Henry's successes on his uncle's eastern railroads, coupled with Collis's trust and affection for his nephew, landed the younger Huntington a position with the Southern Pacific in San Francisco. Henry's years there proved to be ones of continuity and change. Although he remained in the railroad business and applied precepts learned earlier, he faced new challenges. In northern California, Henry was introduced to the streetcar industry and observed its connection to real estate development; learned the importance of retaining skilled, loyal managers; and, because of the Pullman Strike, was instructed on labor relations and unions. His work with railroads also took on a new dimension as Henry was forced to deal with stiff competition from the Santa Fe in the southland. Equally significant, Henry's many trips to southern California during this period led to his first investment in that region. Yet the biggest changes for Henry involved his uncle. Collis had maneuvered himself into the position of SP president by 1899, and Henry, as vice-president, looked to be the heir apparent. The following year, however, Collis died unexpectedly, and when majority stockholders barred Henry from succeeding his uncle as head of the SP, he turned his attention southward to the Los Angeles basin.

Placed in San Francisco to ensure that the presidential policies of his uncle were carried out, Henry also was employed to counter the influence of the family's rivals. The leading figure in this opposing camp was Fred Crocker, who not only inherited his father's position as second vice-president of the SP Company, but also succeeded Charles Crocker as president of the SP Railroad of California, a subsidiary of the parent SP. From the time of
his arrival, however, Henry's presence aroused suspicion and created animosity among the longtime employees at Southern Pacific headquarters. Bitterly divided, the major SP shareholders, or their representatives, could not agree on corporate policy. Henry was thrown into this situation to act as his uncle's alter ego, and Collis readily acknowledged his nephew’s role. He wrote Southern Pacific official Joseph Willcutt: “I wish you would consult with Henry E. Huntington in reference to this matter [street railroads] as when I am not there he—as you may say—stands in my shoes. . . .”

Henry quickly discovered that although his position carried the authority of president in his uncle’s absence, it was unclear exactly where he fit in the established hierarchy. After two months on the job, he was unsure of his role but eager to get involved. In a June 1892 letter to Collis, he wrote: “As yet I do not find my time very fully occupied, but presume that I shall soon get into the harness.” Shortly thereafter, Henry found a niche, an area over which he could exert some control: the Southern Pacific-owned street railway system in San Francisco.

Initially, Central Pacific interests—namely, Leland Stanford, Charles Crocker, and Mark Hopkins—had become intrigued with the possibility of urban streetcar transportation. The first San Francisco cable car line (the first in the world, in fact) was built on Clay Street between Kearny and Leavenworth streets in 1873. The technical as well as financial success of the line led Stanford and his associates to ask the city’s board of supervisors for a franchise, which they received in 1876. The investors then built a cable road down California Street from Kearny to Fillmore Street. Although they all sold their holdings in the California Street Cable Railroad by 1884, this early interest in the streetcar business led to a major SP involvement in the industry.

In November 1878 Fred Crocker and another group of capitalists entered the streetcar field with the Geary Street Park and Ocean Railroad. Beginning as a horse car line, it was operated down Geary Street between Market Street and Presidio Avenue. Converted to cable and opened for business in 1880, the line was later extended to Golden Gate Park. From the outset, this cable system, the fourth to be built in San Francisco, was successful. But the largest of the cable railway systems, and the one most often associated with the Southern Pacific, was the Market Street Cable Railway.

Originally incorporated as the San Francisco Market Street Railroad Company in 1857, the firm began with horse car lines. It
took over the first street franchise granted in San Francisco and built a line on Market Street between California Street and Mission Dolores. By 1863, the line was extended to the waterfront and to Twenty-fifth and Valencia streets. In 1868, the railroad obtained additional franchises to build on McAllister from Market to Laguna Street, on Hayes Street to Divisadero Street, and on Market between Valencia and Castro streets. These franchises, combined with the original grants, covered almost all the lines operated by the later Market Street Cable Railroad. By 1870, even without rail routes on the streets acquired by the new franchises, the Market Street cable system was one of the largest of the eight street railway companies in the city.\(^5\)

In 1875, the Central Pacific transferred its ferry landings from Vallejo and Davis streets to the foot of Market Street. This move shifted the city's major business thoroughfare from Broadway to Market Street and sent streetcar companies scrambling to obtain franchise rights on Market Street. Because the main lines of the Market Street Railroad already ran down this commercial artery, the company soon emerged as the city's most important street railroad.\(^6\)

