

In 1919 there was a heavy competition in the US between the **American Telephone and Telegraph** (AT&T) of the Bell system, who owned a lot of operating companies, and Automatic Electric of Chicago. Automatic Electric installed automatic switches (Strowger) and AT&T wanted to stay with manual switching. When AT&T obtained a small telephone company, they even removed the “automatic switch” when present, and replaced it by a manual switch. Due to the heavy competition Automatic Electric almost went broke.



In April 1919 the unthinkable happened. AT&T's manual operators in Boston went on strike for a decent wage. The entire city was crippled for a week by the loss of the very operators whose services Bell had been promoting to their public.

At the same time, an astute businessman named **Theodore Gary**, owner of a number of independent telephone companies worldwide, was holding an option to buy out financially troubled Automatic Electric. He hurriedly visited Theodore Vail, head of AT&T, and offered a long term agreement for AT&T to produce automatic equipment under license from Automatic Electric (*which he didn't actually own yet*). With funding assured by AT&T on a five year contract and a ten percent deposit in his pocket, he then took up the option to purchase AE. And so Automatic Electric became part of the Gary group of companies, later known as **Associated Telephone and Telegraph**.

Figure 1: Theodore Gary

Gary also started buying into the overseas licensee companies, gradually widening AE's influence in its market areas. In 1920, he obtained Automatic Telephone Manufacturing (ATM) of Liverpool, and in 1926 he obtained ATEA Belgium.

But unlike many, he put good men in charge and rebuilt the business. He let the local managers have a lot of authority, and appointed men from related companies so they could build up a network of contacts between companies. It looks like ATEA was a perfect example of this policy. As an example, in 1928 the Board of ATEA in Belgium consisted of

- Sir Alexander Roger (*British businessman and financial wizard, head of British Insulated, and on the Board of Midlands Bank*),
- Charles Holder: *a banker*
- Geo Roberts: *an accountant*
- Edward Mellinger: *an AE engineer from the United States*
- and a number of influential local businessmen.

His company, originally named “Theodore Gary and Company” resulted in a British-American holding company “Associated Telephone and Telegraph” sometime in the 1920s.

