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THE NEWS AGENCIES IN THE OTTOMAN EMPIRE:  
HAVAS, REUTERS AND THE OTTOMAN TELEGRAPH AGENCY  
(1862-1914)

Bilkent University 2019

THE NEWS AGENCIES IN THE OTTOMAN EMPIRE:  
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A Ph.D. Dissertation

by  
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Ankara  
January 2019



*To My Family*

**THE NEWS AGENCIES IN THE OTTOMAN EMPIRE: HAVAS, REUTERS  
AND THE OTTOMAN TELEGRAPH AGENCY (1862-1914)**

The Graduate School of Economics and Social Sciences  
of  
İhsan Doğramacı Bilkent University

by

CEREN UÇAN

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DOCTOR OF PHILOSOPHY IN HISTORY

THE DEPARTMENT OF HISTORY  
İHSAN DOĞRAMACI BİLKENT UNIVERSITY  
ANKARA  
January 2019

I certify that I have read this thesis and have found that it is fully adequate, in scope and in quality, as a thesis for the degree of Doctor of Philosophy in History.



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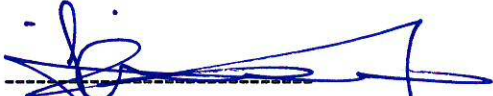
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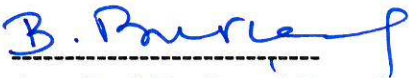
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## **ABSTRACT**

### **THE NEWS AGENCIES IN THE OTTOMAN EMPIRE: HAVAS, REUTERS AND THE OTTOMAN TELEGRAPH AGENCY (1862-1914)**

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Established in the nineteenth century, Havas, Reuters and Wolff's became three major and influential news agencies in the world. Especially Havas and Reuters gave utmost importance to the Ottoman Empire and competed to gain control of news collecting and dissemination in the imperial capital. Being challenged by the Great Power politics of the century, the Ottoman Empire tried to have control of the news Havas and Reuters disseminated in the empire and abroad along with other carriers and makers of information through financial means. Not satisfied with the outcomes of this policy, the empire searched for ways to have its own news agency for more than three decades. The Ottoman Telegraph Agency, the first semi-formal news agency of the Ottoman Empire came into existence in 1911.

Keywords: Havas, Ottoman Empire, Ottoman Telegraph Agency, Reuters.

## ÖZET

### OSMANLI İMPARATORLUĞU'NDAKİ HABER AJANSLARI: HAVAS, REUTERS VE OSMANLI TELGRAF AJANSI (1862-1914)

Uçan, Ceren  
Doktora, Tarih Bölümü  
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On dokuzuncu yüzyılda kurulan Havas, Reuters ve Wolff's dünyanın üç büyük ve etkili haber ajansı olmuştur. Özellikle Havas ve Reuters, Osmanlı İmparatorluğu'na büyük önem atfederek imparatorluk başkentinde haber toplama ve yayma faaliyetlerini kontrol altına alabilmek için kıyasıya bir rekabet içerisine girmiştir. Osmanlı İmparatorluğu, Yüzyılın Büyük Güçleri ile devam eden mücadelesi kapsamında diğer bilgi üreten ve taşıyan yapılar ile beraber Havas ve Reuters'in hem İmparatorluk toprakları üzerinde hem de dışarıda haber toplama ve yayma faaliyetleri üzerinde finansal yöntemler ile kontrol elde etmeye çalışmıştır. Yürüttüğü bu politikanın sonuçlarından memnun kalmayan imparatorluk, otuz yılı aşkın bir süre boyunca kendi haber ajansına sahip olmanın yollarını aramıştır. Bu çerçevede, Osmanlı İmparatorluğu'nun ilk yarı resmi haber ajansı olan Osmanlı Telgraf Ajansı 1911'de ortaya çıkmıştır.

Anahtar Kelimeler: Havas, Osmanlı İmparatorluğu, Osmanlı Telgraf Ajansı, Reuters.

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## **CHAPTER I**

### **INTRODUCTION**

#### **THE FORMATION OF THE NEWS AGENCIES IN THE NINETEENTH CENTURY, THEIR RISING IMPORTANCE AS BUSINESS VENTURES, AND THE OTTOMAN EMPIRE**

Developments during the eighteenth century caused the establishment and rise of news agencies in the next century. While the expansion of the printing press and long-term changes in literacy, the industrial revolution, the growth of a capitalist economy, and improvements in transportation and communication created a modern society, the news agencies took their respected place in this contemporary world. In the nineteenth century, the concept of ‘information’ was reformulated. ‘Information’ became ‘news’, a commodity to collect and distribute.<sup>1</sup> This act of collecting and distributing news created the first international or global media

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<sup>1</sup> Oliver Boyd-Barrett and Terhi Rantanen, “The Globalization of News,” in *The Globalization of News* (London: Sage Publications, 1998), 1.

organizations, the news agencies. These agencies were also among the very first transnational or multinational corporations.<sup>2</sup> Their significance was such that:

The news agencies were among the world's first organizations to operate, not only globally, but to operate globally in the production and distribution of 'consciousness', through the commodification of news, in ways which had very significant implications for our understanding or appreciation of time and space.<sup>3</sup>

The industrial revolution and the transformation of the capitalist market made news agencies necessary. The stock exchange rates were the most important commodity of the three major European news agencies during their first years. With the introduction of new machine technologies and steam power from the late eighteenth century onwards, the nature of capitalist enterprise was transformed, and factories with hundreds of employees became the typical form of a business unit. This transformation occurred most rapidly within the cotton industry. In Britain, between 1792 and 1850, the number of factories increased from about 900 to over 1,400, whereas, between 1750 and 1850, the quantity of raw materials processed by the cotton industry increased more than 200 times.<sup>4</sup>

As the victor of the Industrial Revolution, Britain's industrial economy was such that:

... it harnessed the power of a million horses in its steam-engines, turned out two million yards of cotton cloth per year on over seventeen million mechanical spindles, dug almost fifty million tons of coal, imported and exported £170 millions worth of goods in a single year. Its trade was twice that of its nearest competitor, France: in 1780 it had only just exceeded it.<sup>5</sup>

Throughout the nineteenth century, all areas of the globe were being discovered and mapped, world population doubled, and it was held together more

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid., 5.

<sup>4</sup> Leslie Hannah, *The Rise of the Corporate Economy* (London: Methuen, 1983), 8–10.

<sup>5</sup> Eric Hobsbawm, *The Age of Revolution: 1789-1848* (New York: Vintage Books, 1996), 51.

tightly than ever with the moving of goods, people, capital and ideas by more advanced methods of communication and transportation compared to the previous century:<sup>6</sup>

Now the major fact about the nineteenth century is the creation of a single global economy, progressively reaching into the most remote corners of the world, an increasingly dense web of economic transactions, communications and movements of goods, money and people linking the developed countries with each other and with the undeveloped world....This globalization of the economy was not new, though it had accelerated considerably in the middle decades of the century.<sup>7</sup>

A system of semaphores preceding the electric telegraph, created in 1793 by Claude Chappe, was used effectively during the French Revolution and its aftermath by French governments for the next fifty years. By 1850, France had five thousand kilometers of lines and 566 stations. Because of this large investment in Chappe's system, France was to fall behind Britain in building telegraph lines after the founding of the electric telegraph. In 1837, while William Cooke and Charles Wheatstone built the first telegraph line in Britain, Samuel Morse developed and patented his code. Morse opened the first public telegraph line in 1844 between Baltimore and Washington. Whereas the first line was built in the Ottoman Empire in 1854, during the Crimean War by the British Empire, which dominated the telegraphic communication of the century, in terms of technology, cadre, and a web of telegraph lines, by the 1840s, a telegraph network was already covering Europe and the eastern United States.<sup>8</sup> In 1895, world submarine cables extended 300,000

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<sup>6</sup> Ibid., 13–14.

<sup>7</sup> Ibid., 62.

<sup>8</sup> Daniel R. Headrick, *The Invisible Weapon: Telecommunications and International Politics 1851-1924* (Oxford: Oxford University Press, 1991), 11–28.

kilometers and land lines were over a million kilometers in length, carrying 15,000 messages daily.<sup>9</sup>

The nineteenth century was not only a time for the global economy but was also the age of colonial empires. Rapid expansion of the electric telegraph was due to the security concerns of the colonial empires. Between 1880 and 1914, territories were partitioned by Great Britain, France, Germany, Italy, the Netherlands, Belgium, the USA and Japan. Britain added four million square miles to its territories and controlled one quarter of the globe, France acquired 3.5 million, Germany took possession of more than one million, Belgium and Italy gained just under one million square miles each, and the USA and Japan acquired around 100,000 each.<sup>10</sup> Possessing vast and distant territories, the empires had a great need for electric telegraphy, allowing them to communicate with their colonies and ensure the central government control:

As soon as areas were pacified, bureaucratic controls replaced the free-wheeling agents of the frontier period. And inevitably the controls operated through the telegraph wires and cables.<sup>11</sup>

The cable lines connecting an empire with its colonies were not only valuable in enabling imperial governments to communicate with their agents in the periphery, and to instruct and monitor their civil servants, but also to protect and preserve their colonies against the threat of invasion by foreign empires. As such, the British Empire was connected with its major colonies and naval bases through cable lines which only passed through British territory or a friendly power.<sup>12</sup>

In the 1880s, large-scale businesses started to adopt limited liability company status: “between 1885 and 1907 the number of firms in domestic

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<sup>9</sup> Ibid., 28.

<sup>10</sup> Hobsbawm, *Age of Empire*, 59.

<sup>11</sup> Headric, *Invisible Weapon*, 68.

<sup>12</sup> Ibid., 98.

manufacturing and distribution with quotations on the London stock exchange grew from only sixty to almost 600, and the provincial stock exchanges ‘were almost of greater importance in relation to home securities than London’<sup>13</sup>. The capital surplus in Britain and France turned their stock markets into the largest supplier of capital.<sup>14</sup> In 1915, capital exported from Europe was almost fifty times greater than that exported in 1825.<sup>15</sup> Between 1870 and 1914, emphasis on capital export was not focused on the colonies but on places with more developed economies. America was the leader of capital import with fourteen billion dollars, followed by the colonial world with eleven billion dollars (only a small percentage of this went to Africa). Europe received around seven billion dollars, Russia imported four billion dollars, the Ottoman Empire imported one billion dollars and Austria-Hungary received two billion dollars.<sup>16</sup>

The founders of the Havas, Wolff’s and Reuters agencies realized the need for financiers, bankers and businessmen to obtain stock exchange rates in this new era of global economy and colonial empires.<sup>17</sup> In their humble beginnings, the agencies only provided their clients with stock exchange rates and political news that could influence the stock market, demonstrating the significance of capitalist enterprise transformation into news agency formation. The founder of the Agence Havas, Charles-Louis Havas (1783–1858), who was a bankrupt businessman, was

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<sup>13</sup> Hannah, *Corporate Economy*, 20.

<sup>14</sup> *Ibid.*

<sup>15</sup> Henk Wesseling, *The European Colonial Empires 1815-1919* (Harlow: Pearson Longman, 2004), 27.

<sup>16</sup> *Ibid.*, 124.

<sup>17</sup> The names of the news agencies changed several times throughout the period in question. As it does not serve the purpose of this work to follow the name and administration changes of each agency, the conventional shorthand usage, as explained in Alexander Scott Nalbach’s, “The Ring Combination: Information, Power and the World News Agency Cartel,” will be taken into account: “The conventional shorthand in the literature on the telegraphic news agencies is ‘Havas’ for the Agence Havas, ‘Reuters’ (although the firm name retained the apostrophe until 1984) for Reuter’s Telegram Company (Limited), and either ‘Wolff’s’ or ‘the Continental’ (after 1865) for Wolff’s Telegraphisches-Bureau-Continental Telegraphen-Compagnie.” (PhD diss., University of Chicago, 1999), 6.

the first to notice the possibilities the news business offered. After being arrested for debt in January 1832, in August Havas opened a translation office which he reorganized as the Agence Havas in 1835. Havas' enterprise was the first information bureau for the press. Dr. Bernard Wolff (1811–79), the founder of Wolff's Telegraphic Bureau, and Paul Julius Reuter, the founder of Reuters, worked at the Agence Havas as translators.<sup>18</sup>

Working at Havas only briefly in 1848, Wolff returned to Berlin the very same year to found his own newspaper, the *National-Zeitung*. In 1849, he established the Telegraphic Bureau, which served financial and commercial groups. Wolff's bulletins included market quotations and political news affecting the market. Until 1855, the bureau did not sell political and general news to the press. Paul Julius Reuter (1816–99) also worked at Havas in 1848 and then established his own business in Paris in the spring of 1849. Like Havas, Reuter and his wife were translating extracts from leading French newspapers to send them to provincial newspapers in Germany. Reuter's office lasted only until the summer of 1849. Having failed in Paris, Reuter moved to Aachen in Prussia where he carried information between the unconnected points of the Prussian and French telegraph systems. However, in the spring of 1851, the gap between Berlin and Paris was closed. Having lost his advantage in financial news collecting, Reuter moved to London in the summer of 1851.<sup>19</sup> Like Wolff's, Reuter's bulletins included political news that could affect market rates. He started selling general news to the London press in 1858.<sup>20</sup>

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<sup>18</sup> Alexander Scott Nalbach, "Poisoned at the Source? Telegraphic News Services and Big Business in the Nineteenth Century," *Business History Review*, vol. 77, no. 4 (Winter 2003), 580–81.

<sup>19</sup> Graham Storey, *Reuters' Century 1851-1951* (London: Max Parrish, 1951), 9–12.

<sup>20</sup> Nalbach, "Poisoned at Source?" 581–82.

In 1865, Reuter reorganized his agency as Reuter's Telegram Company (Limited), a joint-stock enterprise. The new board had four members who were bankers and traders in India and China. That same year, by means of newly raised capital, Reuter tried to buy Wolff's agency, together with Havas. To resist the takeover, Wolff asked for help from Wilhelm I of Prussia. Under the king's initiative, Berlin bankers provided for the agency and became stockholders of the new joint-stock holding firm, the Continental Telegraphen-Compagnie (Continental Telegraph Company), founded on 20 May 1865 to transfer capital to Wolff's. The Havas agency was incorporated at 8.5 million francs in July 1879, and Baron Frédéric-Émile d'Erlanger, a financier, became the stockholder of 637,000 francs worth of shares.<sup>21</sup>

The capital surplus formed in this new global economy not only developed the news agency business but also the news agency owners. As they gained wealth and reputation through their news businesses, they started to take part in foreign investments. The major stockholders of Havas and Wolff's were financiers, and while Reuter family members became investors with the wealth they gained through their news agency, the rest of the board members were bankers and traders in the new joint-stock holding company. As a product of modernization, Reuters gave its founder and his family the opportunity to become capitalist investors through the wealth they gained from the news agency business. Produced by the capitalist economy, the news agencies contributed to the perpetuation of the capitalist system.

The major stockholders of the news agencies profited from the incomes of the agencies, as well as from the influence they gained from having control of

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<sup>21</sup> Ibid., 584–86.



information.<sup>22</sup> In some cases they managed to direct public policy and in some cases they failed to do so. However, as will be discussed later through an examination of the investments of the Reuter family, they always tried to impose policy on governments which was beneficial to their financial interests.

Before World War I, the main European news agencies sought to secure subsidies and privileges from every government possible. This policy helped them to reduce the costs of their businesses. By prior access to official information they could disseminate news faster than their competitors. The policy of the three major European news agencies is explained thus:

In the case of nineteenth-century telegraphic news agencies, official efforts to guide or control public opinion were not imposed from above by authoritarian regimes upon reluctant media struggling to maintain their independence. On the contrary, Bernhard Wolff, Julius Reuter, Edouard Lebey, Sigmund Engländer and Melville Stone all hounded palaces and foreign offices both at home and abroad for subsidies or privileges, volunteering their distribution networks for official publicity and offering up blue-penciled copies of suppressed telegrams as proof of their political reliability.<sup>23</sup>

The owners and managers of the international news agencies regarded the news business like any other sector in trade and sought means to maximize their profits. The subsidies, subscriptions, and reduced telegraph rates offered by governments to these agencies were made in vain or, at best, helped these governments for only short periods of time. This was because the agencies signed secret agreements with

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<sup>22</sup> John Atkinson Hobson, *Imperialism: A Study* (Michigan: the University of Michigan Press, 2006), 60. In his book, Hobson explains that the financial houses were directing public opinion and, therefore, public policy by holding the ownership of major newspapers: "The direct influence exercised by great financial houses in 'high politics' is supported by the control which they exercise over the body of public opinion through the Press, which, in every 'civilized' country, is becoming more and more their obedient instrument. While the specifically financial newspaper imposes 'facts' and 'opinions' on the business classes, the general body of the Press comes more and more under the conscious or unconscious domination of financiers...In Berlin, Vienna, and Paris many of the influential newspapers have been held by financial houses, which used them, not primarily to make direct profits out of them, but in order to put into the public mind beliefs and sentiments which would influence public policy and thus affect the money market."

<sup>23</sup> Nalbach, "Ring Combination," 571.

several governments around the same time in order to promote the finances of their agencies and be able to collect and disseminate news faster. Serving the interests of an empire was the discourse the news agencies used to conclude agreements with governments. Once Reuters signed secret agreements with the Ottoman Empire, the British Empire and the Japanese Empire, all around the same time.

Because the major European news agencies were in communication with several governments at one time, the Ottoman Empire did not manage to keep them under its complete control. By the end of the nineteenth century, after decades of trying to control them by granting or withdrawing allowances and privileges, the Ottoman Empire acknowledged the need to establish its own news agency. The Ottoman statesmen's judgement on this matter was that each major European news agency was serving the interests of its domestic empire. Therefore, the Ottoman Empire had to establish a news agency under its complete control, and only in its service.

Despite searching for ways to establish a news agency, the empire only managed to do so in the twentieth century. When finally its attempts bore fruit and the Ottoman Empire founded its semi-formal news agency in 1911, during the Second Constitutional Era, hostility between the European states was on the rise. As an early indication of rising tension between the countries, in 1909, when the news alliance contract was due to be renewed for another ten years, on Continental's demand, which was under pressure from the German Foreign Office, it was agreed that: if a receiving agency refused to include a dispatch to its bulletin and service it, the sending agency could demand its distribution in its ally's reserved territory by covering its expenses. Such dispatches would still be distributed by the receiving

agency but they were to carry the word ‘Tractatus’ (‘handling’ in Latin) to separate them from the regular dispatches.<sup>24</sup>

Introducing telegraphic communication to the Ottoman Empire in 1855 was part of state policy to consolidate the power of the center, which had been pursued since the eighteenth century, like the launching of the postal system in 1834, and the railways in 1856. Moreover, the news agencies, especially the European ones, were regarded as tools to promote the empire’s image abroad, which was vital for preserving the empire. Communication between the imperial center and the provinces was the key in consolidating the center’s authority, as emphasized by Frederick W. Frey: “Laxity in the execution of orders from the capital, banditry, the sway of the local ađas, all varied inversely with the excellence of communications contact between elite and mass.”<sup>25</sup> From Selim III’s reign, in the last years of the eighteenth century, Ottoman statesmen recognized the contemporary military, economic and administrative challenges and addressed them. These policies pursued by the Ottoman sultans to consolidate the power of the imperial center are referred to as ‘reforms’ in Ottoman historical scholarship. Informing Ottoman subjects about the reforms and being connected to them through a flow of information were objectives of Ottoman statesmen, as were, simultaneously, trying to influence foreign news agencies and later founding a semi-formal Ottoman news agency.

Moreover, telegraphic communication did not only mean the circulation of information promptly within the empire but also between the empire and the world. The foreign telegraphic agencies were significant for the Ottoman Empire as they

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<sup>24</sup> Ibid., 558.

<sup>25</sup> Frederick W. Frey, “Political Development, Power, and Communications in Turkey,” in *Communications and Political Development*, ed. Lucian W. Pye (Princeton: Princeton University Press, 1963), 306.

were the carriers and makers of news.<sup>26</sup> In the nineteenth century, Ottoman statesmen were familiar with the concept of public opinion:

They recognized its existence both in their own Empire and in European countries. As the number of newspapers grew, one finds more and more references to *Efkâr-i umumiye*, public opinion.<sup>27</sup>

They were also aware that having a positive image abroad was vital for the empire's survival.<sup>28</sup> As stated by Roderic Davison, "in nineteenth-century Europe the Ottoman Empire had an 'image problem'"; it was regarded as an oppressive and backward empire.<sup>29</sup> Therefore, Ottoman statesmen took measures to influence public opinion in Europe.<sup>30</sup> The establishment of a permanent Ottoman diplomatic corps by Mahmud II was the beginning of these Ottoman efforts to change this perception, which was called a "public relations campaign" by Davison.<sup>31</sup> Besides the regular duty of representing the Ottoman Empire and its views to the government to which they were appointed, permanent Ottoman representatives abroad also had the duty to represent the empire to the foreign public. The empire also assigned representatives to international organizations and joined most of the major international exhibitions, starting with the Crystal Palace Exhibition in

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<sup>26</sup> Terry N. Clark, ed., *Gabriel Tarde On Communication and Social Influence: Selected Papers* (Chicago: University of Chicago Press, 1969), 304. Gabriel Tarde's opinion on journalism and newspapers shows the power of the telegraphic news agencies as they were the suppliers of information for journals and newspapers: "Journalism both sucks in and pumps out information, which, coming in from all corners of the earth in the morning, is directed, the same day, back out to all the corners of the earth, insofar as the journalist defines what is or appears to be interesting about it, given the goals he is pursuing and the party for which he speaks. His information is in reality a force which little by little becomes irresistible. Newspapers began by expressing opinion, first the completely local opinion of privileged groups, a court, a parliament, a capital, whose gossip, discussions, or debates they reproduced; they ended up directing opinion almost as they wished, modelling it, and imposing the majority of their daily topics upon conversation."

<sup>27</sup> Roderic H. Davison, *Nineteenth Century Ottoman Diplomacy and Reforms* (İstanbul: Isis Press, 1999), 351.

<sup>28</sup> Selim Deringil, *The Well-Protected Domains: Ideology and the Legitimation of Power in the Ottoman Empire 1876-1909* (Spain: Bookchase, 2004), 172.

<sup>29</sup> Davison, *Ottoman Diplomacy*, 351.

<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*

London, in 1851.<sup>32</sup> Furthermore, as part of the campaign to improve the Ottoman image the empire gave subventions to some European newspapers as early as 1846.<sup>33</sup> The Sublime Porte hired European writers to publish books, paid journalists and newspaper owners to plant articles prepared by the Sublime Porte in newspapers, and published some of its important reform documents in French, such as the *Hatt-ı Şerif* of Gülhane, and distributed them to European governments.<sup>34</sup>

The Tanzimat reforms were designed by Ottoman statesmen who were aware of the importance of the imperial image. The *Hatt-ı Şerif* of Gülhane, declared on 3 November 1839, initiated the Tanzimat period of reform. Although it was presented as contributing to the modernization of the empire by promising a guarantee of life, property, chastity, honor, the re-regulation of taxation and the military service, and prohibiting execution without trial and bribery, it was also prepared to please the Great Powers.<sup>35</sup> Mustafa Reşid Paşa, architect of the 1839 edict, realized, while working as an ambassador in Paris and later in London, that the western public had been hostile to the Ottoman Empire ever since the Greek uprising, as the Greeks were regarded as part of western civilization.

Believing that it was necessary to first influence the western general public in order to influence western statesmen, Mustafa Reşid Paşa advised the Sultan to increase the number of embassies. Ambassadors were then to use the local press to influence the public, a practice which was used by himself as well.<sup>36</sup> Known for being a proponent of Ottoman accession to the concert of Europe, Mustafa Reşid Paşa contributed to the edict's formation, which had two purposes:

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<sup>32</sup> Ibid., 353–54.

<sup>33</sup> Ibid., 355.

<sup>34</sup> Ibid., 355–56.

<sup>35</sup> Hanioglu, *Brief History*, 73.

<sup>36</sup> Enver Ziya Karal, “Gülhane Hatt-ı Hümayunu’nda Batı’nın Etkisi,” in *Tanzimat: Değişim Sürecinde Osmanlı İmparatorluğu*, ed. Halil İnalcık and Mehmet Seyitdanlioğlu (Ankara: Türkiye İş Bankası Kültür Yayınları, 2008), 123–24.

In a sense, the document served as an assurance to the Great Powers that demanded domestic reforms in return for future recognition of the Ottoman Empire as a member of the concert of Europe... Thus, the edict was directed both inward and outward, at once a serious commitment to reform out of self-interest and an appeasing gesture directed at Europe.<sup>37</sup>

The second and final phase of the Tanzimat started with the declaration of a new edict, the *Hatt-ı Hümayun*, on 15 February 1856. Shortly after its proclamation, on 30 March 1856, the Paris Treaty was signed, ending the Crimean War and making the Ottoman Empire a member of the concert of Europe. Hanioglu, the historian, further emphasized the Ottoman statesmen's desire to promote a positive image in Europe in order to preserve the empire:

The Tanzimat leaders were undoubtedly sincere in their desire to reinvigorate the empire through reform. But the reforms served another principal goal for them: acquiring the international respectability required for membership in the European concert. The dual purpose of the reforms was especially evident in those innovations aimed at achieving equality before the law: advancing such equality promoted the cohesiveness of a fractious multinational empire, and at the same time placated European public opinion which was increasingly sensitive to the inequality of the empire's Christians... Winning over public opinion in Europe was not merely a question of popularity; it was crucial for the defense of the empire.<sup>38</sup>

He underlined that French and British support in the Crimean War was for the first time an outcome of the "pro-Ottoman pressure of public opinion" besides strategic concerns, and described the war as "a great victory for Ottoman public diplomacy".<sup>39</sup>

During the following decades, deliberately trying to prove that it was a Great Power, as recognized by the Treaty of Paris in 1856, the Ottoman Empire continued to make an appearance in world events by providing financial aid to humanitarian

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<sup>37</sup> Hanioglu, *Brief History*, 73.

<sup>38</sup> *Ibid.*, 76.

<sup>39</sup> *Ibid.*, 77.

deeds, having representatives in international organizations, participating in international exhibitions of industrial and agricultural goods, and sending representatives to celebrations, funerals and international conferences.<sup>40</sup>

The Ottoman saw himself as an equal participant in the zero-sum games of world politics, and demanded to be treated as such. The European saw him as an anomaly, a master who should really be servant, a ruler who should really be a subject. It was this dichotomy which produced the Ottoman obsession with image and a determination to defend it against all slights, insults and slurs. Even worse, of course, was the possibility of being ignored.<sup>41</sup>

The image that the Ottoman Empire wanted to promote of itself, and was obsessed with, was a modern, civilized and strong empire with a long and glorious history, and a land of great natural beauty.<sup>42</sup>

Abdülhamid II's concern about the image of the Empire was rooted in the events known as the Bulgarian horrors, which took place in 1876, shortly before his accession to the throne. Since the summer of 1875, Christian rebels had been organizing attacks on Muslims in Herzegovina, which eventually spread all over Bosnia and Herzegovina. The empire suppressed these attacks harshly by force. Attacks against the Muslim population also started to take place in Bulgaria in 1876, initiated by a couple of hundred rebels who had been trained in the Russian Empire. While 300 Muslims were massacred by the rebels, 2,100 rebels were killed by the Ottoman forces, among whom were Bulgarians who were not involved in the attacks.<sup>43</sup>

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<sup>40</sup> Deringil, *Well-Protected Domains*, 353.

<sup>41</sup> *Ibid.*, 171.

<sup>42</sup> Selim Deringil, "II. Abdülhamid döneminde Osmanlı Dış İlişkilerinde 'İmaj' Saplantısı," in *Sultan II. Abdülhamid ve Devri Semineri: 27-29 Mayıs 1992* (İstanbul: İstanbul Üniversitesi Edebiyat Fakültesi Basımevi, 1994), 149–62.

<sup>43</sup> Kemal Karpat and Robert W. Zens, "I. Meşrutiyet Dönemi ve II. Abdülhamid'in Saltanatı (1876-1909)," in *Genel Türk Tarihi Cilt 7*, ed. Hasan Celâl Güzel and Ali Birinci (Ankara: Yeni Türkiye Yayınları, 2002), 286–87.

These events were presented to the European public as if the Muslim fanatics were massacring innocent Christians. William Ewart Gladstone, the British Liberal Party leader who later became prime minister four times (1868–74, 1880–85, 1886 and 1892–94), used these events as a way to criticize the policy of his opponent, Benjamin Disraeli, Conservative Party Leader and British Prime Minister (1868, 1874–80), which he described as “questionable and erroneous”.<sup>44</sup> The pamphlet, referring to the Ottomans as the Turkish race, described them in the following manner:

They were, upon the whole, from the black day when they first entered Europe, the one great anti-human specimen of humanity. Wherever they went, a broad line of blood marked the track behind them; and, as far as their dominion reached, civilization disappeared from view.<sup>45</sup>

Another issue that challenged the Ottoman Empire in the international arena was the Armenian problem. Incidents that took place in 1894, in the district of Sasun, followed by conflict between the Muslims and Armenians in 1895 and 1896, drastically lowered Ottoman prestige in Europe.<sup>46</sup>

To win over foreign public opinion, especially European, the empire wanted to control the foreign telegraphic news agencies, which were the suppliers of news to the foreign press. Abdülhamid II tried to win them over by financial means. However, realizing that this method was not working well to promote a positive image of the Ottoman state, and feeling uneasy about not being able to express and defend itself, the Ottoman statesmen acknowledged the need to establish an Ottoman telegraphic news agency. Despite their endeavors, the Ottoman Empire

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<sup>44</sup> William Ewart Gladstone, *Bulgarian Horrors and the Question of the East* (London: William Clowes and Sons, 1876), 12.

<sup>45</sup> Gladstone, *Bulgarian Horrors*, 12.

<sup>46</sup> Erik J. Zürcher, *Turkey: A Modern History* (London: I.B. Tauris, 2004), 83.



only managed to set up its first semiformal telegraphic news agency, loyal only to the empire, in 1911.

The Ottoman Telegraph Agency was founded by the initiative of Salih Gürcü<sup>47</sup>. Gürcü, owner and manager of a Parisian journal *La Turquie Nouvelle*, recognized the opportunities offered in the news agency business and asked for a permit on 25 June 1909 to establish an agency called the Gürcü Agency in the Ottoman capital; this was intended to be the semiformal agency of the empire. Salih Gürcü did not succeed in making his agency the semiformal instrument of the empire, but he did manage to turn another one, the Ottoman Telegraph Agency, which he founded in August 1909, into the semiformal news agency of the empire in the second half of 1911.

In 1914, Gürcü lost his administrative position in the Ottoman Telegraph Agency. The duty of transforming the agency was given to Hüseyin Tosun, who was a deputy of Erzurum at the time. The Ottoman Telegraph Agency was renamed the National Telegraph Agency (Agence Milli) in 1914, La Turquie in 1919, and finally l'Agence Orientale d'Informations in 1922. Planned for decades, based on British intelligence reports, the semiformal Ottoman news agency served the interests of the Ottoman Empire. However, the empire, under occupation, lost its agency completely to the Allies in 1919; when the National Telegraph Agency signed an agreement with Havas and Reuters, it was renamed the Havas-Reuter-Turkish Agency, and was used to ease the occupation of Anatolia.

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<sup>47</sup> Salih Gürcü was referred as Gürcü or Gourdji in the Ottoman documents and Gourji, Gurji or Gourdji in the British documents. To have consistency, he will be referred as Salih Gürcü throughout the dissertation, unless it is a direct quote from a primary source in English or French.

## 1.1. Objectives of the Study

It is not the object of this dissertation to discuss the arguments regarding the public sphere, as seen in Jürgen Habermas' *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society*. What is important is that, as discussed by Cengiz Kırılı, the perception of Ottoman statesmen changed with regards to the public and public opinion after the 1840s. The legitimacy of public opinion was implicitly accepted by Ottoman statesmen, and rather than denying or silencing public opinion, it became a source they consulted indirectly.<sup>48</sup> This perception change, consulting the public in order to construct a public opinion, started in Europe in the eighteenth century. While the phenomenon was described by Michel Foucault as a “discovery of political thought”,<sup>49</sup> it was referred to by Keith Michael Baker as a “political invention”.<sup>50</sup>

When the coffeehouse was first introduced to Istanbul in the mid-sixteenth century, conversations on state affairs were regarded as gossip and the only reason for the empire to monitor them and other places where people gathered was to catch

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<sup>48</sup> Cengiz Kırılı, *Sultan ve Kamuoyu: Osmanlı Modernleşme Sürecinde 'Havadis Jurnalleri' (1840-1844)* (İstanbul: Türkiye İşbankası Kültür Yayınları, 2009), 13–25.

<sup>49</sup> Paul Rabinow, ed., *The Foucault Reader: An Introduction to Foucault's Thought* (New York: Pantheon Books, 242). In an interview Foucault stated: “What was discovered at that time and this was one of the great discoveries of political thought at the end of the eighteenth century was the idea of society. That is to say, that government not only has to deal with a territory, with a domain, and with its subjects, but that it also has to deal with a complex and independent reality that has its own laws and mechanisms of reaction, its regulations as well as its possibilities of disturbance. This new reality is society.”

<sup>50</sup> Keith Michel Baker, *Inventing the French Revolution: Essays on French Political Culture in the Eighteenth Century* (New York: Cambridge University Press, 1990), 168: “Many studies of the idea of public opinion assume the existence of some corresponding social referent as a residual fact of common life in any society—a kind of perpetual noise in the system which must in some way be taken account of, whether or not its existence is formally acknowledged by political actors or explicitly designated under the rubric of ‘public opinion.’ Others see it as a specific phenomenon of modern societies, brought into being by long-term changes in literacy, by the growth of capitalism and the commercial expansion of the press, by the bureaucratic transformation of particularistic social orders into more integrated national (and now international) communities. Without denying the importance of these latter developments, I wish to insist on the significance of public opinion as a political invention rather than as a sociological function.”

those who conversed about the state and punish them. However, in the nineteenth century, the practice changed drastically:

By recording these opinions without the purpose of persecuting political gossipmongers, the state turned the oral into the literal, the anonymous into the authored, and the elusive into the tangible. This was, in fact, the process in which rumor became news; and the individual opinions that were hitherto persecuted for their political content became a public opinion to which the nineteenth-century Ottoman state was obliged to appeal.<sup>51</sup>

In an age when ‘information’ became ‘news’, ‘individual opinions’ became ‘public opinion’, and governments and rulers appealed to the public, the Ottoman Empire lacked the means to infiltrate the public.

A change in the Ottoman statesmen’s perception of public opinion made the nineteenth-century news agencies significant for the empire. The Ottomans wanted to construct their own version of foreign and domestic public opinion as they regarded it to be a necessity in order to preserve the territorial integrity of the empire. As a tool to influence public opinion, especially foreign, Ottoman statesmen tried to take advantage of foreign news agencies. However, the news agencies and the empire had different agendas, which ultimately rendered this cooperation unfruitful for the latter. For Havas, Wolff’s and Reuters, news was a commodity that could be sold to any individual, company or empire that was willing to pay for it. These agencies developed different discourses for every potential customer. The package they offered the Ottoman Empire was to influence the perception of statesmen and the general public in foreign societies. While the news agencies were exporting their ‘commodities’ by taking advantage of international politics and

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<sup>51</sup> Cengiz Kırılı, “Coffeehouses: Public Opinion in the Nineteenth Century Ottoman Empire,” in *Public Islam and the Common Good*, ed. Dale F. Eickelman and Armando Salvatore (Leiden: Brill, 2004), 96. For further information on coffeehouses in the Ottoman Empire, see also Yaşar Ahmet, ed., *Osmanlı Kahvehaneleri: Mekan, Sosyalleşme, İktidar* (İstanbul: Kitap Yayınevi, 2017). See also, Robert Darnton for circulation of news in the eighteenth century: “An Early Information Society: News and the Media in Eighteenth-Century Paris,” *American Historical Review*, vol. 105, no. 1 (February), 1995.

contemporary tensions between the different empires, the circulation of news was a matter of survival for the Ottoman Empire. It is argued in this dissertation that the Ottoman Empire founded the Ottoman Telegraph Agency to empower the imperial center, improve its image to preserve the empire, and counteract imperialism.

The timeframe the thesis covers is between 1862 and 1914. The first telegraphic line of the Ottoman Empire was built in 1854 and began operating in 1855 during the Crimean War. Although Havas and Reuters had agents in Constantinople to report war news throughout the Crimean War,<sup>52</sup> it is very likely that these agents were not correspondents working in these agencies but rather locals, or British and French merchants residing in the imperial capital, who reported to the agencies. There is no information regarding the operations of Havas, Wolff's or Reuters in Constantinople until 1862. In that year, *Levant Herald* started to use Reuters' telegrams,<sup>53</sup> in 1866 Havas took over the subscribers in Constantinople,<sup>54</sup> and in 1869 Reuters' Constantinople office was opened.<sup>55</sup> Because permanent operations of the international news agencies do not seem to have started until 1862, based on the contemporary documents available, the dissertation starts with this date. Yet, it also briefly summarizes the arrival of the telegraphic communication system to the Ottoman Empire. The period discussed in the dissertation ends in 1914, with the start of World War I. The start of the war

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<sup>52</sup> Donald Read, *The Power of News: The History of Reuters* (Oxford: Oxford University Press, 1999), 17.

<sup>53</sup> Orhan Koloğlu, *Havas-Reuter'den Anadolu Ajansı'na* (Ankara: Çağdaş Gazeteciler Derneği Yayınları, 1994), 9.

<sup>54</sup> Koloğlu, *Havas-Reuter'den*, 9.

<sup>55</sup> Board Meeting Minutes, 17 November 1869, within the Minute Book (1868-1872). RA, 1/883502. Orhan Koloğlu stated in *Havas-Reuter'den Anadolu Ajansı'na* that on 23 November 1868, Reuter's agent in Constantinople, Edward Vinnard, announced in the *Levant Times*, a newspaper of Constantinople published in English, that Reuters was soon to establish an office in the city. He also announced on 16 December 1868, again in the *Levant Times*, that l'Agence de Constantinople, an agency of Reuters, would begin its services at its office located in Pera, Tomtom Street, no. 11, starting from 1 January 1869 (10-1). On the other hand, Donald Read, in the *Power of News* (54), stated that the office in Constantinople was opened in 1870. However, Board Meeting minutes of 17 November 1869 documented that the office was established in the first half of 1869.

changed the characteristics of news dissemination by Havas, Wolff's and Reuters, as they became part of propaganda efforts on behalf of their empires.

## **1.2. Primary Sources**

The majority of primary sources are documents from the Presidency of the Republic of Turkey State Archives Directorate, Ottoman Archive, the United Kingdom National Archives, Reuters Archive, and Grand National Assembly of Turkey Archives. Through the Ottoman Archive, Grand National Assembly of Turkey Archives, and the United Kingdom National Archives, the author has managed to obtain an insight into the official opinions of the Ottoman and British empires. At the United Kingdom National Archives, the author focused attention on foreign office papers and secret service reports. The vast number of documents on the concessions granted to the Reuter family in the National Archives have been invaluable for informing the author about an aspect of the news agencies and news agency owners that does not exist in company histories. Another significant archive of this research has been the Reuters Archives in which the author found information on Reuters' Constantinople office that is not available in any other archive.

News agency bulletins and news published, based on news agency dispatches, were not examined as the author believes that the Ottoman Empire's official opinion on the news agencies and the news they disseminated serves the purpose of this dissertation well enough. The examination of news agency bulletins and journal articles is planned for a future research project.

### 1.3. Literature Review

By connecting British imperialism with the Ottoman Empire's efforts to have a news agency, this dissertation aims to contribute to the existing literature on both Ottoman press history and imperialism. It is unique for being the first research project that has studied the history of the Ottoman Telegraph Agency in a comprehensive manner.

The general literature on imperialism mostly places the state and politicians at the center of their narratives. This dissertation aims to contribute to the existing literature on imperialism by revealing investor influence in policy making in the late nineteenth and early twentieth centuries. In some of their communications with governments, due to their foreign investments, Reuter family members became players in international politics. D. R. Headrick's *The Tools of Empire: Technology and European Imperialism in the Nineteenth Century* and *The Invisible Weapon: Telecommunications and International Politics, 1851–1945* are examples of works on imperialism revolving around states and politicians. In *The Tools of Empire*, Headrick discusses the technological advancements that allowed Europeans to penetrate, conquest and subsume imperial possessions into a European economy in the nineteenth century. He underlines in his work that the pace of progress in communications and transportation is more fascinating than any other technological advancements of the century. In his later work, *The Invisible Weapon*, he explains the history of telegraphy technology and the strategic motives of the states in expanding the world cable network during the nineteenth and twentieth centuries.

