By 1898, Henry Huntington had proven himself a capable manager of both a large streetcar company, San Francisco’s Market Street Railway, and a transit giant, the Southern Pacific. After numerous trips to southern California, Huntington decided to launch his own venture in the Los Angeles area. The region was tailor-made for him: its Mediterranean climate encouraged a large tourist industry, which introduced visitors to the area and frequently led to their settling there, and its citrus cultivation brought the region national attention and provided a steady demand for a freight-carrying business. Meanwhile, the region’s streetcar system was in its infancy.

The undeveloped nature of the local transportation system appealed to the builder in Huntington. Here, he believed, was the opportunity to lay out and operate his own trolley network. Early in his Los Angeles career, the usually reticent entrepreneur told a young reporter about his expansive plans “to build an interurban system that will cover Southern California.” With his railway experience and proper financial backing, Huntington thought he could run a profitable streetcar property. He convinced a group of associates who held an interest in the Market Street Railway to join him in the Los Angeles trolley business.

Thus, Huntington’s initial investment in southern California was in railroading, with his syndicate’s purchase of the Los Angeles Railway in 1898. Still preoccupied with his interests in San Francisco, he did not make a major commitment to greater Los Angeles until November 1901 when the new Pacific Electric Railway was incorporated. Once he focused on the southland, Huntington started
building a streetcar empire by applying many techniques that had been successful in his career.

Because Huntington was a quiet, retiring man who did not speak of or write much about his personal life, it is difficult to determine the reasons for his endeavors in the Los Angeles basin. Whether they were due to his entrepreneurial character or an attempt to get out from under the shadow of his uncle by outdoing him in the business world, Henry Huntington was clearly a man driven to create an empire. To turn his vision of a great southern California metropolis into reality and to prevent his plans from being blocked, the independent Huntington remained unwilling to share decision making. He maintained all his business options in his many ventures by holding a controlling share of their stock. To ensure that his wishes were carried out, Huntington depended on several trusted and highly qualified managers to oversee his growing enterprises. His tendency to operate freely and without constraint made Huntington somewhat of a loner within the Los Angeles business community, and during his first years in southern California, he avoided working with men outside his various syndicates.

Often referred to locally as the “trolley man,” Huntington spent his first few years in southern California setting up the infrastructure for an enormous electric railway system. Steeped in the tradition of system building and the importance of controlling traffic access, he began piecing together his streetcar network by purchasing and consolidating five existing Los Angeles lines. After acquiring this nucleus, he expanded the existing trolley system through a large-scale building program.

Like many other streetcar magnates, Huntington simultaneously entered two industries he intended to operate in conjunction with the trolleys: real estate development and electric power generation and distribution. Already aware of the direct relationship between the location of a rail route and the rising value of the land it served, he purchased thousands of acres with the idea of providing trolley transportation to the undeveloped land and then subdividing the property. He became involved in the electric business to guarantee a constant source of power for his railway; however, Huntington’s generation and distribution of electricity became a money-maker on its own, selling electric current to the city’s growing population.

Because the southland was so vast and its population so dispersed, Huntington built and operated two distinct trolley compa-
nies, the Los Angeles Railway and the Pacific Electric (PE). Each was based on a different model, built for a different purpose, and managed as an individual enterprise. Resembling the Market Street network, the Los Angeles Railway was constructed and run as an intraurban company to transport people; the goal was to generate profits from streetcar operations alone. The Pacific Electric, on the other hand, was in many ways modeled after the SP and was designed as an interurban to carry both passengers and freight. Although Huntington's hopes that the PE would be profitable were not realized, when operated with his various land companies, the trolleys were indispensable in the promotion and sale of lots in his newly created suburbs.

Six major streetcar companies operated in various parts of the city the year before the Huntington syndicate's purchase of the Los Angeles Railway. Although not nearly as dramatic as the expansion and electrification of the Market Street system, the Los Angeles lines followed a similar, albeit more modest, program in the mid-1890s. The largest company, the Los Angeles Railway, held 73.7 miles of track. In 1895, led by general manager Fred W. Wood, an expert in street railroads, the Los Angeles Railway electrified all its lines. Like most other streetcar systems of the time, this company retained the narrow-gauge, three-foot six-inch track inherited from the cable car days.

The tracks of the Los Angeles Railway covered the central downtown business district around Main, Spring, and Commercial streets. From this core, its lines extended to the city limits in all but the northern direction, reaching Boyle Heights to the east, Vernon and Inglewood to the south, and Pico Heights to the west. The other city lines included the Los Angeles Traction Company, operating fifteen miles of track; the Main Street and Agricultural Park Railroad, owning ten miles; and the small Temple Street Cable Railway, holding four and a half miles. In addition to these city lines, there were two interurban trolley companies—the Pasadena and Los Angeles Electric Railway, which maintained forty-four miles of track, and the Pasadena and Pacific, which held sixty-five miles.

