

THE
CONVENTIONS
OF THE
LOCAL PHONOGRAPH
COMPANIES,
1890-1893.

Patrick Feaster,
Editor

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Special thanks to Raymond R. Wile for providing a copy of the hard-to-find 1892 volume of the proceedings.

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PROCEEDINGS OF FIRST ANNUAL CONVENTION OF LOCAL PHONOGRAPH COMPANIES OF THE UNITED STATES HELD AT CHICAGO, MAY 28 AND 29, 1890.
REPORTED BY THE
PHONOGRAPH AND PHONOGRAPH-GRAPHOPHONE.

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PHONOGRAPH PRINTING CO.,
414 BROADWAY,
MILWAUKEE, WIS.

[A3]

PHONOGRAPH CONVENTION.

AUDITORIUM HOTEL, CHICAGO, ILL., May 28, 1890.

MORNING SESSION.

The convention was called to order at 12 o'clock M. by Mr. E. D. Easton, President of the Columbia Phonograph Co., who said:

GENTLEMEN:—We have met at this time and place in pursuance of the call issued by Mr. McGilvra, of the OLD DOMINION PHONOGRAPH COMPANY, for such purposes as may seem good to the meeting after it shall have assembled. The first point is the selection of a Chairman and Secretary.

Mr. J. H. McGilvra, of Roanoke, Va., was elected temporary chairman and Mr. R. F. Cromelin, of Washington, D. C., temporary secretary.

The Chairman: Gentlemen of the convention, it is hardly necessary for me, I think, to assure you that I feel it no small honor to be elected temporary chairman.

We are now prepared to go forward with the business of the convention.

The chairman then appointed as committee on permanent organization, Messrs. Easton, Gottschalk and Stone.

Motion for roll call was then unanimously adopted and the roll was thereupon called as follows:

The Alabama Phonograph Co., Anniston, Alabama; Mr. Chas. A. Cheever, President.

A4 The Central Nebraska Phonograph Co., Kearney, Nebraska; E. A. Benson, Director.
Chicago Central Phonograph Co., 801 and 804 Home Insurance Building, Chicago, Ill.;
Geo. B. Hoit, General Manager, E. A. Benson, Chas. Dickinson, Directors.

The Columbia Phonograph Co., 627 E Street, N. W., Washington, D. C.; E. D. Easton, President, R. F. Cromelin, Secretary, W. H. Smith, Treasurer.

The Colorado and Utah Phonograph Co., Denver, Colorado; S. W. Cantril, Manager,
John Barber, Assistant Manager.

The Eastern Pennsylvania Phonograph Co., 130 South Fourth St., Philadelphia, Pa.; Jas. O. Clephane, Secretary.

The Florida Phonograph Co., Jacksonville, Fla.; J. C. Clarkson, Superintendent.

The Georgia Phonograph Co., 43 Walton St., Atlanta, Ga.; J. C. Clarkson, Superintendent.

The Iowa Phonograph Co., Sioux City, Iowa.; Whitfield Stinson, Secretary.

The Kansas Phonograph Co., Topeka, Kan.; Geo. E. Tewkesbury, President.

The Kentucky Phonograph Co., Louisville, Ky.

The Metropolitan Phonograph Co., 257 Fifth Avenue, New York City, N. Y.; Chas. A. Cheever, President, Felix Gottschalk, Secretary.

The Michigan Phonograph Co., 15 & 17 Detroit Opera House, Detroit, Michigan; W. H. Freeman, Manager, C. W. Swift, Secretary.

The Minnesota Phonograph Co., 108 Rochester Block, Minneapolis, Minn.; C. H. Chadbourne, General Manager.

A5 Missouri Phonograph Co., 416 3rd Avenue, South, Minneapolis, Minn.; J. C. Wood, W. J. Wood, Geo. L. Wood, A. W. Clancy, Vice-President, J. C. Elliot, General Manager.

The Montana Phonograph Co., Helena, Montana; E. A. Benson, Director.

The Nebraska Phonograph Co., Omaha, Nebraska; E. A. Benson, President.

The New England Phonograph Co., Boylston Building, Boston, Mass.; A. N. Sampson, Manager.

The New Jersey Phonograph Co., 758 Broad Street, Newark, N. J.; W. L. Smith, General Manager.

The New York Phonograph Co., 257 Fifth Avenue, New York City, N. Y.; John P. Haines, President.

The Ohio Phonograph Co., 220 Walnut Street, Cincinnati, Ohio; Jas. L. Andem, President.

The Old Dominion Phonograph Co., Masonic Temple, Rooms 8 and 9, Roanoke, Va.; J. H. McGilvra, President.

The Pacific Phonograph Co., 323 Pine Street, San Francisco, Cal.; Louis Glass, General Manager.

The South Dakota Phonograph Co., Sioux Falls, Dakota; Henry Lacey, General Manager.

The Spokane Phonograph Co., Spokane Falls, Washington;¹ Louis Glass, Director.

State Phonograph Company of Illinois, 804 Home Insurance Building, Chicago, Ill.; G. Farwell, W. H. Hubbard and Ed. Lobdell, Directors.

The Tennessee² Phonograph Co., No. 5 Noel Block, Nashville, Tenn.; J. Balleras, General Manager.

The Texas Phonograph Co., Galveston, Texas; H. L. Sellers, President, Thos. Conyngton, General Manager.

The West Coast Phonograph Co., Portland, Oregon;

A6 Louis Glass, Director.

The Western Pa. Phonograph Co., 146 Fifth Avenue, Pittsburgh, Pa.; J. H. Friend, Secretary.

The Wisconsin Phonograph Co., 414 Broadway, Milwaukee, Wis.; Henry D. Goodwin, Secretary; W. S. Burnett, Superintendent.

The Wyoming Phonograph Co., Cheyenne, Wyoming; E. L. Lindsay, Manager.

Mr. Gottschalk: Mr. Chairman, so far as I can find out, the sentiment of the various companies is that our vote should be cast for each company, but as many representatives as are

¹ Original: "Washton"

² Original: "Tennessee"

here are to represent that company. They must agree among themselves as to who is to represent them in voting.

Mr. Clancy: I do not think that is the way the companies ought to be represented in this meeting. I think that every stockholder who is here ought certainly to have a say in this matter; but we ought not to take up that discussion until after we hear the report of the committee on credentials.

The Chairman: What is the further pleasure of the convention?

Mr. Easton: Mr. Chairman, yesterday several of the delegates who were here, appreciating the importance of having something to present to the convention, met and prepared certain topics. These topics have been printed and are before the delegates. I move that they be taken up in order and considered, and that, of course, all persons having topics to add to the list be invited to do so.

Mr. Chadbourne: Mr. President, would it not be well to have a permanent organization first? I understand that there is only a temporary organization so far.

A7 Mr. Cheever: As I understood the motion regarding the temporary organization it should hold until the committee on credentials have an opportunity to report. Am I correct, Mr. Chairman?

The Chairman: That was my understanding about it.

Mr. Easton: Mr. Chairman, I would like to make a suggestion to Mr. Chadbourne, if he will allow me. It may take some time for the committee on permanent organization to prepare a plan. Now, can we not go right on with our business, and if necessary let the permanent organization ratify what this temporary body may choose to do. We cannot stay very long in session. I suppose most of the delegates want to get home as soon as they can, and if the committee on permanent organization were to ask for time to make up its report, it might be taking too much of the time of the gentlemen present.

Mr. Chadbourne. I hardly think so. I think that we ought to take time enough to discuss this whole matter in all its details, if it takes all summer, and I think the better way would be to have an organization perfected, and proceed to business in a business way. I don't think that taking this up now would be in order at all.

Mr. Cheever: The question that arises in my mind is the question of voting. There seems to be a difference of opinion among some of the gentlemen present as to how the vote shall be taken on any particular subject which it might be necessary to vote upon—whether by delegates present, some companies having half a dozen, others having but a single representative, and some single representatives representing a dozen companies. I think it would be well to decide how we are

A8 going to vote before we commence the proceedings. I will move that a committee of five be appointed on programme.

Motion unanimously adopted that the chair should select the committee on programme which was done as follows:

Mr. Clancy, Mr. Cheever, Mr. Andem, Mr. Benson and Mr. Chadbourne.

Mr. Clancy: I will suggest that all who have topics that they would like to have discussed pass them to this committee at once, or to any member of it.

Motion made and seconded that each company be allowed one vote in this convention and that all their representatives or stockholders be allowed a seat in the convention and to participate in the discussions.

Mr. Gottschalk: Mr. Chairman, I simply repeat the remark I made before and that is the delegates of each company must decide who is to vote for that company; and if for instance one of the delegates is in favor of a topic and another delegate opposed to it, if there are only two delegates from the company, that company has no vote. If there are three, and two are in favor of it, I presume the affirmative is to be voted by one of the delegates.

Mr. Cheever: Mr. Chairman it seems to me that that will be covered by the action of the committee on representation and they shall decide in their report as to how or who is to vote for each company.

Mr. Swift: It is called a committee on programme at present.

Mr. Lindsay: That is just the reason I think this motion made by my friend is not in order just now. I think we ought to await the report of this committee

A9 on credentials and we will have all the names. They understand the composition of the companies and no doubt the report will be adopted and I think the whole business ought to be laid on the table and left to them to report. I therefore move that said motion be laid upon the table and await the report of the committee on credentials.

Motion seconded.

Mr. Lindsay: Mr. Chairman, I rise to a point of order. The motion is out of order until the pending motion is disposed of.

Mr. Clancy: A motion to lay on the table is always in order.

Mr. Gottschalk: Mr. Chairman, I would suggest, instead of the motion being duly put and carried that we have ten or fifteen minutes discussion on this question so that the committee have some idea as to the sentiments of the entire convention on this subject. It will assist them in deciding several of these points.

The Chairman: Is the idea to go into committee of the whole?

Mr. Lindsay: We want to come to some determination as to the manner in which we are going to vote. Here are some companies represented by five men; are they to have five votes when there is one man representing another company? That is a question we have got to settle before we go on with any business.

Mr. Gottschalk: If you will withdraw your motion we can then go into committee of the whole.

A10 Mr. Lindsay: I rise for information. What is the duty of that committee?

Mr. Easton: The duty of that committee is to report.

Mr. Lindsay: Has the committee any power to report the number of votes?

Mr. Easton: Certainly, and the convention may adopt or refuse to adopt as they please.

Mr. Lindsay: I don't understand that the committee on credentials has any power. If the convention states the number of representatives to which each company is entitled, then the committee could act upon that, taking up the credentials and passing upon them to see whether they are proper credentials or not. But if that is not mentioned in the instructions then it is necessary that this convention should adopt some basis of representation by vote before that committee can report. They cannot bind us.

Mr. Easton: They will not attempt to bind the convention.

Mr. Lindsay: They cannot say who represents these companies or how these companies shall vote. My motion is to allow each company one vote and allow every representative a seat here, and I think it is the proper thing to do that before the committee goes into session.

The Chairman: The Chair understands the motion is for the appointment of the committee on credentials to report to the convention. Their report will have to be voted upon by the convention. Will it not be best to leave this matter until the report is presented?

Mr. Lindsay: If they don't go any farther than to report who are entitled to seats in this convention I am satisfied; but I don't want to be bound. In that case I will withdraw my motion.

A11 The convention thereupon adjourned until 2 o'clock.

AFTERNOON SESSION.

The Convention was called to order at 2:10 p. m., May 29, 1890, at the Auditorium Hotel.

The Chairman: I will call for the report of the committee on permanent organization.

Mr. Easton: Mr. Chairman, the Committee on permanent organization makes the following report:

The Committee recommends that the delegates now present from the various local companies or who are here during the proceedings, be entitled to seats in this body. As many of the delegates present have no regular credentials, it is impossible for the committee to take any other action.

The committee recommends that each local company shall be entitled to one vote divided among the delegates present from that company into as many fractions as there are delegates, each delegation to select its representative to announce the vote of the delegation.

Also that the convention proceed to elect a permanent president, secretary and treasurer; also an executive committee of five, of which the president shall be a member.

The committee recommends a permanent organization to meet yearly, at such time and place as by each convention shall be selected, and that a committee be now appointed to carry this recommendation into effect by the preparation of constitution, rules, etc.

The committee recommends that the representatives of the North American Phonograph Company, of Thomas A. Edison, of the American Graphophone Company and the Automatic Phonograph Exhibition Com-

A12 pany, be elected as honorary members with full privileges of the floor but without vote.

Signed by two members of the committee, Mr. Gottschalk and Mr. Easton. The third member was not present at the meeting. Universally adopted.

The motion was put and carried, that tellers be appointed.

The Chairman: I would appoint as such tellers Mr. Williams, Mr. Clancy and Mr. Gottschalk.

Mr. Stone: I would suggest that each voter write on his ticket his name and the company for whom he votes.

The Chairman: It is understood that each delegation is to say who is to cast that vote.

Mr. Clephane: I suppose it is the desire of this convention not to have the proceedings of the convention get into the newspapers. I would therefore like to inquire whether there are any newspaper reporters present in the room.

The Chairman: Is it your suggestion that the convention give its judgment upon that point?

Mr. Clephane: Yes, sir. If there are any newspaper representatives present, it is the desire of the convention not to have them.

The Chairman. It has been the general desire that the convention should be held with closed doors, and if there are any newspaper reporters present, we would respectfully ask that they withdraw.

The motion put and carried that the roll of the companies be called and that each company deposit one ballot at the time of the call.

Mr. Clancy: We would like to submit the report of the committee on the order of business.

A13 The Chairman: Would it not be well to defer that until our permanent officers are elected.

Mr. Clephane. The report might be read for information, I would suggest.

The Chairman: The report of the committee on order of business will be now in order. The report is as follows:

CHICAGO, ILL., May 23, 1890.

To the Members of the Phonograph Convention, etc.

GENTLEMEN: Your committee to whom was referred an order of business for this convention, would respectfully report the following:

1. Report and disposal of the Committee's report on credentials.
2. The permanent organization, (a) President, (b) Secretary, (c) Treasurer, (d) Reporter.
3. Hours of meeting.
 - (a) Afternoon session from 2:30 to 5:30 o'clock.
 - (b) Morning session from 10 to 1 o'clock.
 - (c) Evening session from 8 to 10 o'clock.
4. Miscellaneous business from 10 to 11 o'clock each morning.
5. Discussion of topics for May 28th.
 - (a) Portable machines.
 - (b) The Lease.
 - (c) Advertising.
 - (d) Worn-out parts.
 - (e) Increased rentals.

The committee submits this as their partial report, and will ask for a little further time to complete the same.

Respectfully submitted,
A. W. CLANCY, Chairman.

A14 The Chairman: Motion seconded and carried that further business be suspended until the report of the tellers be made and acted upon.

The Chair: The tellers find that the total number of votes cast is thirty. Mr. Benson twelve, Mr. McGilvra seven, Mr. Easton two, Mr. Clancy eight, and Mr. Chadbourne one. Necessary for a choice, sixteen.

Mr. Clarkson: Second Ballot. Total number of votes cast thirty, necessary to a choice, sixteen. Mr. E. A. Benson, ten, McGilvra six, Mr. Easton one, Mr. Clancy thirteen.

Third Ballot. Total number of ballots cast thirty, necessary to a choice sixteen. Mr. Clancy twenty-one, Mr. McGilvra six, Mr. Benson one, Mr. Easton two. Mr. Clancy is elected.

Applause.

Mr. Clancy thereupon took the chair and addressed the convention as follows:

I have no speech to make and only one recommendation, and that is that we proceed at once to business.

Motion put and carried by acclamation, that Mr. R. F. Cromelin act as the permanent secretary.

Mr. Chairman: Motion put and carried by acclamation that Mr. Goodwin, of Milwaukee, be elected treasurer.

The report was again read.

The Chair: It is moved and seconded that the report of the committee on programme as read, be adopted.

Mr. Clephane: I would suggest in connection with the adoption of the report of the committee on programme, that the hour for meeting in the evening be changed so as to be from eight until eleven. We are all here and as we want to get through as soon as pos-

A15 sible, I would make the suggestion. I would suggest further that the topic in regard to the rental be postponed and taken up in connection with the topic suggested with regard to whether we sell the machines or continue leasing them. I think the two work in harmony and we might discuss them together. I therefore move that the evening session last until 11 o'clock. **Motion put and carried.**

Motion carried that a majority vote change the order of business.

Mr. Clephane: My amendment is to have put together the two subjects of increase of rental and whether we shall continue leasing these machines or shall adopt the system of selling outright. It seems to me that the question of increase of rental would very properly be discussed in connection with that proposition and I therefore move to postpone that subject of discussion until the other subject be brought forward to-morrow.

The Chair: Is there anything further? The question is upon the adoption of this report.

The question upon the adoption of the report was put to the convention and carried.

The Chair: Now, under this report there is a fourth officer mentioned, a reporter.

Mr. Easton: I move that the present reporter, Mr. William Herbert Smith be chosen by acclamation.

The motion was put to the convention and carried.

Mr. Clephane: Right in that connection I would like to make this further suggestion.

Mr. Goodwin is here from the Wisconsin Company and it has been suggested that a trial of the Phonograph in making a report be also undertaken, and I would

A16 move that Mr. Goodwin be selected to report by the phonograph so that we will have a chance to test the comparative merits of both machines.

The Chair: We will take the vote upon this motion first.

Mr. Clephane: I will make that as an amendment so as to get it before the convention.

The question was put to the convention upon the motion as amended and the motion was carried.

The Chair: As it now stands the reporters will be Mr. Smith, of the Columbia Phonograph Company, and Mr. Goodwin, of the Wisconsin Phonograph Company.

The motion was put to the convention and adopted.

The Chair: It is moved and seconded that the secretary and president give such items as in their judgment shall seem proper, to the newspaper reporters of Chicago. Are you ready for the question?

The question was put to the convention and carried.

Mr. Lindsay: I rise for information. I would like to inquire of the reporter if there has been any provision made whereby the proceedings of this convention can be transcribed in typewriter form and made ready for this convention or for the press. It strikes me that one of the best advertising mediums for the phonograph and graphophone would be that the reporter and typewriters in an adjoining room show that these cylinders can be taken and transcribed in typewriter form, and in twenty minutes after we adjourn these whole proceedings can be in typewriter form so that they can be used by the newspapers and the convention.

Mr. Lindsay: I beg to make the motion that the matter of transcribing the report be referred to the executive committee. **The motion was put and carried.**

A17 The Chairman: You will find topic (a) on this printed report on portable machines is the subject now before the convention. We are ready to hear you.

Motion carried to limit speakers to five minutes.

Moved and seconded that the lessee be entitled to the entire rental of hand machines for any part of the United States.

Mr. Gottschalk: I move as an amendment that the party leasing a machine for this purpose be instructed to purchase all his supplies in the state where he is using the machine.

Mr. Swift: Suppose he is going on a fast train through seven states in half a day.

Mr. Gottschalk: A commercial traveller would not do that. He would be travelling from one state to another.

Mr. Swift: That must be considered as subject to some limitations because it would be impracticable.

The Chairman: That is the form of motion and the amendment. Is there any second to this amendment? The Chair hears no second. We are therefore still on the original motion. Are you ready for the question.

Mr. Stone: I want to say on this motion that I am heartily opposed to it. This is a very good thing for any company that has large cities in its territory, but it is a very poor thing for a company that has not. I stand here as the representative of the Iowa company, and we have no large cities in our territory. The consequence is that New York, Chicago, and any of these large cities could send their representatives into our territory *ad libitum* and we hold the bag.

Mr. McGilvra: I wish to endorse what Mr. Stone has said. I am heartily opposed to this motion as made.

A18 The effect of it will be to throw the entire revenue from the use of portable machines into the hands of a very small number of the companies. I am directly interested in that as the representative of the Old Dominion Phonograph Company. We have three states and I do not think of a single commercial house in those states that sends a commercial traveller outside of that territory. On the contrary, our territory is swarming with commercial travellers from New York, Cincinnati, Philadelphia, Baltimore and Atlanta, and it seems to us, in that condition of things, that the renting company that places machines for use in our territory ought to be very well satisfied, indeed, to take our regular agents' commission on machines that they may be able to place on account of the mere accident of their location.

Mr. Conyngton: In our State we certainly would not expect to lease machines to drummers to use outside the States, and we would expect, on the contrary, a great many of these machines to be brought into our State. But if this motion be so amended as to restrict their use to commercial travellers we should be heartily in favor of it. We look upon it that every machine that we can get used in our territory paves the way for us to put out another. We look upon it that a commercial traveller coming for a month or two in our State could not possibly lease, and

therefore, taking it in a broad way, we are heartily in favor of allowing commercial travelers to use the present portable machine.

I would move as an amendment that this use be restricted to commercial travelers and to the present form of graphophone.

Mr. Easton: Mr. President, I would like to state

A19 the view that strikes me. It seems to me that unless a concession of this sort is made, we will put out no hand machines at all. You cannot divide up the time each machine shall stay in a given territory.

Mr. Tewkesbury: I would like to know if we are not all operating under a franchise from the North American Company, and if we are restricted by that franchise to a certain territory? If so, I do not see how any motion can in any possible way affect the business relations of the different companies.

Mr. Lindsay: I want to say that it seems to me that the effect of this motion would be to lead to endless complication among the companies.

Mr. Lindsay: Mr. Chairman, I am opposed to that theory for the use of these machines for this reason: We have a sparsely settled country that all commercial drummers visit on one line of road. Now, the local company can have established at both ends these machines for the use of the drummers, and, when they want to, they can get the use of these machines. If they get in the habit once of using them, then we have a regular revenue from the use of each machine, whereas if they were permitted to bring a machine into the territory we would get no benefit. They would probably bring enough supplies with them and the sale of our supplies would amount to simply nothing, and we would be shut off of renting and having the benefit of the use of these machines, where some company in the east would have the privilege of renting to these commercial travelers. I take it such a course is entirely wrong. We can establish agencies in every hotel the commercial travelers frequent, and they can get the use of that machine there, transact business and then go on

A20 to the next hotel, where they will find a machine placed lished³ by the local company, of which they can get the use, and in that way the local company gets the benefit of all this use, and they are the ones that are entitled to it.

Mr. Williams: I was asked by the gentleman who amended my motion to state that it shall not be limited to the graphophone, because we have no doubt we will have a portable phonograph, and I would be glad to have the amendment so worded as not to have any restriction about it.

Mr. Conyngton: Mr. Chairman, this hand graphophone is a very heavy affair, and there are comparatively few travelers who will carry them around with them, and we are already putting the graphophone in hotels. Commercial travelers will find it a great deal better to write their letters at a hotel where these regular machines are, than to carry a comparatively heavy portable machine about with them; but we don't know what kind of a machine a portable phonograph would be, and it might be that they would be so light as to do away with all treadle machines. Now, we believe this is only a temporary expedient and we wouldn't care if this were introduced into our territory. We don't think we would lose anything by having the hand machine introduced, but we are not willing to bind ourselves with regard to what may come out in the future.

³ The word "lished" begins a new line of text and is obviously in error. The transcriber may have mistakenly set the type for the word "placed" instead of "estab-" to begin the word *established*.

Mr. Wood: I think there is one point which it might be well to consider here, and that is, if these portable machines were rented to go into different territories, they should be rented in the territory where the houses are represented by the commercial travelers. That is, not to allow a man staying in Missouri

A21 to come to Chicago and rent a machine to be used through our territory. That is a point which has not yet been brought up and I think it is a very important one.

Mr. Clephane: I think the gentlemen are overlooking one very important point in connection with this commercial travelers' machine. I am very sure that there is no mode of advertisement we could adopt that would be more successful than placing this machine in the hands of commercial travelers. What does the commercial traveler do? He takes this machine and goes into a business house. He has the machine with him, he has it at the hotel; he shows it to the merchant, and says, "I have here a commercial phonograph" or "a commercial phonograph-graphophone; now I want you to have one of these instruments so that I can communicate with you. My time is taken up and I cannot occupy it by writing letters. I want to address myself directly to you through the cylinder." Is not that going to help the introduction of this instrument in every business house?⁴ And as to the question of the cities that have not the great commercial features, they will make by supplies. They will sell supplies in quarters where they never would otherwise. It will not only be an advertisement to the machines but will be a continued source of revenue to every company in this country, and I do hope that the members of the convention will seriously consider this question before taking action adverse to the adoption of a resolution giving these commercial travelers the privileges of using hand machines. If the gentlemen place the phonograph or phonograph-graphophone in hotels, it is so much the more advantageous to the commercial traveler.

A22 Mr. Lindsay: My answer to that argument is that in our country we find that all the commercial travelers come from the city of Omaha. They cover the territories of Wyoming, Utah, South Dakota, Montana, Idaho and Oregon. Those commercial travelers would each be equipped by the Omaha company, starting out with their hand graphophones, which they would take with them on the entire trip. Now, I will ask you gentlemen, where our local company is going to get any benefit from the graphophones that they rent from the Nebraska company and take with them on the entire line through the territories which cover over eleven thousand miles. When they take their machines, they will take their supplies with them; they will answer all their correspondence by their machines directly through the company which they represent in Omaha. Where will the Wyoming company get any benefit out of that? They have their machines. They have their supplies. They will make their reports directly by the machine and mail them to their houses in Omaha and we up there in the mountains that have paid our money for our stock and have organized our company, will hold the bag and the Nebraska company will get the game. Now this is the situation you will place us in if you adopt this resolution.

Mr. Sellers: I think if there is any state that presents a wider field than the State of Wyoming, Texas may be that State. But we, on the contrary, would be glad to have a thousand commercial travelers, every one with a portable hand graphophone or phonograph coming through our state, without our getting one cent revenue. If there is any one thing that we have found to be true, and which no doubt you other gentlemen

A23 have found to be true, it is that we have hundreds of men eager to use these machines if they could only be convinced that they are practicable. That is our fight, and every time we get the

⁴ Question mark missing from original.

machine into the hands of a man who gets result from it, it is an advertisement which is worth to us much more than all of the twenty dollars which comes to the company which rents the machines. We would most gladly see thousands of machines going through our State, although we should not get one cent of revenue from them. It will be an advertisement for us.

Mr. Clancy: Suppose a commercial traveler should set up an exhibit to pay his hotel entertainment.

Mr. Stone: Mr. Chairman, I want to say just one word. I am heartily in favor, and perhaps more so than anybody in the room, of having commercial travelers use these machines in our territory; but as I said before, the poor territories must furnish the business for the rich ones, and it seems to me that an equitable division of the proceeds of this portable machine might be made among the companies. I don't believe that it is possible for this convention to pass any resolution that would bind me to allow other people to rent machines to come into my territory unless I get some revenue from it. That we have no commercial travelers in our territory is our misfortune, but at the same time we have paid our money for our territory and are entitled to some consideration on that subject.

Mr. Wood: Mr. Lippincott is here and I presume we would all be very glad to hear his opinion on this subject; he might give us light which perhaps we do not now possess.

The Chairman: Mr. Lippincott, will you come for-

A24 ward and say something on the subject of hand machines?

Mr. Lippincott: The position of the North American Company is that they wish to know what will be acceptable to the local companies. After they have found out what is most desired, they will then take into consideration the modification of the contract in order to meet the desires of the sub-companies. Now, the question simply rests with the sub-companies.

Mr. Beach: Mr. Chairman, I think that this question might be settled by the pooling of the total revenue from all hand machines by an arrangement with each sub-company and that reports be made to the North American Company and that each Company be entitled to its pro rata on some basis that would give each company in all the states, its due proportion of that revenue; say, for instance, on its capital stock.

Mr. McGilvra: I think the proper pooling of the entire revenue is the only equitable basis of division, and I would suggest as a proper basis, that the population of the territories of the various companies be selected, according to the census of 1890.

Mr. Smith: I would like to ask upon what basis any such arrangement as this can be made unless we have the co-operation of the lessees of these hand graphophones. In renting these machines, if we are going to have an equitable division of the revenues, we must have it distinctly understood at the time that they are to report to the company from whom they rent machines, what territories or states they have used them in. Now, if we are going to be in that condition, it seems to me that we are attempting an impossibility. We are bounded on one side by the Metropolitan and

A25 New York Companies, and on the other by the Eastern Pennsylvania Company, both of which companies, we presume, will rent more machines to be used in our territory than we ourselves will, yet our company is strongly in favor of some co-operation on the part of all sub-companies which will allow the use in any of the States of hand graphophones rented from any one sub-company without any distribution of receipts. The view we take of it is that it will prove an advertisement quite as effective or more so than anything else that we can think of, and on this account alone, we are willing to allow the lessees of these machines the use of them in our territory.

