

REUTERS AND THE GOVERNMENTS BEFORE THE WORLD WAR I: A CASE STUDY*

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Abstract

Before the World War I, Havas, Wolff's, and Reuters agencies signed confidential agreements with several governments, promising to serve them in various ways. These agencies concluded contracts with any government that was willing to subsidize them, treated news as an ordinary commodity. To convince statesmen to sign agreements with them, the agencies took advantage of world politics and tensions between empires. By this way, Wolff's overcame its vulnerability to Havas and Reuters while Havas defied competition in its home market and secured a large subsidy from the Russian Empire for more than a decade. Likewise, Reuters signed confidential agreements with the Japanese and the British empires and was subsidized by the Egyptian government for more than five decades. From the second half of the nineteenth century, until the World War I, the policy of the first and major news agencies of Europe, Havas, Wolff's, and Reuters was to maximize their profits by signing contracts with governments.

Keywords: Empire, Havas, Public Opinion, Reuters, Wolff's

Birinci Dünya Savaşı Öncesinde Reuters ve İmparatorluk Yönetimleri: Bir Örnek Çalışma

Öz

Birinci Dünya Savaşı öncesinde, Havas, Wolff's ve Reuters ajansları birçok farklı devletle gizli anlaşmalar imzalamıştır ve her birine farklı vaatlerde bulunmuştur. Bu ajanslar habere bir meta gibi davranmış ve kendilerine ödenek sağlayan tüm hükümetler ile anlaşma yapmıştır. Ajanslar, devlet yöneticilerini kendileriyle anlaşma yapmaya ikna etmek için mevcut siyasi durumdan ve imparatorluklar arasındaki gerilimden faydalanmışlardır. Bu şekilde Wolff's, Havas ve Reuters'e karşı güçlenirken, Havas iç pazarda rakiplerine karşı üstünlük sağlamış ve Rus İmparatorluğu'ndan on yıldan uzun bir süre ödenek almıştır. Reuters ise bu yöntemle, Japon ve Britanya

* This work was supported by The Scientific and Technological Council of Turkey (TUBİTAK) under grant 2214/A. This article is based on the author's unpublished thesis: Ceren Uçan, *The News Agencies in the Ottoman Empire: Havas, Reuters and the Ottoman Telegraph Agency (1862-1914)*, (PhD Dissertation, İhsan Doğramacı Bilkent University, 2019).

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imparatorluklarıyla gizli anlaşmalar imzalamıştır. Ayrıca, Mısır hükümeti tarafından kendisine elli yıldan daha uzun bir süre para yardımı yapılmıştır. On dokuzuncu yüzyılın ikinci yarısından Birinci Dünya Savaşı'na kadar Avrupa'nın ilk ve en büyük üç haber ajansı Havas, Wolff's ve Reuters, kazançlarını arttırmak için hükümetlerle anlaşma yapma politikası gütmüşlerdir.

Anahtar Kelimeler: İmparatorluk, Havas, Kamuoyu, Reuters, Wolff's

Introduction

The founders of Havas, Wolff's and Reuters agencies realized the need for news agencies in the nineteenth century. With the stock market's expansion, demand for rapid stock exchange rates was born. It was important for the nineteenth century bankers, financiers and investors to have fast access to stock exchange rates of major stock markets. The major European news agencies were established to satisfy this need at first, and then extended their area of work to political news. *Agence Havas*¹ was founded by Charles-Louis Havas (1783-1858), a bankrupt businessperson in 1835, followed by *Wolff's Telegraphic Bureau*² of Dr. Bernhard Wolff (1811-79) in 1849, and *Reuter's Telegram Company* of Paul Julius Reuter (1816-99) in 1851.³

Before the World War I, these three major European news agencies, Havas, Wolff's and Reuters concluded secret agreements with their imperial governments as well as foreign governments. Most of the time it was these news agencies which contacted governments and tried to convince them to sign confidential agreements. With this type of connection with their governments, the news agencies acquired "first crack at official information, reduced rates and priority use of state telegraph and cable facilities, and special subscriptions or outright subsidies".⁴ 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 to demonstrate that from second half of the nineteenth century until the World War I, the news agency owners and the stockholders regarded news as a

