

1988

## "State of Emergency": Key West in the Great Depression

Garry Boulard



Part of the [American Studies Commons](#), and the [United States History Commons](#)

Find similar works at: <https://stars.library.ucf.edu/fhq>

University of Central Florida Libraries <http://library.ucf.edu>

This Article is brought to you for free and open access by STARS. It has been accepted for inclusion in Florida Historical Quarterly by an authorized editor of STARS. For more information, please contact [STARS@ucf.edu](mailto:STARS@ucf.edu).

### Recommended Citation

Boulard, Garry (1988) "'State of Emergency': Key West in the Great Depression," *Florida Historical Quarterly*. Vol. 67 : No. 2 , Article 5.

Available at: <https://stars.library.ucf.edu/fhq/vol67/iss2/5>

“STATE OF EMERGENCY”:  
KEY WEST IN THE GREAT DEPRESSION

by GARRY BOULARD

**O**N July 1, 1934, elected representatives of the Key West City Council and the Monroe County Board of Commissioners drew up two separate resolutions that said the same thing. The island city, the ordinances declared, was more than \$5,000,000 in bonded debt, with at least eighty percent of its inhabitants on the welfare rolls. City services were reduced to almost a non-existent level as employees went without pay for weeks at a time. Furthermore, the lack of a viable industry to employ local residents, coupled with a greatly decreased island tax base, foretold a dire economic future for the city.<sup>1</sup>

The resolutions said that nine factors led to Key West's economic misfortunes: the loss of cigar manufacturing; the reduction of the island's army base; the abandonment of Key West as a naval base; removal of the Coast Guards district headquarters; abandonment of the city as a port-of-call for the Mallory Steamship Lines' passenger ships; the reduction of freight from Key West to Cuba; the collapse of the island's once-vibrant pineapple-canning business due to higher tariffs on pineapples; the decrease in revenues from the fishing industry as a result of the Great Depression; and the removal of the sponge industry from Key West to mainland Florida.<sup>2</sup>

The resolutions jointly declared Key West in a "state of emergency" and agreed to hand over local powers of the island to the state of Florida and Governor David Sholtz.<sup>3</sup> Key West

---

Garry Boulard is a free lance writer living and working in New Orleans.

1. Marathon *Florida Keys Sun*, July 6, 1934; *New York Times*, July 5, 1934; *Key West Citizen*, July 4, 1934; Harriet T. Kane, *The Golden Coast* (New York, 1969), 76; Joan and Wright Langley, *Key West: Images of he Past* (Key West, 1982), 99; Joy Williams, *The Florida Keys: A History and Guide* (New York, 1987), 125.
2. Durwood Long, "Key West and the New Deal," *Florida Historical Quarterly* 46 (January 1968), 211.
3. *New York Times*, July 5, 1934; Elmer Davis, "New World Symphony: With a Few Sour Notes," *Harper's* 170 (May 1935), 641-42; Marathon *Florida Key Sun*, July 6, 1934; *Atlanta Journal*, September 6, 1934.

was bankrupt, the resolutions said, and its financial plight, as one magazine reporter later observed, "was just about the most desperate in the country."<sup>4</sup>

Through an agreement of dubious legality, Sholtz quickly announced that the entire island of Key West was, in effect, on welfare relief, and hence under the jurisdiction of the newly-formed Federal Emergency Relief Administration (FERA) and that agency's director for the southeastern United States region, Julius Stone, Jr.<sup>5</sup>

Upon acceptance of the resolutions, Sholtz contacted Stone, sending him copies of the city and county documents, and said that since federal relief funds were administered through FERA he thought it wise that Stone act as the government's agent in Key West, heading up rehabilitation efforts there. Stone quickly accepted the assignment from Sholtz, replying that he was committed to helping "the citizens of Key West" once again to 'become self-supporting."<sup>6</sup>

Key West's financial troubles coincided with the nation's, which by 1934 was in its fifth year of the worst economic crisis in the country's history. But the elements of high unemployment, bulging relief rolls, and a dwindling tax base— a potent combination of fiscal trouble that severely tested the financial capabilities of dozens of municipalities throughout the United States— were only part of the island's story. Even without the ripple-effect ravages of the depression, Key West would undoubtedly have faced a troubled financial future in the mid-1930s due to its inability to diversify economically, its reliance upon several dying local industries, and the drop in property values relating to the Florida land boom and bust of the 1920s.<sup>7</sup>

Since its discovery in the early 1500s by the Spanish, who dubbed it "Cayo Hueso" or "Island of Bones," Key West had been subjected to an inordinate amount of financial speculation,

- 
4. Richard Rovere, "Our Far-Flung Correspondent: End of the Line," *The New Yorker* 27 (December 15, 1951), 84.
  5. Davis, "New World Symphony," 644; Rovere, "Our Far-Flung Correspondent," 83; Dorothy Raymer, "Notes & antic-dotes," Key West *Solares Hill* 9 (December 1979), 16; Williams, *Florida Keys*, 125-26; WPA/FERA Scrapbook, I, 8-12, Monroe County Public Library, Key West Archives, Key West, Florida.
  6. Long, "Key West and The New Deal," 212.
  7. Davis, "New World Symphony," 643-44; *New York Times*, August 12, 1934; *Miami Herald*, July 5, 1935; WPA/FERA Scrapbook, IV, 20.