Motion made and carried, that the whole matter be referred to the executive committee with authority to report.

It is moved and seconded that No. 5 or (b) as reported by the committee on order of business, be referred to the executive committee.

The Chair: The next subject is advertisements, which is No. 6 on this paper.

Mr. Sampson: Mr. President, I suggest that the North American Phonograph Company advertise in all the leading magazines under a plan similar to that of the Remington type-writer company, and in connection with that advertisement, it name all the sub-companies.

Mr. Easton: Mr. Chairman, I think there is a general feeling on the part of the local company men that there ought to be advertising matter on the subject of the talking machines in all the leading magazines. The main question is how that shall be paid for. Shall it be paid for by a pro rata assessment upon local companies, or in some other way? For the purpose of test-
A26 ing the sentiment of the convention, I move that the North American Company be asked to insert suitable advertising matter in the leading monthly magazines, and that the cost be divided between the North American Company and the local companies on some equitable plan of division, to be hereafter named.

Mr. Sampson: Mr. President, I object to that proposition. I think that the North American Company should be willing to stand its share of the advertising.

Mr. Easton. That is my proposition.

Mr. Sampson: I want to put it that they shall stand it all. I want them to stand all the advertising. They have some little interest in this advertising, as much as we have, and we have got to do local advertising for ourselves in order to get before the Public, and I believe that the North American Company will receive enough from the sub-companies that they should be willing to stand the amount of general advertising required.

Mr. Gottschalk: As the local companies receive half of the benefits of the machines put out I think it no more than fair that the local companies as a body should pay for half of the advertising.

Mr. Glass: Mr. President, I object.

Mr. Stone: I want to deny the proposition that the sub-companies get half of the rental.

Mr. Lindsay: Mr. Chairman, I also want to deny that proposition. We have to pay nearly all of our rental in freight before we get our machines.

Mr. Clarkson: Regarding this advertising matter, I think that if we had the proper kind of machines which the public now demands, we would stand in very little need of advertising. The machines would advertise themselves.

A27 Mr. Sampson: When that time comes the North American people can withdraw their advertisements.

Mr. Clarkson: I do not think we should advertise until we do have machines of the right character.

Mr. Chadbourne: I move that the motion be laid on the table.

Mr. Goodwin: It seems to me that we have at least advanced far enough on the road with our machines to have them well laid before the public. I do not doubt these machines can be greatly improved, but for myself I have no fault particularly to find with the machines. We are ready for work with these machines. The time I believe, has now come for advertising in the magazines such as is done by the type-writer companies. As it seems to me that the just manner would be to divide the expense as the type-writer companies do, namely, that the parent company should pay for the entire expense of the general advertising throughout the United

States in the principal magazines but that the local companies should pay for all local advertising. The agents for type-writers in Illinois, for instance, get the benefit free of all the advertising in the Century Magazine and in Harper's Magazine, but pay for all local advertising.

It seems to me further that all the general literature on the subject of advertising for distribution purposes should be furnished by the North American Company and should be paid for at actual cost by the local companies. Therefore I will move that it be the sense of this convention that it is now the time for general advertising and that the North American Phonograph Company be requested to advertise at its own expense

A28 throughout the country and to furnish the local companies with general literature to be paid for by the local companies.

Motion was carried.

The Chairman: The next topic on the programme is worn out parts.

Mr. Goodwin: I think that it would be well on these different points to have at least a short discussion to get the sense of the meeting, so the executive committee can act with the views of the convention before them instead of getting the sense of the meeting afterwards.

Mr. Lindsay: I think the only thing of any importance on that question is that there be some location for supplies of the various parts where they can be furnished to the various companies at a cheap rate. From the contract made with the local companies by the North American Company the North American Company are bound to keep these machines in repair. The only question is where those repairs shall be delivered; and I think the proper time to discuss that would be when we take up and discuss the proposition of locating some supply houses in the west to assist the western companies in helping them out somewhat on the freight. The most important thing that we have to contend with in the west, is the high rate which we have to pay on these machines and the cost of delivery to our local companies. If we have a worn out machine we ship it back to New York at our expense and pay for the return parts and by the time we get them it costs us a good deal of money.

Mr. Benson: I have forgotten who proposed that topic, but the idea was of getting a construction upon the

A29 clause of the franchise which says: "When any part of an instrument shall wear out from actual use, it shall be returned to the party of the first part to be replaced by a new part to be furnished by the party of the first part." Now the question with all the parties is, how that shall be construed with regard to certain small things which it would be practically impossible to return to the North American Company. My idea is that the topic was proposed simply to get a construction of what worn out parts were and what parts should be returned to the North American Company.

Mr. Chadbourne: I would like to know if there is anybody here who has found any worn out part as yet in any graphophone or phonograph. I don't know what wears out and I don't believe there has been any part of it used long enough to wear out on a properly constructed machine.

Mr. Lindsay: I can suggest quite a number. The needle on the graphophone has to be repaired every once in a while.

Mr. Chadbourne: I would like to know what part of the machine wears out.

Mr. Lindsay: The needle of the graphophone after you use it about thirty days becomes dull. The nuts that drive the phonograph soon become worn so that they will jump across and prevent a regular movement of the machine. They have to be replaced by new ones. Those are two important parts.

Mr. Chadbourne: Those parts can be put in an envelope and sent from New York for two cents to any part of the United States.

Mr. Lindsay: But they should be delivered at some

A30 central station by the car load and it would lessen the expense.

Mr. Chadbourne: I should think it would cost you as much from Wyoming to Denver as it would from New York.

Mr. Lindsay: Oh no. The expense is only about one-third.

Mr. Benson: It would seem to me that while we are on this subject we ought to ask the North American Phonograph Company to construe that paragraph. So far as I know it has never been construed as to what a worn out part is; whether a diaphragm that is broken is a worn out part, what is carelessness, and what is actual use.

Mr. Clarkson: I would say, in our experience, we never have had any trouble in getting due credits from the North American Phonograph Company for worn out parts when they were so stated and so returned, just exactly as the contract reads.

Mr. Benson: I don't think anybody complains on that point, but there seemed to be quite a question yesterday when we had an informal meeting as to what that clause means.

Mr. Cheever: I must side with Mr. Clarkson in what he says. So far as regards the Metropolitan Phonograph Company we have never had any trouble in getting credit for the broken parts which we have returned when they have been broken or worn by legitimate use, according to the terms of the contract. There has been, however, a slight misunderstanding as to the interpretation of that paragraph relative to, for instance, the cutting point or stylus, the glass diaphragm upon the phonograph and upon what might be

A31 considered as constituting legitimate wear and tear, and, as I understood it, this question was brought up to see if we could not arrive at a conclusion as to which of those parts should be counted and which should not.

Mr. Lindsay: Mr. Chairman, I can explain in a few words what I mean. In the graphophone, for instance, there has been an entire change. Our first order of machines was fifteen graphophones for Wyoming. Since that order we have replaced these fifteen machines with fifteen new ones and we have been compelled to pay the expressage on those machines from New York and to deliver back to New York the old machines.

Mr. Chadbourne: Those are not worn out parts.

Mr. Lindsay: They are a change in the machinery and we have got to have them and have got to pay for them. That is one thing that we ask relief upon from the North American Company, practically under the head of worn out parts. If you improve the machine and require us to return the old machine, we have got to pay from the time it leaves New York until we return it to New York and we spend from three to six dollars on each machine before we get our new machines ready for use. That makes up nearly one-third of our rental for a year and if you labor under those disadvantages you will find that the phonograph business is up-hill business. We want relief on that point.

The question was thereupon put to the convention on the motion to refer to the executive committee and the motion was carried.

By unanimous request, Mr. Clarkson addressed the convention, as follows:

A32 MR. CHAIRMAN: With the permission of the convention assembled, I wish to present for consideration, a paper which may be of some interest and value; giving my personal experiences and opinions in connection with the phonograph business, also those of the Georgia and Florida companies, whose interests I now represent.

In the month of August, 1888, I first began work in the phonograph business. Previous to that, I had been for eight years engaged in the telephone and general electrical business. The knowledge gained in that field has been very useful to me in my present occupation. I was first engaged by Mr. Charles A. Cheever and the Cahoon Syndicate, in the development of their interests in New York, St. Louis, Minnesota and the South. My principal work was assisting in the formation of the several sub-companies. At present, as at the beginning, I am an enthusiastic believer in the ultimate financial success of the business, and at all times have looked at the enterprise from the broadest standpoint. The scientific principle of recording and reproducing sound was familiar to me before my connection with the Phonograph business, and it was my aim to so thoroughly familiarize myself with the mechanical details of the instruments, and all the uses for which they could be utilized, that I might readily overcome every reasonable objection to their use, and never be under obligations to make excuses for them, though I never tried to impress the public that it would go out, harness up a horse, and bring it around to the front door; or that one could give to it problems in mathematics and have them solved, although many would demand things equally absurd. For instance, a party came into our office one day and wished reproductions of Socrates. We told him that

A33 we did not have any on hand at present from Socrates, but we had a few very choice selections from Adam and Eve. Another one, where a party felt quite disappointed upon discovering that the instrument would not answer their questions. "Why," they said, "we thought you could talk to it, and it would answer your questions."

Now, right here, let me say, I believe that much of the delay and uncertainty in the progress and the general introduction of the instruments, is the want of faith and enthusiasm on the part of the promoters themselves. They are half-hearted and do not really believe in their own enterprise. They think the inventions have been over-rated, and have been strongly influenced by the past and present imperfections in the machines, the strong opposition of the stenographers, the opinion of an uninformed public, and all this has caused many to lose sight of the fact that the grand principle is discovered, and is being developed by the greatest and most practical inventors in the world's history, and that we are "bound to get there," and have come to stay. It is a peculiar fact in the history of nearly all great inventions, that the public do not take kindly to them at first, and therefore they are not financially successful at the start. As an illustration: The telegraph, sewing machine, telephone, electric light, etc. I think we can safely say, we have made a better showing financially and practically, with brighter future prospects, than the telephone enterprise after the first three or four years of its existence.

But I will endeavor to state briefly and concisely the business experience of the companies I represent, starting from the time we began to lease instruments. The

A34 Georgia Phonograph Company opened offices and were ready for business about June first of last year. We leased a private residence in the business centre of the city, with room and facilities to meet properly all present and future demands of the business. We have a large business office, exhibition room, room for charging batteries, repair room, stock room, store room and shipping room. Our company's officers looked at the matter from a very broad standpoint, and endeavored to give the business a dignified standing from the very beginning, and the general condition and furnishings of our offices, and the order and system which we inaugurated from the start, have been maintained under all adverse conditions. Our offices and business methods will compare favorably with those of the best equipped office in the city. We have never ceased to take advantage of all possible information to be obtained from the parent company, and other sources, have spared neither money nor time in experimenting and

purchasing supplies necessary for the best introduction and presentation of the machine before the public. All of the company's directors, with the exception of one or two stockholders, are non-residents of the state, and we did not have the advantage of their individual influence and personal advice. Therefore the instruments are placed before the public solely on their merit, as time-savers, and as a convenience in the business world, and as an amusement and instructor in the social. Our first experience was undoubtedly similar to a majority of the sub-companies, awakening a large curiosity, daily amusing great numbers of people, the majority of whom never had an idea of using the instrument practically or otherwise, and we regret to

A35 say that we made the social uses and amusement part of the instruments a little too prominent, which we soon found from experience did not pay. Without going into details, it is a well-known fact that the first out-put of phonographs did not meet the public want; and it soon became evident that they would not stand the tests when placed in the hands of others than experts or persons with a knowledge of mechanics, and some idea of electricity; the machine itself being quite incomplete (as a proper means of covering it had not been made,) and to our great surprise and disappointment, we found a proper battery had not been devised to run the instrument, and the battery provided was only a short lived, expensive form of Grenet Battery, and by all acknowledged to be only a temporary battery at the best.

This, of course, was an unlooked for annoyance, drawback, and extra expense, both to ourselves and subscribers, as we were fully under the impression that the instruments were to be furnished complete for \$40.00 per year, and so informed our patrons. It became necessary for us to experiment and purchase a proper battery to run the instrument, believing at all times, that the expense of such, and other experiments vital and necessary to the success of our enterprise should have been borne by the parent company, and that the instrument should never have been sent to sub-companies to be leased to the public, until it was complete and reasonably perfect in all its parts.

The instruments had been in our hands but a short time, when we found the cylinders to be very defective, the adjustments complicated, and the battery furnished by the parent company in no way suitable to run the instrument. We were promised improvements and for

A36 the past year there has been some change going on in the instrument. The cylinders were being constantly experimented with, and the sub-companies were to a great extent obliged to stand the expenses of delays, of imperfect cylinders, unavoidable breakages, improper adjustments, excessive freight and express charges, drayage for exchange of instruments, unsalable and broken musical records, etc. Twice we have had to call in all phonographs in subscribers' hands and replace them by improved ones. In many cases the subscribers became disgusted with the complicated and uncertain adjustments and put their machines aside, allowing the dust to accumulate upon them, and by no amount of urging or attention on our part, could they be induced to use them. They said: "We will wait until they are improved."

Concerning phonograph-graphophones: Although no fault has been found with the mechanical simplicity of the instrument, either in the old or the present state, still, in the old instrument the recording and reproducing power was very uncertain, and unless a party was absolutely perfect in his dictation, speaking with a loud full tone, the instrument was a source of great annoyance to him. The cylinders on many occasions have been found to be very imperfect, a vital point in the good working of the instrument; consequently, until we began to receive the present improved phonograph-graphophones and phonographs, we had made little or no headway. We had promises of early improvements on the phonograph-graphophones more than

one year ago, which were not realized, and we did not begin to receive the improved instruments until the early part of March, of this year. In November of last year, we

A37 were advised to reduce our orders for supplies of all kinds for both instruments, on account of expected changes in the two machines. This seriously retarded our business, and I think I can safely echo the opinion of many of the sub-companies when I say that our business position before the public would be better at the present time, had none of the old machines ever been introduced. In many cases, we are now working hard to remove the bad impressions caused by the old, imperfect instruments.

The experience of the Florida Phonograph Co., coincides with that of the Georgia Co., but through all the ups and downs, we kept our offices open, had the proper amount of help, kept our heads above water, and presented all that we had to present in the best possible way.

I now wish to call your attention to the business as it stands to-day; and give you the points in detail, as they suggest themselves to us.

First, we will take the mechanism of the present phonograph. The instrument as a whole, seems to us unnecessarily heavy, and somewhat clumsy. We have found the recording and reproducing principle, using the sapphire points, to be excellent and enduring. The cutting off device, although very feasible at first sight, is not popular with our subscribers, especially, when machines are used in connection with business. The cylinders are not well adapted to business uses, being large, heavy, not suitable for mailing, and very easily broken, and quite limited as to capacity, that is, on a single surface. We would advise a single record cylinder, smaller in diameter, of greater length, and nonbreakable.

The starting and stopping device is clumsy, and not

A38 well adapted to rapid use by type-writers or dictators. Any derangement of the adjustment of the instrument is not quickly and easily remedied. For instance, should the machine fail to run regular, it might be due to the tension of the governor belt, or the pressure of the governor brushes or oil insulating the same, or dirt or pressure on the commutator brushes, derangement of the traveling thread on the main screw, looseness in some of the bearings, and perhaps other causes.

The main traveling or screw thread is very fine, unprotected and easily damaged. The chances for trouble are so great that were a large number of machines under rental, the expenses of keeping and maintaining the same in order, would require a large corps of expert inspectors, which would greatly reduce our income, and possibly be of more expense than that actual receipts. To sum the whole matter up, we must have for business purposes, a motor phonograph, smaller, more compact, and less liable to derangement in adjustment. With the present treadle phonograph, it is not feasible to place and remove a cylinder without stopping the instrument. The power required to drive the instrument is much greater than is necessary for the phonograph-graphophone, and for steady work, it is impossible to induce our subscribers to use them. In many cases, subscribers are demanding them in exchange for their phonographs.

Concerning the Phonograph-Graphophone: The main faults of the machines as they occur to us are; that the recording point is easily dulled, the diaphragm is liable to damage unless very carefully handled, the reproducer, we believe, can be made to do better work, the listening

A39 tubes as sent with the machines, give us trouble in kinking or bending at the point of attachment to the reproducer. The shipments of instruments vary greatly in their recording and reproducing powers. For instance, one or two machines will be received in perfect adjustment and will reproduce the slightest whisper with accuracy and clearness, three or four will come,

that are indifferent, and two or⁵ three that are very poor, and no amount of adjusting can bring them up to the standard of an absolutely perfect machine. Sometimes by changing⁶ the recorder and reproducer we are able to obtain results that are satisfactory. We believe that the highest standard of excellence should be maintained by the parent company, and that all instruments furnished should be of equal merit. Would suggest that a proper and in every way effective motor with battery be adopted⁷ by the parent company in connection with the phonograph-graphophone. We have received recently shipments of phonograph-graphophone cylinders, many damaged and very imperfect. They are of vital importance in the proper working of the instrument. Would suggest that the cylinder department be more careful in its shipments, and have the inspection up to the very highest possible standard.

Regarding the social and business uses of the instruments, we believe they should be kept separate and distinct. If a social machine (and by social machine I mean one for private and public amusement) is a necessity, give us a distinct social instrument, then give us the simple, automatic, and effective business instrument. Give us an instrument to which one can talk in as low a tone of voice as one would speak to a steno-

A40 grapher and have every word recorded, so that it may be reproduced with no doubt in the mind of the receiver, and we will have an instrument that will soon take its place in every business office. We do not think that the fault has been entirely occasioned by conservative feeling, ignorance and opposition of stenographers. We think that the success of our enterprise lies principally in bringing the instruments to a higher state of perfection and simplicity; and with this result attained, there is no question as to the financial feature of the business, or the large number of machines that may be placed.

We have devoted much valuable time, and some money to obtaining suitable parties to conduct our business in all the principal cities of the state; but we regret to say, that this branch of business has not met our expectations in increasing our subscription list, or being a source of much remuneration; and we have come to the conclusion that until we can have a paid employee working at all times for the company's interests, and subject to its direct orders, we cannot expect much from this source.

In the matter of freight and express charges, the present rates on phonographs and phonograph-graphophones are very excessive and burdensome, and eat largely into the profits of the business. We are now paying \$2.44 per 100 lbs. double first-class for phonograph-graphophones complete, when the freight rate for type-writers, a machine fully as delicate and as easily damaged, is only \$1.14 first-class released from New York City. On all phonograph and phonograph-graphophone supply consignments, we have to pay first-class rates, and we believe⁸ this to be an unjust discrimi-

A41 nation. They should be classified second or third class, as other merchandise of a similar nature. I do not know that other southern or western companies are suffering as we are in this respect, but it is absolutely necessary that we should have a readjustment. The parent company have intimated that as receivers we should adjust our own claims; we think the original classifications should never have been permitted, and should not stand.

⁵ The passage "three or four will come, that are indifferent, and two or" is repeated twice in the original text; this was presumably an error in transcription.

⁶ The original has "changeing"

⁷ Original: "be adopt"

⁸ Original has "belief"

From my foregoing statement it is evident to all, that the Georgia and Florida Companies have labored under unavoidably heavy expenses, many of which were not anticipated at the start, and we cannot hope for a decided decrease in the near future. We do not believe that we are the only ones who have suffered in this respect, but that a similar condition of affairs has prevailed in most of the sub-companies. In view of these facts, after one year's experience under the present royalties paid the parent company, the Georgia and Florida Companies can see no immediate prospects of a remunerative income. Therefore the president of these companies, which I now represent, wishes me to urge upon this convention the necessity of a reduction of \$10.00 per year, in the royalties now paid the parent company; and believes that this is a proper time for the sub-companies to take concerted action to bring the matter before the North American Phonograph Company, in the strongest and most forcible manner. It is plainly evident that the conditions and expenses vary greatly according to locality, and that the eastern and northern companies are more favorably located in this respect. We hope for a speedy solution of these existing troubles, and that the parent company will give us

A42 a just and equitable decision upon the matters which we have brought before your and their consideration.

In conclusion we would say, that we stand ready for the future, as in the past, to work shoulder to shoulder with the parent and sub-companies for our combined interests; but we must have an adjustment of existing difficulties, we must have good instruments of the simplest possible character, in the highest state of efficacy and adjustment, in order to increase and develop the business to a successful financial condition.

Mr. Easton: So far as Mr. Clarkson's criticisms of the graphophone are concerned, all he calls for in the way of improvements is now on hand and will be furnished at the earliest possible moment. Two or three points are already covered and the rest are in process of being covered.

Mr. Chadbourne: We have heard that for a year.

Mr. Clephane: I want to say in connection with the statement of Mr. Easton that I think the same thing is true with regard to the phonograph. We are on the eve of a machine that will give entire satisfaction to each and every member of the convention.

Mr. Clarkson: I will say that when that letter was written the writer was entirely in ignorance of any of the improvements suggested and it was just exactly as the machine stood at that time.

Mr. Goodwin: There are one or two points mentioned in that paper that I do not agree with and about which I should like to say a word or two. The first is with regard to the phonograph cylinder. We found a great deal of fault ourselves with the phonograph cylinder because it did not hold enough, but that fault has been remedied in the present machine. The phono-

A43 graph cylinder will not hold very many words, but it is so easy to change to a new cylinder that we have substantially a continuous cylinder. The longer a cylinder is, the more difficult it is to transfer it and the more liable it is to break. Another point is that in dictating to a long cylinder you may desire to stop on one-third or one-half of its length and then the rest of the cylinder is wasted because you send the cylinder out that way to the transcriber. For these reasons I prefer to have a cylinder not much longer than the present one.

Another point: No starting or stopping device that raises the needle from the cylinder is practicable.

Our experience with the upper screw threads or nuts that carry the spectacle along the main shaft is that there is no particular difficulty with them.

As far as changing the size of the machine is concerned, I do not see how it can very well be done, although I should of course be very glad to see it as small and compact as possible.

We find two points to make strong criticism on in the graphophone. One of them, which will soon be remedied, is the softness of the recording needle, and the other point is that wax accumulates on the bridge that follows ahead of the recording point and thus throws the recording point out of adjustment.

Mr. Clarkson's paper was thereupon referred to the executive committee, consisting of Mr. Stone, of Iowa; Mr. Easton, of Columbia; Mr. Andem, of Ohio; Mr. Clarkson, of Georgia; Mr. Benson, of Chicago, and Col. Sampson, of Boston.

The chairman appointed as committee on freight, Mr. Cantril, Mr. McGilvra, Mr. Chadbourne and Mr. Glass.

Chairman: The next topic is as follows:

A44 "Topic No. 1. It is understood that a motor phonograph with table and a motor graphophone with table are about to be offered at a rental of not less than sixty dollars per annum. Should not the rental of the treadle machines be increased to fifty dollars per annum, and if so, should not the present motor phonograph and box rent at the same price as other motor machines?"

Mr. Easton: Mr. President, in order to bring this matter properly before the convention, I move that the rental of the treadle machines, should, in the opinion of this convention, be increased to fifty dollars per annum; that the rental of the hand graphophone should be retained at forty dollars, and that the present motor phonograph be increased to the sixty dollar rate, the table being furnished, and the subscriber, if he chooses, being given also the box, the rentals to be divided between the parent and local companies.

Mr. Chadbourne: Then I am totally opposed to it. I think that in the way we are fixed now, instead of increasing it, we should reduce it. We ought to be able to put out more machines. A great many people are claiming that the rental is too high as it is now, and it ought to be reduced instead of increased. If this increase would go to the sub-companies to help them out, then they might favor it possibly; but I question whether it would be policy even then. I don't think that you can do it. The rental is high enough, until you can get these machines into the hands of the public and make a greater demand for them than there is at the present time.

Mr. Swift: Mr. Chairman, if a man who has been connected practically with the business of phonograph

A45 companies could make a statement of how much of the rent of one hundred phonographs is paid out for inspection, that is, how much of our proportion we take for that purpose, it would be found that in the business as run at present we take very nearly all of it, and if there is any increase made, with reference to which policy I am in doubt, it seems to me that it ought to go to the sub-companies and not be divided with the North American Company. That is, it is a vital matter to the sub-companies and it is not a vital matter to the North American Company.

Speaking from the experience of our company, I think that nearly all the income we make is from machines that we can lease for peculiar purposes, such as exhibition purposes, and that the actual money paid out in salaries to the inspectors, to take care of machines, is more than we get as our proportion, from the fifty machines we have out for commercial purposes. The division should be on the basis of twenty-five and thirty-five; twenty-five to the North American Company and thirty-five to the sub-company. That, I submit, would give the North American

Company a very handsome return and could enable the sub-company to do business with a fair chance after a while of making money.

Mr. Beach: I think the matter of rentals should be uniform in regard to the different machines, perhaps with the exception of the hand graphophone. That machine probably could be put out at forty dollars and would meet with success at that rental. But in regard to the rental of machines with the motor and treadle, I think there should be a uniform rental, say fifty dollars a year and that the increase of rental should go to the sub-companies. My reasons for that

A46 are these: We have a broad territory in Iowa, with no large commercial centers; we have a large number of cities and towns that run from five to fifteen thousand inhabitants; we have a good deal of rent to pay, a good deal of expense to pay for express, traveling expenses and general expenses, which enter into this business; and we cannot get good agents, good solicitors to take hold of the business, that will do anything, for less than from eight to ten dollars a machine. If we are going to increase the rental on the machines, my opinion is, that for all the companies to raise the rental to fifty dollars a year, would be more successful than to divide up the rentals as is proposed by the motion which is before the house. It seems to me that we want an additional revenue from the machines that will enable us to get good solicitors and good agents in the field. I think that the rental should be increased and that this increase should go to the sub-companies.

Mr. Chadbourne: So far as our company is concerned, the machines we have out have already cost us more money to keep them out than we get in rental for them. Now, can we do business that way? It is simply a matter of time as to how long it will be before we go into bankruptcy, and something has got to be done, and we have got to be relieved. Either we must have better and more perfect machines, those that do not require so much inspection and work and more perfectly made, or we must get more out of them in some way. I was told by Mr. Goodwin that he had kept books as to some of his machines, and that it had already cost him over fifty dollars to keep out some of the machines for a short time. Now, you can see, gentlemen, what situation we are in. I think that is

A47 the experience of all of us. I don't like to talk about it; but that's a fact. Something must be done.

Mr. Clarkson: I would say in regard to our experience that we have not had a single machine out but what has cost us more than forty dollars. We expected it; but we expected that by doing that and by keeping those machines in proper order to induce others to take them; but we must have a simple instrument and an instrument that pleases the public in order to lease the instrument. Now, with regard to the increase of rental: I do not think that the increase should be divided with the North American Company; but that the increase should go wholly to the sub-companies. The American Bell Telephone Company receives the same royalty throughout the United States on all its instruments, and the different sub-telephone companies have the right of charging rentals on telephones according to the conditions which govern the rental of instruments in their locality.

Mr. Benson: I don't think there is any use of going back to the time when we had the old machines with a tar barrel for a cylinder and talk about how much it took to keep them in order. It costs very little to keep one of the new graphophones out, or one of the improved phonographs out.

Mr. Conyngton: It seems to me that the trouble does not lie in the rental being small, but in the fault that we have not enough machines out at each place. If we have five machines out in a city, it must cost just as much to inspect those and keep them in order as if we had a

hundred out, and it seems to me the trouble is we have not enough machines out. Having only a few machines out it would be a fatal mistake to ex-

A48 pect to make up our revenue by raising the rental on those few. If, as I understand, improvements are likely to be put out in a short time, our trouble is over. I don't think we need advertising and I don't think we need a higher rental, but it seems we do need to be able to put out more machines. If our machines will work so perfectly that an ordinary man of business can take hold of them and receive back fully and exactly whatever he places on them, we would have all the machines out we desire.