The investors Huntington assembled to purchase the Los Angeles Railway included men familiar with the streetcar business and with southern California. Isaias W. Hellman, a prominent banker in Los Angeles and San Francisco, had been involved in trolley companies in both cities for many years. Both Antoine Borel and Christian DeGuigne had previous experience with streetcar sys-
tems. A fifth man in the syndicate, although he played no real role in the acquisition or subsequent managing of the railway, was Collis Huntington. Unaware of his involvement until he read about it in a newspaper, the surprised Collis asked Henry for information: “I would like to know, just what, if any, interest I have in that Los Angeles Street Railway. As you know, I would do almost anything to please you or help you make money, but I am not altogether sure about the success of that road and that doubt is based on the fact that I do not know enough about it to have an opinion.” Henry brought Collis into the syndicate either because he needed more money for his share of the railway or because he felt it was a good investment for his uncle.

The Los Angeles Railway was established in 1895 to take over all the property and franchises of the Los Angeles Consolidated Electric Railway, the bankrupt line of southern California’s interurban pioneers, Moses H. Sherman and Eli P. Clark. Although the new company quickly modernized its lines, net earnings fell in 1896, and the bondholders wanted to sell the firm. Henry Butters of San Francisco represented a South African syndicate that was interested in purchasing the fledging streetcar line. But when the deal fell through, Henry Huntington and his partners stepped in and acquired the company.

On 1 September 1898, Huntington and Lovell White, the chair of the bondholder committee of the Los Angeles Railway, agreed to terms transferring ownership of the company to the Huntington group. The new company was a consolidation of the former Los Angeles Railway, the Main Street and Agricultural Park Railroad (already leased to the Los Angeles Railway), and the San Pedro Street Railway. The new Los Angeles Railway (LARY) was to issue $5 million in capital stock and had a bonded indebtedness of $5 million. Then, to purchase the road, the Huntington syndicate issued $3.5 million worth of the new bonds and paid $365,000 in cash to the bondholders of the former company. Huntington and his fellow investors paid an additional $38,000 in cash for the Main and Fifth Street Railroad.

Huntington was named president, Borel became vice-president, and Hellman was treasurer of the LARY. The new owners planned some major changes, including laying heavier T-rails on paved streets, increasing the frequency of service, building a better style of car, and expanding the system. Huntington’s 55 percent ownership gave him control of the LARY. Self-confident as ever, the new owner wished to check on the recent purchase himself and
The Los Angeles Railway in 1898. Courtesy of the Huntington Library
spent several days traveling over and inspecting the lines of the Los Angeles Railway. Afterwards, he ordered the first of many improvements. Work crews removed the light rails on East First Street and replaced them with the longer-wearing, heavier T-rails. At the same time, Huntington called for several new additions. One line was built from First Street down Los Angeles Street to Evergreen; the other line was constructed on East Ninth Street from Main to Santa Fe Avenue.¹¹

As with the Market Street Railway, Huntington had grandiose plans for the Los Angeles streetcar company. Besides improving the existing system, he sought to dominate urban transit in Los Angeles and vicinity. This goal was to be accomplished by purchasing and consolidating the lines that were outside his control. In October, Huntington acquired the Mateo Street and Santa Fe Avenue line, and in December he purchased his first interurban line, the thirty-three-mile Los Angeles and Pasadena Electric Railway (formerly the Pasadena and Los Angeles). Initially, the latter was run independently of the Los Angeles Railway.¹²

Improvements and expansion of the LARY were concurrent with scheduling reforms and new service offerings. Commenting on the railway in January 1900, the *Los Angeles Times* said: "A new feature has been introduced during the past year for the convenience of visitors who wish to see the city at a small expense. Twice a day a car is run from the business center through the most attractive residence sections of the city, the trip lasting several hours, at a cost of twenty-five cents."¹³