real estate development and redevelopment— even for a Florida community.<sup>8</sup> By 1822, the island was sold for \$2,000 by a Spaniard, Juan Salas, to a Mobile, Alabama, businessman, John Simonton, and during the next century it became an American possession, a haven for pirates and Cuban fishermen, a United States military outpost, and finally, the rainbow's end for colorful entrepreneur Henry Flagler's extension of his Florida East Coast railroad to Key West.<sup>9</sup>

The island's population grew to nearly 2,700 by 1855, when an influx of New Englanders and English Bahamians were attracted to Key West's growing business of salvaging ships wrecked on the coral reefs. In the next five decades, thousands of island residents and Cuban immigrants further contributed to Key West's population boom by becoming part of a bustling cigar-manufacturing business that employed more than 11,000 people by 1910, the same year the island's population passed the 25,000 mark.<sup>10</sup>

Key West also became the home of a vigorous pineapple-canning enterprise, which employed more than 750 residents in 1910, and a sponging industry that hired hundreds of men harvesting millions of sponges, making the island responsible for almost ninety percent of all the sponges sold in the United States. In addition, the island remained an important strategic naval base for the United States government, prompting the flow of thousands of dollars from servicemen's pockets into the local economy.<sup>11</sup>

But by 1930, a series of unfortunate market upheavals threatened to undo the previous century's economic progress in Key West. A federal tariff change in the late 1920s, upping the fee for imported pineapples, caused Key West pineapple can-

---

8. Williams, *Florida Keys*, 121.

9. *Ibid.*, 121-23; David Leon Chandler, *Henry Flagler: The Astonishing Life and Times of the Visionary Robber Baron Who Founded Florida* (New York, 1986), 212-25. Edward N. Akin, *Flagler: Rockefeller Partner and Florida Baron* (Kent, OH, 1988), 210-24.

10. Williams, *Florida Keys*, 123; *Atlanta Journal*, September 4, 1934; Rovere, "Our Far-Flung Correspondent," 85-86; Federal Writers' Project, *Florida: A Guide to the Southernmost State* (New York, 1939; reprinted ed., New York, 1984), 198-99.

11. Williams, *Florida Keys*, 130-31; *Atlanta Journal*, September 4, 1934; Nels Anderson, "Key West: Bottled in Bonds," *Survey Magazine* 70 (October 1934), 312-13; Rovere, "Our Far-Flung Correspondent," 84-86.

ners first to reduce and then eliminate their island operations. Greek immigrant spongers in Tarpon Springs, Florida, reduced their operating costs and produced sponges at a greater rate, thus eating into a Key West sponge market already under siege by the introduction of synthetic sponges on the Atlantic coast. Finally, the once-giant Key West cigar industry largely transferred its operations beginning in the late 1880s to Tampa, where city tax incentives and modern facilities proved an irresistible attraction. Between 1920 and 1930, Key West lost more than 14,000 payrolled jobs due to unforeseen developments in these three most vibrant industrial-based enterprises. During this same decade, the city's population dropped from 19,350 to 12,831.<sup>12</sup>

Where once in the mid-1880s Key West was listed as the richest city per capita in the United States, by 1934 its per capita monthly income was less than \$7.00. On top of the \$5,000,000 bonded debt was a bond interest of more than \$270,000, past due operating expenses of \$150,000, and more than \$113,000 in unpaid city employee salaries.<sup>13</sup>

The abdication of local sovereignty to FERA in 1934 was a matter of fortuitous circumstance. The year before, President Franklin D. Roosevelt had proposed the formation of FERA as part of his New Deal package reforms designed to reinstate morale among the 5,500,000 unemployed workers collecting local, state, and federal relief. FDR wanted, he said, such relief recipients to be "paid in cash for the work that they do on all kinds of public works."<sup>14</sup>

FERA, then, according to its planners, became an agency that not only strived to provide work for the idle relief recipient and served as a mechanism to funnel unspent energies into pub-

- 
12. Langley and Langley, *Key West: Images of the Past*, 99; *Atlanta Journal*, September 4, 1934; Davis, "New World Symphony," 643-44; Anderson, "Key West: Bottled in Bonds," 312-13.
  13. Williams, *Florida Keys*, contends that Key West in the 1880s was "the richest city per capita in America," largely because of a bustling wrecking industry: "The men wore silk top hats, the ladies served suppers on fine china, on occasion, gold plates. All the wealth was wrecking wealth. Indeed, much of the exotic furnishings that filled the houses, and the formal clothes the people wore, came directly from the foundered ships." 123-25; WPA/ FERA Scrapbook, I, 9-14; *Literary Digest*, July 28, 1934; Anderson, "Key West: Bottled in Bonds," 312-13.
  14. Press conference 66, November 3, 1933, *The Complete Presidential Press Conferences of Franklin D. Roosevelt*, 25 vols. (New York, 1972), I-II, 414-15.