Mr. Cheever: Mr. Conyngton's remarks I do not agree with—that the cost of inspection and care of machines will be so much less by the time there are several hundred out in a place, as will leave enough for us to receive as our part of the rental. Between the freight charges we are obliged to pay on the imperfect instruments which we have received and which will always continue, no matter how much the machines may be improved, in shipping machines here and there which will need repairs, it requires on all our parts I think, and inspection to be made of every machine we receive. That is an expense; freight is an expense; we have to deliver the machine to the customers, and that is an expense; we have to instruct the customers how to use the machine, and that is an expense. That same expense goes with a machine whether you have one or a thousand. Then comes the question of keeping them in repair; and by the time you get all those items figured up, if you figure on as many as one inspector can take care of, I do not think you can bring in your expenses at less than from fifteen to eighteen dollars a machine per annum, under the present circumstances. If we are about to change the machines for a new type, it re-

A49 quires fresh inspection and additional freightage whenever that change is made.

Mr. Gottschalk: Mr. Chairman, I can supplement those remarks by saying that I have carefully looked into the matter of inspection and find that an inspector can, at the very utmost, inspect one hundred machines, that is working from morning till night within a very confined district. Admitting that he is an ordinary inspector receiving ten dollars per week, it means five dollars a machine per annum at the very best figures. That is not an average, because that is taking all the favorable circumstances into consideration. While I agree with all that the gentlemen have said up to date, I think we must not kill the goose that lays the golden egg. As we are all aware that the parent company has been to enormous expense in changing all these machines several times, I think that if there is an advance of rates they ought to be entitled to a part of it. Let us make the rent high enough so as to make it profitable for both parties. If sixty dollars won't do it, why we have now an opportunity of advancing the rate to any sum we can agree on, provided the new machine is as perfect as it is represented to be. I dare say that seventy-five per cent. of all customers in our district would just as soon pay eighty dollars a year for a machine as forty, as many have often made the remark: "What, is that all you charge, \$40 a year?" Now, I claim that when the telephone is worth \$150 a year in New York, and our machines become a necessity, they certainly ought to be worth nearly as much as the telephone. Therefore I think this question of advancing rentals deserves very serious consideration on our part and ought not to be

A50 glided over in five or ten minutes. It is a question we ought to leave open for a topic of discussion until the end of this meeting, and then after everything else has been decided upon, take it up and decide what we think best under the circumstances.

Mr. Cantril. I want to say that the freight on a motor phonograph from New York to some of our best mining towns is \$21.80; and if we had to inspect them once a week, they would

cost us three hundred dollars a year, and I do not think the sub-companies should have any advantage of increase that may be made.

Mr. Wood: Mr. Chairman, I think the most important thing before this convention to discuss, in my view, is a perfect machine. So far as all the companies are concerned, (there may be an exception of one or two), we have lost money in the machines on account of their being imperfect or in such a condition that when put in order, they do not stay that way; and the result has been heavy expense, debarring us from putting them out in small towns and places where they could not have proper attention of experts; and until a machine is brought out that is as perfect as the telephone or any other similar instrument, we are simply going to lose money. That is just as certain as that we are here to-day. There is another thing. I do not believe it is policy for this convention to cover up these facts. The representatives here ought to talk straight business, and not send in a flattering report, as has been done from the very beginning of these companies. It should be straight, square business. It has been our experience in our part of the territory that the machines are so imperfect that when we put them all in nice running order, in a day or two they will be out of order

A51 and we have got to send a man to put them in order again. The best we can do is to have one man take care of about twenty machines. I am very sure that it has cost us more than thirty dollars to keep those machines out, to say nothing about the freight, rent and a thousand other things.

Mr. Clarkson: I would like to ask of Mr. Gottschalk on which machine he bases his inspection, the phonograph or the phonograph-graphophone?

Mr. Gottschalk: Our experience has been that every machine needs inspection every two weeks.

Mr. Benson: We have got a lot of machines out in Nebraska that no one has seen for a year; sent out to Wahoo and little towns around the state where nobody has seen them, and they are using them constantly. The Supreme Court Judge of the State, for instance, has no stenographer at all and uses them constantly.

I am in favor of the increased rent and of the sub-companies taking it, but I am not in favor of picking up a case here and there out in a mining town where it costs twenty dollars to go out and inspect a machine.

Motion carried that the whole subject matter be laid on the table to be taken up again whenever the convention should so desire.

The convention thereupon adjourned.

EVENING SESSION.

The convention was called to order at 8 o'clock p. m.

The Chairman: The Committee on order of business have prepared this as their recommendation.

- A. Number 3 of the topics already prepared.
- B. Personal experience. Roll call by companies.
- C. Selling machines or number 2 on the list.

A52 D. The introduction of Mr. Lippincott, Mr. Insull and Mr. Payne, the President of the North American Phonograph Company, the representative of Mr. Edison and the President of the American Graphophone Company.

E. Is it desirable to have a single machine, combining the best elements of the phonograph and graphophone and what other changes if any of the parts are desirable.

F. Batteries.

The Secretary thereupon read as follows:

Whereas in the conduct of the business the use of the words "acting under the authority of the North American Phonograph Company and Jesse H. Lippincott, sole licensee of the American Graphophone Company" is required by the contract to be used in all stationary, advertisements, signs, etc., and whereas the use of these words imposes upon the various local companies a great deal of expense and additional work, which does not appear to be necessary, therefore.

Be it resolved that the North American Phonograph Company be requested to take such steps as will, if possible, relieve the local companies from this obligation."

The resolution was thereupon adopted.

The Chairman: The second topic is personal experience and roll call by companies. I would simply state that in Kansas City there are nine different bodies organized against the phonograph and graphophone by stenographers.

Columbia Phonograph Company, Mr. Easton: Mr. President, personally I should very much rather have

A53 the business presented here and get through with that and then be able to go home and let others stay and talk if they care to. But I will say a word or two about our experience because it is in line with the suggestions made this afternoon. We are quite well satisfied with our machines; we are quite well satisfied with our business and we are very well satisfied with the treatment we have received from the North American Phonograph Company, so that on the whole we feel happy. Our company is earning now about six per cent. on its capital stock, and our business is increasing fast enough to make us in a very good frame of mind generally.

Mr. Chadbourne: How much is your capital stock.

Mr. Easton: \$125,000. We think that the only way to accomplish any results in this business is to have an office properly equipped and open every day and to have men working hard and continuously in putting out machines and keeping them out. We think that our men must understand that business, in order to do it well. We think that they must be at their posts of duty, and must stay there and if they work intelligently and patiently we feel that there is no possible question about the results. Our experience has shown that to be the case. We have worked and have achieved some results already and we feel in very good humor about the entire business. We think we need never have better machines, although we should be glad to have them; we do not think we require them at all.

Mr. Clancy: I would like to ask if any of the congressmen or senators want to rent them to take home with them.

Mr. Easton: We have on our list some sixty machines in use by senators and members in the capitol.

A54 I dare say they might in many cases want to take them home.

Mr. Clancy: I know there is a very prominent senator there from Iowa and whether he was doing it for politics or not, he talked with me in regard to the phonograph I have at home as though it were quite a curiosity.

Mr. Easton: The Committee on Appropriations, of which Senator Allison of Iowa, is chairman, is the leading committee of the senate and they have a machine there in use.

Mr. Clephane: I can only re-echo the sentiments expressed by Mr. Easton that we are perfectly well satisfied with our business. We had of course the opposition of expert stenographers and some of the shorthand amanuensis. Those I think we have finally captured. They invited us to make an exhibition of the two machines at a meeting which they held and they were very much pleased. Quite a number dictated to the machine and expressed themselves as delighted. They said they never contemplated that the machine had such capacity. They are now publishing a magazine and did me the honor to publish a three-page article which I contributed, as to the relations of the phonograph and the short-hand amanuensis, and have endorsed it. I can say that the people of Philadelphia are waking up to the importance of this matter.

Mr. Chadbourne: How many machines have you out?

Mr. Clephane: Between 150 and 170.

Mr. Tewkesbury:⁹ I would like to ask Mr. Clephane if he considers that satisfactory in the City of Philadelphia.

Mr. Clephane: I will say that I think it is, for the

A55 simple reason that we have not advertised; we have made no special effort as yet to place machines because we think a better machine is shortly to be had. The lawyers have not been approached at all. We do not desire to approach them until we get the machine that we have in contemplation and which we are determined to have. The eastern Pennsylvania Phonograph Company spent three thousand dollars on improved phonographs. Mr. McDonald, at the expense of the eastern Pennsylvania Phonograph Company got up an improved machine which did away with all adjustments; a machine which I am happy to say received the earnest indorsement of Mr. Easton. He wrote us that he had put aside his graphophone and was then using the McDonald Phonograph, and liked it very much. When Mr. Edison returned from Europe this machine was called to his attention and of course he was not to be outdone, and the result was the new phonograph which you have. Now we propose to start forth upon the basis which Mr. Edison has given us here of a mailing cylinder and give you here a machine in that phonograph which combines every single qualification which you gentlemen can possibly desire.

Mr. Tewksbury: I would like to ask the gentleman whether he considers that a fair representation for the City of Philadelphia.

Mr. Clephane: I have partially answered that question by saying that we have made no special effort. I may say this, there is no city in the country as the Remington typewriter people will tell you, where they had greater difficulty in introducing the Remington typewriter, and yet to-day the City of Philadelphia stands ahead of every other city in the Union with the

A56 typewriter; there being five thousand in use in the city of Philadelphia and we expect to make it the banner city of the phonograph.

Mr. Cheever: I will state that in New York, from what might be considered strictly the expert stenographers we have had very little opposition. In fact nearly all of the most prominent ones, help us. The opposition comes from what is known as the amanuensis.

Mr. Clancy: I will say that has been our experience also.

Mr. Cantril: I will state that we have phonographs and graphophones with every official court reporter in the city of Denver, so far as we have tried to put them out. We have put out one or two new machines with the official reporters of the court.

⁹ Original: "Tewksbury," which is correct but inconsistent for this volume of the proceedings, which otherwise uses "Tewkesbury."

Mr. Beach: Mr. Chairman I will say in regard to the experiences in the State of Iowa, that we have hardly got a start there. We have a broad field to work in, but no representative city. We have a scattered territory to work in.

Sioux City is a small town compared with big points like Chicago, Milwaukee and St. Louis, but we have been able to get out a few machines, and some of those machines have given satisfaction. The placing of the old machines rather demoralized our business in Sioux City. We are trying to overcome the experiences there, and get the new machine placed. We have had some little difficulty in placing or getting machines introduced into law offices and business houses there where they have stenographers, and there seems to be a desire on the part of the business men there to hold on to their stenographers until they see just what the out-

A57 come is of the phonograph, and Jones is waiting for Smith, while Smith is waiting for Brown; but we expect before long to get some placed permanently and we have some started there. We have in the state, as I say, about thirty placed, and doing fair work. We think with the improvements which are proposed now on the two machines, that we will be able to do a larger business.

Chicago Central Phonograph Company.—Mr. Hoit: The Chicago Central Phonograph Company has only been in operation about three months and we have placed machines very successfully so far. We have placed about four phonographs to one graphophone, and have put out 187 machines. We have had some trouble with nickel-in-the-slot stenographers. With the first-class stenographers we have had no trouble whatever, and I may say that we have, with every first-class court reporter in the city, a machine, and invariably we have the phonograph. In the last week, in one house, we have placed eleven machines and they are giving good satisfaction. We placed those machines on the 26th of May, and my hair stood straight up for twenty-four hours, as they changed their business methods from stenographers to the phonograph machines. My hair to-night lies comparatively level, and the machines are giving good satisfaction. Our method has been to place machines as carefully as can be done and to inspect them as often as we could. Whenever we get a call for a machine that is out of order we attend to that call, if possible, within five minutes.

Kansas Phonograph Company—Mr. Tewkesbury: The experience of our company, particularly with stenographers has corresponded very largely with that

A58 of Mr. Hoit and Mr. Clarkson. We have had no organized opposition from the stenographers; but this nickel-in-the-slot organization has opposed us. The objection our subscribers have found is that the phonograph particularly—that being the machine we chiefly put out—could not be depended upon. We have a large number of people, however, would be very glad to take the machine whenever it can be operated automatically. In a nutshell, the principal need of our company is a machine which requires just as little work as a telephone or sewing machine or reaper or any other automatic machine.

Mr. Cheever: I do not desire to go into the history of the Metropolitan Company. Practically for the first eight months of our business we did nothing except introduce the earlier graphophone, which we put out for exhibitions. Our experience last summer commenced with the introduction of a lot of graphophones known as Type B, a large number of which we put out, considering the summer season, which in New York is practically a dead season for introducing any new article. Those machines were, as we all know, very unsatisfactory and by the end of the summer we were obliged to call most of them in. During that same season the phonograph commenced to be furnished us, and gave very good results, but its operation was complicated and the introduction was slow. Still, as the graphophone was less efficient, the phonograph

introduction exceeded that of the graphophone. The introduction of the new phonograph in the latter part of November increased business considerably. We introduced as rapidly as possible the new style phonograph, besides quite a number of the old ones, and at about the

A59 same time the new graphophones commenced to be put upon the market. Since then the graphophone record in the introduction of the new machines has about held its own. The phonograph has had a steady introduction ranging from thirty to forty a month. We now have out about three hundred and twenty-five or a few more phonographs, principally motor machines, and about fifty or sixty graphophones. We consider that in all our territory we have something over two million and a half of people. We have had a great deal of difficulty in the introduction of the graphophone, owing to its being a treadle machine. It is almost impossible to introduce anything but electric motor machines in our district. I do not think that we have out today among the three hundred and seventy-five or more machines seventy-five treadle machines. I will say that up to the present time I think it has cost us, including the introduction and average of attendance by way of inspection, etc., for a year, somewhere between fifteen and twenty dollars a machine. That includes freightage. One gentleman from Texas said that his machines come by boat. Ours come by wagon. I am living on hope.

Mr. Gottschalk: There is one experience which our company has had, which very few of the other companies have gone through. We started very early in the field, but to our regret, within the last three or four months on many of the machines we have had out, the yearly rent expired and some statistics would perhaps interest you. During the months of March and April we had about one-hundred and sixty leases expire. Of that number seventy-five have refused point blank to renew the leases. Amongst the lessors was the presi-

A60 dent of a phonograph company. He said he couldn't use the machine; three of our directors, ditto, and many of our personal friends; about fifty have not answered one way or the other; and about thirty have made their renewals. We have almost daily leases expiring and of course we are in a position to know why people will not renew their leases. One of the main reasons is the fact that they cannot use the machines without disturbing the other parties in the room, I think we should try to make it a point to impress upon the parent company and Mr. Edison and the graphophone company that as soon as they get so sensitive a machine that you need not talk above an ordinary tone of voice and in fact a low tone, we will be able to put out a great many more machines than we are now. Another fault, speaking of the phonograph, is the fact that the cylinders are not long enough for the ordinary business man. We cannot put on an ordinary cylinder more than about five or six hundred words, and we ought to put on about fifteen hundred for ordinary business. Then you will find that in shaving off the cylinders, after two or three shavings, about fifty per cent of them cannot be used, or more than that. There is no use going through all this thing, because I understand that is to be done away with; but the question of audibility is a very essential one and action ought to be taken upon it one way or the other. The graphophone, so far as we know, has only one serious fault. They are not all regulated at the same speed, and where a business man has a graphophone in his office and has a type-writer there with another machine, we often find that the two machines in a short space of time do not run at uniform speed. That is quite a serious defect. Some gentlemen here made the remark

A61 that the graphophone cylinders were not very good. I cannot agree with them. Up to date we have only had three cylinders that were actually defective. That is rather a small thing compared with the number that we have used. We have one party who has dictated over three million words on the graphophone. As he is paid by the folio, of course he knows how many words he has put on. We have others who say that the graphophone is not worth—no matter

what. To sum up I think it is only the old story over again. We are laboring under the difficulties of introducing a new machine, which of course these improvements make practical.

Mr. Clarkson: With regard to the graphophone cylinders, I would say that the North American Company and the American Graphophone Company have already received a good many cylinders from us that were defective, and they have so acknowledged and promised to remedy it. They have even gone so far as to say that we should receive a credit for fifty per cent. of the cylinders we have received and therefore they so acknowledged themselves at fault in the manufacture of these cylinders before they left the factory.

Mr. Chadbourne: The question is asked first what it costs us to put out a machine. I should say honestly that it costs us about five hundred dollars apiece; I think nothing less than that. We were organized about two years too soon. The sub-companies according to my notion, ought never to have been organized until the machines were perfect so that the public would have no difficulty whatever in the use of them. We all know that there have been serious difficulties. We have experienced it here. In the first place we ordered thirty or forty graphophones. Twelve graphophones were put

A62 out at once and rented with leases taken for a year with three months rental paid in advance. Nearly all those graphophones were put out as soon as they were received. Some of them were out a week, some a month and some three months, and every one of them was returned. About that time what was called the improved phonograph was sent out. We substituted the improved phonograph—the latest pattern—guaranteed to do the work and do it satisfactorily and all that, and took the graphophone home. The phonograph for a while gave fair satisfaction. They had to be looked after very closely and it cost us a good deal of money to keep them rented. In the meantime we heard that still further improved machines were coming. We were hopeful and so told our customers that they should try to get along until improved machines came again and until we could put in the new ones for the old ones with all the improvements. At last the new ones came, the new, latest improved, and in the meantime the graphophone appeared again in a new dress, and we tried to put out more graphophones. We have put out since then two graphophones. We have two now running part of the time I think and we have about thirty-five phonographs. We have had out altogether somewhere in the neighborhood of seventy five machines; but the worst difficulty that we experience is in getting the parties renting the machines to use them. For a time when they are new, they will use them, but after a little they get old and they don't use them; they lay them by. They've got a pretty stenographer somewhere that they'd rather use than the phonograph. We find a great deal of opposition from stenographers. They have an organization which is

A63 opposed to the graphophone, which has been boycotted so far. What we have contended for is that the graphophone and phonograph should be both treadle and motor machines combined. It is the battery which we have had more trouble with than we have with the phonograph. If a court stenographer or anyone who has a lot of work on hand finds that his battery has run down he is left powerless and he can't run his machine. Now, if he had an arrangement by which he could use the treadle, he could carry on his business. It would not be so much trouble if it was interchangeable. When about a year ago or so we received from the parent company a letter requesting us to give our view of what should be done to make the phonograph better, we suggested to that company that in the first place the cylinder ought to be a foot longer; that they should make a battery that would run the phonograph without any question and that should be certain, and we thought that with the long experience Mr. Edison has and the reputation that he has as a great electrician, he ought to be able to make a battery of some kind that would run a

single phonograph. It seems to me a great mistake that it is not done. We have made no success so far in placing phonographs because of no good battery. We suggested further to the parent company that if they would combine the good parts of the two machines in one and make one good instrument that would satisfy the public, we thought by all means it would be much better than to make two. We live in hope. I have just as much faith in the phonograph as I ever had. I believe in a future for the phonograph. I don't think so much of the graphophone; but I believe the phonograph is going to get

A64 there, and will be the leading machine in years to come. I believe there should be a flexible cylinder made that can be mailed the same as paper. That is, to put the record upon the cylinder, fold it up and send it by mail, if that can be done. I don't know whether it can or not. It would make a boom for the phonograph business beyond all question.

Mr. Easton: I would like to ask Mr. Chadbourne if he has ever yet learned to use either the phonograph or graphophone.

Mr. Chadbourne: No; not very well. No; I don't think anybody else has either.

Mr. Wood: Mr. Chairman and gentlemen, it was about a year ago the first of May that we went to Kansas City and opened up offices in fine shape and received a few phonographs, placed them out and after awhile we got some more and put them out, and we had very good results all summer, although it required a great deal of care and attention, and sometimes we would have to go to a phonograph perhaps three or four times a day. When they would say anything about the machine or wanted to know anything about it, we would tell them that there was an improvement coming that would do away with all trouble and we would rub them up the back and brace them up a little. That would go all right for awhile; but after getting out some forty or fifty machines, we had a great deal of work to do and among other difficulties were the batteries. I don't think we have as good facilities there as you have here and perhaps further east, as we had to deal with another company entirely, and they would not take the pains that they would, perhaps, with their own business. In our section of the territory, the stenographers and the

A65 schools have formed a combination against the phonograph, as solid as can be, although we have a few instruments out in the hands of good amanuenses which are doing very nicely. About the first of October we got news of the intended improvements on the machines and we did not put out any more until we received those. We have put out lately very few. In talking this matter over, we realized that the machines were undergoing rapid changes and that it would be best both for our company and probably for the North American Company to go slow until such time as they should have a more simple and perfect machine; but I think that with these new improvements we shall be able to do a fair business from this on.

Mr. Chadbourne: How many machines have you rented?

Mr. Wood: At one time we had out about fifty or sixty. We gave a very large exhibition at St. Louis last year, of which you probably all received notice, which undoubtedly at that time did a great deal of good for the business in the country. We intend to do active work from this on.

Mr. Chadbourne: How many graphophones have you out?

Mr. Wood: I could not say just now what number we have out, but the phonograph has taken the place of the graphophone.

Mr. Clancy: I want to say in connection with the public exhibition at St. Louis that thousands of people from all over the country came to that exhibit and re- back, and among them

every variety of business men, and at the close of the exhibit about a hundred and fifty of the principal business men of the city of St. Louis re-

A66 requested a personal exhibit for business purposes in connection with the machine. Outside of the exposition we had a little hall where we showed the machines in every way, not forgetting their operation in connection with the type-writer. We took in \$32.63 at 10 cents admission. We spent about all in advertising and haven't got any of it back yet. In Illinois and Kansas they get the benefit of it.

Mr. Sampson: I presume that the experience of the New England Phonograph Company is the same as that of all the phonograph companies mentioned which commenced business about the same time. We had our difficulties with both machines. We have a very large territory to cover, but we only attempted to work that partially and not very energetically at that, because we were convinced that the phonograph was entirely too complicated for the ordinary business man and the graphophone as we then had it was not a suitable machine to put out to reap us any benefit. Therefore we lay, as the saying is, very low, until we received improved machines. But with the coming of improved machines, both of the phonograph and graphophone, we have been moderately successful, and we have the faith to believe that we have a very good prospect for the future. For a time the phonograph and graphophone were about even in the comparative number put out; but lately, within the last two months and a half, the phonograph has gained upon the graphophone. They are now in use quite extensively among our official stenographers in Boston and we have them very well represented among the leading business houses and also among the manufacturing establishments in our city. In the western part of Massachusetts we have put ma-

A67 chines and in some places where we put one machine it was only two weeks before we had another one and after that an order for more from the same place. We think that the field is looking well for both machines.

Mr. Chadbourne: How many machines have you out?

Mr. Sampson: We have about a hundred and seventy five.

Mr. Chadbourne: How many graphophones?

Mr. Sampson: I think about sixty-five graphophones; but there is some little defect still in the graphophone which undoubtedly will be remedied. I think myself that the stylus of the machine can be so arranged as not to wear down and that the machine also might be geared so that the time of the cylinder would be increased which would be a benefit in commercial correspondence.

Mr. Chadbourne: How about the expense of the cylinders for the graphophone. Do they find any fault with that?

Mr. Sampson: There is no difficulty about that. We have never heard a word about that in any way, shape or manner. We have customers who buy graphophone cylinders of us by the crate. The phonograph in its present shape is giving very excellent satisfaction.

We have it in a large number of business houses and we have constant word from them that the machine is doing all and more than they anticipated. Our territory outside of Boston we have not attempted to work to any extent until at a very late day. Within three weeks we have established agencies in Portland, and Providence and as a result of that we have a number of machine in use there. We propose during the summer to

A68 establish agencies in Maine and Connecticut and possibly in New Hampshire. Vermont we don't expect to do much in.

Mr. Chadbourne: How do your expenses run to your receipts?

Mr. Sampson: That we do not think to be a proper matter of consideration here.

We have no very great fault to find with the parent company. We have always been used well by them, with the exception of one little point which I might touch upon perhaps without wounding their feelings. Sometimes the orders that we put in are not as promptly filled as perhaps they might be. I remember an order that was put in by my company on the first day of May and it was not filled until the 26th day of May. It would seem to me that a reasonable order is not of such a nature as would require such a length of time as that to fill it. I will say one word in relation to the cylinders of the graphophone company. We have had more or less difficulty with them, and during the past two weeks we have struck one or two crates that had quite a large number of defective cylinders in them.

We realized the fact that we were in a sense in our swaddling clothes in relation to these instruments. We have got not only to educate ourselves but we have got to educate the public. We have of course run across the same trouble with the ordinary commercial stenographers that all have, and we have about made up our minds in New England that the best way to overcome that is to educate the typewriter and phonograph or graphophone experts ourselves, so that when a man wants a machine we not only give him a machine but

A69 we give him an expert operator with it, and we think of working out that plan this summer.

Mr. Smith: Mr. President, the experience of the New Jersey Phonograph Company is just about in a line with that of the companies represented who have already spoken. We have met with the same opposition from stenographers that the others have and the same indifference on the part of many of the users. The leases of some of the machines that we have already out are about expired and many of those will have to be returned or have been returned; but I am among those who believe the machines have come to stay and when the public get ready for them they will take them.

Mr. Chadbourn: How many have you out?

Mr. Smith: We have about seventy-five and most of those are phonographs.

So far as the cost of inspection is concerned, I do not believe that it costs us anything like five dollars a year to inspect a machine.

Mr. Benson: We have both graphophones and phonographs. The phonograph is now running ahead. In the country we have nearly all treadle phonographs and in town all motor phonographs.

Mr. Andem: The Ohio Phonograph Company has had similar experiences, in some respects, with those companies whose representatives have spoken this evening.

We never supposed that the public would take hold of these new machines and successfully use them without instruction, and therefore we were very careful in putting them out to see that all parties renting were thoroughly instructed in their use. I have personally had as much to do with the management of the business

A70 details of our company and with the direction of these matters as has the president of any other company probably. After my personal experience with the new graphophone, I was convinced that we had a machine which would record perfectly and from which transcripts could be made more cheaply, accurately and quickly than by any other method in which the work could be done.

Two of our most successful machines are in the hands of Gen. Cowan, clerk of the United States courts in Cincinnati, who takes all his testimony on the graphophone and has it transcribed on other graphophones. In that way attorneys visiting the court have a practical demonstration of the advantages of the machine and what can be done with it, and the result is that we have put out quite a number of the machines in Cincinnati.

I am surprised to hear that some companies expected to make money from the very start. We never expected to do so. We have now about one hundred and fifty machines out on rental. All these machines are doing satisfactory work because we look after them, and know what they are doing. The Abstract Company of Cleveland are negotiating with us for thirty machines with which to make an abstract of the records of the city of Cleveland. They are undecided whether they will take the phonograph or phonograph-graphophone. We feel very much encouraged at the condition of our business. We do not think there is much fault to be found with the machines; our trouble has been in finding intelligent users. Whenever we find an intelligent user, he gets satisfactory results, whether he has a phonograph or phonograph-graphophone.