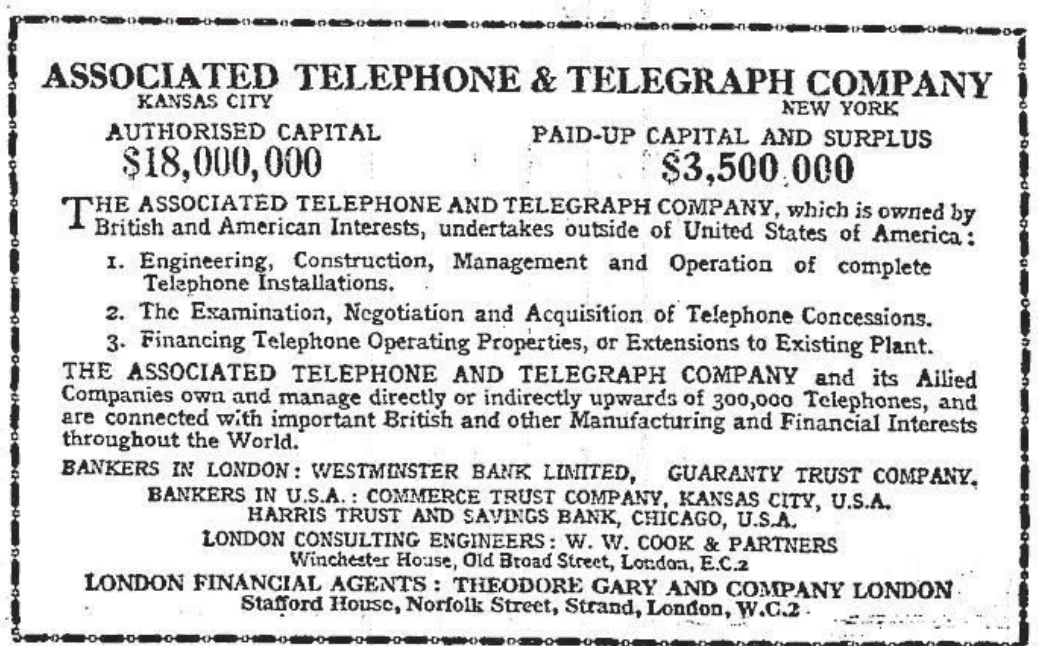


Figure 2: Advertisement of the Associated Telephone and Telegraph company, 1927

# Theodore Gary

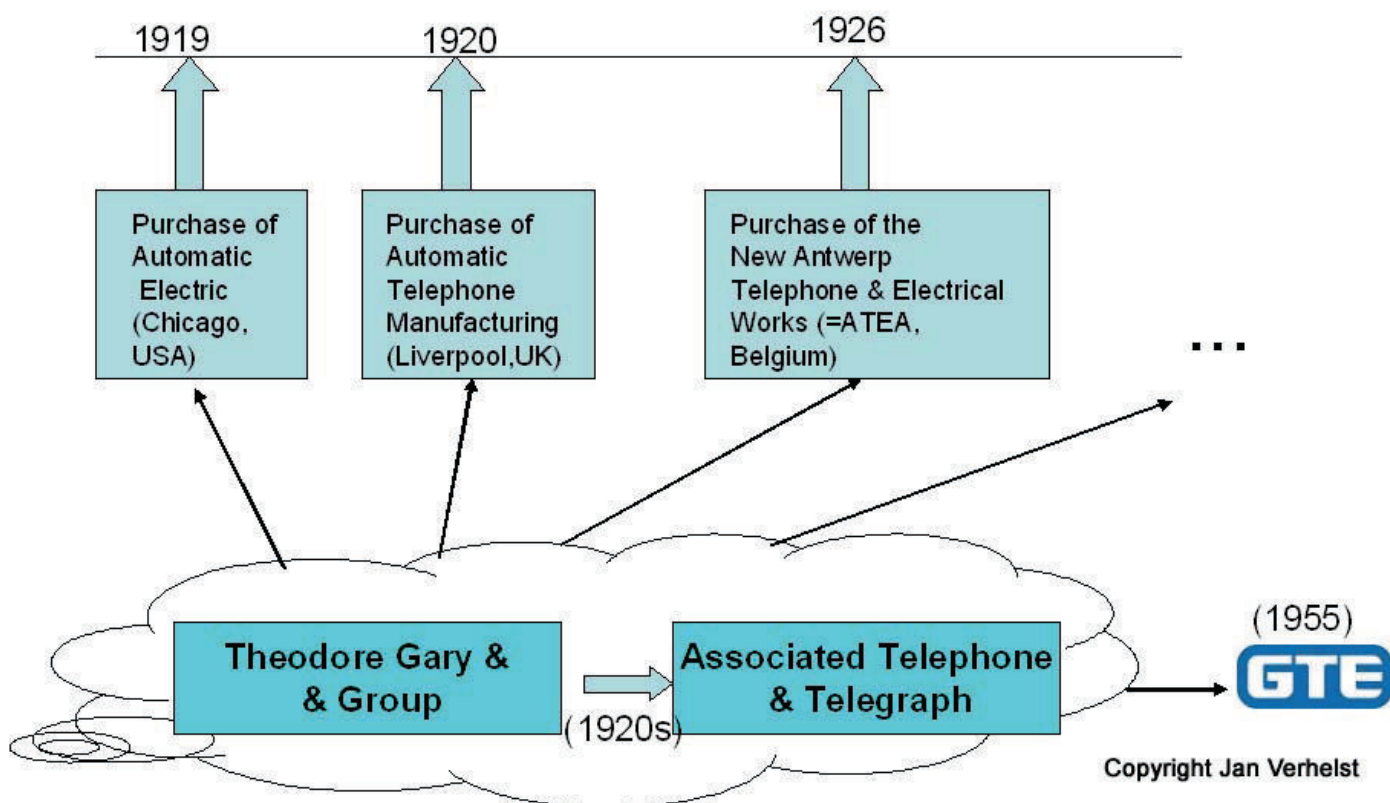


Figure 3: Theodor Gary's Companies Timeline

Under this “umbrella” were (among others):

- Automatic Electric of Chicago
- American Electric of Chicago
- ATM of Liverpool and
- ATEA Belgium

In 1955 these companies became part of General Telephone and Electric, better known as GTE.

