In March 1917, a German satirical magazine, *Kladderadatsch*, devoted an entire special issue to a very particular type of business. In over thirty pages of poems, articles, and cartoons, *Kladderadatsch* polemicized against the British news agency, Reuters. One cartoon (figure 1) featured an evil gremlin gnawing on a world with green oceans, while his gnarled fingers grasped the globe and telegraph cables extended from his sharpened fingernails. “Lies are the law of the world! Reuters cable network teaches that,” the caption declared. But why, in the midst of one of the most crucial phases of World War I, did a German magazine focus on the news agency as the most nefarious aspect of Allied propaganda? And why did the magazine, like German elites, believe that the news agency, combined with cables, held such power to influence opinions and shape the course of the war?

*Magic Connections* explains why German elites became so invested in the global news business and attempted to reform one of the very premises of modernity: the organizational structure of global communications. In the early 1990s, Anthony Giddens posited that the “pooling of knowledge represented by ‘news’” was an essential condition for the globalization of modernity, while Arjun Appadurai classified “mediascapes” as one of five dimensions of global flows. Magic Connections combines business history with this global perspective to trace how infrastructures, ideas, and individuals created news.

German elites focused their energies on one type of firm to control the collection and dissemination of news—news agencies. The first news agencies emerged in the mid-nineteenth century almost

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simultaneous to submarine telegraphy. As cables connected more parts of the world, news agencies became the key method for newspapers to receive global reports. Apart from major papers like the London Times, or Vossische Zeitung, most newspapers could not afford foreign correspondents. Many papers did not even have journalists in their capital cities. They relied instead upon news agencies for global, and even national, news. To express the difference in commercial terms, news agencies were in many ways “news wholesalers,” distributing their material to their “retail clients” (newspapers) to repackage short, staccato sentences into articles and reports for their particular public.2

From the mid-nineteenth century onwards, news agencies became the indispensable nexus of media networks: they both collected and

disseminated news to newspapers and, indirectly, to reading publics. In deciding which events to report, news agencies often functioned as the first gatekeepers of information. Like in other businesses, supply chains could substantially shape the commodity. With news, though, elites increasingly saw the product as vital for far more than just communications.

Certainly, news agencies can be studied as profit-seeking businesses in their own right. Recent work by business historians and economists has sought to understand how media businesses functioned or how they used subsidies to survive. Scholarship has also focused on the Anglo-American realm. But for German elites, profits within the news business were often of secondary concern in comparison to the broader benefits of disseminating news from Germany throughout the world. For industrialists, news could be a loss leader for German exports. For politicians, news could serve as “soft power” at home and abroad. Magic Connections thus examines how elites used private and public mechanisms both to control the news business and to exploit it for wider aims.

In the first half of the twentieth century, I argue that a “news agency consensus” emerged amongst German elites—a belief that news agencies constituted an effective mechanism to influence broader political, economic, and social expectations. Some of the most prominent German politicians, industrialists, academics, and journalists across the political spectrum thought that news agencies represented the best means to improve Germany’s international reputation, to cement and augment its position in foreign trade, and to create internal integration at home.

I argue that the news agency consensus emerged from a combination of two factors: the international political economy of news and the development of wireless technology. First, the political economy of news emerged from the interaction between profit-making and political motivations. By political economy, I mean “the relationship of the state and the market,” which is embedded in international exchanges. The perspective of international political economy explains why news agencies became the focal point for elites interested in using news to shape political, economic, and social expectations.

The specific features of news agencies led to an unusual combination of state intervention and market forces. News agencies had

very high fixed and sunk costs due to the expense of stationing correspondents abroad and the high price of telegrams. This significant barrier to entry meant that only a handful of news agencies existed, making them an easier bottleneck to control than thousands of newspapers. News agencies also relied upon the state to provide preferential access to both certain types of content and technological conduits for disseminating that content. Governments often controlled telecommunications infrastructures, making cooperation with them essential. Exclusive dissemination of government news could offer the unique selling point of content to ensure that customers would subscribe to a news agency. Conversely, it provided an avenue for political control through a government’s ability to pick an agency to disseminate official news. Finally, many politicians hoped that news agencies could foster social control during a period when elites often believed that published opinion equaled public opinion.

