

Florida's Promoters

The men who made it Big.

Hamilton Disston
Henry Bradley Plant
Henry Morrison Flagler
Bion Hall Barnett
Mrs. Potter Palmer
David Paul Davis
Barron Gift Collier
Carl Graham Fisher
George Edgar Merrick

by Charles E. Harner 1973

Disston's Million Dollar I.O.U. Rescued Florida From Bankruptcy

The first generation gentleman from Philadelphia started the state's development with a "promise to pay"



Hamilton Disston . . . "nation's largest landowner"

When Hamilton Disston went to war, he recruited a whole infantry company to go along with him. When he decided to invest in Florida, he bought up one-ninth the total area of the state.

He established himself, almost a century ago, as the nation's largest landowner, as the financial wizard who saved the State of Florida from bankruptcy and as a model for future generations of Florida promoters.

No one since has come close to Hamilton Disston's Florida holdings: 6,250 square miles. And the price for all that land was just one million dollars — which Disston didn't have and which he didn't pay.

He was one of history's great wheel-dealers, taking chances which would have had a dozen regulatory agencies looking down his throat today and converting a nearly worthless wilderness into one of the world's most desirable living places.

No Takers. The price to Disston was only 25 cents an acre, but until Disston came along, no one would buy it at any price.

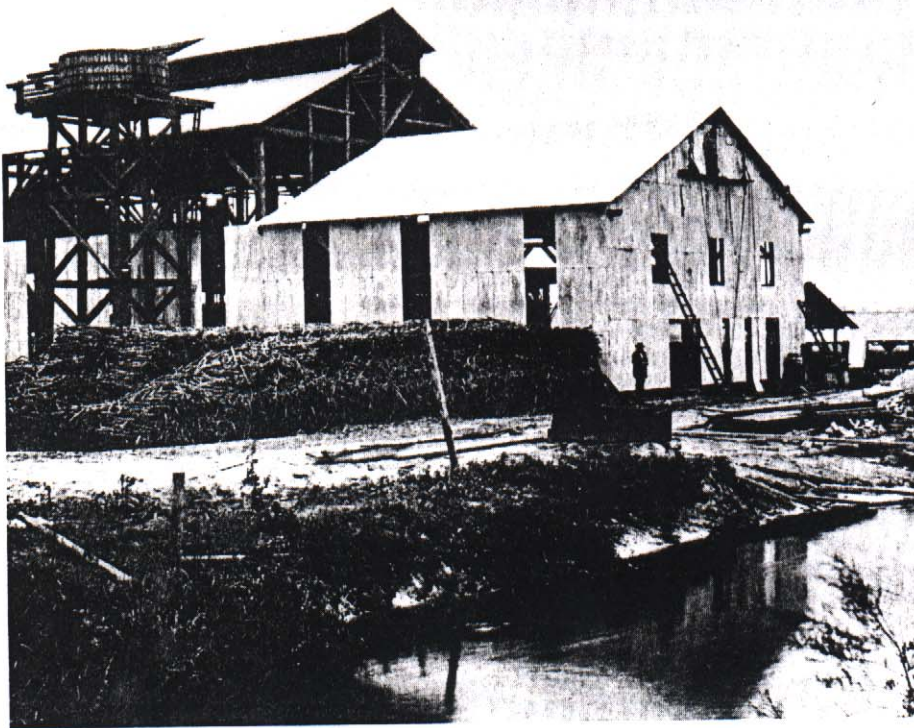
He drained vast marshlands to establish rich farming communities. He colonized with solvent, experienced farmers. He underwrote scientific agricultural research. He planned and began cities. He came close to constructing a waterway across the state from the Atlantic to the Gulf.

But even more important than his own tremendous land developments was his feat of establishing the State of Florida as a responsible government, able and willing to meet its financial obligations.

Before this young Philadelphian looked upon Florida and found it good, very few other people had found it so. The state's bonds were virtually worth-



The "Dirty Mary," left, brought settlers to the west coast. Cane mill, center, made Disston a sugar baron and while citrus farming, lower, Disston tried to protect trees by "boxing" against cold.



less; the state's credit was nonexistent. The state treasurer kept the state's money, what little there was of it, in a New York bank, not trusting any institution close to home. The state's three little railroads were all bankrupt.

With the signing of the Disston Purchase in 1881, the state came to life. With credit restored, outside capital began to flow into the state and the moneyed titans, Henry Flagler and Henry Plant, constructed their own empires to the east and the west of the Disston domains.

