

In September 1865 the Postmaster General, Lord Stanley, directed Mr. F. I. Scudmore:

"To enquire and report whether in his opinion, the Electric Telegraph Service might be beneficially worked by the Post Office and whether it would then possess any advantage over a system worked by the Private Companies, and whether it would entail a very large expenditure beyond the existing rights."

This was the first intimation that the Government was considering buying the telegraphs.

Mr. Scudmore's report was duly submitted to the Treasury. The financial crisis of 1866 together with the unstable political position no doubt delayed any positive action. There was a change of Government, and the Conservatives came into office with the Duke of Montrose as PMG. Mr. Scudmore's report was still considered important for in January 1867 a confidential draft of the Bill "To extend the facilities for the transmission of messages by means of the Electric Telegraph throughout the U.K." was prepared and only waited till the debates on the Reform Bill had ended before taking the next step. As the Bill was a Hybrid Bill (i.e. a public Bill dealing with private rights), the PMG notified his intention to ask for powers to purchase the telegraph companies, by a notice in the London Gazette on 15-Nov-1867. In February 1868, Mr. F. I. Scudmore submitted to the PMG revised draft of the Bill, together with a report on "Proposals for transferring to the Post Office the control and management of the electric telegraphs."

When on 1-April-1868 the new Chancellor, Ward Hunt, introduced the Bill the Government was preparing to enter upon a strictly private enterprise for the first time in its history. Previous to this it had acted as a controlling and checking power only. The Bill became law on the 31-July-1868 and was known as the Telegraph Act 1868, because it had been left so late in the 1867-8 session, the implementation of the Act remained dependent upon Parliament voting the necessary funds in the following session. The last clause of the 1868 Act stated:

"In case no act shall be passed during

this or the next session of Parliament, putting at the disposal of the Postmaster General such moneys as shall be requisite for carrying into effect the objects and purposes of the Act, the provisions... shall be void.

Before a Bill could be presented to Parliament seeking to authorise the spending of money for the purchase of the telegraph companies, detailed examinations of the cost involved had to be made. For the purpose of this book we are only interested in those aspects covering submarine cables and associated works.

The specialists chosen to examine and test the submarine cables were the partnership of H. C. Ford & H. F. Jenkyn, Consultant Engineers. This firm had designed the Lowestoft-Norderney cable for Reuter's Telegram Company early in 1865. This cable was completed by the Telegraph Maintenance & Construction Company in 1865 and was laid from the "William Cory" under the personal supervision of Mr. H. F. Jenkyn. Their report on this cable stated "...the electrical condition of the cable leaves nothing to be desired... so far as the original construction of the line and its present electrical condition are concerned the cable must be treated as one of the highest class, and representing a very valuable property... able to transmit 20 words per minute... the cable is of excellent construction and perfect condition."

The report on the British and Irish Magnetic Telegraph Company's cables stated that the two Irish cables across the North Channel were too light though "...they were rightly considered heavy cables at the time they were laid and well adapted for their exposed situations, but the additional experience of 15 years has proved that still stronger cables are required..." In 1853-4 the manufacture of insulated wire had not been brought to perfection, the art of testing was little understood and especially the mode of joining different lengths of insulated core together was comparatively roughly conducted. The electrical condition of these cables was considered to be deplorable, the best wire being very considerably worse than the worst wire in any cable belonging to the other companies, and it was quite impossible to form any idea of the probable position

of the faults because of the general condition of each core. Communication over these cables must be very uncertain. Their report recommended that these cables be replaced by new cables of heavy construction and the old cables recovered, such portions of them as were in reasonable condition could then be repaired and used on minor routes, but the value of such recovered cable could not be estimated. The cost of replacement cables was in the order of £12,000 TO £15,000. Messrs. Ford & Jenkyns were of the opinion that the company would be obliged to incur this expenditure in the near future if these cables were not taken over by the Government.

The report on the Electric & International Telegraph Company's cables was of a very different nature, concluding that the quality and materials of the main cables were sufficiently good and repairs had been "...judicially executed so as to maintain a thorough practical efficiency in the lines..." The cables had been well designed for the positions that they occupied and had been well maintained, none of them required immediate repairs. "...They all necessarily occupy very exposed situations and will continue to be frequently interrupted. An efficient Staff and Steamer must we fear be perpetually in readiness to affect these repairs."

The result of these investigations by Messrs. Ford & Jenkyns was to reduce the purchase money of the undertakings of the Electric & International, and British & Irish Magnetic Telegraph Companies by £200,000 and of Reuter's Telegram Company by £100,000.

