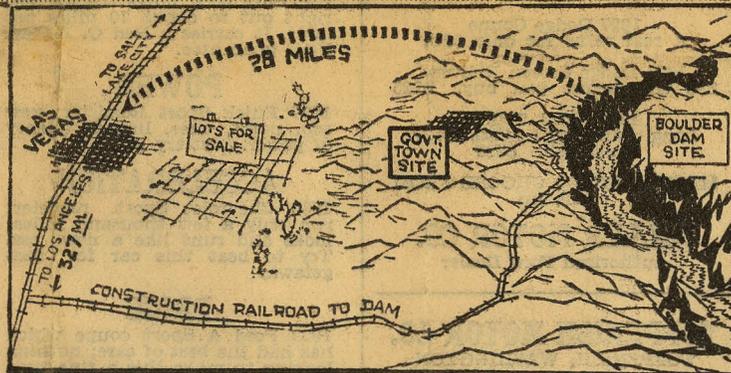
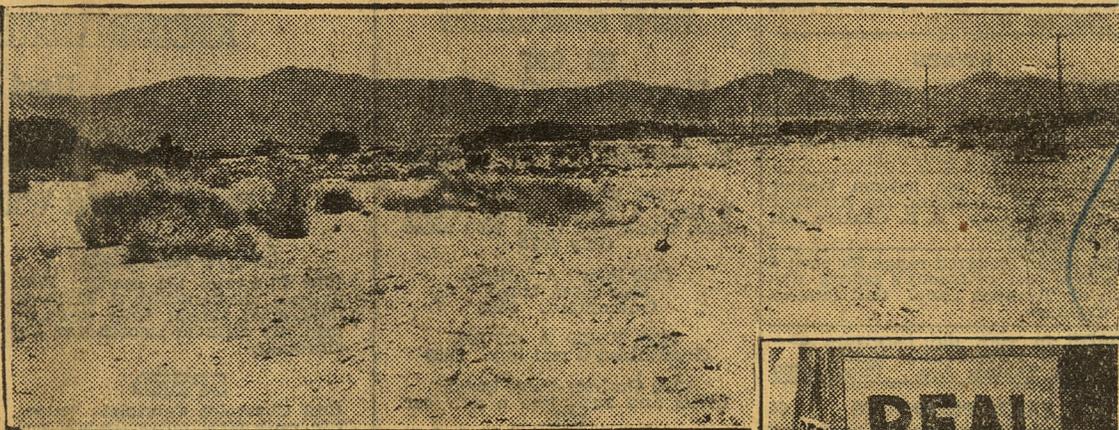


FANTASTIC DEALS HURT LAS VEGAS

Wildcat Real Estate Promoters Fleece Investors in Desert Town



REAL ESTATE

5 LOTS \$1600

125' ON 5TH ST

LEASE

ROADHOUSE

NEAR HERE 15000

75

80 ACRES \$40

NZA

Vegas View is only two miles or so from the city limits—but many miles from town! And, by the way, it was all sold.

Louis B. Spaeth, of the Los Angeles Better Business Bureau, who spent several days in traveling over the entire countryside, says: "Enough lots have been sold so that, if built up, they would accommodate a city of from 350,000 to 400,000. Even the Las Vegas Chamber of Commerce estimates only 25,000."

High Above Water

How about using the lands for agriculture?

B. B. Smith, registrar of the land office, department of the interior, says: "Ninety per cent of the land can not be irrigated." Las Vegas is at an elevation of 2033 feet. The top of the dam is to be at 1100 feet.

The real estate commission of California took steps to check one of the rackets connected with this selling, and now Las Vegas residential lots must be described as to size if advertised in California. The usual 25-foot lot was not big enough for a residence, the commission said.

Promoter in Prison

One promoter ran afoul of federal authorities in his use of the mails for advertising. He was sent to the government prison at McNeill's island, Washington, for 15 months.

Two thousand suckers bought the 24,000 acres in Imperial, six miles from the river. He had bought it for 50 cents an acre. The suckers paid \$5 to \$7. It was worthless. Another real estate promoter operating recently, served time previously for a small fraud in a federal penitentiary.

Men Create Town

Two Chicago operators calling themselves the Southern California Land Co. created a town and sold the land for \$50 an acre and \$10,000 for improvements.

