LONG KEY

Flagler's Island Getaway for the Rich and Famous

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Prologue

The Top 0.006 Percent

Sixty years ago there were no great fortunes in America, few large fortunes, and no poverty. Now there is some poverty (though few places can it be called pauperism), many large fortunes, and a greater number of gigantic fortunes than in any other country of the world.

—James Bryce, *The American Commonwealth*

John Jacob Astor was the wealthiest man in the United States when he died in 1848. At that time there were only fifty people living in the country with assets worth $1 million; Astor's estate was valued at twenty times that. Forty-four years later, after conducting an eighteen-month survey, the *New York Tribune* published the names and cities of residence of 4,047 people in the United States reputed to be worth $1 million or more. The purchasing power of $1 million in 1892 was approximately equivalent to $26 million in 2012.[1]

The survey relied heavily on subjective estimates and was politically motivated; however, the data provide some insight into the distribution of personal wealth and where the wealthiest people lived. Using the *Tribune* data and population figures from the 1890 U.S. Census yields the following tidbits.

- One out of every 15,562 inhabitants of the United States (.00642%) was a millionaire.
- Three-fourths of America's wealthiest people lived in seven of the forty-four states: New York (1,508); Pennsylvania (379); Illinois (316); Maryland (296); Ohio (207); California (192); and New Jersey (124).

- The remaining 1,025 millionaires were scattered over thirty-four other states; none were reported to be residing in Kansas, Nevada, and South Dakota.
- The largest concentration of the wealthy was in New York City, where there were 1,100 millionaires, one for every 1,374 residents.

In addition to the millionaires identified by the *Tribune*, another source estimates that there were two hundred people who had tens of millions and six who had hundreds of millions in 1892.

The population of people having $1 million or more in the United States remained fairly level through the first decade of the twentieth century and then began to increase, reaching 10,000 in 1918 and 20,000 eleven years later on the eve of the Great Depression.[2]

Many factors led to the extraordinary growth of wealth in the United States during the latter half of the nineteenth century. Immigration caused the population to swell dramatically, providing a pool of laborers and skilled craftsmen as well as more consumers. The rapid expansion of railroads and telegraph systems vastly improved transportation and communications. Discoveries of domestic deposits of valuable natural resources including gold, silver, iron ore, coal, and petroleum, and the development of better techniques for extracting and refining them provided raw materials and lucrative investment opportunities.

American entrepreneurs began to innovate new ways of organizing capital ventures and manipulating markets. Those who recognized opportunities and took aggressive action were richly rewarded.

Astor was one of the earliest of a class of businessmen in the United States for whom the goal was not merely to become wealthy, but to become powerful enough to take control of a given market by eliminating competitors. Industrial espionage, secret agreements for rebates, and the enactment of tariffs and statutes that stifled competition were considered to be tools of the trade in this monopolistic arena. The concept of controlling a product from the source of raw materials to the distribution of the finished item was deployed whenever possible. The most successful of these manipulators grew enormously wealthy, ultimately at the expense of the consumer. They controlled production, set the price, and even decreed who could sell their products, all the while using false-front companies controlled by corporate headquarters to maintain the appearance of competition.

Antimonopoly movements became especially critical in the 1880s of the men who reaped extraordinary profits from such predatory practices. The

most aggressive of these were vilified as extortionists disguised as businessmen and labeled "robber barons" after the medieval barons who erected forts and barriers along the Rhine River in Europe and exacted exorbitant tolls to allow merchants' barges to pass or robbed them outright.[3]

During the late nineteenth and early twentieth centuries, this unflattering title was bestowed on some of the richest men in America including Andrew Carnegie, Charles M. Schwab, Henry Clay Frick, J. P. Morgan, Jay Gould, Edward Henry Harriman, John D. Rockefeller, and Henry Morrison Flagler. Carnegie, Schwab, and Frick made their fortunes in steel. Morgan garnered his wealth in finance and industrial consolidation. Gould and Harriman made their millions in railroads.

Rockefeller and Flagler were partners in the refining and transportation of oil during the industry's formative years. They founded the Standard Oil Company and aggressively guided it to a dominant position in the world market as demand for petroleum products soared, first as an inexpensive replacement for whale oil for artificial lighting and then as fuels and lubricants for internal-combustion engines. Rockefeller became the first American billionaire. Henry Flagler did not amass nearly as great a fortune as his partner, primarily because he did not own as much of Standard Oil as Rockefeller, but when he died in 1913, his estate was valued at $75 million.[4]

His net worth would have been much greater had he stayed in New York, but Henry Flagler chose to spend the last twenty-eight years of his life personally overseeing and funding the development of what was then commonly regarded as a primitive land, Florida's east coast. Four years before he died, Flagler said wryly, "If it wasn't for Florida, I'd be quite a rich man today." Why would he risk his fortune and invest so heavily in such a costly venture so late in life?[5]

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The Clientele

By those crossing from Havana, Long Key is regarded as an oasis where the travelers who have suffered from seasickness may stop to convalesce, lulled by the swish of cocoanut boughs, which movement resembles the sound of falling water. Long Key is reached just before coming to the great viaduct. The cabins cluster around the hotel, each one being named after a fish. The hotel itself is on a genuine "coral strand," and its pillars are of cabbage palms.

The guests minutely inspected the signboards on each little cottage to be sure they were entering the right one; sometimes the name had a curious applicability to the occupant—a cadaverous money-lender emerged from a little house labelled "The Shark." A blooming orator, of ample proportions and rounded outlines, found a home at "The Porpoise," where he was permitted to sport to his heart's content. A lady owning a liberal supply of remarkably large and remarkably false-looking "store" teeth, was lodged in "The Barracoota," named after the only fish known to have teeth, a savage creature that has been known to snap off the legs of a child while bathing. Other names of fish displayed there are the kingfish, sawfish—in fact, every sort of seafish that I could think of except a sucker.

