Once the teenaged Henry Huntington entered the business world, his uncle, Collis Huntington, soon became the most important figure in the young man's life. When the lure of greater opportunities brought Henry to New York City, the friendship between the two men grew. Sensing a competence in his nephew, Collis provided Henry with a management position in a sawmill and several years later brought him into the railroad business. But Collis was much more than an employer; he became Henry's teacher and guide as well as his close friend and role model. Under his tutelage, Henry developed into a highly skilled and knowledgeable administrator.

Early in his life, Henry exhibited a drive and determination to succeed. At twelve years old, he struggled with his English lesson one day and afterward wrote his sister: "I intend to go through my grammer [sic] tomorrow and then commence it again the next day for I intend to go through it again and again for I want to learn to talk correctly as I have not learnt yet."1 This trait carried over from the schoolhouse into the business world.

The fourth of seven children, Henry, usually called Ed or Edwards by his family, was born on 27 February 1850 in the village of Oneonta, New York. His father, Solon Huntington, had migrated from Connecticut to Oneonta—a town of approximately two thousand residents—in 1840 in search of new opportunities. The following year he opened a general store.2 Henry's mother, Harriet Huntington, was the daughter of a physician from Burnt Hills, New York. The Huntingtons, an old-stock, middle-class merchant family, traced their English ancestors' arrival in America
back to 1633. Besides his mercantile activities, Solon was a part-time farmer and land speculator. Conservative by nature, he did not have the entrepreneurship needed for great financial success. Solon’s younger brother, Collis, on the other hand, did. It was Collis, a forceful and astute businessman, who had the greatest influence on Henry’s early business career.

Collis P. Huntington was a partner with Solon in the general store in Oneonta in 1845. The business prospered, but Collis, lured by the discovery of gold in California, headed west in 1849. In Sacramento, Collis set up a branch store of the Oneonta partnership, which Solon kept stocked with goods. Soon, however, Collis dissolved this partnership and joined Mark Hopkins, “the firmest friend Collis would ever have,” in the hardware business.

In 1860, Collis Huntington and Mark Hopkins heard Theodore Judah describe his plans for building a transcontinental railroad. Charles Crocker, another successful Sacramento merchant, and Leland Stanford were also present. In June 1861, the Central Pacific Railroad of California was incorporated, and its capital stock was fixed at $8.5 million, or 85,000 shares at $100 each. The company initially sold only 1,580 shares, on which only 10 percent had been paid. Of the initial subscribers, Huntington, Hopkins, Crocker, and Stanford each held 150 shares. Stanford was named president, Huntington was vice-president, and Hopkins became secretary.

The following year, Congress passed the Pacific Railroad Act, which gave federal aid to create the country’s first transcontinental railroads. The Central Pacific was to build east from Sacramento and the Union Pacific from the Missouri River west. Promontory, Utah, was the eventual meeting place. The federal government’s aid to the railroads took the form of massive land grants and huge loans. Money, in the form of thirty-year, 6 percent bonds, was advanced to the railroads for each mile of track completed, with the amount varying from $16,000 to $48,000 per mile depending on the terrain. The loan, however, did not become available until forty miles of track had been laid.

Sanguine about the future of their railroad, the men of the Central Pacific held ceremonies on 8 January 1863 to mark the beginning of construction. Stanford, now the governor of California, assured onlookers there would be no delay in connecting the West to the East by rail.

But the Central Pacific officers failed to raise enough capital through sales of stocks and bonds on the West Coast to finance con-
struction of the first forty miles of track, the minimum required to receive the loan from Washington, D.C. In December 1862, Collis was dispatched to New York City to seek additional financing as well as purchase materials. Political trips to Washington, D.C., to lobby the railroad's cause were also frequent during his years in New York. His stay in the East was originally considered temporary, but Collis's success in raising money and in encouraging Congress to pass a more liberal railroad act in 1864 made his presence invaluable, and he made New York his permanent home.  

From his arrival in New York until mid-1869, Collis was occupied with his job as financier and purchasing agent of the Central Pacific. But as the transcontinental railroad neared completion, Collis's workload decreased and he was free to consider other ventures. Following the joining of the Central Pacific to the Union Pacific on 10 May 1869, Collis was visited by Harvey Fisk and Alfrederick Hatch, partners in a brokerage house. Fisk and Hatch had assisted Collis in the sale of millions of dollars of Central Pacific and federal government bonds. These men had also supported the bond price by purchasing the securities on the open market when it appeared their value might fall. For these services the Central Pacific owed this banking house over a million dollars. Under such circumstances, Fisk and Hatch called on Collis and presented a recommendation. Collis, fully aware of their previous aid, was a willing listener.  