lit works, it also was a program masked as "self-help" rather than charity.<sup>15</sup>

According to the intra-departmental FERA rules promulgated by the Roosevelt administration, all FERA funds had to be used by FERA agents to pay directly to relief recipients who "voluntarily" worked a set number of hours per week on a public project.<sup>16</sup> The emphasis, according to both Roosevelt and Harry Hopkins, the national FERA director, was on work and the psychological effect of giving projects to those who were idle, depressed, and despondent. "Give a man a dole and you save his body and destroy his spirit," Hopkins said. "Give him a job and pay him an assured wage, and you save both the body and the spirit."<sup>17</sup>

Hopkins divided the nation into several districts and appointed Julius Stone, Jr., a former New York state welfare administrator, director of the FERA southeastern region, which included Florida, Puerto Rico, and the Virgin Islands.<sup>18</sup>

Stone was a 1926 Harvard graduate who caught both Hopkins's and Eleanor Roosevelt's attention for his administrative talent and skill as a departmental leader in New York in 1933. When Stone arrived in Key West in July 1934, he brought with him eleven FERA staffers, including a public relations writer, several engineers, architects, and city planners, and at least one lawyer.<sup>19</sup>

The challenge before Stone was daunting. Not only was he charged with the economic and spiritual revitalization of the entire city, but he was also immediately placed in the center command position of a constitutionally questionable governmental arrangement which saw all local powers of authority

- 
15. William W. Bremer, "Along the 'American Way': The New Deal's Work Relief Program for the Unemployed," *Journal of American History* 62 (December 1975), 640-41; Arthur Schlesinger, Jr., *The Coming of the New Deal* (Boston, 1959), 279; Edward Ainsworth Williams, *Federal Aid for Relief* (New York, 1939), 91-95.
  16. Williams, *Federal Aid for Relief*, 99; Doris Carothers, *Chronology of the Federal Relief Administration, May 12, 1933 to December 21, 1935*, Research Monograph No. VI (Washington, DC, 1937), 84-89.
  17. Bremer, "Along the 'American Way'," 637; Davis, "New World Symphony," 646; Henry H. Adams, *Harry Hopkins: A Biography* (New York, 1977), 51-55; Schlesinger, Jr., *Coming of the New Deal*, 279-80.
  18. Adams, *Harry Hopkins*, 52; Rovere, "Our Far-Flung Correspondent," 83.
  19. Davis, "New World Symphony," 645; Raymer, "Notes & antic-dotes," 16; Rovere, "Our Far-Flung Correspondent," 85-86.

abrogated to his control. Stone was allowed carte blanche leverage to change or amend the city charter, hire or fire any number of relief workers, and, perhaps most importantly, to use the more than \$2,000,000 relegated to his district from FERA almost any way he saw fit.<sup>20</sup>

Stone gave every evidence of enjoying such unprecedented collective powers; he told the local *Key West Citizen* several weeks later, "With a scratch of my pen I started this work in Key West, and with a scratch of my pen I can stop it— just like that!" He also wisely realized the inherent publicity value of the island's "state of emergency." Within days of Stone's arrival, the FERA press office churned out story after story on Stone's acceptance of the emergency powers and the economic lot of Key West. "I knew it didn't mean a thing," Stone later said of the officially declared state of emergency, "but I thought it sounded pretty dramatic. So did the newspapers. It put us on the front page in practically every city in the country, and a lot of editors remembered the story and kept checking up every so often on what we were doing here. It was the first publicity lift we got."<sup>21</sup>

The state of emergency did, indeed, capture press attention. Within two days after the official city-county declaration, two of the major national wire services reported the story, supplemented by lengthy accounts in the *New York Times*, *New York Herald Tribune*, *Atlanta Journal*, *Miami Herald*, and *Chicago Tribune*.

But Key West's woes would not be solved by any amount of imaginative publicity drum-beating. The island's problems were seemingly infinite, varied, and demanding of immediate attention. Perhaps the greatest short-range demand concerned what to do with the tons of garbage piling up on city streets and vacant lots, long neglected by the garbage haulers who months earlier had resigned their jobs due to a lack of pay. "If someone had constructed small bungalows, say 42 feet x 20 with a 9 foot ceiling, the garbage and trash would have filled 176 such bungalows," one writer observed.<sup>22</sup>

20. Davis, "New World Symphony," 645; Williams, *Federal Aid for Relief*, 50; *Miami Herald*, July 5, 1935; *Marathon Florida Keys Sun*, July 6, 1934.

21. Rovere, "Our Far-Flung Correspondent," 86; Raymer, "Notes & anecdotes," 17; Marvin H. Walker, "Key West Has Its Kingfish," *Florida Grower* 44 (March 1935), 7.

