

# Background of “Theodore Gary” and his companies

by Jan Verhelst, Belgium

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.<sup>1</sup>



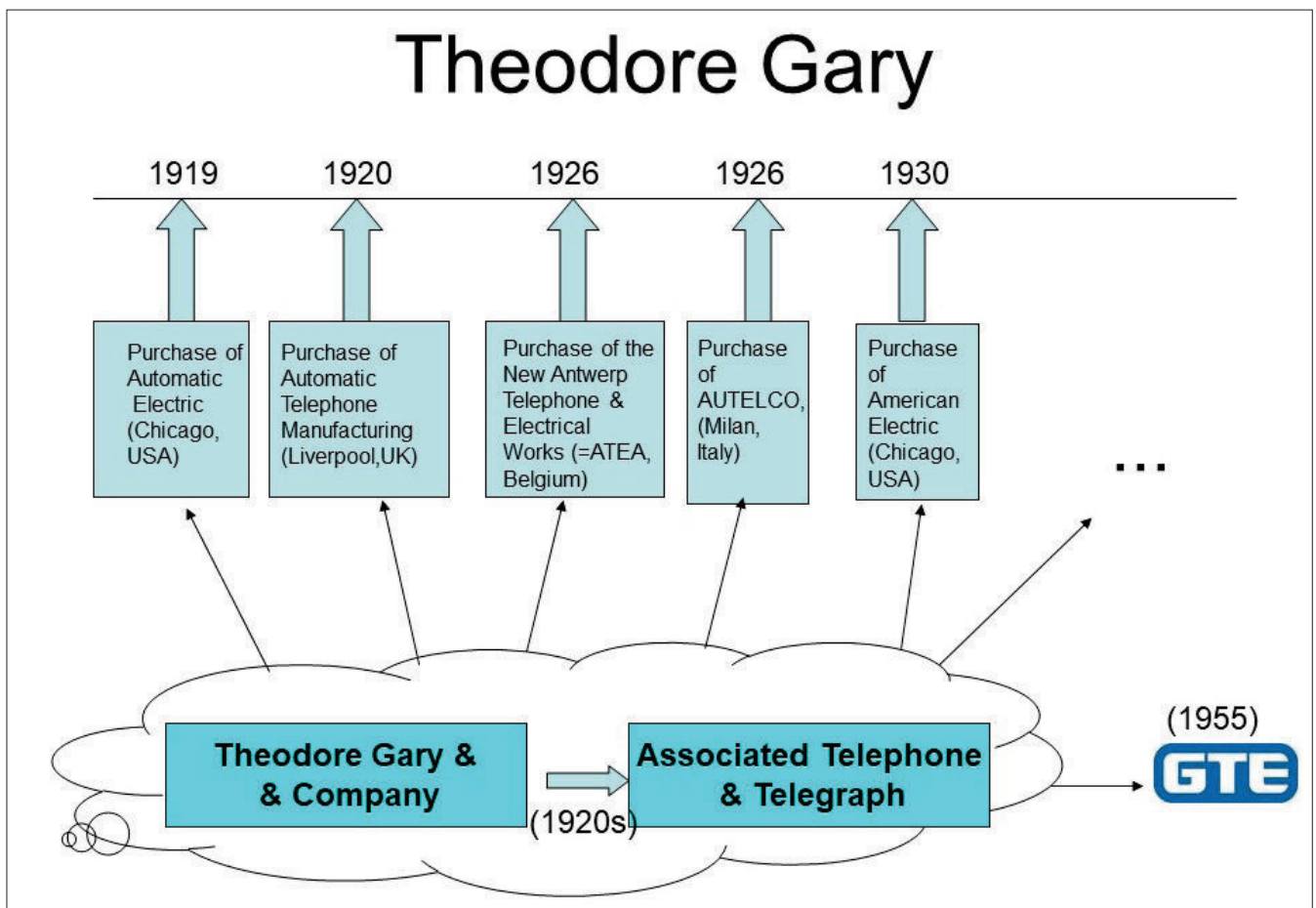
Theodore Gary (1854-1952)

Source: <http://www.perfectsites.com/150/theodoregary.html>

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.