Similarly, Eric Hobsbawm, in his remarkable works *The Age of Capital 1848–1875* and *The Age of Empire 1875–1914*, explains the triumph, transformation and extension of capitalism to the whole globe through the social and economic variables of states.

On the other hand, John Atkinson Hobson in his work *Imperialism*, underlines the involvement of certain classes in shaping the imperialist policy of Britain, declaring that Great Britain did not actually benefit from imperialism by going through its various motives: the need for raw materials, markets, investment and a population outlet. He makes his point by using numbers demonstrating that the share of income from the imperialist endeavors was less than the share of every other source of income in the British economy. He claims that such a policy, which was not good for the population in general, was pursued because certain classes, “the investing and speculative classes” benefited from the current policy and were promoting the expansion of the British Empire. He named them as the “economic parasites of imperialism”.<sup>56</sup>

An overview of some of the variables that Hobson mentions to prove his case are that “between one-fifth and one-sixth of the country’s income was coming from the production and transport of goods for export trade”,<sup>57</sup> and that “the external trade of Great Britain bore a small and diminishing proportion to its internal industry and trade...of the external trade, that with British possessions bore a diminishing proportion to that with foreign countries”.<sup>58</sup> He claims that if the British nation as a whole was not benefitting from its state’s imperialist policy, then it had to be serving the interests of certain classes.

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<sup>56</sup> Hobson, *Imperialism*, 56.

<sup>57</sup> *Ibid.*, 28.

<sup>58</sup> *Ibid.*, 39.

Hobson also suggests an alternative economic policy for Great Britain to pursue, that of domestic consumption. He states, “there is no necessary limit to the quantity of capital and labour that can be employed in supplying the home markets, provided the effective demand for the goods that are produced is so distributed that every increase of production stimulates a corresponding increase of consumption”, underlying the unnecessary of the imperialist policy, and the possibility of an increase in domestic consumption.<sup>59</sup> He mentions that domestic consumption could be raised by a proper distribution of income, which then would facilitate the expansion of the home markets that “are capable of indefinite expansion”.<sup>60</sup>

Hobson’s “investing and speculative classes”, which benefited from British imperialist policy and therefore perpetuated it, were referred to as “the gentlemanly class” in *British Imperialism, 1688–2015* by P. J. Cain and A. G. Hopkins. The Reuter family, with its rising influence, exhibited “the growing wealth and power of service capitalism after 1850”.<sup>61</sup> Baron Paul Julius de Reuter and his sons were members of “a new gentlemanly class arising from the service sector”<sup>62</sup> in Britain, taking over the power of the landed aristocracy.

The relations between the states and the three European news agencies in the second half of the nineteenth century until World War I have been overlooked in historical scholarship. The only piece of work that studies in detail the relations of the news agencies with governments is Alexander Nalbach’s dissertation, “The Ring Combination: Information, Power and the World News Agency Cartel 1856–1914.” He discusses the same matter in his articles. His work also comprehensively

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<sup>59</sup> Ibid., 29.

<sup>60</sup> Ibid., 88.

<sup>61</sup> P. J. Cain and Antony G. Hopkins, *British Imperialism 1688-2015* (New York: Routledge, 2016), 55.

<sup>62</sup> Ibid., 125.



explores cooperation and competition within international news circulation, like J. Silberstein-Loeb's *The International Distribution of News: The Associated Press, Press Association, and Reuters, 1848–1947*. Nalbach's dissertation is an elaborate, and a remarkable, work which uses an extensive range of primary and secondary sources, demonstrating that he invested long hours in conducting research in the archives of the news agencies, and presenting primary sources in English, French and German. Nalbach's research in the archives of Havas has especially helped the author of this present dissertation to be informed concerning French sources, and the perspectives of the French government and representatives of Havas. Another area of research focuses on technological developments with regards to telegraphy throughout the world and in the Ottoman Empire.

The literature on Reuters focuses mainly on the news agency's history rather than the family's foreign investments. The publications on the agencies are "company histories commissioned by the world news agencies themselves to promote publicity, to commemorate anniversaries",<sup>63</sup> as rightfully described by Nalbach, and this is also the case for works on the Reuters. These sources merely relate the chronological history of the agency, mentioning agency contact with the governments in a very refined manner, and referring to them very briefly, if at all. Graham Storey's *Reuter's Century* and Donald Read's *The Power of News: The History of Reuters, 1849–1989* are examples of such works. They are descriptive company histories. Though somewhat still useful for learning about key events in the agency's history, they do not have much to offer the researcher, and they lack citations. The first one does not have any citations while the latter has citations here and there.

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<sup>63</sup> Nalbach, "Ring Combination," 29.

Among all the concessions granted to the Reuter family, only the concession known as the Reuter Concession, granted by the Shah of Persia to Baron Paul Julius de Reuter, has been examined thoroughly by Firuz Kazemzadeh as part of Russian-British conflict in Persia, in a work titled *Russia and Britain in Persia, 1864–1914: A Study in Imperialism*. The rest of the concessions are only mentioned very briefly in book chapters or articles. For example, in “Lord Curzon and British Strategic Railways in Central Asia Before, During and After the First World War,” in *Railways and International Politics, Paths of Empire, 1848–1945*, even the Reuter Concession is mentioned only briefly as background context in the history of British railway policy in Central Asia.

The Reuter Concession, the Greek Railway Concession, the Seoul Waterworks Concession and the concession to create twenty “Burgos Agricolas” (agricultural villages) in Brazil were secured by a family that owed its influence to collecting and circulating news, exemplifying the involvement of British investors who gradually became influential in the state’s policies and decision-making, notably in the late nineteenth century and early twentieth century, a period in which investors sought foreign concessions. It was known that news agencies sometimes received subsidies from governments before the First World War,<sup>64</sup> but the Reuter family’s investments abroad revealed different and deep connections between the British government, local governments and the Reuter family.

The rest of the owners of European news agencies were not journalists either; they were financiers, bankers and investors who had made their fortune recently, or a generation ago, and were investing in different sectors which they found profitable. Garson von Bleichröder, the owner of the Continental Company

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<sup>64</sup> See Nalbach, “Ring Combination.”

who bought Wolff's, was a banker investing in news business. Similarly, after Auguste Havas, the Havas agency was sold to Frédéric-Émile Erlanger, a financier and an investor who later became partners with the Reuter family in a Greek railway construction scheme.

As well as the literature on imperialism, this dissertation also contributes to the existing literature on the Ottoman press by depicting the history of the first Ottoman news agency and its successors, an area that has been neglected in the historical scholarship. This dissertation is an attempt to fill the gap in Ottoman historical scholarship.

Historiography on communication technologies in the Ottoman Empire and Turkey can be identified as being descriptive. These works are still important for contributing to the field and providing historians with material on which to build. This being said, there is a need for more argumentative works in this field. Asaf Tanrikut's *Türkiye Posta ve Telgraf ve Telefon Tarihi ve Teşkilat ve Mevzuatı* is the very first elaborate work on the postage, telegram and telephone services in the Ottoman Empire. The major works in the field that focus on the historical development of communication technologies are: *Türkiye'de Posta ve Telgrafçılık* by Aziz Akıncan, *Türk Posta Tarihi* by Eskin Şekip, *Telgrafçılıkta Ana Dilimiz ve Mustafa Efendi, Batı ve Doğuda Telgrafçılık Nasıl Doğdu?* by A. Baha Gökoğlu, *Türkiye'de Çağdaş Haberleşmenin Tarihsel Kökenleri* by Alemdar Korkmaz, *İzmir Posta Tarihi 1841–2001* by Nedim A. Atilla, *Başlangıcından Günümüze Posta* by the Turkish Postage, Telegraph, and Telephone General Directorate, and *Çağını Yakalayan Osmanlı*.

*Çağını Yakalayan Osmanlı: Osmanlı Devleti'nde Modern Haberleşme ve Ulaştırma Teknikleri*, edited by Ekmelleddin İhsanoğlu and Mustafa Kaçar, is a

combination of selected symposium papers and articles on the history of Ottoman transportation and communication systems. Like the above-mentioned works, these selected articles on communications are descriptive, yet, also very informative.

Tanju Demir's Doctor of Philosophy dissertation, *Türkiye'de Posta Telgraf ve Telofofon Teşkilatının Tarihsel Gelişimi (1840–1920)*, is not only useful and interesting for historians but also for anyone who would like to be informed about the history of communication technology in the Ottoman Empire. Published by the Turkish Postage, Telegraph, and Telephone General Directorate, it is an institutional history of the directorate, covering a period of forty years. Although his work is descriptive, Demir performs an important duty by studying this subject and time period. Another Philosophy of Arts dissertation, again, very useful but descriptive, is “Osmanlı Dönemi'nde Posta Teşkilatı (Tanzimat Devri)” by Nesimi Yazıcı. His article on “Posta Nezaretinin Kuruluşu,” in *Çağını Yakalayan Osmanlı: Osmanlı Devleti'nde Modern Haberleşme ve Ulaştırma Teknikleri*, has been written along the same lines as his dissertation.

Master of Arts dissertations on communication technologies in the Ottoman Empire and Turkey include: “The Transfer of Telegraph Technology to the Ottoman Empire in the XIXth Century” by Bahri Ata, “İttihat ve Terakki Cemiyeti ve Osmanlı Posta ve Telgraf Teşkilatı” by Seyfi Toptaş, “Türkiye'de Modern Posta Teşkilatının Kuruluşu ve Gelişimi” by Özdemir Onur, and “The Ottoman Postal and Telegraph Services in the Last Quarter of the Nineteenth Century” by Ayşegül Okan. In their descriptive dissertations, Bahri Ata outlines the arrival of telegraphic communication to the Ottoman Empire and its expansion, Özdemir Onur depicts the history of postal services, and Ayşegül Okan tells the story of postal services and telegraphic communication in the empire. Seyfi Toptaş argues in her dissertation

that graduates of postage and telegraph schools were influenced by western political thought during their education. Therefore, most of them either became members of the Committee of Union or collaborated with its members, and took part in the declaration of the Second Constitutional Era.

Only Orhan Kolođlu, who has written several works on the history of the Turkish and Ottoman press, dedicates a chapter to the Ottoman Telegraph Agency and its successors in *Havas-Reuter'den Anadolu Ajansı'na*. The information is rather brief and most of the section about the agency consists of the complete text of a parliamentary discussion from 1911 on the founding of a semiformal agency. In a later work, *Osmanlı Döneminde Basın Teknikleri ve Araçları*, he spares a chapter for the Ottoman Telegraph Agency; however, it is almost exactly, word for word, the same piece. Furthermore, while some of the primary sources are not cited at all, some of the secondary sources lack citation details, such as page numbers in *Havas-Reuter'den Anadolu Ajansı'na*, *Osmanlı Döneminde Basın Teknikleri ve Araçları*, which does not give any citation details throughout the text, only a bibliography list at the end of each chapter. In a recent work on the history of the press in the Ottoman Empire and the Turkish Republic, *Osmanlı'dan 21: Yüzyıla Basın Tarihi*, Kolođlu mentions the Ottoman Telegraph Agency in only a single sentence. Although he was a pioneer with his extensive research on Ottoman and Turkish press history, his works are more or less descriptive, and lack the basics of a scholarly work.

Unlike the rest of the works in this field, which focus on the history of the communication and transportation systems in the Ottoman Empire, a recent Philosophy of Arts dissertation by Servet Yanatma discusses the activities of the international news agencies in the empire. Yanatma's dissertation, entitled "The

International News Agencies in the Ottoman Empire (1854–1908)”, is an argumentative work but it excludes the history of the Ottoman Telegraph Agency.

Some parts of this dissertation might be found rather descriptive, especially the chapter on the Ottoman Telegraph Agency. Because there is no other comprehensive work on the Ottoman Empire’s endeavor to establish a telegraph agency, or on its semiformal news agency, the Ottoman Telegraph Agency, the author of this dissertation felt the need to integrate all the information available on the agency and its founders, and attempt to form a coherent whole.

#### **1.4. Structure of the Dissertation**

Chapter I explains the historical framework, states the dissertation’s argument, introduces the archives the author has used for research, and reviews the published works related to the dissertation.

Chapter II discusses relationships of Havas’, Wolff’s and Reuters’ with their respective empires, and with others with whom they concluded secret agreements. The chapter demonstrates that these three news agencies were only interested in maximizing their profits, overcoming threats from each another, and having access to news faster than any other agency.

Chapter III describes the foreign investments of the Reuter family. Starting with the concession known as ‘the Reuter Concession’, granted by the Naser ed-Din Shah, the Shah of Persia to Paul Julius Reuter in 1872, other members of the Reuter family, Herbert Reuter and George Reuter, were also granted concessions. These were the Greek Railway Concession, the Seoul Waterworks Concession and the

concession to create twenty “Burgos Agricolas” in Brazil. Also George Reuter was the chairman of the Rexer Arms Company. Correspondence between the British Foreign Office and Reuter family members regarding these investments reveal that the Reuter family was seeking the aid of the British Foreign Office whenever they experienced any disagreement with the foreign governments that had granted them concessions. What is more striking is that Reuter family members were in a position to suggest policies to the British Foreign Office, thus, placing themselves in great power politics. This chapter shows that the news agency owners or stockholders were in communication with their respective empires about investments, as well as matters regarding news collection and distribution.

Chapter IV depicts the Ottoman Empire’s endeavor to establish a news agency within its lands, connecting the imperial center with its distant territories and promoting its image abroad, in order to overcome the challenges it was exposed to by the Great Powers.

Chapter V gives detailed information on the Ottoman Telegraph Agency and its founders, and a brief description of its successors, l’Agence Milli (the National Telegraph Agency), La Turquie and l’Agence Orientale d’Informations.

Finally, Chapter VI mentions the different agendas of the foreign news agencies and the Ottoman Empire.

## CHAPTER II

### HAVAS, WOLFF'S, REUTERS AND THE GOVERNMENTS

Havas, Wolff's and Reuters had close relations with their respective governments. But they were also ready to sign confidential contracts with foreign governments to serve their interests so long as these governments were willing to pay for their services. Nalbach stated that what the news agencies acquired with this type of connection with their governments were "first crack at official information, reduced rates and priority use of state telegraph and cable facilities, and special subscriptions or outright subsidies".<sup>65</sup> Their gains were the same in their relations with foreign governments. The relationship between Havas, Wolff's and Reuters with their home governments, as well as with foreign governments, will be discussed and exemplified in this chapter.

To begin with, Havas always managed to maintain good relations with the French government; this also helped it to avoid competition in France. A letter written by Henri Houssaye, Director of Havas, to his Constantinople agent in 1909

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<sup>65</sup>Alexander S. Nalbach, "'Poisoned at the Source?' Telegraphic News Services and Big Business in the Nineteenth Century," *Business History Review*, vol. 77, no.4 (Winter 2003): 597.



shows how both the French government and Havas benefited from their close contact, which was also relevant to Wolff's and Reuters' interaction with their home governments, and reflects Havas' opinion of its news service:

We are the first to be given certain news, certain notes, it is true, and this constitutes an advantage for us to exploit; on the other hand, in acting thus, the government has its ideas distributed, and this is an advantage for it....We are not, in any way whatsoever, a dependency of the ministry of Foreign Affairs; even more so, we are not beholden in any way to this or that diplomat...we would be the last to deny that one should try to accommodate the wishes of the Embassy. But do not lose sight of the fact that we are and must remain towards it and against everything absolutely independent, because in the end, it is we who are responsible. That said, do not forget either that we never fail to serve, to the best of our ability, *la politique française*.<sup>66</sup>

In 1862, Auguste Havas suggested to the Ministry of the Interior that they send them, on a daily basis, the news the French government wished to disseminate:

Above all, in the event of strikes or disorders, it would be well to give us permission to communicate our version at once, without waiting for a worse version to be sent to the newspapers. Communicated by us, this version which, in reality, would be the government's, would not have an official link to it.<sup>67</sup>

Havas also suggested having a telegraph line between the cabinet and the agency for this very purpose, and to be moderate in tailoring the news in order not to make the newspapers suspect that the agency was sending them the official opinion of the French government:

We must only be asked to act within the limits of moderation, which will always have the effect of having our communications accepted by newspapers of all shades of opinion; to act otherwise would be to destroy a precious instrument with which one can exercise the greatest influence possible at home and abroad.<sup>68</sup>

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<sup>66</sup> Ibid.

<sup>67</sup> Nalbach, "The Ring Combination: Information, Power and the World News Agency Cartel," PhD Dissertation, University of Chicago, 1999, 106.

<sup>68</sup> Ibid., 107.

The agency managed to stay in touch with the French government on a daily basis. Furthermore, Auguste Havas succeeded in convincing the government that the agency's news service was sufficient to fulfill the purposes of the government. In September 1862, Napoleon III forbade the founding of any new news agencies. In 1863, the agency was paid 24,000 francs by the government, and additional subsidies were paid to twenty-one provisional newspapers, on average 2,000 francs to each to help them pay their Havas subscriptions.<sup>69</sup> The Ministry of the Interior's notes on Havas, when its journalism was under attack by the French press for distorting news, reveals the close contact between Havas and the French government. On 4 April 1869, the following comment was noted, underlying Havas' ongoing standing in relation to different French administrations:

It [Havas] receives from all the administrations information which is of interest for subscribers and, in exchange, it gives the government the opportunity for diffusing information which the latter judges appropriate to propagate, without the government having any responsibility for the publications made by the *Agence Havas*.<sup>70</sup>

In another note, dated 15 April 1869, the Ministry of the Interior emphasized its private relationship with Havas by stating that:

Havas is at all times in daily correspondence with the Ministry. Each time that a denial or a correction, or a useful news item should be placed in circulation without delay, [Havas] condenses it in telegraphic form and distributes it throughout all of France. Agreement has been reached so that this service is used more frequently, and replace all communications which are not judged convenient to make directly. One may judge the capital importance of this means of rapid publicity by the fact that M. Havas serves 307 newspapers.<sup>71</sup>

In July 1879, Havas was sold to Frédéric-Émile Erlanger, a German-Jewish financier who had close relations with governments and diplomats:

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<sup>69</sup> Ibid.

<sup>70</sup> Ibid., 240.

<sup>71</sup> Ibid., 107.

He married the eldest daughter of United States Senator Slidell, former Minister in Paris of the Confederacy...became the Consul General for Greece in 1864...he earned the Cross of Isabelle-la-Catholique, became a Knight of the Iron Crown (first class), and grand officer and commander of almost all the Orders of Europe. In 1878, he was named Knight of the Legion of Honour, and became an officer in 1881. William I of Germany himself elevated Erlanger to the rank of Baron. Erlanger became a leading member of a curious French sect, the Saint-Simonians.<sup>72</sup>

Despite this, the close relationship between Havas and the French government continued as before. In 1898, Erlanger became partners with Baron George de Reuter, second son of Baron Paul Julius de Reuter, and Baron Herbert de Reuter, managing director of Reuters (who had succeeded his father Baron Paul Julius de Reuter in May 1878) in the construction of a Greek railway project which will be discussed in detail in Chapter III. As will be shown in the next chapter, both the Reuter family and Erlanger turned to their own imperial governments when they had disagreements with the Greek government.

From 1905, which began a difficult time for Russian financial interests due to the Russo–Japanese War, the Havas agency tried to distort or delay the news coming from Russia as much as possible, with the French government’s approval and support. Havas’ duty was to weather negative news from Russia in order to calm down French investors and protect the Russian economy. On 1 March 1905, Arthur Raffalovitch, the Russian economic journalist who was behind monitoring and shaping the news on Russia in France, reviewed what had been done so far to find a solution to temper the stock market after the loss of Port Arthur to the Japanese:

We have taken action in the financial part of the newspapers, but we have not interfered with the political section, regarding the service of dispatches. ...from the moment the censor allowed the telegrams to pass, we could not stop the news from reaching Paris,

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<sup>72</sup> Ibid., 235.

London and Berlin; and even if it had stopped them, the news would have come by other routes, and caused even more damage.<sup>73</sup>

As a solution, Raffalovitch signed a three-month contract with Havas to soften the news on Russia in return for a subsidy of 3,000 francs. In his letter to Cohen Kokovtzev, the Russian Minister of Finance, Raffalovitch underlined the importance of the service performed by Havas and the French press to legitimize the payments he made, and convince the Russian government to continue making these payments:

The internal events in Russia, the disturbances, mutinies and massacres, created a very uneasy state of mind among the owners of our securities in France, and it appeared that if the press were left to its own devices it would not fail to upset the public even further. ...the outlook was so threatening that the Banque de Paris put 50,000 francs at our disposal, which was used as follows: 10,000 to the Havas Agency, 7,000 francs to Hebrard of the *Temps*, 4,000 to the *Journal* on 30 November, as much again on 30 December, plus Lenoir's commission. The costly sacrifices to Havas and the *Temps* are absolutely necessary....We must continue the 100,000 francs for three months, and look forward to paying Havas 10,000 francs for an even longer period.<sup>74</sup>

In 1907, Havas demanded an annual subscription of 5,000 francs per month from the Russian Ministry of Finance. Raffalovitch advised a subscription for six months with the following statements:

The service which Havas can render us is to inset the communications which we have occasion to make, and if one could have the certainty that it always inserts the communiques of the Ministry of Finance, this would be worth a subscription of five hundred francs per month, because there are times when one is very much at a loss to get something through. Havas is the great omnibus.<sup>75</sup>

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<sup>73</sup> Ibid., 241.

<sup>74</sup> Ibid., 242.

<sup>75</sup> Ibid., 244.

The minister agreed and Russian subsidies to Havas continued until the Revolution of 1917. Havas also received subsidies from the Ottoman Empire for years, which will be discussed in Chapter IV.

In February 1865, Reuters became a joint stock company called Reuter's Telegram Company (Limited) and, only a month later, it tried to establish a joint office with Havas in Berlin, and to buy Wolff's agency in cooperation with Havas. Bernhard Wolff asked King Wilhelm I for help against Reuters. The king gave C.D. von Oppenfeld, Viktor von Magnus and Gerson von Bleichröder, Berlin bankers, the duty to become stockholders of a new share-holding company. On 20 May 1865, the Continental Telegraphen-Compagnie (Continental Telegraph Company) was established and shortly afterwards it bought Wolff's agency. The King, Chancellor Bismarck and Gerson von Bleichröder were in charge of the new company.<sup>76</sup> Bleichröder, who had a majority of the shares, was described thus:

An ingenious Jewish financier and capitalist par excellence Bleichröder the personal banker of the Iron Chancellor himself, an intimate of the Rothschilds, adviser, lobbyist, kingmaker and secret agent achieved a glittering political and social success in the Germany of his day, becoming the first German Jew to be raised to the ranks of hereditary nobility. Bleichröder was one of the richest men in the world and a pronounced patriot....<sup>77</sup>

Despite his wealth, before taking part in its transformation Bleichröder examined Wolff's business records to see if the agency had the potential for future growth. The fact that the stockholders of Wolff's agency were Berlin bankers, and, moreover, Bleichröder's approach to buying stocks, is an indication that news agency business was like any other business for the stockholders, who found a personal interest in their investment.

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<sup>76</sup> Ibid., 108–12.

<sup>77</sup> Ibid., 111.

Wolff's shares were bought out with a separate agreement but he remained as managing director of the new company until his retirement in 1871. Richard Wentzel and one of his partners, Theodor Wimmel, were appointed as liable directors for ten years by the Prussian state. The Continental received subsidies and had official privileges, such as using the state telegraph system. In October 1874, Bleichröder turned the Continental from a limited liability company into a public company, reducing the state's interference as it would no longer be able to appoint liable directors, as public companies did not have such a post.<sup>78</sup>

Last but not the least, let us now discuss the agreements made between Reuters and the British government, as well as other governments. Jonathan Silberstein-Loeb accurately described Reuters from 1851 to 1930 as "a trading company operating in news".<sup>79</sup> Its commodity was the news. In 1894 and 1895, Reuters signed secret agreements with the British, Japanese and Ottoman governments, and also received subsidies for decades from several others, exemplifying the fact that news agencies were taking advantage of every opportunity to maximize their profits, and not remaining in the service of any single government. While the agreement between Reuters and the Ottoman Empire will be discussed in Chapter IV, the rest of its agreements with the British Empire and other states will be discussed here chronologically.

A Reuters' office was established in Alexandria in 1866 and, for the next ten years, Havas and Reuters jointly distributed bulletins in English and French.<sup>80</sup> The office was moved to Cairo in 1882 by Joseph Schnitzler, the chief agent.<sup>81</sup> Having

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<sup>78</sup> Ibid., 224–27.

<sup>79</sup> Jonathan Silberstein-Loeb, *The International Distribution of News* (New York: Cambridge University Press, 2014), 165.

<sup>80</sup> Graham Storey, *Reuters' Century, 1851-1951* (London: Max Parrish, 1951), 95.

<sup>81</sup> Ibid.

criticized Havas in 1870 for receiving subsidies from the governments of Napoleon III and the Turks, Reuters had been receiving subsidies from the Egyptian government since at least as early as 1868 in the guise of a 'subscription'. Gerald C. Delany, Reuters' general manager in Egypt, stated that they "took up the role of a news agency in this country, on condition that the Government would support us in various ways, principally as a subscriber to our telegrams, and the existence of our organisation in this country depends upon the continuance of that support".<sup>82</sup> For twenty-five years, 1,000 pounds a year was paid by the Egyptian government to Reuters and Havas.<sup>83</sup> Reuters' cashbook from 1877 to 1893 shows that each month in 1883, 1884, 1885, 1886 and 1887 the Egyptian government paid 85.9.4 pounds, which added up to 1,031.28 a year.<sup>84</sup> Besides receiving a subsidy from the Egyptian government up to 1923, the agency also received subsidies regularly for years from the Indian government, beginning in 1867. British colonial governments in Africa were its other subsidy providers.<sup>85</sup>

In 1894, Reuters approached the British government with a similar proposition made by Auguste Havas to the French Ministry of the Interior in 1862. From 1894 to 1898, there was a secret agreement between the British government and Reuters' news agency in which the agency promised to forward its political telegrams to a person designated by the Secretary of State as soon as they were received, verify with the Foreign Office all 'doubtful' telegrams prior to publication to prevent 'mischief' arising from the circulation of false news, compile confidential reports from their agents and communicate them to the Foreign Office

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<sup>82</sup> Donald Read, *The Power of News: The History of Reuters* (Oxford: Oxford University Press, 1999), 66.

<sup>83</sup> Nalbach, "Ring Combination," 178.

<sup>84</sup> Cashbook (1877–1893), 1/8911601, LN 462, Reuters Archive (hereafter cited as RA).

<sup>85</sup> Read, *Power of News*, 66.

as soon as they were received, and observe the strictest secrecy in regard to the origin of news communicated by the Foreign Office for publication.

In the first days of July 1894, Dr. Sigmund Engländer, Chief Editor of Reuters established contact with the British Foreign Office to make an offer on behalf of Reuters. Engländer's first interview took place on 2 July 1894 with a Foreign Office officer with the initials A.W. The agency's proposal was to provide "the foreign office with all the intelligence they receive from their agents all over the world, much of it of a confidential nature and which is never published", and the agency also suggested that the Foreign Office should make use of the agency to publish accurate information in foreign newspapers, or any statements the Foreign Office might desire to be made known abroad.<sup>86</sup> In order to prove the necessity of this service offered by Reuters, Engländer underlined the importance of disseminating news serving the interests of the British Empire:

Dr. Engländer, who has been in the service of Reuter's agency since I think he said the days of Lord Palmerstone, says that the feeling against England abroad is a very bitter and hostile one, and this in his opinion arises to some extent from ignorance of the truth, and from the [?] news published in Foreign and Native papers, and he urges the importance to the Foreign Office and this country of taking measures to have true intelligence of our aims and policy disseminated all over the world.<sup>87</sup>

He also claimed that "his agency would be able to get their communications published in the local press anywhere, both through their own agents and thorough other foreign news agencies with whom they are linked".<sup>88</sup> As if it were a company in trade, Reuters tried to close a deal with the government to export its commodity, the news. Another significant point is that it was Reuters which offered to modify

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<sup>86</sup> Confidential Report of A.W. regarding his conversation with Dr. Engländer, 3 July 1894, HD 3/97, National Archives (hereafter cited as NA.).

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.



the news for the British government in favor of the British Empire. Apparently, the Reuters family was taking advantage of contemporary world politics not only while pursuing their foreign investments but also while selling news services. In the later part of the conversation, Engländer suggested that the British government interfere with the press and to use Reuters whilst doing so:

Dr. Engländer says that the day is past for indifference to newspaper calumnies, which has been the traditional policy of this country, and believes that much good could be done by undertaking the services of their agency in some such way as he proposes.<sup>89</sup>

Engländer received the response that his proposals would be laid before Lord Kimberly, Secretary of State for Foreign Affairs, and that if anything came of the idea he would be informed. He was also told that any such connection with a news agency was not in accordance with the practice of British government departments and that it was doubtful whether they would make a new departure such as he proposed. Not pleased with this response, Engländer stated that he hoped to have an interview with Lord Kimberly himself.<sup>90</sup>

Engländer had his next meeting with Sir Thomas Henry Sanderson, Permanent Under-Secretary of State for Foreign Affairs, on 12 July 1894:

He repeated his previous offer viz: that Reuter's agency should place at our disposal all their telegrams and also their private correspondence (of which he said there was much containing valuable information). They would further direct their agents' attention abroad to any particular subject which we might at any time indicate.

Finally, which he thought would be of great service, they would be ready at any time to insert in the foreign Press, at any of the principal European capitals, corrections on statements which we might desire, without of course giving the source from which they came.<sup>91</sup>

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<sup>89</sup> Ibid.

<sup>90</sup> Ibid.

<sup>91</sup> Report by Thomas Henry Sanderson, 13 July 1894, HD 3/97, NA.

The second meeting made it clearer that Reuters' managers were offering to act as a semi-formal agency of the government in secrecy. Secrecy was not only necessary because the agency believed this was what the government would desire in order to disseminate and impose its views unanimously so as to have a higher impact on societies, but also because Reuters would lose its respectability and credibility. Engländer did not give an exact price for the service, probably wishing to know first the extent of the service for which the government would be willing to pay. Sanderson reported that "he said they would ask nothing for supplying the information which ordinarily came to them but the rest would require special organisation and administrative changes which would incur expense, and this they would ask to be re-paid".<sup>92</sup> Engländer's response regarding the price of the service demonstrates once again that Reuters proposed to act as an official organ of the government and to reorganize its system to fulfil this purpose.

Engländer received the same response as he had before Sanderson told him that he would speak to Lord Kimberly and that he should call the Foreign Office on the 17<sup>th</sup> of July.<sup>93</sup> He did so and was informed that Lord Kimberly did not find it desirable to have any changes made in the organization of the agency in order to accommodate the suggested special services. This was because he believed that such a reorganization would make the arrangement between the government and the agency known, or at least suspected, which would then cause any publications by the agency to be regarded as semi-official and, thus, not be credited. Therefore, Lord Kimberly decided "it should be much better that any increased interchange of information should be tentative and experimental, and should for the present be confined to the receipt by us of all telegrams or letters which the Agency thought

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<sup>92</sup> Ibid.

<sup>93</sup> Ibid.

likely to be of interest, while we would communicate any corrections or information which we thought useful for our purposes or for the purposes of the Agency”.<sup>94</sup>

To give an example, Sanderson entrusted to Engländer in confidence a statement concerning the Harrar Convention which appeared in a Reuters’ telegram from St. Petersburg. The telegram implied that the British Foreign Office had communicated formally with Italy and had reached an agreement but the Russian government had refused to recognize it. Sanderson told him that in fact this information was inaccurate, and the fact was that the Foreign Office had not had any communication on the subject, and that the discussions between the Italian and Russian governments had been of an informal nature and had not been decisive. Engländer immediately offered to correct it but Sanderson responded that it was not worthwhile and that he had only given it as an instance of what might have been of use to the agency. To clarify, with this arrangement, Reuters was putting itself under governmental control by submitting telegrams it received from its sources before sending them elsewhere or inserting them in its bulletins. The agency was willingly exposing itself to government censorship. Engländer priced this service at 1,000 pounds, which was reduced to 500 pounds the next day by Baron Herbert de Reuter.<sup>95</sup>

Information which Engländer provided Sanderson with, regarding a certain person during interviews between the two, gives us an idea of what the content of confidential reports might have been like. Engländer condemned Selim Faris for being a secret agent of Abdülhamid II in London.<sup>96</sup> Selim Faris was an owner of *El-Djawaib*, a newspaper which was published in Constantinople from 1860 to 1885.

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<sup>94</sup> Lord Kimberley, 18 July 1894, HD 3/97.

<sup>95</sup> Baron Herbert de Reuter to Sanderson, 17 July 1894, HD 3/97.

<sup>96</sup> Report by Sanderson, 18 July 1894, HD 3/97.

Financed by the British government, in 1885, Faris closed down *El-Djawaib* to establish a newspaper in Cairo named *El-Kahira*, which was to publish news in accordance with British interests. *El-Kahira* began its publishing life in the British government's payroll under the guise of a 'subscription'.<sup>97</sup>

Engländer also mentioned that Selim Faris "had recently received £2000 from the Sultan, was in receipt of £100 a month, and was asking for £20,000 in order to bribe certain public officials".<sup>98</sup> Sanderson noted "all which is possible".<sup>99</sup> Besides offering Reuters the chance to become a semi-formal agency of the British Empire, another thing Engländer proposed was to use the agency as an intelligence organ of the British government, and its correspondents as if they were secret service agents.

Disappointed with the Foreign Office's response, Engländer stated that his previous proposal had not been correctly understood and, therefore, he would present it in a somewhat different form. In Sanderson's words, Engländer's modified proposal was that:

...the Agency would supply to us all telegrams as fast as received and all their private information. We might at any time inform him or his assistant privately of any announcement we wished made at any European capital on the bulletins of the Agency and it would be done.<sup>100</sup>

As will be further discussed in Chapter III, for years the Ottoman Empire gave payments to European news agencies with the expectation that they would disseminate news to the Empire's advantage, and there is archival evidence that, at times, it was the news agencies themselves that approached Ottoman statesmen to organize this. Reuters was one of these agencies that contacted the Ottoman

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<sup>97</sup> HD 3/66 1885.

<sup>98</sup> Report by Sanderson, 18 July 1894, HD 3/97.

<sup>99</sup> Ibid.

<sup>100</sup> Ibid.

government in order to make an arrangement, while at the same time it was trying to become a semi-formal agency of the British Empire. The agency was trying to make secret arrangements with every government that was willing to agree to its proposals, which would maximize their profits. One may judge the impossibility of the Japanese, Ottoman and British governments having reciprocal interests that could be satisfied at the same time, and it is very likely that there were many more countries to which Reuters brought such proposals.

After these private and confidential communications, which took place mostly between Dr. Engländer and Sir Thomas Henry Sanderson, Engländer's proposal was agreed on provisionally by Lord Kimberley, who had doubted the usefulness of such an arrangement. Communications within the Foreign Office demonstrate the hesitancy of Lord Kimberley:

I do not believe that any statements of 'fact' will have much influence on the kind of foreign opinion to which Dr. Engländer refers. This bitterness against us arises from jealousy, and it will continue to exist as long as we hold our present position in the world. Such jealousy always attends success whether private or national.<sup>101</sup>

Despite this, he believed that the agency might be useful occasionally and accepted the proposal. He stated: "we might however make use of the Agency where we thought it desirable, without committing ourselves to a general scheme of patriotic propaganda".<sup>102</sup>

It was Lord Rosebery, the First Lord of the Treasury, who was in favor of the proposal but he wanted "to be sure of Reuters' power to obtain access to foreign papers".<sup>103</sup> "The enormous injury done by the Havas agency" was one of the reasons he was in favor of experimenting using the services of Reuters. He also

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<sup>101</sup> Note of Lord Kimberley, 6 July 1894, HD 3/97.

<sup>102</sup> Ibid.

<sup>103</sup> Note of Lord Rosebery, 8 July 1894, HD 3/97.

stated that “we should not be too much hampered by tradition in endeavouring to cope with it”.<sup>104</sup> He proposed a trial run of Reuters’ services for a year in secrecy:

I should be inclined to try Reuter’s proposal experimentally for one year. Of course he must be told that the arrangement must remain absolutely secret. The moment the idea became known that the F. O. had anything to do with Reuter’s telegrams the experiment must ipso facto cease.<sup>105</sup>

However, Lord Kimberly decided to try the arrangement for six months, beginning from the 1<sup>st</sup> August 1894.<sup>106</sup> The agreement between Reuters and the British Foreign Office had six articles, as listed by Baron Herbert de Reuter:

1. That the Company shall forward its political telegrams to the person designated by the Secretary of State as soon as received.
2. That the Company shall do its best to verify at the Foreign Office all doubtful telegrams prior to publication so as to prevent the mischief arising from the circulation of false news.
3. Confidential reports from our Agents will be compiled under the supervision of Engländer, who will himself supplement them from time to time, all of which will be communicated to the Foreign Office as soon as received. Special care will be taken by Dr. Engländer to introduce into these reports matters of particular interest to the British Government.
4. The Company pledges itself to observe the strictest secrecy in regard to the origin of news communicated by the Foreign Office for publication.
5. To defray the expenses entailed on the Company by these arrangements the Foreign Office agrees to pay Reuter’s Telegram Company £500. (Five hundred pounds) per annum.
6. The provisional arrangement to continue in force for six months as from the 1<sup>st</sup> of August next.<sup>107</sup>

Sanderson was given the duty to receive the political telegrams sent by the company.<sup>108</sup> Baron Herbert de Reuter received a cheque for £125 on 30 July 1894 which was sent on the 28<sup>th</sup> in advance as the payment for the first three months.<sup>109</sup>

Examination of a confidential agency report reveals that Reuters’ employees and manager acted like secret service agents for the British Empire. In a

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<sup>104</sup> Ibid.

<sup>105</sup> Lord Rosebery to the Foreign Office, 19 July 1894, HD 3/97.

<sup>106</sup> Sanderson to Baron Herbert de Reuter, 26 July 1894, HD 3/97.

<sup>107</sup> Reuter to Sanderson, 26 July 1894, HD 3/97.

<sup>108</sup> Sanderson to Reuter, 28 July 1894, HD 3/97.

<sup>109</sup> Reuter to Sanderson, 30 July 1894, HD 3/97.

confidential report, dated 22 October 1897, Baron Herbert de Reuter informed the British Foreign Office about instructions received by Costaki Paşa, Turkish Ambassador in London. The letter reported that Costaki Paşa was ordered to win the sympathy of Lord Salisbury and find means to bring about a reconciliation with England. The reason was that the Sultan “does not feel quite at ease at present, situated as he is between France and Russia, and is extremely anxious to secure once more English official favour and support”.<sup>110</sup> To achieve this, the Sultan ordered the granting of concessions to British subjects:

A privilege that has been studiously withheld of late, and a case indeed has quite recently arisen in the matter of the Bayrouth Waterworks, which concession was given to a Turkish subject on condition that it was not transferred to any French Company but to an English group, and I understand that the business has been in principle acquired by some English capitalists for £15,000.<sup>111</sup>

Baron Herbert de Reuter also noted another piece of information he discovered concerning the Ottoman Empire’s policy: “the immediate object of the Sultan’s desire to conciliate England is to secure the withdrawal of Sir Philip Currie, and if Costaki Pacha’s negotiations turn out favourably that will be one of the first points for which the Ambassador will plead as the first fruits of an eventual rapprochement”.<sup>112</sup> This type of information was hardly the kind that a news agency, or any press organization, would provide to their subscribers. Yet this arrangement was being referred to as a subscription by the parties. The agreement continued to be renewed annually until 1898.

In January 1898, Lord Salisbury decided to cease the subscription because of news disseminated by Reuters concerning Port Arthur. Sanderson communicated an explanation from Reuters to the Foreign Office about the incident. The agency’s

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<sup>110</sup> Reuter to Sanderson, 22 October 1897, HD 3/105.

<sup>111</sup> Ibid.