22. Williams, *Florida Keys*, 126.

With the enthusiasm of a Yankee entrepreneur, Stone began to organize the more than 10,000 relief recipients into what he called the "Key West Volunteer Corps." He spoke in front of crowded city hall assemblies and exhorted the downtrodden to "make Key West a spotlessly clean town." Stone told the crowd, according to one of his assistant engineers, "your city is bankrupt, your streets are littered and filthy; your home are run-down and your industry gone. We will begin by cleaning up. Then we will rebuild."<sup>23</sup> Within days more than 1,000 volunteers began signing up, forming a line three city blocks long, to work an average of thirty free hours a week cleaning up the garbage. Within the next several weeks more than 4,000 people had volunteered.<sup>24</sup>

As some twenty trucks were put into action hauling off the city trash and wreckage, Stone began devising more projects to rehabilitate the community and provide yet more work for the FERA volunteers. Stone's wide range of projects exhibited both his ability to target problems that might later be turned to an economic advantage and his proclivity toward whimsical, celebratory theater.<sup>25</sup>

Thus, Stone's program to renovate the small residential wood-frame houses known as "conch houses" won instant popular approval as both an aesthetic improvement and potential money-making venture. At the same time his formation of a Key West Volunteer Corp marimba band and his move to honor Cuban patriots through the El Grita de Yara celebration, complete with athletic contests, a parade, and the coronation of a king and queen, was much less successful.<sup>26</sup>

Stone deemed the home renovations essential if Key West was to recover financially. Key West, Stone said, should exploit its greatest strengths—the natural beauty of the island, the Caribbean climate, and the distinctive, intricate detail of its structural architecture—and become a tourist mecca. But to accomplish this task, he noted, immense improvements to the island requiring hundreds of man hours would be needed.

---

23. *New York Times*, July 22, 1934; Anderson, "Key West," 313; *Atlanta Journal*, September 7, 1934.

24. *New York Times*, July 22, 1934; *Atlanta Journal*, September 7, 1934.

25. *Atlanta Journal*, September 7, 1934.

26. Rovere, "Our Far-Flung Correspondent," 90; Langley and Langley, *Key West: Images of the Past*, 104-05.



Stone's list included, besides the renovation of more than 200 residences into guest houses, construction of a series of thatched huts on Rest Beach for visitors; painting and cleaning several restaurants, pubs, and nightclubs; remodeling the once-elegant Casa Marina Hotel; landscaping the major thoroughfares; planting dozens of coconut palms; destroying scores of dilapidated buildings; constructing a dozen playgrounds, parks, and at least one major swimming pool; creating an experimental farm where relief recipients could learn to grow their own foodstuff; and organizing classes to teach the natives how to make hats, pocketbooks, mats, and other items from coconut fiber.<sup>27</sup>

Almost all of these goals were reached in a remarkably industrious five-month period from early July to mid-December 1934. But FERA's most ambitious innovations came in two seemingly unrelated pursuits in both 1934 and 1935—real estate and art. When government architects discovered row after row of preserved, solid, hand-hewn, wooden residential homes, Stone and his fellow administrators approached the property owners with the idea of renting the houses to winter tourists. As with Stone's accumulated emergency powers, the legal status of the FERA/Key West rents was dubious. There were no provisions in FERA guidelines for entering into contractual arrangements with private enterprise, let alone individual homeowners. But the property owners were eager to lease their homes with the understanding that after the relief workers renovated, repaired, and painted the structures, and FERA realized a profit for such work on tourist rentals, the properties would be returned to their owners with no financial or legal obligations to FERA, save the commitment to continue renting the homes to tourists.

This was a broad interpretive use of FERA funds and manpower, and, for Stone, a harbinger of more financially suspect deals to come. But the concept worked. In the winter tourist season of 1934-1935 enough visitors stayed in the homes to realize FERA's investment and also to give the homeowners a profit. Years later, Stone seemed unconcerned over the potential legal ramifications of the rental-renovations project. "I got away with it," he told writer Richard Rovere, "because we were

---

27. *Miami Herald*, July 5, 1935; Williams, *Florida Keys*, 126-28; Federal Writers' Project, *Florida: A Guide to the Southernmost State*, 199; Langley and Langley, *Key West: Images of the Past*, 99-107.

so far off that no one knew what we were doing, and also because I chose a time when Hopkins was on a long vacation."<sup>28</sup>

Stone's second major innovation evolved from his penchant for publicity. Because tourist brochures in the 1930s advertised certain locations through the means of attractively created sketches and drawings, Stone decided that Key West needed more artists to pursue such creations and that FERA could pay their fees. Even before the formation of the WPA's Federal Arts Project, Key West began, in 1934, its own federally-funded artists colony inspired by Stone. Painting oils and water colors of conch houses, beaches, Cuban fishermen, shady lanes, and restful street cafes, the FERA artists produced colorful, pleasant works, some in the popular Diego Rivera style of the day. Artists such as Edward Bruce, Adrian J. Dornbush, and Bill Hoffman took part in the program. Stone also enticed an island lithographer to reproduce the art on post cards and brochures which were distributed nationally in time for the winter season.<sup>29</sup>

