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Renting an intercom system

How entrepreneurs were encouraged to start using telephony in the beginning of the 20th century

Beginnings

At the beginning of the 20th century, telephony was already developed so that companies could introduce it to improve internal communications.

Besides the “traditional” telephones connected to manual switchboards, intercom systems were also developed on which you could connect to other parties by just using a push button for every destination. So no operators were necessary for this kind of operation

But most of the entrepreneurs were hesitating to switch over to the new technology. Sometimes the equipment was not yet reliable and required unexpected extra repair costs, or sometimes there was a need for extra investment due to the rapid growth of their company.

Two excellent business men came up with a simple but brilliant concept to overcome this problem by leasing of intercom systems. The German, Harry Fuld and the Englishman, Frederic Thomas Jackson applied this leasing concept on the telephony market with great success in the first decades of the 20th century.

Harry Fuld (1879-1932)

German, Harry Fuld was the only son of a wealthy art and antique dealer in Frankfurt, Germany and was supposed to join the family art and antique shop. After a bank apprenticeship in Frankfurt and volunteer work in London, Paris and Brussels, he found the family business no longer had room for him.

Together with the German master watchmaker and technician,



Figure 1: Typical intercom phone

Carl Lehner (1871-1969), Fuld founded the Deutsche PRIVAT-Telephon-Gesellschaft H. Fuld & Co. (PRITEG) in 1899 at the age of 20. He came to know that in Brussels a company called “La Téléphonie Privée” started to lease telephony products to businesses.

The equipment was originally purchased from Bell Telephone Manufac-



Fig. 2: PRITEG's advertisement

Jan Verhelst

turing Company in Antwerp, Belgium. But only one year later Harry Fuld started his own production of telephone sets.

The installation and maintenance of the telephone equipment was done through distributors, based on a franchising system. PRITEG supplied equipment knowledge and training to local distribution companies that were to be founded. In return, the “subsidiaries” transferred part of their income from the rental agreements to the parent company and allowed it to inspect their accounts at any time.

The advantage was a rapid growth, with foreign capital. Every distributor had his own company, and if that company went broke, there was



Fig. 3: In every German city

no influence on Harry Fuld’s “mother company”. In the beginning distributors were mainly in every important German city.

In a second stage, he encouraged people to start their own distribution company in almost all European countries, based on this franchising



system. In a lot of cases the foreign companies were managed by German citizens, i.e. in the UK there were Fuld distributors with German management in Birmingham, Leeds, Ireland, Lancashire and Yorkshire and Glasgow.

Frederic Thomas Jackson (1881-1959)



Fig. 4: Telephone Manufacturing Company logo

In 1902 Englishman, Frederic Thomas Jackson, became a clerk at The Private Telephone Company and within 4 years he was Company Secretary, PTC was using equipment imported from Harry Fuld in Germany. A number of other substantially German-owned operating companies were doing the same in Britain at the time. PTC was renamed New System PTC, and offered internal telephones for rent rather than purchase. This made it economic to change a business over to phones rather than continue with speaking tubes or whatever.

Jackson left New System PTC and joined a rival company, Intercommunicating Telephones, in 1908. He

Un réseau de TÉLÉPHONIE PRIVÉE est le complément indispensable de toute organisation bien équilibrée

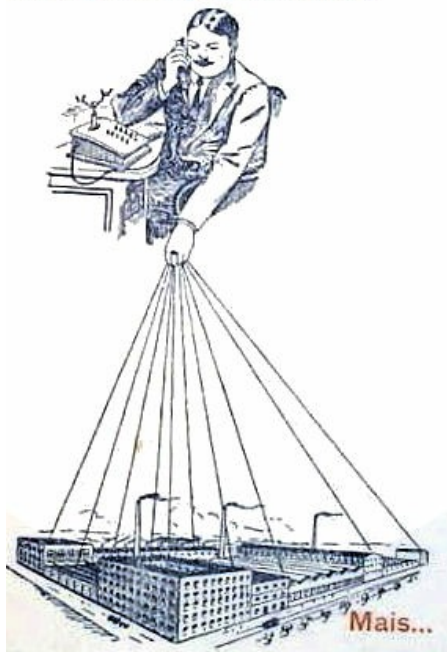


Fig. 6A: Advertisement Téléautomate Brussels, Circa 1920

expanded the company, and even took over his old employer, New System. The phones were still supplied by the German company of Harry Fuld.

With the business on a sound footing, Jackson pooled resources with Campbell Cochran, a solicitor. In 1912 they bought out the German-owned Caledonian Telephone Company. This and a number of other regional operating companies were brought into the New System group.