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, UK and in 1926 he obtained ATEA, Antwerp,



**ASSOCIATED TELEPHONE & TELEGRAPH COMPANY**  
 KANSAS CITY NEW YORK

AUTHORISED CAPITAL      PAID-UP CAPITAL AND SURPLUS  
**\$18,000,000**      **\$3,500,000**

**T**HE ASSOCIATED TELEPHONE AND TELEGRAPH COMPANY, which is owned by British and American Interests, undertakes outside of United States of America:

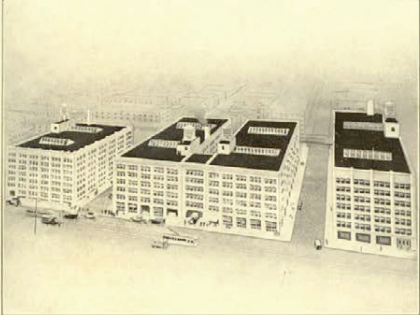
1. Engineering, Construction, Management and Operation of complete Telephone Installations.
2. The Examination, Negotiation and Acquisition of Telephone Concessions.
3. Financing Telephone Operating Properties, or Extensions to Existing Plant.

THE ASSOCIATED TELEPHONE AND TELEGRAPH COMPANY and its Allied Companies own and manage directly or indirectly upwards of 300,000 Telephones, and are connected with important British and other Manufacturing and Financial Interests throughout the World.

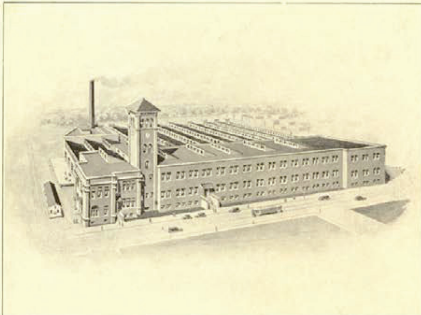
**BANKERS IN LONDON:** WESTMINSTER BANK LIMITED, GUARANTY TRUST COMPANY,  
**BANKERS IN U.S.A.:** COMMERCE TRUST COMPANY, KANSAS CITY, U.S.A.  
 HARRIS TRUST AND SAVINGS BANK, CHICAGO, U.S.A.  
**LONDON CONSULTING ENGINEERS:** W. W. COOK & PARTNERS  
 Winchester House, Old Broad Street, London, E.C.2  
**LONDON FINANCIAL AGENTS:** THEODORE GARY AND COMPANY LONDON  
 Stafford House, Norfolk Street, Strand, London, W.C.2

Ad of the Associated Telephone and Telegraph Company, 1927  
 Source: Archives of "The Times" September 27, 1927

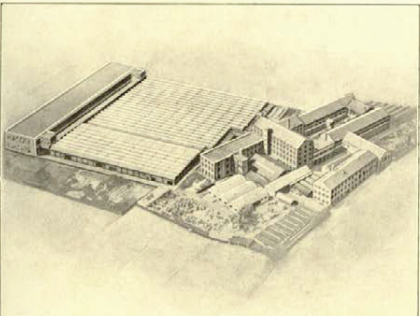
*Une organisation entière à votre service.*



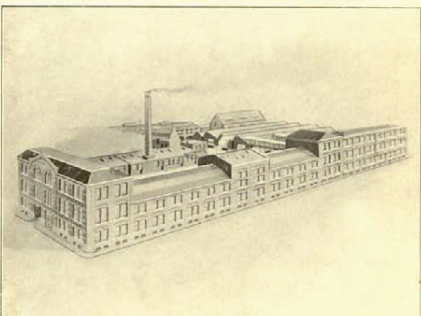
Usines de la AUTOMATIC ELECTRIC INC.  
CHICAGO.



Usines de la AMERICAN ELECTRIC  
CHICAGO.



Usines de l'AUTOMATIC TELEPHONE MANUFACTURING Co. LTD.  
LIVERPOOL.



Usines de la NEW ANTWERP TELEPHONE AND ELECTRICAL WORKS  
Société Anonyme  
ANTWERP.

Four sister companies under one "umbrella" of Associated Telephone and Telegraph Co. of Theodore Gary.  
 Source: ATEA Catalogue of 1929

Belgium and AUTELCO, Milan, Italy.

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.

Under this "umbrella" were (among others):

- Automatic Electric of Chicago,
- American Electric of Chicago,
- ATM of Liverpool and,
- ATEA Belgium,
- and closely related sister companies.

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

<sup>1</sup> see <http://www.telephonedcollecting.org/Bobs%20phones/Pages/Automatic%20Electric/Automatic%20Electric%20Co.html>

<sup>2</sup> American Electric became fully integrated into Automatic Electric in the beginning of the 1930s.

<sup>3</sup> in those days called "the New Antwerp Telephone and Electrical Works"