THE GLOBAL BUSINESS WITH LOCAL MUSIC: WESTERN GRAMOPHONE COMPANIES IN INDIA BEFORE WORLD WAR I

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The period from Western industrialization to World War I has aptly been described as that of the “first global economy” because international trade expanded rapidly during that time.1 While there is a lot of uncertainty about the amount and composition of foreign investments, scholars agree that the share of trade in world output rose steadily until 1913. According to an estimate by John Dunning, about one-third of total world foreign investment took the form of direct foreign investments in 1913, because multinational companies not only exported to foreign countries but also owned assets and exerted management control there.2 Setting this number in relation to world output suggests a level of economic integration that was not reached again until the 1990s.3

Different factors added to this development. Newly available technologies in transport and communication, such as railroads, steamships and the telegraph, facilitated international travel, communication, and commerce, while the gold standard laid the basis for cross-border capital flows. The adoption of free trade and the expansion of Western imperialism led to more exchanges between imperialist countries and their colonies, which were opened up, often forcefully, to international trade.4 As a consequence, the share of British foreign investments going to Europe and the United States fell from 52 to 26 percent between 1870 and 1914, while the share going to the British Dominions and Latin America rose from 23 to 55 percent.5

The gramophone industry was a part of this highly integrated world economy right from its inception.6 Although most of the existing literature about this industry focuses on the United States and Western Europe,7 some scholars have started exploring the early relationships

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Western gramophone companies entertained with Asia.\(^8\) In this article, I will describe the pre-World War I business of Western gramophone firms in India. India held a particular fascination for these companies because it was one of the first Asian countries to be penetrated by the industry and one of the biggest markets in terms of the number of consumers. Moreover, the implementation of Anglo-Saxon property law in the British colony ensured a more or less open field for Western businesses that sought to import manufactured goods into the country. The commercial relations with Britain also made the country more accessible for other foreign companies, as they often turned to British agents for support and profited from their experiences.

Despite this advantageous context, selling gramophones and records to Indian consumers was by no means an easy task. The gramophone and music business faced a series of challenges from transport and infrastructure to climate, communication, and the control of local agents. While those problems were typical for early multinationals in many industries,\(^9\) the “creative” music industry faced some additional challenges. Creative industries are broadly defined as those producing goods and services associated with “cultural, artistic, or simply entertainment value.”\(^10\) The gramophone industry simultaneously sold gramophones and music on records. As I will show, these two product lines were complementary and heavily dependent on one another. Music, as a creative product, has subjective qualities, and its consumption is taste-driven and culturally contingent.\(^11\) This article will trace how Western manufacturers learned to be successful in India by adapting to the taste and preferences of their consumers on the ground. Exploring the commercial opportunities in a musical scene that they often did not understand or appreciate, Western gramophone companies found themselves forced to delve into Indian musical traditions. Moreover, the political developments at the turn of the twentieth century further reinforced this trend to give business a local orientation. The emerging nationalism in British India, particularly in the region of Bengal and its capital city Calcutta, led to a boycott of foreign products beginning in 1905, which affected the gramophone companies’ business firsthand. To respond to this challenge, Western manufacturers explored different strategies, to be discussed in this article, ultimately aiming at making their products and production processes more local.

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11. For examples and characteristics of creative industries, see the articles in the special issue of *Business History Review* 85, no. 2 (2011).
In the global economy before World War I, the gramophone companies experienced the typical tension between global ambitions and local markets. While accessing markets such as India opened up new opportunities, it was a challenge to understand local tastes and customs, in particular, in a creative industry like music. Local events, such as the rising popularity of the nationalist movement, changed musical tastes and consumers’ choices about whom to buy from. The challenge to sell products internationally while still responding to local demands is one that still very much occupies today’s creative industries: understanding how firms dealt with it during the first global economy may help to better contextualize and understand this challenge. The gramophone industry identified the global-local tension early on and applied different strategies to deal with it. While its managers worked assiduously to exploit ownership advantages and reach an ever-wider range of consumers, they also made their products more local and learned to adapt to the demands of the Indian market by trial and error.

I. The Birth of the Gramophone Industry and Its International Business

“[N]othing that can be conceived would be more likely to create the profoundest of sensations, to arouse the liveliest of human emotions, than once more to hear the familiar voices of the dead. Yet science now announces that this is possible, and can be done,” 12 reported Scientific American in November 1877. The device that made it possible to listen to dead people’s voices was the “talking machine,” invented by the American inventor Thomas Edison. Born on February 11, 1847, in Milan, Ohio, Edison had experimented with the telegraph and the telephone during the 1870s and had invented a machine that would transcribe telegraphic messages through indentations on paper tape. After discussing different names and related utilizations for the machine — such as antiphone or back talker, chronophone or speaking clock, didaskophone or portable teacher, and glottophone or language speaker — Edison named the machine “phonograph.” 13 He filed for a patent on December 24, 1877, which was issued two months later on February 19, 1878. 14

The American public took great interest in the new technology. The invention was reported in several newspapers during the years 1877 and 1878. “The telephone ... is destined to be entirely eclipsed by the new invention of the phonograph. The former transmitted sound.

