

Henry Morrison Flagler (1830-1913): The Story of Flagler County's Namesake

By Randy Jaye

Henry Morrison Flagler's life was a true American "Work Hard and Succeed" story. Some see him as a ruthless and powerful 19th century American capitalist who became a multi-millionaire by negotiating secret deals while deceiving competitors, corrupting politicians and engaging in various other unethical business practices, and classify him as a 'robber baron¹.' Others see him as the visionary who risked a fortune, and prevailed against huge obstacles, to lead the development of Florida's east coast into the modern business, agricultural, residential and tourist center it is today. No matter what is thought of Flagler he retains a legendary status, among historians and researchers, as a pioneering industrialist and business wizard. He is also known as the Father of Palm Beach and Miami.

Early and Personal Life

Henry Morrison Flagler (**Figure 1**) was born in Hopewell, New York on January 2, 1830. He was



Figure 1 - *Portrait of Henry Morrison Flagler – circa 1870. Source: Florida Memory - State Archives of Florida.*

the son of a Presbyterian minister and only received an eighth-grade education. At age 14, his half-brother, Daniel M. Harkness (1822-1896), convinced him to leave school to work for the Lamon G. Harkness and Company grain store in Republic, Ohio. He started with a salary of \$5.00 per month including room and board. A few years later, in 1849, he was promoted to a sales position with a salary of \$40.00 per month.

On November 9, 1853, he married Mary Harkness (1833-1881) who was the feeble 20 year old cousin of Daniel Harkness. They had two daughters, Jennie Louise Harkness, born in 1855 (died in 1889), Carrie Harkness born in 1858 (died in 1861) and a son, Henry

Harkness Flagler born in 1870 (died in 1952). In 1878, Flagler's wife, Mary, who struggled with health problems throughout her life, developed a serious condition and physicians urged her to spend the winter in Florida. They traveled to Jacksonville and stayed there for the winters. It was during this time that Flagler discovered that northeastern Florida had poor hotels, inadequate transportation and virtually no leisurely entertainment. Mary died on May 18, 1881.

In 1883, Flagler married Ida Alicia Shourds (1848-1930), his late wife's nurse. In 1895, Flagler's second wife, Ida Alicia, was institutionalized after suffering from mental illness for many years, and remained confined for the rest of her life. Flagler changed his legal residence from New York to Florida and backed a bill to make incurable insanity a ground for divorce. The bill passed through the legislature in near record time and was signed into law on April 25, 1901. It has often been referred to as a special benefit to Henry Flagler as he was granted a divorce on August 13, 1901 under the new law.

On August 24, 1901, Flagler married his third wife Mary Lily Kenan (1867-1917). He built a mansion in Palm Beach called Whitehall which became one of the country's most magnificent private homes. Today, the Whitehall mansion (**Figure 2**) is the Henry Morrison Flagler Museum².



Figure 2 - Henry Morrison Flagler Museum – Palm Beach, FL – Source: The Flagler Museum - <https://www.flaglermuseum.us/>

Early Business Ventures

In 1852, Flagler and Daniel Harkness established D.M. Harkness and Company in Bellevue, Ohio. In 1862, Flagler and his brother-in-law, Barney York, established a salt mining and production business in Saginaw, Michigan called the Flagler and York Salt Company. This company failed due to the ending of the Civil War and he lost his \$50,000 investment along with an additional \$50,000 that he had borrowed from Daniel Harkness and his father-in-law. Now, heavily in debt he returned to Bellevue and became a commission merchant at a grain company. He managed to pay his debt off while employed in this business. He also met John D. Rockefeller (1839-1937), who was working at the Harkness Grain Company as a commission agent.

Standard Oil

In the mid-1860s, Rockefeller realized that the oil industry was emerging in the United States and he left the grain business to enter into the oil refining business. He asked Flagler to invest in the business. Flagler managed to raise \$100,000 from his stepbrother Stephen V. Harkness (1818-1888). Flagler joined Rockefeller as a partner and they eagerly entered into the oil business motivated to make as much money as possible. In 1870, Standard Oil was incorporated in Ohio. The principal partners were Rockefeller, Flagler, chemist and inventor Samuel Andrews (1836–1904), and John Rockefeller’s brother William A. Rockefeller, Jr. (1841-1922). The silent partners were Stephen V. Harkness and businessman Oliver Burr Jennings (1825-1893).

