

The Pay Phone Turns 100

Wherever people are on the go, there's bound to be a pay phone nearby. High-tech inventiveness has made it a \$2 billion long-distance industry

William Gray's wife lay critically ill. He needed a doctor. He needed a phone-but only the well-to-do could afford subscription rates for new-fangled telephone service.

Gray eventually made his call-after running to a local factory where he convinced workers he had a genuine emergency. But the frustrating experience led him to invent the first pay phone, later installed in a Hartford, Conn., bank in 1889.

Gray's inventiveness turned local drug and grocery stores into the "neighborhood telephone booth" and put daily phone service within reach of millions of Americans.

This year, the pay phone turns 100 years old, with an estimated 1.8 million pay phones in service nationwide. Long-distance calling from pay phones has grown to be a \$2 billion-a-year industry, with local calling accounting for an additional \$1.4 billion in revenue. This year, Americans will make more than 850 million long-distance calls from pay telephones.

AT&T remains the country's largest manufacturer of pay phones-and operates about 30,000 of its own public phones.

Although pay telephone stations-some in use as early as 1878-preceded the invention of the pay phone, there was a big difference between the two. Pay stations relied on attendants to collect money after a patron made a call-some attendants going so far as to lock callers in the booths so they couldn't leave without paying. Gray's invention, a device that allows pay phones to collect coins, helped revolutionize the industry.

In 1910, the Gray Telephone Pay Station Co. and AT&T's Western Electric division began co-manufacturing pay phones: the Gray company supplied parts for the coin box covered by its patents, and AT&T supplied other coin box parts and the telephone. When Gray's patent expired in 1934, AT&T started manufacturing the entire pay phone.

Other highlights:

- 1898: The Western Electric No. 5 Coin

Collector, the first automatic "prepay" station (depositing coins before placing a call), goes into use in Chicago.

- 1905: The first outdoor Bell System coin telephone is installed on a Cincinnati street.

- 1950: The first coin telephone mobile train service goes into service between New York and Washington.

- 1957: "Calling from your car" from a drive-up pay telephone is first tested in Mobile, Ala., and Chicago.

- 1960: The Bell System installs its one millionth pay phone.

- 1978: AT&T introduces its first "coinless" public phone.

- 1984: AT&T introduces the AT&T Card Caller public phone that features a video screen and allows customers to charge calls by inserting their AT&T cards.

Today, during its centennial year, the pay-phone industry is undergoing another revolution-businesses with local telephone company pay phones on their property are choosing long-distance companies for those phones. Initial results indicate that, so far, about three out of four have chosen AT&T Long Distance Service.

To mark the 100th anniversary of the pay telephone's invention, AT&T has opened a special exhibit at its corporate headquarters building. The exhibit, open to the public at no charge, will remain open May 23 through June 11 at the company's InfoQuest Center at 550 Madison Ave. in New York, and then will travel to various locations nationwide.

-John M. Brooks



A hundred years of pay-phone history are captured in AT&T's exhibit, now open at InfoQuest in New York. The exhibit will travel throughout the country.

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