Portugal and the Building of Atlantic Telegraph Networks

– the role of a loser or a winner?

By Ana Paula Silva[*]

Most of the existing studies on submarine cables are built from a national point of view, stressing how great powers, namely Great Britain, France, Germany and the United States struggled to secure their circles of influence.[1] However, the majority of these studies seem to neglect the fact that the 19th century submarine cable technology had a constraint – the need for relay.[2] Therefore, although the worldwide submarine cable network could be mastered by a few powerful states it could only be built by using other

[*] Ana Paula Silva, Center of History and Philosophy of Science and Technology, New University of Lisbon.

[1] See Daniel Headrick, *The Invisible Weapon* (New York and Oxford: Oxford University Press, 1991); Pascal Griset, *Les Télécommunications Transatlantiques de la France* (Paris: Éditions Rive Droite, 1996); Peter Hugill, *Global Communications Since 1844* (Baltimore and London: The Johns Hopkins University Press, 1999).

[2] Telegraphic messages were transmitted between two points by an electrical impulse that decreased along the cable. The attenuation effect of electric current compelled to the reinforcement of the electric impulse under water. The message had therefore to be retransmitted along the way towards its destination and the cables had to land for relay purposes. See, Ken Beauchamp, *History of Telegraphy* (London: The Institution of Electrical Engineers, 2001), 160-161.

countries to land the cables. This inherent transnational feature of the submarine cable network created new links between European nations, shaping both their national and international strategies as well as the relationship between the so-called central and peripheral countries.

By bonding countries with very different political and economic status, the building of the worldwide telegraph network exposed tensions and ambiguities as far as the balance of profits and losses for each of the network builders is concerned. Although it is still a question of nations states negotiating a transnational network for their own benefit, a new perspective concerning the overall design of power structures in Europe has to be taken into account. In this "game of winners and losers"[3], of integration and exclusion[4], there is, nevertheless, a gradation of what is perceived as a successful strategy. By focusing on Portugal, a peripheral country in industrialized Europe, the diversity of roles played by less powerful states in the complex process of building tansnational infrastructures can be disclosed.

By 1850, when the British telegraph cable network began to grow, Portugal took advantage of its geographical and geopolitical situation for landing the cables and establishing relay stations both in its European territories (mainland; Madeira and Azores) and in the African colonies (Cape

3 Erik van der Vleuten e Arne Kaijser, "Networking Europe", *History and Technology*, *21* (2005): 21-48, 34.

4 Aharon Kellerman states that the submarine cables network contributed to increase the gap between centres and peripheries through what he called the paradoxical centrifugal/centripetal and decentralising/centralising effect of telecommunication technologies. Aharon Kellerman, *Telecommunications and Geography* (London and New York: Belhaven Press, 1993), 30-33.

Verde Islands, S. Tomé and Principe, Guinea, Angola, Mozambique).

The nodes of the international submarine cable network in Portuguese territories channeled the telegraphic traffic between several points in Europe (European regime) and between Europe and other continents (extra-European regime). The central axe of this network was the so-called "Atlantic strategic triangle": Lisbon, Cape Verde and Azores.

The construction of the Atlantic triangle was, from the beginning, not only a technical enterprise but, above all, a political, economic and financial negotiation: on the one hand Britain wanted to use Portuguese territories as the central part of its "telegraph empire", calling upon the old alliance between the two countries[5] and British strong financial power; on the other, Portugal needed to raise funds and attract foreign investors in order to implement its policy of material improvements.

The Building of the Atlantic strategic triangle

Lisbon, the apex of the Atlantic strategic triangle, was the first node to be established. In 1869, John Pender created the *Falmouth, Gibraltar and Malta Telegraph Company* to link Great Britain with the British naval bases in the

5 George Canning stated that "Portugal was, still is and will always be the best support for Great Britain in continental Europe" in *Report written by the Portuguese ambassador in London*, 16 August 1860, Lisbon, Arquivo Histórico Ministério Negócios Estrangeiros (Historical Archive of the Ministry of Foreign Affairs, hereafter cited as AHMNE) 2.º PISO, A2, M2, Lisbon.

