

Henry Villard in the West Shore

By The West Shore

When the first transcontinental train rolled into Portland on September 11, 1883, the *Oregonian* described the ensuing celebration as "the greatest display ever witnessed in this city." The man largely responsible for the completion of the transcontinental line was Henry Villard. The *West Shore* magazine published this celebratory page illustrating the many men involved in bringing the railroad to Portland. Villard presided over the spike-driving event, and Judge Matthew Deady described Villard's reception in his diary: "As the sun went down the spike was driven--Villard's 3 months baby taking hold of the handle of the hammer, when the crowd hailed him as 'Henry the Second'--a pretty and for the moment a not inappropriate conceit." Villard moved to Portland in 1874 as a representative of a group of Germans who had loaned Ben Holladay money to build a railroad from Portland to San Francisco. Holladay's business was hurt by the financial crisis of 1873 and he fell behind in his payments to Villard's employers. Villard, with the help of Portland and New York bankers, was able to buy the Oregon Railway and Navigation Company because it continued to do poorly after Holladay defaulted on his loans. The OR & N Co. did well under Villard's direction and he planned to make Portland the West Coast hub of a transcontinental railway. In 1880, another company, the Northern Pacific Railroad, which was building its own line to Puget Sound, threatened Villard's plans. He responded by calling on his banking contacts and raising over \$8,000,000 in a blind pool (a pool investors contributed to without knowing what Villard intended to do with their money) to buy the rival company. Villard's railroad companies made swift progress and completed the transcontinental railroad to Portland in 1883. By that time, however, his companies were doing poorly. Villard was voted out of the presidency of all his companies in early January 1884 and returned to Germany, where he spent three years recouping his fortune. He returned to the United States and became chairman of the Northern Pacific in 1889 and president of Edison General Electric in 1890. Although Portland gained a railroad connection from Villard, Portlanders who invested in his companies lost two to three million dollars among them. © 2002 Oregon Historical Society

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