The political economy of news operated on both national and global scales. Wolff’s Telegraphisches Bureau (Wolff or WTB) was one of the “Big Three” modern news agencies from the mid-nineteenth century, along with the French Agence Havas and British Reuters Telegram Company. The founders of Reuters and Wolff, Julius Reuter and Bernhard Wolff, had fled to Paris just before the 1848 revolutions. They worked for Havas and built up a personal relationship with the owner, Charles Havas. The three continued to collaborate when Wolff moved back to Berlin to found his agency in 1849 and Reuter began his business in Aachen using pigeon post before he moved to London and founded Reuters in 1851. Reuters, Havas, and Wolff built on informal cooperation to create a formal global cartel in 1870 (though a contract may have existed as early as 1856). The three agencies divided the global supply of news: each reported on an assigned sphere and exchanged this news with the others.

The cartel was exceptionally long-lived, lasting until the outbreak of World War II, with various renewals and alterations. Before its restriction solely to German territory after World War I, Wolff was responsible for Germany, its colonies, the Austro-Hungarian Empire, Scandinavia, and Russian cities. Within its sphere, Wolff negotiated exclusive contracts of news exchange with particular national and imperial news agencies. This stifled competition within those countries, as only one agency had access to global news; it similarly secured Wolff’s domestic dominance as the only German agency with news from around the world. While

7. See Read, Power of News; Lefébure, Havas; Basse, Wolff’s Telegraphisches Bureau.
Germans came to resent the cartel’s restrictions on German news collection, contemporaries abroad assessed Wolff’s utility somewhat differently. In 1930, Kent Cooper, Associated Press General Manager, ranked Wolff above Havas as the second most useful foreign agency after Reuters “in the order of their efficiency and importance to us.”

This cartel provides historians with insights into service cartels that have remained rather neglected. The cartel’s rhetoric of total control also belied its constant jostling to fend off or incorporate competitors. Germans and Americans in particular successfully created structures outside the cartel to reconfigure global communications. German news agencies thus offer instructive lessons about transformations in cooperative behavior and competition within cartels. Moreover, these agencies suggest that historians need to examine attempts to govern the world through business mechanisms as much as international organizations.

Yet, political economy alone cannot explain the increasing importance of news agencies from the turn of the twentieth century. The development of wireless technology enabled Germans to reconfigure geopolitics by using news agencies to reach directly audiences as far away as South America and East Asia. German politicians, industrialists, and journalists seized upon emergent wireless technology to control news supply. Germans actively pursued innovation and became world leaders in wireless technology to support their ambitions in global news dissemination.

As Magic Connections explores, the very technology of wireless developed in interaction with German political and economic visions of the functions of news. Examinations of technology in communications have tended to concentrate on telegraphy, the first electric medium supposedly to eliminate time and space. At the turn of the twentieth century, however, the emergence of wireless technology appeared to enable Germans to create global spaces for German news. Wireless technology upended many of the assumptions about control that underlay the cartel contracts. Wireless could broadcast to

10. Most work focuses on commodities and transportation. For a summary of cartel literature, see Fear, “Cartels.” In The Oxford Handbook of Business History, edited by G. G. Jones and J. Zeitlin.
12. On this dynamic, see Edgerton, “From Innovation to Use.”
13. E.g. Nickles, Under the Wire; Wenzlhuemer, Connecting the Nineteenth-Century World.
14. “Wireless telegraphy” used Morse code to transmit messages through electromagnetic waves and refers to the early years of radio communication. Unlike radio, wireless telegraphy did not transmit sound or speech. The corresponding German terms are drahtlose Telegraphe and drahtloser Funkspruch. On the general neglect of wireless, see Campbell, Wireless Writing, ix–xi.
a number of receivers within a certain range. It was a point-to-many technology, rather than point-to-point like telegraphy. Any owner of a wireless receiver could theoretically pick up broadcasts within range. This greatly influenced wireless’ customer base and geographical impact. Wireless companies and news agencies carved out their own sphere of operation on the seas as well as on continents where German telegraph news had never played a major role, in particular in South America and East Asia.