Mediterranean, "without crossing foreign countries."[6] In that same year, and fourteen years after having received the first proposal (1855) for building a cable between Europe and the United States through the Azores, the Portuguese government finally granted a concession to build "the submarine telegraph lines that were of national interest"[7]. In 1870, *Falmouth* built and started to exploit two cables linking Portugal to Great Britain and to Gibraltar, thus protecting British interests in the Mediterranean and establishing a fast and secure connection with India. Although the initial purpose of avoiding foreign countries was not achieved, both the Ottoman and the Russian empires were indeed avoided and the inevitable Portuguese points of landing were considered absolutely reliable.

The contract with the British company was a decisive changing point in Portuguese policy for telecommunications. Until then, the state had held the exclusiveness for construction and management of the telegraph network: the transoceanic connections should be established by granting concessions to private foreign companies, but the Portuguese government would remain in charge of all the lines in Portuguese territory. Also the regulation and supervision of telegraph services, even if provided by foreign companies, were to be kept under Portuguese administration.

The contract with the *Falmouth, Gibraltar and Malta Telegraph Company*, following the rules of the International Telegraphic Convention of Paris (1865), ascribed more du-

6 Headrick, *Invisible Weapon*, 24.
7 *Diário do Governo*, 189, 25 August 1869.

ties than rights to Portugal, as the Portuguese government was obliged to zeal for the non-interruption of the international traffic.[8] The Portuguese "public interest" was satisfied not in monetary terms, as the traffic between Falmouth and Gibraltar did not pay any transit taxes for passing through Lisbon[9], but in "geopolitical money". In fact, Portugal had from now on an important alternative for its international communications, avoiding dependence on the Spanish network, which was quite embarrassing in technical terms.[10]

In the meantime, the British company kept building alternative lines that landed in other Portuguese locations, but which were all linked to the Lisbon relay station, that became one of the most important nodes in the overall network. [11]

Cape Verde was the second vertex of the Atlantic strategic triangle to be established. In 1872, the Portuguese government allowed two British companies, the *Construction and Maintenance (Telcon)* and the *Falmouth* to build a cable to link Great Britain to Brazil via Portugal and landing

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[8] The adherents to the convention were forced to guarantee technical and organisational conditions for a quick and non-interrupted service (articles 1, 2 and 3), which was recognised as a universal public right (article 4).

[9] *Report of the engineer P. B. Cabral*, AHFPC, Lisbon, Document 50, in Archive nº 3.7.2/Pr 5.93/M2, Cabos Submarinos (1886-1892). Contratos de Concessão.

[10] Probably due to the difficulties of development of the Spanish network, whose density was 3,5 times inferior to the Portuguese. See A. Calvo, "Los Inicios De Las Telecomunicaciones En España: El Telégrafo", *Revista de Historia Económica*, 3(2001), 613-635, 617.

[11] Headrick, *Invisible Weapon*, 40. "(...) the route to India was (...) handling not only Indian traffic, but also that of Australia, Southeast Asia, and parts of the Far East."

in Madeira and Cape Verde (St. Vincent).[12] Both companies were also allowed to build a cable between Cape Verde and the Western Coast of Africa.[13] In 1874, the connection with Brazil was ready, linking Great Britain to South America, and thereby improving its commercial relations with Brazil and Argentina, and giving Portugal the opportunity to link the mainland to the islands of Madeira and Cape Verde.

The construction of the Cape Verde relay station was quite a success to Portugal: it extended the Portuguese telegraph network to Madeira and to the African colonies (including both the islands and the western (1885) and eastern (1887) coasts of Africa) and it gave the Portuguese Treasury an important source of income from the transit taxes passing through Cape Verde.