Catalyst. And all this happened because of the character of one man.

Apparently, from what has come down to us, Hamilton Disston was a dashing, hell raising anomaly whose staid, English immigrant father considered just about the finest young gentleman to be found. The father, you see, was what the English called "lower class." No one ever called his son that. And the father, Henry S. Disston, was proud to be the father of a first generation gentleman.

Henry Disston's own accomplishments were the stuff of which the American dream is made. Starting as a little boy, he worked as an apprentice in a factory in England and evidently learned something about the heat treating of steel.

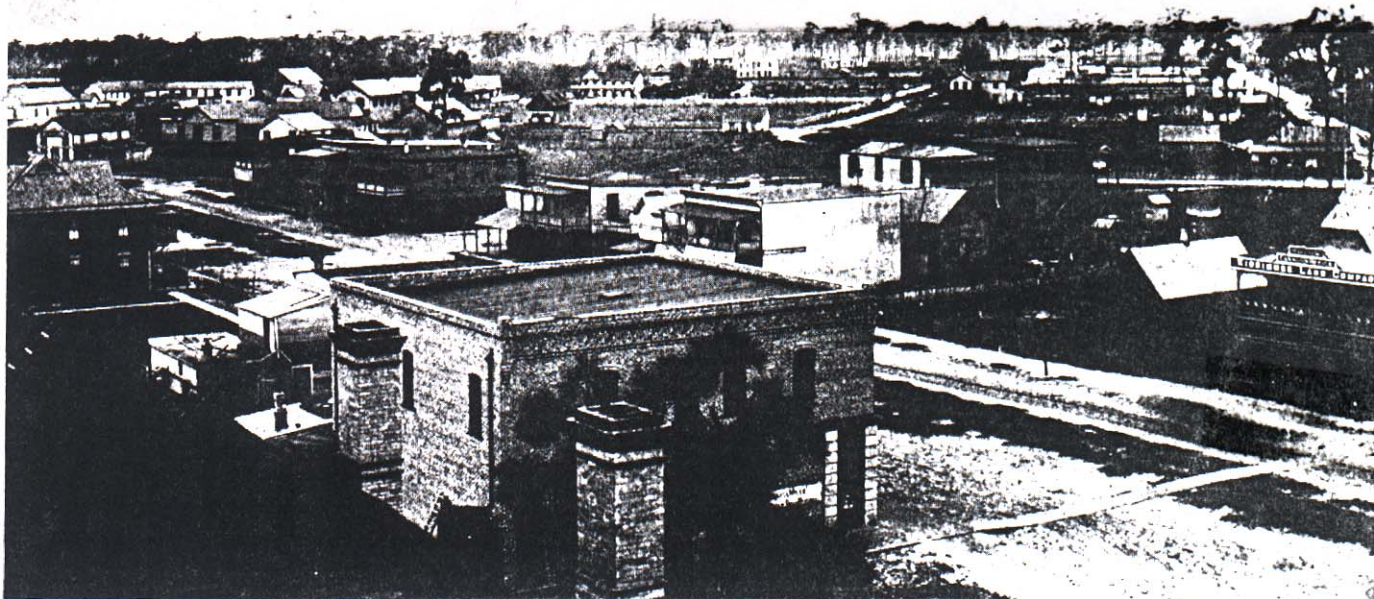
His own father brought Henry to America but died three days after the ship arrived in Philadelphia. Henry was then 14 years old. He apprenticed himself once more, this time to a sawmaker in Philadelphia. But the sawmaker failed and all young Henry got for his work were a few unfinished trowels as his wages.

On His Own. The boy finished the trowels, peddled them to a couple of stores and found himself with a little cash and two potential customers. He



Incorrect -
H. D. had no
middle name

Incorrect -
H. D. developed
heat treating
techniques
in the 1850's
He did not
apprentice
himself in
England



Disston's Kissimmee land offices, extreme right. Note boardwalk in the foreground.

went into business for himself.

Working alone, he started turning out carpenter's saws by hand. He worked out a method of heat treating which he kept a secret and which hardened the steel to a degree which made his saws—and later other tools—keep their cutting edges longer than any others then made.

It wasn't long before he was hiring workers to help him meet the demand for his products. Then he built a small plant and, in honor of the Keystone State, called it the Keystone Saw, Tool and File Works.