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13 The Thomas Edison Papers, Rutgers University, Document File Series — 1877: (D-77-02) Edison, T.A. — General [D77022EO; TAEM 14:242].
The latter bottles it up for future use,” reported the *New York Times* on November 7, 1877. At the beginning of 1878, Edison sold the manufacturing and sales rights to a syndicate in return for $10,000 in cash and a 20 percent royalty on any sales. However, the invention initially appeared to be of little practical use. The machine was a laboratory curiosity but seemed unlikely to create a constant stream of income. Operating the early phonographs was complicated, and the recordings made on tin foil were usually ruined after a few uses. The newly founded Edison Speaking Phonograph Company, incorporated on April 24, 1878, sold no more than 2,000 phonographs over the following two years and ceased to exist in 1880. Edison turned his attention to other inventions, most importantly electric light, and set the phonograph aside.

It was not until a decade later that a German-born immigrant, Emile Berliner, first demonstrated his improved version of the talking machine, which etched the sound onto a flat metal disc rather than onto a cylinder. Emile Berliner had immigrated to the United States in 1870 to pursue a job opportunity at a store in Washington DC. While working as a clerk and traveling salesman, Berliner had become interested in the newly developed telephone and experimented with an improved transmitter, which he eventually patented in the United States. The American Bell Telephone Company bought the rights to this invention and hired Berliner as a research assistant. He stayed with the company in New York and Boston until 1884, working on a number of problems associated with the telephone. Berliner became an American citizen in 1881 and that same year married Cora Adler, who was also of German descent. In 1884 he gave up his job and moved to Washington DC to become a private researcher and inventor. From 1886 on, he devoted most of his work to the talking machine, inventing a machine with a turntable to play discs, which he called a “gramophone,” an inversion of Edison’s original name “phonograph.” Despite Berliner’s improvement of the technology, the machine remained a curiosity. Because it was operated by hand, the user had to keep the turntable at a constant speed. This problem was eventually overcome when Eldridge R. Johnson, an engineer from New Jersey, developed a cheap spring motor that assured a constant speed of rotation.

In 1887, Berliner patented his invention in Germany and England. Starting in 1889, he cooperated with the German toy manufacturer Kaemmer & Reinhardt in Wolfershausen, Thuringia, which started selling small discs and small hand-turned machines.
In 1894, Berliner founded the United States Gramophone Company in Washington DC and in 1896 licensed his product to a group of businessmen who formed the Berliner Gramophone Company of Philadelphia. The consortium hired a manager, Frank Seaman, to organize the National Gramophone Company in New York as the sales agent for both the discs and the machines.

In 1897, the National Gramophone Company sent a sales manager, William Barry Owen, to London to sell the company’s machines and exploit the British and European rights of Berliner’s patents. Owen convinced a British lawyer, Trevor Williams, to invest in the gramophone. In April 1898, Williams and Owen formed the Gramophone Company (which after the merger with a typewriter manufacturer in 1900 was renamed Gramophone Typewriter Ltd., hereafter GTL) as a trading syndicate. In the same year, Emile Berliner and his brother Joseph set up a manufacturing plant for records in Hanover, Germany, to supply the European demand.

Since the 1880s, Berliner’s business had expanded internationally. Besides the patents in Germany and England, Berliner obtained others in Italy, France, Belgium, and Austria. Berliner’s sons, Herbert and Edgar, opened a branch in Montreal, Canada, in 1899. But a series of copyright infringements and lawsuits led to the end of the Berliner business in the United States. In June 1900, a court injunction shut down the Berliner Gramophone Company of Philadelphia. For several years attempts were made to overturn the injunction but to no avail. Berliner passed his patent rights to Eldridge Johnson, who sold some of his patents to GTL and also supplied it with parts and components. In 1899, GTL (still called Gramophone Company until

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20 Martland, Since Records Began.
1900) bought the European and British Empire rights for the manufacture of sound recordings from Johnson, and in 1901 both agreed to a wide-ranging partnership in marketing, finance, and research. They also divided the world market between them: GTL was to sell in Europe, the British Empire, Russia, and Japan, while Johnson’s Victor Talking Machine Company (founded in 1901 in Camden, New Jersey) would sell everywhere else.21