The Azores were the third vertex of the Atlantic strategic triangle to be built, though it could have been the first, and it was indeed a troubled affair. By the beginning of the 1890s, the atmosphere of suspicion and tension among European nations had increased dramatically. In Portugal, the "ordinary man" felt that Portugal was being despoiled of its African colonies by the Berlin Conference agreements, by the Treaty of Congo[14] and finally by the British *ultimatum*.[15]

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12 *Diário do Governo*, 114, 22 May 1872.

13 *Diário do Governo*, 261, 18 November 1872.

14 One of the vulnerable areas was the southern part of Congo considered by the Portuguese government as national territory, but also claimed by Great Britain and Belgium. In 1884, the Portuguese and the British governments signed a peace treaty known as Treaty of Congo. However, as both Portuguese and British businessmen disapproved the treaty and the Belgium King, Leopold II, also opposed it, it was not put in practice.

In this new context, the Azores regained its strategic importance. For the first time, and as a direct consequence of the *ultimatum*, Great Britain lost its unchallenged ascendancy over the Portuguese government who was eager to show its national pride and started to consider new proposals, especially from France and Germany. Thus, the construction of the cable Lisbon-Azores-United States had two phases: the first one, between 1890 and 1893, linking Lisbon to the Azores; the second, from 1897 to 1900, linking the Azores to the United States of America.

For the first phase, the Portuguese government decided to open, in June 1890, a public competition to build up the cable between Lisbon and the Azores, at Portuguese expenses. A French company, the *Société Française des Télégraphes Sous-Marin*, won the contest, but the Portuguese catastrophic financial situation led to the cancellation of the agreement. In December 1891, the *Telcon* presented a new proposal to build up the cable between Lisbon and the Azores, Lisbon and France, and the Azores and the United States. In exchange for its investment, *Telcon* claimed the renewal of the contracts of 1870, with the *Eastern Company* (to open the Indian route) and of 1872, with the *Brazilian Company* (to open the South America route). The British cartel aimed at decreasing the effects of French competition, preventing the telegraphic traffic from being diverted from their lines to the French cables between Senegal and Brazil

[15] The *ultimatum* of January 1890 from British government to the retreat of Portuguese troops from the region between Angola and Mozambique claimed by both countries.

(Pernambuco) and from Brazil to the United States. The Portuguese government evaluated the proposal with distrust, considering that it should be revised in order to ensure the national interest, namely "the benefits coming from the geographical location of the country".[16]

In 1892, when the British proposal was still being analyzed, Portugal received a second proposal, again by the French company, which was surprisingly accepted. The decision was clearly political because the technical report was undoubtedly against the French proposal. Nevertheless, the Portuguese government kept its decision, showing to the world the national opposition and public opinion that Portugal did not bend to the British interests.

However, once again the agreement with the French company was a complete flop and the contract expired even before the first stone was laid down. In June 1893, the Portuguese government was compelled to ask the Parliament's permission for signing the contract with the British *Telcon* for building the cable Lisbon-Azores, exactly on the same bases of the proposal that had been refused one year before. The contract was signed on 17 June, and the relay stations in the Azores opened to the traffic in August.

The second phase of the cable Lisbon-Azores-United States, the construction of the cable from the Azores to the United States, was also a very difficult process. At the end of the nineteenth century, German entrepreneurs and business men wanted a more effective channel to communicate with

[16] *Cabos Submarinos (1886-1892). Contratos de Concessão AHFPC*, Lisbon, Archive, nº 3.7.1/Pr 5.93/M2.

the United States, which was then a growing market and a new world power. Like France, Germany wanted to have their own cables free from British influence and scrutiny. The British company *Europe & Azores* (the British company founded to exploit the cable), supposedly responsible for extending the cable from the Azores to the United States, confessed its financial resources were not enough to support such an expensive project and requested, in July 1897, permission to transfer the concession of the cable to a German company, the *Felten & Guilleaum*. This company had a concession from its government to lay a cable from Germany to the United States. The agreement seemed to be convenient both for the British and the Germans and, among several changes to the original contract, asked for permission to build up a direct cable between the Azores and Vigo (Spain).[17]