Based in San Francisco, Huntington continued to rely on men in Los Angeles to manage the growing company. Fred Wood, who oversaw the electrification of the former Los Angeles Railway's cable and horse lines, was retained as the general manager of the new firm. C.W. Smith, affiliated with the Los Angeles and Pasadena prior to its purchase by Huntington, was named president and manager of the interurban company. Huntington was content to allow these managers, both thoroughly familiar with the city and their respective streetcar lines, to make the day-to-day operational decisions. But in 1899, when Huntington was temporarily ousted from the Southern Pacific, he took a more active interest in his southern California ventures. During this brief hiatus from the SP, he and his Los Angeles attorney, John D. Bicknell (earlier retained by the SP and a member of the board of directors of the former Los Angeles Railway), incorporated the Pacific Electric Railway of Arizona. Although established as an interurban company, the PE
held only one short local line, the Main and Fifth Street Railway. Huntington’s interest in this new firm was short-lived; when Collis regained control of the SP, he returned his nephew to its hierarchy in 1900.\textsuperscript{14}

However, after the death of his uncle, Huntington sold his San Francisco interests and headed for Los Angeles. Just two days after he agreed to sell the Market Street Railway, Huntington announced the incorporation of the Pacific Electric of California, on 10 November 1901. This short period in the fall of 1901 marked the end of one phase of Huntington’s life and the beginning of another.

Prior to the formation of the PE of California, Huntington had been setting the stage for new and larger projects in southern California. He brought previous associates to manage his growing interests, surveyed property for possible rail routes, and procured financial backing. Aware of these activities, the \textit{Los Angeles Express} predicted that “a syndicate, of which H.E.H. and some of his associates in the ownership of the Los Angeles Railway Company are to be the controlling spirits, is at present figuring upon a complete gridironing of the country tributary to L.A. with electric lines.”\textsuperscript{15}

In July 1901, Epes Randolph, the engineer Huntington and his uncle had asked to manage the Market Street Railway, was recruited from the SP’s Yuma and El Paso division and appointed general manager of Huntington’s street railroads in Los Angeles. Randolph replaced Fred Wood, who had died, and C. W. Smith, who was acting as interim manager of the Los Angeles Railway. The \textit{San Francisco Bulletin} considered Randolph an excellent appointment, noting: “HEH has secured for his electric line construction one of the cleverest of railroad managers, and it is his expressed intention to thoroughly gridiron the south with electric lines.”\textsuperscript{16}

Randolph was an essential figure in Huntington’s management team during these early years in Los Angeles. A friend of the Huntington family, he had years of experience serving as superintendent and chief engineer on several eastern railroads and was highly regarded in the steam railway business. An in-house publication of the PE noted that “while H.E. Huntington is the father of the Pacific Electric . . . Epes Randolph can truly be designated as the architect of the PE system.” Although Randolph’s tenure with the PE lasted only three years—stricken with tuberculosis, he returned to the drier climate of Arizona in 1904—he was responsible for laying out many of the network’s most important lines.\textsuperscript{17}

For Huntington to concentrate on his Los Angeles investments,
he needed a loyal and knowledgeable associate to supervise his eastern concerns. He had become interested in some major U.S. firms as a result of his adept investing in the 1880s and 1890s, but most of his eastern holdings were inherited from his uncle. In addition to granting his nephew one-third of his SP holdings, Collis, through his will, divided much of the estate between his widow and Henry. Interests shared by the two Huntingtons included the Newport News Shipbuilding and Dry Dock Company, real estate holdings, and stocks and bonds in various eastern railroads. Huntington selected Charles E. Graham, long associated with the Pacific Improvement Company and later Huntington's private secretary with the Southern Pacific, as his confidential agent and sent him to New York.

Another key man in Huntington's business operations was John A. Muir. Like Randolph and Graham, Muir was lured away from the SP management. Superintendent of the SP's Los Angeles Division, Muir knew southern California well. When the PE was incorporated, the directors decided that the job of managing both the Los Angeles Railway and the PE was too much for one man. In February 1902, Muir resigned from the SP to accept the appointment of general manager of the LARY, and Randolph moved from heading both companies to running only the PE.

Even with these carefully selected managers, Huntington remained the dynamic force behind the growing street railway system. Before the PE's incorporation, there were indications of an interurban expansion program. One newspaper noted that Huntington had been inspecting various roads in different parts of the southland; he examined the old San Gabriel Valley Rapid Transit line from Shorb to Alhambra, as well as the Redondo line. Other papers reported that Huntington was applying for street franchises and acquiring rights-of-way in many directions out of Los Angeles. By October 1901, prognosticating about his plans was no longer necessary. Huntington's interurban line, the Los Angeles and Pasadena, began building an extension to Alhambra and San Gabriel, and the company secured a franchise for a line from Los Angeles to Monrovia.

