We learned back in high school that railroads were the engines of economic growth in the United States. Although they were often run by "robber barons," the iron horses opened the continent for settlement, developed national markets, invented corporate business practices, and advanced the commercial, industrial and social interests of the United States.

Richard White, a professor of American history at Stanford University, does not deny that railroads "eventually proved to be a good idea." He claims, however, that in the mid- and late 19th-century, they were, in almost every respect, a disaster.

"Overbuilt, prone to bankruptcy and receivership, wretchedly managed and financially wasteful," he insists, the railroads "helped create a world where private success often came from luck, fortunate timing, and state intervention."

His book is imaginative, iconoclastic, immensely informative and mordantly funny. Although it is not always persuasive, it will -- and should -- change our views of the role of railroads in transforming America.

Mr. White doesn't mince words. Silas Seymour, the chief engineer for the Union Pacific Railroad, he writes, was "corrupt and largely incompetent."

Grenville Dodge was far more capable, served with distinction during the Civil War, but he was an "eclectic hater," who "hated loudly and demonstratively," hating abolitionists, African-Americans, immigrants and Catholics "with impartiality."

And Elias Boudinot, a Cherokee Indian, was "a willing tool" of the Atlantic and Pacific Railroad, who should be counted "among the great scoundrels of the Gilded Age."

More importantly, the author demonstrates that the railroads did not represent the triumph of private enterprise. Railroad entrepreneurs (who were, more often than not, financiers and speculators) preyed on state and federal governments, bribing their way to grants of land and rights of way (through Indian territory), subsidies and tax breaks, and beating back attempts to regulate their industry.

The Jay Goulds, Leland Stanfords and Collis Huntingtons lined their own pockets without worrying all that much about the viability of the lines they created. Along the way, Mr. White indicates, with an eye cocked on the 21st century, they "transformed government itself," making legislatures, the bureaucracy and the courts arenas for corporate competition.

He blames the railroads, at times unfairly, for what he calls "dumb growth" and "environmental catastrophes." Having built ahead of demand, he argues, railroad tycoons covered their fixed costs by creating a demand for goods they could then haul to market.

Railroads "proved instrumental" in the extermination of millions of bison. They "prepared the ground" for the open-range cattle industry, a "grasslands tragedy," given the damage to drought-prone prairies caused by heavy grazing and the "crude and cruel" realities of corn-feeding and rail transport.

By encouraging farmers to grow far more wheat than the world needed, they "created the framework" for the
agricultural disasters in the West in the 1880s and '90s. And, he reminds us, they accelerated "the dispossession" of the Indians.

Mr. White is not an economist. In assessing the social utility of the railroads, he sometimes cherry-picks the data on profits, prices and per capita incomes.

Nonetheless, in "Railroaded" he compels serious consideration of the proposition that the transcontinentals were, at once, powerful and unsuccessful, generating profits "more from financial markets and insider contracts than from selling transportation," less an asset than a debt passed on to future generations.

He reminds us as well that the bubbles, scandals and Ponzi schemes in contemporary America resonate with those of the Gilded Age "because with the aid of the state, great corporate failures still produce immense individual rewards."

Mr. White's "guys," he reminds us, "are dead and gone, but their equivalents -- and the conditions that allow them to prosper -- endure."

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