Mr. Conyngton: We did not have the misfortune of

A71 putting out the old machine. When we took hold of the matter in Galveston, our connection with the shorthand people there prevented any antagonism on their part. We treated them very nicely about it, exhibited the machine before their society and I do not think we have had any direct opposition from the stenographers of that place, but we have found that wherever we have put out a machine in a place where there is a stenographer already, his employer finds it difficult and awkward taking hold of a new machine and the stenographer certainly does not love it and the machine gets out of order and they have endless difficulty with it. In other parts of the State which are removed a good way from Galveston, owing to the dimensions of our territory down there, we try to appoint agents. Generally we try to get hold of a shorthand man or a typewriter man. We picked out our agents very carefully, but in nearly every case it has been a failure. They put out a number of machines at first, not a very large number, but they could not give time from other business to study the machine as it should be studied and learn it for themselves, much less to watch it and keep it in order. So most of the machines were returned where we failed to keep careful supervision, and we have started on a new plan. At Dallas, the most important city in the state, we have opened an office of our own. We have left a young man in charge, trained in our own office, who thoroughly understands the machines and he has instructions to make that his chief business and he watches the machines and attends to them. We are putting them out steadily there now, and we do not pay a very high salary. We think the office will be a little more than self-sustaining. We expect to go on now

A72 with the other important cities in the state and establish offices, just as fast as we can make them pay their way. We have also opened an exhibition apart from our office that is paying very well. I am frank to say that the musical exhibition has injured the business part of our enterprise very considerably. In Dallas we have left positive orders that no one is to hear music on the phonograph at the business office; to give a business exhibition and nothing more. Before that we showed the machine to a great many people, gave them a very nice musical exhibition, and business men went away wondering very much and marveled about it but they did not order a machine. We feel convinced that the more entirely we separate the musical machine from the business machine, the better it will be for us. We have out I think between ninety and a hundred machines. I am in the northern part of the state most of the time and I have not been in the home office for some time. We have tried in every way to get the machines into the hands of those parties who would daily utilize them and we have succeeded in this in every good sized city in the state. We have parties who have learned the machine, and who do not depend upon an inspector coming around every day and who value it as a business aid. We expect to build on this basis in putting it out as a business machine. We have not got many graphophones out because we are a long way off and the first lot of machines they sent to us did not work very well on account of the dulling of the recorder point, and we did not have any tools or any diaphragms

to replace them. Therefore those we put out soon got out of order and the parties were dissatisfied, and came in and took a phonograph in place of the graphophone.

A73 Mr. Balleras: The phonographs and phonograph-graphophones we have out are giving perfect satisfaction. Our subscribers take them and don't give them up until their leases expire. We have been reorganized two months. When the reorganization took place we had three machines; now we are running sixty-seven.

Mr. Lindsay: Mr. Chairman, the experience of the Wyoming Phonograph Company has been different from anything I have heard here. We started our business up there on rather a novel plan. We first instructed a person in the use of a machine connected with the typewriter, then we placed the machines around among the business houses and asked them to dictate letters on the cylinder and send them over to the central office and have them copied from the cylinder.

We returned the letters all written out ready for signature. In that way we induced some nine business houses to take the machines and it worked very nicely. The only difficulty we found was the machines getting out of order; but by careful watching and sending a man around every morning we succeeded in keeping these machines out for a considerable length of time and at the present time I think that we have thirty-one machines in operation in the city of Cheyenne. Gov. Warren uses one in his office at the State capitol and uses one at his office down town and has one at home; so that he has three machines employed and he works them very successfully. There is one difficulty that we meet with in the motive power. We find that people up there in that altitude are disinclined to run the machine with their feet. They want a battery that will give them regular motive power. If we could have a

A74 battery that could be depended upon, I think there could be placed in the city of Cheyenne alone, at least a hundred and fifty machines, as the people are rather enthusiastic in taking hold of the thing, and they rather like to sit down and talk to the machine and have their letters sent home, and think it is an improvement not to have a typewriter, even though it may be a nickel-in-the-slot operator—they will not have the machines rattling around the office so they send the work out and have it written out. I find that plan works very successfully there and is very successful in working all small towns. A good, smart typewriter who has some knowledge of the machine can put out half a dozen machines in a small town and do all the work for the various offices at an expense of ten or twelve dollars a month to each of them and make a very good business for himself and each office can have its work done at night in type written form and on its own letter heads, and it can all be done by one person. If that plan is adopted I think it will meet with success wherever it is tried. There is one thing that the phonograph people must do. They first must have skilled operators to take the dictation from the machine. If you establish a school for the instruction of typewriters in the work of taking this dictation and of transcribing, you have overcome the greatest obstacle that we meet with in the west, because you go to a stenographer there and he don't like to change his method of doing business and claims he cannot operate the machine and at the same time operate the typewriter; while a skilled operator sits down and runs the typewriter without any difficulty whatever. We have one typewriter in Omaha that traveled with us in organizing local companies and she can take down from

A75 the graphophone about as fast as you can dictate to it and write it out rapidly and correctly. When the phonograph people have fitted up schools for instruction in that class of work we can enter into this business and meet with success.

Mr. Hoit: I was sitting in the office dictating letters the other morning, when one of the boys ushered in a gentleman who said, "I want to rent a phonograph." I said, "all right, sir, we will try to accommodate you." Said I, "this is a new way for a man to ask for a phonograph. In

about a year we'll sit with our feet upon the desk and men come in and say, "please can I rent a phonograph?" I asked him if he had ever seen the phonograph. He said, "I haven't seen the phonograph, but I want one." I asked him if he would kindly state to me his reasons for wanting a phonograph. "Well," he said, "it is like this: I keep getting these letter stamped, (dictated to and transcribed from the phonograph) and I want one of them; the d—d thing is in style."
(Applause.)

The Chairman: I have the pleasure of introducing to you, Mr. Jesse H. Lippincott, President of the North American Phonograph Company, and I am certain we would like to hear something from him in connection with these matters.

Mr. Lippincott: My personal experience which has brought me in contact with the public in actual leasing of machines is very limited. Whatever I have learned must certainly be a reflex of what you have heard to-night. When I first entered into the business, I was so much charmed with the machines that I thought every person would receive the same impression that I had, and I presume most of the gentlemen present felt

A76 just as I did. A somewhat intimate knowledge of the business, however, leads me to the conclusion, that while the machines make a very good impression when they are first shown, an impression somewhat lessened the second time and each time falling off, yet the public, except to a very limited extent, do not act on first impressions, that, therefore, it has become a matter very largely of education, and the sooner we awake to the fact that the phonograph business demands the best that is in every man to carry it on successfully, the sooner our hopes will be realized. In other words, no man can carry on this business merely from a speculative standpoint, thinking that he can sell out and double or treble his money. That cannot be done. The only way to be successful in this business is for the men who put their money into it to take the active business management of it. There is no doubt that if they try to carry on at the same time other lines of business they will not be successful. The telephone came in and supplied a want that had never been filled before. To-day we are trying to a certain extent at least, to supplant an industry that is already established, that of the stenographer. While I think there has been a great deal of time lost in the past, yet there is no doubt in my mind, as to the future, When the gentlemen took up the franchises and organized their companies, they had the instruments before them and saw exactly what they might expect. They knew just as much about it as we did. We did not try to palm something off on them that they could not see and recognize, and therefore all the blame and criticisms of the North American Phonograph Company we think we should rather divide up. The earlier machines were

A77 not precisely what the public wanted, but we have done everything we could in the past year to try to improve them. The factories have done everything they could. My attention was called a few days since to a letter which had been sent out probably last fall, in which it was stated we would soon be able to furnish a new cylinder. The statements that we made were based upon statements that came to us from what we considered reliable sources, namely, from the two factories that furnish our machines and furnish our supplies. I think some of you gentlemen were in New York last fall and were shown the cylinder with a red colored base. That cylinder was shown to us and we were informed that within a certain length of time we would receive those and they would obviate all the difficulties heretofore urged with regard to the breaking of cylinders. Some two months afterwards it was discovered that the difference in expansion and contraction between the base and the wax was such that it was utterly impossible to furnish these cylinders; so that while in the past we have made statements which were not warranted, yet every time we have deemed that we had sufficient authority to make the statements. A great many of

these things require months of experimenting, even after we think we have really got just what the public want.

I do not know that I can say much except that I am very glad to find that while some of the gentlemen admit that they have not been successful, the same unbounded faith seems to exist as to the future; and I hope in the near future all our hopes will be realized.

Mr. Chadbourne: I would like to ask Mr. Lippincott how many machines are in use in the United States.

Mr. Lippincott: There are probably from twenty-

A78 five hundred to three thousand. It is not possible for me to give you an accurate statement, as we have not gotten in all the reports up to the first of May. At that time although we called for reports from all the companies, I think some six have not reported. I should say that there were somewhere from twenty-five hundred to three thousand machines.

Mr. Chadbourne: I have seen it reported that there are over six thousand.

Mr. Lippincott: I think you saw it published that over six thousand machines have been sent out.

Chairman: We also have with us Col. Payne, the president of the American Graphophone Company. We will be glad to hear from him.

Mr. Payne: I went into this enterprise without special experience; but I appreciated one fact then which I think most of you have lost sight of; that is that any new improvement held out to the public should not be presented like a circus exhibition, but must be practically presented to the public and they must then be educated to its use. That has been the history of the typewriter, the history of the sewing machine, and every other great improvement. My friend Mr. Lippincott has said that we have taken the place of some other industry. So it was with the sewing-machine. One interfered with the seamstresses and the other with those who made their living by copying. It is so with almost every new patented improvement or invention. We must realize the fact that we are to present this invention to the public, and show them its merits and get them started on the road to success, and we must realize, as some already do, that the graphophone and phonograph are in their infancy. That reminds me that

A79 in the direction of improvements we are trying to progress as rapidly as we can. We are trying not to make improvements that will interfere with the interchangeability of the present machines. The question of a harder cutting point, the introduction of the motive power and the question of a better cylinder are under consideration in our factory. I can only say in conclusion that the American Graphophone Company is anxious for the success of the graphophone not only as a matter of profit to itself but for the sake of the entire enterprise.

The Secretary then read as follows:

“Topic No. 2. Shall users be given the option of rental or purchase; and if instruments are to be sold, at what price for each style, motor and treadle, and how shall the division of proceeds be made between the parent company and the local company.”

The Chair: The subject is before you.

Mr. Goodwin: Is not the last part of that question settled by our contract as to the division of the proceeds?

The Chair: It is a question as to the selling or rental of machines.

Mr. Chadbourne: I do not believe that you could sell the machines for ten dollars each unless you would guarantee that all the improvements for the next ten years should follow and be added to the machine. I don't know of anybody that would purchase the machine in its present condition. The general public look upon the machine as in its infancy and that the future of it is

going to be a great deal in advance of what it is to-day and if you offer those machines at \$10 apiece, there is not one in a hundred that will buy them.

A80 Mr. Lindsay: I think until the North American Company are able to give us an absolutely perfect machine it is all nonsense to talk about selling them. That is our view out west.

Mr. Clarkson: Mr. Chairman, I quite agree with the gentleman. Until we are successful in renting the machines, we certainly cannot be successful in selling them.

Mr. Clephane: Right on that point I desire to ask how are you ever going to get your improved machine under your present system of leasing? Criticism has been made upon the action of the North American Phonograph Company, yet I venture to say if gentlemen will only reflect, they will find that they have never dealt with a class of gentlemen or with a corporation that has treated them so generously, so courteously, and extended so many favors that they have not been called on to extend. (**Applause.**) Now with regard to this machine (**indicating the improved phonograph**), the North American Phonograph Company has involved itself in enough expense. The gentlemen here have no conception of what it has done in order to present to you the machines that you have to-day, both the improved graphophone and the improved phonograph. The North American Phonograph Company has almost impoverished itself in trying to accommodate us, and yet what are we asking it now to do? We sit here growling, discontented, making no effort ourselves, but exacting everything of this company. And suppose the North American Phonograph Company to-day gives us the machine of which I shall have something to say in a moment. What is the result, as far as the finances of that company are concerned?

A81 Will not that company have returned to it every one of these inferior machines? While it is under an obligation to furnish us with the best machine it can produce, do you think it right to ask of that corporation as a sagacious and business-like corporation, to undertake to construct and build a machine superior to the one that is now upon the market, when it knows the effect will be the return of all the inferior machines? How can we reach the end that we all have in view? I agree with the gentlemen here that we have not to-day the machine that the public wants. We in Philadelphia appreciate that fact. We have made no effort to introduce machines, because we knew that this machine that the public wants had to come and we believe now is about to come; and just in this connection let me digress one moment, if I am not wearying you, to give a little experience with regard to the typewriter. I have had personal experience with which is now the Remington machine, it having been sent to me to test its practicability, and let me say it was six years before that type-writer could be run without an expert; an expert had to be constantly with it in order to make it go. Therefore we have no right to feel uncomfortable about the little difficulties we have with our instruments. Now, what I want to say is this: That if we adopt the selling principle the North American Phonograph Company can afford to make the changes which will give us the mailing cylinder machine, and they can provide further improvements. And why? Because when it parts with the machine, and we part with the machine, it becomes the absolute property of the purchaser, the same as in the case of the typewriter of to-day. Any man who has

A82 purchased an inferior machine, if he sees a superior machine upon the market, is going to have that machine and is going to pay its price. Another point is that when we send an inspector out to a machine that has been sold, we get paid for the services of that inspector. We then make money in that direction. We are not worried with complaints as to how it works, this way and that way, and do not have to send an inspector out at our own expense; but that expense the party

himself has to bear, and we will find in that case the complaints will be a great deal less. We will find a party taking pride in the machine when it becomes his property, and instead of sending to us he will himself undertake to remedy the little defects that exist. But I don't see how you are going to do this, if you insist upon the lease system.

Mr. Benson: Mr. Clephane has been very eloquent, but I can't see anything in his argument why the machines should be sold. When this matter came before a sort of informal meeting we had yesterday, I was very much surprised. If we get this good machine, we don't want to give it away by selling it. Insofar as he speaks of the North American Company, I think we all feel kindly toward the North American Company. We can't feel differently. We are here as representatives of the sub-companies, not of the North American Company, and certainly there is no other feeling than kindness toward the North American Company. They have done more than their contract so far. But so far as the selling of machines is concerned—we were considering that—I am opposed to it first, last, and all the time.

Mr. Clarkson: Mr. Chairman, I would like to ask

A83 the gentleman to look at the history of one of the most successful and energetic companies in the history of the world, the American Bell Telephone Company. What would have been their history, if they had sold their telephones?

Mr. Clephane: I will answer that gentleman by saying, referring to the telephone, that that instrument, in its disposition, is based upon different principles entirely. They could not well sell their instruments, because they have wire connections. But let us take another enterprise. More money has been made out of this other enterprise than has ever yet been made out of the telephone or ever will be. I refer to the sewing machine, which is sold.

Mr. Clarkson: I do not quite agree with the gentleman. In the time that the Bell Telephone Company has existed, I believe there has been more money made in the telephone business than there ever has in twenty years in sewing machines.

Mr. Gottschalk: I would like to ask Mr. Clephane if he wants us to infer if we do not sell machines, we are not to have this improved instrument.

Mr. Clephane: I can only say this in reply. If I were manager or president of the North American Phonograph Company, I certainly would not consent to involve my company in the heavy expense of giving you this machine, when I am under no special obligation to do so. It would ruin me and why should I undertake to subject myself to absolute ruin in order to accommodate you gentlemen who are not doing anything to especially favor me?

Mr. Gottschalk: I would like to ask, in case the present phonograph should not be a success, who would

A84 be the greater loser, the North American Phonograph Company or the local company? It is in the interest of the North American Phonograph Company to improve the machine to as near perfection as possible, because if it is a success they eventually reap the benefits of it; and if it is a failure they certainly would be the heaviest losers. Therefore, whether we lease the machines or sell them, it is to the interest of the North American Phonograph Company and it is their duty, to furnish to us the most improved machine possible. Now Mr. President, I move that the machines be sold.

Mr. Goodwin: I second the motion.

The Chairman: It is moved and seconded that convention favor selling the machines.

Mr. Payne: At the beginning of this discussion, if the convention will indulge me, so far as the American Graphophone Company is concerned, permit me to say that we have a contract whereby our machines are to be taken and we are to be paid, irrespective of the question whether

they are afterwards leased or sold. To that extent, it is a matter of indifference to us whether a system of renting or selling is adopted, so far as the making of money is concerned; but I would like to make a few suggestions here in regard to this matter. First, as to the comparison involved between the graphophone and the telephone. You cannot use the telephone as an independent instrument at all. The graphophone or the phonograph can be so used. You can take it to your desk and use it. There is no connection with it any way except as to motive power and that you can provide in various ways by electricity, by treadle, by hand, etc. But you cannot use the telephone that way. It is not an independent instrument. You have to use

A85 not only the telephone put up in your office, but you have to use a central office and all the machinery of that central office, and you pay for that and not alone for the instrument that is put up in your office. That is the only instrument that I know of that is operated on the rental system to-day in the United States. If we sell the instrument, that is the last of it. The public take it as it is, and if improvements come, the public buy these improvements. The manufacturers do not guarantee the typewriter or the sewing machine; why should we guarantee the phonograph or the graphophone? It is an instrument delicate in make-up, but no more so than the typewriter and no more so than the sewing machine. To illustrate my position: I began using the typewriter in my office fifteen years ago when they first came into general use. I have never failed to buy a new machine year after year and pay for it. I never asked any body to guarantee my typewriter for me. When it got out of order, I sent to the office and they sent a man down and fixed it and I paid for it; and so does every other man who uses a typewriter. Why shouldn't he do so with the graphophone? What more reason is there in the one case than in the other. The sales of typewriters are greater to-day than in any year since the invention was patented. They don't rent them, except in some cases where the option is given to purchase. The permanent system is the selling one. Coming back to what I said a few moments ago, I say to the convention that you must educate the people in the use of the machine. You must let them know that it is a machine of delicate construction and must be carefully used. Now, if you do that, we come to another argument in favor of selling the machine instead of rent-

A86 ing them. If you rent a man a graphophone or a phonograph, it is not his property; it is yours. He does not have the same interest in it as if he owned it. If it does not suit his purpose—if its mechanical construction gets out of order in one month—he says, “Oh well, it's no use to me; they will have to take it back. I don't lose anything by it. I can either send to them and have it fixed at their expense, or when I get tired of it I can throw it back on their hands.” If it is his own property and he takes care of it, he doesn't let the point get dulled; he does not become careless of its adjustment, and he keeps it in thorough repair. He says, “It is my property and I will take care of it, and I will learn how to use it.” It is on the broad principle that a man will take care of property that he owns better than property he rents. There is one other thing, Mr. Chairman. I have heard it said a good many times to-day by gentlemen of the local companies, that it costs more to keep these machines in order for a portion of the year than the company receives during the whole year. I put it to you: Is there any stronger argument in favor of selling the machines than that very fact which you have introduced here to-day? Sell your machines. Have your local offices and have your men ready to send out to repair them like typewriter and sewing machine people do, and charge for it; and when improvements come out, sell them. Don't undertake to guarantee the machines, but let people know to whom you sell them and who are going to use them, the necessity of being careful in their use and being educated to their use, and you will solve the problem. I will guarantee that you will sell four times as many machines as you rent.

A87 Mr. Easton: Mr. President, another point arises on this subject which I am sure all the delegates will appreciate. Many of the companies have claimed in the past that they could not afford to pay out of their own allowance for rental a proper agent's commission. The fact certainly is evident that but few of the companies have a good force of agents in the field. If the machine were sold, if agents could be offered as an inducement, a good commission of \$20 or \$25 for each sale, you might put at once into the field a high class of agents who would devote their services actively and continuously to the sale of instruments. In that case, you might put machines out much faster.

Mr. Smith, of N. J.: Mr. President, I would like to ask how that can be done upon the present basis of organization of the sub-companies. That is to say, what is to prevent a resident of New Jersey from going into New York City and buying a machine and bringing it to New Jersey? Or what is to prevent a resident of New York who is in possession of a machine which he has bought from the Metropolitan Company from bringing his machine into New Jersey for use there?

Mr. Goodwin: The Wisconsin Phonograph Company has had a large experience in putting out machines and therefore some weight may attach to its views in the matter of their disposition. I, personally, have always believed that there was no good reason why the machines should be rented and that the greatest measure of success would not be obtained under the complications growing out of that system. If the rental system does not pay, some other plan must be adopted. Between one and two years of work under the present method has convinced us that the rental

A88 system is a failure. There are 2,500 to 3,000 machines in alleged use to-day, of which number, if the experience of other companies is at all like ours, not more than from 1-10 to 1-5 are in actual business use. This being the case, it is necessary to carefully consider the whole question and determine whether we are on the right track or not. It is necessary for the local companies to have immediate returns. All the companies, with perhaps two exceptions, have failed to be self-sustaining. Our company, although we have tried to work economically, has a very large balance on the wrong side of the ledger. A paying business on the rental basis, is in the distant future, if we depend upon business men renting the machine for actual work, but we want the profit ourselves and do not wish our beneficiaries to receive the sole reward. Our main difficulty has been to get the lessee interested enough in the machine to master its complications. He has but a small amount of money invested in a machine, which is not his, and therefore he is likely to treat the machine lightly. If the machine were his property, he could be more readily induced to use it, and would more readily grasp its advantages. When we rent a phonograph, we get \$10 cash—sometimes—of which \$5 belongs to the parent company, \$1 to \$2 is for freight and \$3 at least for instruction, leaving us out about \$5 for commissions, to say nothing of other expenses. In fact, the more machines we put out under the rental system, the more money we lose. It costs much more than the \$20 a year to take care of a machine. Now, suppose the machine is sold for \$125, which is a fair price for it, deduct the cost of manufacture which ought not to be more than \$25, as it costs only about \$20 to

A89 manufacture a Remington typewriter, and there remains \$100 to be divided between the parent and local company. In a city where your own salaried men can place the machines, at least \$40 will be profit, for as typewriter people do, we can charge extra for instruction, inspection and repairs. Under this plan we would reap immediate profits without responsibility. The typewriter local agencies, as well as the general agencies, have made large sums, the net

annual profit of one company being estimated at over \$1,000,000 annually. As has been the case with the typewriter, every phonograph put out will sell a dozen, that is, the output of machines under the sale system will increase in geometrical ratio. If we had 200 good working machines out now in Wisconsin we would have a great many more out in two months from now, than if we only had a hundred. The point is, we ought, as soon as possible, to get the maximum number of machines out, which can only be done by selling. Under the present condition of things we are practically prohibited from securing good agents. Our state business is worse than worthless. We would have been better off, if our territory had comprised only Milwaukee. You cannot employ a good agent under the present system. There is no danger of the field being filled by selling machines. It does not work that way. The demand will increase with the output. A man now rents a phonograph, plays with it two or three months, pays his quarter's rent on it and returns it, or what is worse, keeps it and will not return it or pay rent on it, until he is forced to do so. Our methods should not be compared with nor taken from those of the telephone companies. It is necessary and advan-

A90 taneous to rent telephones because of the wire connections, and the company has thereby absolute control of the machines; but what means have we of controlling a phonograph 500 miles away from our office and how can we afford to hire a man to look after the machines, when our income, less freight, is only \$18 in gross, per machine, and that paid quarterly? The repairs under the present system are all saddled on the local company. We have got to restore broken parts or take the machines out. If a man breaks a diaphragm, he will not pay for it, he will tell you to take the machine out first, and I think the repairs on the present style of machine will run up to about \$30 a year each. Moreover, the local company has the responsibility of all the machines out, which is heavy and costly. What would, under the sale system, be a source of large income to the companies, is now a drain upon them. The same with the improvements. When a man owns a thing he is willing to pay for improvements and repairs, but if he does not, he is unwilling. Our repairs even now cost us at least \$100 a month, while if the machines were sold, we could readily charge \$150 a month for the same work. We could also make money by exchanging old style machines for new ones and then fixing up the old machines to sell them. This has been one of the most profitable branches of the typewriter business. I figure it out like this:

In selling the machine at \$125, there would be net profit immediately turned in to the local treasury, supposing the machine costs \$25 to manufacture and average cost of placing machines (\$5 in city and

A91	\$15 in country) is \$10, under our contract,	-	-	-	\$40.00
	Repairs and improvements during the year, \$40, costing us \$30,	-	-	-	10.00
	Profit on exchanges per machine per annum,				5.00
				Total,	\$55.00
	Under the present system, expense of each machine per annum for repairs and improvements.	-	-	-	30.00
	Loss on exchanging machines,			-	5.00
				Total loss,	35.00
	Net receipts per annum on each machine, \$20,				13.00
	less \$5 commission and \$2 express,				
				Net loss per machine per annum,	\$22.00

This is a very moderate estimate, no office expenses being included in either case.

Under the sale plan, we will not be troubled by machines being returned.

The more machines we put out under the present method, the more money we lose. And yet the rental is as high as the people will stand. We will therefore ultimately be forced to the sale system.

Another item of loss under the present system is the amount of book-keeping it entails to keep track of the machines, repairs, exchanges, etc. It is worth \$100 a month to look after fifty machines. The labor is simply endless to keep the books as is required by the North American Phonograph Company and as is necessary to carry on the business under the present plan. The saving in book-keeping alone, if the method of disposing of the machines were changed, would save us over a thousand dollars a year.

The sale of machines would stop all complications

A92 that must arise between the local and parent companies and between the local companies and subscribers. Instead of all the companies being burdened with the responsibility of leased machines, they own and sell, and everything is simplified.

A craze for renting has spread over the land since the success of the telephone, but there will come a revulsion in the case of instruments where there is no reason for the title remaining with the companies.

If the instruments had been sold from the beginning, the business would be in good shape at this day. It will be years before the rental system will pay at all, and we will not be the ones to reap the benefits. There is no good reason for renting the machine, and business men are surprised that the instruments are handled that way.

It may be advisable not to change the plan until we try the nickel-in-the-slot device, but as soon as that runs its course, it only remains for us to sell the instruments.

Mr. Lindsay: Suppose you have a typewriter agency in Milwaukee. Suppose a man should come down to Chicago and buy one and take it back into your territory; do you get any benefit?

Mr. Goodwin: As soon as we find the number of that machine, we write to the central company, the one that we buy from, and we get a credit slip for our portion of the profit. There is very little hardship worked in that way. In fact, it does not amount to anything.

Mr. Easton: The plan of selling machines struck me at first very unfavorably. I have been thinking about it for quite a long while, and I believe I am changing my views rapidly. It may be that those here who at first take so unkindly to it, upon a careful consideration

A93 will change their views. I think I have as much personal interest in the matter as most of those who are present, and have been giving from the beginning my entire time and thought to the work. The more I think about it, the more the sale system commends itself to me.

Mr. Conyngton: Mr. Chairman, the idea of selling machines does not strike me favorably at all, at the present time. There may come a time in the future when it will be the best way of disposing of these machines, but we want to know before we vote on that and commit ourselves in favor of it on what terms we were going to sell them. I have understood—I do not know whether it was correct or not—that the North American Company pays \$75 for every one of those motor machines. If we sell them at \$125, our profit would only be \$25, \$5 more than we have at present and no more than we would have if we increased the rental. How can we afford to pay an agent any more out of that than we do now.

Mr. Goodwin: We would have to charge more than that.

Mr. Conyngton: I do not know anything about the figures; but I was just calling the attention of the convention to the fact that this would kill our exhibition business completely.

Mr. Clancy: Don't talk about \$125. Nobody ought to sell at that. Put it at \$200.

Mr. Conyngton: If we put it at \$200, then we cut off our sales. A lot of people who rent at \$40 a year, wouldn't think of paying \$200. They could go over to another company and buy all the machines they wanted. There is one other thing. Under our present way of

A94 putting out machines, the trouble is to get people to work them, and if we sell them outright and every merchant in Texas has an unused machine with dust accumulating on it, in his back room, we could not sell any more than we rent now. If we get this machine equal to the typewriter so that every man will take hold of it, and every man of reasonable skill can easily learn to operate it, our difficulties are all over.

Mr. Haines: I think some of the gentlemen are in favor of increasing the rental. The phonograph is not like the typewriter and the sewing machine. It is parallel to the telephone, nearer than anything else, and it is necessary to have another machine to make the first machine useful. Where used as a medium of correspondence between offices, the machines must be similar. Consequently, I don't see that it stands alone, as my friend said it did. It depends upon another machine or other machines, and, to make a long story short, our phonograph company is opposed to the sale principle.

Mr. Payne: I stated that any phonograph or graphophone could be used independently, and that you cannot use the telephone in that way. It may be more convenient to have more than one, but you can have all your work done on one.

Mr. Haines: How many people would have a phonograph for their correspondence if it stood alone?

Mr. Williams: Ninety per cent of the machiens in use now are single machines.

Mr. Dickinson: Would it not be better to discuss the next question before closing this one. That is, whether we cannot have a more perfect machine, and then decide whether to sell or not.

Mr. Benson: I don't believe that we can set a price

A95 on that machine high enough. If we set it high enough so that it leaves any profit to the sub company we would not sell a machine. If you set the price at \$250, you cannot sell the machines; while if you set it at \$150 and call the cost to the parent company \$50, that leaves \$100, and paying \$25 commission, would leave \$75.