*Magic Connections* takes a new approach temporally, spatially, and conceptually to the media. Temporally, it transcends political boundaries to follow five German news agencies that broadcast throughout the globe from the early twentieth century until the end of World War II. Scholars commonly associate certain news organizations or paradigms such as a free press with a political order like democracy. The German case suggests, however, that other factors like the business model of the news agency or wireless technology can create consensus about the structure and purpose of communications networks across monarchy, democracy, and fascism.

Spatially, I follow the globalization of German news providers using sources from twelve archives in seven different countries. Much work on media tends to operate within national frameworks, without considering the transnational networks behind the news. Yet the history of news is inherently global: German news agencies channeled information from around the world and simultaneously sought to alter the mechanisms by which they received that information. The geography of news created new maps of the globe, where South America and East Asia could at times appear more important and accessible than neighboring European nations.

Conceptually, *Magic Connections* operates at the intersection of business history, history of technology, sociology, and media history. Embedding media businesses into broader sociological insights on institutions helps to explain why particular types of firms succeed or catch elites’ imaginations. Pierre Bourdieu’s concept of symbolic power offers a useful way to conceptualize news’ impact and importance. Bourdieu expanded upon J. L. Austin’s work on speech acts to suggest that we cannot understand why speech acts are effective (felicitous) without accounting for the social institutions

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15. Point-to-point technology means that information is sent from one transmitter and picked up by one receiver. Point-to-many technologies broadcast information from one point, but many people can receive that information simultaneously.

16. E.g. Starr, *Creation of the Media*.

17. I visited corporate, state, and international organizations’ archives in Austria, France, Germany, Great Britain, Poland, Switzerland, and the United States.

within which speech acts occur.\textsuperscript{19} Social institutions exert “symbolic power” that lends felicity and validity to their statements. Drawing on Bourdieu, Marcel Broersma has argued that news derives its “performative power” from the forms and styles of journalism: the presentation of news persuades readers of its veracity.\textsuperscript{20} Yet “performative power” derives from not solely journalistic techniques, but also the infrastructure, firms, and supply networks behind newspapers. In the first half of the twentieth century, German elites questioned the efficacy of extant news networks. Simultaneously, the political economy of news and the technology of wireless inspired their faith that news agencies were the best social institution to disseminate German news at home and abroad.

\textit{Magic Connections} begins by examining how the news agency consensus emerged from political, economic, and technological developments around 1900. First, Germans began to question their global geopolitical position. Under Chancellor Otto von Bismarck in the 1870s and 1880s, Germany had retained a more continental focus, seeing itself as a broker within Europe rather than an imperial power like Great Britain or France. From the early 1880s, imperialist voices demanded “a place in the sun.”\textsuperscript{21} Germany acquired colonies in South-West and East Africa along with islands in the Pacific Ocean and concessions in the Chinese port city of Qingdao. Around 1900, some Germans began to shift their conception of Germany from a continental country to a global competitor with other imperial powers.\textsuperscript{22} Germany possessed only a small physical colonial empire, but elites began to develop a large global imagination.

That global (though Eurocentric) imagination led elites to question the news procurement mechanisms that they had helped to co-create. They saw the system as beholden to a bygone age of a Germany with a continental focus. During the 1870s and 1880s, foreign news had been vitally important to Bismarck, though European news mattered above all. Kaiser Wilhelm II’s \textit{Weltpolitik} (world policy) reoriented German foreign policy towards imperial competition with Britain on a global scale in the 1890s. Elites too became convinced that greater control over global communications would enable them to reconfigure global geopolitics and the world economy in Germany’s favor. These convictions contributed to the progressively entrenched belief that Germany could never become a global power without global media to back it up.