<sup>112</sup> Ibid.

statement was that the information had been given by the Russian Foreign Office on Friday at midnight, and then the agency submitted the message to the English papers and also telegraphed it to Durban and Bombay, and from Bombay the telegram was sent to Peking. The agency's defense was that "the wording of the message to Bombay differed somewhat from the communication made to the English press".<sup>113</sup>

Reuters' agent asked Sanderson if it might not be desirable to correct this announcement with a statement, and Sanderson gave him one which was later inserted in the London papers on Monday morning. However, the statement that Sanderson gave to Reuters was telegraphed to Bombay on Monday which meant a delay in its printing in newspapers. Also, when the message arrived in Bombay on Monday it had been shortened: "Officially explained visit and departure British warships Port Arthur, merely ordinary cruising movements."<sup>114</sup> Reuters' mistake in circulating undesirable news for the British Foreign Office, and its inability to correct it timely and properly, caused a cancellation of the secret agreement between the two. It was decided to forward a check for £83.6.8 in payment up to 31 March 1898, after which date the subscription would cease.<sup>115</sup> Displeased with the news disseminated by the agency, Salisbury noted "we also won't pay £500 a year to get this kind of treatment".<sup>116</sup>

As stated earlier, the agencies not only had relations with their respective governments but also with foreign governments; Reuters' agreement with the Japanese government is an example. Around the same time Reuters concluded an agreement with the British government, the company also signed another one on 26

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<sup>113</sup> Report of Sanderson, 29 January 1898, HD 3/109.

<sup>114</sup> Ibid.

<sup>115</sup> Draft Letter to Reuter, 31 January 1898, HD 3/109.

<sup>116</sup> Salisbury's Note in Report of Sanderson, 29 January 1898, HD 3/109.



July 1894 with the Japanese government, which resembled the secret agreement that had been made with the British Foreign Office. Hence, Reuters was negotiating with both the British and Japanese governments at the same time, and both agreements were designed to come into effect from the 1<sup>st</sup> of August 1894. The parties in the agreement were Viscount Aoki, the Minister Plenipotentiary of the Emperor of Japan representing the government of Japan, and Engländer on behalf of Reuters. It was agreed that Viscount Aoki would communicate to “Reuter’s Telegram Company exclusively all telegrams of his Government destined for publication containing facts, official comments, denials, documents etc. and will cause his Government to send his special telegrams on political and military events and measures of reform the publication of which will be useful to a better understanding of the progress of Japan”.<sup>117</sup> In return, Reuters promised to “communicate their political telegrams before publication and also such extracts of the private reports received from their different correspondents as may have direct or indirect interest for Japan”.<sup>118</sup> Moreover, Reuters was to “act in their respective spheres as the intermediaries for the financial and commercial requirements of Japan”.<sup>119</sup> For these services, the Japanese government agreed to pay 600 pounds annually starting from the 1<sup>st</sup> of August 1894, in equal monthly instalments of fifty pounds. The agreement was made for a fixed term of one year from August 1894.<sup>120</sup>

Reuters managed to secure subsidies from the British government by convincing it of the indispensability of its news service in areas where the cost was more than the profit. In this way Reuters was securing its influence in distant territories and preserving its prestigious position among the other news agencies

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<sup>117</sup> Agreement with the Japanese government, 26 July 1894, 1/8714059, LN 238, RA.

<sup>118</sup> Agreement, 1/8714059, LN 238, RA.

<sup>119</sup> Ibid.

<sup>120</sup> Ibid.

with its large news network. The North China service of the agency is an example of this policy. In July 1909 it was explained to Sir John Jordan, the British Minister in Peking, by Arthur Cotter, Reuters' correspondent, that Reuters' news service in North China was being run with a significant deficit and that the service would have to be discontinued, owing to the loss suffered by the company, unless a subsidy was forthcoming to enable the company to justify its continuance.<sup>121</sup> Cotter explained that the company was experiencing a profit loss because of a change in telegram rates. Up to 1908, the company enjoyed special privileges from the Imperial Chinese Telegraph Administration. Reuters was paying a low rate for the transmission of messages and, in return, certain high Chinese officials were receiving copies of Reuters' telegrams for free. Towards the end of 1907, the company was informed by the Imperial Telegraph Administration, through its representative in Peking, that the special rates the company enjoyed until now had to end and a new arrangement would be made.<sup>122</sup> The reasons for this new arrangement were because Chinese newspaper correspondents had complained that a foreign news agency was receiving greater privileges for the transmission of news than they were, as Reuters' rate was four cents a word and their rate ten and a half cents. Moreover, the German Legation was pressuring the Chinese government on behalf of the subsidized German agency Ostasiatischer Lloyd, which wanted to have the same privileges as the British agency and extend the German service throughout the Empire, supplying German news gratis to high officials in return for facilities for transmission of their messages over the Chinese lines.<sup>123</sup>

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<sup>121</sup> Sir John Jordan to Sir Edward Grey, 7 July 1909, FO 371/640, NA.

<sup>122</sup> Arthur Cotter, "Memorandum on Reuter's Service in North China" (Enclosure in J. Jordan's letter of 7 July 1909), 3 Aug 1909, FO 371/640, file no: 29064, 10 November 1909.

<sup>123</sup> Ibid.

In the end, the Chinese authorities did not grant them the same privileges enjoyed by Reuters but offered both agencies the same rate, twelve cents a word. They were only granted “favourable rates” for their service to the city of Hankow. Reuters accepted the rate of twelve cents and expressed its intention to Mr. Dressing, Chief Superintendent and Foreign Advisor of the Imperial Chinese Telegraph Administration, to continue giving copies to certain officials. Because of this increased rate, the company increased the subscription to their news service by fifty percent, which cost them the majority of their subscribers in Tientsin and Peking.<sup>124</sup>

Cotter’s suggestion was “that perhaps His Majesty’s Government might come to the rescue by subscribing a small sum which might justify the continuance of the service”.<sup>125</sup> Cotter further proposed that Edward Grey and Baron Herbert de Reuter meet to decide on the amount, for Reuter “would not mention any definite sum, but suggested that it would be easy for you to arrange this in London with Baron de Reuter, the Managing Director of the Company”.<sup>126</sup>

Sir John Jordan gave his opinion in favor of a continuance of Reuter’s news service in North China, stating at the same time that if Reuters’ news service were discontinued, the British and foreign communities would be dependent for their news on the German agency:

As newspapers travel round by long sea taking about six weeks, we are entirely dependent for news of what is happening in Europe on the Reuter Agency or the subsidized German Agency, which naturally gives a German colouring to the news it disseminates. The Reuter service here has been maintained for twenty years, and I consider that its disappearance would be a real loss to us, and I should be sorry indeed to see all the native papers of the Capital

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<sup>124</sup> Ibid.

<sup>125</sup> Ibid.

<sup>126</sup> Ibid.

and of Tientsin dependent on the German Agency for all news of events in Europe.<sup>127</sup>

The subsidized German agency referred to in the correspondence was the Continental. Growing tension between the states and a polarization in world politics at the time were reflected in these correspondence exchanges which speak of “subsidized German Agency” and “German colouring” in the news.

The meeting suggested by Cotter took place between Reuter and William George Tyrrell in London. Baron Herbert de Reuter demanded 200 pounds stating that although he did not want to insist, it was the actual loss the agency suffered from their North China service. He added that they did not feel justified in continuing a service which they were running at a loss.<sup>128</sup> In fact, Reuter was pushing the British government to pay 200 pounds by emphasizing that it was unjustifiable to keep a service which caused the agency to lose money. He was well aware that it was highly undesirable for the British government to have a German agency as the sole source of information in an area. As will be further discussed in the next chapter concerning the Reuter family enterprises, family members were taking advantage of the tensions between the Great Powers in order to impose policies favorable towards their investment interests. Similarly, in this case, the company emphasized the existence of a German agency in competition with Reuters, which would take over the news market in North China if Reuters were to withdraw.

Tyrrell stated in his report that the British state would gain from preventing Reuters’ service from closing down in North China.<sup>129</sup> It was decided on 20 August

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<sup>127</sup> Jordan to Grey, 7 July 1909, FO 371/640.

<sup>128</sup> William George Tyrrell, Minutes on Sir J. Jordan’s Dispatch No. 243 of 7 July 1909, 20 August 1909, HD 3/138, NA.

<sup>129</sup> Ibid.

1909 by Sir Edward Grey that a subsidy not exceeding 200 pounds a year should be given by the British Minister in Peking to Reuters to cover its present losses and facilitate the continuation of its news service in North China. Sir Jordan was officially notified of this arrangement and his duty on 2 September 1909. On 10 November 1909, Reuters' London office was informed that Mr. Cotter, Reuters' Peking agent, was authorized to present a quarterly account to the British Legation.<sup>130</sup> Significantly, now that the British government was covering losses incurred by Reuters' North China service, Sir Jordan was instructed by the government "to co-operate in disseminating accurate news favourable to British policy in the Far East or calculated to correct false and unfavourable reports".<sup>131</sup>

Reuters' secretary wrote to Tyrrell on 4 November 1909 thanking him for his effective intervention regarding the North China news service, and informing him that Mr. Cotter was instructed to render a quarterly account to the Legation. He referred to the payment as a subscription, which clearly it was not. It was a subsidy as can be observed from negotiations between the government and the agency, Foreign Office communications, and British government representatives' expectations from this arrangement. His statement, "we learn with much pleasure from our Peking correspondent that the British Minister has been authorised to subscribe £200 per annum towards our news service to North China",<sup>132</sup> was carefully penned for official records to declare the 200 pounds subsidy as a subscription. Moreover, encouraged by the recent arrangement with the government, he took advantage of the occasion and mentioned another wish of the agency, that of gaining the ownership of the facilities the agency used in Peking:

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<sup>130</sup> Memorandum, 10 November 1909, HD 3/138.

<sup>131</sup> Tyrrell, Minutes, 20 August 1909, HD 3/138.

<sup>132</sup> Secretary of Reuters to Tyrrell, 4 November 1909, HD 3/138.

“Mr. Cotter added that from the friendly attitude of Sir John Jordan he was led to hope that the news facilities upon which we set so great [a] store will be vouchsafed to him in future”.<sup>133</sup>

In 1911, Reuters was hired by the British government to promote itself in the British colonies. Asquith’s liberal government made an agreement with Reuters for the circulation of the complete speech reports of the Ministers.<sup>134</sup> Alexander Murray, the Chief Whip explained to Winston Churchill, First Lord of the Admiralty, in his letter dated 30 November 1911, what he hoped to gain from his arrangement with the agency:

Under my arrangement with Reuters, by which from time to time important speeches delivered by Ministers are cabled to British Colonies and Possessions all over the world...I have now in this manner dealt with certain speeches of Asquith, Grey, Lloyd George and I am hoping that this system will give the Colonies the true idea of liberal statesmanship.<sup>135</sup>

On 4 July 1911, Dickinson, Reuters’ chief editor, explained to Roderick Jones, the general manager in South Africa, the benefits of the agreement:

It is a great advantage to us to act on these occasions as the handmaid of the Government. Our doing so strengthens our position in this country very considerably, and, at the same time, it shows to those in authority, who have it in their power to be agreeable or disagreeable to ourselves, that our great organization can be of infinite value to them.<sup>136</sup>

The owners of the three European news agencies were businessmen who were in the news business because it was profitable. Not only did they profit from the incomes of their news agencies, but they also established or preserved their position in society by means of their news agency ownership. They sought to maximize the

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<sup>133</sup> Ibid.

<sup>134</sup> Read, *Power of News*, 93.

<sup>135</sup> Murray to Churchill, 30 November 1911, CHAR 13/1/37–39, 29 Nov. 1911–30 Nov. 1911, Churchill Archive.

<sup>136</sup> Read, *Power of News*, 93.

profit of their agencies and overcome competition by making agreements with governments, both domestic and foreign. Despite any governmental changes, these three European news agencies tried to remain in close contact with their domestic governments.

It is not possible to know how many business connections of the news agency owners were known about by the Ottoman Empire. However, from the archival material this much can be said: the Empire was informed about the Reuter Concession and the Bank Concession of the Reuter family. As will be further discussed in Chapter IV, Ottoman statesmen continuously complained for decades that European news agencies only served their governments. This is not an inaccurate analysis concerning the nature of the news disseminated by Havas, Wolff's and Reuters based on an examination of the correspondence between the agencies and government representatives, as has been carried out in this chapter.

## CHAPTER III

### THE REUTER FAMILY'S ENTERPRISES AND THE BRITISH EMPIRE

Baron Paul Julius de Reuter, the founder of Reuters, and his family were first and foremost news agency owners. However, their business involved more than the mere conveyance of news, for the family sought to muster and exert political force. Reuter, a German immigrant, established his life in the British Empire in 1851 at the age of thirty-five. In 1865, he began to build a telegraph cable between Lowestoft, in Suffolk, and Norderney, a north German island.<sup>137</sup> The telegraph line was later sold to the British Government in 1868 for a high profit, as part of the nationalization of the internal telegraph lines of Britain.<sup>138</sup> It was bought for 726,000 pounds, five times more than its original cost of 153,000 pounds.<sup>139</sup> In 1871, Reuter bought the title of Baron from the Duke of Coburg Gotha, and on 6 November 1891, he was recognized as Baron von Reuter by a Royal Warrant.<sup>140</sup>

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<sup>137</sup> Silberstein-Loeb, *International Distribution*, 187.

<sup>138</sup> Storey, *Reuters' Century*, 45.

<sup>139</sup> Nalbach, "Ring Combination," 136.

<sup>140</sup> Memorandum by R.C. Dickie, "Railways in Persia: The Reuter Concession of 1872," 11 February 1911, FO 371/1185, file no: 3606, no: 6824, 23 February 1911, NA.



He gained his wealth and influence through news reporting and distribution and, shortly thereafter, became a capitalist investor who was able to secure concessions all over the world. His close ties with both domestic and foreign governments allowed him and his family to influence governments' policies. Through these ties, the family was granted two extensive concessions: the Reuter Concession, granted by the Persian government to Baron Julius de Reuter in 1872, and another granted by the Greek government to Baron George de Reuter's company in 1900 for the construction of the Piraeus–Larissa Railway. The family also gained another two concessions: one was to build villages in Brazil, and the other to construct waterways in Seoul. The family also had an arms business called the Rexer Arms Company of which China was a client. Baron George de Reuter was in charge of those investments which were not within the scope of news business. These investments shall be discussed later in this chapter in order to reveal the family's connections with the British government, following a discussion on the Reuter Concession in Persia and the Piraeus–Larissa Concession in Greece.

The chapter is a case study to show that news agency owners and stockholders were in contact with their imperial centers concerning their foreign investments. Also, the chapter discloses that the news business was only one of the sectors they invested in. They were investors, seeking to maximize their profits and secure their investments by all means, including taking part in international politics. Having discussed relations of the news agencies with governments in the previous chapter, in this chapter, the connections of their owners with imperial governments will be exemplified through investments of the Reuter family.

On 25 July 1872, Baron Julius de Reuter was granted “for a period of seventy years, the exclusive and definitive concession of a line of railway extending

from the Caspian Sea to the Persian Gulf, with the exclusive and definitive right of constructing branch lines” by the Persian government for a yearly payment of twenty percent of the net profits of the working of the line.<sup>141</sup> He was also granted the right to build and operate tramways, work all the mines (except those of precious stones), construct waterways and sell water, and manage and generate revenue from forests and uncultivated lands. The Persian government also granted him the right to collect tariffs in the Empire for twenty years starting from the 1<sup>st</sup> of March 1874 in return for payment to the government “the sum now paid by the contractors for the Customs, and in addition a yearly premium of 500,000 fr. [20,000/. sterling]” for the first five years, and for the remaining fifteen years, the premium of 500,000 fr. was to be “exchanged for a premium of 60 percent on the net profits over and above the contract price”.<sup>142</sup> Reuter also received preferential rights with regards to future enterprises and also the right to form a national bank.<sup>143</sup>

Lord Curzon, Conservative politician and member of the parliament depicted the concession as one “without parallel”.<sup>144</sup> He further stated: “when published to the world, it was found to contain the most complete and extraordinary surrender of the entire industrial resources of a kingdom into foreign hands that has probably ever been dreamed of, much less accomplished, in history”.<sup>145</sup> This concession was later withdrawn by the Persian government owing to unrest among the ruling class who were displeased with the terms of the agreement.

This unrest came against the backdrop of escalating British–Russian distrust in Persia, hostilities caused by Russian land conquests in Central Asia. Russia began

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<sup>141</sup> “Reuter Concession of 25 July 1872 (Text)”, FO 371/1185.

<sup>142</sup> “Reuter Concession,” FO 371/1185.

<sup>143</sup> Ibid.

<sup>144</sup> Mateo Mohammad Farzaneh, *The Iranian Constitutional Revolution and the Clerical Leadership of Khurasani* (Syracuse: Syracuse University Press, 2015), 46.

<sup>145</sup> George Nathaniel Curzon, *Persia and the Persian Question* (London: Longmans, Green, and Co., 1892), 480.

embarking upon the steady acquisition of territory in Central Asia in the latter part of the nineteenth century, after redrawing territory with Persia in Transcaucasia on the River Arax in the Treaty of Turkmenchay in 1828.<sup>146</sup> The Russian Empire, unable to fulfil its aspiration of having access to the Mediterranean, found land in which to expand in Central Asia while the great European powers were occupied with the Eastern Question.<sup>147</sup> Britain regarded Russian advances in Central Asia as dangerous to India's security. For Persia, however, Russian advances jeopardized her own territorial integrity. In 1895, Russian expansion in northern Persia and Afghanistan ended with the signing of the Pamirs Agreement, dissipating the possibility of an armed confrontation between Britain and Russia.<sup>148</sup>

In the context of simmering British–Russian hostilities in Persia, Naser ed-Din, the Shah of Persia, took advantage of the Reuter Concession in order to sidestep Russia's railway construction demands. The Shah used it to play one great power against the other to protect his sovereignty. On the other hand, while the British Empire was trying to maintain a balance of power with Russia in the region at that time, the British government used the concession to prevent others from entering the region and building railways (especially in the southern part of Persia), something Britain was able to do even without backing the Reuter Concession officially.

In the midst of these Russian and British power plays, another significant figure emerged in the diplomatic landscape. The Reuter family had been following the twists and turns of world politics, considering how to pursue and guarantee their

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<sup>146</sup> Gerald Morgan, *Anglo-Russian Rivalry in Central Asia, 1810-1895* (New York: Frank Cass, 2006), 38–50. Madhavan K. Palat and Anara Tabyshalieva (eds.), *History of Civilizations of Central Asia, Towards the Contemporary Period: From the Mid-nineteenth to the End of the Twentieth Century, vol. VI* (Paris: UNESCO Publishing, 2005), 103.

<sup>147</sup> Morgan, *Anglo-Russian Rivalry*, 38–50.

<sup>148</sup> *Ibid.*, 216.

interests. The family saw a path of influence over the political powers in policy making, and sought advantages for itself from political conditions. In western Asia, Baron Reuter sought the official support of the British government by taking advantage of Russian and British conflicts of interest over Persia, not long after reaching an agreement with the Persian government. A memorandum,<sup>149</sup> prepared by Robert Charles Dickie, demonstrates that the concession was at the center of most conflicts pertaining to railway construction in Persia. According to the memorandum, the British Foreign Office denied official support to Reuter in 1872 because of “the vastness of the Concession which had rendered its eventual annulment practically certain, and the possibility of international trouble in view of the political developments which would follow if such a Concession were supported by Diplomatic intervention”.<sup>150</sup> Indeed, the Russian Empire regarded the concession as a threat and an attempt to shift the balance of power in Persia in favor of the British Empire. Although British diplomats tried to convince their Russian counterparts that the concession was a result of Reuter’s own private initiative, the Russian government worked to see it annulled and to remove from power Mirza Hoseyn Khan, the Sadrazam, who had negotiated with Reuter.<sup>151</sup>

Reuter’s plans were not limited to having unbridled access to the natural resources and infrastructure construction in Persia. He had the intention to construct a line from the Ottoman Empire to India, passing through Persia. On 27 April 1873, his representatives applied for a permit to construct a railway line from Üsküdar to

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<sup>149</sup> The report was compiled in 1911 after the signing of the Potsdam Agreement between Germany and Russia to review the history of the conflict between Britain and Russia over constructing railway lines and forming policy in light of the recent turn of events.

<sup>150</sup> Memorandum by R.C. Dickie, FO 371/1185, NA.

<sup>151</sup> Firuz Kazemzadeh, *Russia and Britain in Persia, 1864-1914: A Study in Imperialism* (Binghamton: Yale University Press, 1968), 116.

India.<sup>152</sup> The Ottoman Empire did not accept Reuter's proposal on the grounds that the route and construction technology had not been declared, and it was acknowledged by a decree that only the Ottoman Empire could construct railways in Anatolia and Rumelia.<sup>153</sup>

Before Reuter, the concession had been offered to Dr. Strousberg and, later, to Sir E. Watkin by Persian officials who were seeking to make a profit from it. The first Concessionaire, Dr. Strousberg, who was a financier, experienced difficulties with the Persian government while trying to build a line from Tehran to the shrine of Shah Abdul Azim. He gave up his rights at the cost of the payment of caution money, 4,000 pounds.<sup>154</sup>

Later, it was offered to Sir E. Watkin in 1871 but, this time, the scope of the concession was to construct railways and exploit mines in Persia for a period of twenty-five years. Having informed the Foreign Office that the Persian Minister had approached him with the offer, Watkin asked for official support from the British government and received a negative response, as Her Majesty's Government:

...considered it undesirable to give any official countenance to this scheme, as it was not believed that Persia seriously desired any such development as was foreshadowed in the Concessions, but that the real object of the Shah's Ministers was the making of those profits which are incidental to the negotiation of great contracts, and the acquisition by the Persian Government of a short railway from Tehran to Shah Abdul Azim (the shrine) at the cost of the Concessionaire.<sup>155</sup>

After the signing of the Reuter Concession, the Shah went to Europe. During his absence, "elements of opposition, discordant in their nature, but each of considerable power, had confederated to force the Grand Vizier from office, and for

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<sup>152</sup> A. MKT.MHM, D: 453, G: 23, 29.S.1290, Başbakanlık Osmanlı Arşivi (hereafter cited as BAO).

<sup>153</sup> A. MKT.MHM, D: 454, G: 15, 15.Ra.1290, BAO, A.MKT.MHM, D: 454, G:75, 21.Ra.1325, BAO.

<sup>154</sup> Memorandum by Dickie, FO 371/1185, NA.

<sup>155</sup> Memorandum, FO 371/1185.

the first time in the present reign the authority of the sovereign was set at naught”.<sup>156</sup> When the Shah returned to Persia, he found “a protest movement, verging on revolt in some areas, directed against the concession and the prime minister who had suggested it”,<sup>157</sup> placing the Shah’s crown in jeopardy.<sup>158</sup>

Opposition to the Reuter Concession and the Grand Vizier consisted of:

Firstly, the reigning Sultana....Secondly, the fanatical party headed by the Ulema and the Finance Minister who repudiated any attempt to Europeanize Persia, and denounced the Grand Vizier on this account as a traitor to his country. Thirdly, the Princes of the Blood, ...who had suffered innumerable personal affronts at the hands of the minister, fourthly, the Russian party in a body, guided by the Minister for Foreign Affairs, who was, moreover, a personal rival of the Grand Vizier’s; and fifthly, the so-called national party, inspired and led by Ferhad Mirza who had been left by the Shah as Regent at Teheran, and who, although...loyal to his sovereign, had been nevertheless provoked almost to frenzy by the threatened Reuter monopoly of Persian industry and commerce. Before these antagonists the Grand Vizier fell...<sup>159</sup>

Shortly after the cancellation of the Reuter Concession in early November 1873, the fallen Grand Vizier was given a new position at the Shah’s court as the Minister of Foreign Affairs.<sup>160</sup>

Reuter’s agent was informed of the concession’s withdrawal by the Persian government on 5 November 1873.<sup>161</sup> The Russian Empire might have fuelled opposition to the concession among the elites and the public; however, it was the text itself which ensured its own demise. Nevertheless, when Baron George de Reuter, as his father’s representative, signed the Bank Concession in 1889 in place of the original concession, he secured significant rights for the Reuter family. Its

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<sup>156</sup> Henry Rawlinson, *England and Russia in the East* (London: John Murray, 1875), 133.

<sup>157</sup> Nikki R. Keddie, *Religion and Rebellion in Iran: The Tobacco Protest of 1891-1892* (London: Frank Cass & Co. Ltd., 1966), 5.

<sup>158</sup> Rawlinson, *England and Russia*, 129.

<sup>159</sup> *Ibid.*

<sup>160</sup> Kazemzadeh, *Russia and Britain in Persia*, 120–25.

<sup>161</sup> Memorandum, FO 371/1185.

crucial points were as follows: the grant of an ‘Imperial Bank of Persia’ for sixty years, exclusive rights to issue bank notes and serve as the Treasury, and the right to monopolize all mines, except gold and silver, not already under concession and being worked.<sup>162</sup> Baron George de Reuter became one of the directors of the Imperial Bank of Persia;<sup>163</sup> with the Bank Concession, the Reuter family was able to preserve its Persian economic interests.

As a non-political player in this matter, the Reuter family was trying to rally official support from the British government while pursuing its interests in Persia by exploiting political tension between Britain and Russia. On 12 September 1872, Baron Julius de Reuter wrote a letter to Lord Granville, Gladstone’s Foreign Secretary, asking the government to recognize the validity of his scheme, and protect his rights if disagreements were to surface between the Persian government and himself.<sup>164</sup> The Baron expressed his desire to serve Great Britain with this concession, noting that “in undertaking this gigantic task it is not only my earnest desire both to improve the social condition of the Persians, and to open up the great natural resources of their country for the benefit of the world at large, but also to render my concession of the highest value to Great Britain”.<sup>165</sup>

In addition, he made a point of reminding Granville of the struggle between the British and Russian Empires with regard to Persia, emphasizing that the Russians had been ahead of the British in terms of transportation in the region. It was also his intention to highlight the importance of his concession in contemporary politics:

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<sup>162</sup> Memorandum, FO 371/1185.

<sup>163</sup> Storey, *Reuters’ Century*, 85.

<sup>164</sup> Baron Julius de Reuter to Lord Granville, 12 September 1872, FO 60/405, 22 December 1873, NA.

<sup>165</sup> Reuter to Granville, FO 60/405.

The Select Committee of the House of Commons, appointed to consider the question of a railway to the East, recommend to speedy commencement of a line by the Euphrates Valley route. Your Lordship is, doubtless, aware that the Russians are making great progress with their railways toward the Caspian Sea, having already partly completed three lines, each leading in that direction. One route, viz. that from St. Petersburg, via Moscow, to the Sea of Azoff is open for traffic. A second one, from Dunaburg, via Orel, to Zarazijn, on the Volga, is likewise in working order; the journey thence to Astrachan, on the Caspian Sea, being performed in two days only by steamer. There is, moreover, a third line already complete, from Moscow to Zarazijn direct, which will hereafter be extended to Astrachan.<sup>166</sup>

Baron Julius de Reuter received the response that “whilst Her Majesty’s Government would view with satisfaction the efforts of the Shah’s Government to increase by means of railways and roads, the resources of Persia, they cannot bind themselves officially to protect your interests whilst carrying out your engagements with that Government”.<sup>167</sup>

When details of the concession became public on 5 July 1873 in an article in *The Times*, members of the government began a discussion. Lord Carnarvon, Secretary of State for the Colonies (1874–1878), re-evaluated what the concession meant for India’s security. He discussed the matter with Lord Derby, the Foreign Secretary (1874–1878); Derby was not in favor of Reuter’s scheme, and described his opposition to it in a conversation with Carnarvon on 7 July 1873:

Walk with Carnarvon on the terrace for an hour: he inclined to take up the Euphrates valley line, which appears to be in some way, not clearly explained, connected with Reuter’s schemes for Persia: I dissuaded him: it is possible (though for my own part I do not see it) that the thing might succeed, but without the guarantee of the British parliament, it could not be attempted, and

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<sup>166</sup> Reuter to Granville, FO 60/405.

<sup>167</sup> Viscount Enfield to Baron Julius de Reuter, 15 October 1872, FO 60/405, 22 December 1873, NA.



it is quite certain that under present circumstances no such guarantee will be given.<sup>168</sup>

Derby was soon to refuse Reuter's demand for support against the Persian government. Lord Carnarvon also discussed the matter with Sir Stafford Northcote, conservative politician (1851–1885), on 13 July 1872:

Had a long talk with Northcote in the afternoon mainly on the Persian question of Reuter's concession. He was on the cautious side as I expected but able, clear and open to all fair argument.<sup>169</sup>

A couple of months later, on 5 November 1873, Henry M. Collins, Reuter's agent in Tehran, was informed of the withdrawal of the concession by the Persian government on the grounds of non-observance of Article 8, meaning that Reuter had not commenced work within fifteen months of the date of the contract.<sup>170</sup>

William T aylour Thomson, the British Minister in Tehran, observed:

...that it was clear that the intention of the Persian Govt. was not simply to get rid of what they considered to be a contract bad commercially and financially, but to extricate themselves from a disastrous political crisis fomented by foreign influence amongst a bigoted priesthood and the personal enemies of the Persian Prime Minister to such an extent as to threaten almost the stability of the throne.<sup>171</sup>

When it was cancelled, Reuter once again sought the support of the British government but was notified that Lord Derby:

...looked upon the undertaking as a private one in which H.M.G. could not interfere, and although he was prepared to instruct H. M. Minister at Tehran to obtain for Baron Reuter's representations at Tehran the same hearing to which the representations of any British Subject who had entered into a contract with the Persian Government would be entitled, H.L. [His Lordship] could not

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<sup>168</sup> John Vincent (ed.), *A Selection from the Diaries of Edward Henry Stanley, 15th Earl of Derby (1826-93), between September 1869 and March 1878*, Camden Fifth Series, vol. 4 (London: Royal Historical Society, 1994), 141.

<sup>169</sup> Peter Gordon (ed.), *The Political Diaries of the Fourth Earl of Carnarvon, 1857-1890, Colonial Secretary and Lord Lieutenant of Ireland*, Camden Fifth Series, vol. 35 (London: Royal Historical Society, 2009), 203.

<sup>170</sup> Memorandum, FO 371/1185, NA.

<sup>171</sup> Thomson in Memorandum, 8 November 1873, FO 371/1185, 23 February 1911, NA.

authorise or instruct him to use any diplomatic influence or good offices on Baron Reuter's behalf except in that respect.<sup>172</sup>

Despite Carnarvon's favorable opinion, Derby did not alter his thinking on the Reuter Concession's future.

The British government made use of the Reuter Concession after having denied official support for its implementation in order to prevent the Russian Empire from gaining a concession from the Persian government and disturbing the delicate status quo. The Russian government then began urging the Persians to grant a railway concession to a Russian general, Baron von Falkenhagen, following the withdrawal of Reuters. In 1874, Falkenhagen submitted a draft of a concession to the Persian government for a railway line between Julfa and Tabreez, a project that would be no less burdensome than the previous one. The British minister in Tehran addressed an official note to the Persian government, reminding it of the Reuter Concession of 25 July 1872:

Being aware that a Concession for the construction of a line of railway between Julfa and Tabreez is, with the official intervention of the Russian Legation, under negotiation between the Persian Government and General Falkenhagen, I think it right to observe to your Highness that any such Concession being prejudicial to the interests of Baron Reuter, whose Concession, notwithstanding the declaration by Persia of its being null and void, still remains an open question, I consider it my duty, pending the receipt of instructions from H.M.G., hereby to reserve to them the right to take such steps in the matter as under the above-mentioned circumstances they may deem fit.<sup>173</sup>

The stance of the British government at the time, "was [to give] Baron Reuter unofficial support in his claims for compensation, but as against the Falkenhagen Concession he was receiving full official support: H.M.G. taking the ground that, apart from the merits of Reuter's case, the question of the avoidance of the

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<sup>172</sup> Memorandum, FO 371/1185.

<sup>173</sup> Ibid.

Concession was, in fact, still open”.<sup>174</sup> The British Empire, unwilling to engage in conflict with the Russian Empire over a controversial concession, did not support the agreement officially, but used it as a tool against the signing of the Falkenhagen Concession.

The articles of Falkenhagen’s agreement were drafted with no regard for the interests of the Persian state. Articles 8, 10, 14, 17 and 21, especially, make clear how the sovereignty of the Shah was challenged. Article 8 of the Concession made it an obligation for the Persian government to pay “a yearly net profit of 6 ½ per cent. upon the capital of the Company that is, 223,600 Russian Ducats a year representing the profit upon the nominal Capital of the Company and a sinking fund” to the company from commencement to completion of the working of the railway until the expiration of the term of the concession forty-four years later. Furthermore, Article 10 states the following to ensure that this amount would be received by the company:

...the Persian Government makes over to the Company for the entire period of the Concession the Customs of Tabreez, which shall be transferred to an international Board of Customs at the village of Julfa, or at some other part of the frontier, which will be fixed in a separate convention between the Govt. of H.M. the Shah, and that of Russia. The Government of H.M. the Shah promises to make at once an arrangement with that of Russia for the conclusion of a convention for the purpose of establishing on the River Aras a united Russian and Persian Custom House under an International administration similar to those which exist on the Great Railways between some of the European States.

Moreover, the company would be entitled “to build a telegraph line along the track [Article 14], and be allowed to mine coal, if any were found, within a fifty-mile zone along the entire length of the railway [Article 17]”. The board of directors and all those in the service of the company were to be under the protection of the

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<sup>174</sup> Ibid.

Russian Legation and consulates (Article 21). These were the main articles of Falkenhagen's drafted concession text.<sup>175</sup>

On the other side of the spectrum, as it lacked means to protect its own sovereignty, the Persian government used one great power against the other, attempting to convince the British to stand against Falkenhagen's proposal in order to sidestep a confrontation with the Russians. To this end, Mirza Malkan Khan, the Persian Minister in London, told Lord Tenterden, Permanent Under-Secretary of State for Foreign Affairs, that the Persian government withdrew Reuter's agreement at the demand of the Russians. He attempted to convince Lord Tenterden to make every effort to prevent granting the concession to Falkenhagen: "would the English tamely look on while such a Concession as that of Baron Reuter was wrested from her influence at the dictation of Russia and transferred to the Russian Government?"<sup>176</sup> The efforts of the Persian government turned out to be fruitful, for on 13 November 1874, instructions were sent to Thomson:

H.M.G. feel that Baron Reuter has good cause to complain that, if the Persian Government desire to consent to have a railway constructed to Tabreez, the Concession should be granted to any one else, and I have accordingly to instruct you to urge upon the Persian Government the propriety of suspending any action in regard to the Concession to the Russian Company until the Baron's claims have been duly considered and a settlement arrived at with him.<sup>177</sup>

In late November and early December 1874, a concession was signed between the Persian government and Falkenhagen based on the original draft without the guarantee clauses.<sup>178</sup> However, without these clauses, it was not a pleasing concession for the Russian Empire. Therefore, on 5 May 1875,

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<sup>175</sup> Kazemzadeh, *Russia and Britain*, 135–39.

<sup>176</sup> Tenderden in Memorandum, 30 October 1874, FO 371/1185, 23 February 1911, NA.

<sup>177</sup> Tenderden in Memorandum, FO 371/1185.

<sup>178</sup> Kazemzadeh, *Russia and Britain*, 145.

Falkenhagen requested the annulment of the Railway Concession on the grounds that the Shah did not guarantee him the customs receipts from Tabriz.<sup>179</sup> In 1877, Thomson was to defend the policy by stating “it was only expected that, in all matters favourable to our political and commercial interests in Persia and opposed to their own, the influence of the Russian Mission at Tehran would be adversely exerted” and referred to “the Falkenhagen Concession to show that the schemes proposed for the benefit of Russian trade in the north of Persia had not been unsuccessfully opposed”.<sup>180</sup>

In 1888, the Shah continued the policy of playing the British against the Russians by means of the Reuter Concession to escape from Russian pressure. The Shah, contrary to the sovereignty of the Persian state, had “under great pressure...in Aug./Sept. 1887 given an undertaking to Russia not to give orders or permission to construct railways or waterways to Companies of foreign nations before consulting with H.M. the Emperor”.<sup>181</sup> Unable to confront the Russian Empire, the Shah instead sought the aid of the British government. For this purpose:

...the Amin-es-Sultan suggested to Sir H.D. Wolff that H.M.G. should press the Reuter Concession, which, amended, the Shah could defend, as dated years before, to Russia. The grand vizier requested Sir H.D. Wolff to telegraph this as his own idea. It later transpired that the idea emanated from the Shah.<sup>182</sup>

In October, 1888, Sir Wolff was instructed by the British Government to:

...make what use he could of the Concession in the new state of matters, as the Persian Government, having prevented Reuter from carrying out his Concession as a whole, was bound to grant him some minor Concessions in satisfaction of his just claims; care was to be taken that any Concessions so granted should be

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<sup>179</sup> John S. Galbraith, “British Policy on Railways in Persia, 1870-1900,” *Middle Eastern Studies*, vol. 25 (1989): 489.

<sup>180</sup> Jerome Anthony Saldanha, *Persian Gulf Gazetteer Part 1. Historical and Political Materials Precis Persian Arabistan Affairs*, IOR/L/PS/20/C242, 1905, British Library: Asian and African Studies.

<sup>181</sup> Memorandum, FO 371/1185.

<sup>182</sup> *Ibid.*

much as would open the way to Tehran from the South and not from the North.<sup>183</sup>

By December, an agreement had been reached on Reuter's case; the family was to receive a concession to establish a state bank in return for the transfer of his original concession to the Persian government. Signed in January 1889, with a duration of sixty years, the main points of the concession were the formation of the Imperial Bank of Persia, exclusive issue of bank notes, the service of the Treasury, and the monopoly over all the mines except gold and silver not already conceded and worked. The bank was to have the exclusive right of issuing notes payable and the government of the Shah bounded itself "not to issue any kind of paper money during the terms of this concession, nor to authorize the creation of any other bank or other institution possessing a like privilege" (Article 3). It was to be exempted from taxes and be under the protection of the government (Article 5). The exploitation of Persian mines was granted to Reuter by Article 11:

The Imperial Bank being ready to incur forthwith the sacrifices necessary for developing the resources of the country by exploitation of its natural riches, the Persian Government grants to the said bank for the term of the present concession, the exclusive right of working through the Empire the iron, copper, lead, mercury, coal, petroleum, manganese borax, and asbestos mines which belong to the State and which have not already been conceded to others. The Persian Government shall, as an appendix to this concession, deliver to the Baron de Reuter on the day of the signature of these present an official list of mines already ceded. The gold and silver mines of precious stones belong exclusively to the State, ...All the mines which the bank has not commenced working within ten years of its formation shall be deemed to have been abandoned by it, and the State may dispose of the same without consulting the Bank.<sup>184</sup>

Furthermore, "Article 12 promised that the lands necessary for working the mines shall, if on State domain, be given free, and if belonging to private individuals the

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<sup>183</sup> Ibid.

<sup>184</sup> HR.SFR.3, D: 359, G: 65, 23.09.1889, BOA.

Government shall cooperate in getting them for the bank on the most favourable terms...”<sup>185</sup> The government’s share was sixteen percent of the profits of the mines (Article 13).<sup>186</sup> As outlined in Article 14, Reuter formally gave up all his claims from his former concession.<sup>187</sup>

On 27 March 1889, Baron Reuter handed over his original concession to the British Minister in Tehran for its delivery to the Persian government. The offices of the bank were then established in Tehran and London and Baron George de Reuter became one of its directors. Only three years later, the bank issued a large loan to the Persian government.<sup>188</sup>

The conflict between Russia and Britain over railway construction in Persia ended in 1890 with an agreement in which the Persian state declared that “the Persian Government engages for the space of 10 years...neither itself to construct a railway in Persian territory nor to permit nor grant a concession for the construction of railways to a company or other persons”.<sup>189</sup> In 1900, it was renewed for another ten years. However, in 1911, the Potsdam Agreement was signed between Russia and Germany, alarming Britain with Russia’s renewed ambitions concerning railway construction. With the agreement, Germany assented “not to extend its railway construction schemes into Persia and abstain from asking for road and navigation concessions” in return for Russian assurance “not to oppose the building of the Baghdad railway by the Germans”.<sup>190</sup> Instantly, the British government began reconsidering the construction of a railway line in southern Persia, basing its claim on the Shah’s rescript of 16 September 1888, “by which British Government was

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<sup>185</sup> Ibid.

<sup>186</sup> Ibid.

<sup>187</sup> Ibid.

<sup>188</sup> Read, *Power of News*, 85.