Seven years later, in 1882, Leland Stanford, Fred Crocker, and other investors incorporated the Market Street Cable Railway Company. Capitalized at $5 million, the company took over all lines of the Market Street Railroad and began converting the horse and steam lines to cable. Construction of the roadbed was considered to be excellent, and the company's rolling stock was viewed as first class. Edgar M. Kahn noted that "the line was in competition with eight other streetcar companies, and it immediately became the favorite with the riding public owing to the convenience and comfort of the cars, the speed with which they traveled, and their frequency."\(^7\)

Extension of the railway from Market down Valencia Street in 1883 stimulated real estate development south of Market and in the Valencia district. In the 1880s the population began to migrate slowly from the highly concentrated northeastern corner of the city. By 1910, people were more widely dispersed, moving southeast and west of the inner city along transportation lines. Shortly after the Valencia Street line was completed, the McAllister and Haight Street cable lines were opened from Market Street to Golden Gate Park. Between these two streets, and paralleling their lines, an extension was built on Hayes Street. Then in 1887, another cable route was constructed south from Market down Castro Street to Twenty-sixth.\(^8\)
Popularly known as the SP line, the Market Street Cable Railway served the major commercial and shopping areas and then radiated out into residential districts. When Henry arrived in San Francisco in 1892, Market Street was the city’s largest cable railway. It operated a main line composed of fourteen miles of double track and twelve miles of single track; its property included eighty-four horses and two hundred thirty-two cable cars. Leland Stanford was president, Fred Crocker was vice-president, and Joseph L. Willcutt was secretary. However, Stanford was preoccupied with his philanthropies or with Stanford University, and Crocker had the larger interests of the SP to look after as well as the Geary Street cable line. Thus, with the support of his uncle, Henry stepped in to fill the void on the Market Street line.

Henry busied himself with all aspects of the Market Street Cable Railway. He conceived several innovative ideas; some were successful, and others were gently but firmly scotched by his uncle. For example, Henry called for moving the major Southern Pacific offices, which included the headquarters of the Market Street Railway, from the location at Fourth and Townsend streets. He reasoned that because the city’s commercial center had shifted, it made sense to have offices near the merchants on Market Street. The move took place, and the SP offices were relocated on Market and Montgomery streets in September 1894. Another of Henry’s ideas was to run larger streetcars on some new lines, particularly down Mission Street, which the company was electrifying. This new motive power was capable of propelling bigger, heavier cars, and Henry correctly estimated that larger cars could be kept filled, increasing profits.

Sometimes Henry’s exuberance overcame his better judgment. In an attempt to attract more patrons, he suggested introducing two-story cars. His uncle, however, quashed the plan: “Maybe doubledeck cars are not the best idea—San Francisco is a windy city.” Collis felt that even if two-tiered cars were safe, the cool breezes would keep riders off the second level. Henry concurred: “I think probably we had better use the regular cable cars i.e. single deck on Mission Street line, and we can decide afterwards whether we should try one or two double deck cars as an experiment.”

Although Henry’s early association with the Market Street Cable Railway familiarized him with all facets of street railway operations, the experience provided limited preparation for later challenges in southern California. Fortunately, Henry’s arrival in San Francisco coincided with discussions about a consolidation of many of the city’s streetcar lines. Henry’s role in the merger and his adminis-
tration of the resulting company filled in the remaining gaps of his business education.

On 13 January 1893 Willcutt, secretary and general manager of the Market Street operations, sent Fred Crocker a plan to consolidate several of the city’s street railway companies. He suggested combining Market Street with the Market Street and Fairmount Railway, City Railroad, Potrero and Bay View Railroad, and the Southern Heights and Visitacion Railway. Of these five companies, the first four were already controlled by the Southern Pacific, and the merger was proposed largely to rationalize streetcar operations. Collis and Henry backed this idea but hoped to bring more of the other large street railway lines into the consolidation. One of the larger firms, the Omnibus Cable Company, established in 1861, had inaugurated an expansion program in the late 1880s designed to build a system rivaling the Market Street Cable Railway. However, because Market Street already held franchises on the business district’s major thoroughfares, most of the Omnibus lines were built on secondary rather than primary streets. George W. Hilton noted: “The company’s main line on Howard Street was two blocks in the wrong direction (south) from Market Street where it was unable to attract a large part of the traffic to the south and west.” Ridership was light on these less important business streets, and the company was never very profitable. Nevertheless, the Omnibus Cable Company was viewed as an aggravation by the Market Street management, who considered it an intruder that cut into their territory and profits.