The town was a railroad shack. They had bought the land for \$15 an acre and paid nothing for improvements. An investor parted with a huge sum and then the federal agents caught up with the promoters.

Prosperity May Come

Yet no large measure of prosperity or wealth is to be expected in Las Vegas until the completion of Boulder dam and that is seven—and possibly 10—years away.

The authority for this statement

is the president of the Las Vegas Chamber of Commerce, S. R. Whitehead, who also is recorder and auditor for the county.

Mine Era Foreseen

Whitehead is far from knocking his city. He, in company with almost every other local business man, has a large parcel of land purchased before the boom started and in anticipation of it.

He has, in fact, quite definite foundations for his faith in the ultimate growth of the city. Whitehead envisions the resultant cheap power as the cause of a new mining era.

NEXT SUNDAY: How certain impatient Las Vegans have attempted to set up wide-open city to attract visitors and more about the real estate development that may come when cheap power is available some years hence.

Just out of Las Vegas you encounter the desert, and the above picture shows graphically the type of land on the city's edges that was sold by wildcat real estate promoters as residential frontage and agricultural acreage. The sidewalk sign at the right indicates conditions during the height of the promotion; the 80 acres offered at \$40 an acre only a few years ago was government land worth 25 cents an acre. The map shows the general layout, including the government town that will be built for Boulder Dam workers.

Promoters Fleece Investors in Fraudulent Real Estate Speculations; Boom May Come to Town After Dam Rises

This is the second of three stories on Las Vegas, Nevada, Boulder dam's boom town that failed to boom. Today's story describes the wildcat real estate promotions on the desert land fringing this oasislike little city.

LAS VEGAS, Nev., March 14—(Special)—The fact that Las Vegas today is a boom town that has failed to boom, despite the fact that the site on which the great Boulder dam is to be built is only 28 miles away, is due largely to the fantastic real estate speculations which have brought many a prospective Las Vegan to grief.

But in fairness to local business men, it should be said that these glaring frauds have been perpetrated by outsiders. There is here, as everywhere, a nucleus of permanent and bona fide residents who are not to blame.

Worthless Lots Sell

Scarcely was the ink dry on President Coolidge's signature in 1928 to the act providing for the great government dam and power project, when nearly every available parcel of desert land within 50 miles of Las Vegas became a business or at least a choice residential lot.

Hundreds of investors in distant cities were persuaded to buy as the promoters went to incredible lengths to sell virtually worthless lands. The wildcat real estate promotions of Las Vegas would be humorous except for the fact that many of the suckers can't afford to lose.

Frauds Come to Light

Various incidents have come to light throughout the country, when some investor discovered that his land wouldn't even provide sustenance for the proverbial jackrabbit.

For a comprehensive picture of Las Vegas real estate promotions, board Sam Cashman's sedan for a trip to the dam site, 28 miles away. It is about 33 miles by the auto road. You are soon out of Las Vegas proper, and there's the rub.

Land Dry and Hard

The city is built in an area of approximately 1½ square miles—but the city limits cover 14 square miles. It all looks great on a salesman's map, too. The dry washes, the gullies, the acres covered with hard gypsite through which water will not penetrate, are not shown. Naturally.

At the end of the five or six blocks that form all of Fremont street, the main stem, trees bloom in fertile soil irrigated by underground springs. And then—the car has not moved more than 60 feet further—here is dry, hard desert! And it remains that until you get to the river.

Sub-Dividers Busy

But the fact that the soil is bad and the prospects worse does not deter sub-dividers. You pass tract after tract having survey stakes. And the names—they sound great!

Jericho Heights, for instance, is 10 miles out side of town, a couple of shacks and an artesian well. There you can buy business lots for a hundred or so dollars. The new highway will run through there to the construction town. It is the nearest patented land to this town, the government having closed the rest.

Drive Relates Tales

Cashman's driver, who makes a daily trip, laughs as he regales his passengers with stories of the suckers.

"Some guy in Albuquerque paid \$500 an acre for 10 acres and he couldn't even find it."

Fairview Heights; Artesian Park Estates—they all have attractive names. Then there is Woodland Park, Country Club addition; Grandview addition.

Vegas View Sold

Speaking of views, you should see the layout called Vegas View—a proposition that came to the notice of the Better Business Bureau at Los Angeles. Advertised as adjacent to Las Vegas, it actually was.