Portugal strongly disagreed with this proposal. According to the initial contract, *Europe & Azores* was not allowed to transfer to a third party its rights and duties. Also, as far as the American policy towards telegraphs was concerned, the fact that the German company had privileges back home was an impediment for landing cables in the United States. Apart from these juridical issues, the Portuguese administration also suspected the German company for economic and political reasons. A cable Azores-Vigo was a real threat to the Portuguese strategy: (i) the cable would divert traffic from Portugal to Spain, thus weakening the

[17] *Cabos Submarinos (1894-1899). Contratos de Concessão*, AHFPC, Lisbon, Archive n.º 3.7.1/Pr 11.16/M2...

Portuguese *status* as a preferential negotiator and threatening the crucial geopolitical and economic role of Lisbon as an international telegraph center; (ii) *Europe & Azores* would almost certainly be taken over by the German company, as it was unlikely that a company with such a short cable and scarce traffic could keep its position as a mediator between the Eastern Europe traffic and Africa via Lisbon; (iii) the maintenance of the cable between Lisbon and the Azores could be easily neglected, causing severe damages to the Portuguese telegraph network.

Moreover, there were two "hot" political questions left to be solved: on the one hand the Azores-Vigo cable would enhance the Spanish position in the world telegraph network; on the other, the well-known German zeal could interfere with the telegraph service provided by relay stations under Portuguese jurisdiction, causing diplomatic incidents.

The negotiation was dragged for almost a year and in September 1898 the Portuguese government denied the permission asked by the *Europe & Azores* to lay the cable Vigo-Azores, but accepted to alter other articles of the initial contract of 1893.

In this context the *Europe & Azores* presented a new request to transfer the concession, by asking permission to land three cables in Azores: one to New York, for the German company *Atlantische Telegraphen Gesselschaft*; a second to Canada (Canso), for the *American Commercial Cable*, and a third to Germany (Emden). This request aimed at three objectives: (i) to answer the *Commercial Cable* needs to have an additional Atlantic cable between Canada

and Great Britain, separated from the existing ones; (ii) to provide *Commercial Cable* with a direct path for the traffic from North America to South America, Africa, India, China and Australia through the connection with the cables Azores-Lisbon, Lisbon-Cape Verde-Brazil and Cape Verde-Cape Town; (iii) to establish a direct cable between Emden and New York serving the traffic between the United States and Germany, including the countries that used the German line.

The Portuguese Telegraph Administration advised the government to grant the request, pointing out its advantages: the cable Lisbon-Azores was valuable and would become a significant source of income, "without any charges for the Treasury."[18] The definitive contract was signed in December 1899,[19] imposing on the German and American companies the supervision of *Europe & Azores* that was held responsible for paying the Portuguese government the transit taxes.

At last, from 1900 onwards, Azores joined Lisbon and Cape Verde, becoming all together one of the most important crossroads on the international submarine cable networks.

The (not truly) "all-red" cables

By the turn of the century, for building a supposedly "invulnerable all-red cable", the British government relied

[18] *Cabos Submarinos (1894-1899). Contratos de Concessão*, AHFPC, Lisbon, Archive nº 3.7.1/Pr 11.16/M2.

[19] *Ibidem*.

on the depth of the ocean, and once again on Portugal to guarantee its security, since the new cable Great Britain-Cape Town-Australia still landed in Portuguese territory. The proposal presented by the *Eastern Company*, in July 1899, explicitly stated that (i) the option of landing in Madeira and Cape Verde replaced the possibility of the cable "to touch exclusively at British possessions"; (ii) the "present transit taxes for telegrams exchanged with South Africa" were ascribed to Portugal; (iii) an increase of the traffic through the "proposed new route" was expected, but in any case a minimum income estimated upon the traffic Registered in that year was ensured. In order to reinforce the proposal it was also stressed that the new route would "be declared via normal for South Africa" and Australia.[20] In spite of the urgency requested by *Eastern*, the negotiations lasted more than a year. On 22 September 1900, the contract was at last signed; the cable was completed in February 1901.