The major value of the larger companies not mentioned in the proposed merger—Omnibus Cable Company, Ferries and Cliff House, or North Beach and Mission Railway—lay not so much in their existing track or rolling stock but in their street franchises. These exclusive contracts granted one company the right to build a railway line on a particular street. Collis’s awareness of the importance of franchise rights was a major reason he wished to acquire the Powell Street line, a cable road operated by Ferries and Cliff House and the Omnibus Cable Company.

Henry sought to obtain the Ferries and Cliff House Railway and the Omnibus Cable Company, believing that both lines were valuable properties. He noted the expanding business of the former but agreed with Collis that the cost of acquisition through outright purchase was too high. The takeover was eventually accomplished through an exchange of stock. Talks commenced between the Market Street and Omnibus people, and Henry was optimistic about
the movement toward consolidation. But the self-confident Henry, rather than wishing to rely on Fred Crocker, believed he could drive a harder bargain. "Fred is talking with the Omnibus people. I think I could probably do a better job than he could as I do not think he is much of a trader."  

Henry ultimately did most of the negotiating because Crocker was heavily involved in other aspects of the SP, and Collis had supreme faith in his nephew. Collis wrote Henry regarding the merger: "I told him [Thomas Hubbard] you were at home in such kinds of trades—I should expect nothing but a good trade from you."  

After several months of talks, Henry engineered a deal with the Omnibus Company. The Omnibus owners were granted 20 percent of the stock in the new company; Market Street shareholders received 80 percent. These percentages were shaved down somewhat to provide the smaller companies entering into the merger a share of stock in the new firm. Besides Market Street and Omnibus, the new Market Street Railway was a consolidation of the Market Street and Fairmount Railway, City Railroad, Potrero and Bay View Railroad, Southern Heights and Visitacion Railroad, Park and Ocean Railroad, Ocean Beach Railway, Central Railroad, North Beach and Mission Railway, and the Ferries and Cliff House Railway. Collis wished to make Henry president of the company, but the Crocker and Stanford faction demanded that Fred Crocker be named instead, and the Hopkins/Searles interests cast the deciding vote in favor of Crocker. Crocker became president; Henry became vice-president. Henry took a more active role in the company's affairs than Crocker, however.

The new Market Street Railway Company was organized on 13 October 1893. It comprised 158.5 miles of track, of which 56 miles were horse lines, 68.5 were cable lines, 18.3 were steam lines, and 15.7 miles were electric lines. Six San Francisco street railroad companies remained outside the merger, but none compared in size to the new Market Street. Besides owning the largest share of San Francisco's transit mileage, Market Street rail lines dominated the city's business district, running from the commercial center out into both established and growing residential areas.

In order to manage the enlarged Market Street Railway, Henry applied the same principles that had proven so successful in his earlier railroad career. He aggressively economized, paring away extravagance and waste. Unnecessary positions were eliminated, departments trimmed down, and the operating efficiency of the
street railway was increased. Henry then updated the system by using the latest technology; vigorously pushing the introduction of electricity as motive power and phasing out many of the horse and cable lines. He also tried two new strategies. He planned and then pursued the continued expansion of the streetcar lines, and he filled administrative vacancies with skilled managers with whom he had previously worked.

Lowering expenses and increasing efficiency meant higher net earnings. The sooner the street railway increased its earnings, the sooner it could pay dividends to stockholders. Collis wrote Henry: "The amount of dividends declared upon the shares is what influences the people more than the interest on the bonds. That is, the bonds are a contract and of course must be paid, but the net that the road earns currently goes to the shareholders." When the Market Street Railway started paying dividends, the current stockholders, largely SP people, would directly benefit, and the stock, looking more attractive to prospective investors, would likely increase in value.