Mr. Clephane: How much do you save now when you have paid your inspector's services?

Mr. Chadbourne: We expect to have so perfect a machine that we won't need inspectors.

Mr. Conyngton: I move that this matter be referred to the committee on resolutions to report on what terms they should be sold.

Mr. Gottschalk: I would like to have some idea with regard to how many companies are in favor of it.

Mr. Clancy: The question now is simply with regard to selling the machines, and this was amended by the gentleman from Pennsylvania that they should be sold at the option of the person or renter. No price was put upon the machines.

Mr. Williams: I understand that any expression of opinion from us is merely a suggestion, but not binding at all. The question of price arises, if it is decided we want to sell the machine. Now, what would be far more profitable than renting the machines, would be to sell

them at \$150. I understand they are costing now about \$45 and will doubtless cost much less in the future.

Mr. Chadbourne: Are you talking of the phonograph or the graphophone?

Mr. Williams: I am talking of the phonograph. That would leave \$105 to be divided between the North

A96 American Company and the local company, which leaves a clean profit of \$40 and no expenses.

Mr. Benson: Pardon me. Do you mean to take the commissions out of the profit?

Mr. Williams: The price I say is merely suggestive.

Mr. Cheever: How about the freight charges.

Mr. Clarkson: I think on the basis of the business we have started, we certainly should demonstrate to the public that we can rent these machines before we can sell them.

Mr. Williams: I would say in addition that my experience is that we cannot get good agents at the present prices. There are thousands of good business men in this country prepared to work for us to-day, if we can give them a fair commission. All the sewing machine men, who have been educated for years, typewriter people, and all that class of men would be willing to work for us, but they simply say to us: "We cannot afford to work for \$5 to \$10 a machine." I am satisfied that a good agent can sell machines and that it requires no more exertion to sell a machine than to lease it. I am satisfied that the results will be far better in the end to the local company and to the manufacturing company.

Mr. Haines: Increase the rentals and you will overcome that objection.

Mr. Glass: When the telephone first started out in the State of California, the Pacific Telephone Company was formed and I bought some of the stock. The Pacific Telephone Company covered the city of San Francisco and nothing else. I paid twenty-two dollars a share for that stock. It lay idle possibly for two or three years. A year ago I sold what stock I had in that

A97 company for two thousand dollars a share. I bought some of the telephone stock which covers the balance of the Pacific Coast for eight dollars a share. I paid three or four assessments in that company which I think carried the amount up to about sixteen dollars a share. I subsequently got for part of that stock two hundred and fifty dollars a share and I have enough of it to-day to pay me in dividends seven hundred dollars a month. Gentlemen, I look upon the phonograph as far more valuable than the telephone, and I say, don't throw this thing away. We want a union of the two machines and I am going to ask for it here, but I have got an absolutely illimitable faith in the whole future. I would put every dollar I have got in this instrument because I have that much reliance in its future, but I say this: Don't sell it; for God's sake don't sell it; don't let it go out of our hands. If you want to lease it for ninety-nine years, do it; but hold your ownership. Never mind the trouble or the expense; hold on to that instrument, because I tell you as sure as there is a coming future, there is an enormous amount of money in our hands right there.

Mr. Haines: Mr. Chairman, if the machines are sold, my company will probably derive more benefit than any other company. Perhaps you are not aware that there is in contemplation the consolidation of the Metropolitan with the New York Company. I rest upon the business standpoint and leave all the interest that we have in the sale in New York city and New York State. I think the general interest of the enterprise demands that the machines should not be sold at present, that it would lead to endless litigation and involve no end of difficulties in the transfer of machines

A98 from one territory to another and I agree in every particular with what Mr. Benson and Mr. Glass have said to-day.

Mr. Clephane: I want to state with regard to the typewriter, that Mr. Densmore, who sold out all his interest in the machine except some very small portions, was receiving up to three months ago one hundred and seventy-five thousand dollars a year in royalties.

Mr. Glass: I will say right here that I expect to receive from my interest in the phonograph and phonograph-graphophone, five hundred thousand dollars a year from rentals.

The Chairman: The question is, shall the public be given the option of renting or selling. The secretary will please call the roll.

Alabama Phonograph Company. **Mr. Cheever:** I do not desire to vote for the Alabama Phonograph Company without consultation.

The Columbia Phonograph Company. Aye.

Chicago Central Phonograph Company. No.

Colorado and Utah Phonograph Company. No.

Eastern Pennsylvania Phonograph Company. Aye.

Florida Phonograph Company. No.

Georgia Phonograph Company. No.

Iowa Phonograph Company. No.

Illinois State Phonograph Company. No.

Kansas Phonograph Company. No.

Metropolitan Phonograph Company. No.

Michigan Phonograph Company. No.

Minnesota Phonograph Company. No.

Missouri Phonograph Company. No.

Montana Phonograph Company. No.

New York Phonograph Company. No.

A99 New England Phonograph Company. No.

New Jersey Phonograph Company. No.

Nebraska Central Phonograph Company. No.

Nebraska Phonograph Company. No.

Old Dominion Phonograph Company. Absent.

Ohio Phonograph Company. No.

Pacific Phonograph Company. No.

South Dakota Phonograph Company. No.

Spokane Phonograph Company. No.

Texas Phonograph Company. No.

Tennessee Phonograph Company. No.

West Coast Phonograph Company. No.

Wyoming Phonograph Company. No.

Western Pennsylvania Phonograph Company. Aye.

Wisconsin Phonograph Company. Aye.

The Secretary: The result of the roll call shows that there are four in favor of the motion and twenty-four against it, and two are absent.

Mr. Gottschalk: I can vouch for the two absent voting no.

The Chairman: The next topic on the programme the secretary will please read.

Mr. Easton: The Executive Committee this evening made provision for the collection of money from delegates to pay the expenses of the convention. That matter ought to be brought up and the treasurer given a chance to collect.

The Chairman: The proper time for this committee's report will be to-morrow morning at 10 o'clock, under miscellaneous business.

Mr. Benson: The plan is that each phonograph company be assessed fifteen dollars for general expenses.

A100 Mr. Glass: I move that each phonograph company be assessed fifteen dollars.

Mr. Goodwin: I would like to make an amendment that the representatives of the phonograph companies here pay that money to the treasurer upon demand.

Mr. Glass: I accept the amendment.

The motion was put to the convention and carried.

The Chairman: You will please remember that to-morrow morning these subjects which were referred to the executive committee will come up the first thing in the morning.

The Convention thereupon, at 10:45 p.m., adjourned.

SECOND DAY.

CHICAGO, ILLINOIS, May 29, 1890.

The Chairman: I nominate for committee on permanent organization Mr. Williams of Pennsylvania, Mr. McGilvra of Virginia, Mr. Gottschalk, of New York, Mr. J. T. Wood of Missouri, and Mr. Goodwin of Wisconsin. We would like that committee to have a meeting immediately on the adjournment of this session, to report name, by-laws, time of meeting, etc.

Mr. Goodwin, Wisconsin: Before going on with the regular order of business, I would like to say that as treasurer of this organization, I have collected a number of the dues from the different representatives, but many have requested a more specific statement from the committee of what this money was to be used for, and I would request that the chair ask such information from the committee.

Mr. Easton, Columbia: The executive committee is unable to state just what the expenses will be. No human being could tell. We thought that if each com-

A101 pany should pay the price fixed, fifteen dollars, then the surplus, if any, would simply be in the hands of the treasurer of the permanent organization and would be useful hereafter.

The Chairman: I understand one of the purposes to be, not only to pay the expenses of the meeting but to have a complete published report of the sessions.

Mr. Easton: That is one of the purposes.

The Chairman: And all must understand that the work that is necessary to be done will be no small amount in itself. Each company will find it will certainly be worth \$8 or \$10 to them to get the report in the form in which they will no doubt get it from the committee.

The Chairman: If the volume is marked on the back "for private use" it is not likely that the public will get hold of it. As we expect this organization will be permanent, fifteen dollars for each company is not too much, taking into consideration the bills that will have to be paid here and what will have to be paid during the coming year.

Motion by Mr. Easton, that there be an editing committee appointed, and that such proceedings as pass that committee shall be published. Seconded.

Mr. Easton: It strikes me that the proceedings of this convention are going to be very valuable and a matter of interest to all of us. It will be very interesting to read in the light of the

experience of two or three years from now, the remarks that have been made by some of the members here. I want especially to have on record the remarks made and the position taken by our friend from Minnesota, Mr. Chadbourne. I want to have the pleasure of laughing at Mr. Chadbourne after a few years.

A102 Some who are unavoidably absent, should have the privilege also of seeing a record of these proceedings.

Mr. Clarkson: It will not be a very big document.

Mr. Wood: Some of the gentlemen do not understand that this is simply for the benefit of each company and not to go any further—as a matter of reference for the future.

Mr. Goodwin: Mr. Chairman, I move that the treasurer be authorized to pay all bills due from this association when such bills shall have been audited by the secretary and the president.

Seconded and carried unanimously.

The report of the executive committee on the subject of hand graphophones, was then presented and amended to the effect that it be expressly provided in the lease that the lessees shall use the machine only for their personal work and that the North American Phonograph Company be requested to arrange the leases used by the local companies, in this regard.

Amendment that a committee of one be appointed to frame a lease which shall be generally satisfactory to the local phonograph companies, to be submitted to the North American Phonograph Company, accepted and Mr. E. A. Benson appointed on the committee.

Article 7 of the existing contract between the North American Phonograph Company and the local companies, reads as follows:

“The party of the second part, shall keep all instruments leased to it under this agreement, in good working condition, and to that end shall keep in its employ a certain number of persons living at different points in its territory, who while acting as agents and solicitors for the party of the second part shall have sufficient knowledge of the instrument, to enable them to remedy

A103 any trifling defect in the working thereof; but whenever any part of an instrument shall wear out from ordinary wear and tear or through legitimate use, it shall upon its return to the party of the first part, be replaced by a new part, free of charge by the party of the first part; but when any part shall have been broken or rendered ineffective by the carelessness or neglect of the party of the second part or its sub-lessees, the same shall be replaced at the expense of the party of the second part, or of its sub-lessees.”

The committee reports that this article is sufficiently explanatory of the topic referred to your committee.

Member: I move the report be adopted. **Seconded. Carried unanimously, and so ordered.**

The Chairman: The Chair appoints as members of the editing committee, Mr. James L. Andem, of Ohio, Mr. W. H. Smith the reporter on the phonograph-graphophone, Mr. H. D. Goodwin, the reporter on the phonograph, Mr. E. D. Easton, and the secretary, Mr. R. F. Cromelin.

Mr. Glass: I have something here which I wish to present before the convention. I will read it:

Mr. Glass then read a resolution to the effect that his company requested one machine to be substituted for the two now in use, and explaining such a machine which had already been made, combining the excellencies of the phonograph and phonograph-graphophone.

Mr. Glass: I wish to say in reference to this matter, that this man has made a reproducer arm of his own, and has taken the graphophone cylinder and put on the Edison wax, and completed a machine, which is evidence that what we ask for can be done. And in this connection, I think it may be right to state that I have come here at the expense of the Pacific Phonograph Company,

A104 for the sole purpose of asking this convention to make this request.

Mr. Easton: I should like to ask Mr. Glass a question: Is the Edison cylinder composition put upon the graphophone in connection with the phonograph reproducer and recorder?

Mr. Glass: I will simply say this, that from the results we have obtained it is apparent that this thing is possible. We simply ask that all parties, that is, the American Graphophone Company, the North American Phonograph Company and Mr. Thomas A. Edison, shall direct all their efforts to that end; that they give us one instrument for correspondence, stenographic work and for amusement.

Mr. Easton: The point that I wanted to raise is, whether the proposition to take the phonograph recorder and reproducer and put them on the graphophone.

Mr. Glass: I would not make any special request in that matter.

Mr. Swift: Will you state a little more fully, Mr. Glass, about the results obtained from that machine?

Mr. Glass: The machine is better and simpler.

Mr. Swift: In what way?

Mr. Glass: It is possible to have a cylinder which can be turned down two or three times for correspondence and another which can be turned down forty or fifty times, and the machine would answer all purposes, and the results would be equally good as those now obtained from the phonograph.

Mr. Gottschalk: Will you please give us the results of your improvements? I refer to your changes in the Edison knife.

Mr. Glass: I will say, that I have brought one of

A105 those knives with me and that since we have put them out we have not had one single complaint about cutting cylinders. Whenever the arm is raised, the knife is thrown off, but it is never thrown against the cylinder.

The Chairman: The motion is that this report as presented by Mr. Glass, be adopted by this convention.

Member: I think it would be well to discuss this matter all together and then adopt the report more emphatically. I move that it be postponed and taken up with the topic of rentals.

Mr. Glass: I accept that amendment.

The Chairman: The subject of rentals is now before the convention.

Mr. Easton: In order to bring that topic fairly before the convention, I would offer a motion, that the rental on all treadle machines and motor machines with tables be fixed at \$50.

Member: I would suggest as an amendment that the rates for treadle machines and motor machines with tables be fixed at \$50 and that the hand machines be placed at \$40.

Mr. Easton: I accept that.

Mr. Haines: I move that the change in rental take effect when the new improvements are placed on the machines.

Mr. Swift: I think the subject of rentals might more properly be discussed after consideration of Mr. Glass's proposition. If the North American Phonograph Company should see fit to give us a combined machine we would have a better reason for raising the rent.

Mr. Easton: There seems to be a disposition on the part of many of the delegates to postpone the consideration of this question until after action has been taken on

A106 Mr. Glass's proposition, and in order to test the matter, I propose that that course be taken and make such a motion.

The Chairman: That may be done by consent. There being no objection, it is so ordered. Now, gentlemen, the report of Mr. Glass is before the convention for its action.

Mr. Glass: I move that we unanimously recommend and adopt this resolution.
Seconded.

Mr. Clephane: I wish to ask the gentleman whether under the resolution, one machine or the other would have to be adopted. It would be quite a burden on the North American Phonograph Company, if they had to assume all the expense of retiring the graphophone or of retiring the phonograph. Now, I ask the gentleman if it is his intention to have all this work thrown on the shoulders of the North American Phonograph Company.

Mr. Chadbourne: I suggest that you assess it on the sub-companies. They can pay it.

Mr. Clephane: I only wanted to get the gentleman's idea on that question.

Mr. Swift: I think that the assessment should be on the manufacturers and not on the buyers.

Mr. Clephane: That will affect my vote on this resolution a great deal. That is why I asked the question.

Mr. Swift: In connection with Mr. Glass's motion, if action was taken on increased rentals, and a portion of that increase went to the North American Company, they would be repaid for the increased cost of manufacturing these instruments.

Mr. Clephane: That is one way of reaching it. I only wanted to know.

The Chairman: Now, gentlemen, this resolution of

A107 Mr. Glass's brings up all these points. Is it desirable to have a single machine and is a general change in its parts desirable. All questions of treadle phonograph, battery phonograph, etc., come under this head.

Mr. Easton: It seems to me if the machines were sold it might be quite possible to reach the end in view without taxing the North American Phonograph Company too severely. If we were to have a new type of machine, and if the old machines might be sold to the public at a lower price, they could be disposed of.

The proposition is that they be withdrawn; that the North American Phonograph Company having paid out very large sums of money for the present machines, should simply lose its money and put in more money for another machine. I would like to offer an amendment to the motion, as follows: That in the opinion of this convention, one machine for all purposes is desirable, and that such steps should be taken as will reach that end most speedily.

Mr. Glass: I ask Mr. Easton to withdraw that amendment. As I have stated before, we have the result now. I would like to have that request made, just exactly in the form in which it there is, and to leave all connected subjects to be settled later. In other words, not to weigh it down with any suggestion as to who should bear the expense of changing for that machine, or where it should come from, but simply that we should have that machine which I now have, and I ask that that resolution should go through in exactly the form in which I have worded it there.

Mr. Easton: Mr. Chairman, I will tell you why I dislike to grant Mr. Glass's request, because his resolution proposes that all machines now out be withdrawn.

A108 Mr. Glass: Precisely.

Mr. Easton: That must involve a total loss of investment on the part of those who have built the machines and put them out, and it seems to me that it is a very strong request.

Mr. Tewkesbury: I do not think there is anything unreasonable in Mr. Glass's request. I do not suppose any member on this floor would care to discuss whether we should have one or two machines. It seems to me that the resolution or request made in behalf of these companies by Mr. Glass, does not commit us or the North American Phonograph Company as to the course to be pursued.

The Chairman: The amendment is that we should determine the course advised to be taken, at once.

Mr. Tewkesbury: I do not think Mr. Glass's request is unreasonable, for the question of interchange could be arranged after the North American Phonograph Company had undertaken the work and had made one machine out of two, which, Mr. Glass says, can be done very readily.

Mr. Swift: I should say in connection with the discussion, that if it is a burden to the North American Phonograph Company, it will probably occur to the North American and they will so inform us when the proposition is made, and an opportunity will be given of considering any objection that is made. I think that we had better make the suggestions to them in the strongest form that we can, and wait for any further suggestions to come from them.

Mr. Easton's amendment was then put and lost.

The Chairman: The question is now on the original

A109 motion of Mr. Glass. We all understand it; are we ready to vote?

Mr. Chadbourne: Mr. Chairman, I am heartily in favor of Mr. Glass's resolution. I have long felt that we should have but one machine and that a first-class instrument. If it can be made out of two, take the parts of the two machines and make one good one. We know that there are some things about the graphophone that are admirable; that there are some things about the phonograph that are splendid. Now, put those two together and make one good machine. If these two companies which are fighting each other like Kilkenny cats, can't be made to come together and use a little sense in this thing, I think it is time the sub-companies instructed them what to do. I know, gentlemen, that they are spending lots of money; there is no need of it. If they will use just a little horse business sense, they will get a good business machine and get good results and the public will be satisfied. Now my experience with these machines has been that if you show a party a phonograph or a graphophone—if you show them one, they like it—"yes, that's nice—well, now, have you got anything else?" "Yes, we have got another one here. I will show you the phonograph." "That isn't the phonograph, is it?" "Yes." "Well, I want to see that." So you go through the thing and show them the instrument. "Well, is this the latest improved machine?" "Yes." "Well, can we have all the improvements that are going to come out on the machine in the future?" Yes, that's promised. "Well, I guess this thing is a little fresh yet, we will wait a little while." They will take neither machine. Just so sure as you show both machines at the same time, you will

A110 lose a customer. That has been our experience. You show them the good points of each, and they will say: Well, there are splendid points about this graphophone, I like it better than I do the phonograph—but why don't they make it all in one? What is the use of having two machines? Now that is what the public see. Have but one machine and that a good one and get the best results you can and the public will be satisfied. You had better take these machines and

pile them up on a ten acre lot to get rid of them and have one good machine and then you are all right. These two companies feel jealous of each other. Here is a patent got by Mr. Tainter, for the spiral winding of that cylinder, which is splendid. If they will adopt that from the graphophone to the phonograph, you will have no trouble with breaking of cylinders, if they will cover that paper winding properly. It looks to me that that stop and start motion of the graphophone can't be beaten—it is splendid—while that on the phonograph is utterly worthless; and yet you persist in putting out a machine that the public sees the defects of. They call our attention to it, we call the attention of the North American Phonograph Company to it; and they say we can not do anything about it because of patents that are held here by the graphophone company. The public has to suffer. Now, gentlemen, there must be something done, and the more emphatic you can make this, I tell you the better we are off, and the North American Company and Thomas A. Edison and the Graphophone Company and the nine hundred thousand others who are interested here must know that fact and know it most emphatically.

Mr. Easton: I would like to ask Mr. Chadbourne a

A111 question. He is so well informed generally on the practical part of the enterprise, I would like to know where he received his information that the companies were fighting like Kilkenny cats.

Mr. Chadbourne: I was told by Mr. Tainter himself a year ago. **(Cheers.)**

Mr. Easton: It appears from Mr. Chadbourne's statement that his information in this case, as in many others, is a year old.

Mr. Insull: Might I be allowed to make a remark? It takes two to make a fight in every case. If the two interests are fighting like Kilkenny cats, all I can say is, the fight is all on one side, because I know on our side, the Edison side, there is no fight at all.

Col. Payne: We have never had any fight with Mr. Edison, a year or two ago or any other time, and I doubt whether Mr. Tainter ever said so in the world.

Mr. Chadbourne: I will give you the words of Mr. Tainter, if you will allow me to explain just a moment. I took dinner with Mr. Tainter at the graphophone factory. I said to Mr. Tainter that the cylinder of the graphophone was a very superior one, and that I would like to have him make some to go on the Edison machine. He got mad at once and said: "Thomas A. Edison can go to Hell! **(Great laughter)**. He hasn't got anything that he didn't steal from me. I would like to see him use that cylinder or any part of my machine." **(Great laughter)**.

Mr. Easton: Mr. Chairman, a single word: If the Minnesota Phonograph Company had at heart the best interests of this enterprise one-half as strongly as Thomas A. Edison and the American Graphophone Company

A112 have in it, they would be declaring ten per cent dividends on their capital stock.

Mr. Clarkson: I was with Mr. Chadbourne at the time and I can verify his statement.

The Chairman: Let us stick a little closer to the question. I don't know as this has very much to do with Mr. Glass's resolution.

Cries of question, question.

Member: If it is so peaceable, what is the object of that clause in all our licenses, that you can not use the appliances of one machine on the other?

Unanimously carried.

Mr. Clephane: I move that a copy of this resolution be sent to each of the parties named in that resolution. **Seconded.**

The Chairman: I think that if we were all as enthusiastic as Mr. Easton, there would not be much fighting anywhere. **Carried.**

The Chairman: The motion now is, that all machines be rented for \$60, except the hand machine, which shall be \$40; \$35 of the \$60 to go to the sub-companies and \$25 to the parent company. Are you ready for the question?

Mr. Conyngton: My amendment was that the increase should go into effect when the improvements go out.

The Chairman: The question now is on Mr. Conyngton's amendment, that is, that this raise of rentals be postponed until such time as we shall receive a single machine.

Member: I think it is of vital importance to the sub-companies to derive all the income they can immediately, and not wait six months or a year.

A113 Mr. Conyngton: We could raise the rent with a great deal better grace if we had something to show; and if these improvements go into effect, I do not think it need be six months when we can go to our patrons and say we are going to raise the rent now because of the improved machine.

The Chairman: I do not think we ought to raise the rent now.

Mr. Glass: We are a long way out west, and our freights are something simply enormous, and whatever business we do there, we have to do with a view in some way to get even on that freight charge. We do not take from the North American Phonograph Company or from Mr. Edison, any of the cabinets that they have provided, for the reason that the freight charges on those cabinets to California would be greater almost than the original cost of the cabinet, but we have a cabinet made of our own, which is very pretty. It has two drawers that will hold twelve cylinders each, has casters under it, and it holds a battery of two-hundred ampere hours capacity. We rent that apparatus for \$7.50 a month. It is specified in our lease that a man pays \$3.33 a month for the use of a phonograph, and the balance for the use of the cabinet and sixty hours electrical service. If these phonographs are serviceable, they are worth that money, and I would suggest that this convention do not make any sort of a proposition by which the amount of rental paid to the North American Phonograph Company, be increased. As it is now the North American Company gets \$1.66 and we get the balance, and I would rather it would remain that way, than to increase the amount to be paid to the North American Phonograph Company.

A114 Mr. Haines: The companies in this part of the country take the supplies furnished by the parent company. I think the method proposed is a violation of contract with the North American Phonograph Company that the majority of the sub-companies would not care to indulge in.

Mr. Glass: I beg to say in reference to that matter, if a man comes to us and requests to rent a phonograph for \$3.33, we lease him a phonograph. If he wants a cabinet, we lease him that. That is our own individual business, and I believe every local company does likewise.

Mr. Hoit: I would say in regard to the rentals, that the Chicago Central Phonograph Company wishes to have the rentals left as they are, we think with Mr. Glass and say with him, that we furnish the tables with the same understanding that he has. We can furnish the instrument at \$40 a year, and if a man wants a table similar to what the North American Phonograph Company furnishes, we have a right to lease him that table, and we don't think the North American Company can prescribe in that matter. All we want is to be let alone.

Mr. Easton: Lest there may be some misunderstanding on this point, I want to say a word or two. What will be the effect of our action? Suppose the local companies vote against an increase of rental on the machines, what will be the natural result? Will not the North American Phonograph Company be obliged to order the sale of machines? How would the Chicago company like that. The North American Phonograph Company has the absolute power to issue a

circular to-morrow morning, announcing the sale of phonographs and phonograph-graphophones. If you force that company to take an unprofitable share in the rentals they will have

A115 to take their remedy. In the first place, the American Graphophone Company has the option at any time to compel the North American Phonograph Company to sell, and in the second place, the North American Company may order the sale of machines at any time.

Mr. Clarkson: In the early part of this session I read a paper in which there was contained a request that the North American Phonograph Company reduce their royalties \$8 or \$10 per year. That was the express wish of the companies that I represent.

Mr. Sampson: I should like to support the motion, and also to supplement what has been said about the North American company by Mr. Easton, because I think that they have treated us very fairly, and it seems to me only just to express our appreciation of that treatment. Now in view of the very decisive vote that was taken here last night, which shows conclusively that the convention is opposed to the sale of machines, is it not fair for us to do something in reciprocity to the North American Company in order that they may feel that we are working in harmony together; that we are not trying to pull apart? I think the statement as made by Mr. Haines of the New York Company, is a very equitable and just one to all concerned, and I hope it will be the sense of this convention.

Mr. Tewkesbury: I should like to hear some one discuss the feasibility of the adjustment of rentals on the basis of telephone rents, which is different in different territories. I think it might lead to the solution of the whole question, if it were deemed advisable for different territories far removed from the base of supplies to increase rentals proportionately, and I would like to have any one connected with telephone companies give us

A116 their experience. I think there is no objection to parties living on the other side of the country, adding freight charges to the rental of machines, but to have the rental uniform.

Mr. Chadbourne: There is a great difference between the rentals on the Pacific coast, Colorado, Wyoming and the northwest in general, and the Metropolitan, New York and New England Companies, which can harness up their wagons, go over to the works and take a load and bring it around to their offices without much cost. That is what the Commodore says; that they have theirs hauled by wagon. We don't have ours hauled by wagon, we have to pay money for them—as high as \$5 for each phonograph to get it from Orange, New Jersey, to St. Paul or Minneapolis—that is considerable to take out of our share of rentals for freight charges. We don't pay that much now, but we have paid as high as \$5 on each machine. As the gentleman from Colorado said yesterday, they pay \$21 or \$22 on a machine. You can see there is a vast difference between those people and you eastern people who are paying simply a nominal freight for your instruments. Now, there should be a difference made in this rental. Give the western fellows a chance to live. You eastern people down there can live anyway, but we have to kick hard for it out here.

The Chairman: Has the freight committee had a session yet?

Mr. Chadbourne: Yes, but they simply recommend to adjust the freight interests.

Mr. Easton: I understand that Mr. Chadbourne deducts from his rentals and supply bills, the freight he has to pay.

A117 Mr. Chadbourne: Give the eastern companies their present rate and let the western companies, or those farther away, take a little more out so as to cover these freight charges. Don't make it uniform.

Mr. Haines:¹⁰ We ship our machines 500 miles from the base of supplies, and New England 700 and not by wagon either.

Member: Wouldn't a good deal of the difficulty in the present situation be overcome by having a western depot of supplies?

Mr. Beach: I am not in favor of so radical a change in the rental as is proposed in that motion. It seems to me it is going to stop the progress of the business on the start. However I do think it is quite important for the territory which I represent to have a raise of rental. But I see by this proposition that it is proposed to give a portion of that increase to the parent company. I hardly think there is any reason for that, because in the improvements that are coming out on machines, and the prospect of a combined machine, the cost of manufacturing the machines will be greatly reduced, and it seems to me that a simple raise of rental to say \$50 a year uniform on all motors and treadle machines, that amount of rental increase to go to the sub-companies, is all that is necessary, and I should endorse such a resolution most emphatically.

