

Alexander M. Mackay

During the centenary year of Marconi's successful reception of trans-Atlantic broadcasts we take an opportunity to review the activities of Alexander M. Mackay, whose actions forced Marconi to transfer from Newfoundland to Nova Scotia. According to *The Book of Newfoundland* Mackay was born in Pictou Nova Scotia in 1834 but there is some doubt here. Other sources give his birth place as Gairloch in Scotland and on 8 November 1858 he is described as ". . . the 22 year old chief electrician of the Nova Scotia Telegraph Co. who had just been appointed by Cyrus Field to be manager of his interests in Newfoundland". He jealously guarded the 50 year cable landing monopoly in Newfoundland, but, there is evidence that he also operated a fine line between employer and self interest. The following paragraphs outline the monopoly, the first cable landings in Newfoundland and Mackay's involvement.

The Anglo American Telegraph Co and the 50 year cable landing monopoly

Papers in Memorial University (St Johns, Nfld) describes the Act of 1854 to incorporate Cyrus Field's company, the New York, Newfoundland and London Telegraph Co. It says that "the Company shall construct, complete, keep in order and operate a main or trunkline from St. Johns to or towards Cape Ray and also from St Johns to or towards Trepassy and may also construct other line or lines as it may determine, but must not interfere with the Carbonear Electric Telegraph Co. At any time after 10 years if it fails to establish a line as desired by the Government, the Government will do so itself for local traffic only". Article 14 of the Act covers the 50 year monopoly but requires that the line must be working to Prince Edward island or Cape Breton island or otherwise to America within 5 years - otherwise the exclusive privileges which have been granted will cease. Article 15 mentions that the Government may take over the landlines after 20 years. The Company complied with its obligations under the Act of 1854. Their line ran along the South Shore of Newfoundland and proved to be unreliable. Field's manager in Newfoundland, Alexander M. Mackay used 300 linesmen to keep it operational during the snows of October 1866.

On the other side of the Atlantic, the Atlantic Telegraph Co was formed in 1856 with the objective of laying a cable between Ireland and Newfoundland. A Colonial Statute of 1857 states that the New York, Newfoundland and London Telegraph Co. consent that the Atlantic Telegraph Co. might extend their cables and agree that this is in compliance with the Act of 1854. This Act gave provision for the consolidation and merging into one company having the rights of the Newfoundland company.

The Atlantic Telegraph Co was unsuccessful in their efforts in 1857/58 and again in 1865. They tried to raise further capital for an attempt during 1866. When this was not possible, an alternative was proposed, namely to form a new company, the Anglo American Telegraph Co. which would enter into agreement with the Atlantic Co. and take over responsibility for laying the cable. The agreement provided for the winding up of the new company, provided a payment of £1.2m was received from the Atlantic Co. on or before 1 Jan 1869. However, there was a clause that stipulated that such resolution must be passed with the assent of three quarters of the votes of the Anglo's shareholders. A few of the larger shareholders were opposed to the dissolution of the Anglo and this led to a merger with the Anglo American Telegraph Co claiming that it had assumed the rights to the monopoly.

The Anglo American Telegraph Co take-over in Newfoundland

Towards the end of the 1860s Cyrus Field was starting to realise his assets. He sold his feeder lines on the mainland to Western Union and most of his Newfoundland rights to the Anglo. The

financial deal was not straight-forward. The price was £864,520 in Anglo shares and £135,480 shares in Anglo in trust. If at end of 2 years from 1 May 1873 the Newfoundland Government had not taken action on the status of the New York, Newfoundland and London Co, then the shares in trust would be distributed amongst the company's shareholders. If on the other hand the government did move then those shares would be returned to the Anglo American Telegraph Co. It must be noted that Anglo did not purchase the land. This was sold to Newfoundland Land Co in 43,226 x £3 shares. As part of the deal Anglo acquired Alexander Mackay, "who had had the complete confidence of Field" and who appears to have balanced allegiance to Field's interests, to Anglo and to the Newfoundland inland telegraphs (which also came with the sale) even when these appeared to be in conflict. So in addition to their a cable station at Heart's Content, Anglo also had an office in St Johns with Mackay as their manager with responsibility for the operation of the Newfoundland inland telegraphs. For some reason this latter topic is almost never mentioned in Anglo American financial reports, so it is not clear whether it made a profit or a loss or whether Mackay operated it as an independent entity.

1873 A new route to Cape Breton Island (CBI)

The overland route along the South Shore to Port Aux Basque was eventually replace by a cable from Heart's Content down Trinity Bay to Rantem. This was carried across the Avalon Isthmus in a trench to Island Cove, from whence it went to Sydney Mines CBI. During the trenching operations good quality lead deposits were discovered and the mining rights on either side of the trench were sold by Mackay 'on behalf of his employers'. The Anglo financial reports makes no mention of this and one wonders who the true beneficiaries were: Anglo, the Newfoundland Land Co. or Mackay himself.

A threat to the monopoly

There were many on both sides of the Atlantic who resented the excessively high tariff rates which the Anglo American Telegraph Co. charged. Early attempts by Reuter and others to establish competition in the guise of the La Societe du Cable Transatlantique Francaise had had some effect, before it was absorbed by the Anglo. The Direct United States Telegraph Co was established with the intention of providing real competition. They contracted Siemens to lay the cable between Ballinskelligs and Newfoundland. However, as the cablesip, Faraday approached Mackay initiated legal proceedings and extensive details of the injunctions and court action are available in the Centre for Newfoundland Studies at Memorial University. Siemens and the Direct Co were not able to circumvent the monopoly and were forced to proceed towards Nova Scotia. The additional length, due to the loop via Newfoundland did make the cable slower than it should have been, but the competition did have the effect of forcing down rates.

Fraud?

A commission of enquiry was appointed to investigate Mackay's misappropriation of funds. In 1891 he had been involved in a government contract to maintain and operate its system of telegraph and from the beginning of 1892 he was appointed general supt. of government lines. In sworn testimony on 4 October 1892 Smith, book keeper of govt. telegraphs (also accountant for Mackay and Anglo American Telegraph Co) said "prior to opening of government telegraphs in April 1892 government telegraph accounts were kept in the Anglo books....Both sets of books had been destroyed by the fire of 8 July 1892". In any event, Mackay would not have been alone in the murky depths of Newfoundland politics. A barrister named Morine who was a member of parliament in Newfoundland was forced to resign when it was pointed out that he was Minister

for Transport while representing the Government in a case against the Reid Shipping Co. At one time he was a representative in Newfoundland and Canada. The law firm of Morine and Gibbs was involved in the legal action against Marconi.

Threats against Marconi

The Government of Newfoundland ultimately regretted the assignment of the monopoly and its unwillingness to pre-empt. Anglo's continued assertion of its monopoly through Mackay made it very unpopular and none more so than the near riot when he attempted to prevent Marconi continuing with his experiments in St Johns. It would have been interesting if it had gone to court. Wireless was not a cable and thus Marconi was not in breach of the landing monopoly. Mackay might have been able to use the Anglo's control of the inland telegraphs as his basis, although, if the Government had become involved, or if Marconi had merely used Newfoundland as a relay point, then it is difficult to see what he could have achieved.

The end

The monopoly under the 1854 act came to an end in 1901. In spite of unpopularity and questions about his methods Mackay was appointed Superintendent of Telegraphs when the island telegraph system was reorganised under the Newfoundland Postal Telegraph. He died in 1905.