Henry cut excesses wherever he thought necessary. He first looked to the mechanical and repair shops, where he shortened the work day to eight hours and then decreased the work week to four days. Little street railway construction was under way, and he discharged the street railway construction office staff. Henry even contemplated laying off Lewis Clement, the engineer in charge of the street railway construction. Collis, however, stopped his ambitious nephew; although he felt discharging people was a move in the right direction, he believed that Clement was too valuable to be laid off.

His desire for efficiency led Henry to champion the use of electricity to power the railway's cars. When the Market Street combine was formed, less than 10 percent of the 158.5 miles of track was serviced by electric cars. In addition to providing faster service, electric trolley cars were cheaper to operate and maintain than the cable or horse car lines. On Mission Street, for example, Henry noted: "We are losing money on the cars everyday we run them as a horse car line and would make money when we run the cars by electricity."

Although city officials initially opposed the electric cars because their use required poles considered unsightly and because it was feared that a network of electric wires strung overhead would be dangerous, Market Street proceeded to convert all its lines to electric power. The first line changed over to electricity was Mission
Street, completed on 15 September 1894. By the end of the year, Market Street had increased its electric track to 53.4 miles. During the same period, Henry oversaw the decrease in cable mileage from 68.5 to 65.9 and the diminution of horse lines from 55.9 to 32.7 miles. The company's annual report of 1894 stated:

As was anticipated by your Directors, the conversion of horse car lines into the electric system has not only developed much new business but has enabled the company to make a large saving in all branches of the animal service, and it will gratify you to learn that since the electric lines have been in operation their net earnings to the present time are shown to have been upwards of $60,000 while there was a loss of $30,000 in the operation of the last year.26

The use of electricity to propel streetcars was much more efficient than any other motive power, but Henry wished to ensure that his motormen made the best use of this power and did not waste energy. Having read about a new device that measured the amount of power wasted by trolley operators, Henry instructed E. P. Vining, the line's general manager, to investigate this invention. The firm obtained several of these "currency recorders" on a trial basis. After running tests, the general manager reported that the device functioned properly on level roadbeds but not on hills. Vining, however, did not give up hope; he informed Henry that General Electric offered a similar appliance, and his staff would test it.27

While promoting efficiency in his staff, Henry also tried to learn all about running a street railway. Whenever Collis offered advice on managing the trolley system, Henry eagerly accepted it. While Market Street was rapidly electrifying its lines, Collis wrote his nephew concerning the use of electricity in urban transit and the significance of procuring water rights for future hydroelectric power generation:

Electricity is coming into use fast as a motive power. Just how far it can be transmitted is as yet unascertained, but I am inclined to think that they will succeed in utilizing it for long distances where it would be generated, and in this connection I think it would be well for us to secure water power in a number of localities in anticipation of the time when we shall want it and when it will be very valuable.28

The younger Huntington agreed with his uncle but was unable to convince others on Market Street's board of directors of the importance of securing a source of power. Henry later put his uncle's
proposals into practice; his Pacific Light and Power Company's hydroelectric facilities provided power for his southern California projects.

The conflict over obtaining water rights was a minor quarrel within the Market Street ranks. A greater dispute occurred over the issue of expansion and pitted Henry against Fred Crocker. Just as Henry had rapidly pursued the conversion of horse and cable lines to electricity, he also sought the swift expansion of the Market Street Railway system. Henry wanted to extend the railroad to streets that ran from the city's center toward the growing regions west and south and to lay track down Ellis Street to the west and Folsom Street to the south. On some lines, especially the one on Mission Street, Henry hoped to build as far as the city line, even though the track would extend beyond the present urban population. He reasoned that the population had been moving in that direction, and people would soon follow the transportation lines out from the central district of the city.

Although there is no evidence that Henry combined real estate development with the Market Street Railway, it is clear that in San Francisco he observed the relationship between streetcars, population movement, and real estate. By the late nineteenth century, in fact, it was widely held that trolleys promoted residential real estate. A Milwaukee newspaper, for example, called for expanding the franchises of its street railways because "Milwaukee is in the business of growing." Although Henry was rarely explicit about his business strategies and never mentioned how or when he decided to combine streetcars with land development, he must have conceived the idea during these years in San Francisco. It would not be put to use, however, until he moved to southern California.