Mr. Lindsay: It seems to me that the companies out west ought to have some relief either by adding freight or using a method similar to that adopted by the North American Rocky Mountain Telephone Company. The Rocky Mountain Telephone Company has a right to charge for the instruments that are used all the time in our regular line of business any price that they may see

A118 fit or deem equitable in order to keep those instruments in repair. For instance there are some instruments that are constructed on private lines that are connected with telephones at Cheyenne that pay as high as \$30 a month. That was charged for the reason that an expert has to make visits to that place to keep that machine in order. Now out in Wyoming, a great many phonographs could be used on the ranches, but it is impossible under the present system of rentals to place any great number of machines out, unless there is some provision made for an increase in rental.

The Chairman: Do you think it is a violation of our contract to charge a man \$50 to go down there?

Mr. Lindsay: They won't pay it—but if we could arrange it so that we can charge him a certain amount for the use of that phonograph down there, and not bring in any bills for repairs for experts, he does not pay any attention to it, but pays at the end of the year or quarter.

The Chairman: Put that in the lease.

Mr. Lindsay: Are we permitted to do that? Are we permitted to charge a certain amount? As I understand the contract with the North American Phonograph Company, we are not permitted to do it. We are not permitted to charge any more than the rental.

Now that is a question that I would like to have adjusted here. We can place a great many machines, if we can see some profit in them, but if there is no profit in them, we want to see some adjustment made.

Mr. Gottschalk: I venture to say that the North American Company would have no objections to any local company adding on the freight charges or rent for any extra part that they may have attached to the ma-

A119 chine. Their idea, as I understand it, is to have a certain uniform price throughout the United States for the rental of machines. But it does seem too bad if we are going to have an extra expense of \$20 to put that machine out, and then to bring the machine an extra hundred miles or so, that we can not charge extra for it. On the other hand, Mr. Beach's remarks to the

¹⁰ Original has "Haynes"

effect that the local companies should have the entire benefit of a raise in the rental, seem to me rather one sided. As I remarked yesterday, you must never kill the goose that lays the golden egg. If we do not give the parent company a share of the increased rental, there is no incentive to that company to give us any improvements. Furthermore, they may refuse point-blank to allow us to increase the rentals, and if I were in their place, I for one would certainly object to it. On the other hand, if we show them, which we can readily do, that it does not pay to put machines out at \$40 a year, and say we know it does not pay them either, I am sure we can adjust this difference in a very short time, but we must be reasonable about it.

Mr. Tewkesbury: I do not feel in favor of an increase that would merely cover the freight rates because there are other extra expenses to cover.

Mr. Haines: I should prefer an equitable adjustment of all the rates, not one in the north-west and another in the west and another in the south-east, but for the benefit of all on the best business plan that could be made.

I have had this matter under consideration for a long time and I have been in consultation with a good many of the members of other companies, and that basis seemed to fill the bill all around.

Mr. Lindsay: There is one thing that I would like

A120 to say in this connection to the convention; that up in Wyoming there is a great industry, cattle raising, the ranches being situated all over the territory. I have talked with a great many of those ranchers, and I find that if they could get a machine that could be depended on, they would take them in their ranches and have reports made by their foremen in regard to the condition of the ranch and the cattle, and have those reports sent down by mail nearly every day. We find that those foremen, while they can all talk mostly "United States," a great many of them are not in the habit of writing; and they could use the machine very nicely, and the transcript could be made at the general office in Cheyenne. I am in favor of giving the local companies the privilege of charging whatever we see it is necessary to charge in order to supply that sparsely settled district with machines that they need.

Mr. Lindsay: We are paying as high as \$4.80 and \$5.00 a hundred on all of these goods delivered, and if we could make special contracts with special parties whereby we could be permitted to charge them enough money for the use of those machines, that we could afford to take care of them and keep them in repair, we could place perhaps one hundred and fifty of the machines around in the various portions of that territory.

The Chairman: Mr. Glass and Mr. Hoit will tell you just how they do that.

Mr. Williams: The contract between the North American Company and the local companies provides that we shall have experts to take charge of these machines. But there is nothing mentioned in that contract about the local companies' charges for that service. I think that would cover the point that Mr. Lindsay

A121 speaks of. Now, some one has spoken of the methods of the telephone company. I have had some experience¹¹ in that line. The rental contract is almost the same as the phonograph contract, namely, they furnish the two telephones¹² for \$35 a year, but we charge \$160; we charge for the service, the wire, the battery and the bell, which are all outside of the instrument proper. The American Bell Telephone Company furnishes the telephone but nothing else. The charges are made to cover supplies on lines that are constantly in service. I have found that the question of rental could fairly be left to the companies with the understanding that they can

¹¹ Original text inserts a period here.

¹² Original text has "telephonos"

interpret these contracts as the telephone companies do, to make such rates as they consider the traffic will bear, and the farther they are from the centers of population, the greater the price charged. The telephone companies, for instance, charge \$84 in a radius of a mile. Get off two miles and the charge is \$100; get off five miles and the price ranges between \$300 and \$400. Yet they are bound up by a contract with the American Bell Telephone Company, almost the same as that which binds the local companies to the North American Phonograph Company.

Mr. Wood: We should be glad to hear from Mr. Lippincott.

Mr. Lippincott: In regard to the increase in rentals, it has been my conviction for a long time that in the interest of the sub-companies, it would be advisable to increase rentals, for the reason that a good many of them cannot make any money at twenty dollars a year and keep the instruments in order, if the user is not proficient. The Metropolitan Company had an interesting experience a little while ago; I was shown a detailed

A122 statement of the cost of keeping one phonograph in repair, and in four months' time, taking the wages of their expert, car fare, etc., it amounted to seventeen dollars. In twelve months they would have received twenty dollars; out of which probably they paid five dollars for the placing of the machine. So that at the end of four months, more than the total amount they would have received at the end of twelve months, had been expended. I am not to-day prepared to say whether the North American Company is in favor of increasing rentals from their stand-point or not. As to the advisability of doing it for the sub-companies, I do not think there is any question about it, unless they would do as Mr. Williams suggests, that is, make a charge for every time they go to inspect a phonograph. That being an unknown quantity, a man might hesitate a long time about signing a lease because he wouldn't know exactly what it was going to cost him. If the probable amount it was going to cost him, were added to the charge in the first place, he would know exactly what the instrument would cost him for the year. Now, there is another point in regard to selling the machines. I would say this, that while the sentiment here seems to be so strongly against it, if the sub-companies wanted to continue the business entirely on the rental basis, I am not sure but that the North American Company would be willing to sell them the instruments, and let them do the leasing.

The Chairman: Gentlemen, the question is on Mr. Conyngton's amendment, that the motion made by Mr. Haines take effect at such time as we get the single machines.

Mr. Cheever: In regard to the amendment, I think,

A123 the time is too uncertain for us to put that in the proviso. We all know, even with the best intentions, how many delays occur, and how uncertain it is when we are going to receive an improvement which is promised us. When we think it is almost ready to be put in our hands for use, it may come in a month or two, or it may be longer. It is immediate business that we are trying to look out for now.

Amendment lost.

The Chairman: The question now is on the original motion as made by Mr. Haines; \$60.00 on motor and treadle phonograph; \$35.00 to the sub-companies; \$25.00 to the parent company, and \$40.00 for the hand machine.

Mr. Benson: The rental is not equitable at all. Here we take a treadle machine; I am talking about the sub-companies now. If you take a motor machine you have got to pay fifteen or twenty dollars for a battery, and look after that battery, and it does not seem to me that that is equitable at all.

Mr. Tewkesbury: By the time you look after the battery, you will raise the rental to a hundred dollars a year.

Mr. Cheever: That's right, that's right.

Mr. Tewkesbury: I am somewhat inclined to Mr. Benson's view, but for another reason. I expect every company represented on this floor, has found that in showing machines the customer expects to pay more for the motor machine, than for the treadle. When they come to the motor machine they ask you "how much more do you charge for that?" I do not see why there should be any objection to raising the rental on the motor machine. I do not think it would be equitable

A124 to place the motor and treadle on the same plane. I do not think any company would experience trouble in charging more for the motor machine. I think there might be some trouble if both were on the same plane. There is a difference. The motor comes higher to the user on account of his having the use of the battery.

Mr. Hoit: What has become of the little box motor phonograph? Is that in this motion? The box surely can not cost the same as the table.

The Chairman: Yes, it costs the same. All put in as I understand it. If you prefer the box you can have it. The question is ordered, and a roll call is demanded. The Secretary will call the roll. Those in favor of the motion as now stated will answer aye, and those opposed will answer no.

Mr. Tewkesbury: I think some gentlemen are in the same position as I am. I make an amendment to that motion, that it is the sense of this meeting that the rental shall be increased, without naming the price; that a committee be appointed to confer with the president of the North American Phonograph Company on this point. I want every one to understand that I am in favor of¹³ this increase.

The Chairman: The motion made by Mr. Tewkesbury is, that the motion made by Mr. Haines be so amended that the convention shall ask for an increase of rental without naming a price, and to that end that a committee be appointed to confer with the North American Phonograph Company and report back as soon as possible.

Mr. Conyngton: I think that is an inequitable division, after jumping from \$40 to \$60 for the foot power, which in any man's eye is not as expensive as the mo-

A125 tor. We are not prepared to record any vote, and therefore simply pass.

The Chairman: If there are any other gentlemen who wish to record their votes, we will wait a moment for them. The Secretary will announce the vote now. Ayes 20, noes 4, passed 4, absent 2.

The Chairman: The next topic, gentlemen, is batteries, under the order of business.

Mr. Chadbourne: (Referring to the knife attachment shown by Mr. Glass.) I would suggest that the manufacturing companies see the importance of having a good knife. If that is a good one adopt it; I do not see how we can go into the details on construction of machines. If the knife is a good one, they will undoubtedly take it.

Member: I suggest that we call upon the Columbia Company, to let us know what batteries they are using.

Mr. Easton: I should like to hear from Mr. Barber, of the Colorado and Utah companies, on the subject of batteries. He is very well informed on that subject, I understand.

Mr. Barber: Mr. Chairman, there has, as is well known, been considerable trouble and speculation in regard to batteries. The Colorado Company has got permission to bring here what

¹³ "of" missing from original

is called the Carpenter battery, which is made in Denver, and which we have had actual experience with. We have had six of those batteries in actual use for about ninety¹⁴ days and we have given them every test that would ever come up in use in the different companies. We have not found a

A126 single failure in any of these batteries. We do not say that it is any better than some of the other batteries, but it certainly combines points that some of you may wish to examine, which are advantageous. These plates are set in a vertical position, there is hardly any chance for short circuiting; that is the trouble with some batteries that we have been using. The battery that we are using here weighs thirty-four pounds, and it is a two hundred ampere battery, although we have got out of it, I think, about two hundred and thirty ampere hours. That battery they give us a price on of eight dollars and fifty cents, for the phonograph companies.

There is a still smaller battery which they make if anyone wants to use it for exhibition purposes, which weighs about eight pounds and will run the phonograph about eight hours. They will give prices on any battery that they have. This one, of course, is less.

We also have a battery here with the ampere meter to test anyway that you may see fit. That is a ninety hour battery and will not hold out as long as this one. If it gives out its strength will recuperate if left to stand for a few minutes. The case is wood.

Mr. Chadbourne: How long will it run?

Mr. Barber: It will run about ninety hours. I think it will run over that. It is what they call the two hundred ampere hour battery.

Mr. Chadbourne: I never look at one of those batteries but that I feel like swearing.

Mr. Barber: We have no interest in the batteries at all.

Mr. Chadbourne: It seems to me to be a very strange thing that with all the knowledge of Mr. Edison about electricity he can not employ somebody, if he does not

A127 know enough himself, to get up a good battery that will run his phonograph. It seems abominable that we should be so annoyed.

Mr. Barber: We have just as many sizes as you want. The price is eight dollars and fifty cents F. O. B. on cars.

Mr. Chadbourne: And what would be the freight charges from Denver to America?
(Great laughter.)

Mr. Barber: The battery has been out since about October, but they have not been used for any purpose except electric lighting. They have been in actual use between Denver and Omaha about four months. They have had a test of that long. But we have tried it in our office for over ninety days. We have had six of them. We have already put some of them out, and have run one continuously until it was exhausted, nine hours a day, continuous circuit all the time.

Member: I would like to inquire what your experience has been in regard to putting these batteries in the hands of express companies and the chances of breakage and derangement.

Mr. Barber: This is the first battery that has been sent out set up or sealed. After we get through using it we will take it apart if you choose to see it. Under this cover there is a gum packing about an eighth of an inch thick, so that by pressure on the cover it seals it perfectly; then by putting paraffine around the binding-paste, I don't think that battery would leak if it were turned bottom side up.

Mr. Chadbourne: Have you ever tried it?

¹⁴ Original: "ninty"

Mr. Barber: We have not tried it because this is the first one put in the case. This has not been touched since we left Denver.

A128 Mr. Chadbourne: Will¹⁵ that Company guarantee to make a sealed battery that can be handled by express companies?

Mr. Barber: I suppose so. Of course I can give you their address and you can find out.

Mr. Chadbourne: How long will they guarantee¹⁶ the battery.

Mr. Tewkesbury: When was that charged?

Mr. Barber: That was charged about a week ago in Denver.

Mr. Tewkesbury: How about over discharging.

Mr. Barber: They can discharge them all the way to a twenty-five ampere current without any trouble.

Mr. Cheever: Have you had any experience in regard to the number of hours that battery would run a phonograph motor and the C. & C. motor and other motors?

Mr. Barber: No, I have not. They have been a perfect success for lighting cars. We are not representing the company; I just asked permission to show these things. We are not interested in the company at all. If it is of any benefit to the convention I want them to have it. This was got up specially for me. I offered the suggestion as to how it should be put up, and it was put up for me, and anyone can test it if they want.

The Chairman: Mr. Barber is not, I understand, representing the battery company, but it is simply a battery that he has been using and he is explaining the battery. He is not here as an agent for the company.

Mr. Barber: That is the way it is. We have had more or less trouble and as far as my experience goes,

A129 with this battery everything is all right, so I give it to the convention.

Mr. Chadbourne: I make a motion that this matter of batteries be referred to the North American Company and that they adopt some battery that they will recommend to the sub-companies and are willing to guarantee and stand behind as giving perfect satisfaction. If it does not give satisfaction, the company with which they make contracts shall be responsible for the battery and the trouble that it causes the sub-companies. We know nothing about batteries. I know nothing about batteries; I care nothing about batteries; all I want is that they shall run the phonograph, and run it without any intermission or any trouble; that they shall give the public satisfaction; that is something that we have not had, and I want the North American Company to provide that battery. Let them say what is the battery that we should use, and the cost, so that the public will be satisfied with it and it will run the number of hours that they say it will run. I move that this matter be referred to the North American Phonograph Company, and they be requested to furnish the sub-companies with such batteries as are suitable to run the phonograph and the phonograph-graphophone.

Mr. Clarkson: I think in regard to the North American Phonograph Company recommending to the sub-companies any particular form of battery; it is impossible for the North American Phonograph Company to know much more about batteries than the sub-companies. I think this is a time when all the sub-companies should give their experience in regard to storage batteries, and make recommendation to the North American Phonograph Company.

¹⁵ Lower-case "will" in original.

¹⁶ "gaurantee" in original.

A130 Mr. Gottschalk: The Metropolitan Company have tried about fifteen various storage batteries within the last year, and we have not found yet one that is of any account. The most serious objection to all storage batteries is the fact that you never know when they are exhausted, and in the midst of work they are liable to give out at any moment. Until a meter of some kind is invented so that you may know when to recharge the battery, I don't think the storage battery will be a success. It might interest this convention to know that during the past four or five months there has been experimenting done in New York with a thermo-pile battery, which (if some of the gentlemen here are not conversant with it) means a gas battery; the generation of the heat through lighted gas gives sufficient electricity to run the motor. It has been used now about three months in New York and, as I hear, quite successfully. If a battery of that kind should ever be of practical use that is the battery you want, because that never stops. I suppose we all live in places where there is gas.

Mr. Chadbourne: Will it run with a kerosene lamp?

Mr. Gottschalk: Yes, it will run with a kerosene lamp, and I think until that battery is perfected it makes very little difference which storage battery we use. They are all good and they are all bad. I might add in that particular that some of the companies may not know that it is possible to charge a storage battery by using a gravity battery. We have done that in New York. It is done by using a blue stone battery and, by adding a little blue stone every thirty days or so, it keeps the storage battery charged well for a year, and you can use your machines three hours a day, and while you are not using it, the gravity battery is re-filling the

A131 storage battery. We have also had varied experience with electric light current; if that is of any interest to you gentlemen here I have a report to submit.

Mr. Easton: Mr. Chairman, the Columbia Phonograph Company has a satisfactory battery system. We thought it worth our while to place in charge of the batteries a man who understood batteries; the result is that our battery system gives no trouble either to ourselves or to our subscribers. It is satisfactory in all respects and it is profitable. We use the Julian battery.

Mr. Gottschalk: I want to ask you if your battery ever runs down?

Mr. Easton: The system is so good that I think there is no trouble in that respect. The electrical department watches the calls closely so as to insure their not running down.

Mr. Gottschalk: That will do very nicely in a densely populated town, or city; but how can you do that in a sparsely settled country?

Mr. Easton: You can not do that so well in a sparsely settled country. We would not try to do so.

Mr. Chadbourne: I would like to ask Mr. Easton what he charges a subscriber?

Mr. Easton: We charge our subscribers two dollars a month for unlimited service and insure it to them.

Mr. Andem: In Ohio we have the same battery, the Julian. We have about forty. We rent them at two dollars a month, and they are perfectly satisfactory. We change them every two weeks, as a rule.

Mr. Easton: Our company has about a hundred.

Mr. Chadbourne: I should like to ask Mr. Easton how often he changes his batteries. I suppose it depends a little on how much time the customer uses it.

A132 Mr. Easton: The electrician looks out for that; if he finds that a subscriber is using it constantly he changes it oftener. He watches the batteries constantly and carefully.

Member: We use Julian batteries in our office, but we find they are liable to slop over in the office; nor is it feasible¹⁷ to send them out in the country. I would like to ask Mr. Easton how they convey these things? They are heavy, awkward, apt to break and apt to slop over.

Mr. Easton: The batteries are carefully boxed and prepared by the electrician with especial view to being transported; carefully prepared with that end in view.

Member: There was a gentleman came into our office about two weeks ago and had a little bit of a water motor, not much larger around than that. **(Indicating.)**

He came right in and put that little motor on, and I never saw anything like it. Now it may be that when we get around to it that water power will be the proper motor power. It ran regularly.

Mr. Clarkson: Mr. Chairman, I would like to ask what experience the members have had in regard to spring motors. Has any one had experience on that line?

Mr. Gottschalk: I know for a fact that Mr. Edison has experimented with spring motors and has thrown them aside.

The Chairman: How is the water motor?

Mr. Gottschalk: It cannot be used all over. The board of public works will not allow us to use them in New York.

Member: I make a motion that a committee of three be appointed by the chair to give the results in regard to

A133 batteries, and bring them before the convention as soon as possible.

The Chairman: So ordered. The committee will be Mr. Clarkson, Mr. Barber and the Secretary.

The Chairman: Is there anything further on the subject of batteries? Gentlemen, under this subject of the transportation of machines the committee on freight is ready to make a report. Are you ready to hear that at this time?

Mr. Glass: Mr. Chairman, your committee has but a short report to make. The committee appointed on freight and transportation respectfully report that we have taken such statistics on freight that we could get, and would advise the convention to pass the following resolution:

WHEREAS: We believe that all the phonograph companies should be put upon as equitable a basis as possible, that inasmuch as the companies remote from the factories are put to a much greater expense in introducing and placing the phonograph and phonograph-graphophone upon the market than those companies less remote,

Resolved, That this convention earnestly recommends that the North American Phonograph Company should take steps to lessen the freights that are now being paid, and to that end we would ask that they establish such sub-depots as may seem best at the best place to lessen such freight charges; that in order to try the effect of establishing such sub-depots we would recommend that they at once establish and maintain as one of those depots, one at Denver, Colorado; that the expense will not be ¹⁸ for but one trial, and if said depot gives desirable results that other depots should be established as in their judgment¹⁹ may seem best. We would further recommend

A134 that the chairman of this convention appoint a permanent committee of three persons, connected with three phonograph companies, whose duty it shall be to try and get re-rating for

¹⁷ "feasable" in original

¹⁸ lacuna in original

¹⁹ "judgement" in original

transportation of freight on all railroads in the United States which the different companies must ship, and such other advantages as they can obtain; and that to obtain such re-rating, classification, etc., we request the assistance of the North American Phonograph Company and the Edison Phonograph Company.

Mr. Glass desired to state while upon the floor that if this resolution was passed and this committee was appointed he thought it would be the duty of each company to correspond with the chairman of this committee on freight, giving the chairman of said committee all information that they possess briefly in regard to freights and their classification.

Signed by the Committee in full.

Mr. Glass: The committee on looking that matter over thought that a depot should be established at Chicago, but that the freights were higher at certain seasons of the year than from the East. The freights from Chicago are as much within a very few cents as they are from the factory; and that if we had a depot in some western place the party ordering a machine and supplies could order them direct from the North American Phonograph Company and the North American Phonograph Company by mail, could direct their depots to ship to these different companies such supplies as they may order, thereby saving a time of nearly three weeks. To-day if we order by mail it takes us nearly a month to get machines. Now this is simply an experimental station that we wish to have established.

Mr. Beach: I want to say that I have had some cor-

A135 response with the chairman of the Classification Bureau of the West, and he states that there is to be a new classification in June, so that any steps taken would have to be taken early, and correspondence opened early with that Classification Bureau, especially for the west; I don't know how it is in the east, but I presume it is the same. There is probably the same overhauling of rates to be done east in June.

Mr. Glass: I would suggest that Mr. Beach be put on that committee, and that anybody who has a complaint to make should write to him. The committee in talking the matter over, also suggested that someone connected with the Metropolitan Phonograph Company of New York City, be one of that committee.

Report adopted, but Omaha substituted for Denver.

The Chairman: The next topic on the programme, gentlemen, is the subject of the cylinder; whether it should be longer or shorter, and mailing cylinders.

Mr. Easton: I think that subject may safely be left to the factories. They are going to do the very best they can without waiting for suggestions. They are working on them all the time, and they will give the best cylinder in every respect that can be devised.

Member: In regard to that point that some of the delegates have expressed opinions in convention here that the cylinder as at present put out in connection with the phonograph is long enough for all ordinary purposes, one great objection to the machine in our territory is the length of cylinders; they are not of sufficient capacity to hold all of the dictation that many users of the machine would like to subject them to, and it is our judgment that if a change is made in this direction it would help very largely in the introduction of the machine,

A136 and overcome in a measure some of these objections we find there is in both the phonograph and graphophone; more especially the phonograph in this respect.

Member: I move that it be the sense of this meeting that the cylinders should be made so as to hold a greater amount of dictation.

Mr. Chadbourne: On this question of cylinders, I think the length has been fixed by the North American Company. You were advised a few days since that the new cylinder that they had on hand ready to deliver was six inches long—as long as the brass mandrel there and that they were ready to be delivered and had a lining that would make them much stronger than the old ones, which we see here a sample of,—I suppose that thread lined cylinder is meant,—so that I think that matter has been provided for already.

The Chairman: The red-based cylinder has failed.

Mr. Chadbourne: I do not see why this should pass because they have made a cylinder as long as the machine will carry now. All you have to do is to order it.

The Chairman: It is simply to test the convention as to whether there is to be a longer cylinder; some are not in favor of a longer cylinder.

Mr. Chadbourne: I think that we should recommend something different from what we have if it is possible to have it.

The Chairman: Let us settle the question of length, then if you want to make a motion on it you can. Let us hold to the question of length.

Mr. Chadbourne: I would move an amendment that we recommend the North American Company to provide a longer cylinder and a stronger one than has been heretofore provided for the phonograph, and in addition

A137 to that if it is possible to give the sub-companies a flexible cylinder that we want that by all means—a flexible cylinder for mailing purposes, that is what I am talking about.

The Chairman: Mr. Chadbourne, we want to hold to this question. Your motion is that we have a stronger cylinder and a flexible cylinder, that is your amendment. Is there a second to the amendment?

Mr. Smith: (New Jersey). My purpose was to have the end accomplished merely by lengthening the cylinders. If by changing the model the same end could be accomplished, why it is better than to make the cylinder longer. What I want to accomplish is that the cylinder shall be made or the length shall be modified so as to have it hold more.

Mr. Clephane: I think in regard to improvements now coming out in the way of new cylinders, that it is quite important that there should be an extension made of that cylinder, of a slight character, which will give room enough for making any announcement necessary, or on which to state the number or character indicating what the cylinder is. In the matter of musical cylinders we find that we occupy perhaps a quarter of an inch of the cylinder in making the announcement on the cylinder. If we had an extension of the lining that would be light, that could be taken hold of and we could put the announcement on there, why, it might help a great deal for musical purposes and even for ordinary dictation.

Mr. Sampson: I want to speak in favor of lengthening the cylinders for the phonograph. I believe that is the motion of Mr. Smith, of New Jersey; and I do so from the fact that I have had several instances

A138 brought to my notice in my territory of placing machines among those who require a cylinder that will take a larger amount of dictation than the ordinary commercial one. I have now in my hand a letter which has been received within fifteen minutes from an agency of my company in Providence, Rhode Island. We placed there last week a phonograph to be used in connection with editorial work, and Mr. Holland, the editor of the paper, said that he had no question about the great value of the machine, if it could be made to record a certain number of words. And the attempt was made to read an article which he said if it could be put upon the cylinder, would satisfy him. They had to make two attempts in order to do it, undoubtedly from

the fact that, owing to the number of words reported, they did not run the machine as slowly as they might have, for they put only 720 words on a cylinder, and they had ten seconds left with a blank. Mr. Holland said that he was satisfied with that, but at the same time the value of the machine would be vastly increased providing a cylinder could be placed on the mandrel which would give greater length of surface, or more dictation, and that is what we want.

The Chairman: When we get on to the graphophone cylinders, I would like to have something to say about that.

Mr. Goodwin: I have had a great deal of experience in using the phonograph cylinder, and although the views that have been expressed here, were at first my views, these views have with me changed a great deal. I find that it is practicable to run the machine even as low as thirty five or forty revolutions a minute, and get

A139 good results. I have very often put on a cylinder between two and three thousand words at the rate of two hundred words a minute, that is running the cylinder through in from ten to twelve minutes. Now I have also experimented on the length of time that it took to change these cylinders, and I find that it only takes, at most, from eight to ten seconds. Now that is not much longer than it takes, you might say, to dip a pen into the ink. But having the machine so arranged, that you can change the cylinder almost instantaneously, accomplishes the same object as would be accomplished by having a longer cylinder. The short cylinder, if you can make the exchange readily, and put quite a number of words on it, is a much better cylinder than the longer one, easier to handle, less liable to breakage. I think that users should run their machines slower and get more words on them in that way. I never think of putting less than a ten minutes' dictation on a phonograph cylinder.

The Chairman: I have had no trouble in getting 1,000 or 1,100 words on a cylinder; that is a frequent experience.

Mr. Chadbourne: We have seen here an instrument from the Edison works, with a very small cylinder, not larger than your finger, and it is said to hold as much dictation as the larger one. I would like to have some one who knows about that give us some explanation in regard to this small cylinder, whether it is going to be introduced, and what there is about it.

The Chairman: We will hold to the one question now, whether we should have a cylinder for a longer dictation. This is simply a motion on the question of a greater amount of dictation.

A140 Mr. Tewkesbury: The mailing cylinder matter then has not been dropped.

The Chairman: No, sir.²⁰

Mr. Williams: The mailing machine which we saw yesterday, accomplishes the results brought about by exchanging the threads of the main shaft from one-hundred threads to the inch to two hundred threads to the inch. That same result can be produced on this instrument mechanically which will exactly double the length of the existing cylinder, irrespective of the speed.

Mr. Chadbourne: Why isn't it done?

Mr. Williams: I am not prepared to answer that question. My own opinion is that it can be accomplished, and by a simple and mechanical contrivance, doubling the capacity of the present cylinder irrespective of the speed at which it runs.

The Chairman: The question is on Mr. Smith's motion. Are you ready?²¹ **Carried.**

²⁰ Sentence ends with a colon in original.