<sup>189</sup> Hooshang Amirahmadi, *The Political Economy of Iran under the Qajars: Society, Economy, Politics and Foreign Relations 1796-1926* (New York: I.B. Tauris, 2012), 30.

<sup>190</sup> Amirahmadi, *Political Economy*, 30.

given priority over others in the construction of southern railroads”, and an assurance that the “British Government would be consulted before any southern railway was granted to a foreign country”; in addition, possible route options would be considered.<sup>191</sup> Eventually, Britain abandoned the idea, and by the end of the First World War there were only two railway lines on Persian soil: one stretching for six miles between Tehran and Shah Abd ol-Azim, a line that the Belgians had constructed in 1888, and the other being the Julfa-Uumiya and Zahidan-Nuskki line built by Russia and Britain during the war as part of their war effort.<sup>192</sup>

In 1900, the Greek Railway Concession was secured and, like the Reuter Concession, the family in the person of Baron George de Reuter had prepared policies and suggested them to the British government. As before, contemporary political concerns determined the future of the project, and Baron George de Reuter tried to mould this future.

The Greek government had signed a contract with a firm in 1889 to construct a line from Piraeus to the Greek border at Papapouli.<sup>193</sup> However, construction halted in 1893 because of the company’s financial problems.<sup>194</sup> In 1898, to complete the Piraeus–Larissa Railway, the Eastern Railway Syndicate Limited was formed under the initiative of Baron Herbert de Reuter, managing director of Reuters (who succeeded his father Baron Paul Julius de Reuter in May 1878), with the cooperation of Frédéric-Émile Erlanger and Co. of London and M. Jules Gouin, President of the Société de Construction des Batignolles de Paris.<sup>195</sup> As discussed in the previous chapter, Erlanger was also the owner of Havas. Though

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<sup>191</sup> Memorandum, FO 371/1185.

<sup>192</sup> Memorandum, FO 371/1185.

<sup>193</sup> Irene Anastasiadou, *Constructing Iron Europe: Transnationalism and Railways in the Interbellum* (Amsterdam: Amsterdam University Press, 2011), 216.

<sup>194</sup> Anastasiadou, *Constructing Iron Europe*, 216.

<sup>195</sup> Memorandum, “Respecting the Piraeus-Larissa Railway,” FO 371/537, file no: 4533, no: 12974, 21 April 1908, NA.



Baron Herbert de Reuter had founded the Syndicate, it was Baron George de Reuter who carried out the rest of the tasks in the railway construction scheme.

On 22 March 1900, Baron George de Reuter, as the representative of the Syndicate, signed a concession with the Greek Prime Minister and Minister of Finance “for the completion of a proposed railway from the Piraeus to Larissa, in the first instance to Demirly and eventually to the frontier”.<sup>196</sup> To finance the enterprise, the Greek Minister of Finance asked the International Financial Commission in Athens to undertake the service of new loans to the Greek government. The Greek government received a positive response from the Commission after consultations with the states involved. In February 1902, Baron George de Reuter, Gouin and Erlanger formed the Company of Greek Railways.<sup>197</sup> In 1904, the King of Greece conferred the Cross of Commander of the Royal Order of the Saviour upon Baron George de Reuter for his services.<sup>198</sup>

The Reuter family sought assistance from the British Foreign Office whenever they encountered an obstacle in any of their projects. Regardless of whether it was simply a matter of disagreement on construction or politics, in order to impose what they wanted on the countries in question members of the family asked the Foreign Office to intervene. In 1906, the Greek government and the Company of Greek Railways experienced a disagreement. While the Railway Company wanted to start constructing the line to Larissa before completing the Demirly line, the Greek government wished to see the Piraeus–Demirly line completed first. Baron de Reuter asked “for the intervention of the International

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<sup>196</sup> Memorandum, “Piraeus-Larissa Railway,” FO 371/537.

<sup>197</sup> Anastasiadou, *Constructing Iron Europe*, 216.

<sup>198</sup> HO 45/10304/118695 (Home Office Registered Papers, 1901–1909), 14 May 1904, NA.

Financial Commission through the Foreign Office".<sup>199</sup> He claimed that the Greek Railway Company had the right to start the construction of the Demirly–Larissa line based on the convention:

By article 2 of this Law...the Greek Government are enjoined to avail themselves of the option to call upon us to construct the Demirly-Larissa section, upon the terms of article 34 of the Convention; and are authorised to do so at any time, not later than six months before the completion of the line from the Piraeus to Demirly....Our contention is that while the Government need not have given us this notification nor have authorised us to issue the loan until six months before the completion of the line to Demirly, their having allowed us to do the latter obliged them to permit us to commence work on the Demirly-Larissa section, directly the public had through us provided the necessary funds.<sup>200</sup>

Baron George de Reuter's defence was that by allowing the Company to issue the loan, the Greek government happened to allow the construction of the Demirly–Larissa section.

In accord with Baron George de Reuter's wishes, a copy of his letter was sent to Alban Young, the British representative on the International Financial Commission in Athens and his opinion on the subject was demanded.<sup>201</sup> Before Reuter's letter reached him, Young had already written to the Foreign Office to inform it about the matter and explain the source of the dispute. At the end of his letter he wrote down the following under the title 'confidential':

The present state of affairs has arisen, on the one hand from the desire of the Railway Company in its capacity as the financial syndicate contracting to take over the loan at a price defined by the convention, to issue the further instalment of the bonds to the public at a time when it could do so to the best advantage irrespective of the immediate needs of the work of construction, and on the other from the wish of the Hellenic government not to divest itself completely, when consenting to this premature issue, of the hold over the Railway Company which they originally

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<sup>199</sup> Baron George de Reuter to Sir Thomas Sanderson, 4 January 1906, FO 371/81, file no: 622, no: 2666, 5 January 1906, NA.

<sup>200</sup> Reuter to Sanderson, 4 January 1906, FO 371/81.

<sup>201</sup> Campbell to Reuter, 13 January 1906, FO 371/81, 5 January 1906, NA.

possessed in virtue of their freedom to decide whether the line should be extended to Larissa or not.

In point of fact there is at the present moment a dispute between the company and the government with regard to a spot between Brallo and Demirly where unexpected difficulties arising from the nature of the soil have presented themselves.<sup>202</sup>

Basically, the Greek government wanted the Company to solve the problem on the railway line on which it was already working before building the next section. Instead, the Company took action against the government through Baron George de Reuter, who complained to the British government and the International Financial Commission, hoping that they would force Greece to do what the company desired.

With regards to the Baron's letter dated 4 January 1906, Young explained to Sir Edward Grey in his next letter that the Baron's claim was not defensible:

Unfortunately the Commission finds itself disarmed from making a protest on this ground by the fact that the Greek government when notifying to the Company on November 19 1904, their intention to prolong the line to Larissa, and authorizing the issue of the loan, made an explicit reserve of their liberty to authorize the commencement of the work at such moment as they might consider expedient during a certain period, which is one expiring in May or June 1906.<sup>203</sup>

In his letter Young also underlined that the current situation was not harmful to the interests of the Greek Railway bondholders, implying that the Commission was not responsible for protecting the interests of the Company, but rather the bondholders, by stating that "the retention by the government of their liberty to postpone commencement of work on the Demirly-Larissa line, an easy section of about 30 miles in length, ...before the completion of the proceeding section could bring and can bring no possible prejudice to the interests of...bond holders, on whose behalf alone the Commission is qualified to intervene".<sup>204</sup>

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<sup>202</sup> Young to Grey, 6 February 1906, FO 371/81, file no: 622, no: 5123, 12 February 1906, NA.

<sup>203</sup> Ibid.

<sup>204</sup> Young to Grey, FO 371/81.

Young again referred to the source of tension between the Greek government and the Company and gave details on the subject:

...the Company declare that owing to the shifting nature of the soil they cannot construct permanent works according to the brace agreed upon. The question at issue between the government and the Company is whether a deviation is really necessary and if so who is to pay for it. The local representative of the Railway Company with whom I am in constant intercourse considers that a settlement either by compromise or by a resort to arbitration will be shortly arrived at, and that he will not have to wait long for his authorization to proceed with the Demirly-Larissa section.<sup>205</sup>

On 16 February 1906, Young was informed by Campbell on behalf of Sir Edward Grey that “Sir E. Grey concurs in your view that the Commission is debarred, under present circumstances, from taking any further action on behalf of the Greek Railway Company”.<sup>206</sup>

After Reuter’s visit to Athens as the Vice President of the Company, the matter was resolved in a way favorable to the Company. Young listed the terms of the agreement between the Greek government and the Railway Company:

1. The Company will construct at their own expense such works as are necessary to overcome the difficulties inherent in the soil at Gappadia which gave rise to the dispute with the government mentioned in my previous despatches. 2. The authorization to commence work on the Demirly-Larissa section is considered by Baron de Reuter to be forthcoming in four days. 3. The government undertakes as soon as the chamber meets in May next to reintroduce the measure cancelling the restriction imposed by article 35 of the existing Convention which prohibits the construction of the Larissa-Frontier section before an announcement is arrived at with the Turkish Government for the junction of the Greek line with the Turkish Railway system....Monsieur Theotaky has promised that he will then authorize the issue of the loan (5-6 millions of francs) for the construction of the Larissa-Frontier section, and its immediate application to that purpose. Baron de Reuter considers that there will be no question on this occasion of separating the issue of the loan from the permission to commence operations....<sup>207</sup>

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<sup>205</sup> Ibid.

<sup>206</sup> Campbell to Young, 16 February 1906, FO 371/81, file no: 622, no: 5123, 12 February 1906, NA.

<sup>207</sup> Young to Grey, 11 March 1906, FO 371/81, file no: 622, no: 9545, 19 March 1906, NA.

Baron George de Reuter managed to turn the crisis between the government and the Company into an opportunity. Not only did the Greek government agree to allow the Company to start constructing the Demirly–Larissa section, but it also agreed to allow them to construct the Larissa–Frontier line before the junction between the Greek and Turkish railway systems had been accepted by the Ottoman government. In the following articles, financial matters were settled with regards to the Larissa–Frontier section. Moreover, an alternative project was thought out by the Company in case the junction between the Greek and Ottoman railway systems did not take place, as it would mean a wasted thirty miles of railroad. The solution the parties agreed on was depicted in Article 5:

5. In the event of the junction with the Ottoman system not having been effected within two years after the completion of the Piraeus-Frontier Railway, the Company undertake to construct a small branch of about 3 miles in length from the frontier to the sea-coast south of Platamona Point. Here a wooden pier running to a depth of six metres is to be constructed and the Company will ensure a daily service of steamers towards which the Greek Government will give a postal subsidy of 100,000 francs a year with Salonica, a distance of 4 or 5 hours....In default of a junction with the Ottoman Railways it is better that this extra expense should be incurred than that the thirty miles of the Larissa line should after penetrating the picturesque but unfruitful recesses of the vale of Tempè terminate at a Greek Custom House standing in a lonely marsh.<sup>208</sup>

However, Young stated that such a contingency plan would not come to pass as Reuter had revealed a secret agreement between Theotoky, the Greek Minister of Finance, and himself to ensure that the junction would be constructed, an agreement which Young found very convincing:

The promoters are however [aware]...that they will not be called upon to fulfil this engagement as they consider that they have reassuring prospects in regard to the construction of a Turkish line 90 kilometres in length joining Gida on the Salonica-Monastir line

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<sup>208</sup> Ibid.

to their system on the frontier. The most important advantage which Baron de Reuter has gained from his visit is an undertaking, which he wishes to be kept strictly confidential, on the part of Monsieur Theotoky to accord a subvention which will greatly facilitate the eventual negotiations in Constantinople, as you are probably aware the interests of the Greek Railway Company in regard to the Ottoman section have been transferred to Messieur Vitalis, the well-known Railway constructor in Turkey. When the Larissa-Frontier works are well under construction an advance, which it is supposed, will for strategical reasons predispose the Turks to make a similar move Messieur Vitalis will apply to the Porte for a concession to construct the section Gida-Frontier on the basis of a kilometres guarantee of 6000 francs. The subsidy offered by Messieur Theotoky amounts in reality to raising this guarantee from 6 to 9 thousand francs.<sup>209</sup>

The two decided to give a subsidy to a Greek constructor Messieur Vitalis to lower the project's cost for the Ottoman Empire. In this way, they believed that the Ottoman government would choose Vitalis as the constructor. The rest of the money that would allow Vitalis to gain a profit from the railway project was to be covered secretly by Greece. It seems that Reuter and Theotoky thought only financial matters could prevent the junction's construction, or they believed that with enough money they could obtain the Ottoman Empire's consent despite the state of politics between the two countries. Another reason that made Young hopeful that the project would take place was that he was told by Reuter that strong German opposition in the past against the junction had now been withdrawn.

Realizing that Reuter and Theotoky were taking the Ottoman Empire's consent for granted, Young underlined that nothing was decisive yet and that all these construction plans could only be carried out by the Greek government dependent on the Turkish government's action. But he still stated that he believed "the prospects of an overland connection with Europe are better now than ever

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<sup>209</sup> Young to Grey, 11 March 1906, FO 371/81.

before”.<sup>210</sup> He also wrote that, in his opinion, this junction would greatly enhance Greek revenues: “I am convinced that in view of the Greek development throughout Europe of the Tourist business, and in addition to this country’s own attractions, the proximity of its ports to Egypt, the linking of Athens by 70 hours of rail with Paris will bring a very perceptible increment to the slender sources of the Greek revenues. Any well directed efforts to attain their result should consequently recommend themselves to the International Commission.”<sup>211</sup>

In July, Young informed the British Foreign Office that the legislation change desired by Baron de Reuter had occurred:

I am happy to report that so far the engagements entered into by Monsieur Theotoky with Baron de Reuter in regard to the Piraeus-Larissa-Frontier Railway have been faithfully carried out and that the Chamber has passed...the necessary legislation for permitting the immediate construction of the extension to the Turkish frontier where the line is designed to effect a junction with the Ottoman System, or pending that event, to a point nearby on the coast whence a daily steamboat service with Salonica will be assured.<sup>212</sup>

Moreover, Young also discussed the developments on the matter of loan issuing in his letter:

The formalities connected with the issue of the last portion of the Greek Railways 4% Loan amounting to £270,000 [nominal]. [6,750,000 francs] have been completed...

I understand that any of this loan £40,000 have been subscribed by Paris Bankers and £230,000 by London houses and that no issue to the general public will take place at present.<sup>213</sup>

The majority of the loan had been subscribed by London houses, as stated by Young. Later, in 1908, Baron George de Reuter was to remind the British Foreign Office that a majority of the bonds belonged to British citizens and that the Government should act to protect the interests of its citizens. Also, Young declared

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<sup>210</sup> Ibid.

<sup>211</sup> Ibid.

<sup>212</sup> Young to Grey, 17 July 1906, FO 371/81, file no: 622, no: 25078, 23 July 1906, NA.

<sup>213</sup> Ibid.

that the duty of the International Financial Commission was now complete as it had conceded the amount agreed on for the line's construction:

This last issue has been as presented by the Convention, taken over by the Syndicate at the same price as the other portion viz 80 per cent. The entire loan for which the Commission consented to undertake the service as assured on the surplus of the receipts: the conceded revenues viz 35 millions of francs effective for the Piraeus-Demirly section and ten millions effective for the extension to the frontier has now been completed.<sup>214</sup>

In return for the Greek government arranging things as desired by the Railway Company, the company expressed their intention to "overcome the difficulties they encountered on the Piraeus-Demirly section before May of next year".<sup>215</sup>

Young's statement on granting a loan for the construction of an alternative branch to the coast if the junction with the Ottoman railway system did not take place demonstrates an overconfidence of the company regarding Ottoman cooperation "the Company believe that they will never be called upon to construct the alternative branch to the coast but in order to facilitate Baron de Reuter's negotiations with the Greek Government the Commission have consented, with proper reservations, to the interest of the small loan [probably half a million Drachmas] necessary for such construction..."<sup>216</sup>

Baron George de Reuter's first attempt to influence international politics through the railway project occurred in 1908 when the line reached Larissa, a time when the railway company and the Greek government began seeking approval from the Ottoman government for a junction between the Greek and Turkish railway systems. Erlanger and Baron George de Reuter petitioned the British Foreign Office with letters, as it remained reluctant to support the application to the Ottoman

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<sup>214</sup> Young to Grey, 17 July 1906, FO 371/81.

<sup>215</sup> Ibid.

<sup>216</sup> Ibid.



government for a concession to build the line, which would connect the Greek railway system with the Ottoman Empire's system. The British had no desire to support the scheme with the Sublime Porte officially because of the former's policy of pushing reforms in Macedonia.

The 'reform' scheme of the British government, presented in March 1908, was to have a single Governor-General for Kosovo, Monastir and Salonica, three provinces constituting Macedonia. His term of office was to be determined before his appointment, and his dismissal was to be subject to the approval of the European Powers. The Governor-General would be supported by foreign military officers and a European gendarmerie, and would receive his salary from the Macedonian budget which was to be placed under the control of the European Powers in order to challenge the Governor-General's loyalty to the Sublime Porte. The scheme was devised with the aim of undermining the control of the Ottoman Empire in Macedonia, which would gradually lead to autonomy, and independence, for these provinces. In May of that year, the Turkish Committee of Union and Progress (CUP) found out Great Britain's decision to cooperate with Russia instead of European Powers to push reforms in Macedonia. Great Britain's move played a role in the 1908 Turkish revolution. Believing that this sort of cooperation would lead to Macedonia's separation and its immediate domination by a foreign power, ending its influence in Macedonia, the Committee of the Union and Progress (CUP) decided to act sooner initiating a revolutionary movement.<sup>217</sup>

Investors in the Greek Railway Company emphasized in their correspondence that the enterprise was a British investment and therefore deserved

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<sup>217</sup> Aykut Kansu, *The Revolution of 1908 in Turkey* (Leiden: Brill, 1997), 87–89.

the protection of the British government. Erlanger stated that the railway project was a British enterprise:

...the total amount of the loans issued for the above purpose is £2,250,000, in addition to which the share capital of the Greek Railways Company, amounting to £400,000, has been subscribed and entirely paid up in cash. Of these £2,650,000, more than £1,500,000 have been subscribed and are still held by British subjects.

The railway can, therefore, well claim to be a British enterprise, deserving of the special support of His Majesty's Government.<sup>218</sup>

He added that the junction was necessary for the sake of British bondholders:

Now this great enterprise is approaching conclusion; the line is completed to Larissa and will be opened to the Frontier in a few months. Active steps have, therefore, been taken by all the interested parties to obtain the consent of the Porte to the construction of a line some 50 miles in length to unite the Greek and Turkish Railways.

Unless that junction be made the security of the bondholders will be greatly impaired, and the share capital of the Greek Railways Company, of which one-half was subscribed by Messrs. Pauling and Co. (Limited) and my firm, will be practically worthless.<sup>219</sup>

Furthermore, he tried to take advantage of rivalry between the Great Powers by stating:

But, in making this appeal, I am also actuated by other motives, for fear that it would be injurious to British prestige in Greece and Turkey if the Concession were obtained with the support of all the Great Powers with the exception of Great Britain, she alone standing aloof from an enterprise which has been carried out in the main by British subjects and with the aid of British capital.<sup>220</sup>

However, the government was reluctant to support the scheme, as it thought backing the project would jeopardize its impartial stand in Macedonia. It was noted in the Foreign Office minutes, in view of Erlanger's letter, that:

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<sup>218</sup> Erlanger to Grey, 13 April 1908, FO 371/537, file no: 4533, no: 12974, 14 April 1908, NA.

<sup>219</sup> Erlanger to Grey, 13 April 1908, FO 371/537.

<sup>220</sup> Ibid.

It does not follow that if we do not support this project now, it will never be realized at all and that the share capital of the Greek Co. will be 'practically worthless'. The two systems will obviously have to be linked up someday: the only question is whether the present moment is a favourable one for pushing the scheme....

The fact that the Greek Railway is primarily a British undertaking seems to me the strongest reason why H.M.G. should not single it out as an object of their official support at a moment when they have just expressed their views as to the inopportuneness of the present time for pressing for railway development in the Balkans. It would be a negation of our attitude of disinterestedness in Macedonia and would weaken our position enormously.<sup>221</sup>

On 21 April 1908, a few days after Erlanger's correspondence, Baron George de Reuter wrote a letter to the Foreign Office as Vice-President of the Greek Railways Company and Chairman of the Eastern Railway Syndicate Limited. He criticized Britain's policy for being:

...not in conformity with the attitude of the British Government in the past. During the negotiations for the obtention of the Concession from the Greek Government I always enjoyed the unofficial support of the Foreign Office, and in Greece, in 1900, Sir Edward Egerton, then the British Minister there, gave me very great assistance in arriving at a satisfactory arrangement with the Greek Government. Moreover, the successive British Delegates on the International Financial Commission at Athens invariably did what they could to assist me in arranging the financial side of the question.<sup>222</sup>

Reuter, confident in his scheme and position, took the liberty of telling the British Foreign Office that it was pursuing an inconsistent policy and reminded it that the government had provided support in the past. Then, like Erlanger, Reuter mentioned the support of other great powers, pointing out that the Eastern Railways Syndicate Limited was an English company and thus responsible for half of the railway project:

Inasmuch as all the Powers support our scheme, it seems anomalous that Great Britain should fail to do so for an enterprise

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<sup>221</sup> Minutes, FO 371/537, file no: 4533, no: 12974, 14 April 1908, NA.

<sup>222</sup> Reuter to Grey, 21 April 1908, FO 371/537, file no: 4533, no: 13816, 22 April 1908, NA.

which is half English and which formerly received the support of His Majesty's Government.<sup>223</sup>

Like Baron Julius de Reuter's attempt to take advantage of tensions between the Russian and British empires over Persia, Baron George de Reuter tried to take advantage of the political rivalry between the great powers to force the British government into advocating for the railway junction scheme at the Sublime Porte. Moreover, he underlined that the aim of the Concession was to join Greece with the rest of Europe and it would not be fulfilled unless the junction came into existence.<sup>224</sup>

The arguments of Erlanger and Reuter were reviewed in a Foreign Office minute before a response was forthcoming. In the document the arguments in favor of complying with their request were listed and the Foreign Office's opinion was written down:

1. That it is an old scheme to which we have given our support in the past and therefore stands on a different footing from the Serbian and Austro-Hungarian scheme which are new. This argument is used by Baron de Reuter. 2. That it has the support of the other Powers. 3. That it is largely a British enterprise.

The first appears to be the best, as it is undoubtedly true that we have supported the scheme in the past. The second is only good if there are no stronger (?) against it. The third appears to me to be radically bad for we should cut a very poor figure if we refuse to support the other two schemes in the interests of reform in Macedonia and then supported this one because of British interests [?], letting the reforms go by the board. What kind of an impression would this give of our disinterestedness and [?] in the cause of reform? In fact this argument is really an argument of the other side. Moreover we have already told the Greek Minister that we cannot support the scheme and have also told the other Powers that we cannot support any such schemes at present.<sup>225</sup>

Not only the Company, but also the Greek government, sought the support of the British government in this matter. On 28 April 1908, Mr. G. Barclay wrote a

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<sup>223</sup> Reuter to Grey, 21 April 1908, FO 371/537.

<sup>224</sup> Reuter to Grey, 22 April 1908, FO 371/537.

<sup>225</sup> Minutes, FO 371/537, file no: 4533, no: 13816, 22 April 1908, NA.

letter to Sir Edward Grey, which was received by the Foreign Office on 5 May 1908, informing it that the Greek Minister M. Gryparis had called him on 27 April 1908 and asked for his informal support for the application made to the Porte for the linking of the Greek and Turkish railway systems. In Barclay's words, Gryparis said that:

He was aware of the attitude of His Majesty's Government towards the various railway projects in Macedonia, but he trusted that I would see my way, should an opportunity occur, to say a word in favour of the Greek scheme. He pointed out that Greece was now the only country in Europe which had no railway connection with other countries, and laid stress on the non-political and non-strategical purpose of the line, the objects of which were purely commercial, the coast route having been selected rather than a more western route which would have been more agreeable to Turkey, only because it was shorter and easier to construct.<sup>226</sup>

In response he was promised that this visit would be reported to Sir Edward Grey. However, Barclay stated that "in view of the attitude of His Majesty's Government, with which he was familiar, in regard to railway construction at the present moment in Macedonia, I could not see my way to saying anything at the Porte in favour of the Larissa-Salonica line".<sup>227</sup> In the meeting Barclay learned that the Greek Minister had asked for the same informal support from the other embassies as had been requested from him.<sup>228</sup>

On 6 May 1908, Émile Erlanger and Baron George de Reuter were notified by the Foreign Office in separate letters that Sir Edward Grey, Foreign Secretary (1905–1916), was in favor of the junction in principle and would "use his influence

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<sup>226</sup> Barclay to Grey, 28 April 1908, FO 371/537, file no: 4533, no: 15167, 4 May 1908, NA.

<sup>227</sup> Barclay to Grey, 28 April 1908, FO 371/537, 4 May 1908.

<sup>228</sup> Barclay to Grey, 28 April 1908, FO 371/537.

to secure the Porte's assent to it when this can be done without prejudice to proposals for reform, which are at the moment under consideration".<sup>229</sup>

Soon, the opportunity Reuter was waiting for came along with the rise of the CUP in the Ottoman Empire. Hoping that regime change in the Empire would convince the British government to support his scheme, he submitted copies to London of confidential correspondence from years before between himself and Greek officials. He hoped to prove that the junction was not only desired by the railway company but also by the Greek government. The submitted documents consisted of correspondence with A. Simopoulos, the Greek Minister of Finance, and N. Calogéropoulos, the Greek Minister of the Interior, dated 1 March 1906.<sup>230</sup> Reuter also added a more recent correspondence with Munir Paşa, Ottoman Ambassador in Paris at that time, dated 4 May 1908.<sup>231</sup> Louis Mallet, the Assistant Under-Secretary for Foreign Affairs, summarized the documents submitted by Baron George de Reuter, arguing that there should be no reason for not supporting Reuter after a regime change in the Ottoman Empire:

The Greek government are so keen on this junction that they are ready to give a kilometre guarantee on the line which is in Turkish territory. Munir Pasha who was negotiating the matter has fallen and it remains to be seen how the present regime will regard the junction which the Sultan has hitherto opposed. There is now no reason for not giving our support at Constantinople.<sup>232</sup>

On 18 August 1908, Reuter was informed that the documents he had submitted were read "with interest"<sup>233</sup> by Sir Edward Grey, and:

...in view of the establishment of constitutional government in the Ottoman Empire His Majesty's Government have decided that

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<sup>229</sup> W. Langley to Erlanger, 6 May 1908, FO 371/537, file no: 4533, no: 13816, 22 April 1908.

<sup>230</sup> "Joint Communication addressed to Greek Administration (Communicated by Baron de Reuter on 11 August 1908)," FO 371/465, file no: 28067, no: 27111, 12 August 1908.

<sup>231</sup> "Joint Communication," FO 371/465, 12 August 1908.

<sup>232</sup> Louis Mallet, Minutes, 12 August 1908, FO 371/465, file no: 28067, no: 27111, 12 August 1908.

<sup>233</sup> Louis Mallet to Baron George de Reuter, 18 August 1908, FO 371/465, file no: 28067, no: 27111, 12 August 1908, NA.

there is no longer any objection to supporting at the Sublime Porte an application for a concession to permit this junction to be effected, and that a dispatch in this sense has been addressed to His Majesty's Ambassador at Constantinople with instructions to take the necessary action in accordance with this decision.<sup>234</sup>

On the same day, Sir Gerard Lowther, the British Ambassador in Constantinople, was notified regarding the subject and received copies of the confidential correspondence that Baron George de Reuter had submitted.<sup>235</sup>

Nevertheless, another obstacle stood in the way of Reuter's scheme: the declared union of Crete and Greece. To overcome this, the Baron, who had been discussing the matter with George I, King of Greece, suggested a policy initiative to the British Foreign Office: the offering of compensation to Turkey for recognizing Greece's unification with Crete. Reuter's scheme was to capitalize on liberal terms "the part of the Ottoman Debt which was borne by Crete" and to add "a further sum as moral damages for the hauling down of the Turkish flag, which would incidentally enable the Turkish Government to repatriate those Mussulmans who would wish to leave Crete on the union with Greece".<sup>236</sup> Reuter estimated the amount would be between 500,000 and 1,000,000 pounds.<sup>237</sup> Furthermore, he considered how the Ottoman government could make use of part of this compensation after financing its Muslim subjects' evacuation from Crete: "500,000/. [pounds] would be applied to making a railway in Turkish territory, to join the Larissa Railway with the Salonica-Monastir Railway at Ghida".<sup>238</sup>

Baron George de Reuter then hinted his intentions by stating that "Greece herself could not very well propose these terms to Turkey" and asking Sir Edward

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<sup>234</sup> Mallet to Reuter, 18 August 1908, FO 371/465.

<sup>235</sup> Mallet to Lowther, 18 August 1908, FO 371/465.

<sup>236</sup> Grey to Lowther, 4 November 1908, FO 371/444, file no: 34783, no: 38369, 4 November 1908, NA.

<sup>237</sup> Grey to Lowther, 4 November 1908, FO 371/444.

<sup>238</sup> Ibid.

Grey if there would be further objections were Turkey to accept certain terms.<sup>239</sup> He was assured by Grey that “none of the Powers would make objections if Turkey came forward and said that acceptable terms had been offered to her”.<sup>240</sup> With his visit, Reuter aimed to secure permission from the British government and the other great powers to execute his plan. In addition, Reuter, acting as a mediator, was planning to make the above-mentioned offer to the Turkish government himself, seeking to convince it to recognize the unification of Greece and Crete. Grey recounts, “I gathered from the way he put the question that he probably meant to sound the Turkish Government himself”.<sup>241</sup>

There was more to Reuter’s proposal which was omitted in Grey’s letter to Lowther. The Baron proposed to Grey that “there should be a secret agreement between Greece and us by which, after the transfer of Crete to Greece, Suda Bey should be leased to us. It would be a most valuable harbor for the Navy”.<sup>242</sup> This part of the proposal was unknown to the King of Greece. Based on the draft letter, Grey’s response, which again was excluded, was:

So far as I knew, Suda Bey was a very valuable harbor; but that the political disturbance caused by acquiring a new harbor in the Mediterranean might more than counterbalance the advantage to us. Other Powers might put forward other [“all sorts of” was crossed and replaced by “other”] demands, and presently the situation might be less favourable than if the ‘status quo’ had not been disturbed at all. But, apart from this consideration, we were one of four Powers who were occupying Crete: and it would be absolutely impossible for us, while negotiating with Turkey in concert with the other three Powers about Crete, to contemplate acquiring any special advantage for ourselves. Such an idea was quite out of the question, and could not be entertained.<sup>243</sup>

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<sup>239</sup> Ibid.

<sup>240</sup> Ibid.

<sup>241</sup> Ibid.

<sup>242</sup> Memorandum, FO 371/465, file no: 34783, no: 38369, 4 November 1908.

<sup>243</sup> Memorandum, FO 371/465, 4 November 1908.



To fulfil his own desires, Baron George de Reuter proposed to Grey to confiscate a bay in Crete, where the British navy could be stationed, hoping that the British government would then drop its current policy of demanding reform in Macedonia due to this more profitable one. It is significant that a group of investors who were in the news business could also regard themselves as being in a position to suggest foreign policy, thus, demonstrating their elevated perception of their own sphere of influence.

When the Company claimed to have finished the work and asked for the caution money and warranty deductions to be returned, the Greek government refused to take the railway line and return the “*retenue de garantie*” and caution money. On 16 February 1909, Reuter communicated with the Foreign Office regarding his complaint against the Greeks. The source of the dispute was the Greek government’s refusal “to take ‘*réception*’ of the Piraeus-Larissa Railway, on the grounds that the line is not yet working ‘*en toute sécurité*’”.<sup>244</sup> The matter was referred to Sir Elliot, British Minister in Athens. Meanwhile, the French partners of the Greek Railway Company, Monsieur Bourée, President, and Monsieur Gaston Gouin, Chairman of the *Société des Constructions de Batignolles*, were interviewed by Monsieur Louis, the French Minister for Foreign Affairs, on this matter.<sup>245</sup>

On 23 February 1909, Sir Elliot was visited by Monsieur Georgiades, Baron de Reuter’s representative in Athens, who explained why the Greek government had refused “the ‘*réception*’ of the Piraeus-Larissa Railway Line”:

It appeared that, with the exception of a few sleepers which are gradually being renewed, the main line is perfectly ready; it has throughout stood the effects of a particularly wet winter, and is

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<sup>244</sup> Louis Mallet to Baron George de Reuter, 23 February 1909, FO 371/677, file no: 5935, no: 5935, 13 February 1909, NA.

<sup>245</sup> Baron George de Reuter to Louis Mallet, 22 February 1909, FO 371/677, file no: 5935, no: 7622, 25 February 1909, NA.

being continually used without let or hindrance. Two small branch lines are not finished, one on account of an order from the Ministry to suspend the works while an alternative route was being considered, the other owing to the opposition of the Thessalian Railways to the proposed junction with their system at Demerli. The real obstacles to the 'réception' are twofold: firstly the difficulties raised by the advisory Committee of Engineers, whom the Company of Construction have in Mr. Georgiades's opinion mistakenly not supplied with the customary inducements to make a favourable report; secondly a question which has become a personal one with the Minister of the Interior, who upon the instigation of some of his constituents demands the dismissal of a station-master who is regarded as a good servant of the Company. The latter difficulty however is about to be arranged by the removal of the station-master to a superior post.<sup>246</sup>

According to the Company's account, the denial of the Greek government to accept the railway line was due to the disagreeableness of individuals rather than a technical problem with the work. It was stated that the Committee of Engineers was waiting to be paid a bribe, while the Minister of the Interior was severely displeased with a servant of the Company. The Company denied the Greek government's claim that the line was not completely secure. This was the second time that the Company sought assistance from the British and French foreign offices instead of trying to solve the problem themselves through negotiation with the Greek government. These two incidences give a sense that Greece did not have much of a say in how the railway project was run; rather, it appeared to be the investors who were in charge. This time the British and French foreign offices cooperated, and provided their representatives in Athens with instructions.

Sir Francis Elliot, the British Minister in Greece, and M. de la Boulinière, the French Minister in Greece, who were accustomed to being in touch on this matter, started to work together with the arrival of instructions from the French government in March 1909:

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<sup>246</sup> Elliot to Grey, 27 February 1909, FO 371/677, file no: 5935 no: 8734, 6 Mar 1909, NA.

The French Minister has received from his Government Memoranda communicated by the Anglo-French group on the subject of their claims against the Greek Government, together with instructions which left him the greatest latitude both as to the substance and as to the form of the representations to be made to the Greek Government conjointly with me...<sup>247</sup>

The opinion they formed of the dispute shows that the problem was not as simple as put forward by Monsieur Georgiades, Baron de Reuter's representative in Athens:

M. de la Boulinière and I have carefully studied these documents, as well as the Convention of the 22<sup>nd</sup> March, 1900, and the 'Cahier des Charges' annexed to it, and we have received verbal explanations from the representatives of the Company. From them we learnt that the application already made by them for the return of the caution money and 'retenues de garantie' had met with a very uncompromising reply, a copy of which I have the honour to enclose herewith. It was therefore too late to prevent the Greek Government from adopting an attitude to which they had already committed themselves in black and white.

Our examination of the Convention and of the 'Cahier des Charges' convinced us that the argument of the 'retenue de garantie' and of half of the caution money is not sound...But it seemed to us impossible to interpret the Convention independently of the 'Cahier des Charges', and Article 30, paragraph 4, of the latter justifies the contention of the Government that the repayment of the 'retenue de garantie' only becomes due upon the 'réception' of the line, ...<sup>248</sup>

The Company had demanded the whole "retenue de garantie". However, the investigation by Sir Elliot and M. de la Boulinière brought to light the fact that the Company was not entitled to it until the government had received the railway line. Nevertheless, they met with the Greek Minister of the Interior on 24 March 1909 to attempt a conciliation of the parties.

On 4 May 1909, Elliot informed the Foreign Office that the Greek Minister of the Interior had advised him that the government had decided to return one half of the bonds representing the caution money and part of the retentions (350,000

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<sup>247</sup> Elliot to Grey, 24 March 1909, FO 371/677, file no: 5935, no: 12080, 30 March 1909, NA.

<sup>248</sup> Elliot to Grey, 24 March 1909, FO 371/677.

drachmas) to the Company, leaving only 150,000 drachmas as a “retenue de garantie”.<sup>249</sup> The Company accepted the arrangement and thanked Sir Elliot “for the action taken in conjunction with the French Minister”.<sup>250</sup> Baron George de Reuter wrote a separate letter of thanks to the Foreign Office on 19 May 1909.<sup>251</sup>

With the resolution of the dispute, the Piraeus–Larissa Frontier Railway was opened to business on 29 June 1909.<sup>252</sup> One train a day in each direction began to operate, covering 394 kilometers in around fifteen hours.<sup>253</sup> Despite the efforts of Baron George de Reuter, the junction between the Greek and Ottoman railway systems was never completed, leaving close to 1.3 kilometers of Greek railway leading to “an abrupt ending on the north of the kingdom”.<sup>254</sup>

While the Greek railway project was still ongoing, Baron George de Reuter took over a concession in Brazil, and instantly sought official British support. On 16 January 1905, Reuter took control of a disputed concession to create twenty “Burgos Agrícolas” (agricultural villages). Analysis of the British Foreign Office documents suggests that the disagreement between Reuter and the Brazilian government occurred because Reuter took over a concession that had already been the subject of a court case. The concession was that “the Government gave the concessionaire the freehold of vast tracts of territory, the concessionaire undertaking to build so many villages and bring so many families to each village”.<sup>255</sup>

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<sup>249</sup> Elliot to Grey, 4 May 1909, FO 371/677, file no: 5935, no: 17652, 10 May 1909, NA.

<sup>250</sup> Elliot to Grey, 4 May 1909, FO 371/677.

<sup>251</sup> Reuter to Mallet, 19 May 1909, FO 371/677, file no: 5935, no: 18996, 20 May 1909, NA.

<sup>252</sup> Elliot to Grey, 27 July 1909, FO 371/677, file no: 5935, no: 28994, 3 August 1909, NA.

<sup>253</sup> Elliot to Grey, 27 July 1909, FO 371/677.

<sup>254</sup> “Greek Railways,” *Evening News*, July 5, 1910.

<sup>255</sup> “Claim against the Brazilian Government,” 8 June 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906, NA.

By the finance law of 1899, Congress authorized the Brazilian government to negotiate with Monsieur Gomes de Oliveira for the creation of twenty “Burgos Agricolas”. Ten months later, after the Republic’s proclamation, M. de Oliveira asked for an extension of the contract for another year, which was agreed upon by the new government. He then asked for another extension; however, this time not only was it refused but the request caused the new Minister of Agriculture to announce that the concession had expired. The document, which was presented to the British Foreign Office and signed by the Brazilian jurists, points to governmental change and political unrest in the country as being the reason the promised work was not completed by M. de Oliveira on time. However, it does not shed light on whether any of the work was completed, which suggests that it was not. It is unknown if de Oliveira had been committed to fulfilling the concession at one time, but it is clear that neither David Saxe de Queirod nor Baron George de Reuter had any intention of building agricultural estates but simply wished to receive a high compensation from the Brazilian government. This deed was later referred to as a “speculation” in the Foreign Office records.

The process from the granting of the concession to its cancelation, with an emphasis on the political events, was depicted in a document entitled “the Claim Against the Brazilian Government” which was submitted by Reuter to the British government:

Ten months later the Republic having been proclaimed on the 25<sup>th</sup> June 1890 the new Government upon the request of the Concessionaire extended the contract for another year, and Monsieur Gomes de Oliveira formed a limited liability Company with a capital of 20,000 contos: and to this company were transferred by decree of the Minister of Agriculture all the rights, privileges etc. of the original concessionaire.