—Mitchell Mannering, "The Hidden Wealth of Florida"

Richard Sutton's characterization of the Long Key Fishing Camp guests as being "old and hardened men" was not entirely accurate. They were a diverse lot of men and women that included entrepreneurs, politicians, businessmen,

and aristocrats, young and old. Zane Grey, President Herbert Hoover, banker Andrew Mellon, and Charles Kettering, inventor of the automobile electric starter, were among the more prominent.

Franklin Delano Roosevelt visited Long Key several times during the mid-1920s, but he never stayed in the camp's accommodations or even went ashore. During the summer of 1921, at the age of thirty-nine, the future president of the United States became paralyzed from the waist down. The diagnosis was poliomyelitis, and he was told that the paralysis would be permanent. Fearing that being seen as a cripple would end his political career, he went to great lengths to avoid being photographed or appearing in public in his wheelchair or being seen carried up steps. Roosevelt did not accept that the paralysis was irreversible and was eager to find a therapy that would restore his ability to walk.[1]

The following March, after trying various medications and remedies without success, he decided to take a month-long cruise in the Florida Keys on a rented houseboat. Although fishing and swimming did not restore his ability to walk, he felt so good physically after the trip that he and a friend bought a used 71-foot houseboat and named it the *Larooco*.[2]

Roosevelt made cruises in the Florida Keys aboard the *Larooco* in 1924, 1925, and 1926, and he used Long Key as a base to receive mail and telegrams, and for provisioning and refueling. There is no record of him going ashore or

Augustus (Gus) F. Meisselbach and his wife were regular guests at Long Key. He and his brother designed and manufactured fishing reels in Newark, New Jersey, for several decades. Gus was an expert at bonefishing. He is the only guest known to have hooked a sailfish and reeled in a 12-foot shark, all on the same bait. Courtesy of Patricia J. Duane.

Franklin Delano Roosevelt (*right*) "bathing" in the shallow water at the Long Key Fishing Camp beach, circa 1925. After he was stricken with polio, FDR made several trips to the Florida Keys and Long Key. Courtesy of the Franklin D. Roosevelt Presidential Library and Museum, Hyde Park, New York.

lodging at the camp. One of Roosevelt's entries in the vessel's log read: "April 5, 1924 . . . went round to the Ocean side of Long Key and had a fine 'bathe' in shallow water—sharks playing outshore from us." Another entry noted the high price of gasoline: "February 18, 1925 . . . Went to Long Key dock for gas—which we found was 34¢ though only 26¢ in Maine."[3]

The higher price of gasoline sold at the marina may have been due in part to the successful breakup of Standard Oil's monopolistic hold on the petroleum industry. In 1911, the U.S. Supreme Court ordered Standard dismantled into thirty-three separate companies. After the dust settled, the Long Key Fishing Camp obtained gasoline from Standard Oil of Kentucky, which was the distributor for Kentucky, Florida, Georgia, Alabama, and Mississippi. They marketed their gasoline using the brand name "Crown Gasoline," a knockoff of the pre-1911 Standard Oil "Red Crown" brand. Standard Oil of Kentucky was strictly a middleman with no production or refining facilities and had

to purchase its gasoline from Standard of New Jersey, which added to the markup. Another factor that increased the cost was that the camp's gasoline was brought in by barge.[4]

In March 1929, New York Yankee slugger Lou Gehrig stayed at Long Key as the guest of N. Jerlaw, a Chicago attorney and expert light-tackle fisherman. Gehrig was a teammate of Babe Ruth and was one of the stars on the New York Yankees team that had won the World Series the previous two years. The twenty-five-year-old first baseman proved to be just as adept on the water as on the playing field and caught a 55-pound amberjack, a season record for the Long Key Fishing Club.

In March 1934, newlywed Gehrig reeled in a 7-foot sailfish while his wife matched his catch of tarpon, four apiece. That summer Gehrig, who was known as the "Iron Horse" because of his durability as a baseball player, collapsed during a ball game and had to be helped off the field. The incident was described as a lumbago attack. He continued to play baseball and had one of his best seasons.

Lou Gehrig made his final visit to Long Key in March 1935. Catches during the visit included a 6-foot, 9-inch sailfish as well as dolphin, kingfish, and mackerel. He had become an enthusiastic light-tackle advocate and fished with his friend from Chicago whenever he could. Jerlaw, a world light-tackle sailfishing champion, thought the athlete showed great promise in mastering featherweight tackle.

On Gehrig's last day at the Long Key Fishing Camp, he and Jerlaw went fishing together for sailfish with extremely lightweight tackle. To their surprise, a large manta ray approached their boat, swimming just beneath the surface. The magnificent animal was estimated to be 18–20 feet across and to weigh about 2,000 pounds. As if sensing that the men could do him no harm, the fish leisurely crossed their wake slipping under the fishing lines that were being trolled. Gehrig noted the irony of the situation later when he told a reporter: "Of course, we couldn't have bothered this fellow, no matter what outfits we had had unless they had been harpoons, but it was certainly incongruous for us to be out there with the lightest deep-sea tackle in the world when we sighted this giant." He added, "My real thrill this time was seeing that manta."[5]

For some guests it was not marine life that kept them returning to the Long Key Fishing Camp. Such was the case of poet and businessman Wallace Stevens, who began visiting Long Key in 1922. During his student days, Stevens aspired to a literary career, and by the end of his junior year at Harvard he had won all of the university's writing awards. Unable to finish at Harvard due to