Going global, however, proved to be more demanding than the gramophone companies initially expected. While the machines could be sold to other markets, it soon became obvious that a “one-size-fits-all” strategy would not be successful with regard to the recorded music. To broaden the portfolio and provide customers in foreign markets with suitable products, the gramophone companies started sending recording engineers to different parts of the world to record music. These young engineers, also known as “the experts” or, because of their young age, “the boys,” were regarded as an elite group and traveled around the world to spot new talent and expand the repertoire of the company.22 In the late 1890s, American-born William Sinkler Darby, who had worked as an assistant in Emile Berliner’s laboratory in Washington, went on a trip to Russia on behalf of Berliner’s German company. In 1898, Fred Gaisberg, who had also previously worked for Berliner in Washington, became GTL’s first official recording engineer. He moved from the United States to London, where he was responsible for the first recording studio and several recording tours first in Europe and later worldwide.23

II. Into the Unknown: Western Gramophone Companies in India

GTL and other gramophone companies showed a great interest in India as a market for their machines early on. Seen through the eyes of Western companies, the vast country with a population of 287 million in 190124 was highly attractive, not only for the gramophone industry. The German electrical company Siemens, for example, sought to attract investors in its telegraph line from London to Calcutta by arguing in 1867 that India “with its enormous population and growing production” was not only one of the largest markets in the world but also a “gate for Europeans to the important markets of China, Japan, and Australia.”25 Likewise, an American consular report of 1915 said that India, despite being under British control, was “one of the few large countries of the world where there is an ‘open door’ for the trade of all countries.”26
Already before the turn of the century, English and Indian musical instrument dealers sold talking machines and music to the native and foreign populations in India. In Calcutta, English firms, such as T. E. Bevan and Co., Harold and Co., and the Western Trading Co., and Indian firms, such as M. L. Shaw and Dwarkin & Son, advertised gramophones and recordings already before 1900.\(^{27}\) Blank cylinders were particularly popular with the native population. Unlike discs that could only play back prerecorded voices, cylinders could be used for home recordings. They thus allowed for the recording of local music, whereas the gramophone firms sold almost exclusively Western recordings. At first, the gramophone was a novelty and several events were held to celebrate its arrival, including the “Phonograph Concert” at the Dalhousie Institute in Calcutta on November 16, 1899. The Statesman, an Indian English-language broadsheet daily newspaper, announced that on this occasion “Edison’s Grand Concert Phonograph” would be played and that the event was open to the public for an admission fee.\(^{28}\)

In July 1901, an agent of the Anglo-American GTL, John Watson Hawd, came to Calcutta to investigate business opportunities in India. He had been instructed by the London headquarters to take with him 500 talking machines and 30,000 records and to “prove the possibility of making a business there.”\(^{29}\) Previously, GTL had worked with a British agent, the Mutoscope and Biograph Co. Ltd., a company that had been active in India since 1898, but GTL had ended this partnership in early 1901.\(^{30}\) In September of the same year, after traveling widely in India, Hawd recommended that a branch office be opened in Calcutta, which GTL did in November 1901. Hawd commented: “I think we shall do a fair business here if we only have the goods, but until we get native records we shall only be able to sell to Europeans and they are only 1 per 100 natives.”\(^{31}\) Surprisingly, there was little debate about the prices for gramophones and records, which may suggest that customers, at least in the beginning, came from the highest social classes, which could afford these products. Even a small percentage of the overall population of India made for an interesting market for the Western firms, and the enormous size of the Indian market was frequently stressed. Hawd also repeatedly urged his supervisors to offer a more locally oriented product: “There will be a big business here … and it is best to own the territory, then we know it is well worked.”\(^{32}\) He also commented on the challenges to be expected: “the country is so large that it will take a long time to cover it and as yet we have no dealers to speak of.”\(^{33}\) The most urgent

\(^{27}\) Kinnear, Indian Recordings, 9.

\(^{28}\) Ranabir Ray Choudhury, Early Calcutta Advertisements, 1875-1925 (A Selection from the Statesman) (Bombay, 1992), 16.

\(^{29}\) EMI Music Archives (hereafter EMI), letter London to Hawd, January 13, 1900.

\(^{30}\) EMI, letter from Gram. Co to Hawd, Calcutta, August 23, 1901.

\(^{31}\) EMI, letter Hawd to London, November 21, 1901.

\(^{32}\) EMI, letter Hawd, Calcutta to London, February 13, 1902.