Henry's first son, Hamilton, was born Aug. 23, 1844, and put to work while he was still in grade school. Hamilton was a full time paid apprentice when he was 15 years old.

He was 17 in 1861, the year the Civil War began. President Lincoln called for volunteers to put down a rebellion. The streets of Philadelphia suddenly were filled with bands, marching militia and fiery oratory. It was a very tough time for a very able bodied lad to have to work in a mill.

The Army wasn't accepting 17-year-olds then, so Hamilton did the next best thing: he signed up with a volunteer fire company. There were lots of fires in the winter of 1861-1862 and the firemen also had to do a lot of marching and drilling in their bright red shirts and blue pants. It all interfered considerably with Hamilton's apprenticeship.

Henry Disston issued an order to the shop foreman: if Hamilton dodges off to a fire once more, discharge him. So Hamilton kept right on answering the fire bells and the shop foreman never did get around to canning the boss's son.

During the next couple of years, Hamilton twice enlisted in the Army. To his mortification, his loving father twice paid the enlisting bonus and bought Hamilton right back out of the service and back into the mill. Henry Disston probably explained to his son that it was his patriotic duty to help make the saws the Army needed and that there was no future in being shot.

His Army. By now Hamilton was an extremely popular young fellow among his fellow workers. About 100 of them gathered around him, announced they were the Disston Volunteers and enlisted *en masse* in the U.S. Army. Immensely proud of his son, Henry Disston armed and equipped them out of his own pocket. Hamilton served out the war as a private in the company.

When the Disston Volunteers were mustered out, their jobs were waiting for them. A tremendous building boom surged through the nation and Disston saws were premium tools.

Hamilton went back into the factory, but his apprentice days were over. His father made him a junior executive and he dressed like his father in the businessman's costume of the day: silk top hat and black cutaway. But even as he walked among them in that outfit, the men on the benches called him "Ham" and they always did until the day he died. It was something of a scandal among Philadelphia manufacturers.

On Ham's twenty-first birthday, Henry Disston changed the name of the company to Disston & Son. Then, as four more sons reached maturity, the name

became Disston & Sons.

In 1878, Henry Disston died. Ham, aged 34, became president.

Fame. In the next five years, he boosted the company production by 35 per cent, went fishing in Florida and became one of the most famous men in the United States.

Those were very good years for a young man with energy, ambition, an engaging personality, the right connections and a million dollars. Ham Disston had all those attributes except the million. Which didn't really matter, because everybody assumed he had, which was just as good.

That nonexistent million dollars was about to convert a wilderness into the Promised Land.

If there ever was a wilderness, it was Florida a century ago. Heat, swamps, insects, Indians and outlaws made the interior and the southern half of the state practically uninhabitable. The only industry was scrub cattle raising and Florida was a major source of beef and hides for Confederate armies. But it was a sometime source, for many of the stockmen in the southern portion were Union sympathizers able to sell their cattle to Cuba. Most of the War Between the States as fought in Florida was among cattlemen, other cattlemen and rustlers, which last insult applied to most of the cattlemen.

No Sane Man. In 1864 a writer in the *New York Herald* opined: "I am confident no sane man who knows what Florida is would give . . . a thousand dollars to gain possession of all the territory

beyond the St. Johns. No decent man would think of living in the state outside of two or three points on the St. Johns and the Gulf."

In the 15 years after the Civil War, nothing much happened to improve conditions in the state. The census of 1880 counted 269,000 inhabitants, living mainly in Key West, Tampa, Jacksonville and Tallahassee. Except for boats on the St. Johns River, there were no transportation facilities to the center of the state.

Railroads were desperately needed if the state was ever to be made fit for human habitation. With a fine disregard for the economic facts of life, the *ante bellum* powers of Florida had set out to provide those railroads by giving away state owned lands to a number of characters who said they would build rails across those lands — but never did — and by guaranteeing bonds issued by such characters to pay for the construction of the railroads they never built.

