

The automation of the telephone network in Greece

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Jan Verhelst relates the little-known activities of British and other foreign companies in Greece during the 1920s.

In 1926, Greece was ruled by a dictatorial regime led by General Pangalos. His country wanted to automate its telephone network but had neither the technical expertise nor the money to finance this activity. They therefore sought an international partner to install, operate and maintain an automated telephone network, and to finance it. The selection of the provider was under the authority of the Minister of Telecommunications, Anastasios Tavoularis.

Two international candidates came under consideration:

- Siemens & Halske, Germany (S&H);
- The New Antwerp Telephone and Electrical Works (NATEW) from Belgium, also known as ATEA.

Minister Tavoularis was having discussions with S&H in April 1926, then a month later, to everyone's surprise, he awarded the contract to NATEW. S&H had after all a long tradition in telephone automation. The company obtained a Strowger manufacturing licence as early as 1908, so they had at least 18 years of experience, whilst NATEW had a rather limited experience. NATEW had a licence for making switches from RATCo (Relay Automatic Telephone Company) of London, and installed some automatic exchanges in the years 1923-1926. NATEW had probably one advantage: their local Greek representative was Athanasios Bodossakis, a wealthy Greek businessman with considerable influence and many connections.

In May 1926 the Greek government signed a concession contract with NATEW to create a Greek public company named A.E.T.E., an acronym for Anonymous Elliniki Telephone Etairia (Etaira is Greek for 'company').

NATEW had to prepare for the installation of the Greek telephone network. As already mentioned, they had a licence for RAT equipment, which was very reliable but also extremely expensive especially for exchanges with large numbers of lines. So NATEW had to look for a better and cheaper system.

They came in touch with the British/American holding company known as the Associated Telephone and Telegraph Company, which owned Automatic Electric in Chicago, USA and also ATM Liverpool, UK (mentioned in Note 1). This holding company decided to take over NATEW, as they were interested to acquire a foothold on the European mainland through a local company. So NATEW gained access to the state-of-the-art Strowger technology and their artisanal factory could be upgraded to an industrial manufacturing plant, thanks to the international know-how.

In July 1926 the Pangalos government in Greece was replaced by a new government of Zaimi. The new government decided to prosecute the previous dictatorial regime for the mismanagement of public finances. In 1928 the Greek senate issued a warrant to arrest the former minister Tavoularis. The reason was the bribe of £45,000 by NATEW and its agent Mr. Bodossakis for his decision to award the 1926 contract to NATEW instead of the better offer of Siemens & Halske. Tavoularis went to prison but was later acquitted in August 1930. A 30-member committee was persuaded that Tavoularis had acted under pressure and on the instructions of the dictator Pangalos. Tavoularis was later involved in politics during the German occupation in Greece. He accepted the position of minister of interior and the public security.

In 1930 Siemens & Halske signed a contract with the Greek government and acquired the majority of shares of AETE (renamed to TNAETE, The New AETE). S&H obtained the concession for constructing, maintaining and operating urban and suburban telephone networks in Greece, together with the interurban network, whilst the (British) Eastern Telegraph Company took care of wireless and wired telegraphy.

Much of the information used above had to be discovered in Greek documents on the Internet, which required interpretation using the kind assistance of Tassos Koumouzelis from New York, a former Nortel employee with knowledge of the Greek language. Many thanks to Tassos for his help.

Note 1. https://en.wikipedia.org/wiki/ITT_Corporation.