Two final Stone-inspired projects garnered decidedly different results. Under the impression that snow-bound Northerners liked to visit places where the natives wore shorts and rode bicycles, Stone rode around Key West on a bike, wearing his shorts, and encouraging local residents to do the same. But this time his lead was not followed. *Key West Citizen* reporter Dorothy Raymer said the residents of the island thought such attire "laughable." Another writer remembered seeing a FERA volunteer arriving in his undershorts, announcing "If Julius Short can come to work in his underwear, so can I!"<sup>30</sup>

Another technique by Stone proved more lucrative. Placing ads in such newspapers as the *New York Times*, *New York Herald Tribune*, *Philadelphia Inquirer*, and *Atlanta Journal*, Stone wrote that Key West was an island of "fantastic plants, Spanish limes, sapodillas, anemones, dates, pomegranates and coco palm . . . sun-streamed, shuttered, balconied houses, the aroma of ardent tropical flowers and the salty sea air." But Stone even specified

---

28. Rovere, "Our Far-Flung Correspondent," 88; *Miami Herald*, July 5, 1935; Davis, "New World Symphony," 647-48; WPA/FERA Scrapbook, I, 5-25.

29. *New York Times*, March 30, 1935; Davis, "New World Symphony," 646; Raymer, "Notes & antic-dotes," 16; Langley and Langley, *Key West: Images of the past*, 106; WPA/FERA Scrapbook, I, 89.

30. Raymer, "Notes & antic-dotes," 16.

how long a visitor should stay: "To appreciate Key West with its indigenous architecture, its lands and byways, its friendly people and general picturesqueness, the visitor must spend at least a few days in the city; a cursory tour of an hour or two serves no good purpose. Unless a visitor is prepared to spend at least three full days here, the Key West Administrator would rather he did not come."<sup>31</sup>

If the success of Stone's program must necessarily be measured in terms of how many tourists visited the island, rather than through the traditional social welfare prism of how many residents on relief bettered their economic condition, then the FERA/Key West project was a stunning triumph. More than 30,000 tourists visited Key West during the 1934-1935 winter season. In November, December, January, and February the island's hotels had 7,909 guests, compared with 4,264 the year before, an eighty-five percent increase. Passenger travel into the city by plane, rail, boat, and automobile was up by 42.5 percent. One restaurant reported an eighty-four percent increase in business from the season before, while a laundry service said trade was at its highest level since 1926. The peak of the season was reached in February 1935, when hotels counted 3,214 registered guests compared with 1,278 during the previous season. In addition, the national press lauded the Key West project, with the *New York Times* noting that the FERA program had transferred an "old pirate city" into a "clean and shining tourist haven." *Harper's Magazine* described it as "the New Deal in miniature . . . accomplishing something much better than what had been there before." *American Magazine* claimed that Key West might become a "hot-cha roaring whoopee town. If so, all luck with them— certainly that's better than the desolution of 1934."<sup>32</sup>

The FERA/Key West project was also popular within the New Deal bureaucracy as witnessed by the report of a WPA engineer who wrote to Hopkins after visiting the island in March 1935: "This program has completely changed the attitude of

---

31. *New York Times*, December 23, 1934; Williams, *Florida Keys*, 127.

32. *Miami Herald*, April 1, 1935; WPA/FERA Scrapbook, VII, 9; Walker, "Key West Has Its Kingfish," 7; Langley and Langley, *Key West: Images of the Past*, 100; *New York Times*, March 30, 1935; Davis, "New World Symphony," 642; John Janney, "Recovery Key," *American Magazine* 119 (May 1935), 148.

the population of Key West from one of apathy to one of energetic hope. This program bids fair to succeed in rehabilitating a stranded population in its tracks and is one of the most imaginative approaches to the relief problem which I have seen."<sup>33</sup>

In a special brochure produced by the FERA writers and distributed throughout the island at the end of the 1934-1935 winter season the government publicists took note of the successful winter season and claimed: "Nineteen Hundred Thirty-Four began as the darkest year in its history, and the last year, it may be, of the old order with its woes and confusion. What the moral of the story is, the observant visitor will not need to be told. As one of Key West's citizens once pointed out, the day of the pirates is over, and perhaps all the treasure they buried among the keys has long ago been found; but there still is treasure here. It needs only to be discovered, and willing hands to bring it to light."<sup>34</sup>

Perhaps inevitably, though, the casual mixing of private enterprise and government design, coupled with Stone's occasionally boastful pride in his one-man rule in Key West, prompted some critics to look at the FERA/Key West project as socialism in New Deal clothing and Stone as a dictator. Leading the offensive against Stone and the FERA/Key West project was the conservative *Florida Grower* which charged in a March 1935 issue that the "Rule of FERA is the rule of fear." It claimed that Stone was the island's own "Kingfish"—a reference to Louisiana Senator Huey Long, whose Kingfish appellation symbolized both his grandiose manner as well as his strong-arm governing in his native state. "No American city is more completely ruled by one man than is this small island city," wrote the *Florida Grower*, which characterized Stone as a "terrible tyrant. . . . Mr. Stone admits he is the big boss and can do just about as he pleases down there."<sup>35</sup>