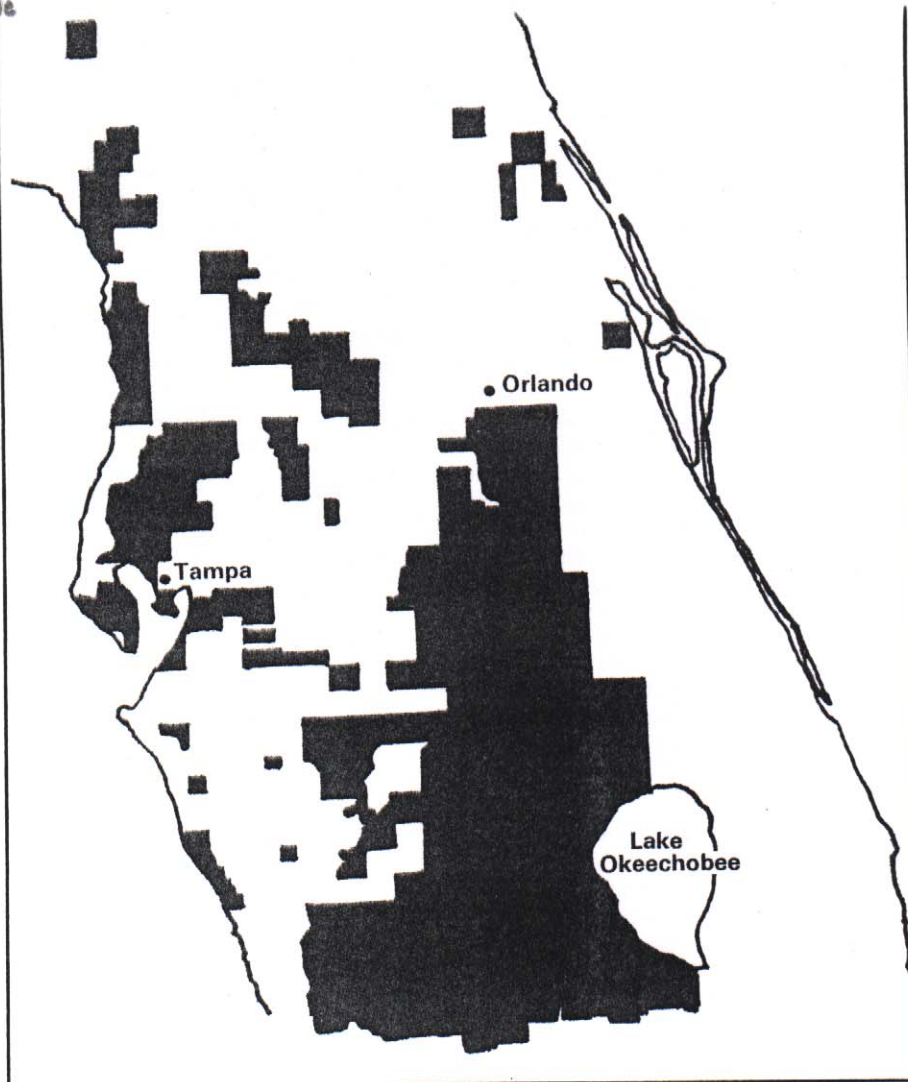
By the time the war was over, every rail bond was in default. Carpetbaggers from the North moved in to scavenge through the financial wreckage, but the only loot available was unwanted land and about 90 miles of bankrupt rail lines. Most of them went back home. A few stayed on to become Early Settlers, regarded with great pride by their wealthy descendants, none of whom would know what a carpetbag looks like.

Crisis. By 1880, the state was faced with the necessity of paying \$1-million interest on \$14-million of bonds. The alternative was bankruptcy and the loss of any possible source of credit with which to keep the state's business functioning.

There could be only one solution: someone had to be found who would give the State of Florida \$1-million.

The state could offer in exchange only one asset — if you could call it that — a portion of 20,000,000 acres of what was officially designated "swamp and overflowed" land which had been given the State of Florida by the federal government in 1850, five years after admission to the Union. Washington had attached only one string: the land had to be drained — but fortunately it didn't say when. No one could say how much of the land actually was swamp and overflowed because not much of it had been surveyed. But there it was and no one in 30 years had wanted it.

These and other public lands were controlled by the state-established Internal Improvement Fund. Its board of trustees was made up of the governor, comptroller, treasurer, attorney general and registrar of state lands. These trustees, by law, had virtual *carte blanche* rights over the disposition of the land.



Shaded areas indicate the vast land holdings of Hamilton Disston. Disston owned more than 6,000 square miles of valuable Florida land at one time. This map is taken from the original sales literature distributed at Disston's Kissimmee headquarters. Further holdings along the lower west coast were not shown on the map.