In order to obtain the financing to carry out his interurban plans, Huntington created a new company. Once he had a rough idea of the size and scope of the system, he went looking for investors. He had already determined that the new railroad's goal was to operate 452 miles of track. Bicknell, now attorney for the Los Angeles Railway, informed his boss that, according to California
law, one thousand dollars worth of stock must be subscribed for
every mile of track proposed in the articles of incorporation. The
Pacific Electric Railway came into being with a minimum amount
of subscribed stock, 4,520 shares with a par value of one hun-
dred dollars each. However, the initial amount paid on the stock
amounted to only ten dollars per share. The remainder of the
money due on each share could be called in when needed through
stock assessments.

Having received a substantial sum of money from his uncle's
will, Huntington was a wealthy man, but he chose to take on part-
ners in the interurban enterprise. All the investors Huntington
pulled together for the PE venture possessed knowledge or abilities
that would benefit the trolley company. The largest block of stock,
986 shares, or about 22 percent of the PE, was taken by Hunting-
ton. Hellman, Borel, and DeGuigne—the other members of the
Los Angeles Railway syndicate—each subscribed to 678 shares. As
bankers, these three investors could facilitate the sale of securities
and thus raise needed capital for the new company. The remaining
fifteen hundred shares were divided equally among John Bick-
nell and Epes Randolph, who had already proven their worth to
Huntington, and Jonathan S. Slauson. Huntington likely brought
in Slauson, owner of the seventeen-thousand-acre Azusa ranch, to
tap into the landowner's resources of wealth and influence.

The Pacific Electric's Articles of Incorporation, signed 29 Oc-to-
ber, and filed 10 November 1901, made the company's large-scale
plans explicit. Its capital stock was set at $10 million, and bonds
were to be issued as construction began. The PE was a consolidation
of several streetcar companies Huntington had obtained earlier. It
consisted of the Los Angeles and Pasadena, the Mt. Lowe Railway,
the PE of Arizona, the West Ninth Street line, the Mateo Street line,
and the Temple Street Cable Railway, which was being electrified.

Huntington's boldness was illustrated by the articles' description
of the PE's building program. Trolley routes were being planned to
run from Los Angeles north and east—to Monrovia, Duarte, San
Bernardino, Redlands, Riverside, Santa Ana, and Pomona. Other
northeastern lines to be constructed included a route from Pas-a-
dena to Sierra Madre, South Pasadena, and San Gabriel. Heading
southeast from Los Angeles, tracks were to be laid to Whittier,
Santa Ana, and then north to Pomona. Plans also called for rails to
run from Los Angeles to Long Beach, Santa Ana, San Pedro, and
Covina, and from Los Angeles to San Pedro and Redondo. Indica-
tive of the far-reaching streetcar network envisioned by Hunting-
ton was a proposed route that was never built, a 115-mile line from Los Angeles to Santa Barbara.\textsuperscript{27}

Unlike the LARY's narrow-gauge track, which limited the size and speed of its trolleys, the Pacific Electric, largely because of Randolph's influence, operated more like a steam railroad. The PE's tracks were standard-gauge, four feet eight and a half inches, which permitted easy transfer of passengers and freight from the transcontinental steam railroads to Huntington's interurbans. Also similar to steam railways, the PE obtained private rights-of-way for many of its routes; with no cross traffic and few curves, the interurban cars could attain high speeds. Finally, plans on the PE drawing board called for many extensions running parallel to and competing with existing steam railroad routes.\textsuperscript{28}

In modeling the PE after a steam railway, Huntington relied on his experience with the SP operations in southern California. From his many junkets in the 1890s to Los Angeles, he had become thoroughly familiar with the region. He was also well aware of the relationship between railroads and land development. Since the 1870s and the arrival of the railroads, settlement in southern California had followed the railways' tracks. As the SP and the Santa Fe rapidly laid rails through the southland, agricultural communities were founded in anticipation of a transcontinental connection and the easy access of shipping produce; these towns included San Bernardino, Riverside, Pasadena, El Monte, Pomona, and Long Beach.\textsuperscript{29}

The railroad, then, was very effective in creating towns. With his Pacific Electric Railway, Huntington held an essential component to further real estate development in the entire region. His interurbans, combined with the area's increasing population, enabled Huntington to make a fortune in subdivisions. In 1902, he wrote of the southland's prospects and growth: "I don't think any bright young business fellow can make a mistake in coming to Southern California. Los Angeles is growing very rapidly; in 1880 they had a population of about 12,000; in 1890 a trifle over 50,000; in 1900 about 103,000, and they claim today 130,000."\textsuperscript{30} In order to take advantage of his trolley cars, and the expanding population seeking new places to live, Huntington formed several land companies, adopting a strategy similar to that used by Borax Smith in the San Francisco Bay area.