\(^{33}\) EMI, letter Hawd, Calcutta to London, April 13, 1902.
task for Hawd was the recording of native artists. “You must however
send one man to make records,” he insisted again in October 1901.34

Consequently, GTL prepared for its first recording expedition to
the Far East, planning to record in Calcutta but also Singapore,
Hong Kong, Shanghai, Tokyo, Bangkok, and Rangoon. The team
of recording experts consisted of recording engineer Fred Gaisberg,
his 19-year-old assistant George Dillnutt, and the businessman
Thomas Dowe Addis, who was accompanied by his wife. Accord-
ing to Gaisberg, the aim of this trip was “to open up new markets,
establish agencies, and acquire a catalogue of native records. … [A]s
we steamed down the channel into the unknown I felt like Marco
Polo starting out on his journeys.”35 The terminology is revealing.
Gaisberg’s likening himself to Marco Polo and the description of the
trip as an “expedition” show that, although commercial concerns
triggered the trip, Gaisberg and his colleagues saw themselves as
brave explorers of an unknown world.36 Gaisberg and his fellow
travelers reached Calcutta in October 1902.37 While unpacking, they
were observed by the native population. “It was the first time the
talking machine had come into their lives and they regarded it with
awe and wonderment.”38 Like other Western technologies exported
to India, the gramophone gave the visitors power because they had
the knowledge and means to control the machine.

John Hawd awaited the crew in Calcutta. He arranged for a loca-
tion for the recording sessions and got in touch with Amarendra
Nath Dutt of the Classic Theatre and Jamshedi Framji Madan of the
Corinthian Theatre, who established contacts to local artists. Dutt
was known to be interested in the technology of sound recordings
and had earlier purchased an Edison phonograph, which he used
to record dialogues and songs of the plays being performed. Madan
also took interest in the newly emerging sound and motion-picture
technologies and owned a motion picture projector. The theaters
were the main sources of entertainment for the general public at
the time.39

According to Gaisberg’s diary, the first recordings made on No-
vember 8, 1902, were of two nautch girls “with miserable voices.”40
Generally speaking, Gaisberg and the local agents of GTL found it
to hard to develop an understanding of the native music. As Gaisberg
observed, “We entered a new world of musical and artistic values. …
[The very foundations of my musical training were undermined.”41
However, according to Gaisberg, the British staff of GTL’s local office

34 EMI, letter Hawd to
London October 3, 1901.
35 Frederick William
Gaisberg, Music on Record
(London, 1946), 52.
36 See also Farrell, Indian
Music, 114.
37 Gaisberg, Music on Record. Gais-
berg’s autobiography was first
published in the US in 1942
with the title The Music Goes
Round (reprinted in 1977).
This and following quotations
are from the 1946 UK version,
which is an identical repro-
duction of the US predeces-
sor but includes more graphic
materials.
38 Ibid.
39 Kinnear, Indian
Recordings, 15-16.
40 Farrell, Indian Music, 117;
Jerrold Northrop Moore, A
Voice in Time: The Gramophone
of Fred Gaisberg, 1873-1951
41 Gaisberg, Music on
Record, 54.
had even less understanding for the music: “I soon discovered that the English, whom we contacted and who were acting as our agents and factors, might be living on another planet for all the interest they took in Indian music.”

During the following days, Gaisberg recorded the renowned female singer Gauhar Jan, who at the time was a local celebrity in Calcutta. Gaisberg met her during a visit to a wealthy babu, an Indian clerk: “We elbowed our way through an unsavory alley jostled by fakirs and unwholesome sacred cows, to a pretentious entrance … no native women were present excepting the Nautch girls, who had lost caste.” Public performance by women was considered a low-status and often disreputable profession. The nautch girls performed music and dance in front of their audience accompanied by male musicians, who also acted as their teachers. When Fred Gaisberg first encountered the Indian nautch girls, he noted that all female singers were “from the caste of the public women, and in those days it was practically impossible to record the voice of a respectable woman.” However, the translation “dancing girl,” which was often used in contemporary sources, does not correctly convey the role of these female artists in Indian society. Nautch girls traditionally performed at the courts of nawabs and maharajas and often belonged to a long family tradition in music. As this patronage declined in the twentieth century, music was more often performed in urban centers where dance and music were closely intertwined. While Gauhar Jan came from the tradition of nautch girls, she also represented a group of professional urban musicians who became more common after the turn of the century. She was a well-known exponent of classical and light classical music, trained in khyal and thumri as well as other classical vocal forms.

Gauhar Jan acted as a cultural translator between the Western companies and the city’s music. She was born to Eurasian parents, William Robert Yeoward and Allen Victoria Hemming, and was not intimidated by the Western visitors or the technology. She was brought up in Benares by her mother, who converted to Islam after the break-up of her marriage. She was multilingual and sang in Hindustani, English, Arabic, Kutchi, Turkish, Sanskrit, Bengali, and Pashtu. Gaisberg noted that she was proud and savvy in business matters. “She knew her own market value as we found to our costs when we negotiated with her.” While she was said to earn 300 rupees for an evening soiree, she charged 1,000 rupees for her recording session.