- 
33. Weekly report of Joseph Hyde Pratt, regional engineer for the WPA southeastern region of the United States. February 28 to March 6, 1935, Harry Hopkins Collection, Box 56, Florida Field Reports, National Archives and Records Administration, Franklin D. Roosevelt Library, Hyde Park, New York.
  34. Galleys to *Key West Guide Book* (Key West, 1935), 6-7; Key West/FERA collection file, Key West Art and Historical Society Archives, Key West, Florida.
  35. Walker, "Key West Has Its Kingfish," 7.

Many of the reporters and publications claiming that Stone was enjoying his position of power pointed to his remarks as reported in the *Key West Citizen*: "With a scratch of my pen I started this work in Key West, and with a scratch of my pen I can stop it— just like that!" Even as the FERA/Key West project was winning supportive approval in the press, increasing attention was given to Stone's emergency power status. Wire press reporter Harry Ferguson, in a series of articles, charged that Stone was "the king of a tight little empire consisting of Monroe County. . . . Call it a 'dictatorship', a 'kingdom within a republic', or anything you chose." Even *American Magazine*, in an otherwise favorable profile of Stone, felt compelled to point out that he was "in fact if not in law, the virtual dictator of Key West." In addition, author Ernest Hemingway, who made Key West his home in 1931, proclaimed his criticism and loathing of governmental activities on the island in both his 1937 book *To Have and Have Not* and an earlier *Esquire* article. To some, the implication was clear: Hemingway, through his own stated opinions, was anti-Roosevelt, anti-Hopkins, anti-New Deal, and particularly anti-Stone and FERA's projects in his hometown.<sup>36</sup>

The defense in favor of Stone's one-man rule was easily launched, particularly among Florida newspapers more familiar with Key West's plight. The *Palatka Daily News* editorialized that Stone had brought "new hope and life to Key West," calling him a "regular savior, a modern Santa Claus," and attacking the *Florida Grower* article for its "excessive enterprise." The *Daytona Beach News Journal* said Stone's work put a "bankrupt city back

---

36. *Ibid.*, *Washington Post*, April 24, 1935; Janney, "Recovery Key," 41; Ernest Hemingway, *To Have and Have Not* (New York, 1937), 81, 137; Anne E. Rowe, *The Idea of Florida in the American Literary Imagination* (Baton Rouge, 1986), 92-95. Hemingway expresses his anti-FERA sentiments in *To Have and Have Not* through Captain Willie who complains that people cannot eat "working here in Key West for the government for six and a half a week," and through Freddy who observes an unattractive woman and notes, "Anyone would have to be a writer or a FERA man to have a wife look like that; God isn't she awful?" Rowe, *The Idea of Florida in the American Literary Imagination*, claims Hemingway did not like FERA because it represented change in his beloved Key West, 93-94. The *New Yorker's* Richard Rovere said that *To Have and Have Not* was a novel "in which Ernest Hemingway, an outsider who deeply resented the presence here of other outsiders, celebrated the local character and missed no opportunity to pour contempt on the government men." Rovere, "Our Far-Flung Correspondent," 87.

on the map." While a third Florida newspaper wrote, "innuendo cannot besmirch" Stone's record, "Stone need offer no apologies for what has been done at Key West."<sup>37</sup>

What was more difficult to counterattack was the assertion that Stone was irresponsible with government funds, giving loans to several Key West nightclubs and subsidizing a local airline. The *Florida Grower* charged that Stone put up \$15,000 for the renovation of the Casa Marina Hotel, while reporter Ferguson said two island nightclubs were redecorated with money from the FERA treasury. "Nowhere else in the United States is the FERA encouraging wine, women, and song," Ferguson wrote. Stone responded to such criticism by noting that both the airline and the nightclubs needed money to survive, but that all such loans had been repaid. "We are happy to say there will be no loss. . . . We spent less than \$75,000 a month and part of that went for ordinary relief expenses."<sup>38</sup>

Even though the *Florida Keys Sun* charged that Ferguson's reporting was "disgracing a profession," and that the UPI reporter came to his conclusions by keeping his "eyes rolled upward and bedimmed by the bottoms of beer and whiskey glasses," both Stone and FERA were damaged by the criticisms and in danger of losing the positive press support of the previous year. The precarious nature of such public relations was further evidenced when the *Sarasota Tribune* mockingly called for a "regular department of NCER— Night Club Emergency Relief," in reference to the revelation that Stone had made FERA money available to two Key West nightclubs. All one would need, added the *Tribune*, is a "federal grant with which to lease the building, buy the beer, and hire a floor show."<sup>39</sup>

Equally damaging to Stone's cause in Key West were the attacks on the New Deal in general, and FERA in particular, in the national political dialogue. As early as the summer of 1934 conservative writers were charging that Roosevelt's New Deal program represented government rule at its oppressive worst. The conservative *American Mercury* claimed Roosevelt's "Brain Trusters set about saving the capitalistic system with the New

37. *Palatka Daily News*, April 9, 1935; *Daytona Beach News Journal*, May 17, 1935; WPA/FERA Scrapbook, II, 83.

