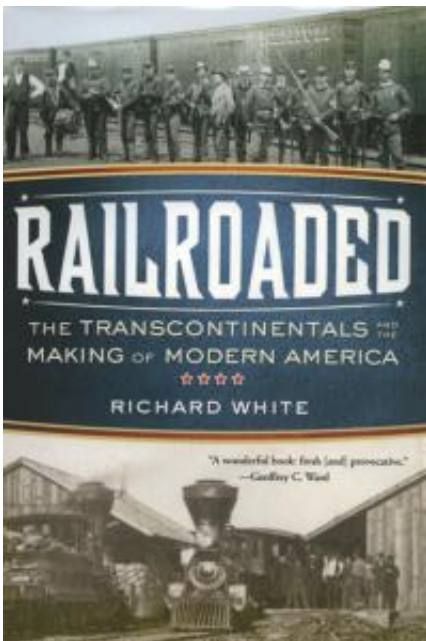


Railroad hyperbole echoes all the way down to the dot-com frenzy

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Stanford historian Richard White said he began his book, 'Railroaded: The Transcontinentals and the Making of Modern America,' 12 years ago knowing only that he wanted to write something about the American West and railroads. He was unprepared for what he found in the archives.

There are critics and readers who say American historian Richard White should not have made fun of rich people in his new book, Railroaded: The Transcontinentals and the Making of Modern America.

"I don't make fun of rich people," he told a standing-room-only [crowd](#) at

Cubberley Auditorium on Wednesday. "I just quote other people making fun of rich people."

Take Leland Stanford, for example. The Stanford Historical Society, one of the sponsors of the event, has as one of its missions to study and understand "the ideals of the university's founders." Rarely if ever has the university's founder gotten such a drubbing at one of the society's [gatherings](#). Stanford knew nothing about railroads, nor did any of the railroad barons, according to White.

But Stanford and his partners certainly knew how to get money out of [Congress](#) and other people, White said, and that gift proved priceless.

White, the Margaret Byrne Professor of American History, said he began the book 12 years ago knowing only that he wanted to write something about the American West and railroads.

"I had no idea what I was getting into," he said. He was unprepared for what he found in the archives.

American railroads traditionally have been characterized as nation-builders and an octopus, the image made famous in the 1901 novel by that name by Frank Norris about the [conflicts](#) surrounding the arrival of the Southern Pacific in California and the immense [corruption](#) that resulted.

So White fully expected to find a beast. He was only partly disappointed.

No 'octopus' found

"*The Octopus* is a great novel, but it doesn't capture the railroad," he said. "The book's characters know what they're doing. In the Central Pacific" – the railroad created by Stanford, Collis Huntington, Charles Crocker

and Mark Hopkins – "they didn't know what they were doing.

"A better image would be four fat men in an octopus suit, all fighting each other."

The two best-known and authoritative books on 19th-century American corporations are Robert Wiebe's *The Search for Order* and Alfred Chandler's *The Visible Hand*, White said both in his talk and in the introduction to his book. But what White found did not match those authors' conclusion that the railroad marked the onset of modernity in the American West.

Instead of order he found chaos and dysfunction. Instead of profits he found losses. Instead of creation he found destruction.

The "creative destruction" that the economist Joseph Schumpeter wrote about, and which White references frequently in the book, assumes that things always turn out well. Failures go away and successes prosper.

But in the later 19th century – just like today – men can get rich even if their companies not only produce nothing of value, but in fact go bankrupt.

Summarizing his book for the audience, White said he is making five claims.

First, the railroads were children of the federal government, and in order to squeeze as much money as they could out of Congress, they invented the modern lobby. To do this – and this is one of the arguments closest to White's heart – they relied on a network and language of friendship.

"Shared information could turn into money, and the railroads knew this," he said. The culture of back-scratching and clientage, of

acknowledgements and returned favors, reached such a point that White actually found receipts for bribes in the archives.

Second, the railroads changed notions of time and space. White is one of the founders and principal investigators of Stanford's Spatial History Project, where his own project, *Shaping the West*, enables visualization of the new structures of time and space that came about through the construction of the railroads. As he wrote in *Railroaded*, "The measures of relational space were the timetable and the tariff. Both translated distance into other abstract measures – time and cost – but to get the full measure of relational space they had to be read together." Towns without stops were suddenly unreachable; routes that were expensive essentially put certain points off the map.

Third, the corporations and railroads were not harbingers of order. Charles Francis Adams, a railroad regulator and historian and the descendant of two presidents, once said he ran out of synonyms for insanity. Again, like today, organizations that raise lots of [money](#) through financing and subsidies "know it's better for them if things are confusing," White said. And the rot went from top to bottom; even Huntington's accountant was embezzling. (Of course, Huntington could do nothing about it, because the accountant knew too much.)

Respect for protesters

Fourth, White said he grew to respect the anti-monopoly movement in a way he had not before. The protesters, contrary to the later opinion of many historians, had a "very sophisticated understanding of what was happening to them," he said. "Very good historians have dismissed them as people who didn't understand modernity. Historians have said the world was too complicated for them. But they did understand."

And fifth, there was no octopus.

"When I started this book, things were going well" with the economy, he recalled. He was living in Seattle (where he taught at the University of Washington). Microsoft and Amazon were on the rise. He moved to Palo Alto during the boom years and tried to buy a house, but found himself competing with 25-year-old millionaires paying cash. Then came the crash, and Enron, the mortgage crisis and the financial crisis.

"It was all too Gilded Age for me," he said.

But, he cautioned, "the stronger the parallels, the harder it is to write good history." Easy comparisons – financial bubbles, opaqueness, virtual finance, widespread corruption – can blind one to the peculiarities and truth of the past. Nineteenth-century America, he noted, "was a very strange place."

But so, too, is the present. "The kind of hyperbole recently lavished on the Internet was once the mark of railroad talk," he wrote in the book.

Another historical trap is counterfactual history, but Wednesday's audience drew White right down that path, as have many of his other audiences in the six months since the book was published.

What would have happened if the transcontinental railroad had not been built there and then?

"I think if we had waited 30 or 40 years, it would have been much better," he said. There are examples of railroads that made sense, most notably regional railways such as the Great Northern that carried products to and from places where there were people, supplies and demand. But the transcontinental railway was another matter. It was built ahead of demand by people who understood nothing about transportation or the economy.

"'Build them and they will come' just doesn't work," White said.

If the railroads had been built differently, a few decades later, he said, American Indians would have had more time to adjust to the inevitable, and their reservations would have been structured more advantageously to them. There would have been no senseless cattle industry and overgrazing, no mining industry with its booms and busts, and no migration to lands that could not support settlement. And, continuing the hypotheticals, all this would have taken place during the Progressive Era, meaning there would have been no massive corruption.

But, he cautioned, he's making all this up.

What he's not making up are plans in California for a high-speed rail system, and the audience immediately went there. White has earned a fair amount of criticism and even scorn for his op-ed articles slamming the project as it exists. He is not opposed to high-speed rail, he cautioned his listeners, but building a hugely expensive train from Merced to Bakersfield makes no more sense than Stanford and Huntington's projects more than a century ago.

"The profits go to companies, and the debt goes to the people," he said.

In addition to the Stanford Historical Society, sponsors for the Jan. 11 event were the Bill Lane Center for the American West, of which White is a faculty co-director, and Stanford Continuing Studies.

Provided by Stanford University

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