42 Ibid.
43 Ibid., 55.
44 Ibid., 56-57.
45 Daniel M. Neuman, The Life of Music in North India: The Organization of an Artistic Tradition (Chicago, 1990), 100.
46 Vikram Sampath, ‘My Name is Gauhar Jan!’ The Life and Times of a Musician (New Delhi, 2010).
47 Gaisberg, Music on Record.
Other companies were also becoming interested in the music of the nautch girls. A report in the Zeitschrift für Instrumentenbau, reprinted in the American journal Talking Machine World, strongly recommended recording the Indian “dancing girls,” who were musically talented and commercially successful.48

During their six-week stay in Calcutta, Gaisberg and his crew made over 500 recordings, which were sent to the factory in Hanover, Germany.49 Only about half of those recordings were used to make pressings to be sold to the Indian public, while the other half was presumably rejected because of their poor technical or musical quality. The records were shipped to India in April 1903. The vast majority of records were of singers and musicians associated with the Classic or Corinthian Theater, which had been the main access points to the local music scene for the Western engineers.

The newly available recordings of local music increased the popularity of the gramophone in India. The gramophone machines and the records were heavily advertised in the press.50 GTL’s new agent in Calcutta, Thomas Addis, who took over from Hawd, observed the growing market closely. On several occasions, he informed his supervisors that providing music in different languages and dialects was crucial for success in the Indian market.51 In response, GTL instructed him to extend the catalogue by 2,500 records in order to cover the twelve languages that were considered most popular.52 While Western businesspeople’s understanding of the different genres of Indian music remained rudimentary, the decision to provide music in different languages was a first step toward diversifying the portfolio.

49 Kinnear, Indian Recordings, 12.
50 Ray Choudhury, Early Calcutta Advertisements, 1-16.
51 EMI, letter Addis, Calcutta to London Headquarters, December 23, 1903.
52 EMI, letter London Headquarters to Addis, Calcutta, December 6, 1904.
GTL was not the only company that realized the opportunities related to the growing business in India. In October 1902, the American company Columbia Records sent Charles J. Hopkins to India, where he was surprised to find the “talking machines” as popular as they were in Europe and the United States. In 1904, the firm Nicole Frere, originally founded in 1815 as a manufacturer of musical boxes in Geneva, Switzerland, sent its first recording engineer to Calcutta. The industry had an increasingly international outlook. The trade journal *Talking Machine World* observed: “The phonograph and its various modifications have been spread all over the world, penetrating into some of its dark and remote corners.”

Against the background of the growing competition, GTL started a second recording expedition shortly after the first one. It was led by William Sinkler Darby and assisted by Max Hampe, both previously based at the Berlin office in Germany. The second expedition built on the experience of the first by focusing on musical styles that had proved to be commercially successful. The engineers recorded more pieces by some of the most successful artists. Moreover, GTL ventured out of the city of Calcutta and into different parts of the country. Darby and Hampe recorded in a variety of languages, including Gujarati, Marathi, Sanskrit, Tamil, Telegu, Malayalam, Goanese, Gurmukhi (Sikh), Canarese, Pashto, and others. They also made recordings of several instruments unknown in the West, such as the sarod, sitar, esraj, and sanai. The recording tour concluded in Madras during late March 1905.

Both the American Talking Machine Company and the German BEKA followed in GTL’s footsteps and went on expeditions to India in 1905. The American Talking Machine Company was founded by Joseph Jones and Albert T. Armstrong in 1898. The German BEKA Record GmbH was initially established in 1904 as Bumb & Koenig GmbH in Berlin. Owner Heinrich Bumb himself, accompanied by Wilhelm Hadert and Willy Bielefeld, departed Germany on October 5, 1905, and traveled via Budapest to Constantinople, then took a ship to Alexandria, Cairo, Port Said, and eventually arrived in Bombay on November 18, 1905. BEKA cooperated with the local firm Valabhdas Lakhmidas and Co. (previously Valabhdas Runchordas and Co.), which arranged for artists to be recorded. After their stay in Bombay, Bumb and Hadert traveled to Calcutta, where more recordings were made. They continued on their journey to Rangoon.
Burma, the Dutch East Indies, the Straits Settlements, China, and Japan before returning to Berlin on July 17, 1906. Their recordings quickly became successful:

The BEKA Indian Records were made under our [Valabhdas Lakhmidas’] supervision late in 1905, and in such a short time their popularity is second to none in our territory. ... We have taken about 150 Indian records up to now in our city, and shortly we will be traveling over the whole of India and making about 800 to 1,000 records in all the principal dialects of our country.59

Valabhdas Lakhmidas and Co. became the sole agent of the BEKA Record GmbH for India, Burma, and Ceylon. BEKA granted its partner favorable conditions: BEKA sent large quantities of goods on consignment, allowed the Indian agent to pay for them only when they were sold, and did not expect a minimum quantity of sales in a fixed time period. Moreover, BEKA guaranteed Valabhdas the sole and exclusive rights to sell BEKA products throughout the Indian Empire.60 GTL considered the new competition inferior: “The ‘BEKA’ Records (Native) are now on the market and they are poor stuff. No class whatever, and not to be compared with our Records.”61 Nevertheless, GTL took some countermeasures to guarantee its position as market leader. In November 1906, the London headquarters debated the option of reissuing records that had been withdrawn from the catalogue at a cheaper price “as a measure for the destruction of the BEKA Agency.” This was meant as a temporary action. “[W]e should issue a limited number of these records in such a form as would most effectively compete with the BEKA Record.”62 As more competitors entered the market, price became a decisive factor. This development favored BEKA because the German manufacturer produced lower quality, cheaper products.

GTL initiated a third recording expedition in 1906-07, which was led by Fred Gaisberg’s younger brother William Conrad Gaisberg. He was assisted by George Dillnutt, who had also gone on the first expedition. Some 1,350 recordings were added to GTL’s Indian repertoire. In his travelogue, the younger Gaisberg explained the new focus on local music when he said that they “went to India to furnish records for the natives and not for Europeans.”63 The trade journal Talking Machine World confirmed his view when it reported in 1907 that sales to the European population in India were much more limited than sales to indigenous people.64
In 1907, a second German competitor, the Talking Machine GmbH of Berlin, entered the Indian market. The company was best known for its Odeon record label with the logo of a classical dome. Shortly after the expedition, Odeon released a South Indian catalogue and became a big importer of both machines and discs. BEKA, too, dispatched another expedition to India and recorded 400 records, which met with great success. BEKA focused successfully on genres that had not been previously recorded, especially in languages other than Hindustani. By 1908, BEKA had approximately 1,000 titles to offer Indian consumers.\(^6\) As more and more companies pressured their way into the market, competition increased. GTL struggled with its agents to assure the exclusive sale of their products. GTL’s agent Messrs Mullick Bros was caught selling BEKA Records in two of their retail shops in 1907. Questioned about it, the agent claimed to keep only a few BEKA records in store that were not available from GTL’s list and was very reluctant to give up this business.\(^6\)

While most recording expeditions eventually turned out to be successful, they encountered a number of difficulties, such as logistics, climate, and illnesses. Many Indian artists declined to be recorded, as Mr. Saifi, the manager of one of GTL’s agencies, explained in 1907: “There is no dearth of good Indian artists but our great difficulty lies in getting them to record. Old Indian superstition may partly account for it.”\(^6\)

While some artists feared that the gramophone would capture their voice for good, others were irritated by the recording situation. Vocalist Rahimat Haddu Khan (1860-1922) was said to have been very disturbed by the recording atmosphere, with two large horns being placed in front of him. When the sample was played back to him, he was infuriated by the unfamiliar voice singing back at him.\(^6\)

**III. Indian Business for Indian People:**

**The Swadeshi Movement**

While the Western gramophone companies had a head start in India due to their superior access to technology, Indian competitors quickly caught up and found their own niche in the competitive market. As early as 1900, the Indian entrepreneur Hemendra Mohan Bose started recording local talents. Bose was born in 1864, in Eastern Bengal, and studied at the Calcutta Medical College. He started experimenting with the manufacture of perfume and opened his fragrance business in 1894 in Calcutta. Over time he added other toiletries and, in 1903, the...
bicycles to his line of products and also established a printing and publishing house. In 1900, he acquired an Edison phonograph as well as cylinder blanks and started to make home recordings. From 1903 on, he cooperated with the French company Pathé Frères in Paris and used his bicycle store to sell its records. The success encouraged him to open his own record store in the commercial center of Calcutta. He made recordings of local artists and sent his master cylinders to France for manufacturing. In association with Pathé Frères and the Nicole Record Co. Ltd., Bose engaged many talents in 1904 and 1905, sometimes even on an exclusive basis. By 1906, Bose had blank cylinders manufactured in Calcutta, which were in high demand in India. He reproduced his recordings of local artists, many of whom belonged to his circle of friends, and marketed them as “H. Bose’s Records.”