38. Walker, "Key West Has Its Kingfish," 7; *Ocala Morning Banner*, April 24, 1934; *Tampa Morning Tribune*, April 4, 1935.

39. *Marathon Florida Keys Sun*, May 5, 1934; *Sarasota Tribune*, April 25, 1935.

Deal. All they have achieved is to bring the United States nearer to facism." One author, who argued against a second term for Roosevelt, said that FERA made it possible for millions to "accept these glorified soup-kitchens as something permanent. . . . We are landing back where we started, maybe further back. Federal relief and the several agencies under FERA have, therefore, been a flop." According to historian Arthur Schlesinger, Jr., private enterprise enthusiasts during this same period criticized FERA because they thought it might be the "entering wedge of socialism." Whether in response to such criticisms or as a reflection of Roosevelt's belief the government should not encroach upon private enterprise, the administration in 1935 retreated from the sort of activist, broadly interpreted, morale-building relief programs symbolized by Stone's Key West efforts. A conscious attempt to reduce FERA's funding was undertaken, perhaps to quell any business misgivings prior to the 1936 presidential campaign.<sup>40</sup>

Such policy shifts undercut Stone's political clout and sounded the death knell for the Key West project— even after the devastating hurricane of September 1935 which battered the Florida Keys, leaving hundreds of war veterans hired by the Civilian Conservation Corps dead and the vital highway connecting the island with the mainland in collapse.<sup>41</sup>

Although the city of Key West and the Monroe County Board of Commissioners would petition FERA and Governor Scholtz to end the state of emergency and return their powers of government, FERA's Key West project undoubtedly ended sooner than planned. The conflict over its activities and the stated intentions of the New Deal interfered. While all of Roosevelt's reform programs supported the values of a capitalis-

40. George E. Sokolsky, "America Drifts Toward Fascism," *American Mercury* 32 (July 1934), 258; Clayton Rand, *Abracadabra or One Democrat to Another* (Newark, 1936), 19-20; Schlesinger, Jr., *Coming of the New Deal*, 279; Bremer, "Along the 'American Way'," 643-44.

41. Transcript of telephone conversation between Harry Hopkins and a FERA agent, September 5, 1935, Harry Hopkins Collection, Box 56. The hurricane promoted another Hemingway anti-New Deal outburst. In a letter to his editor, Maxwell Perkins, September 7, 1935, Hemingway wrote, "Harry Hopkins and Roosevelt, who sent those poor bonus marchers down there to get rid of them, got rid of them all right." Carlos Baker, ed., *Ernest Hemingway Selected Letters, 1917-1961* (New York, 1981), 186; Carlos Baker, ed., "Letters from Key West," *Tropic Magazine* (*Miami Herald* Sunday supplement), August 23, 1981, 14-15.



FERA officials backstage with the players in a performance of *Pirates of Penzance* in Key West. From left to right, Avery Johnson, Eva Warner Gibson, Julius Stone; Harry Hopkins, Marvin MacIntyre, Janice White, unidentified; and George White. Photographs courtesy of Monroe County Public Library, Key West.

tic tradition and assumed that after a period of recovery private enterprise would absorb the employee load taken on by relief programs, Stone emphasized the merits of collective planning and the advantages of long-range governmental work relief programs. The use of FERA funds, for example, to buttress such private enterprises as an airline service, hotels, and night-clubs went beyond the confines of New Deal methods, and probably ran contrary to the New Deal philosophy. FERA, as with other New Deal relief programs, was designed to limit governmental interference, to give people work only until the economy rebounded. FERA, said its planners, was never intended to become a vast governing agency employing people in work that they may have enjoyed. On the contrary, FERA was designed to provide low-paying jobs for workers whose every move was monitored by a social service agent. Such work, such



pay, and such supervisory methods would eventually prompt all but the most reluctant relief recipients to take work when the private sector offered. With Stone's FERA/Key West project, however, work was often interesting, challenging, and even creative. It was far from a typical FERA program.<sup>42</sup>