His first land enterprise, the Huntington Land and Improvement Company (HL&I), was incorporated in 1902 and capitalized at one hundred thousand dollars, comprised of one thousand
shares of one hundred dollars each. Although he actually owned all the company’s stock, forty shares divided into ten-share increments, the minimum amount legally required for one to qualify as a director, were held under the names of his associates who served in that capacity. He chose as manager George S. Patton, an anti-Southern Pacific democrat. Patton, whose son, George S. Patton, became the famous World War II general, had served as manager of San Gabriel Wine Company, owned by Hellman and Shorb. On 30 April 1903, two weeks after it was announced that Patton was to head the HL&I, the Los Angeles Herald reported that Huntington had acquired a controlling interest in the wine company. Over the seven years Patton worked for Huntington, the two men became close friends, and although Huntington continued to make the strategic decisions regarding his real estate properties, Patton was given charge of the day-to-day operations.

Because many of the proposed PE routes were through the San Gabriel Valley and because this was the area that Huntington had intensively explored in his SP days, much of his early real estate investments were made in this northeastern section of the county. From 1901 to 1903, Huntington, largely through HL&I, purchased immense tracts of land in what is today Alhambra, Pasadena, San Marino, and South Pasadena. Unwilling to relinquish the long-range planning to his managers, he spent hours pouring over maps and passed days in the countryside contemplating land purchases and possible rail routes. He made frequent surveying trips by carriage, usually accompanied by his stenographer, Oscar A. Smith. After he had decided how an area might be developed, Huntington directed his associates to buy the property and lay out the most effective rail line to the region.

Huntington’s purchases in this area included the choice property he had first seen in 1892, the Shorb San Marino Ranch. In January 1903, through another of his land firms, the Los Angeles Land Company, he acquired the estate of approximately 490 acres from the Farmers and Merchants Bank for $239,730. Huntington’s son, Howard, who had joined the PE as Randolph’s assistant in March, wrote his grandmother regarding his father’s real estate buying spree: “He is certainly buying a great deal of real estate and ranches and seems to have the greatest faith in the future development of Southern California. It is certainly making a wonderful showing now.”

Huntington’s faith in the area was reflected in the grand scale of his projects. Similar to other urban entrepreneurs who built
impressive structures, Huntington constructed a larger interurban depot. Like James Phelan of San Francisco, who in the 1880s erected the Phelan Building, one of the city’s first high-rise buildings, Huntington planned to build a nine-story structure to centralize the offices of the various Huntington concerns. Called the Pacific Electric Building, it was to be located on property that Huntington had acquired in March 1902 at the corner of Sixth and Main streets in downtown Los Angeles. When purchased, this land was in a residential district and far from the city’s major business section around Spring and First streets. Just as the business district had shifted in San Francisco in 1875 when the Central Pacific moved its ferry landings, so Huntington believed businessmen in Los Angeles would relocate around the new interurban terminal.

As blueprints for the PE Building were being considered, Huntington, to hedge his bet and facilitate the shift of the business core to the south, worked closely with congressional lobbyist John Boyd to keep the Main Street post office in its present location. The post office required expanded quarters, and some people wished to see it moved, but Huntington’s frequent letters stressed the importance of keeping it where it was. When the depot was completed, this thoroughfare would be the major artery for the interurbans. Huntington stated: “I am building several interurban lines running from the surrounding towns into Los Angeles and probabilities are that local mail in Southern California will be carried by electric lines. All interurbans lines [will] run past the present post office.”

Huntington’s efforts succeeded, and his move to the corner of Sixth and Main proved astute; the business district soon followed the PE Building into this section of downtown.

When the PE Building was opened in January 1905, it contained twelve acres of floor space, making it the largest office building west of Chicago. The Huntington companies occupied the seventh floor, and the top two floors were held by an exclusive men’s organization, the Jonathan Club.

Although Huntington was making large investments in southern California, the majority of his time was spent in New York. His extended stays there served two purposes. First, since Collis’s will had divided many of the millionaire’s extensive holdings between his widow and favorite nephew, Henry often worked with Arabella and the executors of Collis Huntington’s estate overseeing their joint business interests. These New York trips also provided an opportunity for Henry to continue his longstanding friendship with Arabella. Second, and related to his Los Angeles concerns,
Huntington often went to New York to obtain money for his southern California projects by selling and liquidating many of the stocks and bonds he held in major railroads and other corporations. As the PE's Joseph McMillan explained in 1907, "Year after year, Mr. Huntington goes to New York and comes back with money for building new lines." When in New York, Huntington resided in the exclusive Metropolitan Club. When in Los Angeles, prior to the completion of the Jonathan Club, he stayed at the prestigious Van Nuys Hotel located at the corner of Fourth and Main streets.