The revolutionary movement which broke out at this moment interfered with and greatly obstructed the operations of

the Company: in consequence thereof a further extension should have been granted the Company. But on the contrary, the new Minister of Agriculture pronounced the concession lapsed, before the expiry of the contract, and without even giving previous notice to the Company.<sup>256</sup>

The liquidation of the company was the result of this “coup d’etat”.<sup>257</sup>

The original concessionaire, M. de Oliveira, realizing that he would not be able to get his money back, sold his rights to M. David Saxe de Queirod, who in turn hoped for a compensation from the Brazilian government much higher than that which he had paid to de Oliveira. In the document, this incident was explained in a more politically correct manner: “to Monsieur David Saxe de Queirod, who had been associated with Monsieur de Oliveira from the first, were transferred all the rights and liabilities of the latter: and M. de Queirod after having vainly endeavoured to get the Minister of Agriculture to alter his decision, applied to the Courts”.<sup>258</sup>

On 20 May 1897, the judge of the Court of First Instance decided in favor of M. de Queirod; however, the government then appealed to the Supreme Court which decided on 25 June 1898 that:

...the rights of the Plaintiff have been violated by the Government, who in thus acting are bound to indemnify him by the payment of damages, in consequence of the injury done him. For these reasons judgement of the Court below confirmed, the appellants [the Government] to pay the costs.<sup>259</sup>

The ministers of Finance and Agriculture offered M. de Queirod 5,000 contos but he found it insufficient to satisfy the damages. As M. de Queirod and the government could not agree on the amount, the government proposed taking the case to arbitration, which was agreed upon by de Queirod. The arbitration court

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<sup>256</sup> Ibid.

<sup>257</sup> “Claim against the Brazilian Government,” 8 June 1906, FO 371/12.

<sup>258</sup> Ibid.

<sup>259</sup> Ibid.

decided that 8,000 contos should be paid to de Queirod; however, because of “an error of procedure, and by mutual consent the parties had recourse to a second arbitration”.<sup>260</sup> This time, the second arbitration court, decided on a payment of 16,677 contos to de Queirod.

The government did not make any payments to M. de Queirod, so he again applied to the courts, this time to enforce the award of the arbitrators. The judge of the Court of First Instance found de Queirod to be in the right but he reduced the damages to 5,000 contos. M. de Queirod then appealed to the Supreme Court; however, the Court “refused to ratify the award..., decided that nothing was due to M. De Queirod and ordered him to pay the costs”.<sup>261</sup> Based on the document sent by Reuter, “eminent Brazilian jurists”, namely, Councillor Laffaiete Rodriguez Pereira, Viscount de Ouro Preto, Dr. José Huggino Duarte Pereira, Dr. Clovis Boviliqua, Councillor Candido Maria Suéz d’Oliveira, Councillor Ruy Barbosa and Baron de Peraira Franco, had the opinion that “this last judgement of the Supreme Court is absolutely invalid and contrary to the laws of the Union”.<sup>262</sup>

Then, on 16 January 1905, Reuter became the owner of the larger portion of M. de Queirod’s claim. Only three months after taking over the rights of de Queirod, on 7 April 1905 Reuter communicated the matter to the British Foreign Office, which suggests that Reuter assumed he could only achieve a profitable settlement with its help. On 23 December 1905, Baron George de Reuter wrote to the British Foreign Office requesting Monsieur Guyon’s representation to the Brazilian Minister for Foreign Affairs by Sir Gerard Lowther, the British Chargé d’Affaires in Rio de Janeiro, to express his claim against the Brazilian government

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<sup>260</sup> Ibid.

<sup>261</sup> Ibid.

<sup>262</sup> Ibid.

with regards to the “Burgos Agrícolas”. In his letter, Reuter provided Francis Hyde Villiers, Assistant Under-Secretary of State for Foreign Affairs, with “evidence that Monsieur Saxe de Queirod, on the 16<sup>th</sup> of January last, assigned his rights relating to building twenty Burgos Agrícolas to the Baron and Monsieur Guyon”.<sup>263</sup> Lowther was authorized to apply to the Brazilian Minister for Foreign Affairs to grant an interview to Monsieur Guyon; however, he was strictly instructed “to make it clear that no opinion is expressed by His Majesty’s Government on the merits of the claim itself, on which His Majesty’s Government have had no sufficient means of forming an opinion”.<sup>264</sup> Baron George de Reuter was informed about the decision of the Foreign Office on 8 January 1906.<sup>265</sup> On the 10<sup>th</sup> of January, Reuter responded to the Foreign Office’s letter stating that he would inform the office of the date of M. Guyon’s journey to Brazil,<sup>266</sup> which he did so on 25 February 1906, addressing himself to Sir Edward Grey.<sup>267</sup> On receiving Reuter’s letter, Lowther was notified about Guyon’s journey from Paris to Rio de Janeiro on 9 March 1906, with the express purpose of coming to an agreement with the Brazilian government with regards to his claim in the matter of the “Burgos Agrícolas”, and, moreover, Reuter’s request for him to apply to the Brazilian Minister of Foreign Affairs to grant an interview to Guyon.<sup>268</sup> Also, Lowther was reminded to “make it clear that no opinion is expressed by His Majesty’s Government on the merits of the claim itself”.<sup>269</sup>

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<sup>263</sup> Francis Hyde Villiers to Lowther, 8 January 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906, NA.

<sup>264</sup> Villiers to Lowther, 8 March 1906.

<sup>265</sup> Villiers to Reuter, 8 January 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>266</sup> Reuter to Villiers, 10 January 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>267</sup> Reuter to Grey, 25 February 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>268</sup> Gorst to Lowther, 8 March 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>269</sup> Gorst to Lowther, 8 March 1906, FO 371/12.



However, by 25 April 1906, it appears that the British Foreign Office began to be suspicious of the nature of the matter. Sir Charles Harding, Permanent Under-Secretary for Foreign Affairs wrote to Arthur Larcom, Senior Clerk on 25 April 1906 outlining that “Reuter and friends have bought the claims of a Brazilian which he could not obtain...from his government, as a speculation, and I do not consider that the mere fact of one of these speculators [Reuter] happening to be British, should be a reason for his speculation being backed by HMG”.<sup>270</sup>

Based on Reuter’s account, Reuter was informed by Sir Charles Harding and Mr. Larcom that his Majesty’s Minister would not be instructed until the Foreign Office was convinced that an injustice had occurred and that Reuter had tried all other means of redress. Therefore, in his letter dated 8 June 1906, Reuter tried to prove to the British Foreign Office that he had been exposed to a miscarriage of justice and that he had exhausted all means to remedy it. In order to do so, he summarized the judicial process:

...on the 25<sup>th</sup> June 1898, the Supreme Court of the United States of Brazil gave judgement to the following effect: It is indisputable that the rights of the Plaintiff have been violated by the Government who in thus acting are bound to indemnify him by the payment of damages in consequence of the injury done him. For these reasons the Judgment of the court below confirmed the appellants [the Government] to pay the costs. The amount of damages was thereupon fixed by arbitration, but M. de Queirod, not being able to obtain satisfaction applied to the Courts to enforce the award. In the Court of first Instance he succeeded, but the Supreme Court reversed its own former judgement and decided that nothing was due to M. de Queirod.<sup>271</sup>

To further his claim, Reuter added a note to the letter which he had previously enclosed to one of his earlier letters in April 1905. The note was entitled, “the Claim Against the Brazilian Government”, as mentioned earlier. It relayed the

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<sup>270</sup> Harding to Larcom, 25 April 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>271</sup> Reuter to Grey, 8 June 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

history of the dispute, gave the details of the concession, and the names of the Brazilian jurists who stood against the second judgement of the Supreme Court, as discussed above. In the note Reuter mentioned the opinion of Señor Ruy Barbosa, “one of the greatest Brazilian legists”. Based on Reuter’s account, Barbosa expressed in a long speech in the Federal Senate that the Supreme Court had enacted a miscarriage of justice.<sup>272</sup>

Then, in order to convince the Foreign Office that he had no other redress to the situation, Reuter stated:

...I have no remedy at my disposal. I cannot go to the Courts with a case in which the Supreme Court has already given judgement. Consequently I am powerless, personally, to obtain redress.<sup>273</sup>

Furthermore, Reuter implied that the involvement of the British Foreign Office in the matter was also the wish of the Brazilian Foreign Office. He claimed that Baron de Rio Branco, the Brazilian Minister for Foreign Affairs, desired a request from the British Foreign Office for a solution:

On the other hand, however, I am given to understand, and have been categorically so informed by persons of high position in Brazil, that the Brazilian Government are desirous of settling the matter once and for all, but they want ‘a golden bridge’ extended to them. On 27<sup>th</sup> ultimo, my representative cabled me as follows:  
‘Baron de Rio Branco est bienveillant, mais desire pour solution une demande du Foreign Office’.<sup>274</sup>

Finally, Reuter stated his request which was that “His Majesty’s Minister at Rio de Janeiro be instructed to support my representative and to inform the Brazilian Minister for Foreign Affairs that the Foreign Office would like to see the injury redressed and the matter settled”.<sup>275</sup>

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<sup>272</sup> Reuter to Grey, 8 June 1906, FO 371/12.

<sup>273</sup> Ibid.

<sup>274</sup> Ibid.

<sup>275</sup> Ibid.

Reuter's letter also shows that he had sought the support of the French Foreign Office before the British:

In conclusion I would say that I am given to understand, that the British Minister is not convinced of the necessity for diplomatic action, and I believe that this is due to the following circumstance. When M. Guyon went to Brazil for me last year he took with him a letter of introduction from M. Delcassé [then Minister for Foreign Affairs] to M. Decrais, the French Minister in Brazil. On one occasion M. Decrais called in the legal adviser to the French legation to discuss the question with M. Guyon. Mr. Lowther was present at this interview at which the lawyer stated that he was of the opinion that we had a bad case. It was only subsequently discovered that this gentleman had acted as arbitrator on behalf of the Government in the second arbitration case.<sup>276</sup>

In the Foreign Office minutes regarding Reuter's letter, Lowther's and Harding's opinion about this case and their influence on the decision of the Foreign Office were noted: "...we have been hitherto reluctant to press a case which both M. Lowther and Sir Harding have pronounced to be speculative and very dubious".<sup>277</sup>

Reuter received a response from Sir Eldon Gorst, Assistant Under-Secretary for Foreign Affairs on behalf of Sir Edward Grey, who explained to Reuter that the British Foreign Office could only give official support to a British subject and that the decision taken on this matter by the Brazilian court concerned M. Saxe de Queirod, a citizen of Brazil:

With reference to your contention that a miscarriage of justice has, in this instance taken place, I am to point out that before this can be made the ground of diplomatic intervention by H.M. Representative it must be shown that the victim of such a miscarriage was a British subject. In April 1905, however, when you forwarded the memorandum setting forth the facts of the case it was not brought to the knowledge of the Secretary of State that it was only so recently as January 16<sup>th</sup> of that year that you had become the owner of the larger portion of M. de Queirod's claim. The victim therefore of the decision of the Brazilian Courts...was a Brazilian citizen.<sup>278</sup>

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<sup>276</sup> Ibid.

<sup>277</sup> Minutes, 9 June 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>278</sup> Gorst to Reuter, 18 June 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

As a result, Reuter would only be given unofficial support, “and in these circles H.M. Minister at Rio cannot be authorized to do more than give you such unofficial help as would be given to any British subject who had entered into an unfortunate commercial speculation”.<sup>279</sup>

In Foreign Office inner correspondences, Reuter’s case was defined as a speculation until a final decision was made and Reuter was informed by Gorst. Clearly, Gorst wanted to underline the fact that the British Foreign Office did not wish to be involved in such a matter and to make Reuter understand that any further effort to convince the Foreign Office would be useless. Another significant point in Gorst’s letter was his comments on “the Claim against the Brazilian Government”. In the document, Reuter very carefully avoided the information regarding the date when he took over the concession. When Reuter sent this memorandum to the Foreign Office for the first time, in 1905, more than a year before Gorst’s letter, he did not indicate when the majority of M. de Queirod’s rights were transferred to him and it was only after the investigations of the Foreign Office that it was discovered. By reminding him of the first time the memorandum was sent to the Foreign Office, Gorst was implying to Reuter that he had hidden the true nature of the matter from the Foreign Office on purpose. Gorst’s statements on “the Claim against the Brazilian Government” made Reuter drop his claim to British government official support.

Reuter responded the next day, acknowledging that he understood “why the Foreign Office cannot issue instructions to His Majesty’s Minister at Rio to take official action in the matter, as regards M. de Queirod’s assignment of his claim” to him. Nevertheless, he demanded the unofficial support mentioned in Gorst’s letter

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<sup>279</sup> Gorst to Reuter, 18 June 1906, FO 371/12.

“trusting that my representative at Rio may still enjoy the advantage of Sir H. Dering’s unofficial help”.<sup>280</sup>

However, Sir Henry Dering, Minister to Brazil did not want to have anything to do with Reuter’s case. Dering first arranged to meet Baron Rio de Branco, the Brazilian Minister for Foreign Affairs, and later presented M. Guyon to him as part of the unofficial help promised by the British Foreign Office to Reuter. However, Dering had been alerted about this concession and warned the British Foreign Office before the meeting between Guyon and Branco took place. He informed the Foreign Office about his discussions with the French Minister and expressed his concerns to Gorst in a private letter:

Baron Reuter and others have evidently taken up this claim as a speculation; in the original concession, [a] Brazilian citizen of the name of Queirod having failed in this attempt to extract compensation for a very doubtful claim from the Brazilian Government, has asked about this claim to any firm who would take it up British firms in Rio...and now Baron Reuter seems to wish to put pressure on foreign governments back up his speculation. The French Government has absolutely declined to back M. Guyon in any way...<sup>281</sup>

In his letter Dering also stated that he had made an appointment with the Minister for Foreign Affairs but M. Guyon had asked him to postpone it for a week or ten days, but then he did not hear back from him. Dering suspected the reason for this postponement was M. Guyon’s desire to find something which would put pressure on the British government, to force them to be on his side against the Brazilian government:

I asked and obtained permission from Baron de Rio Branco to present M. Guyon to him, and informed that gentlemen of the fact. I warned him at the same time that my part of the business ended there and that I knew the Minister for Foreign affairs would at

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<sup>280</sup> Reuter to Gorst, 19 June 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>281</sup> Dering to Gorst, 28 May 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

once refer him to the judicial authorities of the country, stating he, as Minister for Foreign Affairs, was not concerned in the matter, the Supreme Tribunal having decided against the claim.

I cannot but think that M. Guyon's silence since he last saw me means that he is endeavouring to bring further pressure to bear on H.M. Government to take a more active part in pushing this very doubtful claim...<sup>282</sup>

Finally, on 27 May 1906, Monsieur Guyon, who had already addressed himself in writing to the Brazilian Minister for Foreign Affairs, was presented to him in person.<sup>283</sup> Guyon asked Branco "to bring his influence to bear upon the judges of the Supreme Court to reconsider the verdict which had already been delivered against his claim".<sup>284</sup> Dering summarized the meeting of Guyon and Branco as follows:

Monsieur Guyon recapitulated to the Minister for Foreign Affairs the arguments in his favour...and Baron do Rio Branco said in reply, firstly that the matter did not concern his Department, but those of Finance and Public Works, before whom all the documents had been laid; that he had neither the power nor the intention of attempting to influence judicial decisions arrived at by Judges of this country; and that he finally declined to enter into the merits or demerits of the case, unless officially applied to by his own Minister or the Representative of Great Britain.<sup>285</sup>

Branco further underlined that he had no intention in interfering with a judicial matter:

That gentleman then remarked to Baron do Rio Branco that both the German and Italian capitalists had recently been paid compensation in an exactly similar case. 'That was perfectly correct,' rejoined Baron de Branco, 'but in neither case through my intervention. Both these parties proved their claim before the judicial authorities of this country and received the amount awarded to them such was the only and proper course to be pursued.'<sup>286</sup>

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<sup>282</sup> Dering to Gorst, 28 May 1906, FO 371/12.

<sup>283</sup> Ibid.

<sup>284</sup> Ibid.

<sup>285</sup> Ibid.

<sup>286</sup> Ibid.

Following this despatch, Dering sent another one the very next day, on 29 May 1906; this time he laid down his opinion on what should be done next with regards to the concession. His letter indicates that on this matter there was strong cooperation between the French and British Legations in Brazil. Dering summarized the French Legation's experience of the case:

Monsieur Decrais, after a careful examination of the statements submitted to him, came to the conclusion that no French interests were really engaged in the case, which had all the appearance of a speculative cession of the claims of a Brazilian Concessionaire to third parties for a consideration.

He further reported to the French Government that it had come to his knowledge that the original Brazilian Concessionaries, evidently doubtful of the validity of their claim for compensation, had hawked it about in the market and amongst others, offered it to an English firm who, considering it was not of a character to reflect any credit on them, declined to have anything to do with it, and it has now been taken up by M. Reuter, whose agent Monsieur Guyon is.<sup>287</sup>

Dering then stated that Decrais' decision "to have nothing to do with so doubtful a claim, and declining to receive Monsieur Guyon anymore was approved by the French Government" and added that Monsieur Decrais allowed him to read his report to the French Government "recording his opinion as to the inadvisability of their supporting a case of this doubtful nature". Dering, on stating that he agreed with this report, was advised to follow the same path as the French Legation:

Under the above circumstances, I venture to ask your authority to take up the same line as has been laid down by the French Government for the conduct of their Representative and to inform Monsieur Guyon that His Majesty's Government does not consider that his claim is one which they could authorize His Majesty's Legation to support. The effect of this would be to place the parties interested in the same position, as pointed out to Monsieur Guyon by Baron de Rio Branco, as ordinary claimants to whom all judicial resources in this country were open, and who must act through their legal advisers.<sup>288</sup>

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<sup>287</sup> Dering to Gorst, 29 May 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>288</sup> Dering to Gorst, 28 May 1906, FO 371/12.

After this second despatch of Dering, Hurst wrote in the minutes of the Foreign Office:

From Sir H. Dering's despatch no: 30 it appears that he has presented M. Guyon to the Brazilian Minister for F.A., but that the latter took his stand on the fact that the claimants had not been successful in proving their claim before the courts and would do nothing for them.

From this later desp. [no: 31] it would appear that Baron de Rio Branco is quite justified in taking up this attitude and that the claim is bad. It therefore seems necessary to inform Baron de Reuter that further reports from H.M. Minister have convinced the Secretary of State that the case is not one which calls for any further interaction on the part of H.M. Minister Representative. This will no doubt bring Baron de Reuter to this office with protests, and demands for explanations, which it will be impossible to gratify; but it is presumed this must be faced as Sir H. Dering cannot continue to give even his unofficial assistance in this matter.

At the same time we might communicate briefly to Baron de Reuter the fact that M. Guyon was presented and the result of the interview with the Minister for F.A.<sup>289</sup>

In July 1906, Dering was informed by Sir Eric Barrington, Assistant Under-Secretary for Foreign Affairs that his concerns on the matter reported in his despatch had been evaluated and it had been decided that "the case is one to which the Government cannot give their support and no further assistance in therefore called for by our Legation in the matter".<sup>290</sup>

The final official response to Reuter does not exist in the archive but we have a drafted copy from 2 July 1906. From the draft it seems that the British Foreign Office was preparing a letter which explained in length M. Guyon's visit to Branco, based on Dering's report on their meeting. The draft also has Sir Edward Grey's note, suggesting the addition of the following sentence to the letter: "after full consideration of all the [facts] of the case, Sir E. Grey is of the opinion that the

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<sup>289</sup> Minutes by Hurst, 23 June 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>290</sup> Barrington to Dering, draft letter, 2 July 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906, NA.



case is not one which calls for any further intervention on the part of H.M. Representative at Rio”.<sup>291</sup> Therefore, the existing documents suggest that the British Foreign Office decided not to provide Reuter with either official or unofficial support in this case, and any other correspondence between Reuter and the Foreign Office on this matter does not exist. Baron George de Reuter’s attempt to interfere with the judicial processes and court decisions of a foreign country, by means of the British Foreign Office, had failed as Baron de Rio Branco, the Brazilian Minister of Foreign Affairs, denied his support in influencing judicial authorities, and the British Foreign Office remained reluctant to push the Brazilian government to pay any compensation to Reuter. However, in the case of the Rexer Arms Company Limited dispute, as we shall now see, the British Foreign Office supported the company without even feeling the need to examine the original agreement text.

The manufacturing and selling of arms was another business area for Baron George de Reuter; he was the Chairman of the Rexer Arms Company Limited. According to Reuter, the purpose of the company, which was registered in March 1905, was “to acquire patents for an automatic machine gun, and to manufacture and sell these guns”.<sup>292</sup> The company bought the patents “from Mr. H. de Morgan Snell who purchased them [subject to the payment of Royalties] from the Dansk Rekyrlriffel Syndikat”.<sup>293</sup> Reuter maintained that by acquiring the patents, the Rexer Arms Company was entitled to the following:

(1) the English Company has exclusive rights as against the Danish throughout the whole of the British Empire, (2) the Danish Company has such rights as can be acquired by patents in some European countries and the United States, (3) a large part of the world is open to both the English and Danish Companies, and ordinary commercial competition may take place in all such

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<sup>291</sup> Draft letter to Reuter, 2 July 1906, 2 July 1906, FO 371/12, file no: 652, no: 19740, 9 June 1906.

<sup>292</sup> Reuter, “The Rexer Arms Co., Ltd.,” FO 371/35, file no. 18870, no: 18871, 1 June 1906.

<sup>293</sup> Reuter, “Rexer Arms,” FO 371/35.

places. In China, for instance, there are no patent rights, and the English Company and the Danes have equal rights in regard to trading in that country, subject, however, to the proviso that if the English Company manufacture in England they have to pay Royalties to the Danish Company on all guns sold.<sup>294</sup>

Because Reuter did not submit the actual patent agreement, its terms were unknown, leaving the Foreign Office to rely on Reuter's interpretation. In 1906, the Rexer Arms Company experienced a problem with the Dansk Rekyriffel Syndikat with regards to selling arms in China. Reuter summarized the reason for the conflict and requested the help of the British Foreign Office:

The Russian Minister in conformity with instructions from the Danish Foreign Office has informed the Board of Foreign Affairs [the Wai Wu Pu] that I am not entitled to sell Rexer guns in China. I have appealed and have received instructions from the British Minister who advises me to appeal to the Foreign Office to cable him to inform the Board of Foreign Affairs that I am entitled to sell the Company's guns and to appoint agents in China. I cannot do anything without this...

Guns similar to those made by this Company are also made in the Danish Arsenal and sold by a Danish Company called the Dansk Rekyriffel Syndikat, who, however, own no rights under which they can interfere with this Company carrying on its business in China.<sup>295</sup>

In the later part of his letter, Reuter asked the British Foreign Office to instruct the British Minister in Peking "to protest against the action of the Russian Minister in prejudicing this Company's rights" and to inform the Chinese Board of Foreign Affairs that his company and its agent, Colonel O'Sullivan, R.E., had the right to sell the company's guns and appoint agents in China.<sup>296</sup>

According to Reuter the core of the problem was that:

...the guns sold by the Danish Company are manufactured in the Royal Danish Arsenal and the Danish Company have taken advantage of this fact to obtain diplomatic interference by the Danish Foreign Office, with the result that the Russian Minister at

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<sup>294</sup> Ibid.

<sup>295</sup> Reuter to Grey, FO 371/35, file no: 18870, no: 18870, 1 June 1906.

<sup>296</sup> Reuter to Grey, 1 June 1906, FO 371/35.

Pekin has informed the Wai-wu-pu that the Danish Company have rights in that country which supersede the established rights of British subjects to carry on their business in the Chinese Empire, greatly to the prejudice of the Rexer Arms Company.<sup>297</sup>

Without any further investigations, which it had carried out concerning the rest of the Reuter family's complaints regarding their foreign investments, the British Foreign Office instantly acted in this matter because of a British and Russian conflict of interest over China. Rivalry between the two empires for power in the Far East had worked well for the Rexer Arms Company and its chairman, Baron George de Reuter. The following day Reuter was informed "that a telegram has been despatched to Mr. Carnegie giving him the substance of the information contained in your communication; and instructing him to inform the Chinese Government that they should pay no attention to an attempt to injure the Company by trade rivals whose proper remedy if they have any cause of action lies in the appropriate courts of law".<sup>298</sup>

As instructed, Lancelot D. Carnegie wrote to His Highness Prince Ch'ing on 2 June 1906 and asked the Chinese Government to "disregard the attempt which has been made to injure the Company's business, as the Danish Company, if they have any ground for complaint, can always seek a remedy in the proper manner by suing the British Company in the Courts".<sup>299</sup> The response given to Carnegie by the Wai Wu Pu sheds light on the course of events:

H.E. the Russian Minister represented some time ago to the Board that this quick-firing gun was a Danish patent, and that the Rexer Arms Company subsequently became empowered under a formal agreement to sell these guns in Great Britain and British Colonies, but this agreement arrived at between the Danish manufacturers and the Company conferred upon the former no authority to sell in China. M. Pokotiloff represented that the British Co. was not

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<sup>297</sup> Reuter, "Rexer Arms," FO 371/35.

<sup>298</sup> Barrington to Reuter, 2 June 1906, FO 371/35, file no: 18870, no:18870, 1 June 1906.

<sup>299</sup> Carnegie to the Wai Wu Pu, 2 June 1906, FO 371/35, file no: 18870, no: 25899, 30 July 1906.

observing the conditions of the agreement in sending these guns to China and in offering them for trial and sale to the High Commissioner for Northern Ports, through their agent Colonel O'Sullivan. He therefore requested us to notify all the Provincial Authorities in this sense, in order to stop this improper attempt of the British C. to sell the guns in China.<sup>300</sup>

The Board then communicated with Yuan Shih-k'ai, a government official, who was of the opinion that China had the right to buy goods from any country she wished and if the Danish company had a complaint, it needed to bring an action against the British company in the British courts. Carnegie was also informed that a response along these lines had been addressed to the Russian Minister.<sup>301</sup>

On 28 August 1906, the British Foreign Office received a letter from the solicitors of Dansk Rekyriffel Syndikat claiming that the Rexer Arms Company was not entitled to sell arms except in the territory of the British Empire and that the British Foreign Office was mistaken in this matter:

...His Majesty's British Legation in Peking has been informed by the Foreign Office in London that an English Company, the Rexer Arms Company Limited, has the right to sell the Rexer Gun and its Accessories in China, and that this intimation has been conveyed to [the] Wai Wu Pu in Peking. If this is the case we think such information must have been given under a misapprehension inasmuch as the Rexer Arms Company Limited is only entitled to the patents for Great Britain its Colonies and India, the patent rights for the rest of the World being the property of our clients. We should, therefore, be obliged if you would ensure that such steps should be taken as may be necessary to contradict the statements already made, which we may add are inflicting serious loss and inconvenience to our clients.<sup>302</sup>

It was decided by the Foreign Office to repeat the answer given to the Russian Minister at Peking by the Chinese Government:

...if the contention of your clients the Dansk Rekyriffel Syndikat and Captain Schouboe of Copenhagen is correct viz: that the

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<sup>300</sup> Wai Wu Pu to Carnegie, FO 371/35, file no. 18870, no: 25899, 30 July 1906.

<sup>301</sup> Wai Wu Pu to Carnegie, FO 371/35.

<sup>302</sup> Stephenson, Harwood and Company to Sir Edward Grey, 27 August 1906, FO 371/35 file no: 18870, no: 29311, 28 August 1906.

Rexer Arms Company Limited are only entitled to the patents of the Rexer Gun etc, for Great Britain its colonies and India and that the patent rights for the rest of the world are the property of your clients, the proper course for the latter would be to bring an action against the Rexer Arms Company in the British Courts in China for the protection of their interests.<sup>303</sup>

The solicitors responded that they were aware of their client's rights to "apply to the proper Courts in China for the protection of their interests if necessary" and explained that the reason they had addressed a letter to the Foreign Office was that their client:

...had been informed that His Majesty's Legation in Peking had received an intimation from the Foreign Office in London that the Rexer Arms Company Limited had the right to sell the Rexer Gun and its accessories in China, and had conveyed this intimation to the Wai Wu Pu in Peking. It is obvious that such an intimation, if given, would have been in effect to pre-judge the question not yet brought before the Court in China, much less decided by them, as to who had, or had not, the right to sell the Rexer Gun and its accessories in China, and we can, therefore, hardly believe that the Foreign Office in London has taken this step. We observe, however, that in your letter of the 3<sup>rd</sup> September you do not state that our information is incorrect, and we shall, therefore, be glad if you will kindly let us know this is the case. Should, however, our information be correct, we must ask you in fairness to our clients, to notify the Wai Wu Pu through the same channel that the question of the Rexer Arms Company's right to sell the gun in China has not yet been decided before any competent Court there.<sup>304</sup>

In its response, the Foreign Office backed the Rexer Arms Company by denying Stephenson, Harwood and Company's demands:

Sir E. Grey gathers from your letter that you are an English firm of Solicitors representing in this country a private Danish Company and he regrets that in the circumstances he is unable to discuss with you the action taken by His Majesty's Representative at Peking in the matter. If your clients have any complaint to make against the action of His Majesty's Government or their accredited

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<sup>303</sup> Foreign Office to Stephenson, Harwood and Company, FO 371/35 f. 18870, no: 29311, August 28, 1906.

<sup>304</sup> Stephenson, Harwood and Company, 28 November 1906, FO 371/35, file no: 40028, file: 18870, 28 November 1906.

Representative in China it should be made through the proper international channel, viz: the Danish Government.<sup>305</sup>

Around the same time as Baron George de Reuter established the Rexer Arms Company, he also set up the Korean Waterworks Limited, becoming its Chairmsan, and took over the Seoul Waterworks Concession. Although in completely different fields, the Baron's investments in foreign countries were compatible with British strategic interests.

Baron George de Reuter established the Korean Waterworks Limited "to acquire a concession [dated 9 December 1903] granted by the Imperial Korean Government to Messrs. Collbran & Bostwick, empowering them to establish a water supply for the City of Seoul".<sup>306</sup> The transfer of the concession from Messrs. Collbran and Bostwick to the Korean Waterworks Limited took place on 6 August 1906. Construction began during the latter part of 1906 and was completed on 1 August 1908. Reuter's complaint was that: "since that date the Company has been in a position to supply water to the inhabitants; but, unfortunately, their operations have been, up to the present, seriously curtailed by the fact that the old system of supplying water from the native wells has been allowed to remain in force".<sup>307</sup> He further claimed that the very reason the concession had been granted in the first place was to end this impure water supply system and, under the terms of the concession, the company was entitled to complete control of the water supply of Seoul. Reuter requested the British Foreign Office to instruct the Acting British

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<sup>305</sup> Campbell to Stephenson, Harwood and Company, 10 December 1906, FO 371/35, file no: 40028, file: 18870, 28 November 1906.

<sup>306</sup> Baron George de Reuter to Beilby F. Alston, 15 February 1909, FO 371/645, file no: 4557, file: 4557, 1 February 1909.

<sup>307</sup> Reuter to Alston, 15 February 1909, FO 371/645.

Consul-General to make representations for the forcible suppression of competition with the Korean Waterworks Company Limited.<sup>308</sup>

After investigating the matter, the Foreign Office reached the following conclusion: “it appears to Sir E. Grey open to doubt whether the Korean Government had in view the closing of the wells already existing in Seoul when they granted the concession; it is more probable that the intention was merely to promise not to allow a competing water Company to come into the field”. Reuter was given a detailed explanation of the office’s decision:

It is not possible always to enforce technical rights granted by a Government constituted such as that of Korea was in 1903 without consultation with the chief parties whose interests are likely to be affected by the establishment of a new regime. It is understood that there are a good many wells in Seoul within the grounds of private residences, but that the general population buys its water from carriers who bring it from public wells. This water, though no doubt not up to European standards of purity, is probably no worse than the water used in most Oriental cities. Though there may not be any difficulty in persuading the people to drink the Company’s water, which comes from the river, there would certainly be some dissatisfaction if they found that they have to pay more for it than they had been accustomed to pay for a quality of water with which they were quite contented.<sup>309</sup>

The foreign office also told Reuter the possible outcomes of forced suppression of competition with the Korean Waterworks Company Limited, and suggested a policy to solve its problems with the water supply market:

Again, difficulty is likely to arise with the water carriers, who form a strongly organised guild. They appear to be a turbulent class, and all come from the same part of the country, a fact which adds to their power of combination; and it seems not improbable that a sudden prohibition of their use of the wells would lead to a riot and to damage being done to the Company’s reservoir and other property. In any case it seems open to great doubt whether it

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<sup>308</sup> Ibid.

<sup>309</sup> F.A. Campbell to Baron George de Reuter, 11 February 1909, FO 371/645, file no: 4557, file: 4557, 1 February 1909.

would be justifiable to put an end to their competition by force, or, indeed, that a precedent for such a demand could be found in similar cases in other parts of the world, such as China or India. The natural course seems to be to bring them to terms by distributing the Company's water at less than they charge, and so gradually induce them to take service with the Company as carriers of water from the hydrants.<sup>310</sup>

Despite Reuter presenting the case as if the concession covered all parts of Seoul, the British government found out that the area agreed on was only the Japanese municipality. The Foreign Office underlined this fact to demonstrate that Reuter's desire to become sole water supplier in Seoul was an impossibility:

...that body is only concerned with the municipal affairs of that part of the city in which the Japanese chiefly reside, and has nothing to do with the greater part of the town. The agreement with them to which you refer only relates to the water supply in the Japanese quarter and was no doubt intended to prevent friction arising in connection with the location of hydrants, the repair of pipes and roads, the assessment of houses for a water rate, the collection of it, and the like. It is doubtful whether the Japanese municipal authorities are in a way bound to procure the discontinuance of the use of wells, even within the Japanese quarter, but even if they did so the main part of the problem viz: the supply of water to the remainder of the town, would remain untouched.<sup>311</sup>

Certainly, it was not the response Reuter was expecting. As in the case of the concession to build twenty agricultural villages in Brazil, Reuter had hidden facts from the British Foreign Office to manipulate it into putting pressure on a foreign government.

Examining the investment schemes of the Reuter family demonstrates that they were not restricted to a branch or field of work but, rather, their perceived profitability was the decisive factor. Both the Reuter Concession in Persia and the Greek Railway Concession demonstrate how news can become a precious

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<sup>310</sup> Campbell to Reuter, 11 February 1909, FO 371/645.

<sup>311</sup> Campbell to Reuter, 11 Feb 1909, FO 371/645.



commodity in the hands of news agency owners, enabling them to stand by the great powers and take part in forming and implementing policies. Members of the Reuter family inserted themselves as formidable figures into the great power politics of the late nineteenth century, and impacted policy making both domestically and internationally. The rising influence of the family exhibited “the growing wealth and power of service capitalism after 1850”.<sup>312</sup> While the Reuter Concession caused public unrest in Persia and endangered the Shah’s crown shortly after it was granted, it had also been a source of tension between the Russian and British empires for years, until the signing of the Bank Concession in 1889. In the case of the Greek Railway Concession, which was granted to the Eastern Railway Syndicate Limited, a company of Baron Herbert de Reuter, Frédéric-Émile Erlanger, Havas’ owner, and Jules Gouin, Baron George de Reuter attempted to direct British policy with regards to the Ottoman Empire. He tried to convince the British government to force the Sublime Porte to accept the Piraeus–Larissa railway line’s junction with the Ottoman railway system. Then, when Crete’s declaration of independence became an obstacle, he created a policy, sought approval from the British government, and pursued the role of mediator. He even conspired against Greece and the Ottoman Empire at the same time by suggesting to the British Foreign Office the leasing of Suda Bay, a strategically important harbor in Crete, to Britain to convince the government to work for the unification of Crete with Greece. Furthermore, during the times he had disagreements with the Greek government, he requested the British Empire’s support against it.

The two concessions described herein offer an insight into great-power politics prior to the First World War, and demonstrate the role powerful investors,

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<sup>312</sup> P.J. Cain and A. G. Hopkins, *British Imperialism, 1688-2015* (London: Routledge, 2016), 55.

like the Reuter family, played as actors alongside conventional nation-states. This dissertation contributes to previous studies on British imperialism by exploring the rising power of investors after 1850, and their influence on policy making before the First World War. Moreover, the incidents that took place around the Reuter Concession, the Greek Railway Concession, the agricultural village formation concession, the Rexer Arms Company dispute, and the Seoul Waterworks Concession exemplify the strong connections a news agency owner and his family members in business had with their imperial governments, exposing their dependency on their home governments while pursuing their business interests in foreign states.

## **CHAPTER IV**

### **THE OTTOMAN EMPIRE**

Contemporary challenges in world politics, technology, economy, and society made suppliers of news significant for the Ottoman Empire. To preserve the empire, policies that promoted centralization was pursued for centuries. Improving transportation and communication systems was part of this centralization policy. However, because these technologies arrived to the empire several years after its European counterparts founded, established and extended these systems, the Ottoman Empire became depended on foreign news agencies in supplying news. Finding their news biased and in favor of their home governments, the Ottomans first tried to win them over by means of allowances and privileges without much of a success.

## 4.1. Decentralization and an Overview of Centralization Policy in the Ottoman Empire

The three major developments that took place during the sixteenth century had a great impact on the Ottoman Empire. In the sixteen century the Ottoman Empire reached its limits of expansion. With the Western overseas discoveries and expansions, new trade routes began to be used by the Europeans, causing drastic decline in the empire's income from foreign trade. Furthermore, flow of excessive silver to the Ottoman Empire from America caused devaluation and inflation which distressed large sections of the population. While excessive silver decreased the value of silver akçe and asper, the empire's currency, the value of gold raised. This enabled the European traders to export raw materials in larger quantities which led to decline of local industries in the Ottoman Empire, incline of European imports, and loss of state revenues.<sup>313</sup>

The third decisive development was the collapse of the old Ottoman agrarian system.<sup>314</sup> The provincial governors had undermined central authority from the sixteenth century onwards by building their own armed forces comprised of sekban-sarica (Anatolian mercenaries) and levend (vagrant reaya) troops, and taxing the reaya (lower class) illegally.<sup>315</sup> Reluctant to drastically change the traditional governing system, the sultans pursued some policies to undermine the provincial governments, which eventually caused the rise of the ayan (local notables) in the provinces. To control the power of governors, the sultans increased the influence of

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<sup>313</sup> Bernard Lewis, *The Emergence of Modern Turkey* (New York: Oxford University Press, 1968), 21-29.

<sup>314</sup> *Ibid.*, 30.

<sup>315</sup> Halil İnalçık, "Centralization and Decentralization in Ottoman Administration," in *Studies in Eighteenth Century Islamic History*, ed. Thomas Naff (Carbondale: Southern Illinois University Press, 1977), 27.

kadis and defterdars, the other two administrators in the provinces. However, kadis often sought help from the ayan against the provincial governors, causing them to be more influential. Another policy was empowering muhassils (tax collectors) by assigning khass as mukataas. The duty to collect these new revenues was given to muhassils, undermining the power of provincial governors. However, the ayan gradually started to become muhassils, using the post as a stepping stone for governorship. The length of time a governor could remain in a province was regulated and reduced to one or two years, whereas the local ayan continued to remain in the same place, maintaining their influence. Furthermore, in the seventeenth and eighteenth centuries, many sancaks (districts) in Anatolia were assigned as arpalık (large estates) to high officials in Istanbul, or to commanders of frontier fortresses. They appointed mütesellims (authorized agents) from among local ayan to administer these lands on their behalf. From the seventeenth century onwards, all these changes caused the rise of local ayan, suppressing the power of governors.<sup>316</sup> In the eighteenth century, the post became hereditary among certain families in several regions of the empire. The objective of the ayan-mütesellims in pursuing the post was:

...to hold permanently in their hands the mukataas or the sources of revenue which the state had farmed out by iltizam and to consolidate their control and usufruct on these resources located in their districts. The realization of these objectives was facilitated by the conversion of mukataas into malikanes, that is, life-time leases on the revenue sources of the tax farm. The fundamental issue underlying the political strife among the provincial ayan was invariably the matter of collecting, in the name of the state, the revenues of mukataas and such other taxes as cizye (poll tax) and avariz (emergency tax).<sup>317</sup>

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<sup>316</sup> Ibid., 27–32.

<sup>317</sup> Ibid., 33.

In the eighteenth century, and with a couple of exceptional cases in the previous century, ayan who were members of the reaya were appointed to the post of paşas (higher-ranking official).<sup>318</sup> While imperial elites of the center lost their power in provincial governance, individuals and families in provinces throughout the Ottoman Empire, consolidated power, gained wealth and formed regional zones of influence.<sup>319</sup>

Finally, under the rule of Selim III and with the efforts of the grand vizir Koca Yusef Paşa, by a firman (royal decree) issued in April 1786, ayanship was abolished and it was declared that anyone seeking ayanship would be prosecuted. All the duties of the ayan were assigned to the şehir-kethudası (city administrator). In this way, the empire tried to restore central authority in the provinces as the powerful ayan families were replaced by kethudas with humble origins and little power.<sup>320</sup>

Mahmud II, who had ascended the throne with the help of an ayan, Alemdar Mustafa Paşa, was forced to sign an agreement with the ayan in October 1808 through the initiative of Mustafa Paşa, whom the sultan appointed as sadrazam (prime minister). With this agreement, the ayan declared their loyalty to the imperial center and their ultimate suppression was postponed. After the sadrazam was killed in an uprising on 16 November 1808, Mahmud II started to subdue the ayan. Hastening the process, especially after 1812, the sultan managed to undermine their power in most of Anatolia and the European territories of the empire.<sup>321</sup>

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<sup>318</sup> Ibid., 40.