\begin{itemize}
\item \textsuperscript{19} Austin, \textit{How to Do Things with Words}; Bourdieu, \textit{Language and Symbolic Power}.
\item \textsuperscript{20} Broersma, “Journalism as Performative Discourse.” In \textit{Journalism}, edited by Rupar.
\item \textsuperscript{21} von Bülow, “Place in the Sun.”
\item \textsuperscript{22} Conrad, “Transnational Germany.” In \textit{Imperial Germany}, edited by Retallack.
\end{itemize}
Increased German political ambitions dovetailed with German export prowess. The German share of world exports grew steadily from just 9.5 percent in 1872 to 13.1 percent in 1913. Germany overtook the French Empire’s share of world exports by the early 1890s and nearly equaled the United Kingdom (without the British Empire) by 1913.\textsuperscript{23} German participation in the global economy significantly influenced trade and tariff policies at home.\textsuperscript{24} It also raised questions about Germany’s ability to reach customers abroad.

These growing concerns sparked discussions about how the global news system had created disadvantageous information asymmetries for German exporters. Exporters worried about how British, French, and American news agencies filtered news from the rest of the world before reports reached Germany. Conversely, they grew anxious that target export regions were receiving biased news about Germany. In 1913, the \textit{Bund der Industriellen} (Association of Industrialists) complained about the “one-sided influencing of foreign press by certain French and English news agencies.”\textsuperscript{25} Industrialists saw news as a vital means to represent Germany abroad and to ensure that its foreign trade would not be undermined by hostile news from Britain in particular. News agencies served for them as a means to increase their business overall, rather than as enterprises that needed to turn a profit in their own right. Comparing Germany to the United States, some academics agreed that reporting by the two countries’ news agencies had “not kept pace with how their global trade relations develop[ed].”\textsuperscript{26} Exporters, then, sought ways to improve the German share of news provision to mirror Germany’s growing power in world trade.

Increasing German discontent with the role of news in politics and trade intertwined with growing unease about British control of communications technology. From the first successful transatlantic submarine cable in 1866, Anglo-American companies dominated the global laying of submarine cables.\textsuperscript{27} The foundation of the International Telegraph Union in 1865 provided a forum to coordinate international communications, fostering cooperation amongst countries and reliance upon an Anglo-American global cable system.

From the 1890s, however, cables became a constituent part of imperial competition. Although cable companies often had American investors too and did not always operate in the British government’s interests, Germans generally assigned a nationality to the cables.

\begin{itemize}
  \item \textsuperscript{23} Calculated from Lewis, “Rate of Growth.” In \textit{World Economic Order}, edited by Grassman and Lundberg.
  \item \textsuperscript{24} Torp, “The Coalition of ‘Rye and Iron’.”
  \item \textsuperscript{25} Cited in Rotheit, \textit{Los von Reuter und Havas!}, 13.
  \item \textsuperscript{26} Hansen, “Depeschenbureaus und internationales Nachrichtenwesen,” 95.
  \item \textsuperscript{27} Müller-Pohl, “Wiring of the World.”
\end{itemize}
German academics spilled much ink on calculating the exact percentage of each country’s cables within the “world cable network.”\textsuperscript{28} Competition over cables was not just an expression of geopolitical rivalries. Rather, it was a battle over the information flows that undergirded imperial and global exchanges. The Second Boer War (1899–1902) made clear what many European elites had long feared: Britain used its control over cables to censor the content sent through them. In response, the Germans, French, and Americans began to lay cables of their own to bypass British cables, though this proved expensive and time-consuming.\textsuperscript{29}

Over and above laying cables, Germans invested significantly in the new technology of wireless telegraphy to undermine the cartel’s underlying infrastructural premise: the telegraph cable network dominated by Great Britain. The British often saw technologies as “instruments to stabilize an international status quo favorable to their nation, while Germans viewed products of engineering as tools to transform the international environment that stifled their political ambitions.”\textsuperscript{30} Wireless too seemed to hold great emancipatory potential to remove German dependence on British cables and content.