The British government tried to devaluate the fact that the new "all-red" cable was not truly "all-red", as it still landed in a foreign territory. It is therefore quite surprising that in December 1911 the Standing Subcommittee of Imperial Defense stated that the "dependence of the United Kingdom on cable stations situated upon foreign territory for the transmission of telegrams has been generally eliminated."[21] The British concept of "generally" was at least doubtful, as

[20] *Denison-Pender in a letter addressed to Madeira Pinto, General Director of the Post and Telegraphs of Portugal, dated from July 25, 1899. Cabos Submarinos (1893-1910). Contratos de Concessão*, AHFPC, Lisbon 3.7.1. Pr. 9.42/M2.

[21] Headrick, *Invisible Weapon*, 99.

the relay stations of Lisbon, Cape Verde and Azores not only were ever "eliminated", but also were in fact reinforced, as it was made clear during and after World War I.

A Shift in Power: Challenging British Leadership

On 4 August 1914, the British government ordered the disruption of the two German cables that linked Germany (Emden) to the United States (New York) via the Azores. A month later, the Portuguese authorities sealed the German station, thus interrupting the traffic between Azores and America.

On 27 September 1916, the British minister in Lisbon sent the Portuguese government a "very confidential" letter informing that his government had decided, after consulting with France, that the German cables should be fully operational again. Both cables would link Europe to Canada via the Azores: one cable going from the British coast (Porthcurno, Cornwall) to the Canadian coast of Nova Scotia (Halifax); a second cable linking the French coast (Brest) to the Canadian coast of Newfoundland (S. Pierre). Portugal would, therefore, recover an important source of income, as the British and French authorities obviously had to pay the previously agreed transit taxes. On the next day, a new letter from the British ambassador added a second request, asking the Portuguese government to allow the *Eastern Telegraph* to use the telegraphic apparatuses and the cables in stock at the relay station of Faial (Azores). Roughly six months later,

as a sign of collaboration among allies, the Portuguese government authorized the use of the cables and of the material requested by "His Majesty's Government that was anxious that the Eastern Telegraph Company at Faial should be authorized to unseal the cable (...) and to use it for communication with the United Kingdom."[22] On 18 July 1917, the cable linking Great Britain to Canada was already operational.

Meanwhile, unlike the British government, the French authorities unilaterally diverted the second German cable to Brest and from there to Canada, using the cable without paying the due telegraph taxes to Portugal corresponding to a few thousands of hundreds of francs per year.[23]

The United States of America step in

During and after World War I the use of the German cables was a very complex affair. Great Britain and France were not alone in their interest for the Azorean cables; the United States of America soon claimed their rights to use on equal terms the Atlantic strategic triangle, and in particular the Azores relay station. For the American entrepreneurs and businessmen, the Azorean link was pivotal to their expansionist agenda, since it enabled them to reach the central European markets, without being under their rivals'

[22] 3.º PISO, A1, M28, AHMNE, Lisbon.

[23] According to the estimation of Portuguese Administration of Post and Telegraphs, in 3.º PISO, A10, M101, AHMNE, Lisbon.

surveillance. The importance of the Azorean cable became even more obvious when political conflicts in Ireland interrupted the communications between the Irish coast and the United States, preventing the Americans to reach Europe.

The landing of telegraph cables in Azores was also important for technical reasons. The old American transatlantic cables which had been built without relay points were so slow that they became almost useless. The construction of submarine cables had proved that the cable length should not exceed 2000 miles, in order to assure the volume and the speed required by the transatlantic business traffic. The Azores were indispensable for the American telegraph network.