The partners introduced Collis to a representative of the financially troubled Chesapeake and Ohio Railroad (C&O) who hoped to entice Collis to rescue the floundering railroad. Unable to assist the C&O alone, Collis formed a syndicate and presented his proposal to General William C. Wickham, head of the C&O. The general accepted the offer in November 1869; Collis was named president, and Wickham became vice-president and general superintendent.  

It was to this man, the shrewd and dynamic Collis Huntington, rather than his father, Solon, that Henry Huntington looked for inspiration. Childless, Collis became in effect a surrogate father after Henry moved to New York City in 1870. Thus began a close mentor-student relationship that lasted until the death of Collis in 1900. Under the guidance of his uncle, Henry received some of the best practical management training of his day—working for several of Collis Huntington's railroads.  

In obtaining a job from Collis, Henry was not exceptional. Over the years Collis employed many young relatives in various
capacities. Only Henry rose to a position of great responsibility, however. Undoubtedly one key to Henry's rise was this connection with a powerful relative, combined with initiative, hard work, self-confidence, and a fierce determination to succeed. The years Henry spent working under his uncle provided him with an important apprenticeship where he took to heart many maxims that he followed throughout his career.

Henry's first business experience was a part-time job in an Oneonta hardware store. At seventeen, he went to work there full time. He stayed with this firm for two years, leaving in 1869 to take a position in his brother-in-law's hardware store in the small town of Cohoes, New York. Unhappy in Cohoes, Henry left in February 1870 to look for a job in New York City. By May, he was employed at Sargent & Co., hardware manufacturers and manufacturing agents, as a porter. He wrote home explaining that he had taken the job for lack of other opportunities: "I wanted to get into someplace soon as it was getting lonesome here doing nothing, and I proposed to Uncle [Collis] that I should go there till I could do better." 

Henry's letters home during this period reveal his close relationship with his mother. He sent her notes frequently, often describing commonplace matters and usually making reference to his religious beliefs or church activity. After discussing his new position, he wrote, for example: "I thank you mother for the interest that you take in me and you may rest assured that love is returned. I think that if I ever amount to anything, I owe it all to my parents and my God."

While employed at Sargent & Co., Henry spent much time with Uncle Collis. Henry's work day was 8:00 a.m. to 6:00 p.m., but he often passed his one-hour lunch break at his uncle's office. Many weekends were spent with his Uncle Collis and Aunt Elizabeth. These frequent visits gave rise to a special bond between nephew and uncle. Henry often sought his uncle's advice and believed Collis would watch out for him. "I asked him what he thought about me staying at Sargent & Co., and he said that I had better stay awhile yet, for it would be worth more to me to work for nothing here than for twelve dollars per week out in the country. He said he was thinking what he should do for me and told me not to be in any hurry. I think Uncle will do what is right with me if I try to help myself."

The wage for beginners at Sargent & Co. was usually three dollars per week, but Henry anticipated that "they will pay me more
on account of knowing the good will of Uncle Collis.” It was wishful thinking. He received the standard salary, which consistently fell short of covering his living expenses. The difference between his $3.00 weekly earnings and his seven dollar per week room and board was made up by his meager savings, some help from his parents, and money from Collis. Fiercely independent, however, Henry was uncomfortable in this situation. “I got twenty dollars from Uncle Collis yesterday, yet I do not like to get money from him and it seems like begging, yet I do not think that he would like it if I were to leave here he seems so willing to help me all the time. Yet I am getting to the age that I do not like to feel dependent on anyone.” Nonetheless, Henry remained dependent on monetary support from his benevolent uncle for the remainder of his stay in New York City. He decided in July that the only way he could accept more money was in the form of a loan, which he promised to repay.16

Although Henry felt underpaid, he stayed at Sargent & Co. because of his uncle’s advice. Then, as he had hoped, Collis rescued him from the hardware business. Collis Huntington, almost always a good judge of people, discerned an adroitness for business in Henry. In April 1871, Collis took his nephew on an inspection tour of his expanding eastern railroad system.17 The Chesapeake and Ohio Railroad was the heart of this network. After Collis obtained charge of this railroad in November 1869, he set out to execute the previously planned C&O construction—a rail line from Virginia west to the Ohio River. This was the first of many extensions that, combined with purchases of bankrupt railroads, was designed to create a continuous line north through Memphis, Paducah, Louisville, and Cincinnati; it then would run through St. Albans, Covington, and Richmond to its Atlantic Coast terminus at Newport News.

