



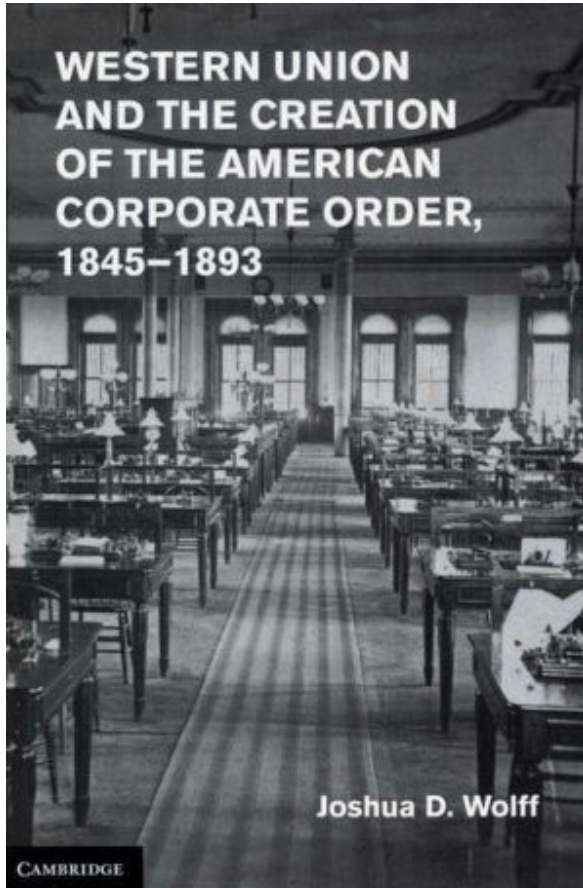
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# DAILY NEWS

## Explores 'important, defining narrative'

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*"Western Union and the Creation of the American Corporate Order, 1845-1893" by Joshua D. Wolff. New York, N.Y.: Cambridge University Press, 2013. 305 pages, \$90 (hardcover).*



"Communication, particularly rapid communication, has always been associated with power, and in America, this power was Western Union's to grant or deny," Joshua D. Wolff writes near the beginning of "Western Union and the Creation of the American Corporate Order, 1845-1893."

"Western Union's domination of the industry persisted despite the popular belief that the telegraph had a special civic purpose – perhaps even a providential design," Wolff continues. "Some contemporaries who lauded inventor Samuel F.B. Morse believed he had been divinely inspired and his invention would usher in an era of peace and universal communication."

As history has shown repeatedly and often poignantly since the time period that serves as the backdrop for Wolff's treatise on the connection between technology and corporate culture, such predictions can seem, especially in hindsight, to be naïve and simple-minded. Even today, the same claims are often made about the Internet, arguably the telegraph's ultimate progeny.

Although the book is comprised of only eight chapters, it took me a week to navigate the complexities of Wolff's prose. It's not that his writing is difficult to decipher; indeed, the author has an uncanny ability to explain relatively complex interactions in a surprisingly clear and unambiguous manner. Rather, the level of detail he employs is essential to a comprehensive understanding of the cultural, economic and political transformation he so eloquently describes.

Wolff received his Ph.D. in American history from Columbia University in 2008; the manuscript currently under consideration is based on his dissertation. He served as a lecturer in history at Columbia from 2008 to 2010, when he joined a global management consulting firm. This is his second volume. His first, "Ministers of a Higher Law: The Story of the Clergy Consultation Service on Abortion," was based on his master's thesis at Amherst College, which was published in 1998.

As noted in the title, "Western Union" deals primarily with the second half of the 19th century. The story begins before the Civil War and ends just as the world is about to be fundamentally

transformed by the introduction of the telephone; i.e., when the foundation for modern corporate society, as we have come to know it, was being laid. The growing interconnectedness of the public and private sectors was becoming increasingly apparent, and there was little consensus as to the efficacy of this emerging trend.

“The transformation of the telegraph from an industry crowded with small regional competitors to one dominated by a single national firm foreshadowed the big business revolution of the post-war period,” the author explains in “The Meanest Property in the World,” the inaugural chapter of the book. “Constructing a big business – large not just in terms of invested capital, like the railroads, but a unified anti-competitive venture on a national scale – was an inspired and original attempt to make perilous investments in the telegraph pay off.”

In many respects, “Western Union” is the classic tale of how innovation inevitably drives social change, often in ways that are inherently unpredictable and not necessarily advantageous when viewed in retrospect. The commercial potential of the ability to communicate instantaneously was seized upon almost immediately by those who understood the tremendous economic implications of the device. Networks sprang up overnight, and it did not take very long to figure out that coordination was essential to efficiency. The reality is that monopolies do have tangible benefits – benefits that can extend beyond those directly involved in the delivery of the specified goods or services. The problem is that they tend to be antithetical to the free market system to which our political system is ostensibly anchored.

“In 1877, the U.S. Supreme Court weighed in on the Telegraph Act in *Pensacola Telegraph Co. v. Western Union Telegraph Co.*,” Wolff notes in “First Time Tragedy, Second Time Farce,” the seventh chapter of the book. “In Pensacola, the court reviewed an 1866 monopoly granted by the state of Florida to the regional Pensacola Telegraph. Pensacola proved to be part of a broader movement in the court in the late 19th century to expand protections for interstate commerce and prevent states from using acts of incorporation and grants of monopoly to exclude foreign corporations or prevent consolidations. Pensacola took away the most powerful weapon in the Western Union legal arsenal: the injunction against violations of its exclusive contracts.”

In a strong dissenting opinion, Justice Stephen J. Field noted that the ruling’s net effect would be to severely restrict states’ rights to exercise control over the actions of corporations operating within their boundaries. As it turned out, this proved to be a particularly accurate prediction; the decision had a profound effect on the trajectory of corporate advancement over the next several decades.

“Western Union’s monopoly was not the result of market logic or a managerial revolution, but the conscious creation of entrepreneurs protecting their investments,” Wolff concludes. “In the process, these entrepreneurs elevated economic liberalism above traditional republican principles of public interest and helped create a new corporate order.”

The interplay between technology and culture has always held a certain fascination for me, as I am sure it has for many readers. “Western Union” chronicles an important and defining narrative in our nation’s history. It contributes significantly to our understanding of how we arrived at the present moment. I recommend it highly.

— *Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.*