Other Indian firms also acted as agents for Western companies. M. L. Shaw (Manick Lal Saha), a manufacturer of harmonicas, became an agent for the company Nicole Records. In Bombay, the English firm S. Rose and Co. offered Columbia machines and cylinders. Valabhdas Lakhmidas and Co., founded by Valabhdas Runchordas and Lakhmidas Raojee Tairsee, acted as an agent for Edison, Columbia, and Pathé before becoming sole representative of the BEKA Record GmbH. The relationships with Western firms were not always harmonious. As early as 1905, some competitors engaged in trademark piracy, leading GTL to initiate lawsuits protecting the term “gramophone” as well as the famous image of the dog listening to a gramophone (“His Master’s Voice”).

The competitive situation between Western and local gramophone companies was further inflamed by a political event. In 1905, the Viceroy of India, Lord Curzon, started the process of partitioning the province of Bengal, which he considered too large for effective governance. His aim was to divide it into East and West Bengal with capitals in Dacca and Calcutta. Lord Curzon’s plans were met with resentment by the Bengali population because after the partition Bengali Hindus would form a minority in West Bengal. This led to a surge of Indian nationalism, during which activists called for a boycott of foreign goods. The so-called “swadeshi” movement — swadeshi meaning “from one’s own country” — was an economic strategy aimed at weakening British trade influence and improving economic conditions in the country. Swadeshi supporters boycotted British, and in some cases Western, products
and lobbied for indigenously manufactured alternatives. Political and economic goals intersected in the swadeshi movement. Indian manufacturers of different industries saw that the swadeshi agitation increased the demand for their goods. Most affected was the cotton textile industry, whose production capacity heavily increased.75 The impact of swadeshi was greatest in the province of Bengal and triggered the founding of a number of Bengali enterprises.76

In this context, Hemendra Mohan Bose launched his swadeshi records. While he had previously imported blanks from Pathé Frères, by 1907 Bose manufactured his own blank cylinders in Calcutta. As a Bengali businessman, Bose advertised his line of records as “H. Bose’s Swadeshi Records” and highlighted that he was “the first to manufacture records here in Calcutta” and that he offered “the only real swadeshi records.”77 He also specialized in nationalist music and speeches, which sold increasingly well. Stirring swadeshi sentiments among his customers, Bose declared: “The manufacture of these records marks an important epoch in the industrial enterprise of India. It points out most clearly that the Indians if they care to turn their attention, not only compete fairly with other nations, but in some cases beat them.” Famous Bengali artists, such as Rabindranath Tagore and Dwijendra Lal Roy, supported Bose’s business, while declining to work with GTL. The cooperation with Pathé Frères, however, became important again when disc machines increasingly overtook the popularity of cylinder machines. Starting in 1908, Bose thus made his recordings available on disc by cooperating with Pathé and re-releasing earlier recordings as “Pathé/H. Bose’s Records” discs.78 Although Bose again became partly dependent on the technology of a Western manufacturer, he managed to sustain his image as a native swadeshi businessman.

The impact of the swadeshi movement on GTL and other Western gramophone firms is hard to quantify because turnover and profit data is largely unavailable. Qualitative sources suggest that Indian nationalism, at least temporarily, presented a big obstacle to GTL. In 1906, the company stated “Bengali Trade (i.e. in Bengali Records) is practically at a standstill. The Bengalis are boycotting us as much as possible,”79 and in a different letter dated the same day, “We are boycotted practically, and our trade is entirely done by Mohomedans [sic] and a few Europeans.”80 As a response to the swadeshi

76 Amit Bhattacharyya, Swadeshi Enterprise in Bengal (Calcutta, 1986), chapter 1.
77 Kinnear, Indian Recordings, 43.
78 Ibid.
challenge some Western companies, such as Pathé and BEKA, started cooperating with the local elite. Others, such as GTL, invested in manufacturing facilities in India. Roughly from the end of 1906, GTL began developing plans to build a record pressing facility in Calcutta.81 This allowed GTL to cut transport costs and time and to manufacture at lower cost. The site for the factory was found by the end of 1906, about one mile east of the commercial center of Calcutta at 139 Beliaghatta Road, Sealdah. The first Indian discs were pressed there in June 1908. GTL also established permanent recording studios in Calcutta, Bombay, and Madras. Shortly after manufacturing in India started, GTL newspapers ads included the statement that: “Our Indian, Burmese and Ceylonese records are now made at our Calcutta factory — using Indian materials — by Indian workmen,”82 thus presenting themselves as a swadeshi-conscious business. By December 1908, the factory was pressing 1,000 discs per day. In the record storerooms, the company had stocks of over 150,000 discs, of which some 100,000 were recordings in the vernacular languages of India.83