While surveying his burgeoning transportation empire, Collis noticed a small sawmill located on the Coal River just outside the railroad connection at St. Albans, West Virginia. An abundance of timber was available nearby, and Collis thought that if this mill were expanded it could guarantee a supply of railroad ties and trestle supports for his growing eastern railways. He promptly purchased the mill and the surrounding land and offered his nephew a promised opportunity.18 Eager to work for his uncle, Henry, now twenty-one, accepted a job as manager of the St. Albans sawmill. So began Henry’s almost continuous thirty-year association with Collis Huntington’s enterprises.

In May 1871, Henry moved to Coalsmouth, West Virginia. Ini-
tially he concentrated on increasing the production of railroad ties. He hoped to cut three hundred logs per day; to accomplish this goal, he decided to run the mill both day and night. Henry immersed himself in the new job and worked long hours. Skeptical at first, the thirty or so mill employees became impressed with their young chief’s hard work. Henry, in fact, lowered the cost of production, and the St. Albans mill soon produced ties more cheaply than surrounding plants.

All seemed to be going well for Henry. In January 1872, he returned to Oneonta and New York City for a visit. In the city, he became engaged to Mary Alice Prentice, the sister of an adopted daughter of Collis Huntington. The engagement and subsequent marriage on 17 November 1873 further cemented the relationship between uncle and nephew.

Henry’s hard work at the mill continued to impress his uncle. Early in 1872, Henry expressed his single-minded devotion to business in explaining to his mother why his visit to New York had to be cut short: “For you know mother that anyone attending to business must be punctual if they [sic] succeed.” Several months later, his actions illustrated his dedication. On 20 May 1872, a flood washed away thousands of dollars’ worth of timber from lumber mills along the river. Henry managed to save all his lumber, however. Resourcefully, he beat nature by tying the logs into fifty rafts and securing them to shore. He recorded the incident in a letter to his mother:

There have been great losses here, some parties have lost three or four thousand dollars worth. Everyone has said that it was impossible for me to save a stick of my timber but I showed them different. Before I got through I got but nine hours sleep from Sunday morning to Thursday night. But I did save all my timber and the inhabitants said that it was something that had never been done before.

After a successful beginning at the mill, Henry formed a partnership with S. P. Franchot—the son of Richard Franchot, a friend of the family and chief Washington lobbyist for the Central Pacific Railroad—and together they purchased the lumber mill from Collis. Henry’s investment was financed by Collis, who allowed his nephew to pay the purchase price at a later date. Collis had high hopes for his nephew: “I am glad to hear that your prospects for business are so good, but I did not expect anything else.”

The partnership, however, did not fare so well. Henry’s independence and his desire to operate the mill on his own created
problems between the two young partners. These strains were com-
ounded by the Panic of 1873 and the subsequent economic down-
turn, which hurt the firm of Huntington and Franchot. By June
1874, each man was blaming the other for the mill’s failure to
prosper, and each wished to dissolve the partnership. But Collis,
thinking that business conditions would soon improve, persuaded
the partners to stay together. Collis’s hopes for an economic re-
bound were overly optimistic, the firm’s debts mounted, and he was
eventually forced to take the mill back at a loss in 1875. Free of
ownership, Henry returned to his former position as manager.

Regardless of these difficulties, Henry remained self-confident.
Not satisfied with serving as the mill manager, he wrote Collis: “I
am anxious to be doing something better than I am doing now and
think I could do well merchandising.” Henry asked his uncle for a
loan to start up a new business, but Collis was unable to spare the
money. Henry then sought another position from his uncle where
“I would be useful to you and you could help me.”

When nothing materialized for Henry, he left the mill in 1876
for Oneonta to aid his ailing father in his business affairs. This hia-
tus from Collis and his companies was brief; the business relation-
ship between nephew and uncle resumed in 1881.

Although the sawmill episode was one of Henry’s few business
failures, it illuminates two key traits already surfacing in the young
entrepreneur. First, Henry’s independence and desire to run busi-
bness affairs his own way made it difficult for him to work for, or
even with, anyone else. Second, there appeared to be one excep-
tion to this rule: Henry could work well for, and with, his uncle,
Collis Huntington.