Inspired partially by Kaiser Wilhelm II’s infatuation with new technologies such as wireless, the German government intervened in private enterprise. In 1903, the government forced two competing firms, Siemens & Halske and AEG, to form a joint subsidiary, Telefunken, to perform R&D as well as manufacture wireless receivers. Government contracts provided 70–80 percent of Telefunken’s revenue in the first eight years of its existence. The Navy was particularly vital, outfitting all 90 of its warships with wireless receivers in 1909.\textsuperscript{31} After initial disputes with the Marconi company, the London conference of 1912 required both companies to make their wireless receivers compatible. By the outbreak of World War I, Telefunken and Marconi were the two most significant wireless companies. The market looked more like a duopoly than the cable market, which British companies still dominated.

Furthermore, the German government saw wireless as a swifter means to counter the British All-Red Line of submarine cables around the world that had been completed with a connection across the Pacific Ocean in 1902. By 1914, the German government had subsidized the construction of an all-wireless route around the world:

\textsuperscript{28} Lenschau, Das Weltkabelnetz; Röscher, “Das Weltkabelnetz.”
\textsuperscript{29} On cable competition, see Griset, Enterprise, technologie et souveraineté; Headrick, Invisible Weapon; Hills, Struggle for Control; Winseck and Pike, Communication and Empire.
\textsuperscript{30} Rieger, Technology and the Culture of Modernity, 18.
\textsuperscript{31} Friedewald, “The Beginnings of Radio Communication in Germany.”
wireless towers now connected Germany’s disparate colonies in the Pacific Ocean and Africa directly with the metropole. German news agencies provided the principal supply of information.

Just months after Germany had completed the all-wireless route around the world, German fears of nefarious British intentions in the realm of communications were confirmed. British ships cut all but one of the German undersea cables as one of the first acts of war in August 1914. The Allies similarly destroyed wireless towers in colonies that they captured. As a response, throughout the war, the German government invested heavily in innovations in wireless technology to bypass cable networks. This resulted in the erection of the tallest wireless tower in the world in 1917 in Nauen, just outside Berlin.

These wars over communications infrastructure were always simultaneously wars over content. News agencies constituted the key battleground. Magic Connections focuses on five German news agencies that employed different business strategies to reach different target audiences nationally, regionally, and globally. Domestically, government officials and chancellors in the Weimar Republic clung to the semi-official news agency, Wolff, as the swiftest and most reliable method to calm and control a German population in the throes of revolution after World War I. Still, they remained dissatisfied with Wolff’s restriction to Germany and created other news agencies to disseminate German news abroad. The Foreign Office co-funded a news agency, Eildienst, to send financial news to neighboring countries in Central Europe and hopefully help to revive Central European trade in the 1920s. While Wolff relied upon its exclusive access to government news to retain as many newspaper subscribers as possible, Eildienst focused on selling financial news at high cost to an exclusive customer base of businesses.

Industrialist Alfred Hugenberg, meanwhile, believed that his news agency, Telegraph Union, could bolster German foreign trade and foster national self-sufficiency at home through its business model of vertical integration and its right-wing political stance. Telegraph Union also disseminated nationalist news to German minorities in Eastern Europe, creating great upset in Poland in particular, where the Post and Telegraph Ministry banned radios from receiving Telegraph Union news in 1928.32 By the late 1920s, Hugenberg’s empire included Telegraph Union, an advertising agency, multiple newspapers, a publishing house, the UFA film company, and companies that supplied credit to ailing newspapers. These vertically integrated firms ensured

32. Letter from Post and Telegraph Ministry, December 21, 1928, Archiwum Akt Nowych Konsulat Generalny RP w Berlinie 87, 14f.
that newspapers needed only one source for their news. Telegraph Union consistently required the largest cross-subsidies, but it represented an essential component in a media empire that aimed to control every element of news-making. Hugenberg’s media empire did not concentrate primarily on profit within each individual business, but reallocated finances within its larger structure to keep each element afloat.