Talking machines and music on records continued to be popular in India over the following years. In 1912, the Bombay ambassador to the United States, Consul Edwin S. Cunningham, observed that “natives here are very fond of phonographs and the machines can be heard in the native part of the town practically at all hours of the day and night.”84 Cunningham expressed his surprise to find that the gramophone trade was largely with the native population, not the Westerners living in India. This, he noted, gave an edge to the German manufacturers, who sold their machines at prices as low as $2.90 and “control the market for inexpensive articles.”85 In comparison, a GTL catalogue from 1909 offered its cheapest available gramophone for 30 rupees, equaling approximately $9.74.86 The German firms offered not only low prices but also liberal credit terms and a fairly attractive design, while “American and French sales [were] limited.”87 The American and French manufacturers were too expensive and failed to offer records with native music, which were crucial for winning local customers.88 Indeed, witnesses before and after World War I confirmed that Indian music lovers had little use for Western music. The famous filmmaker Satyajit Ray was one of the few Bengalis interested in Western classical music.89 Later, Alex Aronson, a German-Jewish refugee in Calcutta, observed that the Bengalis “found most Western music a chaotic and intolerable noise.”90
With the outbreak of World War I, the market for gramophones and records fell into turmoil. The German gramophone companies completely lost their position in the Indian market. All of their assets were expropriated as “enemy property” by the British. For the most part, American and Japanese competitors managed to take over the German market shares, but the war also created a favorable environment for native goods because it interrupted imports into the country. GTL, freed of some of its biggest competitors, remained the clear market leader in India. In 1912-14, India was GTL’s fourth largest foreign market after Britain, Russia, and Germany, and the company realized 9 percent of its total turnover in India. Central to the ongoing success was the growing selection of local music in different languages and dialects, which Indian consumers kept in high demand. Although expanding the selection generated enormous costs, it was the only path GTL could take toward satisfying consumers and competing with the many local and international competitors.

Conclusion

From the 1890s and 1900s, shortly after the invention of the gramophone, the talking machine industry was active in a global market. Its major players were international firms that often cooperated with each other to better pursue their international business. Invented in the United States, the gramophone started as a novelty item. However, it was crucial for the survival of the manufacturers to create a constant demand beyond consumers’ initial curiosity. This was achieved, first, by expanding internationally and taking the initial business plan beyond the home market. The talking machine industry is thus a perfect example of companies’ international outlook and ambitions during the highly integrated world economy before World War I. Second, the selling of talking machines depended to a large extent on the availability and quality of records. Records and talking machines were complementary products with one depending on the other for success. Particularly during the period when two different technological systems, the cylinder and the disc system, were competing with each other, providing the right selection of music to customers was vital for influencing their decision in favor of one system or the other.

In the gramophone business, only minor changes to the machines were necessary to take the product international. By contrast, the
recorded-music business differed greatly from one country to another and even from one region to another. The first Western manufacturers faced highly localized musical traditions, which they did not fully understand, in most parts of the world, and were forced to build a market for records from scratch. By traveling, by cooperating with local agents and multipliers, and by relying on more or less knowledgeable recording experts, the companies gave a local orientation to their musical repertoire and, by consequence, to their business strategy in foreign markets such as India.

In India, they faced a series of challenges. First, they had to cope with the logistical and communication problems typical of early multinationals. Second, they were challenged by the diversity of local customs and languages, which required a large portfolio of musical recordings. Third, they were confronted with rising Indian nationalism leading to an at least partial consumer boycott of so-called foreign products. Native competitors, who had initially found themselves at a disadvantage for lack of access to technology, human resources, and capital (“ownership advantages”), now explored the market more successfully by relying on their local knowledge and contacts (“location advantages”). Moreover, they were able to play the national card. Being local, they marketed their products as “native”, stirring up nationalistic sentiment to their advantage. Since both ownership and location advantages are necessary for a successful business, different forms of cooperation between both groups were tested.

The strategies of music companies during the first global economy were shaped by global ambitions and an international outlook. The gramophone companies explored India as a different cultural context and dealt with the tension between the global and the local. During the internationalization of the industry, the gramophone firms realized that “localizing” their product portfolio and engaging with indigenous music were crucial prerequisites for selling music to foreign consumers. In a trial-and-error process, the companies learned that distinctive local music cultures existed and needed to be served separately. This understanding would continue to shape corporate strategies for years to come, not only internationally but also in large national markets, most markedly in the United States, where niche music markets would achieve great success during the interwar period. The experience gained in India increased manufacturers’ know-how in defining and serving
subsections of a national market. This became a highly useful set of business skills.

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