

July 2008

Dear Colleague,

**America's Early Real Estate Speculators**

As we celebrate America's birthday month, we thought we'd explore how real estate both allured and derailed some of the Founding Fathers in their later lives. Of the 55 delegates who participated in the Constitutional Convention from May to September 1787 (which resulted in the United States Constitution), six were major land speculators.

These 55 delegates were a distinguished cross section of early American leaders. Most of them were well-educated men who were prominent in their communities and respective states. Virtually every one had taken part in the Revolution.

The six land speculators were: William Blount (North Carolina), Jonathan Dayton (New Jersey), Thomas Fitzsimons, Robert Morris, and James Wilson (Pennsylvania), and Nathan Gorham (Massachusetts). They were among the first to test the nascent ideals of "life, liberty, and the pursuit of happiness" in the open market, for better and for worse.

William Blount, whom Washington appointed as Governor in 1790 for the territory south of the Ohio River where Blount had speculative land interests, ran into serious financial difficulties by 1797. His ill-conceived plan to engage the use of Indians, frontiersman and British naval forces to conquer for Britain the Spanish provinces of Florida and Louisiana sealed his fate. He was eventually expelled from the Senate.

During the 1780s Jonathan Dayton divided his time between land speculation, legal practice, and politics. Because he owned 250,000 acres of Ohio land, the city of Dayton was named after him.

In 1788 Nathan Gorham and others contracted to purchase from Massachusetts six million acres of unimproved land in western New York. The price was \$1 million in devalued Massachusetts scrip. Gorham succeeded in clearing Indian title to 2,600,000 acres in the eastern section of the grant and sold much of it to settlers. Problems soon arose. Massachusetts scrip rose dramatically in value, swelling the purchase price of the tract. The result was a financial crisis that led to Gorham's insolvency, and a fall from social and political esteem.

During the later years of his public life, the once-prominent Congressman, Robert Morris, speculated wildly, often on overextended credit, in lands in the West and at the site of Washington, DC.

James Wilson specialized in land law and developed a broad clientele. From 1792-1795 he made huge but unwise land investments on borrowed capital in New York, Pennsylvania, and Georgia.

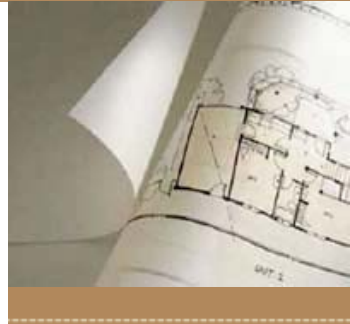
We should be grateful that these men devoted their primary skills to constructing the timeless Constitution we enjoy today. No amount of "bad real estate deals" can diminish their place in history.

(Source: Some of the historical details about the Founding Fathers mentioned are based on information supplied by [AmericanRevolution.com](http://AmericanRevolution.com)).

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**Did You Know?**

**"Thirsty Thursdays" to Benefit Displaced Employees**

On the afternoon of June 26, one of downtown San Diego's landmarks, Kansas City Barbeque, burned down when a pit fire blazed out of control. KCBBO's intrepid owners, Cindy and Martin Blair, look forward to rebuilding their 25-year-old restaurant even better than before. Cindy Blair, AIA, is an architect with Fehlman LaBarre.

In the meantime, friends and fans of KCBBO can gather for "Thirsty Thursdays" on KCBBO's front patio from 5-8 p.m. each Thursday. The address is 610 West Market. Beverages and light snacks will be served. Those wishing to contribute to a "tip jar" that will benefit the dedicated employees of KCBBO may do so. For more information, visit the restaurant's website at [www.kcbbq.net](http://www.kcbbq.net).

**The Albondigas Club Rules**

What began as a small and informal lunch gathering of North County politicians several years ago has become a very popular monthly event. In the words of organizer Ernie Cowan (who took over from the late Jack Orr), "political junkies, political wanna be's, political hangers on, real politicians, political functionaries, political staffers and political influence peddlers" are invited to meet the last Friday of the month at Cabo Grill in Encinitas. The next meeting is scheduled for August 29 (no meeting in July). For more information contact Ernie at [ernie@nsdcar.com](mailto:ernie@nsdcar.com).

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