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- ¹ For further information on Havas, see Michael Palmer, *Des Petits Journaux aux Grandes Agences: Naissance du Journalisme Moderne, 1863-1914* (Paris: Aubier, 1983), Antoine Lefebure, *Havas: Les Arcanes du Pouvoir* (Grasset: Paris, 1992), Pierre Frédérix, *Un Siècle de Chasse aux Nouvelles de l'Agence d'Information Havas a L'Agence France-Presse (1837-1957)* (Paris: Flammarion, 1959).
 - ² For more information on Wolff's, see Dieter Basse, *Wolff's Telegraphisches Bureau 1849 bis 1933* (München: K.G. Saur, 1991), Robert Keyserlingk, *Media Manipulation: The Press and Bismarck in Imperial Germany* (Montreal: International Publishers Representatives, 1977).
 - ³ Agence Havas will be referred as Havas, Wolff's Telegraphic Bureau as Wolff's, and Reuter's Telegram Company as Reuters in rest of the article.
 - ⁴ 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), 597.

commodity⁵ and the policy of the news agencies was to sell it to any government that was willing to pay for it. The news agencies skillfully took advantage of world politics and disputes between the empires to conclude agreements. While Havas benefited from Russo-Japanese War (1904-1905), Wolff has defied foreign competition by taking advantage of tension between Great Powers. Similarly, Reuters took advantage of tension between Great Powers while convincing the British government to make a secret convention. It also benefited from the conflict between China and Japan over Korea to sign another confidential agreement with Japanese Empire, promising to promote the empire's image abroad. Besides, the government of Egypt remained as a Reuters' subscriber for fifty-four years. This article will examine briefly the relations of Havas with French and Russian governments, and Wolff's with the Prussian government while it will elaborate the affairs of Reuters with the British, Egyptian, and Japanese governments. Before the World War I, Havas, Wolff's and Reuters pursued the same policy, which was to have confidential agreements with foreign and domestic governments, promising to serve their interests. To support this argument, we chose Reuters as a case study for Reuters Archive and used some archival documents from the United Kingdom National Archives.

Literature Review

The relations between the governments and major European news agencies before the World War I have been overlooked in the historical scholarship. The focus of the studies has been on operations of these agencies during World War I. The news agencies became a figure in their imperial government's organized official propaganda with the start of the war. The only piece of work that studies in detail the relations of the news agencies with governments before the war is Alexander Nalbach's dissertation, *The Ring Combination: Information, Power and the World News Agency Cartel 1856-1914*. The work is significant also for the author used archival materials from variety of archives concerning each news agency. He consulted both state office archives and agency archives, allowing him to combine official views of the empires and perception of the agencies.⁶ Nalbach's research in French and German archives especially helped the author to have information on French and German sources, and the perspectives of these governments and representatives of Havas and Wolff's.

There is hardly any recent work on these agencies covering the period from mid-nineteenth century to 1914 in English, French or German let alone a comparative one that concerns itself with relations of Havas, Reuters, and Wolff's with imperial governments. There are couple of comparative works on news

⁵ Oliver Boyd-Barrett and Terhi Rantanen, refer to news as a commodity to collect and distribute in "The Globalization of News," in *The Globalization of News* (London: Sage Publications, 1998), 1.

⁶ This characteristic of Nalbach's dissertation helped the author of this article to be informed concerning the French and German sources.

agencies. For example, Michael B. Palmer's "Crieurs et Diffuseurs de Journaux: Perspectives Françaises et Britanniques, 1860-1900."; *Des Petits Journaux aux Grandes Agences : Naissance du Journalisme Moderne (1863-1914)*; "L'agence Havas, Reuters et Bismarck : L'échec de la Triple Alliance Télégraphique (1887-1889)", Jonathan Silberstein-Loeb's *The International Distribution of News: the Associated Press, Press Association, and Reuters, 1848-1947*, Terhi Rantanen's *Foreign News in Imperial Russia: The Relationship between International and Russian News Agencies, 1856-1914*, Oliver Boyd-Barrett's *The International News Agencies*, Jonathan Fenby's *The International News Services*.