Therefore, the government of the United States decided to put an end to the British hegemony and actively engaged in a political and diplomatic battle to support the quest of American telegraph companies for European concessions. In 1919, when the American companies *Commercial Cable* and *Western Union Company* asked Portugal permission for using the Azores relay station for their new cables, the *New York Times* was particularly sarcastic when commenting on the delay of the Portuguese authorities to reply. They added that it was quite a mystery why their "fellow republicans"[24] took so long to give the official approval, and drew attention to the links that should unite the republican brotherhood against the British monarchy.

[24] "American Cables", *New York Times*, August 17, 1922.

The Portuguese answer took almost two years and a half. For the Americans it was a clear sign of the British dominant position in relation to Portugal, and of the "opposition of British companies that fear American competition (...), but American prestige makes itself felt."[25] In fact, the United States were very busy using their embassy in Lisbon and addressing the Portuguese ambassador in Washington in order to lobby for a positive reply which would finally arrive in April 1922.

The contracts established with the American companies strongly displeased the British government. On behalf of *Europe & Azores*, the British diplomat requested, only based on the "close and friendly relationship" with Portugal, "that in order to protect its South American traffic, the working of the proposed cables of the American Companies should be limited to their North American traffic."[26] This restriction was obviously against the interests of the American companies and it broke the traditional rules of telegraph concessions, by disclosing, once again, the political character of this dispute. The long-lasting service provided by Portugal to the British telegraph empire, together with the network of economic, financial and political bonds between the two nations, allowed the British government to interfere in Portuguese internal affairs and decisions.

[25] "American Cables".

[26] Note dated from June 1922, from Lancelot Carnegie, in 3.º PISO, A10, M101, AHMNE, Lisbon.

In its first note to the Portuguese dictatorship government established by a military coup in 1926,[27] the United States expressed their resentment at the way American companies had been treated by Portugal between 1919 and 1924, implying that, as far as the world telegraph network was concerned, the previous republican governments were hostage to British influence. According to this note American companies were forced to agree on the British terms due to the "inaction of the Portuguese Government (...) in view of this situation that I asked (...) whether Your Excellency thought it likely that an untrammeled landing license in the Azores would be granted an American company if it should apply for one."[28]

The American concerns regarding Portuguese sovereignty were, in fact, a pretext to assert its own national interests in the new global world. The British hegemony, largely unchallenged during almost two centuries, was now facing forceful opponents, not only the traditional ones, such as France and Germany, but also the newcomer United States of America: "Great Britain (...) must yield to the rational demands of the United States and other nations"[29]. It was clear that those who controlled the information controlled the world. In this context the Atlantic strategic triangle, one of the crucial parts in the transnational network

[27] The military coup opens a dictatorial period which will lead to the authoritarian regime of the Estado Novo (New State), a dictatorship that lasted until 1974.

[28] 12 April 1927, 3.º PISO, A10, M101, AHMNE, Lisbon.

[29] "Warns of British Control of Cables. Walters S. Rogers Urges That the Azores Be Made Free Landing Stations", *New York Times*, August 16, 1922.

of telegraph, had to be considered a "free zone", available to all countries willing to negotiate with the Portuguese government.

German and Italian cables to the United States

Besides the British, the German (*Deutsch Atlantische Telegraphengesellschaft* succeeded to get a new concession form the Portuguese Government), the French (through *Commercial Cable*) and the Americans, a fifth country was willing to enter the telegraphic competition: Italy. In August 1923, during the difficult process of negotiation between Portugal and the American telegraph companies (under the surveillance of Great Britain), the Italian government informed the Portuguese counterpart that the difficulties raised by Portugal to the *Western Union* project of landing a cable in Azores were intolerable. The Italians already knew that the British government opposed the American project, claiming that its interests would be damaged. Moreover, the Italians also wanted to build up their own cables lines, namely between Italy and South America. In April 1921, the Italian company *Italcable* asked permission for landing cables in Cape Verde; as usual the negotiations were not easy and in November 1923, the representative of *Italcable* came to Lisbon to try to settle an agreement. In the meantime, *Italcable* bought the rights of the cable Azores-Malaga-Italy from the *Western Union Company*. In July 1925, the Italian company tried to build the connection between Azores and Cape Verde that had already been granted in the previous