While Huntington was building street railways and snapping up large portions of inexpensive land along planned interurban lines, he did not forget his uncle Collis's advice about the value of entering another trolley-related industry, electric power generation. In July 1901, Hellman wrote Huntington regarding the purchase of electric power and mentioned Los Angeles entrepreneur William G. Kerckhoff, a man with whom Huntington had a long business association. The banker told Huntington that Kerckhoff had offered to sell electricity to the Los Angeles Railway, and, more important, that "Kerckhoff has now made [us] a proposition to form a new company to supply electric power from the Kern River."

Kerckhoff and Huntington had become acquainted in 1893. Before Huntington and the SP purchased the San Gabriel Valley Rapid Transit Railway, Kerckhoff had been one of the railway's owners. Kerckhoff, who had arrived in southern California in 1878, had been involved in several ventures, including a lumber company and an ice business, before entering the electric power field. He first moved into the electric power industry in April 1894, with the incorporation of the San Gabriel Power Company. Three years later, on 24 May 1897, he and electrical engineer Allan C. Balch formed the larger San Gabriel Electric Company. This firm combined the former San Gabriel Power Company with the Sierra Power Company, which consisted of two hydroelectric plants, the San Antonio facility near Pomona, and the Sierra plant in the San Bernardino Mountains. Another hydroelectric power station was later built on the San Gabriel River. Known as the Azusa plant, it produced and transmitted current to Los Angeles, where it powered streetcars and manufacturing plants.

Aware of the value of controlling hydroelectric power generation, Huntington willingly listened to the power entrepreneur's proposals. Eager to get the Kern River project off the ground, Kerckhoff wrote to Huntington: "My idea is, that we should orga-
nize the company, go over with our engineers all the estimates, plans, and surveys heretofore made, and obtain bids from the most responsible." After some thought, Huntington agreed to join Kerckhoff and two others, Henry W. O'Melveny, a Los Angeles attorney associated with John Bicknell, and Kaspare Cohn, in the venture. As with his other companies, Huntington brought in his investment partners. On 6 March 1902, the Pacific Light and Power Company was incorporated. It was capitalized at ten million dollars; the Huntington group received 51 percent of the stock, which was held under the name of the Los Angeles Railway, and the Kerckhoff investors took the remaining 49 percent. Although the Huntington syndicate held the controlling share of stock, Kerckhoff, because of his experience, was named president of the new company.

Just as he had done with the street railways, Huntington made the PL&P a consolidation of several smaller companies. It absorbed the former San Gabriel Electric Company, the Kern Power Company, and the Los Angeles Electric Company. The new firm owned the 1,600-horsepower Azusa water power plant, the 800-horsepower San Antonio water power plant, and the 3,000-horsepower Los Angeles steam plant. The company also owned sixty-three miles of transmission lines and a distribution system for the Los Angeles area.

Since the PL&P was incorporated to provide motive power for Huntington's two growing street railways as well as electricity to the city, more and larger power plants were necessary. To meet demand, PL&P began building the 10,000-horsepower Kern River hydroelectric power plant, 11.5 miles down river from Kernville, and two sets of transmission lines, which ran 105 miles to Los Angeles. In addition, the company doubled the capacity of the Los Angeles steam plant; it was to be used to generate power in cases of emergencies or when problems occurred with the distant hydroelectric sites.

Besides expanding through a building program, PL&P continued to grow by purchasing other power companies. In 1903 it acquired the Ontario Electric Company, the Ontario and San Antonio Heights Railway, which held water rights for a power plant, and the San Bernardino Gas and Electric Company.

Huntington maintained active interest in PL&P, but this occupied only a small part of his time. A railroad man first, he guided the vast expansion programs of both the Los Angeles Railway and the Pacific Electric. Proud of his growing trolley and real estate
empire, Huntington wished to be kept up to date on the latest development of his properties. In Los Angeles he spent much of his time in the field checking rail construction and contemplating future land development. In New York, at his office on Broad Street, he kept abreast of details by requiring his subordinates to send photographs of the most recent construction work.48

From 1901 to mid-1903, Huntington's major building efforts took place on his interurban PE, although the LARY was not altogether neglected. The city's population continued moving southeast and southwest of the central residential districts centering near Sixth and Main streets.49 The LARY's extensions followed these migration patterns and helped disperse the population away from the city's former core.