Drawback. One of the big obstacles to a sale was that the buyer had to drain and convert the swamplands into habitable areas in order to retain title. No matter how low the cost of purchase might be, the subsequent development was bound to be expensive. The purchaser would have to be somebody with a very healthy bankroll.

Back in Philadelphia, Ham Disston's popularity continued to grow. He was admitted into a circle of prominent businessmen and financiers who were active in national Republican Party matters. Disston & Sons contributions to the Party — then only 20 years of age but later to be designated Grand and Old — were welcomed and so was their donor. The inner circle members, a somewhat stuffy group in public, liked to unwind a bit when not in the public eye. Stag fishing parties were their chief delight and

Florida was far beyond the range of that eye. Using one or another's yacht, they headed for Florida and its Keys and the Gulf Stream as often as they could.

They must have been good parties, for the trips were frequent. It's likely that Disston's first view of Florida was over the tip of a fishing rod while trolling down the east coast below Jacksonville.

One of the leading lights of the Philadelphia sportsmen was Henry S. Sanford, a close friend of Gen. U. S. Grant and one of the men who tried to renominate him for a third term in the presidency. The city that's named for him stands on part of a big tract of land Sanford owned on the west bank of the St. Johns River. He was trying to induce settlers to move there but did not succeed very well. But Disston was a willing listener when he told him of the swamp-

lands which were going begging.

First Deal. By February 1881 the sawmaker had gathered together a group of moneyed friends — three from Philadelphia, one from Chicago and one from the territory of Arizona — and had contracted with the Internal Improvement Fund to drain swamplands near Lake Okeechobee. The group was to be repaid with half the land made habitable by the operation.

It would have been a nice deal, except that it was illegal. The trustees couldn't give the declaimed land to Disston or anyone else because all the land was tied up in litigation by the bondholders who were demanding \$1-million and no nonsense. To make their demands completely clear, they petitioned Federal Circuit Court for an order to force the trustees to sell all the land belonging to the Fund.

Governor William D. Bloxham went directly to Hamilton Disston with a solution to the state's dilemma: buy four million acres of this wilderness at 25 cents an acre to give the state \$1-million to pay off the creditors and thereby make legal the free land to be gained from the Okeechobee region drainage contract.

Purchase. It was a sporting proposition which no up-and-coming young tycoon could refuse. On June 1, 1881, Governor Bloxham announced to the world the Disston Purchase.

It was the largest amount of land ever bought by a private individual in the history of the United States.

Disston instantly became a national celebrity. Here was a 37-year-old man-about-town who, by merely signing an I.O.U., had rescued a state from financial obloquy. He was feted at receptions in Tallahassee, Jacksonville, New York and, of course, Philadelphia. Champagne corks popped in his honor. Disston enjoyed both the attention and the champagne. Especially the champagne.

He liked liquor, too, and parties with a lot of people and excitement. And he dreamed dreams of an empire in Florida tied together by water transportation — by rivers and lakes and canals connecting the vast areas of newly drained lands which he planned. He saw steamboats as the answer to Florida's transportation needs, while Flagler and Plant bet their money on railroads.

Flagler and Plant were right; Disston was wrong. But it took him 13 years to find how wrong he was.

Downpayment. A surprising aspect of the Disston Purchase is that although the contract called for the payment of \$1-million, it appears that Disston personally probably never put on more than

\$100,000 to \$200,000. He was wealthy, but he was not a millionaire. He was president of a prosperous manufacturing company, but ownership was shared with his four brothers, and they never were enthusiastic about Florida.

But Hamilton was brilliant and popular, which was much more important just at that moment than the money he promised to pay. He sealed the purchase contract with \$200,000 in cash. The next payment would not be due until Dec. 30, 1882.

Disston now owned "swamp and overflowed" land in 25 counties extending from Ocala to south of Lake Okeechobee and clear across the state. The land was not contiguous and it didn't cover all the counties in which he was granted tracts. Generally, efforts were made to confine the grants to the least desirable lands, but much of the property, when the surveyors finally arrived, was found to be high and dry — some of the best in the state — although conveyed to the purchaser as "swamp."

Canals. The first order of Disston's business was to carry out the Okeechobee drainage contract. He financed the building of two dredges. With one he opened a waterway from Lake Okeechobee to the Gulf by digging a three mile canal to Lake Hicpochee, the source of the Caloosahatchee River. With the other he dredged a 40-foot channel, six feet deep, 100 miles up the Kissimmee River. Other drainage projects, covering hundreds of thousands of acres, branched off from these.