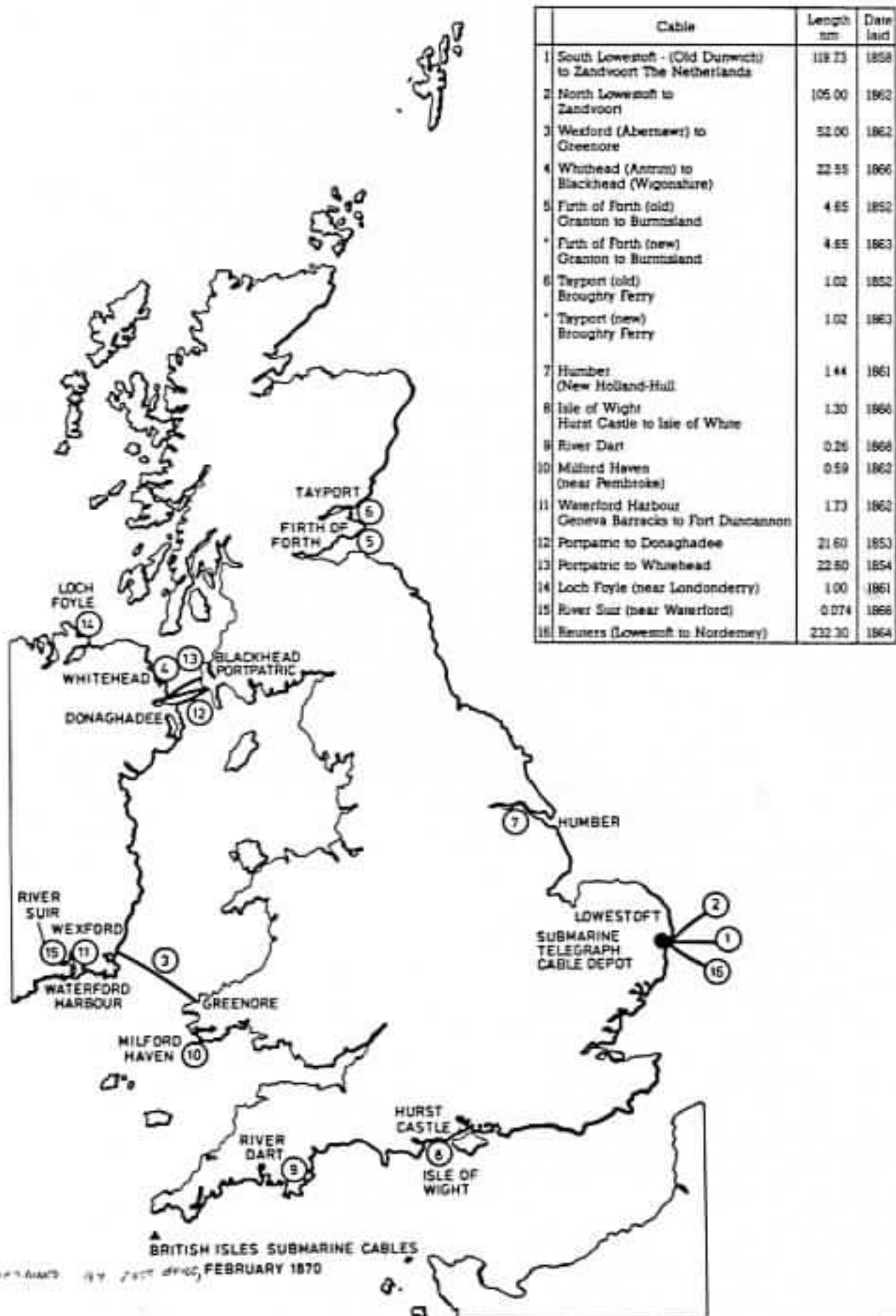
In July 1869 a Bill was introduced authorising the PMG to spend £7 Million on carrying out the Telegraph Act of 1868, and it received the Royal Assent on 9-Aug-1869. So the PMG now had both the duty and the means to acquire by compulsory purchase the assets of the Telegraph Companies operating in the U.K., though specifically excluding the Atlantic Telegraph Company, and the Anglo-American Company Ltd. (see App. 2)

The cables belonging to the Submarine Telegraph Companies (the

Submarine Telegraph Company between the U.K. and the Continent of Europe incorporated by Royal Charter, and the Societe Cammichael and Company between France and England were known collectively as the Submarine Telegraph Companies) were not acquired at this time mainly because of the Royal Charter under which the English Company was incorporated and the special exclusive concessions to the companies by the French Government. An agreement was made between the PMG and the Submarine Telegraph Companies on 11-July-1869 in which these companies undertook the exclusive management of not only their own Anglo-French and Anglo-Belgian cables but also the Anglo-Dutch and the Anglo-German cables compulsorily acquired and "...pay all salaries, wages and every other expense for working and repairing all cables between England and the Continent for one fourth-part of the gross earnings between London and the Continent; two-fifths from every other station in Gt. Britain and one-half of the receipts from stations in Ireland... The remainder, after deducting these sums from the gross earnings... shall be divided in equal monies between the PMG and the Companies and the sum thus received by the PMG shall be the amount to be paid by the Companies for the lease of the Government Cables..." The Agreement was to remain in force until the Companies' concessions from the Belgian and French Governments expired.

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GETTING TO GRIPS WITH THE SUBMARINE CABLE BUSINESS



M.A.P.S.