<sup>319</sup> Ali Yaycıoğlu, *Partners of the Empire: The Crisis of the Ottoman Order in the Age of Revolutions* (Stanford: Stanford University Press, 2016), 67.

<sup>320</sup> Halil İnalcık, "Centralization and Decentralization," 50–51.

<sup>321</sup> Nesimi Yazıcı, "Posta Nezaretinin Kuruluşu," in *Çağını Yakalayan Osmanlı!: Osmanlı Devleti'nde Modern Haberleşme ve Ulaştırma Teknikleri*, ed. Ekmeleddin İhsanoğlu (İstanbul: İslam Tarih, Sanat ve Kültür Araştırma Merkezi, 1995), 28.

By the mid-nineteenth century, the empire was still trying to regain control of its lands. During the Tanzimat (Auspicious Reorganization), the Land Law of 1858 (Arazi Kanunnamesi) was issued with the purpose of consolidating state authority over imperial lands, which had changed hands illegally over the centuries. While the law changed the categorization of land ownership into private property (mülk), state property (miri), foundation lands (vakıf), communal or public land (metruk) and idle or barren land (mevat), all previous taxes on land were replaced by a ten percent tithe cultivation tax. A new Cadastral Regulation was formed to enforce the land law, requiring individuals and institutions to prove their ownership through legal documents before they could obtain a new ownership deed (tapu senedi). Though the state tried to regain its control over its lands through this new law and regulation, it paved the way to the expansion of private ownership as, once ownership was proved, it was easier than it had been to rent lands to others and leave them to heirs.<sup>322</sup>

Disrupted briefly in 1807 with Selim III's removal from the throne, the reforms to restore central authority were relaunched under the rule of Mahmud II, especially after the destruction of the janissary corps in 1826 in the 'Auspicious Incident', as part of central authority's restoration efforts. One such development was founding an official newspaper. In the nineteenth century the rulers started to nurture a growing awareness of publicity. In 1831, *Takvim-i Vekayi* (Calendar of Events) began to be published with Sultan Mahmud II's order to back up reforms, expressing the empire's desire to reach out to its subjects, as "for the first time a

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<sup>322</sup> Ali Yaycıoğlu, *Partners of the Empire*, 243. Stanford Shaw and Ezel Kural Shaw, *History of the Ottoman Empire and Modern Turkey*, vol. II (New York: Cambridge University Press, 2002), 114-5.

government newspaper supported the effort with appropriate propaganda”.<sup>323</sup> From then onwards, the press flourished, especially during the Tanzimat period (1839–1876):

In 1866, there were at least 43 papers published in Istanbul in various languages, of which four were in French, one in German, one in Italian and one in English. In the provinces, journals were published in both Ottoman Turkish and the local languages. During this period, certain newspapers became privately owned and featured more criticism of ideological positions and of practiced governance. By the time Abdülhamit II assumed power in 1876, the number of newspapers published only in Istanbul had reached 47: 13 were in Turkish, one in Arabic, nine in Greek, three in Bulgarian, nine in Armenian, two in Hebrew, two in French and English, and one in German.<sup>324</sup>

Starting with the declaration of the Hatt-ı Şerif of Gülhane on 3 November 1839, modifying the reforms of Mahmud II, the Tanzimat created a centralized government with bureaucrats, memurs. Their ranks, titles and salaries were strictly defined in “Tanzimat Bureaucracy.”<sup>325</sup> Sultan Selim III and Mahmud II, believing that change within the state was only possible through secular education, tried to establish a secular school system. For this purpose and to satisfy the needs of the state, Rüşdiye (adolescence) schools were established by Mahmud II, providing an education for students who wished to go on to the military technical schools after graduating from mekteps, elementary schools. He also established some higher technical academies while resurrecting and expanding others. However, the number of schools and students was limited. The lack of funding, buildings and teachers

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<sup>323</sup> M. Şükrü Hanioglu, *A Brief History of the Late Ottoman Empire* (Princeton: Princeton University Press, 2008), 63.

<sup>324</sup> Stefano Taglia, “The Intellectual’s Dilemma: The Writings of Ahmet Riza and Mehmet Sabahettin on Reform and the Future of the Ottoman Empire” (PhD diss., London: SOAS University of London, 2012), 69.

<sup>325</sup> Mehmet Seyitdanlioglu, “Yenileşme Dönemi Osmanlı Devlet Teşkilâtı.” In *Genel Türk Tarihi Cilt 7*. Edited by Hasan Celâl Güzel and Ali Birinci (Ankara: Yeni Türkiye Yayınları, 2002), 493.



slowed down the process until after the Crimean War. Only then, was the expansion of secular military and civilian school systems accelerated.<sup>326</sup>

Ministry of Public Education (Maarif-i Umûmiye Nezareti) was founded in 1857, and in 1869, the Regulation for Public Education (Maarif-i Umumiye Nizamnamesi) was issued, systemizing public education.<sup>327</sup> With the regulation, elementary education became compulsory for all children. Also, villages with at least 500 houses were to have a minimum of one Rüştiye, while towns and cities were required to have one for every 500 households, and one Idadi school (high school) for every 1000 households.<sup>328</sup> Developments in education and a rise in the literacy rate contributed to the power of the newspapers.

In terms of communications, a new postal system was introduced in 1823 with a route between Istanbul and Izmir. By 1856, there were routes to other major cities in the empire as well. Only the roads used for the postage service were in a reasonable condition.<sup>329</sup> On 23 September 1840, the Ministry of Postage was founded along the lines of European postage services.<sup>330</sup> It took years for the Ottoman Empire to have its first telegraph line, and it was for military purposes. The first telegraph line, which arrived around the same time as the steam railway engine, was laid by Great Britain, who joined the Crimean War with France on the side of the Ottoman Empire. It was a submarine telegraph line between Varna and Crimea, the longest submarine line of its time, 340 miles in length, and started operating in 1855. The empire's first railway line began running in 1856 between Cairo and Alexandria, followed by the Izmir–Aydın line the same year, when the

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<sup>326</sup> Shaw and Shaw, *History of Ottoman Empire*, 47-106.

<sup>327</sup> Selçuk Akşin Somel, *Osmanlı'da Eğitimin Modernleşmesi (1839-1908): İslâmlaşma, Otokrasi ve Disiplin* (İstanbul: İletişim, 2015), 27.

<sup>328</sup> Shaw and Shaw, *History of Ottoman Empire*, 108.

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<sup>329</sup> *Ibid.*, 119–20.

<sup>330</sup> Yazıcı, "Posta Nezaretinin Kuruluşu," 42.

world's first railway line, in England, was thirty-one years old.<sup>331</sup> The arrival of the telegraph system in the empire, as well as other contemporary communication methods, was due to the desire of Ottoman statesmen to empower the imperial center and ensure the preservation of the empire.

## 4.2. History of Telegraphy in the Ottoman Empire

The first attempt to introduce the electric telegraph to the empire was in 1839. Mellen Chamberlain, Samuel F.B. Morse's agent, arrived in Istanbul to give a demonstration at the Sublime Porte. However, it could not take place because of Chamberlain's accidental death. The next attempt was in 1847;<sup>332</sup> John Lawrence Smith accomplished a successful demonstration to Sultan Abdülmecid. The setting and the sultan's opinion on the innovation was as follows:

Smith set up a short line between the main entrance and a reception room of the Beglerbey, the sultan's favorite summer palace on the Bosphorus, and made a grand show of demonstrating the telegraphy to the sultan. The sultan was so impressed that he had the demonstration repeated with full ceremony before the officials of his government the next day. Delighted by the invention, he awarded Morse a diamond-studded decoration and a berât, an official acknowledgement and recognition of excellence.<sup>333</sup>

It took almost another decade before a telegraph line was constructed in the empire. The alliance between France, Britain and the Ottoman Empire against Russia, in the Crimean War, required a fast flow of information from the Crimea to

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<sup>331</sup> Roderic Davison, "The Advent of the Electric Telegraph in the Ottoman Empire," in *Essays in Ottoman and Turkish History 1774-1923: The Impact of the West* (Austin: University of Texas Press, 1990), 133–35.

<sup>332</sup> Yakup Bektas, "The Sultan's Messenger: Cultural Constructions of Ottoman Telegraphy, 1847-1880," *Technology and Culture*, vol. 41(2000): 669–71.

<sup>333</sup> *Ibid.*, 671.

the state capitals and between their capitals. At the start of the war, a message from the Crimea to London took at least five days: “two days from the Crimea to Varna by steamer, and three further days on horseback from there to Bucharest, the nearest point that had been connected to the European telegraph network through the Austrian lines”.<sup>334</sup>

As mentioned earlier, it was Britain who laid the first telegraph lines in the Ottoman Empire in 1854, connecting Balaclava in the Crimea with Varna. Shortly afterwards, the British laid another line connecting Varna with Istanbul. Then, in the spring of 1855, the French built a line connecting Varna with Bucharest. At the time of construction, the Ottoman Empire could only contribute by providing poles and labor, and ensuring the security of the lines. The engineers were French and British, and the wire, the insulators and the Morse instruments were imports.<sup>335</sup> In 1854, the Ottoman government formed a commission to evaluate offers for building telegraph lines in Ottoman territory.<sup>336</sup> The proposals of Monsieur De la Rue and Monsieur Blaque to build the Istanbul–Edirne–Şumnu line and the Edirne–Filibe–Sofya and Niş line were chosen. The contract required the French technicians to train Ottoman subjects regarding telegraph jobs. On 14 September 1855, the first telegram was sent from Istanbul to Paris and London, addressing the Ottoman ambassadors. For the first time, Istanbul was connected to European capital cities through the telegraph.<sup>337</sup>

Mustafa Efendi and Vuliç Efendi were the first to receive training in telegraphy by French specialists, followed by several others. Both were civil servants in the Translation Bureau. Within a few years, Turkish operators and

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<sup>334</sup> Davison, “Electric Telegraph,” 135.

<sup>335</sup> *Ibid.*, 135.

<sup>336</sup> Kaçar, “Telgraf İşletmesi,” 49.

<sup>337</sup> Davison, “Electric Telegraph,” 136.

directors were appointed to the telegraph stations. Because most of the telegraph staff were required to speak French, the majority of them were recruited from the Translation Bureau.<sup>338</sup> In 1856, Mustafa Efendi and Vuliç Efendi, based at the Edirne office, formulated an Ottoman-Turkish version of Morse code, and sent the first Turkish telegram from Edirne to Istanbul on the 3<sup>rd</sup> of May. Thereafter, the usage of Turkish spread throughout the Ottoman telegraph system.<sup>339</sup>

The General Directorate of Telegraphs was established in 1855, and Billurîzade Mehmed Efendi was appointed on 29 March 1855 as its first director.<sup>340</sup> He was followed respectively by Davud Efendi, Franko Efendi, Arif Efendi, Kamil Bey, Diran Efendi, Aleko Efendi, Agop Efendi, Diran Efendi (second time), Agaton Efendi and Feyzi Bey.<sup>341</sup> After functioning under the beylikçi (head) of the imperial divan (intelligence agency) for over a decade, in 1871, the directorate was transformed into a ministry and unified with the postal services, during Feyzi Bey's administration.<sup>342</sup>

Technical education on telegraphy began to be taught formally in 1861, with the foundation of the Fünun-i Telgrafiye Mektebi (School of Telegraphic Science), a two-year program for telegraphic technical instruction. However, it had periods of closure, during one of which the Galatasaray Lycée and the Darüşşafaka introduced courses in telegraphy. Although the Galatasaray ceased giving these courses shortly after, the Darüşşafaka continued to give training and its graduates were appointed to posts in the telegraph system.<sup>343</sup> By 1870, the Ottoman Empire possessed the

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<sup>338</sup> Bektaş, "Sultan's Messenger," 687–88.

<sup>339</sup> Davison, "Electric Telegraph," 150.

<sup>340</sup> *Ibid.*, 141.

<sup>341</sup> Kaçar, "Telgraf İşletmesi," 50–1.

<sup>342</sup> Davison, "Electric Telegraph," 141.

<sup>343</sup> *Ibid.*, 143.

necessary cadre to engineer and operate the system.<sup>344</sup> As an indication of telegraphy's importance for the empire, between 1883 and 1891, one or two students a year, graduates of the Darüßsafaka who were employed at the ministry, were sent to higher-education establishments in Paris.<sup>345</sup>

In 1865, the Ottoman telegraph network joined the Indo–European submarine line, forming the first direct telegraphic communication between India and Europe.<sup>346</sup> The Ottoman telegraph network continued to expand throughout the reigns of Abdülaziz and Abdülhamid II. By 1877, the Ottoman Empire had the eighth largest telegraph system in the world,<sup>347</sup> it consisted of “6,490 kilometers of lines in 1863, 13,750 kilometers in 1866, 25,137 kilometers in 1869, and 36,640 kilometers in 1904”.<sup>348</sup>

The policy to introduce and extend the empire's telegraph system was a continuation of the sultans' efforts to empower central control since the end of the eighteenth century. The telegraph was a useful device for Abdülhamid II who wanted to have absolute control over his subjects. Abdülhamid's view on ruling was that:

...the strict application of law could also provide the foundations for autocracy, which should not be confused with the Islamic concept of despotism (Istibdād/İstibdad) or with modern dictatorships. Superimposing the Islamic principle of justice on this notion of a legal autocracy, he created an authoritarian regime that he believed to be the antithesis of absolutism.<sup>349</sup>

Abdülhamid II had a secret police organization in the palace under his control. These spies and informants were appointed to every governmental department to

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<sup>344</sup> Bektaş, “Sultan's Messenger,” 690.

<sup>345</sup> Davison, “Electric Telegraph,” 143.

<sup>346</sup> Bektaş, “Sultan's Messenger,” 686.

<sup>347</sup> *Ibid.*, 669.

<sup>348</sup> Davison, “Electric Telegraph,” 138.

<sup>349</sup> Hanioglu, *Brief History*, 123.

report on individual bureaucrats in memorandums. Based on these reports they were promoted, dismissed or imprisoned.<sup>350</sup> With a widespread telegraph system, Abdülhamid could receive information promptly from every corner of his empire and, for this reason, he actively promoted the telegraph network. The length of the land lines reached up to 49,716 kilometers and underwater lines to 621 kilometers in 1904,<sup>351</sup> because:

His internal network of spies and secret agents depended mostly on telegraphic correspondence. Their reports were sent directly to Yıldız Palace, ....Pashas were dismissed or transferred in response to public telegraphic petitions.<sup>352</sup>

Between 1882 and 1904, the number of telegrams sent increased from around one million to three million. The telegraph, which was viewed as a tool to consolidate the power of Ottoman central authority, was later used during the preparations of the Young Turk Revolution, and then contributed to the foundation of the Turkish Republic by its crucial role in the Turkish War of Independence.

When the Allies occupied Constantinople on 16 March 1920, they appropriated all government agencies and telegraph offices. The next day, Mustafa Kemal sent an encrypted message to the head directors of the postal and telegraph services to stop communication with Constantinople. Immediately, the Postage and Telegraphs Office was established in Ankara with Edip Bey appointed its director. After the opening of the Turkish Parliamentary Assembly on 23 April 1920, the office was placed under the Home Office. Later, it became a directorate, and Sırrı Bey, an Izmit deputy, was appointed as its general director on 20 May 1920.<sup>353</sup>

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<sup>350</sup> Shaw and Shaw, *History of Ottoman Empire*, 214.

<sup>351</sup> *Ibid.*, 228.

<sup>352</sup> Bektaş, "The Sultan's Messenger," 695.

<sup>353</sup> Tanju Demir, *Türkiye'de Posta Telgraf ve Telifon Teşkilatının Tarihsel Gelişimi (1840-1920)* (Ankara: Ptt Genel Müdürlüğü), 220–21.

Furthermore, the Anadolu Agency was established on 6 April 1920 to counter the propaganda efforts of the Havas-Reuter-Turkish Agency.

### **4.3. The Empire's Endeavor to Establish a Telegraph Agency**

From the second half of the nineteenth century until the first third of the twentieth century, Reuters, Havas and Wolff's made agreements with each other which defined the structure of the news market: oligopolistic and hierarchical, with Reuters, Havas and Wolff's at the top, cooperating with national news agencies.<sup>354</sup> The three European news agencies mainly had the right to distribute news in their ascribed territories, which were determined by agreements, but prohibited from selling news in another's. They were also allowed to gather news from the ascribed territories of another using their own agents if they wished so long as they did not sell it to local subscribers and news agencies. Not all territories were exclusive; there were also shared territories which belonged to two or all of the three European agencies.

In this news market, the local agencies had an exclusive right to the news of the three major news agencies, but were restricted from selling its local news to any other agency than the one major European agency with which it had signed an agreement.<sup>355</sup> The association, which eventually had around thirty members, became known by several names, such as the League of Allied Agencies (les Agences Alliées), the World League of Press Associations, the National Agencies

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<sup>354</sup> Oliver Boyd-Barrett, "Global News Agencies," in *The Globalization of News*, 26.

<sup>355</sup> Terhi Rantanen, "The Struggle for Control of Domestic News Markets," in *The Globalization of News*, 35.

Alliances, the Grand Alliance of Agencies or the Ring Combination.<sup>356</sup> For some scholars, such as Oliver Boyd-Barrett and Armand Mattelart, it was a ‘cartel’, and its influence on world opinion was taken advantage of by governments to serve their imperial interests.<sup>357</sup>

The first agreement between Reuters, Havas and Wolff’s was made in 1856 in which they agreed to exchange the latest quotations and market prices between themselves.<sup>358</sup> With the second contract made on 18 July 1859, the agencies agreed to mutually exchange political news, which meant that each agency was to gather news in its assigned territory and then share it with the other two. The territories were distributed based on the territorial proximity and the sphere of political influence of each agency’s home government. In the 1860s, the three news agencies realized the insufficiency of the agreement as there were territories left ‘unexploited’.<sup>359</sup> They were in control of the information markets in Europe and were aiming to expand their operations beyond the continent.<sup>360</sup>

Therefore, on 17 January 1870, the three agencies signed an agreement which carved out the world between the three of them. The 1870 agreement not only defined the nature of the international news market in the nineteenth century and the first third of the twentieth century, but also affected the scope of agency operations even after the cartel came to an end in 1934.<sup>361</sup> With the agreement, Reuters took the British Empire, China, Japan and the Straits Settlements around Singapore; Havas took France and its colonies, Spain, Italy, Portugal and Latin

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<sup>356</sup> Daya Kishan Thussu, *International Communication: Continuity and Change* (London: Hodder Arnold, 2006), 20.

<sup>357</sup> Ibid.

<sup>358</sup> Storey, *Reuters’ Century*, 8.

<sup>359</sup> Silberstein-Loeb, *International Distribution*, 199.

<sup>360</sup> Thussu, *International Communication*, 20.

<sup>361</sup> Jonathan Fenby, *The International News Services: A Twentieth Century Fund Report* (New York: Schocken Books, 1986), 35–51.



America; and lastly the Continental was granted Germany, Russia and Scandinavia, and it had to pay Havas and Reuters part of its revenue for receiving their services.<sup>362</sup>

To satisfy the demand of the Constantinople stock market, in 1862, the *Levant Herald* started to use Reuters' telegrams. Later, other newspapers followed. Based on an agreement between Reuters and Havas, in 1866, the latter took over the subscribers in Constantinople.<sup>363</sup> Shortly afterwards, Reuters' Constantinople office was established in the first half of 1869.<sup>364</sup> The balance sheet of the company from 1869 shows that as of 31<sup>st</sup> December, the preliminary expenses of the office were 766 pounds, 7 cents and 7 dimes.<sup>365</sup>

With a treaty between Havas, Reuters and the Continental in 1871, the Ottoman Empire became part of Havas' area of operation, whereas in Egypt, Reuters and Havas shared the right to distribute news, reflecting both British and French foreign interests. However, soon afterwards, in 1874, with Disraeli's return to power, British foreign policy became more aggressive, which influenced the 1876 treaty between Havas and Reuters. The connection between this contract and the domestic policies of the governments was depicted as follows:

His [Disraeli] dramatic purchase of the Khedive's shares in the Suez Canal made closer relations with Egypt essential and inevitable; while, further east, he centered everything on the bolstering-up of Turkey. The new political orientation set the pace for the two news agencies. The British and the French struggle for influence in both Turkey and Egypt was from now onwards echoed by competition between Reuters and Havas.<sup>366</sup>

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<sup>362</sup> Ibid., 36.

<sup>363</sup> Orhan Koloğlu, *Havas-Reuter'den Anadolu Ajansı'na* (Ankara: Çağdaş Gazeteciler Derneği Yayınları, 1994), 9.

<sup>364</sup> Board Meeting Minutes, 17 November 1869, from the Minute Book (1868–1872), 1/883502, LN 288, RA.

<sup>365</sup> Balance Sheet, 31 December 1869, as part of an annual report prepared to be presented at the Sixth Ordinary General Meeting of the Shareholders, 13 April 1870, from the Annual Reports 1865–1914, 1/870501, LN 52, RA.

<sup>366</sup> Storey, *Reuters' Century*, 94.

With the 1876 contract, Reuters received the British Empire; Havas took the Iberian Peninsula, Latin America and the Maghreb (Northwest Africa); and, lastly, Wolff's agency received parts of Eastern Europe and Scandinavia. Reuters and Havas shared Belgium, North America and the Antilles, and received a twenty-five percent reimbursement from Germany. All three agencies shared the exploitation of Austria and Switzerland. Havas was to contribute 400 pounds to cover the expenses of the American service, while Egypt and the other non-reserved territories were to be neutral.<sup>367</sup>

Remarkably, the Ottoman Empire had a unique standing in the agreement. While the empire was assigned as the exclusive territory of Havas, Reuters' correspondent was allowed to transmit political news to the newspapers of Constantinople from territories that were not reserved by Havas, if it was done "for an interest of an important political order"<sup>368</sup>, and was granted the right to have relations with the local newspapers for political deeds, as put down in Article 6:

Turkey will be exclusively exploited by the Agence Havas from the financial and political point of view. However, for an interest of high political order, Reuter's Telegram Company may, at the end of one year, establish there a correspondent, of whom the attributions, in that which concerns the exploitation of Turkey, will be born[e], in all cases, at the remittance of the newspapers of Constantinople, of political news originating in territories other than those reserved to the company Havas, Laffite and Co.<sup>369</sup>

The new contract reflected British and French interests over the Ottoman Empire.

The weakened empire:

...became the central question of European diplomacy. All the European powers vied for influence in the snake-pit that was the Turkish capital....Because of the growing influence of the press to the pursuit of political objectives abroad, and because the agencies

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<sup>367</sup> Nalbach, "Ring Combination," 190.

<sup>368</sup> Ibid., 204.

<sup>369</sup> Ibid., 191.

were becoming ever-more naked proxies of their respective foreign ministries, the treaty sanctioned a loophole in the system of exclusive spheres of influence.<sup>370</sup>

Sigmund Engländer was the correspondent assigned to Constantinople to take advantage of this loophole. However, he was to abuse it to such an extent that it became a source of dispute between Havas and Reuters. Engländer arrived for the first time to the imperial capital to report on the Russo–Turkish War of 1877–1878, and remained there until 1888.<sup>371</sup> He tried to convince Reuters to service Constantinople. Engländer not only supplied Reuters with information, but also Henry Layard, the British Ambassador to Constantinople, foreign missions and the Turkish press, an act which was against the terms of the treaty. Engländer provided Layard with copies of his reports and in return, Layard covered some of the costs of Engländer’s information gathering: one of Engländer’s anonymous informants was on the payroll of the British embassy at the rate of 50 pounds per month.<sup>372</sup>

Another violation of the agreement carried out by Engländer was to distribute news not only from London but also from Paris, Vienna, St. Petersburg, Alexandria and Turkey. Moreover, Reuters was supplying Engländer with news of England and India, news which it did not provide to Havas-Constantinople. In a letter of complaint, Havas wrote to Reuters:

To you, it is as if our treaty did not exist. You have the right to communicate in Turkey only news originating in territories belonging to you: you distribute the news of all countries. You have the right only to transmit them to the newspapers of Constantinople: you transmit them to ministries, to embassies, to everyone. There are twenty letters which we have addressed to you on this subject: nothing is done about it.<sup>373</sup>

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<sup>370</sup> Ibid.

<sup>371</sup> Read, *Power of News*, 31.

<sup>372</sup> Nalbach, “Ring Combination,” 203.

<sup>373</sup> Ibid., 208.

Reuters' tactic to convince Havas that Engländer was acting on his own initiative did not work as the agency also tried to persuade Havas to exploit Turkey at the same time. Havas rejected this offer. Engländer stopped giving news to the Turkish press in the winter of 1880–1881, which only lasted until the spring. After then Reuters ceased supplying Havas-Constantinople with news from London once again. The problem was to be resolved only after Engländer's departure from Constantinople.<sup>374</sup>

In 1883, W.H.G. Werndel was sent to Constantinople from Egypt to become Engländer's assistant. Engländer started to train Werndel to take his place. Werndel explained the efforts of Engländer, and why it was important to provide a news service in Constantinople:

Besides the news-service for London, Dr. Engländer insisted on publishing a news-service in Constantinople notwithstanding the fact that Turkey came within the bounds of activity of the Havas Agency for the propagation of news locally. There were, I believe, protests from Havas, but these were overcome finally by our news being published under the name of Dr. Engländer, the name 'Reuter' not appearing. Although this service of telegrams was a restricted one, and entailed a loss financially, nevertheless, it proved of value as a means of propaganda besides enhancing our moral position and prestige in this part of the world. To give an instance of the value people attached to our news, whenever any big question was agitating public opinion in Europe, I may recall the many visits we used to receive in our small office in Constantinople enquiring whether we had any special information regarding the question then engaging the attention of the Great Powers. Dr. Engländer was naturally proud of his achievements in that respect, especially after his successful struggle with the headquarters in London, convincing the latter of the utility and value to the Company of a service of news to Constantinople.<sup>375</sup>

Werndel's account also mentions the Ottoman Empire's displeasure with Engländer:

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<sup>374</sup> Ibid.

<sup>375</sup> Werndel to Sir Roderick Jones, 21 February 1919, 1/014090, LN 797, RA.

He was of a hospitable disposition, kept an open house in Constantinople, had many friends, but possessed enemies also chief among whom were no less personages than the late Sultan Abd-ul-Hamid and the late Baron de Calice, a gentle old gentleman, who for a quarter of a century, occupied the post of Austro-Hungarian Ambassador to Turkey a record in the diplomatic annals of the now defunct Monarch. On several occasions, Abd-ul-Hamid asked for Engländer's expulsion from Turkey, on the grounds that he was a dangerous political intriguer, but without success.<sup>376</sup>

The Ottoman Empire's distaste of Reuters' news, which was constantly mentioned in official correspondences, will be discussed later in the chapter.

When Engländer departed from Constantinople, Werndel became the chief correspondent of Reuters in the Ottoman Empire and remained so for the next twenty-five years. Sir Roderick Jones, general manager of Reuters (1916–1941), described Werndel's close relationship with the foreign diplomats and British ambassadors in Constantinople:

The Turkish capital in those days was a nest of diplomatic, political, and financial intrigue, and Werndel its best informed, very sagacious, and most upright observer. He had lived there for twenty-five years, had travelled much through the Ottoman Empire and the Balkans, spoke Turkish like a Turk, and also was completely at his ease in the Bulgarian and other neighboring tongues and dialects. Rightly looking upon him as a specialist and an authority, the Heads of diplomatic missions to the Porte cultivated his acquaintance and drew upon his knowledge and advice. Newly appointed ambassadors from Britain invariably summoned him into conference the moment they arrived. The position he occupied, by reason of his ability and his proven integrity, was exclusive and enviable.<sup>377</sup>

Jones described him also as “the friend, confidant and unofficial counselor of successive representatives of the Crown” along with Sir Edward Buck, Reuters'

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<sup>376</sup> Ibid.

<sup>377</sup> Sir Roderick Jones, *A Life in Reuters* (London: Hodder and Stoughton, 1951), 86.

representative in India, and David Rees, Reuters' manager in Egypt (1884-1914) and Gerald Delany, the local manager in Cairo.<sup>378</sup>

At the end of 1888, Werndel was joined by Fergus Ferguson.<sup>379</sup> Until World War I, Ferguson was employed mostly in the Balkans. Both Werndel and Ferguson worked as war correspondents in Macedonia and Palestine, and as correspondents to the League of Nations. They served Reuters for nearly fifty years. Werndel and Ferguson's influence on the press up to World War I is depicted thus:

...Reuters' foreign correspondents were first allowed to add political comments (if clearly shown as such) to their political news. It was due to the intelligence, initiative and political tact of such reporters as Werndel and Ferguson that the Press soon accepted, and often relied upon, Reuters' development into a 'vicarious newspaper'.<sup>380</sup>

Reuters did not manage to take over the territories of the Ottoman Empire from Havas. However, by an agreement with Havas on 21 May 1889, it did succeed in reducing Havas' influence, which alarmed the French Ministry of Foreign Affairs. Havas and Reuters agreed that Havas and the Correspondenz-Bureau would share the Ottoman Empire. As a result, Havas gave its subscription list to the newly established Agence de Constantinople and withdrew from Constantinople. Montebello, French Ambassador to Constantinople, stated his concerns about the new agency:

I must insist...upon the interest which attends, from the point of view of French interests in the country, the fact that the telegraphic news from abroad continues to be published by the intermediary of a French agency. The succession of the Agence Havas in Turkey will be inherited by a company composed of Germans, Austrians, Italians and Englishmen. Naturally the embassy will have for the future no power over an agency directed by political adversaries who seek to spread to the public, news of an anti-French tendency. The Sultan and the Porte, who are so

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<sup>378</sup> Ibid., 283.

<sup>379</sup> Storey, *Reuters' Century*, 100.

<sup>380</sup> Ibid., 101.

easily roused by the telegrams sent from Europe, will be constantly under unfavorable impressions from rumors propagated with the intention of injuring us.<sup>381</sup>

At the request of Spuller, the French Foreign Minister, Havas decided to keep an agent of its own in Constantinople to send news from the empire. The agent's duty was not restricted to sending news to France but he also had to be in constant contact with the French ambassador.<sup>382</sup>

The Agence de Constantinople began operations on 1 October 1889. When the agreement was renewed in 1898, the empire continued to be the joint territory of Havas and the Correspondenz-Bureau, and remained so by a two-party treaty, signed on 28 February 1900, between the Correspondenz-Bureau and Havas-Reuters-Continental. The new ten-year treaty, the last one before World War I, was signed between 8 and 22 July 1909. What was significant about it was that under Article 16, "if a receiving agency refused to incorporate in its service certain dispatches of political importance to the sending agency, the sender had the right to insist that a certain quantity of such reports be distributed to the press within an ally's reserved territories", and such dispatches were to carry the word 'Tractatus' to distinguish them from the recipient agency's regular service.<sup>383</sup> Although one of the reasons for the news agencies to sign such cooperation agreements was to reduce their costs by not keeping a correspondent in every country at all times, the empire's importance in contemporary politics, and the desire of the imperial governments of these agencies to have an impact on the Ottoman administration and public, caused Havas and Reuters to have correspondents of their own in Constantinople.

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<sup>381</sup> Nalbach, "Ring Combination," 320.

<sup>382</sup> *Ibid.*, 321.

<sup>383</sup> *Ibid.*, 558.

Abdülhamid II used telegraphy to consolidate his power as such technology allowed him to communicate with his spies and civil servants all over the empire. He also wished to control the flow of information through telegraphic wires. In order to present a positive image of the Ottoman state, especially in Europe, throughout his reign Abdülhamid II tried to influence the news disseminated by domestic and foreign newspapers, journals and the news agencies. The importance he gave to the foreign press and the way in which both himself and the empire were presented abroad can be observed through newspaper cuttings from his reign preserved in the archives.

There was a strict censorship regime under Abdülhamid II's rule. Hanioglu, describing censorship during his reign as "one of the strictest in modern times",<sup>384</sup> stated that Ottoman journalists wrote about "nonpolitical issues unless instructed to criticize the foreign governments".<sup>385</sup> Besides strict censorship, he also tried to influence the news by providing newspapers, journals, news agencies and journalists with allowances and privileges. For those European journals which accepted such inducements, articles to be published were prepared by subjects of the sultan emphasizing "Ottoman progress under the far-sighted leadership of Abdülhamid II, an Ottoman Peter the Great, who was taking the Tanzimat reforms to new horizons".<sup>386</sup> As well as promoting the image of the sultan and the empire, the press was also financed for the purpose of counter propaganda. For example, to specifically counter British propaganda after the circulation of the pamphlet *The Bulgarian Horrors*, written by the British Liberal party's leader, Gladstone, the Ottoman Empire financed and printed *Paik-i Islam*, a publication in Urdu and

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<sup>384</sup> Hanioglu, *Brief History*, 125.

<sup>385</sup> *Ibid.*, 126.

<sup>386</sup> *Ibid.*, 128.



Arabic, printed by the imperial presses in Constantinople to influence and mobilize Indian Muslims.<sup>387</sup>

Reuters and Havas were among the news agencies which were provided with subsidies and privileges. However, the sultan was not able to prevent these international news agencies from making news “in favor of their own respective governments”, “false” and “against the Ottoman Empire” as described in Ottoman official documents. Realizing every European country had a telegraphic news agency, and unable to reach a satisfying conclusion from its policy to win over news sources and place them under the empire’s service by a variety of offerings, from the final decades of the nineteenth century the Porte considered establishing an Ottoman telegraphic news service in order to present a positive image abroad.

The gains experienced by the international news agencies in having connections with their domestic and foreign governments have been explained in Chapter I. However, an additional, much stronger financial interest was disclosed in Chapter II: the managers, owners and stockholders of the agencies were financiers, businessmen and bankers who had investments outside the news business. The investments of the Reuter family were investigated as a case study in order to expose these interests.

Reuters’ managers and their family members had investments in several sectors in multiple countries. They sought the support of the British Foreign Office whenever they were in opposition to local governments. In some cases, members of the family took the liberty of suggesting policies to the British Foreign Office. The interaction between the parties regarding an investment could last for years,

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<sup>387</sup> Deringil, *Well-Protected Domains*, 149.

involving many correspondence exchanges, sometimes so many as to fill volumes, as with the Reuter Concession in Persia.

On 26 February 1878, Baron Herbert de Reuter proposed an agreement to the Sublime Porte.<sup>388</sup> Later that year, in December, Baron Herbert de Reuter were to defend the Reuters' news against the Ottoman government who condemned Reuters' news service in Constantinople for being "inaccurate and untrustworthy"<sup>389</sup> In his statements he underlined the agency's objectivity: "I need hardly assure you that our chief desire and preoccupation is to serve the public with absolutely authentic and impartial information, and each and every representative of the Company has received the most stringent instructions to conform strictly to this essential principle", and "with regard to the suggestion of the Sublime Porte, that in order to ensure accuracy we should submit our messages to the Imperial Embassy [London] before publication, permit me to explain that such a measure would be utterly impracticable and would necessarily immediately compromise the independence of the agency".<sup>390</sup> In 1882, only four years later, the very same Baron Herbert de Reuter proposed to the Sublime Porte an agreement which consisted of publicising statements of the Ottoman government.<sup>391</sup> The company made the same offer to the British and Japanese governments in 1894, as discussed in Chapter I, and once again to the Ottoman Empire in 1895.

The agreement, which had both public and secret articles, was presented in 1882 by Ferguson, Reuters' Constantinople representative, and promised to publish

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<sup>388</sup> HR.SFR.3 260/52 26 February 1878, Presidency of Republic of Turkey Department of State Archives (hereafter cited as BOA).

<sup>389</sup> HR.SFR.3 262/41 2 December 1878, BOA.

<sup>390</sup> HR.SFR.3 262/41 2 December 1878.

<sup>391</sup> Y.EE. 43/152 1300 S 29 (9 January 1883).

statements of the Sublime Porte in Europe within a day. The statements of the empire were to be communicated to Indian newspapers as well.<sup>392</sup>

Reuters' proposal is significant in that it shows the desire of Ottoman statesmen to make agreements or arrangements with news agencies. During his final and brief period of service as the Minister of Foreign Affairs (30 November until 3 December 1882), Safvet Paşa prepared a memorandum on the Reuters agreement. In his memorandum, he stated that all German newspapers were affiliated to the German Ministry of Foreign Affairs and were being paid a couple of million francs annually. He also declared that British newspapers were independent and were not bound to the British government by contract, and that they expressed liberal, conservative and radical views. He mentioned that in Vienna, while most of the newspapers expressed the views of the government, only a couple of them were independent, and in Italy some of them were independent and some were not. According to Safvet Paşa, Russian newspapers were under the influence of the state, but in terms of news regarding foreign states, they were independent. He stated that French newspapers used to be under the control of press administration, to some degree, during the times of the emperor, but now they were completely free and were expressing the views of the parties they were supporting, both in domestic and foreign politics.

Safvet Paşa went on to say that even if millions of akçes were spent, it still would not be possible for the Ottoman Empire to have the foreign press on its side. He claimed this was the case because the European states were of the opinion that the empire would never implement reforms, as it had not done so up until this point in time. Because of this general notion among the European states, the press of even

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<sup>392</sup> Y.EE. 43/152 1300 S 29 (9 January 1883).

those who desired the continuance and prosperity of the empire were forced to express views in accord with this *de facto* view. He stated that undoubtedly, when reforms started to take place, public opinion would change step by step, leading to a change in the expressions of the foreign press. He claimed an instrument was needed with which to announce the Sultan's efforts made on behalf of the happiness of his subjects.

Safvet Paşa's solution was to negotiate with Havas and Reuters. He implied that these agencies should be provided with privileges and subsidies. The Sublime Porte would telegraph the measures and practices of the government to its London and Paris embassies, which would then communicate these to the agencies' administrations. The texts would be prepared by the Sublime Porte and sent to these embassies on a daily basis. As well as this, different texts, ready for publishing, would be prepared for every other newspaper with which the government had an agreement and sent to these newspapers by post. He underlined that the dissemination of telegrams transmitted to Havas and Reuters would not be limited to newspapers in Paris and London, for these agencies could certainly promise to distribute them in Berlin, Vienna and Rome. In this way, the points of view and practices of the government would reach all the states within a day. He went on to say that even though this would all cost a couple of thousand liras annually, the other states were shouldering similar costs for the same purpose.<sup>393</sup> In summary, Safvet Paşa was convinced that the negative opinions of the European states with regards to the Ottoman Empire were only temporary and would change as the reforms progressed. He also advised that Havas and Reuters could be outlets to express Abdülhamid II's practices. As stated by Hanioglu, Ottoman statesmen were

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<sup>393</sup> Y.EE. 44/149 1300 S 29 (9 January 1883).

trying to promote the image of Abdülhamid and his empire through news which emphasized Ottoman progress under the sultan's leadership.

Some of the payments made to the domestic and foreign press, journalists and news agencies throughout Abdülhamid II's reign will be listed here to give an example of the Ottoman Empire's policy. To begin with, Havas had been on the empire's payroll from as early as 1888.<sup>394</sup> The parties had an agreement, possibly regarding the distribution by Havas of the news given to him by the empire. The service Havas provided the empire with was referred to, by its general manager, as "the duty we took over to preserve the empire's policy".<sup>395</sup>

In 1894, the highest monthly payments were made to *Levand Herald* (8,333 guruş), *Le Moniteur Oriental* (5,633 guruş), *Servet-i Fünun* (3,240), *Sabah* (3,000) and finally to Havas agency bulletins (21,666). The rest of the payments went to *Servet* (1,000), *Sa'âdet* (3,000), *Istanbul* (2,000), *Emakinü's-sihha* (2,000), *Manzûme-i Efkâr* (1,500), *Osmanische Post* (2,000), *Punc* (500), *Ceride-i Şerifiye* (500), *Resimli* (500), *Korrespondant* (Correspondenz) (300), *Memoryal Diplomatik* (2,166), *Orient* (866), *Revue de l'Orient* (1,300) and an agent of some German newspapers (paid by the Berlin Embassy) (1,650). The list was prepared to cut payments of some of these. These journals, agencies and journalists continued to spread news unfavorable to the empire, despite their allowances. By cutting their payments, it was planned to use the money saved to cover the expense of defending the empire's position and reputation in foreign press. It was decided to cut the allowances of twenty newspapers, agencies and correspondents.<sup>396</sup>

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<sup>394</sup> YPRK.TKM. 13/ 8 1305 Z 29 (6 September 1883).

