOLVED: that the Executive Committee of the Commonwealth Land party, while acknowledging the debt we owe him as a wise counsellor, do also express the sorrow we feel at the death of a friend who in his long association with us earned our love and respect; and be it further

RESOLVED: That we commend his example to the followers of the movement in other lines of endeavor who may gather inspiration from his stern uncompromising devotion to the full gospel of the great economist whose teachings he had espoused, and to which it was his whole desire to give the most explicit emphasis; and be it further

RESOLVED: That we convey to the widow of our friend our sympathy in her bereavement and assure her that the name of William J. Wallace will remain with us for many years to come as a benison and inspiration.

The Collapse of Land Speculation in Florida

EXCEPT for the evil of land speculation Florida might have today twice its present population. Had land values been taxed, as they should have been taxed, the selling prices of land would have been kept down, and land would have been sold to those who wanted to *use it*; instead of being sold to those who bought it to sell again at a profit. Scarcely one person out of a hundred who invested in Florida land did so with any intention of using it. A desirable lot near a center of population would often cost as much as a house and lot would cost in the north. Many who would have built homes in Florida were prevented by high prices from doing so. Others who thought of going into the country regions and raising fruit or vegetables were also prevented by the high land values. I saw near Miami a large building used as a furniture warehouse which used to be a citrus fruit packing plant. It was put out of business because so many citrus groves had been turned into sub-divisions. Thousands of acres of orange groves have been destroyed, sacrificed to the land speculation fever.

Many who did invest in country property at high prices found their condition like that of Iowa farmers who bought farms during, or just after, the war and at peak prices, and are now going into bankruptcy by thousands on account of high taxes, and interest charges based on fictitious land values.

Many who went to Florida attracted by the real estate boom and who expected to find remunerative employment there have never been able to get together money enough to pay their railroad fare back north. Others who went there and invested their last dollar in lots are similarly stranded.

The collapse of the real estate boom has left a sad wreckage of broken banks, suspended newspapers and bankrupt merchants and real estate developers. There is much unemployment in every part of the state.

In almost every city in Florida heartrending stories were told during the holiday season of the suffering of persons in deep poverty. Appeals made in the newspapers, churches and theatres brought large contributions from well-to-do people, who experienced *that-was-good-of-me* feeling on account of their charity. The relief given lasted during the Christmas season and then the gnawing grip of poverty took hold again, but it has been given no publicity.

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Florida people mistake the *curse* of high selling prices for land, as a *blessing*. How can illness in the body politic be cured when the patient mistakes the disease for a sign of health, and seeks as a remedy the very thing that—caused the illness?

How can Florida people think, as many do, that what is needed for Florida is to “get back on its feet again,” by which they mean a return of high selling prices for land? I suppose it is partly because nearly everyone who went to Florida has bought one or more building lots. Many invested their entire fortune in land. They want high land prices brought back so they can get their money back. But land speculation is gambling, it is trying to *get* something for nothing. And that means that somebody *gives* something for nothing.

Here are some samples of the stories which lured people into the arms of the real estate octopus: John S. Collins in 1912 paid \$12,000 for Miami Beach. He took Carl G. Fisher as a partner and each made about \$40,000,000 out of the property.

In Miami two small houses and a store-house sold in 1896 for \$5,000; in 1920 for \$30,000; in 1920 for \$100,000; in 1925 for \$150,000. In Batavia a man last spring received a letter from his daughter living in Miami which said she would have to move unless she bought the house in which she was living. She could buy it she said for \$7,500. She wanted some financial help from her father, which she got, and she bought the house.

Three or four weeks later she wrote her father that she had a chance to sell the house for \$30,000 and asked his opinion; he telegraphed to “*sell by all means.*”

A week or two later the daughter wrote her father that after receiving the telegram she started out to see what she could find to move into, after she sold. She said she could find only one house that could do at all and that would cost \$25,000 and she did not like it half as well as the house she was living in so she decided not to sell.