²¹ In original: "on Mr. Smith's motion? are you ready."

AFTERNOON SESSION.

Proceedings resumed at 2:55 p.m.

Report of Executive Committee.

First: We recommend that the excellent paper read yesterday by Mr. Clarkson, of Georgia, be made a part of the published proceedings of this convention.

Second: On the subject of the lease, the committee recommends that this topic be referred back to the convention for further discussion.

Report of Committee on Publication.

The committee on publication respectfully recommend that the report taken upon the phonograph and phonograph-graphophone by transcribed, and after being revised and corrected by the committee, be printed, and two copies of such report mailed to each local company

A141 represented in this convention. **Unanimously adopted and ordered.**

Mr. Williams, Pennsylvania: The committee on permanent organization beg leave to report that we will be prepared to report in full at the next meeting and not before; a year from now.

The Chairman: The matter of the lease is now before you, gentlemen; have you anything to say on that subject? Mr. Lippincott says that he has a new lease, all in type, prepared to send out now; in that new lease the objectionable clause is left out. **Moved and seconded that the question of form of leases (as to desirable changes) be referred to the North American Phonograph Company.**

Mr. Cheever: I move as an amendment, that Mr. Lippincott be requested to explain to us the essential particulars of the new lease that is being prepared.

The Chairman: We should like to hear from Mr. Lippincott on this subject.

Mr. Lippincott: The clause which we proposed to erase is one which has, in two or three cases, been objected to by attorneys, on the ground that this clause would prohibit them from being retained in any action that might be brought against any phonograph company. They were perfectly willing to sign it, if we would give them a retainer. We had thought also of making the lease considerably shorter, and of making some slight change in paragraph 3, but I have no copy with me to explain my statements. We did think of making a clause prohibiting the making of musical cylinders also.

Mr. Cheever: Was not the point referred to in regard to the validity of patents, etc., in the second form of lease you got up about last August or September—

A142 have there been any changes from that form?

Mr. Lippincott: According to my best recollection what we then left out, has been left out here.

Mr. Cheever: I was on the committee that discussed the topic that has been brought before this meeting, and we are here to bring this question of the form of lease up, for we believe a shorter lease in simpler language, would be much less objectionable to the user, bringing down the same conditions to a very few words each, making such a simple form that we would not meet with the experience that some of the companies have occasionally met with here, the parties refuse to sign the lease, on ground that they do not understand such a long document, etc. While they are perfectly willing to accede to the conditions, it takes a good deal of time to induce them to sign the leases; and I think that without modifying the lease in any essential particular with regard to its conditions, simply by reducing it to simpler language, you will do what is desired by the local companies.

Mr. Tewkesbury: We have found no difficulty in getting our leases signed, except among lawyers who object to signing it professionally. We have not found any objection on the part of any subscriber to the lease, except that lawyers object to the particular professional part of it on the ground that they might sometime be retained against the company, and did not want to bind themselves in the way required by the lease. Personally the lawyers have not objected to it at all; it is only professionally.

The Chairman: The amendment is, that the subject of changes in the lease be referred to the North American Phonograph Company. **Carried unanimously.**

A143 The Chairman: We desire a report from the committee on plan of organization.

Mr. Williams: The committee on permanent organization beg leave to report that the convention having already decided to take up and settle the question of time and place of the next meeting, this committee will not have any report to make until after that is done.

Mr. Glass: I have here a new paring apparatus for the phonograph, and we have been so very successful with it, that I can absolutely say, we never had one single cylinder cut off accidentally. The cost is about four or five cents a piece. This convention is for the general enlightenment and benefit of all companies concerned; and if anybody wants one of those, or a dozen, or twenty, if they will be kind enough to write to me I will send them free of cost. **(Loud cheers.)**

Mr. Sampson: Mr. President, I just want to state a word or two in connection with the graphophone cylinder. We have had in the last three or four weeks considerable difficulty with the graphophone cylinder, and I think during the past week I myself have taken out of the boxes received from Bridgeport, somewhere in the neighborhood of fifteen to twenty that were in a very bad state. Cylinders were cracked, and in one instance there was a large piece of okonite peeled right off from the cylinder itself, and the cylinder would not give a good reproduction. I remember to have seen in New York last fall a cylinder that was chocolate colored. It seemed to be a better cylinder than anything else I have ever seen. I do not know the reason why that cylinder has never been put out, but I ask for information.

Mr. Williams: I might say in reference to the graph-

A144 ophone cylinder, that I run a cylinder as long as ten minutes and find that it gives satisfactory results. I have had a change made in the gearing of the machine, which doubles the capacity of the machine. The western Pennsylvania people have given the matter a very severe test, and I think Mr. Friend has stated that it has always been very satisfactory. It practically doubles the capacity of that cylinder.

The Chairman: The next question is the mailing-cylinder machine.

Mr. Clephane: My idea is, that we have in this proposed new phonograph or the phonograph as it exists to-day, (the mailing cylinder one), the very machine that all of us have desired for such a length of time. The idea is to use this small cylinder on the ordinary shaft of the phonograph; then to have a false mandrel put upon that same shaft, which will accommodate a cylinder made to this same form but of the size of the graphophone cylinder, one that can be used for business purposes and also as a musical cylinder. It can be used as a single record cylinder, or it can be coated to a certain thickness and then shaved by a separate shaving apparatus, so that a number of records can be made on the same cylinder. Such a machine would seem to meet every requirement, and I don't see how there can be any possible objection to it. It has been said that there may be an objection to the fineness of the thread, the screw being 200 threads to the inch, but that can be obviated in several ways. We have two or three devices (one of which, no doubt, Mr. Edison will adopt) which will obviate any trouble in that direction. In

this one machine therefore we have a machine with these features; we have the mailing cylinder on the

A145 original shaft; then by placing on the false mandrel, we have a business cylinder of the size of the graphophone cylinder, which can be utilized also as a musical cylinder; then we can have a cylinder coated a little thicker, so that parties desiring to shave the cylinders by a separate machine, can have the economical cylinder.

Member: I do not know as it is exactly in order, but with the indulgence of the convention, I would like to ask if it is not possible to make a cylinder that will go on the large mandrel, on the basework of that mailing cylinder that Mr. Clephane has just shown us?

Mr. Clephane: Do you mean of a larger size than this?

Member: Yes, as a substitute for the recent phonograph cylinder.

Mr. Clephane: I can only say that this cylinder contains five hundred words and that certainly is the full number of words that you desire for a mailing cylinder.

Member: Why not substitute that for the larger one?

Mr. Clephane: Because five hundred words perhaps is not a sufficient number of words for the business cylinder. Some gentlemen here have desired to have as many as 1500 to 3000.

Member: Can a cylinder of that capacity be made, the same as that is made, to put on a large mandrel?

Mr. Clephane: Certainly, that is the idea.

Member: To make it as a substitute for the present cylinder?

Mr. Clephane: Yes, not having the present cylinder at all.

A146 **Mr. Swift:** Do I understand you that those improvements are under consideration?

Mr. Clephane: They are, sir, and Mr. Edison's representative has said that if this convention requests it unanimously, he will see that it is done, and immediately.

Member: I would like to ask for some information. The gentleman has been giving you his ideas of what we want in the way of a phonograph. We have with us, Mr. Insull, Mr. Edison's representative. If he will explain this topic, I shall feel obliged.

Mr. Insull: I told Mr. Clephane that I would bring his suggestions before Mr. Edison, and get him to make an instrument something after the character that Mr. Clephane has described. Whether that will be an instrument that we will want to put upon the market, depends largely upon the North American Phonograph Company, after consultation with Mr. Edison.

Mr. Clephane: Certainly.

Mr. Insull: I also remarked that Mr. Edison was always ready to start on any line of experimentation which was supported by the people who were out in the field, with a view to giving an instrument exactly suited to the requirements of business. As a proof of that, I have only to point to the present instrument. When Mr. Edison returned from Europe, last summer, he found that there had been a great deal of trouble with the old complicated instrument, requiring so much adjustment, and he at once set to work to make a new machine, and in an incredibly short time, gave us the present machine. In the opinion of some gentlemen, this machine does not answer the requirements of the business, but if it does not, you will find Mr. Edison

A147 ready to go ahead and experiment and give you something that will. He is in the business of talking machines to stay there, and sooner or later, he certainly will give you a successful and commercial instrument, if you have not got it to-day. It is his impression that you have it to-day. It is his impression that you have it to-day, with some slight modification that will come along from time to time, such as an improved cylinder; but if he is wrong in his impression, why, I am

very sure he will pay very careful attention to any suggestions that you gentlemen may make here. **(Cheers.)**

(Mr. Clephane takes Mr. Cromelin's²² place as secretary.)

Mr. Insull: It is a very difficult thing indeed to make a good cylinder for mailing purposes. He has made a partial success, and I have no doubt that within the next year or two, he will give us a satisfactory flexible mailing cylinder, but I don't think that you could expect him to do it just now.

Mr. Insull said in reply to a question that the small mailing cylinder for the Edison machine would hold a third of a column of the New York Herald and costs less than a third of a cent.

Mr. Clephane: Is it not a fact that Mr. Edison has stamped on that mailing case which has been shown us and failed to break it?

Mr. Insull: I don't know whether he did that or not.

Mr. Clephane: I understood he had actually done it.

Mr. Insull: He has thrown those all around the laboratory.

The Chairman: What is the cost of those cylinders?

Mr. Insull: I don't know exactly, it is merely an

A148 experimental matter now. Of course it will be very low.

Mr. Chadbourne: This mailing cylinder looks all right and it may be all right, but I have observed that it gets in that way. **(Showing a break in the cylinder and thread raveling).** You can see that it is lined with thread. Now, if this was lined with the paper lining of the graphophone, and had this covering, there would be no trouble of this sort with it. It would not come apart as this does. It wouldn't be injured as you can see this is injured.

Mr. Clephane: If you put a graphophone cylinder in your pocket and sit upon it as this has been, I think you would find it in the same condition.

Mr. Chadbourne: I think this same thread lining was in the other cylinders that we used to receive, and there is the same objection to it.

(Old graphophone cylinder, broken up, shown Mr. Chadbourne).

Mr. Chadbourne: But that paper is still good.

Mr. Clephane: But you could not use that cylinder, as a matter of fact.

Mr. Chadbourne: All we want is a suitable mailing cylinder. If that is all right, that is all we want. I believe if the paper is not strong enough it can be made thicker and stronger very easily.

Mr. Dickinson: I would like to ask Mr. Insull if there is a prospect of a cheaper cylinder for the phonograph.

Mr. Insull: I don't know what you want, gentlemen.

Mr. Dickinson: Is there a prospect for a lower price for the present cylinder?

A149 Mr. Insull: I think if you will take into consideration the number of records you can take from the cylinder it is pretty cheap.

The Chairman: It is the graphophone cylinder that I want cheaper.

Mr. Insull: I think I may say that on every cylinder we have sent from the factory, we have lost 30 per cent. up to the present time.

Mr. Chadbourne: I can assure you of about 50 per cent.²³ loss on the cylinders received by the sub-companies.

²² "Crommelin's" in original.

²³ Original: "per. cent."

Mr. Tewkesbury: I have a suggestion to make. We consider that a cylinder within the limits of one ounce is very material to the subscriber so that it can be carried for two cents.

Mr. Insull: The cylinder that you have there now with the case and with the label on, will go under two cents and under five cents for foreign postage.

Member: These cylinders will have to be taken as they are furnished by the North American Company. Every Phonograph company offers suggestions to the North American Company about once a week, and I recommend that the North American Company give us, as fast as possible, any improvements that they can.

Mr. Swift: The representative of Mr. Edison has expressed himself as being somewhat in doubt, and has expressed Mr. Edison's doubts, whether the present machine was not entirely satisfactory. He also told us that Mr. Edison was anxious to do anything he can do, provided the request of the convention be communicated to him, and I therefore move, and if the chair desires it, I will put it in writing, that it be the sense of this meeting to be conveyed through Mr. Insull to Mr. Edi-

A150 son, that we would like to have him get up as soon as possible, a machine that will accommodate mailing cylinders, and by some such means as has been suggested, also the business cylinder; so that there will be no doubt in the mind of Mr. Edison that the companies would like that kind of machine.

There is a contingency about that combined machine. As I understood the action of the convention this morning, it was desired to express to the North American Company, the Graphophone Company and Mr. Edison, our wish that they would get up a machine that would combine the two. Now, they may do that and they may refuse that—they may be unable to come to an agreement on it—if they cannot do it, it seems to me, if the machine, as Mr. Clephane has described it, can be made by Mr. Edison, that that machine will substantially satisfy all requirements.

Mr. Swift: It simply requires the present machine to be adjusted with this false sleeve or mandrel, so as to accommodate not only the mailing cylinder but also the business cylinder. Now I understood from the representative of Mr. Edison, that he wanted to get an expression from the convention to the effect that they really desired that machine, there being some doubt, as he expressed it, in Mr. Edison's mind as to whether the present machine did not satisfy all business requirements.

Mr. Insull: Mr. Edison has discussed this same matter with his own people. His idea was that a man that uses a phonograph, or talking machine, for purposes of conducting his office correspondence, would be perfectly willing to pay an extra rental for another machine for the purpose of producing mailing cylin-

A151 ders, for communication with subordinate houses, for instance, as between New York and Chicago. It was not his idea that a machine of that character would at present come into general use. It would probably be used more by business people who have houses in various large cities. It is a very serious question as to whether or not there is a large business in machines for recording correspondence which is to distant points. I know that I would not want my office correspondence to be on cylinders. I want it so that I can refer to it promptly right along. There are a good many difficulties in the way of combining the two machines, that is the mailing machine and the ordinary office machine.²⁴

²⁴ Original ends with a colon.

The Chairman: I would like to suggest this point.²⁵ The thought has come to many men since the topic was brought up here yesterday with reference to this same mailing cylinder, whether such a machine would not be used very largely in hotels. For instance you could take a town of 5,000 people, a great many commercial travelers come to that town and stop at one or two hotels. Now one objection that was raised to the hand machine yesterday was that the men who lived in that territory, could have a machine put in that hotel, and the traveling public—the commercial travelers—would have the benefit of talking into that machine for a certain sum and then send the cylinders from there to the houses.

Mr. Swift: Now, Mr. Chairman, in reply to Mr. Insull, it is to correct the impression existing in Mr. Edison's mind that the customers will be willing to rent two machines, that I make the motion. I think it would be a very serious objection to the placing of

A152 the mailing machines to have to ask the customer to not only get the mailing machines but to get the other; and it is more an argument in favor of combination than against it. The mailing machine will not be used all of the time but only some of the time. Now if we can go to a customer and offer him a machine that combines both the business qualities and the correspondence quality, he can use it principally for business, and when he wants to carry on a correspondence, he can have it on the same machine, and is not obliged to rent the machine. It is very hard to get customers to take one machine, and to ask them to take two is simply to double the difficulty; and I therefore simply put the resolution for the purpose of correcting the impression on Mr. Edison's mind, and to inform Mr. Edison, that it is the sense of the convention that a combined machine is very desirable, and is one that all the delegates would like to have.

Member: If it is practicable to unite upon one machine, it would be very advantageous. I think one of the largest fields that we haven't worked, is one that is just in sight now, for domestic use. I believe that all well-to-do families can afford it, and for those our correspondence machines will be a necessity, and the phonograph will be as common in households as sewing machines are. But we want a machine that can be used for correspondence and also for music; music is a great attraction for household use. If we can add to this that it is a medium of correspondence, that the father when he is away, can talk back to his folks there, receive a letter from them with the voice of his children on, hear it, talk to them clear across the country, or the ocean, that is going to be a most effective thing about the

A153 phonograph; and it will entirely overshadow this use as a substitute for a stenographer.

Mr. Clarkson: It seems to me on this question of cylinders, that we are to a certain extent opposing a motion we tried to bring in this morning; that is, a combination of the two machines and then devising a cylinder to go with both. Now we are working on a cylinder, on which we have got to put attachments or make changes on the present machine, which will be another source of expense, when we have already signified our assent to calling in the present machines.

The Chairman: I think not, Mr. Clarkson, this is not the same.

Mr. Clephane: I do not think Mr. Insull stated the real point of Mr. Edison's real objections to combining the machines, as he stated it to me. Mr. Edison thought that the local companies would get a larger revenue from having two separate machines; that the companies would get a revenue from the mailing cylinder machine, as a separate machine, and also from the business machine. I think it is the sense of this convention, that the public absolutely demands a machine that not only embraces the mailing cylinder feature, but also embraces as well the

²⁵ Period missing in original.

business feature and the musical feature. **(Cheers.)** And if Mr. Edison can not do it, as I believe he can, I will be responsible for finding the man in two weeks, who will and am prepared to present him here to this convention, but I know that Mr. Edison can do it, and it would be preferable to have him do it.

Mr. Insull: I will pay such a person as you describe a high salary, if you will bring him along.

Mr. Clephane: I would rather have Edison do it, but it is what this convention wants, and the public

A154 demands, and I am sure that if this convention insists on it, we will have from Mr. Edison in less than three months, the very machine which will answer every requirement of the public. If we say to Mr. Edison he must do it, Mr. Edison will do it; you may be assured of that.

Mr. Glass: I am modest enough but I would like to put in an application for that salary right off. **(Great laughter.)**

The Chairman: The question is on the resolution. **Unanimously carried.** The next item is the trimming of the cylinders. Now, Mr. Glass, you have the floor.

Mr. Glass: In reference to the cutting machine, I want to say, that we have made a slight change out in California. I took it back to Mr. Edison and Mr. Edison approved of it and he had some made while I was at the laboratory last spring; but they don't seem to have been issued. And I will simply say this, that they cost very little, three or four cents a piece, something like that, but they absolutely obviate any difficulty of the chance of cutting of the cylinder. We never have had one single instance where that thing has occurred. I have got it right here. Probably some of you have already seen it. I will state that they cost only three or four cents a piece, and if anybody wants them and will tell me how many they want, I will send them to you without any expense whatever.

Mr. Insull: Did you say that Mr. Edison undertook to have them put on?

Mr. Glass: I say he undertook to have some made while I was there. I suppose he left that to the companies. They are not on.

Mr. Tewkesbury: Most of the companies don't want

A155 them on. They want an automatic knife so that you don't have to raise the arm at all.

Mr. Glass: No difficulty with this knife, with this adjustment has ever occurred with us.

Mr. Tewkesbury: You have to raise the arm carefully even with your attachment.

Mr. Clephane: Moved, that Mr. Edison be requested to give us a separate shaving apparatus with a knife such as suggested by Mr. Glass, or its equivalent. **Seconded. Unanimously carried.**

Mr. Glass: I would like to say something in reference to this matter. My knife is simply a little superior to the one that he has put out here, for the reason that if the knife now on the Phonograph is released it cuts the cylinder. If this convention wants a knife that will pare the cylinder, they want it absolutely separate from the cylinder itself. They want one that will give instantaneous²⁶ work. Mine will not do that, and so I will ask the gentleman who made that motion to withdraw that. If this convention wants a knife of that character, they want something altogether different.

The Chairman: The question has been put and carried. The only action in order is to make a motion to reconsider.

Mr. Glass. I make that motion. **Unanimously carried.**

²⁶ Original: "instantaneous"

Mr. Clephane: I offer the following: That Mr. Edison be requested to give us a separate shaving apparatus.

Mr. Smith, of New Jersey: Do I understand you that this is to be a separate machine from the phonograph?

Mr. Clephane: Yes.

A156 Mr. Smith, of New Jersey: It seems to me that is not a most desirable thing to have. It adds to the complications. I wish very much that in the modifications of the form of the cylinder the possibility of doing away with the knife altogether may be considered. In my judgment if that could be accomplished, it would tend to simplify the machine, and do away with a great deal of the trouble that has been heretofore experienced to shave the cylinder.

Mr. Clephane: I will say in reply to Mr. Smith, that it is in contemplation of course on this improved machine to have a single record cylinder; it is only where parties object to the expense of the cylinder and desire to economize in cylinders that it is proposed to have a separate shaving apparatus, so as not to embarrass or complicate the machine with the shaving apparatus. That is all. **Unanimously carried.**

The Chairman: The next is the cost of the cylinders. I have only this to say myself, that I hope to see the day when the graphophone cylinder will only be worth a cent.

Mr. Clarkson: I would state that as far as the recording capacity of the present cylinder is concerned, it is economical; but it is not economical when you have made a record on the cylinder to have it knocked over and broken.

Mr. Clephane: That difficulty is avoided by the cylinder we have in contemplation.

Mr. Clarkson: Just so with the thread cylinders we had last summer.

The Chairman: Those that we received last summer were mostly broken; we received only about one-third

A157 of them to use entire. Of course we didn't complain, because they all went back.

Mr. Wood: I would like to say that the best results that we had, have come from the cylinders with the tape wound inside instead of thread. It gave the least trouble. I would like to hear the results of other companies on this cylinder. As you know, first we got a cylinder with continuous thread, and then we got a cylinder tape wound.

The Chairman: But does not this inner rubber mandrel obviate all that. **(Showing it to Mr. Wood.)**

Mr. Clephane: That will be a false mandrel you know.

Mr. Wood: The trouble with those cylinders continuously wound the same as has been shown here to-day, is that that thread on the mandrel will get it out of shape invariably. That was our experience with them.

Mr. Clephane: I think that is rather an interesting question, I would like to hear from Mr. Insull in regard to that. I agree with Mr. Wood that the tape wound cylinder was preferable to the thread wound cylinder.

Mr. Insull: I do not follow the experimental work. We are not putting out at present either of those cylinders, but we hope to put out the thread wound, and would say, that the thread wound cylinder should be a better cylinder than the tape wound. It gives a better surface to the wax to adhere to. I presume that is the reason, but I have not followed it; I might say that this is the first I ever knew that there was a tape wound cylinder. I do not follow those things in the laboratory at all.

Mr. Clephane: It is hardly fair to criticise this small cylinder because it has been broken by putting it in the

A158 pocket; but if you had a complete cylinder I think that you would see there was no danger of that thread unwinding.

Mr. Wood: I would like to call your attention, Mr. Insull, to those thread wound cylinders, if one end commences to unwind. In the tape wound it is wound together so solid, that we have no difficulty of that kind, and our customers are calling for that tape wound cylinder to-day.

Mr. Clephane: I would like to have you examine this cylinder. (**Showing him the small Edison mailing cylinder.**)

I do not think there is any danger of breaking that from any ordinary usage.

Mr. Cantrill: I want to say that with the thread wound cylinder if you put on a record and take off your cylinder again, and that thread begins to unwind, there will be the difference of the width of the thread in the trueness of the cylinder.

Mr. Insull: The trouble is that you are basing your discussion upon the product of the laboratory and not of the shop. That is simply an experimental cylinder. Just a few have been made within the last few weeks. We have not put anything of that kind out. We have put out a few of the larger cylinders, with the thread inside, but that has been stopped; it was stopped last Saturday week, we are putting out the old cylinders because these are not satisfactory. And the thing has gone back to Mr. Edison's laboratory for experimental work. I think Mr. Edison is fully alive to the fact that all the trouble is with the phonograph cylinders, and he is giving a great deal of attention personally to that subject right along, and I do not doubt that he will meet

A159 with good results. He usually does if he gets into a hole.

Mr. Clarkson: I would like to inquire what fault has been found with the structure of the graphophone cylinder.

Member: None at all.

Mr. Wood: I have. It was our experience last year, especially in warm weather, if, for instance, a box of cylinders that had a record on, should get a little sun on it, or be set in a warm place, that the wax frequently would run together and spoil the record. That was very noticeable; and also we had different complaints from our patrons of that same trouble.

Mr. Chadbourne: They ought to be put in a refrigerator.

The Chairman: Mr. Glass, what is your trouble with the graphophone cylinders? Do you have any trouble with them?

Mr. Glass: The only trouble is that we have a very damp, salt sea climate out there and the fogs. They injure the needles.

Mr. Clarkson: I was not speaking of the composition of the graphophone cylinder, but of the strength of it. I think that is the basis upon which we can work for phonograph cylinders.

The Chairman: I think the base strength of that is all right.

Mr. Clephane: I think the whole trouble has been, that Mr. Tainter of the American Graphophone Company, has the patent on the base of the graphophone cylinders, and that Mr. Edison has been trying to evade that patent more or less; as of course it was his duty to do under the circumstances. But when the necessity

A160 arises, when this convention says that they don't care a continental for patents so that we get results, then I think Mr. Edison will devise means of giving us just as substantial a cylinder as the graphophone cylinder. This is not intended as any reflection on the graphophone at all, but we want to get the best machine; if it be the graphophone, all very well, with some changes; or if it be the phonograph, all right. What this convention and the sub-companies want, I presume, is

a machine that the public will be fully satisfied with. I think we have indicated here pretty clearly that we want this feeling between the different patentees to cease, and to have them combine and give us the machine that the public wants. (**Cheers.**) When they understand that, I think it will be given to us; and it will be no reflection on Mr. Tainter, the American Graphophone Company, the North American Company, or Mr. Edison.

The Chairman: The sense of this convention seems to be that we want the strength of the graphophone cylinder combined with the good results of the phonograph cylinder. The next is the folding cylinder.

Mr. Insull: I understand that has been relegated to the dim future.

Mr. Chadbourne: That has always been my hobby, but it seems they have not got very far along with it yet.

Mr. Insull: I wish you would take up the experimental work on it, if it is your hobby.

Mr. Chadbourne: I do not experiment on any thing. I merely carry out results. I want to see a mailing cylinder, a flexible cylinder. I think when you get that, you will make a boom in the phonograph business, that it has never had before, and I will tell you why. If a business man receives a dozen letters a day, and half

A161 of those come in envelopes and on flexible cylinders, you can see that he at once must have a phonograph to read his cylinders and it would occasion a boom on phonographs, and there would be no question about it, that is what we want in this business. Provide something that will give us a boom, and we will carry the business, even if we are busters now.

(**Laughter.**)

Member: When a man sends a letter he wants a copy of it, how can we take a copy of that wax cylinder?

Mr. Chadbourne: You can copy a flexible cylinder as well as you can any other.

Mr. Swift: Have your type-writer operator copy it into your letter book before you send it.

Mr. Clarkson: Then you ought to send the copy.

The Chairman: The next topic, gentlemen, is a monthly paper, devoted to the interests of the phonograph companies, to be established.

Member: I would like to say just a few words about that. We have talked of a great many things here, and it is ordered that our entire proceedings be reported, so that those at home may get an idea of what is going on here. While it might not be practicable, it would be of the greatest interest and profit to us all if we could have a monthly or quarterly bulletin, that would keep us all posted as to what is being done and said and planned in regard to phonographs. Something of this kind might be started and supported by a pro rata amongst the companies, and each company being entitled to a certain number of copies—it could cost anything we pleased, from \$15 a quarter upwards. Many of us have suggestions that we would be glad to lay before all of our brethren and all of our co-laborers. If we had something of this kind it would keep us informed

A162 as to what was going on and also advertise our work. Every industry, every calling, everything that men are doing has some organ, they find it pays; and now I think that it would be a good time to inaugurate it, when we are forming our organization.

Mr. Clarkson: The telephone people have their organs with the various electrical papers. The Electrical Review, and the Electrical World, published in New York, have on many occasions published articles about the phonograph. I think if the North American Company would put an advertisement into one or two of these electrical papers, keeping it there as the

American Bell Telephone Company does, the various phonograph companies, could have a phonograph column in each one of these papers. I think if we advertise in papers that have been well established, and have a large circulation, it would be a good thing for us. I suppose this paper would fill a long felt want; but if it does not, why all right.

The Chairman: I think that issuing quarterly bulletins is a very good thought, and it seems to me it would be a good thing to recommend, if somebody would take it up.

Mr. Swift: It might be better Mr. Chairman, to send news around by private correspondence, rather than putting it in the paper.

The Chairman: All the successful items are printed.

Moved, that Mr. Lombard correspond with the various sub-companies in reference to this motion, and that this convention favor and will support said publication.

The Chairman: On the subject then of the paper the motion is, by Mr. Williams, that the matter be

A163 referred to Mr. Lombard, with a recommendation that this convention will favor such enterprise.