Standard Oil began taking over or combining most of the small oil refineries in Cleveland, which was the center of the oil refining industry at that time, and by 1872 they were producing 10,000 barrels a day and became the largest company in the oil industry. By 1879, Standard Oil and its affiliated companies controlled 95% of the U.S. petroleum industry. Flagler’s imagination, ingenuity and business strategies, including his rebate system which was used to strengthen Standard Oil’s position against competitors and transporting firms, turned Standard Oil into the most successful monopoly³ of the 19th century.

The oil industry domination by Standard Oil led to public outcry and extreme criticism from journalists and the government. Legislation was created that made it difficult to incorporate in one state and operate in another. So, Flagler and Rockefeller and their associates set up scores of

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corporations which operated in only one state. Realizing that this was a cumbersome method to operate a huge company they had their lawyers create an innovative form of corporation which centralized their operations in a trust called the Standard Oil Trust. In effect, this trust comprised of 41 separate companies and was a corporation of corporations.

After 1882, Flagler's interactions and influence with Standard Oil gradually diminished although he remained a vice president until June 1908. Oil businessman John Dustin Archbold (1848-1916) began assuming Flagler's responsibilities as he progressively retired from the oil business and began concentrating his attention on the development of Florida.

In 1890, the Sherman Antitrust Act⁴ was passed by Congress and it restrained the power of trusts. As a result, the Standard Oil Trust lost a lawsuit in 1892 in Ohio and was later incorporated as a holding company in New Jersey.

In 1909, the Department of Justice filed a federal antitrust lawsuit against Standard Oil claiming the corporation restrained trade using preferential deals with railroads, controlling the oil industry's pipelines, and driving smaller competitors out of business using unfair price-cutting practices.

On May 15, 1911, the U.S. Supreme Court ruled that Standard Oil was in violation of the Sherman Antitrust Act and ordered its dissolution. Standard Oil was forced to break into 34 independent companies spread across the U.S. and abroad.

The Flagler System in Florida

The Flagler System in Florida traces its roots to 1883 when Flagler and his second wife, Ida Alicia Shourds, traveled to St. Augustine. It was here that Flagler realized Florida's potential to attract tourism. But, its facilities, hotels and transportation networks at that time were all inadequate to be successful in the upscale tourism business.

During Flagler's quest to develop Florida he created several enterprises that became known as the Flagler System. Each enterprise was incorporated and functioned as a separate unit, but they were

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administered by the same group of officers. The Flagler System included the Florida East Coast Railway, the Florida East Coast Hotel Company, the Model Land Company (and subsidiaries), newspapers and utilities.

Florida East Coast Railway

Since the transportation system into and around Florida at the time was not developed enough to haul construction materials efficiently, or bring in large numbers of tourists to the area, he decided to purchase the Jacksonville, St. Augustine & Halifax Railroad in 1885. This railroad was a little narrow-gauge operation. Flagler quickly upgraded the tracks to allow for faster and heavier rail traffic which improved transportation into St. Augustine. In 1888, he purchased two more railroad companies: the St. Augustine and Palatka Railroad and the St. Johns Railroad. All of his railroads were converted to standard-gauge tracks by 1889 which made modern railroad transportation available between Jacksonville and Daytona.

In 1892, Flagler began building railroad tracks south of Daytona along the Indian River to New Smyrna. His railroad company was renamed to the Jacksonville, St. Augustine and Indian River Railway. The potential for a luxury hotel in Palm Beach convinced him to continue the railroad further southward. In 1894, Flagler's railroad was completed into Palm Beach.

In 1895, Flagler began extending his railroad from Palm Beach to Miami and changed the name of his railroad company to the Florida East Coast Railway. The stretch of railroad to Miami was completed in 1896, and many towns grew from the wilderness as new construction, tourists and residents followed along the path of the new railroad.

Flagler's new railroad connecting Jacksonville to Miami along the east coast of Florida was in itself an impressive engineering achievement at the time. But, the next phase of the Flagler's railroad construction was to connect Miami to Key West (an overseas extension) and it proved to be a daring and expensive project.