The literature on Reuters focuses mainly on the news agency's history. The publications on news agencies in general are "company histories commissioned by the world news agencies themselves to promote publicity, to commemorate anniversaries",⁷ as rightfully described by Nalbach, and this is also the case for works on Reuters. These sources merely relate the chronological history of the agencies, 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. Other group of published material is memoirs of managers. They are anecdotal. These are Henry M. Collins', *From Pigeon Post to Wireless* and Roderick Jones', *A Life in Reuters*.

There is hardly any source on the international news agencies in Turkish. Only Orhan Koloğlu discussed the international news agencies briefly in *Havas-Reuter'den Anadolu Ajansı'na* and in a later work, *Osmanlı Döneminde Basın Teknikleri ve Araçları*. Not only these sources are not elaborate but also they have problems in using citations. 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*. Similarly, *Osmanlı Döneminde Basın Teknikleri ve Araçları* does not cite the primary sources and does not give the page numbers of the secondary sources.

This article contributes to literature on Reuters and the nineteenth century pioneer news agencies. In addition, it attempts to fill the gap in historical scholarship regarding comparative works on affairs of news agencies with governments before the World War I.

Havas and the French Government

Havas always managed to maintain good relations with the French government; this also helped it to avoid competition in France. A letter written by

⁷ Nalbach, *The Ring Combination: Information, Power and the World News Agency Cartel*, (PhD Dissertation, University of Chicago, 1999), 29.

Henri Houssaye, Director of Havas, to his Constantinople agent in 1909 shows how both the French government and Havas benefited from their close contact, which was also relevant to Wolff's and Reuters's interaction with their home governments. The letter also 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 it⁸"

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. 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".⁹

The agency kept 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 (1852-1870), emperor of France forbade the founding of any new news agencies. In 1863, the government paid 24,000 francs and paid additional subsidies to twenty-one provisional newspapers, on average 2,000 francs to each to help them pay their Havas subscriptions.¹⁰ 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 relationship between Havas and the French government. In a 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".¹¹

By this way, the French government promoted its views without having any responsibility for information disseminated by Havas.

⁸ Nalbach, "Ring Combination," 240.

⁹ Ibid., 107.

¹⁰ Ibid.

¹¹ Ibid.

In July 1879, Auguste Havas, the son of Charles-Louis Havas sold the agency to Frédéric-Émile Erlanger, a German-Jewish financier who had close relations with governments and diplomats.¹² Despite change of ownership, the close relationship between Havas and the French government continued as before.

Havas and the Russian Government

For twelve years, Havas received subsidy from the Russian Empire in the form of subscription. 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, London and Berlin; and even if it had stopped them, the news would have come by other routes, and caused even more damage”.*¹³

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,...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”.*¹⁴

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

¹² Nalbach, “Poisoned at the Source?”, 585-87.

¹³ Ibid., 241.

¹⁴ Ibid., 242.

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”.*¹⁵

The minister agreed and Russian subsidies to Havas continued until the Revolution of 1917.

Wolff's and the Prussian Government

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 out Wolff's agency in cooperation with Havas. Bernhard Wolff asked King Wilhelm I for help against Reuters and Havas. Wolff underlined importance of preserving the agency for *“should Havas succeed, Prussia would become dependent on foreigners for its political intelligence”*.¹⁶

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), a joint-stock holding 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.¹⁷

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 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.

Bernhard 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.¹⁸

Reuters

Last but not the least; let us now discuss the agreements made between Reuters and the British government, as well as other governments. Jonathan

¹⁵ Ibid., 244.

¹⁶ Ibid., 109.

¹⁷ Ibid., 108–12.

¹⁸ Ibid., 224–27.

Silberstein-Loeb accurately described Reuters from 1851 to 1930 as “a trading company operating in news”.¹⁹ Its commodity was the news. In 1894 and 1895, Reuters signed secret agreements with the British and Japanese governments, and 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.

Reuters and the Egyptian Government

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.²⁰ Joseph Schnitzler, the chief agent, moved the office to Cairo in 1882.²¹ Having 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’. Despite change of rulers, Reuters continued being subsidized. Khedive Isma‘il (1863-79), Khedive Mohammed Tewfik Pasha (1879-92), and Khedive Abbas Hilmi II (1892-1914) ‘subscribed’ to Reuters. The ‘subscription’ continued during British protectorate (1914-1922) as well.