Although Henry's proposed expansions to the Market Street system made sense to Collis, financing was a problem. A panic on Wall Street in 1893 and the subsequent depression made loans difficult to obtain and the sale of stocks and bonds uninviting. Yet the tight money market did not deter Henry from carrying out planned extensions. Rather than acquiring the necessary funds from the immediate sale of bonds, he procured money to start the project from the SP via its construction arm, the Pacific Improvement Company, and by withholding dividends and reinvesting profits back into the line. With the financing worked out in 1894, Henry began the building program. His rationale for expansion was simple—new lines would increase traffic, and dividends would be increased many times over at a later date because of
higher ridership revenues and the lower cost of operating the new electric railways.

Once money was found, Collis encouraged his nephew’s plans of expansion. By September 1895, however, no bonds had been sold, and Fred Crocker, long opposed to further construction until a large bond sale could be arranged, put his foot down. As president of Market Street Railway, Crocker would not approve any additions until a minimum of $2 million of the authorized $17.5 million in bonds was sold. Also, Crocker and his family, large shareholders of Market Street stock, were no longer willing to see potential dividends reinvested in a building program. In October, banker Isaias W. Hellman, who later worked with Henry in several southern California projects, contracted to take a large number of Market Street bonds. This deal provided money for expansion and made profits available for dividends. Crocker was appeased, and he approved further development of the transit network.\textsuperscript{32}

Under Henry’s guidance, the Market Street expansion proceeded, and the growing company proved very successful. The number of tracks in operation rose from 169.3 miles in 1895 to 183.2 miles in 1900. More telling was the vast increase in electric line mileage, which jumped during the same period from 53.3 miles to 103.9 miles. While revenues rose from $3.4 million in 1897 to $3.9 million by 1900, operating expenses steadily declined. In a letter to Collis, Henry boasted that Market Street Railway’s operating expenses, as a percentage of gross earnings, had steadily dropped from 67 percent in 1894 to 58.7 percent by 1898, a total reduction of more than 8 percent.\textsuperscript{33}

Henry’s emphasis on expansion and cost cutting carried over to the larger steam railroad system as well. When he arrived in San Francisco in 1892, the SP no longer held a monopoly of California’s railroads. The fiercest competition came from the Santa Fe and took place in southern California. Once the Santa Fe broke into this area with a through line to San Diego in 1885, the company moved quickly to lay its own tracks to Los Angeles. Reaching this destination in 1887, the Santa Fe merged its lines with several local roads it had purchased. The rapid expansion of the Santa Fe in southern California cut into the SP’s near monopoly of the area’s transportation system. By the early 1890s, the Santa Fe had surpassed the SP in the percentage of traffic carried in southern California.\textsuperscript{34}

The rapid expansion of the Santa Fe into the southland was only one example of a new strategy being employed by most of the
nation's leading railroads. When attempts to lessen growing post-Civil War competition between railroads through voluntary agreements and alliances failed in the 1880s, corporate leaders adopted a new policy. Rather than try to eliminate competition through cooperation, they sought to build huge, self-contained rail systems that, by controlling connections with major traffic sources, guaranteed a constant flow of freight and passengers over their lines.35

Trained in a corporate culture that stressed system building, Henry expanded SP routes either by purchase or construction to protect and even increase the company's share of southern California traffic. He countered the Santa Fe by extending SP lines into the fertile agricultural areas of San Bernardino and Riverside and the growing residential regions of the San Gabriel Valley. In 1893 the SP acquired the San Gabriel Valley Rapid Transit Railroad, which ran from Los Angeles through Boyle Heights and Alhambra to Monrovia. In January 1896 a branch line from Alhambra to Pasadena was completed, and the Monrovia line was extended to Duarte. Henry also encouraged the building of tracks southeast of Los Angeles to reach the rich citrus-growing areas. Southern Pacific rails reached San Dimas on 7 March 1895 and were extended to Pomona by 22 August 1895. The following July the SP obtained the Southern California Motor Road, which operated between San Bernardino, Colton, and Riverside. Reconstruction of the tracks was necessary, but by 11 May 1898, SP trains arrived in Riverside.36 Proud of these achievements, Henry wrote Collis:

Every foot of track built at my instigation in southern California has been through a densely populated and highly fertile territory, which yields most bountifully its share of traffic that we would otherwise not get, thereby helping to sustain the many miles of barren, desert lines that produce nothing, of which you know we have more than our share. The expense for operation of these branch lines has not increased in proportion to the mileage, as the men have been required to go in and out on them within the day's time, in addition to the ocean runs, I hardly believe any of our people today question the wisdom of reaching out and building these branches which enable us to get about 53% of the southern California traffic, when we formerly did not get 40%.37

While directing SP's expansion, Henry also sought to curtail the cost of running the railroad. Although road building continued in the 1890s, the SP did not expand nearly as rapidly as it had in the 1880s. With less construction, fewer land and right-of-way agents were required, so Henry cut back on staff. He also reduced
the number of seasonal and trip passes issued. In 1897 Henry told his uncle: "This list today is drawn so closely to our actual business requirements and we are not giving passes excepting for value received, so the list is not one third what it was [in 1892]."38

Henry's policy of saving nickels and dimes and still maintaining a standard of efficiency was as successful on the SP as it had been on the Market Street Railway. He wrote Collis in 1895:

Upon my advent here, as you know, I made it my business to produce every possible economy that did not interfere with the maintenance of the highest efficiency of the property, and you can well imagine that this was not a popular thing to do. ... By analysis, you will see that we have operated 9% more miles of road, carried over the Pacific System lines 4% more revenue trains, 7% more revenue cars, and 15% more freight and passenger mileage for 3% less actual operating expense than it cost us in the previous period with which the comparison was made.39

The Los Angeles Evening Express of 6 November 1897 praised Henry's management of the Southern Pacific, crediting him with introducing discipline to the railroad's employees and running the trains on schedule: "He has shown himself to be considerable of a railroad man, and if his life is spared it is on the cards for him to go still further."40

Henry was not, of course, solely responsible for the success of the Market Street Railway or the improvement of the Southern Pacific. Throughout his tenure with the railroad, Henry had many knowledgeable, skilled men working with and for him. Surrounding himself with capable lieutenants was one of the major reasons for his achievements in San Francisco and later in Los Angeles. Much like his uncle, Henry displayed an almost uncanny ability to select talented, qualified professionals and place them in positions of authority.

When the SP positions became available, Henry quietly brought in former associates and assistants who had previously worked for him on railroads in the East. A prime example was Epes Randolph, who at one time had worked for Henry in Kentucky and was then general superintendent and chief engineer in Louisville for the Newport News, Mississippi Valley, and Ohio Railway. Both Collis and Henry wished to bring Randolph to San Francisco to manage the Market Street Company. But for reasons of health, Randolph required a drier climate, and he was placed in charge of the SP line from Yuma to El Paso. Men previously associated with Henry who later filled SP positions in California included S. F. Morse, J. S. Frasier, and W. S. Millspaugh.41
If Henry could not fill a vacancy with past associates, he looked elsewhere for proven administrators. Vining was such a man. Lured from the Union Pacific by a salary of $1,000 per month, Vining took the job Randolph could not, as general manager of the Market Street Railway. Vining cut costs, expanded the system, made no concessions to organized labor, and carried out the instructions of his boss.\textsuperscript{42}

Henry expected the same loyalty from his labor force. He had come to believe that if workers were treated fairly, they would respond by working faithfully. In these early years, one event occurred that taught Henry not to compromise with labor. While managing the Kentucky Central, Henry found it necessary to cut wages by 10 percent, including his own. The yard crew went on strike and rather than negotiate, Henry and the office staff ran the yards; the strikers returned to work the following day.\textsuperscript{43} The failure of a strike in the face of a management that stood firm and refused to make concessions must have lodged in Henry's mind; henceforth, he used this method in dealing with labor agitation.

In May 1894 the Pullman Strike erupted. Initially, it was a labor dispute over wage cuts, and in protest, the Pullman Palace Car Company employees walked off their jobs. On 26 June the strike spread beyond Chicago and became a national concern when Eugene V. Debs and his American Railway Union (ARU) supported strikers by refusing to haul trains hauling Pullman cars. This action soon immobilized the SP.\textsuperscript{44}

At the strike's outset, Henry wrote to his uncle: "I think we should make a fight to the finish and there is no doubt in my mind but that we shall succeed." He added: "This is the first strike we have ever had here and as we are making history [I] think we ought not to take a step backward and make such concessions that we will hereafter regret. As we are into it I think we had better stay . . . and win our fight."\textsuperscript{45}