Flagler's Folly

When the United States took over construction of the Panama Canal in 1904 Key West became a potential international transportation hub. At 75 years of age Flagler assumed the challenge of

extending his Florida East Coast Railway the 128 miles from Florida’s mainland to Key West. Many people including business associates, accountants and engineers advised against the overseas extension project and it became known as “Flagler’s Folly.” The U.S. government, and President Theodore Roosevelt (1858-1919), were in favor of the project due to its potential commercial and military benefits.

In 1905, the overseas extension project began and it was completed seven years later in 1912. Many obstacles including intense heat, mosquitos, rugged terrain and several hurricanes (including one in 1906 that led to the death of over 70 workers) hampered construction and progress. An average of 3,000 workers were on duty during construction of the project, and at one time 4,000 were employed. Many engineering innovations were implemented during the project which included the construction of 42 bridges. The workers received board, lodging and salary and about 80% came from northern cities. Flagler provided first aid stations near construction locations and hospitals in Miami and Key West at no charge to the workers.



Figure 3 - *The first passenger train arrived in Key West on January 22, 1912 and was called ‘Mr. Flagler’s Special’*
- Source: The Flagler Museum - <https://www.flaglERMuseum.us/>

On January 22, 1912, Flagler was onboard the first official train (**Figure 3**) to reach Key West which was called “Mr. Flagler’s Special.” Over 10,000 people were in attendance for the

celebration. The *Miami Herald* called the project the "Eighth Wonder of the World." Flagler had succeeded against huge odds in building one of the great engineering marvels of its day.

Florida East Coast Hotel Company

The Florida East Coast Hotel Company consisted of a chain of luxury hotels that stretched along Florida's east coast. Flagler created one of the most popular resort areas in the United States by building hotels in beautiful locations that included elegant landscapes, lavish furnishings and awe-inspired architecture.

In 1885, Flagler began construction on the Hotel Ponce de Leon, a huge 540-room luxurious structure. On January 10, 1888, the Hotel Ponce de Leon opened and was successful from the onset. Flagler also owned two other extraordinary hotels in St. Augustine; the Hotel Alcazar (opened in 1888) and the Casa Monica/Hotel Cordova (opened in 1888). All of which were inspired by local and Spanish architecture.

In 1890, Flagler had visions to expand luxurious hotels into south Florida which prompted the idea for the Florida East Coast Hotel Company. He first built a railroad bridge over the St. Johns River,



Figure 4 - Hotel Ormond - circa 1890s – Source: Ormond Beach Historical Society.

and then purchased the Hotel Ormond (**Figure 4**) in Ormond Beach (opened in 1887 and purchased by Flagler in 1890). It became one of the best known hotels in the country and gained international notoriety as well. During the following fifteen years he added a salt water pool, elevators and increased the rooms from 75 to 400 by adding three new sections making it the largest wooden structure in the United States. It sat on 80 acres and included 11 miles of corridors and breezeways. Flagler's next

hotel venture was in Palm Beach where he built the Hotel Royal Poinciana (opened in 1894). This hotel became the largest resort in the world.

In 1896, he built another impressive hotel in Palm Beach called the Palm Beach Inn. It was later named the Breakers in 1900 and rebuilt in 1906. Other hotels in Flagler's empire were the Hotel Royal Palm in Miami (opened in 1897); the Royal Victoria Hotel in Nassau (built in 1859-61 and purchased by Flagler in 1898); the Hotel Colonial in Nassau (built and opened in 1898); the Hotel Continental in Atlantic Beach (opened in 1901); and the Long Key Fishing Camp in the Florida Keys (opened in 1909).

Model Land Company (and subsidiaries)

During the building of the railroads through Florida large tracts of land were granted by the Florida legislature (8,000 acres per mile of railroad). It is estimated that the Florida East Coast Railway received a total of 1,500,000 to 2,000,000 acres of land during the time they were constructing railroads. Flagler set up a department within the company to sell and manage this land, and eventually the Model Land Company was incorporated in 1898. It included several subsidiaries: the Chuluota Land Company, the Fort Dallas Land Company, the Perrine Grant Land Company and the Okeechobee Land Company.