year[30]. This cable would encircle with Italian cables the Atlantic strategic triangle (Lisbon-Azores-Cape Verde), until then exclusively British. However, instead of the cable Lisbon-Azores, Portugal gave its permission to a cable Italy-Azores in order to prevent the Atlantic triangle from being closed with Italian cables, and in this way promote the channeling of new traffic to Azores, thereby maximizing income to the Portuguese Treasury.

Later on, *Italcable* made a new proposal to build up a cable between Lisbon and northern Europe. This time, the British government reacted violently, complaining that it had not been informed nor heard on this matter. Following Chamberlain's direct instructions, a note from the British embassy in Lisbon stated that "His Majesty's Government feel bound to place on record their regret that this omission should have occurred and they confidently expect that the Portuguese Government will adhere in future strictly to their undertaking that no concessions or other facilities in Portuguese Atlantic ports will be granted to a foreign power without previous consultation with them."[31] The terms used in this diplomatic note are quite harsh, showing that the British government would not tolerate any Portuguese attempts to define its own independent strategy.

[30] *Diário do Governo*, 10 April 1924.

[31] Note dated from 1 September 1927, from Grant Watson, 3.º PISO, A10, M132, Pr. Nº 296/21, AHMNE, Lisbon.

Was Portugal a Loser or a Winner throughout this process?

The fact that all participants of a transnational technological network, such as the telegraph, may profit from its presence in the network does not mean that all of them have the same negotiating status. Economic and political hierarchies extended their influence upon the technological world: a peripheral country such as Portugal could not stand against Britain's interests, would thus it become a loser? In fact, it is quite clear that the Portuguese policy concerning telegraph cables was always determined by British interests.

But the dominance of the British cable network depended on foreign territories and Portugal was almost the ideal ally: (i) the Portuguese mainland offered good conditions for landing the telegraph cables; (ii) Portugal had two archipelagos (Azores and Madeira) in the Atlantic Ocean, between Europe and America, with an excellent location for landing intermediate cables; (iii) Portugal had a large African colonial empire, including islands and territories in the western and eastern coasts of Africa, also available for telegraph cables; (iv) Portugal was a trustful country, politically quite stable; (v) Portugal needed foreign investments to develop a policy of material improvements; (vi) Portugal couldn't negotiate in equal terms with Great Britain.

In addition, Portugal profited from the alliance with Great Britain by using the technical resources provided by the British telegraph network of cables to manage and control its empire. In fact, Portugal took advantage of its host role at different levels: (i) at the economic and financial

level, because the Portuguese government, engaged in a policy of material improvements, did not have to ask for more loans to build its own telegraph network; on the contrary, it received a considerable income for owning telegraph infrastructures which had been built free of charges; (II) at the political level, because the telegraph network allowed Portugal to establish links to all its colonies, and therefore to assert its role as a colonial nation, not only in the African arena, but also in the European scene; moreover, together with the railways the telegraph network was one of the most effective tools for building a modern country, both on the mainland and in the colonies; (III) at the technical level, because there was a transfer of technology not only concerning the apparatuses, but also in terms of expertise both at an intermediate level and a higher level (engineers).

Thus, beneath this apparently "plain surface" of British domination we find a much more rich reality. At first glance, Portugal may seem a loser, but behind the servility there was a hidden political agenda, crucial to the Portuguese strategy of development. In this context, a new type of a winner-loser scenario can be envisaged: by hosting the British cables and the British plans for controlling the telegraph, Portugal was able to secure its position as a partner in the transnational cable network and thus avoid deepening its peripheral status in the European arena.