In order to reach growing residential areas, the LARY struggled to procure street franchises. In 1901, Huntington encountered stiff competition for franchises from William and T.J. Hook and their Los Angeles Traction Company. On 27 May, the Traction Company was the highest bidder at the franchise auction for rights to build on West Jefferson Street from University to Arlington Avenue. In September, Huntington, represented by manager Randolph and attorney William E. Dunn, who had once served as Los Angeles city attorney, outbid Hook for the Echo Park franchise. Dunn soon retired from his other legal activities to act as Huntington's agent on the West Coast.50 The disputes over franchises continued, and it was not until October that Huntington learned of a defeat that had actually occurred five months earlier. In October, Huntington wrote businessman Hervey Lindley regarding the franchise Lindley held on Eleventh Street, that ran from Georgia to Alvarado; this important franchise covered a street leading to the growing residential area of Pico Heights. Much to Huntington's chagrin, Lindley responded that Hook had already purchased the franchise in May.51

Regardless of these setbacks, the LARY completed many extensions. In 1901 the Pico Street line was expanded east from Harvard to Wilton Place. The following year there were two additions: a road was built on private right-of-way from the Washington line down La Salle Avenue to Western, and the Eastlake Park (now Lincoln Park) line was connected to the Maple Avenue line.52

Perhaps the most important change in these years was the introduction of an improved, standardized streetcar. Designed by Huntington engineers, these cars came to be called "Huntington Standards." Up to this time, the LARY used a variety of street-
car models. The Standards were especially well suited to the dry, southern California climate. The wooden cars consisted of barred, open-air sections at the front and back and a five-window enclosed compartment in the middle of the car. As a Huntington letter to the Railroad Gazette revealed, he was interested in the Los Angeles Railway and its growth, but he was excited about the Pacific Electric and its possibilities. On 20 February 1902, Huntington reported that the LARY held ninety-eight miles of track, but he provided a much more detailed description of his interurban firm. The PE, he noted, designed to carry passengers, freight, and mail, had forty miles of track stretching from Los Angeles to Pasadena and Altadena via Garvanza (now part of Highland Park), with a scenic extension winding its way up Mt. Lowe. Huntington added that a new line to Pasadena and a Los Angeles to Long Beach line were under construction.

Once Huntington decided on a particular destination for the PE, he left the details of planning and construction to his civil engineer, Epes Randolph. The new Pasadena route, dubbed the "Short Line" because of its directness from downtown to the northeastern community, opened 21 June 1902 and quickly replaced the old Los Angeles and Pasadena as the commuters' first choice. The cities of Alhambra and San Gabriel were to be connected to the new Pasadena route by branch lines, and residents eagerly awaited the streetcars' arrival. The Los Angeles Times recounted the reaction in Alhambra to the advent of the trolleys:

An electric shock struck Alhambra yesterday morning. It set the people agog. It almost completely depopulated the pretty suburban town. After many months of anxious anticipation, the new electric line of the Huntington syndicate opened for business at 6 o'clock. . . . The town turned out en masse to experience the novel sensation of riding to the city by electricity. . . . It is the first branch to be set in motion of the big broad gauge system of the Huntington-Hellman syndicate.

Long Beach had previously been connected to Los Angeles by horse car and then by steam railroad. Yet the streetcar possessed an almost magical aura. People had seen land booms take place in Santa Monica and Pasadena, the two cities first reached by the interurbans. The belief that trolley access precipitated increased land values led many property owners to donate land to the PE along its proposed line to Long Beach. Over this land, combined with property the PE had purchased at nominal prices, Randolph constructed a double-track route on private, eighty-foot right-of-
way. Earlier, Huntington had promised Long Beach residents that the interurban connection to Los Angeles would be completed by October. When acting as construction superintendent in the 1880s, Huntington had often beaten his own timetable. Emulating his employer, Randolph pushed work crews to complete the line three months ahead of schedule. On 4 July, the first trolley left Los Angeles for Long Beach. With high frequency service—cars ran every fifteen minutes—and high-speed transit over a first-class roadbed, Huntington called it “the finest road in the world.” The Long Beach line was soon the system’s most profitable run.\(^{56}\)

Wherever the PE cars led, subdividers, development, and growth soon followed. And Huntington significantly affected how and where greater Los Angeles developed. The advent of the trolleys in Long Beach is illustrative. Prior to the interurban connection, an acre of land three blocks from the beach cost three hundred dollars in this town of about two thousand residents. Six months after the PE’s arrival in 1902, an acre of land one mile from the ocean was advertised for seven hundred dollars. Furthermore, by 1910, the population of Long Beach had risen to nearly eighteen thousand, a rate of growth higher than that of any other U.S. city.\(^{57}\)