Jackson applied the same business model as Fuld: offer telephone equipment for rent to avoid a high purchase cost.

At first phones were supplied as said by the German Harry Fuld, but the outbreak of World War One meant that supplies from Germany were

halted. With some help, Cochran and Jackson managed to obtain sufficient financial backing to establish the Telephone Manufacturing Company. They established a telephone factory in 1915. Jackson named it the Hollingsworth Works after his paternal grandmother's maiden name.

The idea behind TMC was that it should supply the private telephone rental companies now owned by New System. The various installation companies managed their own affairs which left TMC to concentrate on the production of the telephone equipment needed by them.

In 1920 TMC went public, acquired other phone rental companies and expanding into Belgium, France and Australia.

In 1929 profits doubled and the business was split into manufacturing (TMC) and rentals (Telephone

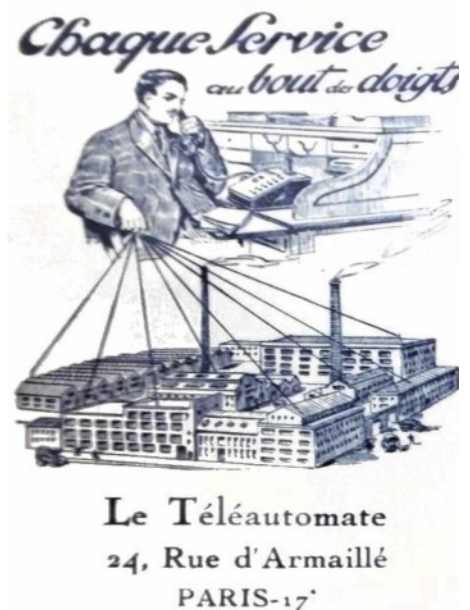


Fig. 7A: Advertisement Téléautomate Paris, Circa 1920

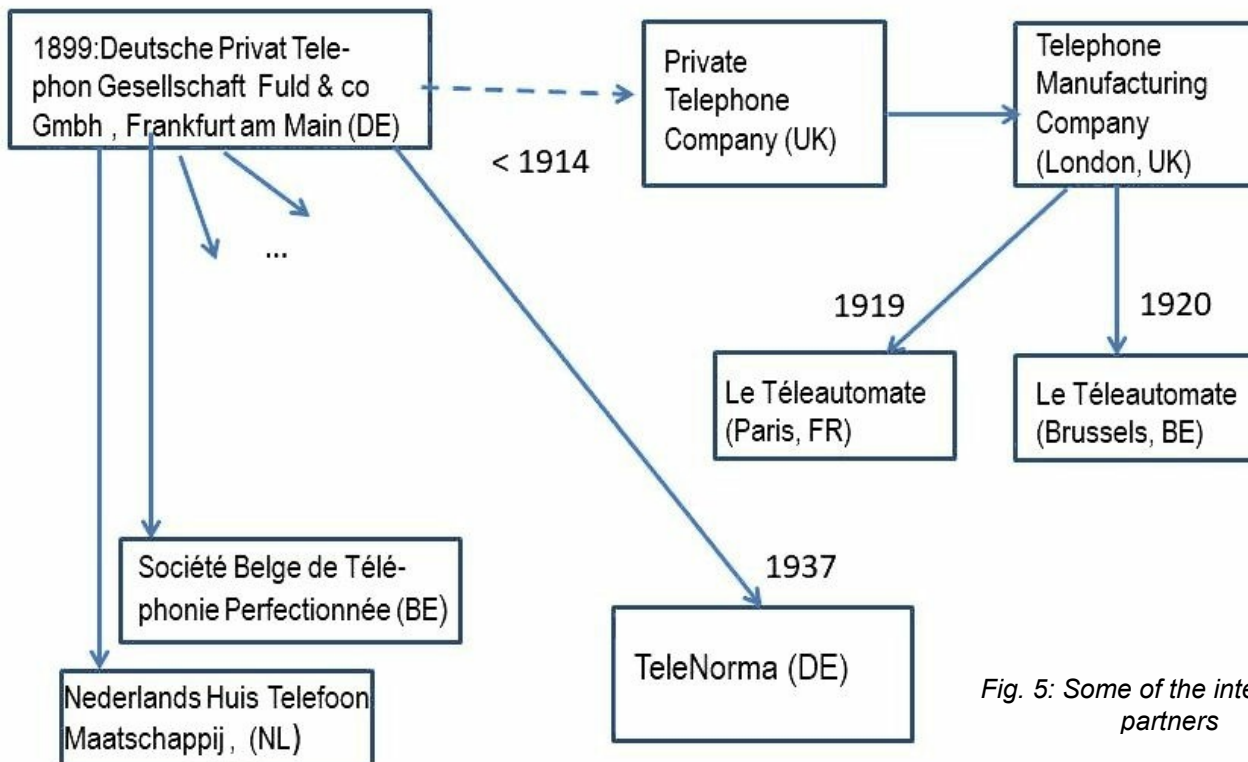


Fig. 5: Some of the international partners

LE TÉLÉAUTOMATE
 Société Anonyme Belge pour l'Exploitation de Téléphones "NEW SYSTEM",
 100, avenue de la Reine, BRUXELLES (Deux-Ponts). — Téléphone Brux. 5500
 Agents à LIEGE et ANVERS

INSTALLATIONS DE TÉLÉPHONIE PRIVÉE