The six members of the Disston group started their venture with a jointly contributed capital of \$600,000. What with the down payment and the way Ham was spending money on drainage projects, the capital was shrinking fast. Chances of meeting the next payment on the Purchase started to grow slim, but the resourceful Disston found a way out. He sold half the property — two million acres — for \$600,000 to an Englishman, Sir Edward Reed.

The state received \$500,000 directly from Sir Edward on Dec. 26, 1882, just four days before the Disston Purchase would have been declared in default. The excess \$100,000 was profit. (Within three years, Sir Edward sold off his Florida holdings — apparently at a loss — to various interests and returned to England.)

Holdings. With only \$300,000 still due the state, the Disston group now was in good financial shape and its holdings still were immense. They extended from Orlando to 25 miles south of Lake Okeechobee and from the Gulf of Mexico on a wide belt along the Caloosahatchee

River up Peace River (then called Peas Creek) and eastward across the Kissimmee River. There were other scattered holdings including much of the land west of Tampa Bay.

A cow camp called Kissimmee, near the source of the river of the same name and at the northern edge of the Disston holdings, seemed to Hamilton to be an ideal site for his headquarters. He built his general office there, then built a residence and there he and his wife, Elizabeth, lived most of the time when they were absent from Philadelphia.

Kissimmee suddenly became an active little city. It was hailed, in fact, by some fast moving land speculators as "destined to be a great seaport." Substance was given to this claim late in 1883 when Disston set up a steamship line with four steamboats running a 36-hour schedule between Fort Myers and Kissimmee. The interior of Florida now was open to the outside world.

The almost incredible part of the steamboat operation is the fact that the ships, their wood-fire boilers and their engines were built in Kissimmee in a boatyard and engine shop set up by Hamilton Disston. Some of the employees never before had seen a ship or a steam engine.

Sugar Cane. With newly built canals being opened almost monthly and vast expanses of black soil appearing, Disston started the production of sugar cane and rice. He planted 20,000 acres of cane and built two sugar refineries, one at Kissimmee and the other on Lake Okeechobee.

Rice raising originally presented something of a problem: the muckland was so rich that the rice grew five feet tall with such heavy heads of grain that the stalks toppled over before the grain matured. Eventually, the proper strain of rice was found and 5,000 acres were devoted to its production.

Disston provided the United States Department of Agriculture with a 40-acre plot on which to experiment with muckland agronomy. It helped open the way for scientific agriculture in Florida.

With Kissimmee established and a water route opened to the Gulf, Disston turned his attention to his Gulf Coast holdings. He sent a surveying party to lay out a city at Tarpon Springs, built the small Tropical Hotel there in 1883 and the three-story Tarpon Springs Hotel the following year. The lumber for the big hotel was cut at the Disston sawmill in Atlantic City, N.J., shipped to the mouth of the Anclote River by ocean freighter, then barged up the river to Tarpon Springs.

A stagecoach line was established to Tampa which Henry Plant had reached with a railroad. Tarpon Springs quickly

became a Gulf resort for wealthy Northerners, many of whom built winter homes there.

Disston City. Then Hamilton decided to build a city which would perpetuate the Disston name. He set aside 12,000 acres on Boca Ciega Bay, had it surveyed with 100-foot wide streets and a big business district, decided it should have 50,000 inhabitants and named it Disston City.

The Disston City Land Co., one of some 20 companies Hamilton formed, undertook one of the most intensive land promotion campaigns Florida had seen to that time. Sales offices were opened in Northern cities and in England, backed up by heavy newspaper advertising extolling the wonders of this new community where 5- and 10-acre farms could produce two crops a year, supporting their owners until the city's growth made such tracts veritable gold mines.

Disston built a wharf, a warehouse, several model homes, three retail stores and a 26-room hotel which he unabashedly named the Waldorf. It had its gala opening on Christmas Eve, 1884. Hamilton brought in friends from the North, business associates and all his local friends. It must have been a dandy party.

Dirty Mary. To bring in settlers and supplies from the rail heads at Tampa and Cedar Key, Disston put into service a coastal steamer built in Pittsburgh and brought down the Ohio and Mississippi Rivers and across the Gulf. He named her the S.S. Mary Disston in honor of his mother. It was a nice gesture, but the folk along the coast where she made her runs always referred to the vessel as either the Dirty Mary or the Nasty Mary and she was a famous smoke belcher for many years.