Newspapers

Flagler had many turbulent dealings with newspapers during his business career, but realized their importance for business advertising and driving public opinion. He became the leading newspaper owner in Florida, but kept his ownerships secret to the public. In 1891, he bought into the *Florida Times-Union* in Jacksonville, and acquired control of the *Miami Metropolis*, the *Miami News* and the *Miami Herald* in Miami, and the *St. Augustine Record* in St. Augustine. He also established Palm Beach Island's first newspaper, the *Weekly Lake Worth News* and three years later it grew into a daily newspaper called the *Palm Beach Daily News*. It took 54 years to disclose Flagler's connection to this newspaper when it was sold in 1848. His ownership of many other newspapers was not revealed until years after his death.

Utilities

Flagler realized that modern utilities were required to attract tourists and residents. He purchased an interest in both the Miami Electric Light Company and the West Palm Beach Water Company to ensure these areas had adequate utilities to assist in their development and growth.

Death

Flagler fell down a flight of stairs in his Whitehall mansion in Palm Beach, FL and died from the accident on May 20, 1913 ([Figure 5](#)) at the age of 83. He is buried in the Memorial Presbyterian Church in St. Augustine, FL which he had built in 1890 to honor his daughter, Jennie Louise, who had died in 1889. He is entombed on the top floor next to his first wife Mary, daughter and granddaughter.



Figure 5 - Miami Daily Metropolis – May 20, 1913 - Headline: Henry M. Flagler, Railroad Magnate, Dies This Morning – One of Greatest Captains of Industry, First Noted Possibilities of Florida

Legacy

Flagler was undoubtedly one of the main builders of modern Florida which included the development of the cities of Miami, Palm Beach and Fort Lauderdale. Florida's tourist trade, agriculture, hotels and utilities all expanded and benefited from his Florida East Coast Railway transport system and hotel empire which spanned the entire east coast of the state from Jacksonville to Key West. But, he is generally forgotten outside of Florida and is most likely the least known 'robber baron' in American history.

There are scores of places named after Flagler including Flagler County, FL, Flagler Beach, FL, Flagler, CO, Flagler College and Flagler Hospital in St. Augustine, FL, a monument to him on Flagler Monument Island in Biscayne Bay and Flagler Street, the main east-west street, in Miami,

FL. Flagler's impressive Gilded Age Whitehall mansion in Palm Beach, FL (now known as the Henry Morrison Flagler Museum) is a National Historic Landmark and a public house museum.

End Notes

¹ A **robber baron** is a person who became extremely wealthy using ruthless, unethical and unscrupulous business tactics. The term 'robber baron' usually refers to prominent U.S. businessmen in the late 19th century that include: John Pierpont 'J.P.' Morgan (1837-1913); Cornelius Vanderbilt (1794-1877); Andrew Carnegie (1835-1919); Andrew W. Mellon (1855-1937); Henry Clay Frick (1849-1919) and John D. Rockefeller (1839-1937).

² The **Henry Morrison Flagler Museum** is located at One Whitehall Way, Palm Beach, FL 33480. According to the museum's website "The Mission of the Henry Morrison Flagler Museum is to preserve, research, and interpret Whitehall, its associated collections, and materials related to the life of Henry Morrison Flagler, as unique and important elements of Florida's history and America's Gilded Age...one of the most fascinating times in American History, and the entrepreneur who modernized the business world and developed Florida into a vacation paradise with a strong economic foundation."

³ A **monopoly** exists when a specific person or business enterprise is the only supplier of a particular commodity. Monopolies are restricted in many jurisdictions by competition laws. Although a monopoly in a market is not necessarily illegal it is the certain categories of behavior, including price fixing, that can be considered abusive and therefore incur legal sanctions when a business has cornered the market.

⁴ The **Sherman Antitrust Act** was passed by the U.S. Congress in 1890 and is a landmark federal statute in the history of United States antitrust law (or "competition law"). It allowed certain business activities that federal government regulators deem to be competitive, and recommended that the federal government investigate and pursue trusts suspected of illegal practices.

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