Henry’s first business experience with Collis was not, however,
a total failure. Learning the importance of self-reliance, cost cut-
ting, and efficiency, he had shown signs of promise. This potential
opened the door for a railroad career in his uncle’s empire. In July
1881, Collis decided to give his favorite nephew another opportu-
nity. Collis was expanding his eastern railroad system east to New-
port News and south to New Orleans. Once completed, he planned
to link this network with the Southern Pacific under construction
from California to create his own transcontinental railroad. But
the Chesapeake and Ohio remained financially troubled, and the
company went through a reorganization in 1878. Collis remained
in control, and the new C&O owned tracks running from Rich-
mond, Virginia, to Huntington, West Virginia. From 1878 to 1880,
Collis built tracks between Richmond and Newport News and fin-
ished laying rails from Huntington, on the Ohio River, through Lexington to Elizabethtown, Kentucky. Then, to hasten the growth of this system, Collis purchased the Kentucky Central and a number of other regional railroads then in receivership. The bankrupt roads were merged into the Chesapeake, Ohio and Southwestern, and the new company owned a line between Elizabethtown, Louisville, Paducah, and Memphis. Additional construction was needed to connect these various properties and form a through line. Henry was appointed superintendent of construction for this stretch of road.

The new superintendent set up an office at Trimble, Tennessee, and although he had no formal engineering experience, Henry completed the task of laying fifty-four miles of track in July 1882. While overseeing this work, he frequently received warnings from Collis to avoid unnecessary costs or extravagant spending. Henry reassured his uncle: “I think I have received one hundred cents worth of labor and material for every dollar paid out.” But this was not all that pleased Collis. Deft at handling new situations, Henry finished the job nearly two months ahead of schedule by noting inefficient work practices and correcting them. After seeing a large number of men unloading railroad ties, Henry reasoned that by decreasing the size of the work crew and increasing the space between the workers, the job could be done more quickly.

Years later, one of Huntington’s assistants paid tribute to Henry in his first railroad job:

I wish to express my best wishes for the good health and happiness of my dear friend and boss, Mr. Huntington, for whom I worked twenty-three years since as his Principal Asst. Engineer of Construction. . . . He is the one you should be proud of. I am proud to be able to say I worked for him three years without being fired. But I did not work half as hard as did Mr. Huntington. He never stopped working.

Henry thought his labor was bearing fruit. He wrote to his mother in October 1882: “I received an encouraging letter from Uncle Collis about my work here, which was very gratifying to me. I have never worked harder than I have on this work and have more to continue with and I cannot tell you how gratified I am to know that he appreciates [me], and I feel fully repaid for my labor.”

Henry followed his triumph on the Louisville to Memphis line with more construction work. In Kentucky, Henry laid rails from Paris to Livingston, thus opening a rail connection from Livingston to Richmond. Then working as the construction engineer for the
Kentucky Central Railroad, Henry supervised the completion of the 143 miles of track between Ashland and Covington. In March 1885, Collis looked to Henry to revitalize the struggling Kentucky Central (KC); the nephew accepted the position of superintendent on the condition that he be allowed to run the railroad his own way. When the KC passed into receivership several months later, Henry was appointed receiver of the railway and then promoted to vice-president and general manager.

In his new post, Henry learned two more lessons: first, make use of the latest technology; second, reinvest earnings back into the firm. When he took over the railroad, the number of operable freight and passenger cars was declining and many of the usable cars were antiquated. Much of the roadbed was in disrepair. These elements, plus tough competition from the Louisville and Nashville and the Illinois Central, cut into the KC's earnings.

In order to remedy the situation, Henry purchased new, updated cars and renewed the roadbed. To regain the losses in the valuable freight-carrying business, the vice-president lowered shipping rates and rapidly expanded his freight car fleet. Sometimes, Henry employed shrewd and even devious methods to fight the competition and obtain additional traffic. In later years, he often recounted one episode of which he was especially proud. Henry suggested that a heavy shipper who used a competing railway line have a switch line built connecting his warehouses to the railroad. The merchant agreed but said he would continue transporting his goods over the other railway. Henry said that was fine; he built the switch and promised to transfer the merchant's cars to the competitor's line. When the switch was completed, Henry prepared to transfer several of the merchant's cars but informed him the charge would be $100 per car. However, if the cars were carried on the Kentucky Central, there would be no switching fee. The merchant, not wishing to pay the fee, began sending his freight over the KC.

While Henry increased revenues by enlarging the KC's amount of freight traffic, he also decreased operating costs by economizing. Then, refusing to pay dividends, he poured all the profits back into the company to upgrade the railroad. His Spartan reorganization succeeded, and Henry led the KC out of receivership.