 Communications multiples et directes sans Poste Central
 Communications Secrètes
 Sonneries Circulaires
 Sonneries et Horloges électriques

INSTALLATIONS PRIVÉES DE LIGNES AÉRIENNES
 reliant:
 Les maisons de commerce avec leurs succursales;
 Les magasins avec leurs ateliers, etc.

INSTALLATIONS à Centrale automatique

LOCATION - VENTE - ENTRETIEN
 Devis sur demande et sans engagement

Fig. 6B: Téléautomate Brussels

Installations privées - Mixtes
 Standard - Automatiques

de
 lions à votre représentant de demander
 M.....
 le
 à heures.....
 Adresse.....

Fig. 7B: Téléautomate Paris

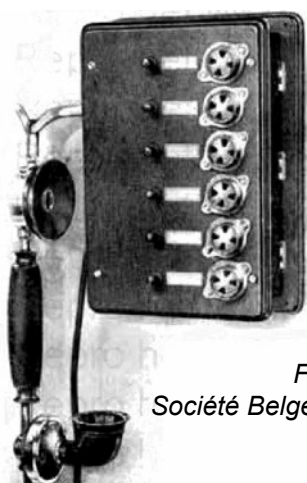


Fig. 8: Catalogue of Société Belge de Téléphonie perfectionnée, Ca 1912





Fig. 9: Catalogue of Nederlandse Huis Telefoon Maatschappij, Ca 1910

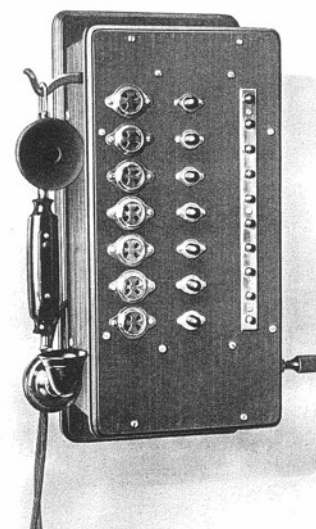
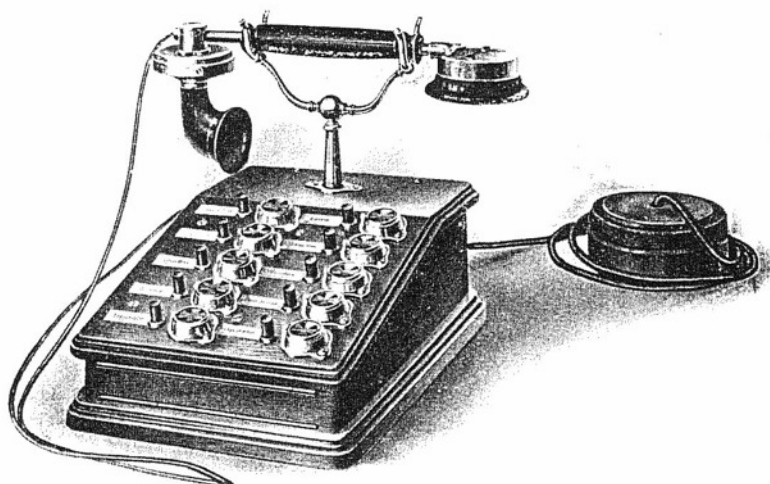


Fig. 10: Fuld Catalogue, Ca 1914



Rentals or TR), though both were under the same board of directors.

International partners

See Fig. 5 on previous page. Both the German and English companies had international distributors. We limit ourselves to a few of which we have illustrations, and which make a visual comparison possible.

By comparing figures 6 to 10, one can see the phones are similar, from the same supplier. Also the advertisements look similar.

Acknowledgements

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