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On an Atlantic Coast Line train I met a man from Fort Myers, a town not far from the west coast of Florida and about as far south as Palm Beach. He

is a contractor and runs one of those dredges which make new land out of ocean sand, pumped up from the bay. It costs from \$1,000 to \$2,000 per acre thus made. He said, however, that he bought some land ready made three years before in Fort Myers for which he paid \$4,500. He has since sold off city lots to the amount of \$112,000 and has considerable land left.

Sarasota, on the west coast, where Ringling Bros. own so much property, had a population in 1920 of about 2,000. In 1926 the population had grown to about 8,000 and the boundaries of the city had been increased several times. But the realtors wanted more lots to put on the market, and as lots in Sarasota City would sell better than any lots in Sarasota County they increased the city's boundaries to take in the whole county. This gave them a city of 64 square miles.

One of Sarasota's realtors, when the boom was at its height gave this account of things:

"Sarasota went through the summer and fall months of 1924 with a tremendous selling campaign. A million dollars a day was the average; some days as high as \$2,500,000. Land that was going begging at \$25 to \$100 an acre took on a new lustre and was readily snapped up at \$300 to \$5,000 an acre. Fortunes were being made over night. Widows and orphans, land poor, began to buy self-playing pianos and automobiles with jeweled mud-guards."

So I imagine the realtors had sold to Northern dupes about all the vacant land within the city limits, and so felt the need of 64 square miles more of city property.

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Last winter after the boom was beginning to collapse a meeting of the West Coast realtors was held at St. Petersburg. In a speech made by the President of the Sarasota Chamber of Commerce (a clergyman by the way), he stated that things were not looking very good. A year ago he declared that new arrivals from the north when they reached Sarasota went straight to a real estate office and left their money for investment. Now, he said they look up a hotel or boarding house first, and won't invest any money until they have looked around some. This is not so much of a joke as some might suppose. I know a woman from the north who came to St. Petersburg and left a large sum of money to be invested with a certain real estate agent who was then under indictment for frauds.

I warned this woman that she was doing business with a woman who was under indictment but her answer was, "Even if she were convicted, I would go on with my deals, I have so much confidence in her."

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Assessments in Florida are grotesquely unfair. In 1925 Governor Martin made a speech on Florida real estate assessments in which he said that one property in Miami which sold for \$22,000 was assessed for \$1,200; another

piece sold for \$20,000 which was assessed for \$400, another piece sold for \$24,000 which was assessed for \$490, another sold for \$60,000 and was assessed for \$380.

These are the actual, yet incredible figures, which Governor Martin quoted in his speech.

Income from real estate taxes being small in Florida, and as the state levies no income taxes and no inheritance taxes a large number of nuisance taxes have been devised. A pamphlet issued by the city of St. Petersburg lists 315 occupations and businesses for which city licenses are required at annual fees ranging from \$5 to \$500. Professional men, physicians and lawyers, must take out licenses as well as all kinds of store keepers.

And after one has paid for his city license, then he often must have also a state license.

The last issue of the *Miami News*, a weekly newspaper, contains five or six pages of real estate foreclosure notices. Most of the sub-division sales were made on terms of one quarter down, and the balance in one, two, and three years. But in most cases some of the first, second and third year payments are made.

Lots were bought on the theory, advanced by the realtors, that long before the second payments became due the lot or lots could be resold at a big profit. While the boom was on this often was the case. All the sub-division companies had their re-sales departments and they could cite many instances of profit-making sales.

But suppose you bought a lot for \$2,000 cash and resold it a few months later for \$4,000, terms one quarter down and the balance in one, two and three years. The sub-division agency would take \$400 commission and you would get \$600. Probably none of the deferred payments would be made, and at an expense of perhaps \$200 you could foreclose your mortgage. You bid in the property and regain possession of your lot which has now cost you \$1,600.

As the sub-division company has probably failed, improvement work on the sub-division has ceased, and your lot is probably worth only \$300 and you probably could not sell it at any price.

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Except for the evil of land speculation and a wrong system of taxation, Florida might today have twice its present population. More winter visitors were in Florida last winter than ever before. The charm of its climate is great. It is a modern earthly paradise. All who visit the state want to go back. It needs only a just and scientific application of the taxation principles of Henry George, to make greater strides in wealth and population in the future than it has ever made in the past.

—CHESTER C. PLATT.

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