After his nephew had turned the KC around, Collis sold it at a profit to the Louisville and Nashville in 1890. This transaction followed Collis's sale of his stock in the Chesapeake and Ohio in 1889 to a Drexel Morgan–led group of investors. Thus began Collis's eastern railroad retrenchment. None of his eastern lines showed
any steady earning power, and Collis soon sold the Louisville, New Orleans and Texas Railroad, the line connecting New Orleans to Memphis, to the Illinois Central.

Following his work on the KC, Henry took charge of the Elizabethtown, Lexington and Big Sandy Railroad. He supervised this company until Collis leased it to the Chesapeake and Ohio in February 1892. Twenty-one months later, in November 1893, the last link of Collis's eastern railway, the Chesapeake, Ohio and Southwestern, was sold under foreclosure. Now divested of railroads east of the Mississippi, Collis concentrated on the Southern Pacific.

The Southern Pacific Company (SP) was a holding company incorporated in Kentucky in 1884. The joint western interests of Stanford, Crocker, Collis Huntington, and the Hopkins estate were placed under one management. In 1885 the various railroads owned by these four associates were leased for a period of ninety-nine years to the SP; they included the Central Pacific, the SP of California, the SP of Arizona, and the SP of New Mexico, as well as a few smaller lines in Texas and Louisiana. Stanford was named the company's president, Huntington was first vice-president, Crocker was second vice-president, and Timothy Hopkins, the foster son of the late Mark Hopkins, became treasurer.

Although these railroad associates remained together through the years, strains in the relationship later developed. The major feud was between Collis Huntington and Leland Stanford. Collis believed Stanford was not devoting enough time and energy to their railroads, and he feared that, as a result, the business suffered. Stanford did have a variety of other interests besides the railroad. In the 1870s he began spending more time and money on horses, stables, wineries, and traveling. By the 1880s Stanford had taken on even larger and more diverting projects. He founded a university in memory of his deceased son, Leland Stanford, Jr., and he was elected to the U.S. Senate. Spending less and less time contemplating SP affairs, Stanford was little more than a figurehead president. The situation rankled Collis; if Stanford failed to use his post for the maximum good of the railroad, he needed to be replaced by a more forceful leader. Collis believed he was that person.

By 1890 Collis was taking a much more active interest in the Southern Pacific, and took steps to remove Stanford from the SP helm. Previous disputes between Huntington and Stanford had been masterfully settled by Charles Crocker. But Crocker had died in 1888, and his eldest son, Charles Frederick Crocker, had
taken over his SP position. Although Fred Crocker traveled to New York and tried to mediate the Huntington/Stanford differences, he lacked his father's flair for peacemaking, and the rift between the two widened.41

Collis's first step to dethrone Stanford was to court Edward T. Searles, a young interior decorator who had married one of his elderly, widowed clients, Mrs. Mark Hopkins. When Collis was assured that the Hopkins/Searles stock in the SP Company would be voted the way he wished, he was ready to blackmail Stanford about the so-called Sargent Affair, which was related to the senatorial election in California in 1885.42 The ploy succeeded. Huntington, Stanford, and those representing the Hopkins/Searles interests met in New York on 28 February 1890. Collis announced that he wanted to be elected president of the Southern Pacific at the next annual meeting in April; in exchange, Huntington would either destroy the papers relating to the Sargent Affair or turn them over to Stanford. On 9 April 1890, in accordance with the agreement, Collis Huntington was installed as president of the SP Company. Soon changes were made on the board of directors that strengthened Collis's position. Ariel Lathrop, Stanford's brother-in-law, lost his place on the directorate to Thomas E. Hubbard, one of Mrs. Searles's attorneys.43

Collis was now firmly entrenched in the SP presidency, but internecine battles brewed beneath the surface. The Crockers and Stanfords, all in California, remained bitter over the ousting of Stanford; they were not going to accept the new president's authority or policies without a struggle. Since Collis remained in New York, he needed someone to watch over these factions and represent him in the Southern Pacific's San Francisco office. In April 1892, Collis appointed as his personal assistant his nephew Henry, now a proven railroad manager, and sent him to northern California.

By the time Henry—or H. E., as he had become known in business circles—arrived in San Francisco, the first phase of his apprenticeship was over. His tremendous energy and drive to succeed had been harnessed by Collis. During the long and close association with his uncle, Henry had become a skilled, resourceful businessman in his own right, well versed in all aspects of steam railroads. But it was the eight years Henry was to spend with the SP in California that provided the ultimate educational experience and prepared him for his later career in the Los Angeles area.