<sup>395</sup> YPRK.TKM. 13/8 1305 Z 29 (6 September 1883).

<sup>396</sup> Y.A. RES. 71/29 5 August 1894.

On 17 September 1894, the activities of Reuters were banned in the Ottoman Empire. It was realized that the source of information disseminated against the empire was the agency. The telegram, which resulted in the publication by the journal *Matin*, had been sent from Constantinople by Reuters. It was also decided to condemn the publication and ban any foreign newspapers which published this news item.<sup>397</sup>

However, shortly afterwards, in 1895, the Ottoman Empire negotiated and signed an agreement with Reuters. Based on the empire's account, in January 1895, Werndel, Reuters' Constantinople representative, approached the Sublime Port and offered the agency's services. The Sublime Port was in favor of this offer, in principal, as it believed that it was in need of an institution with the ability to repudiate news which had been distributed widely for some time against the empire, and propagate positive news instead. Since the agency expressed its willingness to take on the role, and its proposal was regarded to be in line with the interests of the state, the Sublime Porte decided to accept the agency's terms. The terms in question were: an amount (800 pounds) to be paid as an annual subscription to *Correspondenz* for the publication of bulletins (as stated earlier, because of an agreement between the international news agencies, Havas and *Correspondenz* were conducting a joint operation in the Ottoman Empire under the name *Agence de Constantinople*) printed in English and German, and that the agency be able to telegraph its messages from Istanbul to London free of charge and with priority.<sup>398</sup>

The fact that the agency concluded agreements with the British, Japanese and Ottoman governments around the same time, and that it offered its services to British and Ottoman governments, as indicated in the official documents of both the

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<sup>397</sup> BEO. 3625/211851 1327 B 30 (17 August 1909).

<sup>398</sup> Y.PRK. BŞK. 39/61, 1312 § 03 (29 January 1895).

empires, strongly suggests that in 1894 and 1895, the company was systematically in pursuit of concluding agreements with governments. Moreover, Reuters probably also had the aim of putting the *Correspondenz* back on the allowance list.

On 11 November 1895, Raf'et, Grand Vizier, Sa'id, Head of the State Council, and Tevfik, Minister of Foreign Affairs, presented their opinions on preventing the spread of news against the Ottoman Empire to the sultan. In the document, the agreement with Reuters was mentioned as well. It was stated that, although those European newspapers which had criticized the empire were banned from entering the state, it was impossible to prevent the arrival of papers that came via the foreign postal services. Furthermore, complaints against these newspapers had been made either through embassies or telegraph agencies, but with little success. Those made through embassies were not very effective as they were regarded as the official statements of the Ottoman Empire. Therefore, providing some correspondents and agencies, such as Havas and Reuters, with an allowance was the advised solution of the Grand Vizier, the Head of the State Council and the Minister of Foreign Affairs. It was claimed that through correspondents and telegraph agencies, the state could force European newspapers to write what it wanted. It was stated that with approximately 5,000 lira annually, it would be possible to win over the most influential correspondents, in other words, Havas and Reuters. In the document, it was furthermore stated that, in actual fact, Reuters' agency had already been won over. The sultan approved the allowance worth 5,000 lira.<sup>399</sup>

As a result, an agreement was concluded with Havas. In 1897 and 1898, the Sublime Port paid 12,000 francs annually to the agency. However, in June 1898 the

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<sup>399</sup> I.H.R. 349/25 1313 Ca 23 (11 November 1895).

contract was renewed for 45,000 francs, which was then cancelled by the Sublime Porte. Although the empire renegotiated the price and managed to reach an agreement of between 15,000 and 20,000 francs, the general manager of Havas refused to accept this deal.<sup>400</sup> Having cancelled the allowances of Havas and others in 1894 in order to save money to conduct a campaign against unfavorable publications, very soon the Ottoman statesmen realized that keeping Havas and Reuters on the payroll would have been more efficient.

Despite this, by 1907 the Sublime Porte was back to feeling resentment against Reuters, as well as other foreign newspapers. In January 1907, it investigated all the correspondents of foreign newspapers and agencies in Constantinople. In the list prepared by the domestic press administration, the names of the companies and of the correspondents, where they lived, their salaries, the people they were close with, especially the names of the Ottoman Empire's civil servants they befriended, their personality and the nature of the news they made were given. The list began with the telegraphic agencies; for example, for Reuters' correspondents the following information was given:

Reuters Agency: its director is called Werndel. He resides in Beyoğlu, Tepebaşı, in apartment number 14. His salary is 90 English liras. He is close friends with Nuri Bey, foreign correspondence officer. They are in constant contact. This man has an assistant named Ferguson. His salary is 20 liras. The news he writes is unacceptable.<sup>401</sup>

There were reports concerning the correspondents of British, German, Austrian, French and Italian newspapers, and those who worked for more than one newspaper. The British newspapers' correspondents on the list were from *The Times*, *Standard*, *Daily News*, *Daily Telegraph*, *Manchester Guardian* and the

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<sup>400</sup> BEO. 1145/85844 1316 S 01 (20 June 1898).

<sup>401</sup> YPRK. DH. 13/92 1324 Z 16 (30 January 1907).



*Independent*. In his report, Kemal Bey, domestic press director, was critical of their works.<sup>402</sup>

In March 1907, the annual payments made to the press by the administrative offices were declared to the Imperial Council. Based on the document, in 1905, the total amount of subsidies for the Konstantinople (referring to the Agence de Constantinople), the Nationale, the Forine agencies and the *Levand Herald* was 62,000 francs. However, the Konstantinople's subsidy was ceased earlier in 1907 due to its dissemination of displeasing news. Furthermore, the amount of annual payments made by the Ministry of Foreign Affairs to newspapers in Constantinople and abroad was 443,278 guruş, whereas the annual payment made by the Ministry of the Interior to the press in Constantinople and elsewhere was 348,990 guruş. The annual amount paid to telegraph agencies by the empire was 62,000 francs.<sup>403</sup> The names of the newspapers and the amount of subsidies paid by the Ministry of the Interior were: *Servet-i Fünûn* (Constantinople) (2,340 guruş), *Sabah* (Constantinople) (5,950 guruş), *İkdâm* (Constantinople) (4,250 guruş), *Hanımlara Mahsus Gazete* (Constantinople) (2,550 guruş), *Polavedifski Galasi* (Plovdiv) (2,550 guruş), *Sergoski* and *Setik* (Sofia) (311 guruş) (the subsidies for these two newspapers were sent to Major Hilmi Bey, Second Secretary of the Bulgarian Commissariat by means of the Ottoman Bank; the transaction was made by the treasury on behalf of the Ministry of the Interior), *El-posta* (Egypt) (930 guruş) (ceased), *El-mahrûse* (Egypt) (2,125 guruş) (ceased) and *Gayret* (Plovdiv) (1,275 guruş) (from 1903 no payments were made). The British reporter Mr. Norman was also on the list of the Ministry of the Interior with a payment of 6,800 guruş.

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<sup>402</sup> YPRK. DH. 13/92 1324 Z 16 (30 January 1907).

<sup>403</sup> Y.A. HUS 509/61 1325 M 21 (6 March 1907).

The annual payments made by the Ministry of Foreign Affairs to newspapers in Constantinople were: *Sa'âdet* (6,000 guruş), *Levand Herald* (72,244 guruş), *Le Moniteur Oriental* (48,844 guruş), *Handesblat* (24,000 guruş), *Manzûme-i Efkâr* (13,005 guruş), *Punç* (13,005 guruş), *Cerîde-i Şarkiye* (867 guruş) and *İstanbul* (20,400 guruş), making 260,208 guruş in total. The annual payments made to the foreign press that were ceased by an order on 9 January 1905 were: some newspapers in Paris (the names were not specified) (127,800 guruş), *Memoryal Diplomatik* (Paris) (18,786 guruş), *Revu de l'Orient* (Budapest) (11,280 guruş) and *Le Figaro* (Paris) (96,000 guruş). The total amount was 253,866 guruş.<sup>404</sup>

Establishing a news agency in the Ottoman Empire similar to the foreign news agencies was a matter of concern to Abdülhamid II, as well as the CUP. The existing archival documents demonstrate that the Ottoman Empire had the intention of establishing an imperial news service of some sort, at least since 1878, and despite the regime change, investigations for the project continued. The conclusions reached were mentioned at a parliamentary discussion on 25 April 1911.

On 17 April 1878, Mehmed Esad Safvet Paşa, Minister of Foreign Affairs, informed Ahmed Aarifi Paşa, the Paris Ambassador, that the government wished to found an imperial news service and charged him to negotiate the subject with the Havas agency. Aarifi Paşa was also provided with articles to negotiate under the title "Project de l'agence télégraphique Ottomane". On 17 May 1878, Aarifi Paşa reported that he was engaged in discussions with the Havas agency to negotiate an agreement for an information service that the imperial government proposed to found in the empire. Aarifi Paşa's correspondence was accompanied by the report of François Noguis, whom he hired to follow the negotiations, and a draft

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<sup>404</sup> Y.A. HUS 509/61 1325 M 21 (6 March 1907).

convention that Monsieur Lebey also forwarded to Monsieur Chatau, the Havas agent in Constantinople, in response to the Sublime Port's initial offer. The duration of the agreement was to be from 1 June 1878 to 31 May 1888.<sup>405</sup> In the end, the parties were unable to agree during the final negotiations of the "Project du government Impérial de fonder une agence télégraphique Ottomane", as referred to in the correspondence.<sup>406</sup>

In the draft convention, it was stated that the name of the agency that was to be created would be determined later. Yet, it was referred to as the Agency of Constantinople (Agence de Constantinople).<sup>407</sup> One third of it was to belong to the Ottoman government and two-thirds to Havas, Laffite and Co.<sup>408</sup> The Agence de Constantinople, however, was not established between Havas and the Ottoman government, but after a renewed tripartite agreement between Havas, Reuters and the Correspondenz-Bureau on 21 May 1889.

A document from 1903 sheds light on why the Ottoman Empire wished to establish an Ottoman telegraph agency the empire was desperately looking for an outlet with which to express and explain itself. In the document, the Ministry of Foreign Affairs depicted the inability of the Ottoman Empire to protest against the news published concerning the Bulgarian issue. Almost none of the empire's protestations submitted to the foreign press and news agents in Constantinople were published in European newspapers. It was stated that the efforts of the empire to respond to Bulgarian claims about the Ottoman military campaign and expose the destruction done by the Bulgarian bands were being wasted, for the empire did not have its own news agency while all the European states, even the Principality of

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<sup>405</sup> HR. ID. 1699/59 17 April 1878.

<sup>406</sup> HR. ID. 1699/61 19 July 1878.

<sup>407</sup> HR.ID 1699/59 17 April 1878.

<sup>408</sup> Ibid.

Bulgaria, had such an agency, thus, forcing the empire to use foreign agencies that were either ignoring their protests completely or reshaping them. The ministry's advice to remedy this situation was to establish a news agency. However, the Ottoman agency could not be established because of the empire's financial state of affairs.<sup>409</sup>

Despite this, the Ottoman Empire's attempts, under the rule of Abdülhamid II, to found a news agency continued. In 1906, the Foreign Press Directorate advised declarations to be made through embassies or by other means until an Ottoman agency was established, as both the Agence de Constantinople and the Agence Nationale did not publish in the government's favor, leaving no other channel to disseminate the Sublime Porte's statements. It was stated that the Agence de Constantinople distributed news conflicting with the interests of the empire.<sup>410</sup>

A couple of months later, despite its previous warnings, the Sublime Porte believed that the Agence de Constantinople was still acting unfavorably towards the empire. It decided to cut the company's allowance, which at this point had been paid for sixteen years, and take away its exemption from telegram costs for one hundred words daily. Madam Grosser, the manager of the company, claimed that the displeasing news had been disseminated while she was away in Germany for a family matter. She ensured the Sublime Porte that such a mistake would never take place again and asked for a restoration of the company's privileges. She promised that she would dedicate all her work towards the interests of the sultan and the empire, and claimed that she constantly served the empire by transferring the statements of the Ottoman Empire to other European agencies with which the Agence de Constantinople had relations. She underlined that she was ready to

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<sup>409</sup> BEO. 2178/163311 1321 B 04 (26 September 1903).

<sup>410</sup> BEO. 2867/214987 1324 M 01 (25 February 1906).

perform her duty more perfectly than before. However, her assurances was not found reliable on the grounds that the company had already previously been warned to no avail.<sup>411</sup>

In 1908, Abdülhamid II was forced by an uprising organized by the CUP to issue a proclamation on July 24, ordering the convocation and election of parliament in conformity with the constitution, transforming the regime into a constitutional monarchy. To help organize the revolution, the CUP had smuggled in propaganda material through Greece and foreign post offices in the empire, and distributed them throughout its provinces and capital. Moreover, it mobilized the officers in the Ottoman army, especially in Salonica. One of these officers, Major Niyazi, commander of the Resna Battalion, and a hundred soldiers joined a group of armed civilians of around eight hundred on July 3, which started the events leading to the revolution. The rebellion spread to all the Third Army Corps, then to the Second Army Corps at Edirne and to forces in Izmir. News of the rebellion became publicly known in the early morning of July 23 in Salonica. The CUP spread the word from there throughout Macedonia, instantly, by means of telegraphic communication over which they enjoyed complete control. The same day, on behalf of the CUP, Major Enver Bey announced the establishment of a constitutional regime to the European press by telegram.<sup>412</sup>

Knowing the power of the press and information dissemination, the CUP relaunched the project to found a telegraph agency in August 1908. On 27 December 1908, Tevfik Paşa, Minister of Foreign Affairs, sent dispatches to the Ottoman embassies regarding the project of founding an unofficial telegraphic

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<sup>411</sup> BEO. 2886/216385 1324 C 15 (16 August 1906).

<sup>412</sup> Kansu, *Revolution of 1908*, 73–101.

agency in Constantinople.<sup>413</sup> It was stated that the imperial government had the desire to found an unofficial Ottoman telegraphic agency, like the telegraphic services of other states. They were asked to inform the ministry about the news agencies in the countries they resided, and under what conditions the unofficial agencies were established.<sup>414</sup>

On 6 January 1909, in response to Tevfik Paşa's letter, Rifaat Paşa, Ottoman Ambassador in London, stated that an official telegraphic agency did not exist in London. He claimed that the Reuters agency served the British government through its unofficial communications. It was not an official agency, and the government was not responsible for its telegrams. Furthermore, he stated that, in his opinion, the Ottoman government needed to have an agency like Reuters, not an official one. He mentioned that having an official agency would be like subjecting the press to prior censorship. He advised them that by having an unofficial agency, the Sublime Porte could launch telegrams frequently without taking any responsibility, and that it could only do this through unofficial means. He added that asking Reuters, which was an excellent news agency in Europe, to set up a regular service in Constantinople would serve this purpose. In return for its service, Rifaat Paşa suggested the imperial government could grant the agency a subvention for its expenses. He stated that if the government were to agree, he could ask Reuters what its conditions would be to set up such a service.<sup>415</sup>

The Ottoman ambassador in Rome informed the Sublime Porte that the major telegraph agencies of Europe were part of a league and its members were required to exchange their dispatches and the information they received.

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<sup>413</sup> HR. SFR 3. 586/ 60 27 December 1908.

<sup>414</sup> Ibid.

<sup>415</sup> HR. SFR 3. 586/60 27 December 1908.

Furthermore, Hakky Bey stated that the Ottoman government could establish an unofficial agency but the agency founded needed to join this 'league' to be able to communicate the news to the other agencies and receive information from them.<sup>416</sup>

Rifaat Paşa's comments about Reuters possibly motivated the Ottoman government to consider signing an agreement with the Reuters agency in April 1909. The agreement was prepared originally in French, had seven articles, and an additional four secret articles. In the first article, the Reuters agency promised to disseminate all news that the Sublime Porte regarded as necessary to major European, American and Indian newspapers, and telegraph agencies. Similarly, it promised to telegraph at its own expense the same information to the Havas agency. In the next article, the Sublime Porte promised to provide the Reuters' representative in Constantinople with information and diplomatic papers that would be distributed. The Ottoman government was to charge an officer with the duty of communicating this sort of information to the agency. In the third article, the Sublime Porte permitted the transmission, free of telegraphic fees, of official documents that it would give to Reuters. Also, in terms of its own telegrams, the Reuters agency could transmit one hundred words daily for free between Constantinople and London, and Constantinople and Bombay. Furthermore, if the agency were to set up a telegraphic service within the Ottoman Empire, it could transmit one hundred words daily for free. In article four, it was stated that if the Ottoman government were to give fifteen percent discount on telegraphic transmissions, then the Reuters agency would transmit the information it received from British and American businesses to India, China and Austria through the Ottoman state. In article five, Reuters was to cover the expenses of transmitting the

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<sup>416</sup> HR.İD. 1700/26 27 December 1908.

Sublime Porte's announcements to its own agents and representatives in Europe and America. In return for this, the Sublime Porte promised to pay a yearly subvention of 15,000 francs. Also, Reuters was to pay the Sublime Porte's officer using this subvention.<sup>417</sup> Under article six, the Sublime Porte reserved the right to suspend the communications of the agency. Lastly, the convention was to last for three years and if one of the parties wished to end it before this term, three months' notice had to be given.<sup>418</sup>

The convention also had four secret articles. Article one stated that the Reuters agency was to introduce the Sublime Porte's agent to members of parliament, ministers, foreign agents and press directors in Britain. The Sublime Porte's agent would be known as Reuters' agent so as not to appear suspicious and to be able to continue his duty of serving the Sublime Porte in the following ways: influencing parliamentary discussions, sending corrections to newspapers, inserting into all of Reuters' dispatches to German and Austrian newspapers the news that the Sublime Porte wished to have disseminated all around the world, expressing the views of the Ottoman government in the British papers as telegraphed by the government, evaluating the news planned to be sent to the Sublime Porte, and inserting news into Reuters' dispatches which would serve the Sublime Porte's interests and be distributed around the world by the agency. In article two, because the Reuters agency was the only one which serviced Indian newspapers, and had offices in all the cities of India, China, Persia and Austria, it promised to use its ability to disseminate news for the Ottoman government in these places. It was stated that its news service in India was of utmost importance for the government. In the third secret article of the convention, the Ottoman government demanded that

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<sup>417</sup> Y.EE. 41/161 1327 R 06 (27 April 1909).

<sup>418</sup> Ibid.



Reuters inform it about all news published in the newspapers of every country. The Sublime Porte's agent within Reuters was to report it to the Ottoman Ministry of Foreign Affairs weekly. It was underlined that knowing the opinions of the agents and others in Britain would be useful for the ministry. In the fourth article, it was stated that as Reuters was providing financial services to the major banks, the agency would be beneficial for the administration and finance of the Sublime Porte. Furthermore, it was underlined that the Reuters agency would regard it as its duty to serve the Ottoman government all around the world.<sup>419</sup>

The way the secret convention was worded gives the impression that Reuters was trying to convince the Sublime Porte of its usefulness. The clauses on disseminating news to serve the interests of the Ottoman Empire, and announcing the official opinion of the empire in disguise, are especially similar to the articles in the secret agreement made between Reuters and the British government in 1894. The content of the secret articles suggests that they were prepared by the Ottoman government, as they were tailored around the foreign policy interests of the empire. It is not known if this agreement with the Reuters agency was finalized; however, the fact that only four months later, the government was investigating new prospects, suggests otherwise. Salih Gürcü possibly informed about the Ottoman government's search to establish a formal or semi-formal agency applied for a permit to found a semi-formal agency in the imperial capital in June 1909.

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<sup>419</sup> Y.EE. 41/162 1327 R 06 (27 April 1909).

## CHAPTER VI

### THE OTTOMAN TELEGRAPH AGENCY (AGENCE TELEGRAPHIQUE OTTOMANE) AND ITS SUCCESSORS: L'AGENCE MILLI (THE NATIONAL OTTOMAN TELEGRAPH AGENCY), LA TURQUIE AND L'AGENCE ORIENTALE D'INFORMATIONS

The Ottoman Empire's endeavour to establish an agency of its own to resist European imperialism, empower the imperial centre and overcome the empire's image problem to preserve the empire, reached to an end in 1911 with the transformation of the Ottoman Telegraph Agency into a semi-formal agency. It was Salih Gürcü who managed to convince the Ottoman government to change his agency to a semi-formal one.

On 25 June 1909, Salih Gürcü, the owner of *La Turquie Nouvelle*, a Parisian journal, made an application to establish the Gürcü Agency in Constantinople.<sup>420</sup> In his application, he stated his desire to make the Gürcü Agency the semiformal news

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<sup>420</sup> BEO. 3625/271851 1327 B 30 (17 August 1909).

agency of the Ottoman Empire and asked for a subvention to make this possible. He underlined the non-existence of any news agency owned or directed by an Ottoman within the Ottoman state or abroad, and stated that all the agencies which had representatives in Constantinople were owned by German and French companies.

Gürçü mentioned that he believed an Ottoman news agency would serve the Ottoman government and state well, and discussed his reasons for saying so. He argued that the Ottoman government was neither able to receive accurate world news on a daily basis nor information from its own capital, provinces and abroad by telegraphy. He described the purpose of the agency as providing the main Ottoman provinces and towns, such as Salonika, Izmir, Beirut, Yafa, Syria, Adana, Mersin, Bagdad and Aleppo, with daily news, collecting or disseminating important information in these places, and making use of it in order to promote the unity and eternity of the Ottoman state. He underlined the political importance of the agency he planned to establish. He stated that some agencies distributed news against the Ottoman state, as it served their own interests, and that the Ottoman government lacked a semiformal agency with which to express its opinions on any subject or to refute rumors. Declarations made by the embassies were usually ignored. Gürçü claimed that while preserving its independence, the Gürçü Agency would be proud to disseminate semiformal statements of the government. He stated that his agency would be able to accomplish this by means of contracts signed with Havas, Wolff's, Reuters and other agencies, and also through *La Turquie Nouvelle*, which he owned and directed. He underlined that his journal would also be at the disposal of the Ottoman government, and that with 50,000 copies published daily, *La Turquie Nouvelle* was an asset that would certainly be appreciated by the government.<sup>421</sup>

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<sup>421</sup> Ibid.

Gürücü pointed out that, like the semiformal agencies in Europe, his agency could not exist without the support of the government, and that any agency would have difficulty in performing its duty without its costs being covered by a subvention. For this reason, he asked permission to be allowed to send 200 words daily in dispatches to foreign countries and an infinite number of words within the Ottoman territory free of charge, in return for his services to the government and state.<sup>422</sup>

Rıfaat Paşa, Minister of Foreign Affairs, was of the opinion that the Ottoman Empire could benefit from such an agency. He stated that the ministry was in favor of a reduction in telegraph prices for words sent abroad, but that the decision needed to be made by the Ministry of the Interior, in cooperation with the postal and telegraphy administration.<sup>423</sup> Gürücü's request was not accepted by the Parliamentary Assembly as presented. The agency would not be allowed to telegraph 200 words to foreign states, free of charge, daily. Instead, it could telegraph daily, fifty out of every hundred words free of charge, and fifty to one hundred words in dispatches only with the governmental fee. The agency would be obliged to pay the full charge for telegraphy within Ottoman territory. It was decided to try out the Gürücü Agency for a month, if Gürücü were to find these terms agreeable.<sup>424</sup> The Ministry of Finance was notified on 16 September 1909 that Gürücü had agreed to the terms.<sup>425</sup> The agency's work during the trial month must have satisfied the government for the same concession continued to be renewed. It was renewed for the last time on 12

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<sup>422</sup> Ibid.

<sup>423</sup> Ibid.

<sup>424</sup> Ibid.

<sup>425</sup> BEO 3717/278740 1328 S 29 (3 September 1325).

March 1910 for another six months, by order of the Council of Ministers (Meclis-i Mahsûse-i Vükela).<sup>426</sup>

After establishing the Gürcü Agency, Salih Gürcü founded the Ottoman Telegraph Agency in August 1909.<sup>427</sup> On 6 September 1909, it was announced in *Yeni Asir* that a company called the Ottoman Telegraph Agency (Agence Télégraphique Ottomane) had been set up with a headquarters in Constantinople, and offices in other important centers.<sup>428</sup> The address of its headquarters was 8, Rue Kabristan 8 Péra (near Pera Palace).<sup>429</sup> The agency signed an agreement with the Ottoman government on 14 August 1909. The parties of the convention were Salih Gürcü, director-owner of l'Agence Télégraphique Ottomane, and Azarian Effendi, Under Secretary of State at the Ministry of Foreign Affairs. The convention had five articles. Article one outlined the agency's obligations: "Salih Gürcü undertakes to transmit to all its correspondents the telegrams or communications, elaborated or inspired by the Imperial Government, and featuring news, falsifications, rectifications, articles or correspondence, and lastly official or unofficial communications".<sup>430</sup> Under this article, Gürcü promised to circulate news given to him by the Ottoman government, as well as publish its protests regarding the circulation of false news. This article resembled the first article of the agreement the empire and Reuters negotiated together in April 1909, in which the agency promised to disseminate all news that the Sublime Porte regarded as necessary to major European, American and Indian newspapers and telegraph agencies, as well as the Havas agency.

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<sup>426</sup> MV. 137/103 1328 S 27 (3 July 1325).

<sup>427</sup> HR.ID. 1700/32 14 August 1909.

<sup>428</sup> *Yeni Asir*, "Osmanlı Telgraf Ajansı," no. 1662, Şu'ûn-ı Muhtelif (06.09.1909), 3.

<sup>429</sup> HR.SFR.4 841/89 25 November 1909.

<sup>430</sup> HR.ID. 1700/32 14 August 1909.

In the following clause, Gürcü undertook “to transmit at his own expense, without being entitled to any reimbursement, those so-called communications which include telegrams, up to a maximum of 250 words per month, regardless of the city to which the telegrams are addressed”.<sup>431</sup> It was also stated in the first article that “M. Salih B. Gourджи, further assumed the obligation to write in a manner favorable to the interests of the Imperial Government, the telegrams that he services, as well as to verify the authenticity of all the new ones he will publish”. This clause resembled the second article of the secret agreement Reuters signed with the British Empire in 1894, stating “that the Company shall do its best to verify at the Foreign Office all doubtful telegrams prior to publication so as to prevent the mischief arising from the circulation of false news”. In the agreement’s last article Gürcü made “a commitment to publish if possible on the day or at the latest the following day, the communications of the Imperial Government in his daily bulletins”.<sup>432</sup>

Articles two and three discussed telegraph fees. In article two, it was stated that:

...to compensate the obligations mentioned, the Imperial Government grants Salih B. Gourджи on the telegrams he will exchange with his correspondents abroad, a free 50 words per day on average, additionally, the full amount of tax that is owed to the administration of the telegraphs and posts on the telegrams exchanged between Salih B. Gourджи and abroad up to 50 to 100 words per day on average.

In article three, Gürcü was obliged to pay “the prices of the telegrams that he will exchange with his correspondents established in the Ottoman Empire or his offices, and correspondents among each other”.<sup>433</sup>

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<sup>431</sup> Ibid.

<sup>432</sup> Ibid.

<sup>433</sup> Ibid.

Article four stated that “in the event that the Imperial Government finds that the terms of the present arrangement have not been observed by M. Salih B.Gourdji, it will have the right to consider it null and void”. Article five declared that the present arrangement was valid for seven months from 14 August 1909, renewable every year in the event of continuing agreement between the contracting parties, and that the agreement text would be prepared in duplicate at Constantinople on 14 August 1909.<sup>434</sup>

After signing the agreement with the Ottoman Empire, Gürcü started to act as if the Ottoman Telegraph Agency was the official news agency of the empire, and tried to receive deductions on telegraphy fees from foreign governments by means of the Ottoman embassies. In his letter to the Ottoman representative in Sofia, on 16 October 1909, Gürcü wrote: “I have the honour to inform you that by virtue of an agreement with the imperial Ottoman Government, we have just created an ottoman telegraph agency”. In his letter, Gürcü asked the ambassador, as though the agency were an official institution, to recommend someone trustworthy to work as the agency’s Sofia correspondent, and also to intercede with the authorities of the country to grant the agency a fifty percent discount on telegraph rates.<sup>435</sup>

It was brought to the attention of the Ottoman Ministry of Foreign Affairs that many of its officials had received a letter from the Ottoman Telegraph Agency composed as if the agency had official status.<sup>436</sup> In its letter dated 25 November 1909 to Assim Bey, Ambassador in Sofia, the Ministry of Foreign Affairs stated that it had been informed that the newly founded Ottoman Telegraph Agency had sent a circular to most of the Ottoman representatives abroad, making various

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<sup>434</sup> Ibid.

<sup>435</sup> HR.SFR.4 841/89 19 October 1909.

<sup>436</sup> Ibid.

proposals. It warned that the agency had no connection with the Ottoman government, that it had only been given tax reductions because of the government's desire to support indigenous businesses, and that the agency was no more official than any other agency like it:

Il nous revient que l'agence télégraphique ottomane, nouvellement fondée a adressé une circulaire à la plupart de nos Représentants à l'étranger, pour leur faire diverses propositions. La façon doute la circulaire est rédigée, prête à cette agence un caractère officieux.

Je suis à préciser, pour votre gouverne, que l'agence ottomane n'a aucune attache avec le gouvernement. Désireux de favoriser les entreprises indigènes nous nous sommes vus à lui accorder des réductions sur la taxe télégraphique. Mais l'agence Ottomane n'est pas plus officielle un officieuse que les autres bureaux similaires établis en Turquie.<sup>437</sup>

The Ministry of Foreign Affairs instructed Assim Bey to inform the other representatives of the empire that the agency had neither an official nor unofficial connection with the government.<sup>438</sup>

A year after the formation of the Ottoman Telegraph Agency, Salih Gürcü and Hüseyin Tosun submitted an application to the Ottoman government, sometime in September or October 1910, to establish a semiformal agency. Gürcü and Tosun's argument in their application for a permit was similar to Gürcü's one regarding the Gürcü Agency. They argued that all governments now had their own agencies, due to the necessity of contemporary politics. They claimed that because the Ottoman Empire lacked such an agency, these foreign agencies were able to circulate news against the Ottoman government that served the interests of their governments. They added that without such an agency, the Ottoman state would not

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<sup>437</sup> Ibid. It comes to us that the ottoman telegraphic agency, newly formed, has sent a circular to the majority of our representatives abroad, to make them different kinds of offers. The way the circular is presented gives the agency an official character. I would like to clarify for your government that the Ottoman agency has no connection with the government wanting to favor domestic enterprises, we have given them a reduction in the telegraphic tax. But the Ottoman agency is no more official than any other similar office established in Turkey.

<sup>438</sup> Ibid.



have the means to defend its interests by denying untruthful news propagated by the foreign press. As this had a negative impact on foreign policy, they requested permission to establish a semiformal agency, like the European agencies, which would disseminate world news daily throughout the Ottoman Empire, facilitate constant and fast communication between the capital and provinces, distribute favorable imperial news abroad, repudiate any false information spread by the European press and, moreover, the agency would not telegraph political dispatches without the supervision of a civil servant selected by the Ottoman government. To be able to finance this semiformal news agency, they asked for some sort of allowance and subvention, underlining that this was a necessity.<sup>439</sup>

The Directorate of Public Communication (Dahiliye Nezareti Muhaberat-ı Umumiye Dairesi), Ministry of the Interior, presented the report of Fazlı Necip Bey, head of the Domestic Press Directorate, on foreign press directorates and agencies on 13 October 1910, and declared its opinion to the Sadrazam regarding Salih Gürcü and Hüseyin Tosun's application on 7 November 1910.<sup>440</sup>

After his visit to the press directorates in Berlin, Vienna, Budapest and Sofia, Fazlı Necip Bey realized that the telegraph agencies, established under European press directorates, were performing important duties. Therefore, in his report, he advised establishing a telegraph agency under the Ministry of Foreign Affairs. He recommended setting up a commission with members from the Ministry of the Interior, the Ministry of Foreign Affairs, and a civil servant from the Postage and Telegraphy Directorate in order to decide on such issues as to whether the

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<sup>439</sup> DH. ID 79/ 3 1328 Za 07 (10 November 1910).

<sup>440</sup> Ibid.

agency would be under the Ministry of the Interior or the Ministry of Foreign Affairs.<sup>441</sup>

On 7 November 1910, the Ministry of the Interior declared itself to be in favor of the formation of such an agency.<sup>442</sup> On the 10<sup>th</sup> November 1910, Fazli Necip Bey was given the duty of representing the Domestic Press Directorate, Ministry of the Interior, in the commission to be formed for negotiations between the telegraph agency to be established and the domestic and foreign press directorates.<sup>443</sup> Later, the commission's findings were referred to by Necip Bey during the parliamentary discussion on 4 April 1911.<sup>444</sup> The Council of Ministers' Proceeding, dated 7 December 1910, gives details of the concessions granted to the newly established Ottoman Telegraph Agency. The subject matter to be discussed referred to Salih Gürcü and Hüseyin Tosun's application thus: "[to] establish a semiformal agency, like the European agencies, which would disseminate world news daily throughout the Ottoman Empire, facilitate constant and fast communication between the capital and provinces, distribute favorable imperial news abroad, repudiate any false news spread by the European press, and not telegraph political dispatches without the supervision of a civil servant selected by the Ottoman government".<sup>445</sup> The proceeding stated that previously the agency had been given the concession to telegraph abroad one hundred words for free. With the permit dated 11 November 1910, the number of words it could telegraph without a fee was raised to 300. Also, at home, the agency would be permitted to telegraph 600 words without a fee. It was decided to renew this permit for six more months

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<sup>441</sup> Ibid.

<sup>442</sup> Ibid.

<sup>443</sup> Ibid.

<sup>444</sup> Meclis-i Mebusan Zabıt Ceridesi. Devre:1, Cilt: 5, İçtima Senesi:3, İnikad: 72, 22.03. 1327.

<sup>445</sup> MV. 147/1 1328 Z 04 (7 December 1910).

with the condition that it would cease when the new agency was established.<sup>446</sup> Furthermore, it was decided that the permit for the new semiformal agency would be prepared in such a manner that the agency would not have to pay governmental tax, except the fees due to foreign governments and companies<sup>447</sup>

Establishing a semiformal agency was not proposed to parliament; instead, providing the new agency with fee exemptions was brought before parliament on 4 April 1911.<sup>448</sup> It was worded thus: “[the] exemption of the telegraph agency, which was considered necessary to establish along semiformal lines, from telegraphy fees for up to 150 words daily to certain centers within Ottoman territory”.<sup>449</sup> On 25 April 1911, the bill was discussed and passed by parliament, and then directed to the senate four days later.<sup>450</sup>

Fazlı Necip Bey gave a speech on behalf of the government at the parliament hearing on the necessity of establishing a news agency. He stated that the government needed to form a telegraph agency for the welfare of the state. He mentioned that every foreign country had their own telegraph agency which they supported. He underlined that these telegraph agencies were performing great services, in both domestic and international politics, for their states, adding that they only looked after their own interests. He claimed that an agency in service to the empire would inform the state about the publications of the foreign press, concerning the Ottoman Empire, in pursuit of the empire’s best interests. Moreover, he stated that the empire would be able to inform the world correctly regarding any controversial incident before it had been written about by the world press.

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<sup>446</sup> Ibid.

<sup>447</sup> Ibid.

<sup>448</sup> Meclis-i Mebusan Zabıt Ceridesi. Devre:1, Cilt: 5, İçtima Senesi:3, İnikad: 72, 22.03. 1327.

<sup>449</sup> Ibid.

<sup>450</sup> BEO. 3858/289293 16 S 1329 (16 February 1911).

Otherwise, if the empire had to wait until the arrival of foreign newspapers to Constantinople to learn about such a news item, it would be too late to repudiate the false information, as it would already have spread, damaging the empire's image, as had happened before. Therefore, the agency would be performing a valuable duty for the government. Furthermore, he mentioned the necessity of having such an agency in order to keep informed the distant provinces within the empire. He underlined that such places were learning about events up to a month later and that the government wanted to find a means to inform their distant territories instantly, to "awaken the homeland". He stated that if there was a telegraph agency in the provinces, the number of newspapers would increase as this agency would only sell information to the newspapers and perhaps to government offices. He mentioned that the government desired this agency to have branch offices in 150 centers and be exempt from telegraphy fees for dispatches of up to 150 words, which it would send to these 150 centers. He claimed that the exemption would be beneficial for the government as the Telegraph Ministry would be circulating telegraph dispatches from one branch office to another, as it had been advised to do by the commission.

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Ibrahim Efendi, an İpek deputy in support of the tax exemption, outlined the shortcomings of the empire and the inability of the state to receive up-to-date information, even within its own territories, and inform the world about incidents taking place within its borders. He stated that the empire was only able to receive news from Shkodra fifteen days after publication, and that the empire only realized untruthful news had been disseminated in the European press after its newspapers had arrived in the capital and been translated. He further stated that it must have

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<sup>451</sup> Meclis-i Mebusan Zabıt Ceridesi. Devre:1, Cilt: 5, İctima Senesi:3, İnikad: 85, 12.04. 1327, 525–26.

been a European agency that had reported the news in such an untruthful manner, following its own interests through agents sent to Shkodra specifically for this purpose. He went on to say that “regrettably such things have not been the custom in our country. Everything was banned under the rule of the previous government, and it did not wish to have anyone informed about anything. It is not harmful for people to know about incidents at home and abroad. And it may be beneficial. Therefore, we should accept this legislative proposal.”<sup>452</sup>

İsmail Sıtkı Bey, an Aydın deputy, criticized the fact that the establishment of a semiformal agency had not been proposed to parliament. He argued that the government should have brought the subject before parliament, as the legislation on establishing a semiformal agency had to be investigated by parliament, and the exemption of telegraphy fees could have been part of this legislative proposal. Another point in his speech was that it was not indicated in the legislative proposal which agency would enjoy this exemption, and how many and which centers were to receive telegraphic news. He underlined that although Fazlı Necip Bey had talked about 150 provincial centers, this information was not included in the text of the legislative proposal. Also, he stated that the agency should be founded first and then the fee exemption issue could be discussed.<sup>453</sup>

In response to İsmail Sıtkı Bey’s criticism and statement that the exemption should be given after the foundation of the agency, Fazlı Necip Bey claimed that the foreign agencies were part of a union, and that only an agency with semiformal status could join this union. He stated that for any agency to be involved it was necessary to be able to receive news from other parts of the world, as the agencies

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<sup>452</sup> Ibid.

<sup>453</sup> Ibid., 527.

did not have agents in every country but exchanged news amongst themselves. He claimed that if a fee exemption was not given and the agency did not have the appearance of a semiformal agency, then it would not be able to sign contracts with the European telegraph agencies.<sup>454</sup>

The information Fazlı Necip Bey gave about this union was incorrect. There were agreements between the news agencies and the world was partitioned amongst the major European agencies, which then undertook agreements with local agencies. However, being a semiformal agency was not the precondition to being part of this system; on the contrary, the major European agencies were receiving subsidies from their home governments in secrecy, trying to appear as independent news agencies.

Fazlı Necip Bey's speech demonstrates the purpose of the government in establishing a semiformal telegraph agency: saving the empire's image, spreading information in the best interests of the empire, receiving world news promptly, and sending and receiving information from the empire's provinces.

By 31 July 1911, the Ottoman Telegraph Agency still did not have semiformal status. The concession awarded to the agency, in the form of fee exemptions for a duration of six months for telegrams that would be sent abroad, with the condition of expiration on the foundation of a new agency, was renewed in a Council of Ministers' session on 31 July 1911. The concession had previously been extended for two months and the council's decision was announced to the Ministry of Finance on 22 March 1911. The council agreed to extend it for another three months.<sup>455</sup>

The Ottoman Telegraph Agency became the semiformal news agency of the Ottoman Empire in the second half of 1911. Although the empire now had its own

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<sup>454</sup> Ibid.

