

that “La Salina was, as it has been for six decades, plagued by issues of market access, control over profits, and the working of local power structures in the faces of the national, bureaucratic state” (p. 91). All these issues unfolded amidst a situation of continuous political disorder at the national level, compounded by eight national civil wars during which La Salina was a strategic objective for the campaigning armies; the situation of continuous political disorder is the theme of chapters 5 and 6, divided for the pivotal rebellion year of 1857. Rosenthal’s underlying theme in these chapters is that “To a remarkable extent, the story of La Salina traces the broader sweep of Colombian history” and “the era’s political shifts overlay deeper continuities” (pp. 143, 115).

Rosenthal’s central argument revolves around contradicting the idea of the state as weak and absent from local life, a debate that gains relevance today as the enduring armed violent conflict in this South American country for the last half century seems to be directly related to the lack of state presence in local and regional life. Actors in the conflict (guerrilla groups, drug traffickers, and paramilitary groups) have filled this vacuum.

Overall, the scholarly research effort that one senses behind this book would have been better served by sacrificing some of the detail in the interest of readability. The author could accomplish this task if the book is, as it deserves to be, translated into Spanish.

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The Telegraph in America, 1832–1920. *By David Hochfelder.* Baltimore: Johns Hopkins University Press, 2012. viii + 250 pp. Illustrations, photographs, tables, notes, index. Cloth, \$55.00. ISBN: 978-1-4214-0747-0.

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Reviewed by Benjamin Schwantes

The telegraph revolutionized life in the United States during the nineteenth and early twentieth centuries, and one cannot study this

technology without considering its concomitant social impact. So argues historian of technology and capitalism David Hochfelder in *The Telegraph in America, 1832–1920*. Hochfelder traces how these revolutionary effects propagated across American society from the Civil War through the Progressive Era. Each of his thematic chapters focuses on a field in which the impact of the telegraph was felt keenly: its use as a vital communication tool during the war, its central role as a source of political-economic controversy due to Western Union's (WU) near monopoly over domestic telegraph services in the United States in the postwar era, its influence on the nature of journalism and written language, and finally its place in the development and expansion of American finance capitalism. While Hochfelder's broader claim that the telegraph represented a break from prior communication technologies, and had a revolutionary impact on American society, seems overstated, his book reminds historians of business and economic institutions that technology matters. This claim is particularly true of technologies that are disruptive and challenge the status quo at a fundamental level.

Hochfelder's first chapter focuses on the American Civil War and offers the most authoritative account of the telegraph's role in the conflict since William R. Plum's multivolume 1882 study. Hochfelder shows that the Civil War was a "wired" war in which northern civilians and military commanders made extensive use of both commercial telegraph facilities and front-line battlefield telegraph arrangements to receive news and information, coordinate strategic activities, and conduct the flow of business and battle. Though the focus is on military and civilian wartime activities, the author does an effective job explaining how the war forced reorganization and consolidation of commercial telegraph lines, which led to the emergence of a telegraph cartel and later Western Union's de facto monopoly shortly after war's end.

His next chapter covers much of the same ground as historian Richard R. John's *Network Nation* (2010). Like John, Hochfelder examines the political-economic context of efforts to regulate WU and the broader telegraph industry in the post-Civil War decades. He highlights the important role of postal telegraph advocates in the debate and WU leaders' awareness of, and response to, threats to the firm's new monopoly. Hochfelder also looks at the failure of competing telegraph systems to establish major footholds in the industry due to WU rate wars and its near universal service capabilities.

In the following chapter, Hochfelder makes the bold claim that the curt nature of telegraphic transmissions, particularly transoceanic cable messages, influenced American journalistic expression and helped to shape a unique American literary style. He later acknowledges,

however, that the telegraph may have simply accelerated or reinforced broader cultural shifts in the style of prose. Of greater relevance to business historians are Hochfelder's efforts to trace the growing relationship between press associations and telegraph firms. Despite early conflicts over message rates and the use of cyphers to save money, press associations such as the New York Associated Press signed long-term contracts with Western Union that enabled them to dominate the news-gathering market. Consumers grew accustomed to faster and more frequent news updates. Telegraph and wire services catered to these needs, which helped to change the psychology of news consumption in the United States.

Hochfelder's examination offers a refreshing perspective on the role of telegraphy in transforming finance capitalism in the United States. He dissects how the telegraph introduced increased financial speculation and put pressure on exchanges to fight for more control of financial data in order to prevent use of the data by nonexchange actors such as bucket shops, which were venues for gambling on stock movements. Hochfelder concludes that the telegraph helped to recast financial exchanges as markets for information as well as actual financial instruments, which in turn increased conflicts about access to information and equality of the financial playing field.

Hochfelder's thoughtful and well-sourced final chapter discusses the decline of Western Union in the twentieth century. He asserts that WU's efforts to focus narrowly on telegraphic messaging and stock ticker use between 1879 and the 1940s hurt the innovative nature of the company. Lacking an in-house culture of research and development, WU struggled to innovate technologically in the post-World War II era. Top officials expended increasingly scarce capital reserves on speculative ventures that yielded little in return. Hochfelder also presents a thoughtful analysis of WU leadership's seemingly rational decision to forego acquiring early telephone technology in the 1870s and concede the field to Bell. Viewed in hindsight, WU's half-hearted interest in developing telephony commercially appears to have been a huge error in judgment, but Hochfelder's analysis of primary source material from WU records shows that WU leaders made a series of rational decisions that only gradually added up to a major error in judgment. Under different circumstances, Western Union might very well have emerged as a serious competitor against Ma Bell in the telephone market.

In all, Hochfelder's study is a welcome addition to the historical literature on communications, political economy, and society. Though his argument regarding the telegraph's revolutionary impact on American society is somewhat overstated, he does demonstrate how the technology influenced numerous institutions. Historians of business will find his

final chapter of particular value as a case study of how rational, but narrow-sighted, decision-making in the short term can lead to a firm's long-term structural decline. While the telegraph may not have been as revolutionary as Hochfelder asserts, it is undoubtedly relevant, and he reminds us that we must consider it seriously in any study of nineteenth-century political economy and society.

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America's Economic Way of War: War and the U.S. Economy from the Spanish-American War to the Persian Gulf War. *By Hugh Rockoff.* New York: Cambridge University Press, 2012. xii + 357 pp. Tables, figures, appendices, references, index. Paper, \$26.99. ISBN: 978-0-521-67673-1.

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Reviewed by Mark R. Wilson

In this valuable book, a master economic historian surveys a century of war fighting by the United States. "Ultimately this book is about war finance," Hugh Rockoff explains, "but war finance conceived more broadly than is usually the case" (p. 11). By writing so broadly about the financing and costs of military conflicts, he covers plenty of important ground. His work teaches readers a great deal about wartime taxes and bond sales; Federal Reserve policy, inflation, rationing, and price controls; and manpower drafts and veterans benefits. Using chapter-length discussions of seven different wars (or six or eight, depending on how one counts), the author provides original comparative analysis, along with a historical narrative that runs from the 1890s to the 1990s.

Parts of the volume read like a set of lectures by your favorite economics professor. Lapsing frequently into the first person, Rockoff succeeds in striking a tone that is at once informal and authoritative. The book opens with a chapter on war economics in general, complete with classic guns-and-butter production possibilities curves and supply-and-demand graphs. Each of the remaining chapters starts with detailed timelines and well-crafted capsule histories of the various wars. The text is full of valuable graphs, figures, and sidebars. A few of these, such as a three-page tutorial on the monetary system that confronts the reader