By 28 June, trains within California had stopped moving. With their cars immobilized, SP officials estimated their losses at $200,000 per day.\textsuperscript{46} Henry believed that negotiating with the union would be tantamount to turning the running of the road over to the ARU. He expressed these sentiments later in 1903: "When questions shall arise as to what, or how many, men shall be employed or how business shall be managed, labor must stop right there as before a stone wall to step over which means to trespass on another man's domain."\textsuperscript{47} The Southern Pacific, therefore, stood firm and refused to negotiate with the union. In order to protect private property and bring an end to the strike, the state
government in Sacramento sent militiamen to aid the SP. The federal government, under the pretext of ensuring the transport of the mail, sent national guard troops to guarantee the movement of SP trains. With such assistance, the strike, as Henry had predicted, was broken. On 22 July, after a more than three-week disruption of service, the ARU admitted defeat in California.

Determined not to repeat the experience, Henry and Collis decided that the railroad would no longer employ ARU members. A month after the conflict was settled, Henry assured Collis: “We have not taken an American Railway man back without his first resigning and severing his connection with that organization.”

Henry thought the strike's failure taught laborers a lesson: they could not dictate policy to the SP, and the company would do everything in its power to thwart such an attempt. Henry stressed discipline within the ranks of labor. “Amongst such a large body of men as we employ [the Southern Pacific] we must have pretty strict discipline, if we do not we might as well throw up the sponge.”

Such action, however, did not go far enough. Although Henry was not antilabor, he became, largely because of the Pullman affair, violently anti-union. After this experience, Henry's policy was to avoid employing union members. With these views on labor relations, Henry, when blocked from succeeding Collis as Southern Pacific president, established himself in a region in which he had already invested and that was known for its anti-union, open shop tradition.

Henry's contact with southern California had begun in 1892 when, on his way to San Francisco, he was entertained by J. de Barth Shorb on the San Marino estate, the property Henry would later purchase. Impressed with the region, Henry traveled to the southland from the Bay Area many times during the next eight years. He was struck by the mild climate, the rapidly expanding citrus cultivation, and the potential for future growth. Believing that profitable ventures could be launched, Henry, along with a syndicate made up of I.W. Hellman, Antoine Borel, and Christian DeGuigne, purchased the Los Angeles Railway in September 1898. By the end of that year, this group owned all the city's street railways except the Los Angeles Traction Company.

But Henry's primary interests remained in northern California. On the rare occasions when he was not occupied with affairs of the Southern Pacific or the Market Street Railway, he spent most of his free time in San Francisco with family members. However, because he worked long hours and was frequently away on business trips,
Henry’s wife, Mary, often took one or two of their four children away on extended vacations. In 1897, for example, Henry’s wife and daughter, Clara, traveled to Europe for five months. Since his immediate family was rarely together, Henry saw a lot of his favorite sister, Caroline, and her husband, Edmund Burke Holladay, who also resided in San Francisco. When Collis and Arabella were in California, the five were often together, and they sometimes passed time playing card games of cinch or whist.\textsuperscript{51}

Some of Henry’s time away from the SP office was spent tending to his uncle’s personal affairs. For example, he oversaw the home improvements being made on Collis’s San Francisco mansion and even rehung the paintings himself. On another occasion, Henry prepared Collis and Arabella’s surprise gift for Caroline and Burke Holladay, a fully furnished home.\textsuperscript{52}

When not in San Francisco or southern California, Henry traveled to New York. In New York City, he talked over SP business with Collis and enjoyed socializing with both his uncle and Arabella. From there, he usually headed upstate to Oneonta to see his mother and then escort her to the West Coast for her annual extended stay of several months.\textsuperscript{53}

Henry, in fact, seemed very fond of Oneonta, and his continued interest in his hometown was manifested in several ways. Although there is no indication that religion remained very important to the middle-aged railroad man, he was still a member of the Presbyterian church and made several donations to the Oneonta Presbyterian Church, including a thousand-dollar gift toward a new organ.\textsuperscript{54} In addition, much later in life, Henry gave his boyhood home to the city of Oneonta to be used as a library and park.\textsuperscript{55}

Once he settled in southern California, Henry named one of his subdivisions (located in South Pasadena) Oneonta Park.

