Title
The people's network: the political economy of the telephone in the gilded age

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The US telephone system was a monopoly of the Bell company in the late nineteenth century; then it briefly was not; and then it was a monopoly again in all but name until the courts forced the breakup in 1984 of what was now AT&T. For about twenty years following the end of Bell’s key patents in 1894, thousands of ‘independent’ and fiercely competitive telephone service providers emerged. By the mid-1900s Bell had only half of American subscribers and half the cities had at least two competing telephone companies. Within about a decade, however, oligopolistic consolidation under the Bell umbrella was well under way.

Robert MacDougall’s *The People’s Network* recounts the story of the independent era. Although it is not the unknown or forgotten story MacDougall claims – there are earlier general histories and many local ones and there is a Museum of Independent Telephony in Abilene, Kansas – MacDougall’s is the most thorough and deeply researched account. MacDougall credits the independents with democratizing telephone subscription in the US by forcing the Bell companies, most of which sought only business and wealthy residential subscribers, to slash prices and court the masses.

MacDougall draws on detailed archival materials, uses the Canadian case at points to highlight the special dynamics of the US experience, and effectively presents case studies of Muncie, Indiana (site of the famed *Middletown* sociological studies in the 1920s and ’30s) and of Kingston, Ontario, to same end. He describes the internal evolution of the Bell system, focusing in particular on its takeover in 1879 from the A.G. Bell family by Boston financiers who fixedly believed that telephony was only for elites. He documents the town-by-town battles of local independent providers with Bell – the US government being essentially a bystander until the 1910s – and the national debates in Canada about federal policy.

MacDougall’s explanation for the rise and fall of independent telephony in the US presents a struggle between alternative business visions played out in the hard-nosed politics of American towns and small cities. To clear space for his analysis, MacDougall describes previous authors of telephone history – this reviewer included – as naifs misled by decades of Bell public relations. (Much of the last chapter is devoted to Bell’s efforts to manage its historical image.) The mid-twentieth-century telephone system in America was not, MacDougall argues, the inevitable result of a ‘natural monopoly’ nor of consumer demand as some suggest, but the result of political struggles. For a brief period, the vision of a ‘people’s telephone’ flourished in the US, especially in the Midwest region, because local municipalities, which had the power to permit and regulate telephone lines within their borders, fought the Bell companies. They, unlike most Canadian cities, welcomed local entrepreneurs who would compete with Bell. The new enterprises attracted local customers by providing much lower and flat rates, connecting to nearby rural telephone cooperatives, and innovating. Independent, local telephony, argues MacDougall, could have lasted were it not for national politics. The US government undercut the independents by allowing Bell to buy them out or to subvert them. By World War I (when the US government temporarily nationalized the telephone system, hiring on Bell to run it), the independents were doomed and the ‘local, egalitarian’ moment was lost.

Some readers may recognize this analysis as an instance of the ‘organizational’ theory of American history in which nineteenth-century local democracy is overridden by twentieth-century institutions of mass society.
While there is much to commend MacDougall's argument, there are weaknesses. At points he romanticizes local businessmen and politicians; corruption and dirty tricks were common on all sides. More important may be MacDougall's minor attention to the wider contexts. He stresses the exceptionally strong development of telephony in the Midwest, explaining it by the region’s vigorous grassroots politics. But statistical comparisons, which he does not conduct, indicate that the Midwest had high telephone subscription rates because it had many affluent farmers (http://www.jstor.org/stable/2780368). Moreover, telephone systems in other western nations – bracketing Canada which was odd in having a hybrid system – quickly became national monopolies, for better or for worse, lending weight to the argument that telephony did constitute a ‘natural monopoly.’ Finally, looking at other technological systems, notably the automobile, suggests that the early years of such products are often periods of many and diverse competitors who shake down, after a while, into a small set, even a oligopoly.

MacDougall forcefully applies the eclipse-of-localism thesis to the history of the telephone. Whether one is convinced or not by the interpretation, he has gathered and presents an important and rich history of a most critical era in the North American telephone industry.

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