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 organization in this country depends upon the continuance of that support”.²² For twenty-five years, 1,000 pounds the Egyptian government paid a year to Reuters and Havas.²³ 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.²⁴ Reuters benefited from conflict between the European powers and Egypt as well as political turmoil in Egypt. It enjoyed a long period of subscription with a large sum.

Reuters and the Japanese Government

Reuters’ agreement with the Japanese government is an example of agencies’ relations with foreign governments. The company signed an agreement with Japan on 26 July 1894, which came into effect, the same day the First Sino-Japanese War started. It was hardly a coincidence. The agreement was part of Japanese publicity campaign to have an upper hand in the war. The First Sino-Japanese War took place

¹⁹ Jonathan Silberstein-Loeb, *The International Distribution of News* (New York: Cambridge University Press, 2014), 165.

²⁰ Graham Storey, *Reuters’ Century, 1851-1951* (London: Max Parrish, 1951), 95.

²¹ Ibid.

²² Donald Read, *The Power of News: The History of Reuters* (Oxford: Oxford University Press, 1999), 66.

²³ Nalbach, “Ring Combination,” 178.

²⁴ Cashbook (1877-1893), 1/8911601, LN 462, Reuters Archive (hereafter cited as RA).

between China and Japan over Korea, China's client state. With the desire to suppress Chinese power in the east and be able to take advantage of Korean natural resources and market more, Japan got involved with Korean internal affairs, which eventually led to armed conflict. Conrad Totman explained economic importance of Korea and its significance in Japan's future prospects:

*"Korea was becoming a market for cotton goods and sundries and a source of rice and soybeans, while also beginning to look like a crucial rail link to the continent beyond. Indeed, by 1894, the gaining of treaty right to develop mines, build railroads, and telegraph lines had emerged as a key strategic goal of policy makers in Tokyo. More importantly, perhaps, the question of policy toward Korea had become enmeshed in the broader agenda of asserting Japanese dignity and interests vis-à-vis the imperialist powers as a whole".*²⁵

To justify going to war, the Japanese government started to publish articles in Japanese newspapers on Korea starting from end of January, only seven months before the outbreak of war. The Japanese government modified Rudyard Kipling's "white man's burden" to legitimize future battle with China over Korea.²⁶ The articles emphasized backwardness of Korea and Japan's responsibility to lead Korea along the path of civilization.²⁷ Japan's sense of its civilizing mission in Asia which formed its moral basis of territorial expansion in the first half of the twentieth century was that *"Japan would bring its understanding of modernity to the East: westernized political, legal, financial, and educational institutions and a modern industrial and infrastructural base."*²⁸

To propagate legitimacy of its cause, prevent intervention of European powers, and influence foreign public opinion, the Japanese government signed an agreement with Reuters. 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".*²⁹

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*

²⁵ Conrad Totman, *A History of Japan* (Oxford: Blackwell Publishing, 2005), 329.

²⁶ S.C.M. Paine, *The Sino-Japanese War of 1894-1895: Perceptions, Power, and Primacy*, New York: Cambridge University Press, 2006, 111.

²⁷ *Ibid.*, 111-15.

²⁸ *Ibid.*, 115.

²⁹ Agreement with the Japanese government, 26 July 1894, 1/8714059, LN 238, RA.

direct or indirect interest for Japan".³⁰ As the agreement exposes, the Japanese government tried to construct its image as a modern and progressive country to reach its political, economic, and strategic ends. Moreover, Reuters was to "*act in their respective spheres as the intermediaries for the financial and commercial requirements of Japan*".³¹ For these services, the Japanese government agreed to pay 600 pounds annually starting from 1 August 1894 for one year.³²

Around the same time Reuters concluded an agreement with the Japanese government, the company also signed another one with the British government, which resembled the Japanese convention. Hence, Reuters was negotiating with both the British and Japanese governments at the same time, and both agreements were planned to come into effect from the 1 August 1894.

Reuters and the British Government

In July 1894, Dr. Sigmund Engländer, Chief Editor of Reuters approached the British Foreign Office 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 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.

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.³³ Engländer stated "*the day is past for indifference to newspaper calumnies*".³⁴ He 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*".³⁵ 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 news in favor of the

³⁰ Agreement, 1/8714059, LN 238, RA.