<sup>455</sup> MV. 155/1 1329 § 04 (11 August 1910).

agency, the CUP administration continued to reward news agency representatives working in its territory in order to win them over, as in the Hamidian era. In early 1914, Ferguson, the Reuters' Constantinople agent who recently had become the director of Reuters' Egypt office, was awarded a third-degree Ottoman order for being a friend of the state.<sup>456</sup> The Ottoman Telegraph Agency finally became a semiformal agency after Gürcü's relentless efforts; however, he was only able to enjoy this achievement for a short period. He was removed from its administration in October 1914, shortly before the Ottoman Empire joined World War I. It was claimed that Gürcü lost his position in the agency's administration because he was pro-French; however, British intelligence reports suggest that he was removed because of his dishonesty and lack of work ethics.<sup>457</sup>

Gürcü became a reporter with the Milli Agency (the National Ottoman Telegraph Agency), successor of the Ottoman Telegraph Agency, at which time he started getting in touch with the British government. Despite being relieved of his duties from the Ottoman Telegraph Agency's administration, the Ottoman government continued to have suspicions of Gürcü's loyalties, and with good cause. He contacted the British government, first in 1915, while working as the National Ottoman Telegraph Agency's reporter in Switzerland and, later, in 1919, offering his services both times in return for his demands being fulfilled. In 1917, he traveled to Paris, in secrecy, most probably to meet with a foreign state's representative.

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<sup>456</sup> DH. KMS. 10/12 1332 S 12 (10 January 1914).

<sup>457</sup> P.P.G. Intelligence Department Cairo to Arthur Henry McMahon, 14 January 1916, FO 371/2492, file no: 191093, no: 191093, 14 December 1915, NA.

On 8 December 1915, Gürcü approached the British Minister in Berne, Grant Duff, on the question of a separate peace treaty with Turkey. Duff summarized the interview between himself and Gürcü as follows:

He was of opinion that Turkey would be disposed to make a separate peace if the Entente Powers would let the Ottoman Government have reasonable terms. There was a very strong feeling at Constantinople and generally in Turkey against the German domination and he was quite certain that Talaat Bey, who was by far the most powerful person in the Ottoman Empire, would not be obdurate if properly approached. He was in constant touch with him.

There were two weapons, beyond reasonable terms of peace, which England might use with effect:-

1. A treaty to transfer the position of Caliph to one of the Mussulman Sovereigns under British or French influence. He mentioned the Sultan of Morocco, Bey of Tunis, Sultan of Egypt, etc.
2. An energetic anti-German propaganda in Mohammedan countries, Egypt, Northern Indis, etc.<sup>458</sup>

On receipt of Duff's letter, the Foreign Office consulted Mr. Fitzmaurice and formed an opinion on the subject. The statements of Mr. Fitzmaurice were noted in the Foreign Office minutes as follows:

I knew Salih Bey Gourji, who is a Jew from Bagdad, when he was "Directeur" of the Agence Ottomane which enabled him to send 30,000 words [?] per day within the Ottoman Empire. In this capacity he used to disseminate an auspicious flow of anti-British news, principally about England's alleged designs on Mesopotamia, Arabia, etc.

His suggestion that England should threaten to transfer the Caliphate to Egypt sounds insidious.

It is doubtful how far Gourji is now entitled to speak on behalf of the governing body at Constantinople. Apart from such difficulties as the latest phase of the Armenian Question and the likely demand of the Turks for the complete evacuation of the Basra region, one of the obvious objections to Gourji's suggestion of [?] for a separate peace is that the matter may be unacceptable to Russia and lead to sow distrust as discussion between England and Russia, the constant aim of Turco-German workings in Sevres as Turkey entered the war by an attack on Russia, perhaps any

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<sup>458</sup> Duff to Sir Edward Grey, 8 December 1915, FO 371/2492, file no: 191093, no: 191093, 14 December 1915, NA.



overtures for peace would more properly be addressed to that Power.

The Turks look on life through military spectacles and have been drawn into the German orbit owing to their belief in the superiority of the German military machine. When they see the [?] or [?] defeat of the latter, they will be more anxious than at present to make peace on terms agreeable to the allies. Further if the Germans appear in any considerable force at Constantinople, the Turks will begin to visualize the German 'King Storer' and a [?] will thereby be given to any tendencies to seek peace on reasonable terms.<sup>459</sup>

Gürücü's suggestions "that H.M.G. should transfer the Caliphate to Egypt" was found "insidious" by Sir Edward Grey, "whereas his other proposals recall in a suspicious manner the several attempts of the Committee of Union and Progress to sow discord between Great Britain and Russia".<sup>460</sup>

Duff was instructed not to have any more contact with Salih Gürücü on the following grounds:

For the present it would appear prudent to reply to all such advances, the bona fides of which is open to doubt, to the effect that Turkey having begun the war by an attack upon Russia, it should be to that Power, and not her Allies, that any peace overtures should be addressed.

Moreover, it is probable that until the glamour of the military successes of the German armies has to some extent become clouded, and until the danger of the German domination in Turkey has more fully been realised, it will be difficult to obtain from Turkey any conditions such as the actual superiority of the allies will entitle them to expect.<sup>461</sup>

Arthur Henry McMahon, British High Commissioner in Egypt, was also informed about Salih Gürücü's interview with the British Minister in Berne. McMahon consulted the Intelligence Department about Gürücü and formed the following opinion, based on his record in the Intelligence Department:

From his record, he does not appear to be a very desirable intermediary and his communications should probably be

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<sup>459</sup> Minutes, 22 December 1915, FO 371/2492, file no: 191093, no: 191093, 14 December 1915.

<sup>460</sup> Grey to Duff, 26 December 1915, FO 371/2492, file no: 191093, no: 191093, 14 December 1915.

<sup>461</sup> Grey to Duff, 26 December 1915, FO 371/2492.

accepted with caution. Any unauthorized intervention in the question of the Caliphate tends to be dangerous, and a deal on the lines suggested by Gourdjı would probably involve the question of Constantinople. Thus his proposals may conceivably have been made with a view to causing friction between England and Russia. Our enemies would doubtless spare no intrigue to promote discord between ourselves and Russia regarding Constantinople, as they would between ourselves and France in connection with Syria and the Arabs.<sup>462</sup>

Moreover, McMahon enclosed this report with the letter he wrote to Sir Edward Grey. The report included striking details about Gürçü and the Ottoman Telegraph Agency. The British Foreign Office report stated that the Ottoman government was paying the Ottoman Telegraph Agency large amounts of subvention: “Salih Gurji first became known at Constantinople in 1910, when he founded the ‘Agence Ottomane’, a telegraphic Agency subventioned by the Ottoman Government to the extent of £T 30,000 or £T 40,000 a year.”<sup>463</sup>

According to the report: “The news published by the Agency reflected the views of the then Government, which was in the hands of the Committee of Union and Progress. It was mendacious and ‘tenacious’ lost few chances in attacking Russia and had an occasional dig at England. France was generally let off with faint commendation this doubtless in anticipation of financial favours to come, but when the 1910 Loan fell through, she was subjected to severe criticism.” The report mentions the objections that took place regarding Gürçü being in charge of the agency and claims that the objections took place because, “the concession, for such it was, of a lucrative ‘enterprise de publicité’, to a little known Hebrew provoked

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<sup>462</sup> McMahon to Grey, 18 January 1916, FO 371/2771, file no: 16374, no: 16374, 26 January 1916.

<sup>463</sup> P.P.G., Intelligence Department Cairo to McMahon, 14 January 1916, FO 371/2492, file no: 191093, no: 191093, 14 December 1915.

some comment at the time but was easily explained".<sup>464</sup> It was stated that the reason

Gourdji became the director of the Ottoman Telegraph Agency was because:

...the Committee of Union and Progress, or rather its extreme Judaco-Turkish wing, took care to find posts for its most trusted supporters which were not particularly brilliant, in the opinion of the uninformed public, but were in reality of great importance.

Thus the Press Bureau fell to the Salonike Donmé FAZLI NEJIB, the Secret Service to Azmy Bey, with Samuel Eff., a Jew of Seres, as his second in command, the Gendarmerie to Ghalib Bey, etc., etc. Gurji was believed to have been selected on account of his good knowledge of French from among several Jewish candidates for the post of proprietor of this 'Semi-official Agency'. He survived the Kiamil Régime, and on the return to power of the Committee became, to judge from the publications of his Agency, more hostile to Great Britain and Russia than before.<sup>465</sup>

In order to underline his untruthfulness and unreliability it was also depicted that:

In the summer of 1914, Salih Gurji was blackballed by the 'British Club de Constantinople' on account of the belief that he would make his membership a cloak for espionage, and the knowledge that he had (a) repeated confidential conversations with French journalists to his Government. (b) Assisted Turks and Germans in an anti-British propaganda among the Moslems and Jews at Adana, Aleppo, Baghdad, etc.<sup>466</sup>

The report also explained why Gourji lost his position in the agency:

When the European War broke out Salih got into trouble, according to his account, through his French sympathies, but according to others, on account of the discovery that, ever anxious to turn an honest or dishonest penny, he had sold information prior to its official publication in a form which would please the authorities to French or Italian journalists.<sup>467</sup>

The transformation of the Ottoman Telegraph Agency into the National Agency was depicted thus:

The 'Agence Ottomane' was said to have been deprived of its subvention and brought to an untimely end: in reality the 'Agence Milli' (National Agency), which took its place, was the same

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<sup>464</sup> P.P.G, Intelligence Department Cairo to McMahan, 14 January 1916, FO 371/2492.

<sup>465</sup> Intelligence Department to McMahan, FO 371/2492.

<sup>466</sup> Ibid.

<sup>467</sup> Ibid.

Agency under another title, Gurji ceased to be ‘director’ but retained his financial interest in the business, and his friends, to whom he had given jobs in the Agency, kept their places in the ‘Milli’, which became openly pro-German and anti-Ally.<sup>468</sup>

The report also stated that “Gurji has been used by Talaat often enough. One doubts whether he has any great influence over him whatever.”<sup>469</sup>

A record from 1917 shows that the Ottoman Empire was suspicious of Gourджи for it documents that the government was investigating his travels. In 1917, the Ottoman government found out that he had traveled to Paris. Halil Bey, the Minister of Foreign Affairs, investigated the matter and presented his findings to Tal‘at Bey, the Minister of the Interior. In the memorandum, it was stated that although Salih Gürcü’s wife mentioned that her husband traveled to the United States as a reporter, after an investigation it was realized that he had traveled to Paris instead. The memorandum mentioned that it did not make sense for an Ottoman citizen to travel to the United States at that time, and the fact that he did not apply for the necessary papers for traveling to this country verified the account that he in fact had traveled to France. It was also stated that even if it was true that he had traveled to the United States, he would still have needed to take the boat from France.<sup>470</sup>

Later, in 1919, Salih Gürcü Bey reappeared in the British Foreign Office records. He offered one of the members of the Eastern Department of the Foreign Office the opportunity to cooperate with the British Empire by spreading British propaganda in Arab lands through establishing a pro-British news agency in Palestine. Gürcü’s offer and Chaim Weizmann (Zionist politician and future president of Israel)’s request for information about him led to several

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<sup>468</sup> Ibid.

<sup>469</sup> Ibid.

<sup>470</sup> HR.SYS. 2267/47 20 January 1917.

communications within the Foreign Office in order to decide what his true political standing was. By making this offer, not only did Gürcü intend to align with the victors of the war, and enjoy a new source of income through a news agency that would be funded by the British government, but he also hoped to take over L'agence de Turquie, which was partners with Reuters and Havas, with the claim that the Milli Agency had been illegally confiscated from him. As will be discussed further in Chapter V, on 9 February 1919, the Milli Agency's name was changed to L'agence de Turquie and it became under the control of the French and British governments through Havas and Reuters.

In his meeting with one of the officials of the Eastern Department, Gürcü stated that he was originally from Baghdad and that his family had lived there for centuries. He explained that he had left Constantinople because of the climate, which was too hot for him, and that he “went to America where he held some 65 pro ally meetings”.<sup>471</sup> He emphasized his Arabic origins to convince the Foreign Office that his scheme to establish a pro-British agency would succeed:

Since the war he had thought of engaging in commerce, but at Dr. Weizmann's entreaty he was prepared to give this up to undertake to run a pro-British news-agency in Palestine which would also make every endeavor to harmonize Arab and Jewish views in Palestine and Syria.

He maintained that his Arab origin would be of tremendous assistance in his work. His agency was to be worked in conjunction with Reuter's in London, with whom he would have a representative.

He also pointed out that his pre-war dealings with the Turks had given him an insight into their politics and intrigues which would enable him to combat them successfully. (Minutes of a Conversation of Salih Gourdji Bey with a member of the Eastern Department, 9 July 1919)

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<sup>471</sup> Minutes of a conversation between Salih Gourdji Bey and a member of the Eastern Department, 9 July 1919, FO 371/2771, file no: 98473, no: 98473, 5 July 1919.

Moreover, Gürçü communicated a memorandum to Sir Louis Mallet on 17 June 1919, explaining the reason for his misfortune and including his demands from the British Foreign Office, perhaps in return for establishing a pro-British news agency. Disagreement between him and the CUP was outlined thus:

Salih Bey Gourджи, founder-owner of the Telegraphic Turkish Agency of Constantinople, was expelled from his agency and threatened with imprisonment and death in 1914 because of his hostility for the participation of Turkey in the war. Salih Bey published in September 1914 a brochure: 'Why Turkey should not ally with Germany' and a pamphlet against Talat and Enver. For these reasons, he had to flee Istanbul.<sup>472</sup>

He claimed that even after leaving the Ottoman Empire, he continued to pursue the ideals of the Allies. Thinking that being a Zionist would help him to convince Britain to entrust him with the establishment of a news agency in Palestine:

For five years, he devoted himself in body and soul to serve the cause of the Allies and notably for English interests.

He returned from America where he held 65 conferences with pro-Ally propaganda for two and a half years.

Mr. Gourджи has been a member of the Zionist party for more than fifteen years.<sup>473</sup>

Gürçü reminded Mallet that the Turkish government had breached the convention signed between them, perhaps to imply that it could be used against the Turkish government when and if necessary:

Following the injustice that he suffered for five years because of the attitude of the Talat government towards him, and as the Convention between the Turkish government and Salih Bey Gourджи that was signed by the Ministry of Foreign Affairs had been violated, Salih Bey reserves his right to take a legal action against the Sublime Porte.<sup>474</sup>

He demanded the following from the British Foreign Office:

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<sup>472</sup> Minutes, 9 July 1919, FO 371/2771.

<sup>473</sup> Ibid.

<sup>474</sup> Ibid.

- 1) A sequestration/trustee to be put on the assets and the fortune of Hussein Tossoun Bey, a director of ex-agency *Milli*, agent of Talat, who in 1914, overtly threatened Salih Bey with assassination.
- 2) He demands that the Turkish government recognize Salih Bey as the legitimate owner of the Agency, currently functioning in Istanbul under the name '*Agence de Turquie*' [Agency of Turkey].
- 3) Selim Bey Gourджи, who is currently in Istanbul, and brother of Salih Gourджи Bey to be appointed by the Sublime Porte as the general manager of the *Agence de Turquie* of which the revenues will be placed under his control and transferred to a bank, until Salih Bey himself asserts his rights in Istanbul.<sup>475</sup>

In his correspondence to Earl Curzon of Kedleston, Mr. Arthur Balfour stated the opinion of Sir Mallet on Gürçü and his offer:

In Sir L. Mallet's opinion, Salih Bey Gourджи is a clever man with a considerable knowledge of the inner workings of Turkish politics. Sir L. Mallet further considers that he was opposed to the war and was not persona grata to the C.U.P. for which reason he was replaced as director of the Agence Ottomane. During the war he lectured in America, and Sir L. Mallet has seen reports of his lectures attacking the C.U.P. For these reasons it may be impolitic entirely to disregard the claim put forward in his memorandum or to offend him, as he is likely to be useful to His Majesty's Government or the reverse whichever course offered him the greatest advantage. It is therefore suggested for Lord Curzon's consideration that a copy of Salih Bey Gourджи's memorandum should be sent to Constantinople, and that Admiral Calthorpe should be informed of the facts as stated above and that there is a possibility of his employment by the Zionist Organisation at Damascus.

It might be proposed to Admiral Calthorpe that in the circumstances no harm could be done by giving him unofficial assistance or, at any rate, by creating the impression of so doing, but that it should be left to Admiral Calthorpe's discretion to decide what action, if any, should be taken in the matter.<sup>476</sup>

On 16 June 1919, Mr. Balfour sent a telegram to Admiral Calthorpe, High Commissioner in Constantinople, and stated that "in Sir Louis Mallet's recollection the agency was strongly pro-Ally and Salih Bey so convinced an opponent of the pro-German policy that he was forced to fly from Constantinople, in consequence

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<sup>475</sup> Ibid.

<sup>476</sup> Balfour to Curzon, 4 July 1919, FO 371/2771, file no: 98473, no: 98473, 5 July 1919.

of his outspoken hostility to Germany and the C.U.P.”<sup>477</sup> and he requested Admiral Calthorpe to ask Mr. Ryan to confirm this information. The High Commissioner disproved the information on Gürcü:

Mr. Ryan has no personal knowledge of Salih Gourджи. I cannot discover that he was strongly pro-Ally or that he was openly identified with opposition to C.U.P.

‘Agence Ottomane’, which he started in 1909, was the subsidized and semi-official mouth-piece of Government, and he remained in charge of it until October 1914 when he was got rid of and the Agency reorganized under the name of Milli or national. When in Europe later on he acted as a correspondent for the Milli Agency but the connection was eventually severed.

Salih is a Jew from Baghdad. The impression I get is that he was mildly displeasing to C.U.P. but ready enough to serve them; mildly Zionist and ‘opportunist’.<sup>478</sup>

On receiving Admiral Calthorpe’s telegram, the Foreign Office warned Mr. Weizmann about Gürcü by rephrasing Calthorpe’s statements and ended the letter by underlining that:

Salih Guourdji is a Jewish native of Baghdad. He has never been a persona grata to the Commission of Union of Progress but was ready enough to serve them, and may be described as mildly Zionist, but above all an opportunist.<sup>479</sup>

The High Commissioner’s telegram also informed him that Gürcü lost his position as director of the Ottoman Telegraph Agency in October 1914, that the name of the agency was then changed to ‘Milli’, and that Gürcü subsequently became the correspondent of the Milli Agency.<sup>480</sup>

Notes in the foreign office minutes reflect the officers’ distrust of Gürcü: “The idea of H.M.G. pandering to a Turkish adventurer through fear of what might result from his possible displeasure does not appeal to me, nor, judging by his

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<sup>477</sup> Balfour to Somerset Arthur Gouch Calthorpe, 16 June 1919, FO 371/2771, file no: 98473, no: 98473, 5 July 1919.

<sup>478</sup> Calthorpe to Balfour, 28 June 1919, FO 371/2771, file no: 98473, no: 98473, 5 July 1919.

<sup>479</sup> Foreign Office to Weizman, 14 July 1919, FO 371/2771, file no: 98473, no: 98473, 5 July 1919.

<sup>480</sup> Calthorpe to Balfour, 28 June 1919, FO 371/2771.



telegram to Mr. Balfour does it seem likely to appeal to Admiral Calthorpe. His requests too seem to me preposterous.”<sup>481</sup> “So far as I remember this man, he is of no influence and a [?] who is much more likely to work against us than for us.”<sup>482</sup> Gürcü tried to take advantage of the contemporary political situation to take back the administration of the Ottoman Telegraph Agency, secure compensation, and find himself a new source of income by collaborating with the British Empire.

The semi-formal Ottoman Telegraph Agency was a product of a long lasting scheme that had been pursued since 1878. However, it only lasted for three years. Because the Ottoman government started to regard its founder and director Salih Gürcü as untrustworthy. The British documents suggest that the Ottoman Empire was correct in its decision to expulse him from the agency’s administration. Gürcü shortly offered his services to the British Empire. The Ottoman Telegraph Agency was transformed to l’agence Milli and it operated under a new director, Hüseyin Tosun during World War I. After the Allies’ occupation l’agence Milli was transformed to La Turquie and then to l’agence Orientale d’informations.

### **6.1. l’Agence Milli (The National Ottoman Telegraph Agency)**

On 15 November 1914, after the removal of Salih Gürcü, the duty of transforming and administering the agency fell to Hüseyin Tosun, who was Erzurum Deputy at the time.<sup>483</sup> Tosun became the Ottoman Telegraph Agency’s

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<sup>481</sup> O.A.S, 7 July 1919, FO 371/2771, file no: 98473, no: 98473, 5 July 1919.

<sup>482</sup> W.S.S. Ibid.

<sup>483</sup> BEO. 4332/324854 1333 S 27 (14 January 1915).

director.<sup>484</sup> By March 1915, the Ottoman Telegraph Agency was replaced by the National Ottoman Telegraph Agency (the Milli Agency).<sup>485</sup>

The previous contract with the Ottoman Telegraph Agency, which was signed during Gürcü's administration, was terminated. In the new contract, signed on 15 November 1914, the agency's services were outlined as follows: to disseminate and announce every type of formal and informal, domestic and foreign, political and economic view of the empire, to be a mediator for all published statements of the government offices, and to serve the empire's interests. To be able to perform these duties it was decided that the agency had to be in regular contact with the state offices and receive suitable information from them for publishing. Those statements of the gravest importance were to be given directly to the agency's directorate by the Press Directorate.<sup>486</sup> All state offices were informed about this decision and were instructed to initiate relations with the agency with this in mind.<sup>487</sup>

There is more information available regarding Tosun compared to Gürcü. Hüseyin Tosun Bey, who was one of the founders of the Ottoman Telegraph Agency and the Founder-Director of the National Ottoman Telegraph Agency, was from a Circassia family that settled in the Manyas region during the 1864 Circassian exile. He was a dedicated CUP member, studied at the military academy and became an officer. He was imprisoned at Taşkışla during the reign of Abdülhamid

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<sup>484</sup> Ibid.

<sup>485</sup> BEO. 4344/325785 1333 Ca 02 (17 April 1915).

<sup>486</sup> BEO. 4332/324854 1333 S 27 (14 January 1915).

<sup>487</sup> BEO. 2886/216385 1324 C 15 (7 July 1906).

II for taking part in the revolutionary movement.<sup>488</sup> In 1896, he was appointed as a French teacher to the Tripoli Military Junior High School as a place of exile.<sup>489</sup>

According to Abdullah Cevdet, during his three-year stay, Hüseyin Tosun helped government opponents to escape and supported their financially distressed families. Abdullah Cevdet was among those whom he helped to escape. Tosun, along with Pietro Suvalle, arranged Cevdet's escape to Tunisia by sailing boat.<sup>490</sup>

Tosun finally managed to escape from his place of exile, traveled to Paris, and got in touch with the Young Turks.<sup>491</sup> In 1902, he took part in the first Young Turk congress as a Circassian delegate with his friend, the military doctor Circassian Kemal Bey. He became one of the founders of the League of Private Initiative and Decentralization (Teşebbüsü Şahsi ve Adem-i Merkeziyet Cemiyeti), which was established under the leadership of Prince Sabahaddin after the congress.<sup>492</sup>

With the deportation of Abdullah Cevdet from Switzerland, Hüseyin Tosun left Paris and moved to Switzerland to take over the *İctihad Mecmuası*.<sup>493</sup> He remained the director throughout 1904.<sup>494</sup> He also took part in the publishing of the *Terakki* newspaper in Paris. In 1907, at the second Young Turk congress, as well as at the second congress of the Ottoman Liberals in Paris, Tosun supported the idea of 'decentralization', along with Prince Sabahaddin.<sup>495</sup>

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<sup>488</sup> Nart Kozok, *Osmanlı Tarihinde İz Bırakan Çerkesler* (İzmir: Neşa Ofset Ambalaj, 2010), 295.

<sup>489</sup> Abdullah Cevdet, "Hüseyin Tosun'u Gaybettik," *İctihad* (15 January 1930): 5322.

<sup>490</sup> Cevdet, "Hüseyin Tosun'u Gaybettik," 5323.

<sup>491</sup> Hüsametdin Ertürk, *İki Devrin Perde Arkası* (İstanbul: İlgı Kültür Sanat Yayıncılık, 2011), 76.

<sup>492</sup> Kozok, *İz Bırakan Çerkesler*, 296.

<sup>493</sup> Orhan Türkdoğan, "Hüseyin Tosun: Bir İhtilalcinin Profili," *Türk Dünyası Araştırmaları* (Feb. 1987): 72.

<sup>494</sup> Türkdoğan, "Hüseyin Tosun," 72.

<sup>495</sup> Kozok, *Osmanlı Tarihinde*, 296.

With the help and directives of the CUP, Tosun arrived in Caucasia disguised as a Russian subject, crossed the border and entered Erzurum.<sup>496</sup> In order to hide his true identity, he opened a store in the city.<sup>497</sup> He became a prominent member of the CUP's Erzurum branch.<sup>498</sup> He was in charge of the distribution of illegal publications in the Eastern provinces. Revolutionary publications, such as the letters, documents and newspapers which crossed the border with the help of the Kars Post Office manager, Çarpan, were first passed on to the Erzurum Post Office manager. From there, they were distributed to cities, such as Van, Bitlis, Diyarbakır, Muş and Erzincan, by Hüseyin Tosun and Hüsametdin Ertürk. *Mechveret* and *Şurayı Ümmet* were among these publications.<sup>499</sup> Tosun was receiving instructions from Ahmet Rıza Bey and Doktor Bahaeddin Şakir Bey.<sup>500</sup>

On 25 November 1907, Hüseyin Tosun was arrested along with several others for taking part in revolutionary propaganda. They were accused of being members of the CUP, an illegal organization. The arrests continued over the following days and the number of people arrested for taking part in the Erzurum uprisings of 1906 and 1907 against newly introduced taxation reached one hundred and seventy.<sup>501</sup> While under arrest, Hüseyin Tosun was severely tortured,<sup>502</sup> like the rest of the prisoners.<sup>503</sup>

The government issued a case against them for attempting to overthrow the regime. The trials started on 28 January 1908 in Erzurum with Judge Salim Bey presiding. The defendants were accused of killing police officers, wounding

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<sup>496</sup> Ertürk, *İki Devrin*, 76.

<sup>497</sup> Cevdet, "Hüseyin Tosun'u Gaybettik," 5323.

<sup>498</sup> Aykut Kansu, *1908 Devrimi* (İstanbul: İletişim Yayınları, 2002), 67.

<sup>499</sup> Kansu, *1908 Devrimi*, 66–67.

<sup>500</sup> Ertürk, *İki Devrin*, 76.

<sup>501</sup> Ertürk, *İki Devrin*, 84–85.

<sup>502</sup> Kozok, *Osmanlı Tarihinde*, 297.

<sup>503</sup> Kansu, *1908 Devrimi*, 84–85.

Governor Mehmed Ata Bey, trying to abolish the *Şahsi Vergi* and *Hayvanat-ı Ehliye Rüsümü*, trying to overthrow the regime by agitating in favor of a parliamentary regime, and distributing illegal publications, revolutionary newspapers and bulletins, for this purpose. The trials ended on 10 February 1908. By order of the government, Hüseyin Tosun was sent to Istanbul Jail to serve his sentence.<sup>504</sup> He was released from prison with the help of his relative Hüseyin Kadri Bey, who was a highly influential member of the CUP.<sup>505</sup>

After the declaration of the Second Parliamentary Regime, he was elected Erzurum Deputy. He served in the parliament as an independent deputy from 18 April to 5 August 1912, and from 1914 to 1918.<sup>506</sup>

Hüseyin Tosun became one of the founding members of the board of the Köylü Bilgi Cemiyeti, which was established on 21 April 1330 (4 May 1914) in İstanbul, Cağaloğlu. Information about this society is scarce: it was a subsidiary organ of the CUP, founded to connect the CUP and the peasants. The society solely dealt with publications.<sup>507</sup>

In 1911, after the attack of the Italians, Hüseyin Tosun went to Tripoli and took part in the mobilization of people.<sup>508</sup> He worked for the Special Organization (Teşkilat-ı Mahsusa) as the director of the Africa and Tripoli Branch.<sup>509</sup> He was

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<sup>504</sup> Ibid., 86–8.

<sup>505</sup> Kozok, *İz Bırakan Çerkesler*, 297.

<sup>506</sup> Feroz Ahmad and Dankwart A. Rustow, “İkinci Meşrutiyet Döneminde Meclisler: 1908-1918,” *Güneydoğu Avrupa Araştırmaları Dergisi*, nos. 4–5 (1976): 278.

<sup>507</sup> Tarık Zafer Tunaya, *Türkiye’de Siyasal Partiler Cilt 1: İkinci Meşrutiyet Dönemi* (İstanbul: İletişim Yayınları, 2011), 501.

<sup>508</sup> Kozok, *İz Bırakan Çerkesler*, 297.

<sup>509</sup> This information is only available in Tarık Zafer Tunaya, *Türkiye’de Siyasal Partiler Cilt 3: İttihat ve Terakki, Bir Çağın, Bir Kuşağın, Bir Partinin Tarihi* (İstanbul: İletişim Yayınları, 2000), 342. Though, Tosun was in fact residing in Tripoli at the time.

imprisoned by the Italians and taken to Rome. After his return to İstanbul, he was appointed as the manager of the Ottoman Telegraph Agency.<sup>510</sup>

In February 1919, Hüseyin Tosun Bey was arrested by Tevfik Paşa's government and sent to Bekirağa Division prison.<sup>511</sup> His brother, Mehmet Reşit Bey, committed suicide in İstanbul to avoid being put on trial.<sup>512</sup> He was one of the founders of the İttihad-i Osmani Committee, which was established in İstanbul by students of the Military Medical School (Tıbbiye-i Şahane).<sup>513</sup>

In May 1919, Admiral Richard Webb, deputy of the British High Commissioner, made a list of prisoners who would be exiled to Malta with priority. They were regarded as "the most dangerous criminals" by the British High Commission. The list consisted of fifty-nine people, including Hüseyin Tosun. On 19 May 1919, while submitting the list to General George Milne, Admiral Webb made a change and put a star next to the names of nineteen people to underline their importance. Hüseyin Tosun Bey was among these nineteen, with the crime of disturbing the peace.<sup>514</sup>

On 28 May 1919, the SS Princess Ena Malta disembarked from İstanbul with seventy-eight exiles to travel to Malta. Hüseyin Tosun Bey was among the sixty-seven captives from Bekirağa Division prison. The other eleven exiles were the parliamentarians of the South-Western Caucasian Republic (Cenubî Garbi Kafkas Cumhuriyeti). The exiles were regrouped into three by Admiral Calthorpe: twelve former ministers or politicians, forty-one former ministers, politicians, governors or lower-ranking civil servants, and fourteen officers. While traveling to

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<sup>510</sup> Kozok, *Osmanlı Tarihinde*, 297.

<sup>511</sup> Bilal N. Şimşir, *Malta Sürgünleri* (Ankara: Bilgi Yayınevi, 1985), 57–58.

<sup>512</sup> Türkdoğan, *Bir İhtilalcinin Portresi*, 71.

<sup>513</sup> Tunaya, *Türkiye'de Siyasal Partiler Cilt 1*, 51.

<sup>514</sup> Şimşir, *Malta Sürgünleri*, 96–97.

Malta, on 29 May 1919, the ship visited Limnos Island and dropped off twelve exiles from the first group at Port Mudros. Hüseyin Tosun Bey was one of them. The exiles were imprisoned there for almost four months until they were taken to Malta on 21 September 1919. In Admiral Calthorpe's report to Lord Curzon on 31 May 1919, Hüseyin Tosun Bey's number was written down as 2765 and his reason for exile was stated as disturbing the peace and mistreating the Armenians. Moreover, he was described as Erzurum Deputy, and the owner and administrator of the National Telegraph Agency.<sup>515</sup>

It was agreed by the Treaty of London, signed on 16 March 1921, that sixty-four exiles from Malta would be set free in exchange for twenty-two British war captives. However, the British were reluctant to release the exiles because of the recent attack of the Greeks on the Turks at the Bursa and Uşak fronts, hoping for a Greek victory. The defeat of the Greeks at the Second Battle of İnönü undermined the hopes of the British. In order to secure the freedom of the twenty-two British captives, on 13 April 1921, the British government ordered Lord Plumer, the Governor of Malta, to release only forty of the sixty-four exiles, agreed to be freed in the treaty. They were to be transferred to Italy.<sup>516</sup>

Hüseyin Kadri Bey was on the list of exiles to be released and transferred to Italy on 30 April 1921.<sup>517</sup> He changed places with Hüseyin Tosun Bey, who was sick, by taking advantage of the name resemblance.<sup>518</sup> Hüseyin Kadri Bey arrived in İstanbul on 30 October 1921, a month later, with the last group of exiles.<sup>519</sup> Hüseyin

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<sup>515</sup> Ibid., 97–108.

<sup>516</sup> Şimşir, *Malta Sürgünleri*, 355–67.

<sup>517</sup> Ibid., 369.

<sup>518</sup> Kozok, *Osmanlı Tarihinde*, 298.

<sup>519</sup> Şimşir, *Malta Sürgünleri*, 398.

Tosun Bey died in İstanbul on 7 January 1930 due to prostate cancer, in poverty, unable to cover his medical expenses.<sup>520</sup>

## 6.2. La Turquie

Baron Herbert de Reuter committed suicide on 18 April 1915.<sup>521</sup> After his death, under Roderick Jones' leadership, the shares of the Reuters were bought by the British government. In 1916, the company was reconstructed and became Reuters Limited. This new Reuters, with a manager (Roderick Jones) who was a chief executive and Director of Propaganda in the Ministry of Information, and a director (John Buchan) who was the Director of Intelligence at the same ministry, serving the official propaganda efforts of the British government both within and outside its territory, signed an agreement with the Milli Agency to ease the Ally occupation of Anatolia. On 9 February 1919, only three months after the occupation of Constantinople, Reuters signed an agreement with Havas and the Milli Agency to distribute news in Turkish territory under the name La Turquie-Havas-Reuter.

The official signing of the contract took place on 15 April 1920, between Mr. Werndel, the representative of Reuters Limited in Constantinople, M. Mothu, the representative of l'Agence Havas in Constantinople, and Mehmet Ali Bey, Minister of the Interior and concessionary of l'Agence La Turquie.<sup>522</sup>

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<sup>520</sup> Kozok, *Osmanlı Tarihinde*, 298.

<sup>521</sup> Read, *Power of News*, 126.

<sup>522</sup> Treaty of Cession (English Translation), 23 October 1922, 1/8715629, LN 247, 24 October 1922, RA.



### 6.3. l'Agence Orientale d'Informations

On 24 October 1922, almost two weeks after the signing of the Armistice of Mudanya, the Treaty of Cession was signed between the following parties: Havas was represented by Andre Meynot, one of its delegated administrators, Reuters was represented by Samuel Carey Clements, manager secretary, Salih Gürçü, Proprietor-Director of l'Agence Telegraphique Ottomane, and Alemdar Zade Munir Hairi, Director of the Bureau d'Informations Orientales. Munir Hairi was also the agent of the National Agency in Constantinople, while he was serving at the Ministry of Foreign Affairs as mektoubdji (secretary general).<sup>523</sup> The treaty foresaw the establishment of l'Agence Orientale d'Informations before 28 February 1923. Furthermore, the services of La Turquie-Havas-Reuter were to be carried on under the name of l'Agence Orientale d'Informations after the cancellation of the contract with La Turquie.

Salih Gourджи and Munir Hairi, who were named as nominated directors of the new agency in the main text of the second treaty which listed their rights and obligations, now with an annexation to the treaty's second paragraph of Article V, were to share their title and influence with two others, Ferguson and Mothu.

L'Agence Orientale d'Informations never came to life. Reuters ended up signing an agreement with the Anatolian Agency, which was founded on 6 April 1920, to counter British and French propaganda in Anatolia during the Turkish War of Independence. Having disseminated news against Turkish forces and the Ankara government throughout the war by means of La Turquie, which was operating in partnership with Havas and Reuters, the British and French governments envisioned

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<sup>523</sup> "Le Presse Française et les agences d'informations en Turquie," *Les Nouvelles D'Orient: Organce des Intérêts Français en Turquie*, 17 October 1895, 3.

this contract on defeat of the Greek forces so as not to lose their propaganda weapon in Anatolia, especially before the signing of a peace treaty. This is signified by the contract's date, 24 October 1922, only two weeks after the Armistice of Mudanya. Now that Mehmet Ali Bey, the Ottoman Minister of the Interior and concessionary of La Turquie, no longer had any influence, the British and French governments thought that they could appoint others to preserve an agency in Anatolia which served their interests. It has already been discussed above that the British government did not find Salih Gürcü reliable. However, under pressure to conclude a contract immediately with the expectation that its validity would be accepted by, or forced upon, the new Turkish government, the British government appointed Salih Gürcü as one of the directors of the new agency. Gürcü's claims to the Ottoman Telegraph Agency, discussed above, might well have been convenient to the British government as it could declare that this new agency, l'Agence Orientale d'Informations, was the Ottoman Telegraph Agency's successor, which had been confiscated unlawfully from Gürcü by the CUP. Therefore, Gürcü had ownership rights to the Ottoman Telegraph Agency and its successors. He was addressed as Proprietor-Director of the Agence Telegraphique Ottomane in the contract.

## **CHAPTER VII**

### **CONCLUSION**

Initiated by Havas, Wolff's and Reuters, news agencies flourished throughout the nineteenth century and their influence accelerated. The news agency owners and stockholders took advantage of this power by increasing profits and investments abroad. These three European news agencies established close relations with the various governments of their day. In this way they were able to reduce costs and maximize profits, as well as having access to official information prior to others. Apart from these general benefits resulting from their close contact with the governments, they were also able to access a vast imperial news market and defy any competition by using their relationships with their own imperial governments.

It is revealed in this dissertation that owners and stockholders of news agencies had investments in other sectors as well. They treated the news as a commodity, and the news business like any other area of investment. They were merely investors who wanted to increase their incomes and wealth. For this purpose they tried to influence governmental policies, manipulate empires, and take advantage of conflicts between empires like in the cases of the Persian Concession

and the Greek Railway Concession. The Reuter family's investments have been used as a case study to highlight the activities of capitalist investors in the developing parts of the world during the late nineteenth and early twentieth centuries. The family's rising influence also signified the rise of a new class from the service sector in the British Empire.

The Ottoman Empire, which since the eighteenth century had been in pursuit of consolidating power within the imperial centre and preserving the empire, regarded telegraphic communication and agencies as instruments in achieving this purpose. Therefore, it gave the utmost importance to establishing and extending the system and forming the necessary cadres. Telegraphic communication facilitated receiving and sending information throughout its lands, which were being ravaged by wars, uprisings, banditry, and the disloyalty of its provincial representatives. The findings of the dissertation suggest that controlling foreign news agencies was important for the Ottoman Empire in order to influence public opinion at home and abroad. The information disseminated by foreign news agencies travelling throughout its lands was challenging the central authority and the empire's territorial integrity, which became evident in the frequent uprisings and later in the regime change of 1908. Moreover, during the nineteenth century the empire had a problem with the image it was portraying to the rest of the world, especially Europe, which seriously challenged its existence. To fight the imperial aspirations of the European powers, which attempted to influence Ottoman and European public opinion, the Ottoman Empire tried to put Havas, Reuters and Wolff's under its control by using financial incentives. However, this plan did not succeed as the agencies promised to work for any and every country that paid them which was revealed by the dissertation's research in the Ottoman Archive, Reuters Archive, the

United Kingdom National Archives, Grand National Assembly of Turkey Archives, and Churchill Archive.

By combining primary sources from five archives in two countries, the dissertation discloses that the Ottoman Empire regarded the news agencies as instruments to have an impact on domestic and foreign public opinion. First, it had the policy to gain control of the major European news agencies by financial means. Shortly, the Ottoman statesmen tailored another policy, establishing an imperial news agency. They conducted research on European news agencies to understand how they were operating and the traits the imperial news agency had to possess. From Abdülhamid II's reign onwards, Ottoman statesmen attempted to establish an agency serving only the empire's interests. The idea was never abandoned and the plan not even interrupted by the regime change in 1908. The Ottoman Telegraph Agency, founded in 1909 by Salih Gürçü, became the empire's semi-formal news agency in 1911, and served the empire by announcing its official declarations and denials, and countering foreign propaganda spread both at home and abroad on the eve of World War I. It was replaced by l'Agence Milli in 1914, shortly after the start of the war. Demonstrating the importance of the agencies at the time in disseminating news, the Allies put the successors of the Ottoman Telegraph Agency, La Turquie, and l'Agence Orientale d'Informations, under their control.

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