Yet Stone's task was not limited to creating work for those on the dole, but to rebuilding a city's economy in hopes of developing the type of city-wide market that would employ hundreds of Key West residents and render such relief programs useless. Stone's concept targeted a long-range goal in Key West, in contrast to the typical New Deal method of attending to immediate problems and assuming better times and a stronger private market in the near future. Viewed as an effort to reconstruct Key West's economic vitality, Stone's program was both innovative and correct. Without the strength of a regular tourist trade, for example, the island had little chance for recovery. Stone, and other community leaders, believed that such industries as cigar-making and pineapple-canning could not be returned to their former preeminence as Key West employers. "It would be a mistake to make it anything but a resort city," Stone told members of the Florida legislature in April 1935. "If you brought in one or two industries, they would drive away the tourists. The industries would not support it [the demand for paying jobs among the residents] and then it would be neither fish nor fowl." Stone admitted to the legislators that his expenditures included such items as paying for home renovations and providing loans to private ventures, but, he explained, "We spent less than \$75,000 a month, and part of that went for ordinary relief expenditures. We have cut the relief rolls about twenty-five percent and saved that much." However, Stone exhibited his lack of enthusiasm for administrative accounting by adding, "It is impossible to say just where ordinary relief expenses end and the rehabilitation costs begin."<sup>43</sup>

Even though Stone predicted the need for continued federal and state funds to keep the FERA/Key West project alive for at least an additional five years, the WPA office in Washington declared in the spring of 1936 that the Key West state of

42. Bremer, "Along the 'American Way,'" 643-44; Davis, "New World Symphony," 652; Jane Perry Clark, "Key West's Year I," *Survey Graphic* 24 (August 1935), 402.

43. *Miami Herald*, April 24, 1935.

emergency would conclude July 1, 1936, marking the return of normal governmental functions as assumed by Mayor William H. Malone, the city council, and the Monroe County Board of Commissioners.<sup>44</sup>

By the fall of 1936, Stone had left Key West to serve as a "trouble-shooter" for a variety of WPA community programs in the southeastern region, while Key West continued its long climb toward recovery, a recovery that by 1941 and 1942 was greatly aided by the influx of servicemen stationed at the naval air base as World War II began.<sup>45</sup>

What writer Elmer Davis called a "history in miniature," and "hope for the future," was over—two years to the date after it began. FERA continued relief efforts on the island, but its rule was now as a submissive branch of the state and city government. Mayor Malone and the city council resumed their elective responsibilities: governing the island, appropriating local funds, hiring and firing city employees, and amending the city charter. Stone's years after the state of emergency were somewhat less distinguished. He returned to Key West in 1940 as a lawyer and investor, but eventually became involved in so many legally suspect financial transactions that he fled the island "practically as a fugitive" for Cuba in 1960. He died in Australia in 1967.<sup>46</sup>

---

44. *Key West Citizen*, June 23, 1936.

45. *Miami Tribune*, May 31, 1936; Canby Chambers, "America's Southernmost City," *Travel* 68 (March 1937), 34.

46. Williams, *Florida Keys*, 127-28; *Miami Herald*, July 27, 1960, July 7, 1962, and September 15, 1970; Key West/FERA collection file, Key West Art and Historical Society Archives, Key West, Florida; Raymer, "Notes & anecdotes," 44. Stone left the WPA in 1937 to return to Harvard to receive his law degree. Upon graduation in 1940, Stone moved back to Key West, establishing his own law firm, Harris and Stone, and eventually serving as an attorney for the Monroe County Commission and the Florida Keys Aqueduct Commission. He became involved in many financial transactions with various clients who sometimes ended up as his business partners. Because he had a variety of real estate and business investments, Stone maintained a number of bank accounts reflecting his varied financial interests. Reporter Raymer said Stone "juggled all of his diversified financial schemes with wily skill for more than a decade," but "ultimately, his wizardly juggling of a wide range of business interests and investments became too complicated. He began to lose control of the precarious balance system. In short, money acquired for one thing was put into something entirely different, and some investors sustained losses. In a number of cases, invested funds disappeared entirely." In 1961 the Internal Revenue Service filed a \$125,251 lien against Stone for income taxes owed from 1955 to 1959. But by that time Stone had liquidated all of his Key West

But the FERA/Key West project remained a case study in a municipality's comprehensive rehabilitation. Through an unprecedented cooperative effort between a federally-funded agency— however far astray from bureaucratic rules that agency went— and established private enterprise, Key West was able to discover the merits of a new island-wide commerce, greatly reduce local relief rolls, and substantially increase its self-sufficiency. The Key West that went from a sponging, cigar-manufacturing, and pineapple-canning center in the 1920s to one of Florida's most consistently popular tourist havens in the decades following World War II could trace the origins of its transformation to one man— Julius Stone, Jr.— and the unusual, controversial, rehabilitative efforts of FERA during the two years of the island's state of emergency, from 1934 to 1936.<sup>47</sup>

---

properties. Raymer called Stone a "clever attorney, as well as a sharp businessman," whose life in Key West in the 1940s and 1950s was a "chronicle of wheeler-dealer expansiveness." Joy Williams is more direct. Stone, she writes, "had managed to represent and bilk just about everyone in town. In 1960, the master of the shady deal fled." See Williams, *The Florida Keys*, 127.

47. Florida Writers' Project, Work Projects Administration, *A Guide to Key West* (New York, 1941), 22-23, 52-53; *Time Magazine* (April 11, 1938); Key West/ FERA collection file, Key West Art and Historical Society Archives, Key West, Florida.