Hundreds of passengers disembarked from the Dirty Mary to settle in Disston City and environs. But the thousands Disston planned for never came and other promoters eventually dismembered his dream. For some years the community was called Veterans City in an unsuccessful effort to lure Civil War veterans to retire there. Today, although it is neither on the Gulf nor a port, it is called Gulfport and it's hard to tell where it ends and St. Petersburg begins. People say the reason St. Pete has such

builders followed the example of Disston City.

Much of the Disston Land Co. sales promotion was obviously overblown, but the company had fairly conservative policies in its land sales in the interior of the state. An example was a colony of 250 families from New York State which was sold farms of from 20 to 80 acres at Lake Conway. Disston required each family to have \$1,000 in cash for living costs until the first crops could be sold. The farms cost \$1.25 to \$5 an acre.

Experts. Disston farming experts were on hand to advise the colonists on crop planting, cultivation and marketing. It was an intelligent development and the living descendants of those early settlers should be well satisfied with their holdings: Lake Conway is just a half hour's drive on the Bee Line Expressway from Walt Disney World.

In Kissimmee, the Disston Works were turning out not only steamboats but, even more important, dredges. They dug canals and drainage ditches in a dozen places at once during the next 10 years.

The headwaters of the Kissimmee River were connected by canals with lakes Tohopekaliga, Cypress, Hatch-incha, Kissimmee and East Tohopekaliga. There Disston founded the towns of Ashton, Narcoossee, Runnymede and St. Cloud.

Disston even reached the St. Johns River by dredging a canal north from Lake Hart, but he never completed his grand scheme of connecting the St. Johns and the Kissimmee to give Florida waterway from Jacksonville to Fort Myers. He would have had to dredge only about 10 more miles.

As his canals tapped the various lakes, their levels were lowered from eight to as much as 11 feet with subsequent conversion of hundreds of thousands of acres of swamplands into rich farming soil.

Disston dredges opened up most of the farmlands around Lake Okeechobee, dug the first eight miles of the canal to Miami, made possible the cities and villages which ring the lake today and opened the western part of the Intracoastal Waterway across Florida.

As his empire expanded, Hamilton

wherever he went, there was a celebration. Ham could take drink for drink with anyone in the state, was proud of his reputation and did his best to live up to it.

The Crest. Up in Philadelphia, his brothers were increasingly embarrassed by Hamilton's carryings on, but he was the boss and there was nothing they could do about it except produce more saws. Hamilton would visit them once in a while to see that they kept at work, but he preferred Florida.

With all the new lands opening, Disston was acquiring increasing amounts of real property to use as collateral with which to borrow capital for additional developments. Bonds were floated and Philadelphia banks loaned him money. Florida and Disston were riding a boom.

The Internal Improvement Fund, made solvent by the Disston Purchase, did its best to open up the state by encouraging rail construction. It chartered 564 railroad companies seeking land grants from the state. Of these, 251 were built — in whole or part — and 154 actually operated. About half the 154 now are part of the Seaboard Coast Line.

Disston didn't get in on the railroad splurge with its big hotels and big spending winter visitors. He thought Florida's future was tied to farming and water transportation.

Panic. If it hadn't been for the Panic of 1893, with banks and businesses failing all over the United States, Disston might have been as right as the railroad barons. But the Panic was followed by one of the worst depressions the nation has seen. Money got tight and tighter. Banks called in loans. Bonds were defaulted.

Disston kept on paying his people as long as he could, but finally the dredges stopped working and the steamboats quit running. The boss was broke.

On the evening of April 30, 1896, Hamilton Disston attended the theatre in Philadelphia. Afterward, he went home, filled the tub in his bathroom, sat down in the water and shot himself in the head.

The brothers sold off some of the Disston Empire to pay taxes. They sold the rest of the 2,000,000 acres to two men for \$70,000. There's still a Disston company that makes saws, but there are no Disstons in the management.

Hamilton Disston made loans against the SAW Co. to purchase the Florida land. After his death in 1896 creditors came to his brothers at the SAW Co. and demanded payment of these loans. William Disston, then acting President of the Co and unaware his brother had committed the Co., arranged a loan with J.P. Morgan and paid off Hamilton's creditors. The Co. later paid J.P. Morgan while the Disston family was still in control of the Company.

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W. L. Disston 2/18/86