In 1933–1934, the Nazis merged the two most prominent domestic news agencies, Wolff and Telegraph Union, to create Deutsches Nachrichtenbüro, DNB. Unlike prior news agencies, the DNB was both a conveyer of information to newspapers and a collector of exclusive information for the state. While news agencies were intended as the stepping-stone between an event on the ground and its publication as news in the press, the DNB consistently served the government with information that never became news, as censors and constant press directives banned the DNB from forwarding items to the press. The press unknowingly subsidized government intelligence through their subscription to DNB services that hid more than they revealed.

Despite the Nazis’ focus on propaganda, “continuity was as important as change.”  #33 Although the Nazis fundamentally restructured domestic news provision, they retained previous regimes’ emphasis on the news agency as the central institution of information provision. Internationally, by contrast, the Nazis’ strategies often looked remarkably similar to previous periods. The Nazi regime kept several news agencies founded in the Imperial and Weimar periods to supply news abroad, while investing more heavily in correspondents and radio infrastructure. In so doing, they retained important geographical priorities and built on prior networks of journalists and branches that sometimes stretched back almost thirty years.

The Nazis achieved particular success with the fifth news agency that *Magic Connections* examines: Transocean. Industrialists and government officials co-founded Transocean in 1913 to disseminate German news abroad, although the collaboration between industrialists and the government fell apart in 1916. Transocean remained under government control and the agency’s wireless news reached many newspapers in the United States before 1917 through two Telefunken towers on the East Coast.

After the end of World War I, the German Foreign Office continued to invest in Transocean. In 1921, the British press baron, Lord Northcliffe, raised a ruckus when he discovered that his British ship to Asia had posted news on the ship’s bulletin boards sent by Transocean, rather than a British source.  #34 The Nazis retained

33. Evans, *Coming of the Third Reich*, 459.
Transocean once they gained power and vastly increased investment. They kept Transocean’s geographical foci on areas that German-owned and operated cables could not reach, especially the seas, South America, and East Asia. Transocean also supplied news to former colonial areas, particularly South-West Africa, and regions that Germany hoped to win as allies, like the Middle East.

As early as 1935, TASS, the Soviet news agency, worriedly noted that Transocean represented “a dangerous element for the interests of peace between the USSR and other powers, particularly in the Far East.” Transocean became the leading supplier of news to Japanese-occupied China during World War II, while its widespread news distribution in South America provoked American paranoia about Nazi influence in the US’s backyard. Through Transocean and other news agencies, Germany briefly achieved media dominance on the oceans and increasingly undermined British and French control of news supply within Europe and overseas. From 1943 to 1945, Allied bombing destroyed German wireless networks and the news agency consensus.

In conclusion, news not only integrated Germany into the world; news also made German elites question global structures and mechanisms that, from 1900 until 1945, they continually sought to overturn. *Magic Connections* shows how and why they seized upon a thoroughly modern type of news firm—the news agency—to achieve their aims.

From around 1900, government officials, industrialists, academics, and journalists became preoccupied with Germany’s second-class status in global news. News agencies remained the key means for governments and industrial elites to attempt to gain great power status for Germany on the global stage, while trying to quell social unrest at home. This news agency consensus united disparate elites in the conviction that news agencies could achieve political, economic, and social aims outside the realm of communications.

As *Magic Connections* shows, news was not objective, neutral, nor simply another commodity. It relied upon political networks, both domestically and internationally, whether post offices, censorship regulations, or contacts. But it also relied upon business mechanisms of subsidies, cartels, and vertical integration. Finally, Germany’s ability to restructure the political economy of news relied upon reconceiving the technological infrastructure that underpinned news provision. By combining these perspectives, *Magic Connections* suggests new ways of conceiving the relationship between technologies and their impact on infrastructures and business practices.

36. Bundesarchiv, Berlin-Lichterfelde R55/285; R901/57659–57692; R901/58399; R901/60792.
The recent revelations about the NSA’s involvement in monitoring information have drawn extensive attention to communications infrastructure. These discussions consistently emphasize the novelty of the surveillance, its scale, and its reliance on cooperation between large tech companies and the state. But information provision has a significant history both in terms of business structures and the broader significance attributed to controlling information. *Magic Connections* shows not only the historicity of present concerns, but also the importance of investigating the networks behind the news.

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