

# GRAMCO & VICTOR TERRITORIES

Here are some documents regarding the **division of territory** between the Victor Talking Machine Company and The Gramophone Company, or The Gramophone & Typewriter Ltd. as it was officially called since December 1900.

In the EMI archives is a letter (dated 14/4/1905) from Theo. B. Birnbaum (B/F) of the G & T Ltd. to Kenneth Muir in Cairo<sup>33</sup>:

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<sup>33</sup> In those days there was much discussion going on about territories, not only between The Gramophone Company and its sister company Victor, but also **within the ranks of The Gramophone Company itself**, as to

"I have yours **undated** enclosing copy of letter from the Victor Talking M/c Company to a Cairo firm. I have already taken up the question of **territory** with the **V.T.M/c Co.**, but through the absence of Mr. [Eldridge Reeves] Johnson in Philadelphia the matter has been shelved.

On the occasion of my visit to Philadelphia, Mr. Johnson presented me with a list of the territory which he claimed as the **V.T.M/c Co's**. This territory comprised **Egypt** as well as **the Crown Colonies of European countries**, in fact, **all countries** outside Europe: **India, Japan, British Africa and Australia**.

The situation has been thoroughly discussed and we have put our views before Mr. Johnson, claiming all Crown Colonies and all territory subject to the Patent Law of any country **which has been allotted to us**.

**Egypt I have claimed as subject to Turkish rule and Turkish Patent Law.**

The matter is by no means simple and Mr. Johnson will no doubt be prepared to justify his action of his interpretation of **our contract**."

On 28 July 1905 Theo. B. Birnbaum (B/G) of The Gramophone & Typewriter Ltd. (London) writes to Kenneth Muir (Milan):

"In the adjustment of territory, we have claimed Egypt for the English Company, though, so far, we have not come to a final settlement with Mr. [Eldridge Reeves] Johnson. We hope, however, we shall be able to settle matters in such a manner **that Egypt will remain the undisputed territory of the English Company**."

From these two letters it is obvious that there existed an agreement between Victor and The Gramophone & Typewriter Ltd. which dated from 3 Aug 1904 (prior to the 1907 agreement).

On the website of the *EDVR (Encyclopedic Discography of Victor Recordings)* we also find a reference to this agreement:

We know that Victor entered into an agreement on 3 August 1904 with The Gramophone Company listing certain countries where each company should have exclusive rights to patents and trade marks: this agreement gave India and Japan to The Gramophone Company, but China to Victor.

On 25 June 1907 the Victor Company and The Gramophone Company entered into a new agreement.

Part of this agreement involved the redefining of territories:

**CLAUSE III OF THE 25 June 1907 AGREEMENT (pp. 3-4) DEALS WITH THE DIVISION OF TERRITORIES:**

**CLAUSE III. - Territory.**

1. The following shall define the territory in which each of the Companies hereto may sell or trade in its general product of Talking Machines, records and accessories. Neither of the parties will directly or indirectly manufacture, lease or sell, or lease or sell to others for use or sale, any

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which countries belonged to which branch. For instance, Egypt and Turkey were claimed by both the **Vienna branch** and the **Milan branch**.

Talking Machine or appliances in connection therewith in any country **save in their respective territories as outlined in this agreement.**

2.The **VICTOR COMPANY's** territory shall comprise all lands and islands between West Longitude 30 and West Longitude 170 including the *Americas*, the whole of *Greenland*, and all the *Aleutian Islands*, and shall comprise in addition the *Philippine Islands*, the *Chinese Empire* (including *Manchuria and all islands*, whether in Chinese or foreign possession, lying in such relation to the coast of the Chinese territory as to be geographically and commercially part of the Chinese territory (such as *Hong Kong*)), the *Japanese Empire* (including *Formosa and all islands*, whether in Japanese or foreign possession, lying in such relation to the Japanese Empire as to be geographically and commercially a part of the Japanese territory), *Annam*, *Cochin China*, *Tongking*, *Cambodia* and *Corea*.

3. **THE GRAMOPHONE COMPANY's** territory is **all the territory of the globe not included within the list and boundary lines as described in the foregoing clause as VICTOR territory.**

4. It is also understood in this agreement that, should it develop in the future that a comparatively small territory belonging to one Company should lie in such geographical position to the other Company's territory as to make it impossible for the Company entitled under this Agreement to such territory to properly control the movement of goods commercially, **as in the present case of Hong Kong & China**, that a readjustment shall be made whereby the difficulty may be obviated, and, if necessary, add the small territory to the territory of the Company having the greater interest at stake. This shall only apply to such cases as **Hong Kong and China, which are practically the same territory commercially although separated politically.**

5. It is especially understood that each Company shall put its export business under such methods as to enable them to best prevent the exportation of one Company's goods into the territory of the other Company.

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CLAUSE XIV. - CANCELLATION OF SUBSISTING CONTRACT.

1. **The Agreement between the parties dated the 3rd day of August 1904, shall determine [= terminate] immediately upon the execution hereof.**

The 1907 agreement between Victor (RCA) and The Gramophone & Typewriter Ltd. (HMV) was terminated in 1957<sup>34</sup>.

On 3 August 1904 a similar (or identical?) agreement was reached between **Universal Talking Machine Manufacturing Company and Universal Talking Machine Company.**

On 7 July 1910 The Gramophone Company Limited sent a letter to The American Import Company in The Hague (Netherlands) "Re [Maurits] Stibbe". Attached to the letter was a four-page annex with a chronological survey of the corporate history of The International Zonophone Company from 1901 to 1905.

The last item on page 2 reads:

**"Augst 10th, 1904. The signing on 3rd August 1904 of agreement between Universal Talking Machine Manufacturing Company and Universal Talking Machine Company approved on August 10<sup>th</sup> [1904]."**

<sup>34</sup> Source: *The Guinness Book of Recorded Sound* by Robert Dearling, Celia Dearling and Brian Rust.

The following passage from *The Zon-o-phone Record* by Ernie Bayly and Michael Kinnear (p. 34) may provide an explanation:

In purchasing the American 'Zonophone' interests in September 1903, including the *Universal Talking Machine Manufacturing Co.*, and its distribution company the *Universal Talking Machine Company*, **the Victor Talking Machine Co. of Camden, New Jersey** reorganised the label.

After the Universal Talking Machine Manufacturing Co. and the Universal Talking Machine Company had been taken over by the Victor Talking Machine Company they were inevitably subject to the same agreements Victor was bound to.

In an interview with the American trade journal *The Talking Machine World* in 1906 Frederick Prescott is quoted as saying:

"You know," continued Mr. Prescott, with earnestness, "**the world**, in so far as the sale of their product is concerned, **has been divided between the Gramophone & Typewriter, Ltd.** of London, England, and **the Victor Talking Machine Co.**, Camden, N. J., the latter controlling South, Central and North America, and that part of Asia not included in the British colonies. ....

**We [Odeon], however, operate everywhere**, and with a catalogue of 14.000 titles do a splendid business at our prices."<sup>35</sup>

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<sup>35</sup> *The Talking Machine World* of 15 December 1906 under the heading "Prescott's Interesting Views".