³¹ Ibid.

³² Ibid.

³³ Confidential Report of A.W. regarding his conversation with Dr. Engländer, 3 July 1894, HD 3/97, National Archives (hereafter cited as NA.).

³⁴ Ibid.

³⁵ Ibid.

British Empire and tried to convince the government to do so.

Dr. Engländer insisted on having an agreement between agency and the Foreign Office, and tried to convince the office of the agency's utility. For this purpose, he took advantage of tension between major powers and contemporary desire of nineteenth century politicians to influence domestic and foreign opinion. Lord Kimberley exposed Engländer's tactic was in a note by 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".³⁶

After private and confidential communications, which took place mostly between Engländer and Sir Thomas Henry Sanderson, Permanent Under-Secretary of State for Foreign Affairs, the British Foreign Office agreed to try proposed services of Reuters. The agreement between Reuters and the British Foreign Office had the following articles:

"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 1st of August next".³⁷

Sanderson was given the duty to receive the political telegrams sent by the company.³⁸ Baron Herbert de Reuter received a cheque for £125 on 30 July 1894, which was sent on the 28th in advance as the payment for the first three months.³⁹

The second article of the convention indicates that from 1894 to 1898, Reuters did not disseminate any information on any event that concerned the British Empire before consulting the British Foreign Office first. Examination of a confidential agency report that Reuters promised to provide the Foreign Office with in the third article reveals that Reuters' employees and manager acted like secret

³⁶ Note of Lord Kimberley, 6 July 1894, HD 3/97.

³⁷ Baron Herbert de Reuter to Sir Thomas Henry Sanderson, 26 July 1894, HD 3/97.

³⁸ Sanderson to Reuter, 28 July 1894, HD 3/97.

³⁹ Reuter to Sanderson, 30 July 1894, HD 3/97.

service agents for the British Empire. In a 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 favor and support”.⁴⁰ 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”.*⁴¹

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 Pasha’s negotiations turn out favorably that will be one of the first points for which the Ambassador will plead as the first fruits of an eventual rapprochement”.⁴² This type of information was hardly the kind that a news agency, or any press organization, would provide to their subscribers. Yet the parties were referring to this arrangement as a subscription.

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 Arthur⁴³, indicating that the convention implicitly obliged the agency to propagate news approved by the British Empire.

It was during the second Moroccan crisis when Reuters was rehired by the British government to promote itself in the British colonies. In 1905, and later in 1911, tension between Germany and France arose over Morocco. The crisis of 1905 was first in line of incidents leading to World War I.⁴⁴ Alan J. Taylor refers to Moroccan crisis of 1905-1906 as ‘a first hint of things to come and foreshadowed the world war.’⁴⁵ France signed agreements with England, Italy and Spain to increase its control over Morocco between 1900 and 1904. It agreed to accept rights of these

⁴⁰ Reuter to Sanderson, 22 October 1897, HD 3/105.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Draft Letter to Reuter, 31 January 1898, HD 3/109.

⁴⁴ Frank C. Zagare, “The Moroccan Crisis of 1905-1906: An Analytic Narrative”, *Peace Economics, Peace Science and Public Policy*, August 2015, 327.

⁴⁵ Alan J. Taylor, *The Struggle for Mastery in Europe 1848-1918* (Oxford: Oxford University Press, 1954), 441.

countries in places where they had interests, in return of recognition of French rights in Morocco. However, it failed to negotiate with Germany. To emphasize that it is a major power and to secure compensation from France to recognize French rights in Morocco, Kaiser Wilhelm II landed to Tangier and gave a speech on the sultan's sovereignty.⁴⁶ The conflict ended without an armed conflict by Algeciras conference (16 January-7 April 1906) in Spain.⁴⁷ At the conference, Morocco's independence and France's privileged position in there was confirmed by thirteen participant states, six European great powers, Belgium, Morocco, the Netherlands, Portugal, Spain, Sweden, and the United States.⁴⁸ The two other disputes preceding the war was the Bosnian crisis of 1908 and the second Moroccan crisis of 1911.⁴⁹

