Railroads and the Granger Laws

David Crosson
from 10,000 to 517,000, an expansion which was accompanied by critical changes in the economy. During those two decades Iowa successfully completed the transition from frontier, subsistence farming to complex, commercialized agriculture, thereby effectively integrating Iowa into the national market economy. A mature banking system, one which could stimulate purchasing power and rapid economic development, was absolutely essential. That need undermined the political philosophy and credibility of the anti-bank Democrats; in 1857 the new Republican Party successfully amended the Iowa constitution to permit commercial banking. The State Bank of Iowa and its network of branches was quickly chartered, and fulfilled the state's financial needs until 1865 when it disbanded to join the newly-created national banking system. That new system of national banks and national paper currency finally concluded the thirty-year struggle to provide Iowa with an adequate financial structure.

Professor Erickson has made an important contribution not only to the history of Iowa but to the history of frontier and Jacksonian America as well. Within the scope of his work Iowa develops from an uninhabited frontier to a complex economic and political society, a society in which philosophy or ideology could not long resist the demands of demographic change and economic reality. The separate strands of political behavior, economic development, and social change are here successfully weaved into a unified and fruitful exploration of Iowa history.

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This is the first booklength examination of the state railroad regulatory laws of the 1870s since Solon Justus Buck's classic study in 1913. According to Buck the regulatory and agrarian
movements were independent in origin but interwoven into one crusade. Incorporating revisionist scholarship of the past twenty years, much of it done in Iowa, with his own copious research in railroad archives and public records, Professor Miller concludes instead that "when set against the background of previous rate laws and policy," the Granger Laws were "far less radical" than has been assumed and "in no sense agrarian." Five of the ten chapters explain the origins and predecessors of the Granger legislation and determine their relationship to modern methods of regulation. The other five chapters relate the regulatory movements to the agrarian agitation in the four upper Mississippi Valley states: Illinois, Iowa, Minnesota, and Wisconsin.

Separate chapters analyze the historical development of railroads in the upper Midwest, railroad rate theory and law, previous state regulation of public carriers, and the theory of regulation resultant from the Supreme Court decisions of 1877. These chapters are sound in both conception and execution. The analysis of the origins of the specific laws is less convincing. Whereas Buck too readily assumed a casual relationship between agrarian-antimonopoly conventions and subsequent regulatory legislation, Miller tends towards the opposite extreme. The presence of businessmen and lawyers in the regulatory movements was assured by the more general political conditions of the time. That participation did not necessitate their determination of the policies of those movements.

Problems in analysis appear usually as overstatement. The struggle between the Rochester grain merchants and the Winona and St. Peter Railroad is inadequate as "a case study in public protest" and does not explain the Minnesota legislation. Neither can the Iowa pro rata law, which set maximum freight and passenger rates, be understood simply as the result of agitation by the Mississippi River towns. Although they had been sponsoring such legislation since 1860, it was not passed until 1874 and was repealed four years later. There is no adequate discussion of the switch to and from the pro rata scheme by the rural districts that allowed the river ports to enact their designs into law. Finally, the use of a scalogram
analysis of individual legislative voting might help clarify the confusion surrounding the enactment of the Wisconsin statute, which remains an enigma.

Many of these difficulties are explained by the author's concentration on, and obvious sympathy with, the problems of railroads. In a clear, if not exciting, style Professor Miller has placed the regulatory laws in perspective, but the state movements that organized public opinion behind the measures await a definitive revision. This book clears the air about the nature of the laws, provides the basis for a more intensive examination of the particular movements, and includes an invaluable bibliography of printed sources.

Notes on Contributors

Duane Anderson was born in Norton, Kansas and received his B.A., M.A., and Ph.D. degrees in anthropology from the University of Colorado. He is currently director of the Sandford Museum and Planetarium in Cherokee, Iowa.

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