Despite Henry’s many trips, some of which were for pleasure, most of his time was devoted to business. By 1898 he was president of Market Street Railway, and he continued as assistant to the president of the Southern Pacific. The following year, however, Collis, to appease and gain support of the Crocker interests, abolished the position of assistant to the president. With Henry out of the SP hierarchy, George Crocker, Southern Pacific’s second vice-president, became the undisputed voice of management on the West Coast. Henry stayed on as the head of the street railway, and a few months later, he was back with the SP as second vice-president. Toward the end of 1899, Collis worked out an agreement with the investment firm of Speyer and Company to jointly
purchase both the Hopkins / Searles and the Crocker shares in the Southern Pacific. As a result, Collis, because of his forceful personality and the bankers' confidence in his abilities to administer the railroad, gained absolute authority over the Southern Pacific. George Crocker resigned as second vice-president, and on 1 March 1900, Henry replaced him. In June, Henry was promoted to first vice-president and looked to be the heir apparent.

Then, in August 1900, Collis died suddenly of a heart attack at his lodge on the shores of Raquette Lake in the Adirondack Mountains. Devastated by the loss of his friend, advisor, mentor, and business associate of the last thirty years, Henry eulogized: "I am simply broken up over it and business of every kind seems to me secondary, and in a way of no importance while I am trying to pull myself together. . . . His character always seemed to me unique in very many respects and among all men I have known, he came nearer to rounding the circle than anyone else."

Henry's responses to letters of sympathy reflected his feelings about Collis's death. For example, he wrote William Crocker: "My uncle was all in all to me . . . and when I received the news of his sudden death it seemed as if nearly everything had gone out of life for me." Rather than mourning the death for too long, however, Henry was soon back at work pushing to continue his uncle's policies. Three weeks after the funeral, he wrote that he was "determined as far as my power lies to carry out his [Collis's] wishes and policy with respect to the Southern Pacific Company."

To do this, he required the same authority his uncle had possessed; he needed to become the SP president. With this power, Henry hoped to continue Collis's practice of putting a large percentage of profits back into the company. But Speyer and Company held the balance of power on the board of directors, and the bankers had other ideas. They wanted the SP to pay large dividends, thereby enhancing its stock on the market. Henry and his aides, backed by Arabella Duval Huntington, Collis's widow, worked behind the scenes to make Henry president of the SP. But in October 1900 Charles M. Hays of the Canadian Grand Trunk Line was selected for the post. The dream of following in his uncle's footsteps was shattered, and, as vice-president, Henry was not in a position to dictate SP policy. Unable to keep the SP under Huntington family control, Henry and Arabella sold their large holdings to New York financier E. H. Harriman in February 1901. Nine months later in November, Henry closed a deal selling the Market Street Railway to a Baltimore syndicate.
In 1902, divested of major interests in San Francisco, Henry de­
cided to leave the Bay Area and settle in southern California. With
the millions of dollars he received from the sale of the SP stock
he had inherited from Collis, the fifty-two-year-old businessman
could have retired to a life of luxury. But Henry the entrepreneur
was a builder, and unable to continue his uncle's expansion plans
for the SP, he sought other challenges.

Yet there seemed to be another force pushing Henry to pursue
a second career in southern California. Although he had a pious
regard for his uncle, and once noted that "his memory will be the
most sacred thing in my whole life," Henry also appears to have
used Collis as a yardstick against which to measure his own achieve­
ment. If he could not follow in his uncle's footsteps, Henry would
compete with his mentor by building a rival business empire in the
Los Angeles basin.

For such an endeavor, Henry brought with him experience
culled from his days at the sawmill and on Collis's eastern rail­
roads, which provided him with a solid business foundation. In San
Francisco, he had mastered the technique of running profitably a
large streetcar system. In addition, by thinking strategically and
moving to expand the SP system in southern California, he had
successfully dealt with competition from rival railroad lines.

Henry Huntington's apprenticeship ended with the death of his
uncle. He no longer had the special friendship and guidance of
the man who introduced him to the world of big business and nur­
tured his development. When the SP presidency position, for which
he had been groomed, was snatched away from him, Henry sold
his stock in the company and set off on his own. His new vision was
of an electric railroad kingdom in southern California.