Similar growth, if slightly less spectacular, occurred wherever and whenever trolley lines were built. The San Gabriel Valley town of Alhambra, for example, although founded during the boom of 1887, remained too small to be listed on the census reports of 1890 or 1900. In 1902 the PE reached the community, and by 1910 the town’s population had risen to five thousand.\(^{58}\)

Huntington’s ambition to build an interurban empire and develop land along its lines fueled the PE’s expansion. After the Pasadena and Long Beach lines were completed, extensions into the San Gabriel Valley centers of Monrovia and Whittier were finished in 1903, and by June of that year, the PE’s tracks stretched over 170 miles of southern California.\(^{59}\) The PE’s rapid growth led many to speculate just how far and in what direction Huntington would build. Thinking in this vein, E. A. Adams, a Huntington secretary, wrote C. E. Graham in 1903: “There is a good deal of talk about Mr. Huntington running his trolley lines to Frisco. It looks like hot air, but I would hardly be surprised if such a thing did happen within the next year.”\(^{60}\) Ironically, it was the success and swiftness of his PE expansion that led to an internal conflict among Huntington and his associates and an external struggle with the steam railroad interests.
Huntington’s partners became dissatisfied because of the constant demands for funds to finance the expansions. A stock assessment of 5 percent was levied on all shareholders in February 1902. Because the PE’s building program did not slow down, the company issued one million dollars’ worth of forty-year, 6 percent bonds through Hellman’s Union Trust Company in San Francisco. The bond issue was oversubscribed by California investors, and plans were readied to issue more bonds.\(^61\)

The sluggish economy made the immediate sale of more bonds difficult but Huntington adhered to his building program. Cash to finance construction was obtained by the PE stockholders’ taking up the bonds themselves. By February 1903, the PE had $3,555,000 worth of bonds outstanding. Of that amount, Huntington held $400,000 by the end of 1902, and by the following December his total of PE bonds had risen to $1,468,000.\(^62\)

When associated with Huntington in San Francisco, Hellman, Borel, and DeGuigne had seen Huntington manage a large street railroad that resulted almost immediately in high profits and healthy dividends. Yet in Los Angeles, these men found themselves providing money for Huntington’s pet project, with no end in sight for the cash outflow. Following the first assessment, DeGuigne sold 427 of his 678 shares to the other three associates. Huntington took up 273 shares, and Hellman and Borel each bought 77 shares.\(^63\)

Concerned about the costs of the PE, the three financiers were also displeased with its net earnings. Unlike the LARY’s net earnings, which rose from $85,200 in 1900 to $366,100 in 1903, the PE netted $121,000 in 1902, but that amount dropped to a loss of $37,600 in 1903.\(^64\) These figures proved fairly prophetic; over the next few years, the LARY continued to have strong earning power and showed a steadily increasing profit, but the growing PE constantly struggled to meet the break-even point.

Although the PE did not generate large profits, the already existing nucleus of a far-flung, standard-gauge network caught the attention of E. H. Harriman and the SP. Harriman feared that Huntington’s electric system, which often ran cars more frequently and at higher speeds than the steam railroads, would drastically cut into the SP’s passenger and freight business in southern California. The pattern of transportation connected with the annual Los Angeles Festival of Flowers in May 1903 indicated the reasons for Harriman’s concern. Approximately 70,000 out-of-town visitors came into Los Angeles to see the pageant. Of that figure, 47,500 were transported by electric railways, and 30,000 were brought in
by Huntington’s PE. The SP, on the other hand, carried only 9,000 of the tourists.65

Huntington’s first five years in southern California met with incredible success, but that success did not come without its costs. The PE’s building program was tremendously expensive, and Huntington’s partners began to worry about his policy of continued expansion. He also had to acknowledge an impending confrontation with the Harriman / SP interests.

During these years, Huntington drew upon his experience with the Market Street Railway and the SP to lay the foundation for a business empire based on street railroads, and in so doing, was soon shaping the growth of greater Los Angeles. He established two separate trolley systems, each for a distinct purpose, and entered the related industries of real estate and electric power generation. Day-to-day operations of these ventures were overseen by his handpicked managers, but Huntington made the long-range decisions and was the guiding force behind his organizations.

Huntington then prepared for a period of unprecedented activity, which included rail extensions, real estate subdivisions, and the building of new power plants. These activities did take place but not in the manner, nor as rapidly, as Huntington had expected. Control over his railways—the key to his growing empire that Huntington had jealously sought to hold, became difficult to maintain. Hampered by associates unwilling to pour money into the PE, and confronted with a battle for the southern California transportation market, Huntington was on the brink of an era of intense struggle.