After a rebellion started in January 1911, on 15 May, France occupied Fez on the grounds to preserve stability in Morocco.⁵⁰ The second Moroccan crisis occurred on 1 July 1911, when Germany sent a gunboat to Agadir, a port city in Moroccan in response to French occupation of Fez.⁵¹ Alarmed by the possibility of Franco-German reconciliation, the British government sided with the French government. Edward Grey's general principle was "*to give to France such support as would prevent her from falling under the virtual control of Germany and estrangement from us*".⁵² The dispute between Germany and France ended with an agreement in November 1911. In return for German recognition of French protectorate in Morocco, France gave Germany part of its possessions in Congo.⁵³

Herbert Henry Asquith's liberal government made an agreement with Reuters for the circulation of the complete speech reports of the Ministers.⁵⁴ Recognizing possibility of war during the second Moroccan crisis⁵⁵, the Liberal Government felt the need to promote its policies in the empire's colonies. 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,

⁴⁶ Gregory D. Miller, *The Shadow of the Past: Reputation and the Military Alliances Before the First World War* (New York, Cornell University Press, 2012), 94.

⁴⁷ Taylor, *Struggle for Mastery*, 441.

⁴⁸ Miller, *Shadow of the Past*, 95.

⁴⁹ Zagare, "Moroccan Crisis", 328.

⁵⁰ Miller, *Shadow of the Past*, 155.

⁵¹ Taylor, *Struggle for Mastery*, 466.

⁵² *Ibid.*, 470.

⁵³ Miller, *Shadow of the Past*, 157.

⁵⁴ Read, *Power of News*, 93.

⁵⁵ Ian Packer, *Liberal Government and Politics, 1905-15* (New York: Palgrave Macmillan, 2006), 39.

Grey, Lloyd George and I am hoping that this system will give the Colonies the true idea of liberal statesmanship".⁵⁶

On the other hand, the correspondence from 4 July 1911, between Dickinson, Reuters' chief editor, and Roderick Jones, the general manager in South Africa, exposes what Reuters hoped to gain from concluding a secret convention with the British government. Dickinson described benefits of the agreement:

"It is a great advantage to us to act on these occasions as the hand-maid 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".⁵⁷

By having secret conventions with the British government, the agency was able to defy competition in the British Empire as Dickinson stated it. In addition, Reuters was earning well from its agreements with the empire.

Conclusion

Havas, Wolff's and Reuters, pursued the same policy before World War I regarding their relations with governments. They sought to maximize their profits and overcome competition by making agreements with governments, both domestic and foreign. The owners of the three European news agencies were businesspersons who were in the news business because it was profitable. 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.

Despite any governmental changes, these three pioneer European news agencies tried to remain in close contact with their imperial governments as well as foreign governments. All three had agreements with their home governments, which allowed them to monopolize their home markets. At the same time, several foreign governments subsidized them. They concluded secret conventions with any country that agreed to do so.

In order to convince their imperial governments and others to make agreements with them they took advantage of disputes, armed conflicts, and tensions between the countries. Wolff's secured King Wilhelm's and Chancellor Bismarck's support by using great power struggle in Europe to defy the danger of being bought by Havas and Reuters while Havas received a large subsidy from the Russian Empire for twelve years by utilizing challenges the empire experienced at home and abroad.

Especially, the relations of Reuters with the Japanese and the British governments expose that before the World War I, the news agencies were not operating to serve interests of a specific government. The secret conventions with these governments were signed around the same time, showing that Reuters

⁵⁶ Murray to Churchill, 30 November 1911, CHAR 13/1/37-39, 29 Nov. 1911-30 Nov. 1911, Churchill Archive.

⁵⁷ Read, *Power of News*, 93.

individually approached to both governments and promised to serve their interests while negotiating with the other. These two cases also indicate that Reuters used political tensions to secure subsidy agreements. To convince the British Foreign Office to have a secret convention, the agency's representative underlined in interviews that contemporary international politics acquired government intervention in disseminating news. Whereas, Reuters took advantage of conflict between Japan and China to gain a client government. It promised to promote the Japanese Empire's public image abroad, giving the empire an upper hand in the dispute. Similarly, years of domestic and international turmoil in Egypt and its surrounding awarded Reuters with a subscriber for more than five decades. Havas, Wolff's and Reuters managed to take advantage of contemporary world politics to expand their businesses in the second half of the nineteenth century until 1914.

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