Unanimously carried.

The Chairman: The next topic, gentlemen, in the order which was agreed on, is the subject of public exhibitions and the first under that head, is the nickel-in-the-slot²⁷ machine.

Mr. Gottschalk: Mr. Chairman, I would respectfully call on Mr. Louis Glass, who has had some experience with the machine, to give you his views on that topic first.

Mr. Glass: Gentlemen, I have very little to say except, that all the money we have made in the phonograph business we have made out of the nickel-in-the-slot²⁸ machine. I brought here with me when I came an exact statement of what each machine we have had out has earned for us, and I think Mr. Gottschalk has that paper. I will state that our machines are not like the machine here, inasmuch as we have four tubes and dropping the nickel in any one of the tubes starts the machine, and only opens the particular tube in which the nickel is dropped: the other three remain closed, and anyone coming up and attempting to hear with either of the three other tubes would get no result, unless likewise they drop a nickel in that particular tube. The instrument that we have out in California, we had to make ourselves; and we have not the facilities there, that you have east for that part of the work. I will state that the first one we put out was placed in the Palais Royal saloon on November 23d, 1889, and we have taken in from that machine, up to May 14th, last, \$1,035.25. We likewise placed in the same saloon, a machine on Dec. 4th, and we have taken

A164 in on that machine up to May 14th, \$938.57.

Mr. Chadbourne: Two machines in the same saloon.

Mr. Glass: Yes.

Mr. Chadbourne: Did they do as well?

Mr. Glass: Yes, and I will state right here, that we seem to have the same patrons all the time. We change the cylinders every two days, and if a man puts a nickel in once and hears a piece of band music, he almost invariably goes over and hears a second one.

Mr. Chadbourne: He takes a drink before he goes.

Mr. Glass: We generally tell him at the end of the cylinder, to go over to the bar and get a drink. We placed the third one on December 10th in a saloon, and \$580.50 has been taken in with that machine, up to the 14th of May. We placed the fourth one in the inside waiting-room

²⁷ Original: "the-nickel-in-the-slot"

²⁸ Original: "the-nickel-in-the-slot"

of the ferry—we have a ferry, very similar to the ferry between Jersey City and New York; Oakland is the sleeping place of San Francisco, and this is the ferry which communicates—we placed that on January 24th, and on May 14th we had taken in from that machine \$551.50. The next one placed was on February 18th, in the Conclave saloon, we have taken in from that up to May 14th, \$248.00. We have fifteen machines out, but eight of them were placed during the latter part of April. We have taken in altogether from those machines, eight of which were placed in April and May \$4,019.00; figure out the details yourself.

Mr. Benson: Do you own that machine yourself?

Mr. Glass: Well, really, I own the whole business. But I want to say, that when we got our machine out there, and made applications for our patent, we submitted it to our attorney, and asked him whether he thought we could control it for the civilized world, and

A165 he said we couldn't do it, that the North American Phonograph Company had a right to give a man a guarantee as to his responsibility and we must rent him a machine, that being the case, a man could use a machine in our territory. And I went right back to New York, with the patent that we had, and I am sorry to say that Mr. Gottschalk gouged us out of most of it. Nevertheless, gentlemen, there is money in the nickel-in-the-slot phonograph. There is an immediate result for every company in the United States. If you will look over the income that we have had there you will see that where you furnish interesting material, the receipts do not materially drop off, and I believe that for three or four years there is an enormous amount of money right in the nickel-in-the-slot phonograph.

Mr. Benson: What percentage of this gain is used up in taking care of the machine?

Mr. Glass: It is very, very slight. In reference to that matter, I would say that we have one man whom we pay \$75 a month in the city of San Francisco, who inspects every machine every day. That man procures the material, and he submits to me, day by day, what he can put on every machine in the city one week ahead, so that I know it is always provided. I will say further, that these machines are so attractive, that at the Palais Royal, where we have two machines, and White Wings saloon, the men who run those places, have leased those machines on regular rental simply as attractions to people that may come in there, for singing songs, cornet solo or something of the sort. They do it for advertisement, and we supply them with machines. We pay ten per cent.

A166 The Chairman: On the freight and transportation committee, I have appointed Mr. Smith, Mr. Haines, and Mr. Beach, of Iowa.

Mr. Cheever: I want to call attention to a practicable idea, which seems to me to be of advantage to the various companies, in connection with the nickel-in-the-slot device; and that is not with the view of making a large amount of money out of it, but in gaining small revenue from numerous places. There are many of the companies who have small towns in their districts, where they can't afford to establish regular agents on salaries, and where they cannot do enough business with canvassers at the low rate, which we are obliged to pay them, to engage canvassers, attending strictly enough to the business, to do them any good. There are many of these places where a revenue could be derived of two or three dollars a day for the phonograph company, which would enable them to pay a man to attend to their canvassing, soliciting, inspecting and taking care of the phonographic apparatus. And if by the use of the nickel-in-the-slot device they are able to do that, it would help the phonograph trade, and they will be in a position to extend their regular operations in the introduction of the machine. This is in addition of course, to large profits to be made, as last described to us in prominent places.

Mr. Williams called to the chair.

Mr. Williams: For myself, as no one else seems to be disposed to speak, I might say that I greatly favor the nickel-in-the-slot machine as the means of making money to help the local companies support themselves, while they are accomplishing the main object of their existence, namely, placing out machines for special

A167 purposes. The Philadelphia company have made quite a considerable amount of money by the rental of machines for exhibition purposes, charging \$25 per month for the machine, without battery or anything but single hearing tubes. The nickel-in-the-slot machine is in the same line, and I believe that a great deal of money could be made, and that it is extremely important to the companies at this time. But a form of contract has been sent out by the Automatic Slot Machine Co., which does not meet my approval. We have given it careful examination, and we have so far been disinclined to sign that contract. It seems to me to be exceedingly shortsighted for the local companies to bind themselves by an exclusive contract for five years, to any one device, when something better may turn up than now. Now the nickel-in-the-slot machine is a good thing—the backbone of it is the phonograph—it can't come into our territory without the phonograph—it can't be anything without the phonograph, and yet they ask us to pay \$60, per year rental as against \$20, for them. They ask us \$40 rental, and they propose to pay \$40, half of the \$40 they pay us we pay the North American Company.

Mr. Gottschalk: Mr. Chairman, on behalf of the Automatic Phonograph Exhibition Company, which is really the nickel-in-the-slot business as far as we are concerned, I would like to correct one or two remarks which you have just made, but before doing so I wish to give the members present some idea of what our company really own and possess. I have been asked the question on several occasions, “why should we let them have the phonograph for five years, when all they give us in return, is a simple little

A168 nickel-in-the-slot device. You can't use it in our territory without the phonograph, and if we don't make this contract with you what are you going to do about it.” My answer, as far as that is concerned, is, we do not think that any local phonograph company would be in the position as far as we can judge, to use any practical device connecting the nickel-in-the-slot business with the phonograph without infringing directly on the patents that we own. I would like to give you a little history of what we really have. When this company was first formed, we owned four inventions; some of these inventions were in the field, when the phonograph first came into existence, and we certainly can ante-date any other inventions in this line if there are any. We had these four inventions, when we suddenly discovered that Mr. Louis Glass and his co-inventors owned a machine that was of vital importance to our company, namely—A Multiple Tube Machine, and our patent attorneys informed us that they had so covered that invention, that it was necessary for us, either to make terms with them, or make up our minds only to use single tubes. So when Mr. Glass came in, we arranged with him for blood money and received his invention. We then had another stumbling block; but to cut a long story short, we are now in a position where instead of the antagonism, we have the good-will of the North American Phonograph Company, and promises of any improvements that Mr. Edison may have in our line. Besides these inventions that I speak of, which, by the way, have been granted by the patent office, we have six applications that have been allowed, and as far as we can judge and know, and as far as experts in this line can

A169 judge and know, we pretty much cover the entire field. We own the oldest invention and we are the first parties in the field with a practical machine ready for work. This in the eyes of the patent courts, carries a great deal of weight with it. Now, of course there is hardly a day passes but that some one comes in and shows me a new, elegant, nickel-in-the-slot device for the

phonograph—just the thing required—some of them are good in their special lines, but they are not especially adapted to our line. If a good thing comes along, and it is possible to own it, we buy it, but if any company should attempt to put any of these nickel-in-the-slot devices on the market, and they infringe our devices, we shall certainly tread on their toes with both feet. It is not certain that we shall do it at the start, but if we find that any parties are using a machine that is infringing on ours, when the proper time comes, it will be a very good source of revenue to our company.

Mr. Williams made a remark with reference to our agreement with the companies, that we asked them to pay \$60 a year for the use of our machines. Now our agreement reads as follows: For the first year they pay us \$40 for our machines and we pay them \$40 for theirs. After the first year, we receive \$30 for our machines and they receive \$40 for theirs. Therefore, according to my view of the contract, they have the advantage of \$40 in the five years. As they pay the parent company \$100 during the five years, it makes a difference of \$60, and that \$60 covers the cost of our establishment. So we hardly think they are doing any more than we are in this agreement.

A Member: Of course this is purely a matter of business with the phonograph companies. If your patents

A170 cover everything we will have to take them, but do your patents cover every device, by which a nickel-in-the-slot machine can be used in connection with the phonograph?

Mr. Gottschalk: All that are practicable, and if you use them in connection with the phonograph, you will certainly infringe on our patent. We have covered as far as all inventors knew, all the devices.

Member: Is the idea of connecting such a device with the phonograph patented?

Mr. Gottschalk: No, it is not patentable. An application was made for a patent for the application of such a device to a weighing scale, and not allowed, on the broad patent principle. But there are certain things that are absolutely necessary to make the phonograph work all right, and those points we have covered as broadly as they could be.

A member: It seems to me that if your patent does not cover the device, there are thousands of inventors in this country that could make such a device.

Mr. Gottschalk: It is very simply indeed, but they cannot get any invention out that will not in some way infringe. Now our object in requiring a five years' agreement is as follows: In order to avoid all these complications; in order to avoid any one seeing our machine, and going home and hammering out exactly the same machine and giving it to one of your companies and letting you use it until we are compelled to enter into litigation to prevent it, we have asked you to enter into this agreement. We would be willing to make a contract for a short time, but we don't want to go to a great expense for the sake of entering into a short time contract.

A171 Mr. Chadbourne: Supposing there were an increase in the rental of the phonograph?

Mr. Gottschalk: Then we would increase the rental of our slot machine.

Member: Why not sell the machines outright?

Mr. Gottschalk: We expect to make more money out of it this way. Why don't you sell the phonographs outright? Because you think you are making more money the other way. You see by Mr. Glass's report that one machine brought in over a thousand dollars.

Member: According to your contract you would take half of that and something more.

Mr. Gottschalk: But you would take half of that yourselves. All the expenses are deducted from the gross receipts and the net amount is then divided between the companies.

Member: Do you claim that your invention covers the starting of the phonograph by electric current, by means of a connection made with a piece of metal such as a nickel?

Mr. Gottschalk: We claim that our inventions cover the adjustment, raising up the lever, and sending the spectacle back to the starting point and readjusting, and you cannot get an automatic slot machine unless it will cover these points.

Member: You do not claim in your patents the raising of the lever by an electrical connection made with a piece of metal.

Mr. Cheever: It covers that also.

Member: In all these slot machines, the idea is to drop the coin in and automatically set the machine to work.

A172 Mr. Cheever: In our machine, the coin operates to close the circuit and we control all those patents. All those points are covered in the patents.

Mr. Gottschalk: We have two specific applications for patents.

Mr. Cheever: Mr. Gottschalk and I represent the automatic company and are ready to answer all the questions that we can, but we are not sufficiently familiar with the legal bearings of patents to be able to carry on an argument as to the points at issue in the claims. Our attorneys tell us that we have such a combination of devices between the slot arrangement and the phonograph for the attachment to and operation of the phonograph, that no company can use them without infringing our patents. We do not wish to occupy the attention of this phonograph convention any more than is necessary with this subject.

Mr. Clarkson: I understand the objection to the discussion of and asking technical questions with reference to patents, but I desire to get the fullest information on all these points. Our company has had no objection to the financial arrangement, but think it is quite fair. We did object to the clause in the contract numbered 7, which reads as follows:

“The business aforesaid to be carried out in the above territory, shall be conducted by the party of the second part, who shall render an account to the party of the first part at their own expense—provided, however, that if at any time the party of the second part be of the opinion that the business is not being properly and reasonably pressed, they shall have the right to go into the territory, of etc.”

We admit that they should have some form of pro-

A173 tection, but in this clause, it is given too strongly.

Mr. Gottschalk: The other side of the story is simple. If to-morrow a party should buy a controlling interest in any phonograph company, and tie it up, let it be for whatever motive it might be, either to depreciate stock in order to gobble up the entire company, or whatever it might be, our contract would be perfectly worthless, if we did not have such a contract as the one referred to contained in it. Mr. Clarkson holds that they have no redress as far as the automatic phonograph company is concerned; if we deliver machines, that is the end of the story as far as we are concerned, but if we fail to do so, our contract may be revoked. I may say here that I am superintendent, book-keeper, clerk and office boy of the Automatic Phonograph Company—everything but vice-president—and here sits the vice-president. **[Pointing to Mr. Cheever, of N. Y.]**

It is not our intention, unless we are absolutely driven to do it, to enter into any territory—one of the companies however wanted to make it obligatory upon us to exploit this part of the business in their territory at sixty days notice. We had a long squabble over that very point; so it can not be very one sided. One phonograph company wants one thing and another wants another. If we should enter in a territory, all we have a right to do is to ask for

phonographs, put them out on exhibition, and have all the worry, work and trouble of running those things independent of your phonograph company. Now in a business way that cannot pay, because we would naturally need a set of highly expensive help, salaried employees, while the phonograph companies can run that in connection with their other business at a comparatively small cost. Therefore we certainly

A174 shall never enter unless we are absolutely compelled to do so.

Member: It might as well be explained why I asked Mr. Gottschalk the questions I did. I have been in the practice of law for about eleven years, and among my clients I have a client who has a device for attaching the nickel-in-the-slot to the phonograph. He has filed his application in Washington, and answers from his applicatio were placed in my hands only a few days ago, whereby his claims have been allowed on four different points, which would give him absolute right to a patent on a device similar probably to the one that the gentleman speaks of. Now, I don't know whether his patent covers everything that he claims here, but I think, in justice to these gentlemen present representing the various companies, if there is any benefit to be gained by competition in this matter, that it is the duty of the representatives here, to have a free and fair discussion of this matter, and if there is more than one competing nickel-in-the-slot machine in the field, let the companies get the benefit of the better machine and the better terms that can be offered by the various companies. In the interest of my client, it has been suggested to met to put these questions which are legal questions, but which must be answered; and if they are true, in placing this matter before the court, the party that has the broad claims will be the winner. In the case of my client, our claims having been allowed, entitles us if we proceed—I don't see but that my client has some show in presenting his machine on its merits before this convention.

Mr. Chadbourne: Mr. President, off in the backwoods where I live, there is a nickel-in-the-slot man

A175 that has got up a machine to take photographs, and he has connected with the photograph machine a phonograph which talks to the public and he has applications for a patent on that machine. I don't know how far he has it along. I have seen the machine work and have seen him make photographs with it. All you do is to step up to it and touch a button, drop in your money and in three or four minutes, out comes your photograph all finished. Now you may think that that is a large story, but it is true, and connected with that is a phonograph that talks. He has one of our phonographs now, and he has it connected with his machine, and how far that is going to be serviceable and a source of profit to our company, I am unable to state, but I simply throw it out here as one of the slot machines.

Mr. Tewkesbury: I think the gentleman's point is well taken. I think any slot machine will, of necessity to protect itself, be compelled to have some such clause as is provided in the automatic contract. I want to say that for my own company, I have not signed that contract, but any nickel-in-the-slot company that signs a contract with any sub-company, must, for its own protection, have some such guarantee. I don't think there is any objection to such a clause, which any sub-company can reasonably raise. The fact is, the point which Mr. Gottschalk raises here, that the nickel company must have some measure of protection for itself. But the point that we, who have not signed that contract, want to get at, is whether that contract is the best contract that we can sign for our company. I understood that there are several nickel-in-the-slot companies in the field, and I do not under-

A176 stand that anyone company controls this business. Before I would sign any contract giving up one half of all the revenue, when we are tied up as we are in this business, I would consider it seriously. There is another slot machine here in the building, I understand. I have not seen it.

Mr. Chadbourne: How does that proposition of mine suit you?

Mr. Benson: I have no interest in any nickel-in-the-slot company, but I merely want for my company the very best contract I can get.

Mr. Gottschalk: When the new phonograph first made its appearance, there was a party down in New England who entered into correspondence with quite a number of phonograph companies. He was on the eve of closing contracts with four or five of the largest companies in the United States by which these companies would be allowed five per cent. of the net income from these various machines, and these parties agreed to take thirty or forty phonographs a year. They would tie themselves up in the amusement line and actually give away all their amusement rights in their entire territory. We therefore claim when we come forward and offer what is a fair and equitable contract, we are doing the right thing.

Mr. Wood: I think that the automatic phonograph which we have seen works very nicely; but I fail to see the justice in our dividing on equal terms the proceeds that may be had from the use of nickel-in-the-slot machines over this territory, that has been purchased with large sums of our own money. For instance, we will say that one company receives a thousand dollars, the expense is \$200, then the slot

A177 company will receive \$400 and the local company takes the other \$400. What are they out for that \$400 compared to what we have paid. I say it is not justice to these different local companies to do business that way. When we wanted anything of them, we had to put up the stuff in good large round numbers. Now they come back and ask us to divide the thing equally with them without their paying anything for it. It does not look reasonable—for we do not know or does any one here know, that this business will pay in any other department except this. There are other nickel-in-the-slot machines out with good companies behind them who guarantee to protect us and everything of that kind, but while we have always dealt with the North American Phonograph Company and have always felt very friendly towards them and while I feel that all things being equal, we would still like to deal with them, as for giving them one-half of our proceeds for what they have not paid a cent, it is not right.

Mr. Cheever: I would state that neither Mr. Gottschalk nor myself has any interest in the North American Company nor have had, nor has any except one man in the slot company, and he only a small amount.

A member: Is the contrary true?

Mr. Cheever: The North American Company have a small interest.

Mr. Tewkesbury: That is not the point I want to get at. There is a very good mechanic in my territory who says he could devise a nickel-in-the-slot machine that would work satisfactorily and not be in conflict with any other machine. I have myself this morning seen a nickel-in-the-slot contrivance—I don't

A178 know how meritorious it may be—but what I want to get at is to find out what these several rival companies intend to do, what contract they will make with my company. I don't care how much stock they own in the North American or any other company, but I want them to make the most advantageous contract possible with my company; and if it is possible for me to obtain a nickel-in-the-slot device, I want to obtain it for my own company. I don't care who owns a majority of the stock or any of it. I saw this morning a nickel-in-the-slot machine which I

understand a boy made and claims to have a patent allowed on it. I do not know whether that is true, and I do not know what progress has been made by other companies in the same line. I do not think the question of who owns stock is material at all, and I should like to hear from all these companies their respective points that they have, to determine what is the best. I am certain that any contract that any company makes will have that same clause. The North American has the same clause, we have the same one only a worse one, with our subscribers. And what we want to get at is, merely what these various companies claim, and then decide for ourselves, to which contract we will tie. I understand that there is a different slot machine altogether from this in the building now. But no matter what the company is I believe we will have to sign such a contract, as that to which Mr. Clarkson objects.

Mr. Gottschalk: Mr. Clarkson represents two companies, Florida and Georgia, and I wish to say that the Florida company has already signed our contract.

Mr. Tewkesbury: I would like to hear from the gentleman who has such a machine.

A179 Mr. Clarkson: Regarding this clause we admit that the Automatic Exhibition Company should be protected, but we believe that in the modifications of this clause as it stands now, although everything looks fair now, still it is left entirely to their opinion on that point. Supposing it didn't suit our convenience to place a machine within sixty days in the places they might desire. They could place machines in our territory to suit themselves. Therefore they absolutely by that clause, control our territory for five years; we are obliged to furnish phonographs upon demand, and it is left entirely to their opinion, as to whether the business is being properly handled.

Mr. Gottschalk: I should like to ask Mr. Clarkson what harm would result from just such a case. If in our opinion it would pay him to put a phonograph into a certain territory, and we insist upon that machine going in, it goes in at our risk. If it does not pay, the Georgia company have no loss and if it does pay they have half the profits.

Mr. Clarkson: They have to pay for the machines?

Mr. Gottschalk: If we reverse positions we have to do that.

Mr. Chadbourne: I think it would be a good idea to have that contract modified before going into it. I should feel like modifying it in this way. To take this slot machine and examine it, and if it proves practicable and works all right put it in our territory, on the terms that they propose; but for no definite time. As long as there is no better machine offered us, to use this one. If there is a better machine offered, on better terms, they must make terms with us to hold their machine in

A180 our territory, or we will put the other in place of it. If they will contract with that understanding, I am ready to sign the contract.

Mr. Benson: I have seen several slot machines, all very good, and all doing the same thing. But some are better than others on account of having less mechanism. I do not know about the legal aspect of the case. What I said this morning about a machine invented in Denver was that there was a boy out in central Nebraska that had built a nickel-in-the-slot machine that was a very elegant machine. It was sent here to Chicago and a better machine was made, and I have not seen it since it went back. The machine you saw to-day was not the machine that I referred to.

Mr. Tewkesbury: Then we have simply one more machine, that is all.

Mr. Benson: I do not know anything about patent law, but I do know that a lawyer in Washington wrote back that all his points but one were allowed, except the principle of attaching

the nickel-in-the-slot machine to the phonograph, he said that that was not patentable, but all the other points were allowed. It was a boy that was employed for \$20 a week out in Denver.

Mr. Tewkesbury: I think that corresponds with the experience of all of us, our attorneys or the attorneys in Washington have told us that an idea is not patentable, but only the application of the idea; a point which came up when the patents of the North American Company were investigated, because if an idea is not patentable, we want to know who has the best application of that patent.

Mr. Williams: I think the rule is, that any new principle can be patented.

A181 Mr. Tewkesbury: I am sorry to disagree with you, but I understand that is not true.

Mr. Williams: It is my opinion as a lawyer, that you can patent any new principle.

Mr. Tewkesbury: All I care about for my company is, to find out with which company I can make the best arrangement, and get as good a machine as any other company can furnish.

Mr. Cantril: A good deal of reference has been made to the machine in the building, that of the Denver company. A man in our office invented a nickel-in-the-slot machine, he called my attention to it and it was presented to the board of directors. They told him to go ahead and perfect it. Finally they said they would put one out, and after talking the matter over, they said he had better wait until he got his patent complete, so there would not be any mistake, before putting it out. But the machine, although the patent has not yet been secured, has been in the office so long, that success is certain or we would have heard from it before this. We have in connection with that an advertising scheme which we would like to have you all see.

Mr. Gottschalk: I would like to make one remark. Mr. Glass said he had a multiple tube device which he certainly owned, because he had it patented. The subject in that regard is covered just as fully as it could be. There was a man that had a machine that was beyond all question a perfect machine. He used it on the Pacific coast before he came east with it. Now, gentlemen, he parted with a great deal more than the major part of that machine and combined with us simply because he made up his mind that he could not use it.

Mr. Hoyt: Gentlemen, we have a nickel-in-the-slot

A182 machine, in our territory which was patented here, and I understand that its claims do not interfere with any other claim. It is entirely automatic in its arrangement, and is perfect in its reproduction, and is a very good machine. There has been as I understand, no patent issued. There may be a few allowed, but there is no patent which runs against this machine in any particular, I know that myself. And this machine can be placed in the different phonograph companies at a much more advantageous rate, than is offered by the Edison Automatic Phonograph Company. We do not feel that the Chicago Central Phonograph Company are justified in giving up half of all we earn, to the Automatic Phonograph Company. And we will not do so if we can possibly help it, and I believe we can. I think that there are a number of companies in the same position that we are, here to-day.

We have a nickel-in-the-slot machine here, which we could get, I guess, for the companies at a very low rental, it would cost them practically nothing. All we need is that case device over there, which will cost probably \$10 or \$15. They are asked to pay \$60 for the same thing to the Automatic Phonograph Company. And the revenue which we shall derive from that machine we intend to keep ourselves, instead of putting into the pockets of the Automatic Phonograph Company, and I think that we will do it.

Mr. Tewkesbury: I should like to hear Mr. Gottschalk's reply to the statement, that no patents had been allowed.

Mr. Gottschalk: I said, I know of no patents being allowed, excepting ours.

Mr. Cheever: I will state for the benefit of the gen-

A183 tlemen here, that a patent being allowed does not become public knowledge; the patent might be allowed without our knowing it.

Mr. Hoit: I was stating that if a patent were allowed, this company would know it, for the reason, that we have an interference in the Washington patent office and we are bound to know about the patents being allowed or about to be allowed.

A Member: Is it a fact, Mr. Cheever, that the only part of the machine which you have a patent on is the mechanism for starting the machine by means of the nickel making the electrical connections?

Mr. Cheever: As I said before I am not prepared to discuss the legal aspects of the case. I have simply been informed by my attorneys that such and such applications have been allowed; and if I did know these points, I do not think it would be proper to express my opinion on them here.

Mr. Chadbourne: I move that it be the sense of this convention that we accept all the slot machines.

Mr. Tewkesbury: If the Automatic Phonograph Company have fixed claims allowed, I want to know it. If other companies have slot claims allowed that are superior to others, I want to know that too, so that I can make the most advantageous contract for my company. If these gentlemen are ready with the machine, I am ready for the contract.

Member: If these gentlemen decline to answer questions about their various claims, how are we going to find out.

Mr. Tewkesbury: The point is first what they claim to have. If they are ready to make a contract with me,

A184 I want to know what these claims are, here or in private; that is all there is about it.

Member: If our patent goes through, all right; if it don't, we are ready to lie down very gracefully, but we don't want Mr. Gottschalk to jump on us with both feet, as he said. I have not the power to make any contract here in behalf of my company.

Mr. Cheever: It seems to me that this matter in the convention has been discussed enough, and I ought to apologize for wasting so much time on this subject. It was merely brought up for the purpose of getting general views while you were all assembled, and unless there is some new point brought up that has not been thought of, I would like to have this subject left.

Mr. Beach: We had the same contract forwarded to us, that the Automatic Company sent to all the companies, and we did not think that it was a just contract in all respects. In the first place, a contract to have any base of operations has got to have a foundation. We could not see that merely a statement of this contract based on a report, and showing that one or two claims had been allowed, and that a lawyer's opinion of their patents was a sufficient basis for the contract between that company and the sub-companies. If they had a patent issued, there would be some foundation for a contract, but they say that a patent allowed is no guarantee. I have been informed by patent lawyers that the examiners will repeal an allowance any moment before the patent is issued even up to the date, for any reasons that they may know, if they feel duty bound to do it, on discovery of some new idea from the patent office that comes to them.

Now what is the basis of this contract that they pro-

A185 pose to put out to the sub-companies. Have they got a patent? They have got an allowance, they claim. Is that a patent? Now if you will ask any patent lawyer, that is high up in law, he will tell you there may come a repeal to-morrow on that allowance standing in the patent

office. We felt that it was not the time to make a contract with the Automatic Slot Company, although we may do it when the right time comes. We are like all the other companies, waiting for the proper slot machine.

We may have in the course of thirty or sixty days, half a dozen slot machines. I think so far as our company is concerned, that it is best for us to wait, and find out what those patents are going to be, and what the claims are going to be before we make a contract, then take advantage of the best contract that any one company shall make. I understand now that the slot companies that are here in the field, if they get their patents, will make a very much better contract than that proposed. We think that we will take advantage of the best contract, provided the slot machine is the machine that we want to use, and will do the business in good faith. I move that this matter be laid on the table.

Mr. Gottschalk: I will only say, gentlemen, in this connection, that we have a multiple tube arrangement, so that from one to ten persons can listen at once. The second nickel goes into the same slot that the first one goes into.

(The report of the committee on batteries was then read.)

Mr. Clarkson: I understand that this Denver company will furnish any of the Carpenter batteries on trial for any reasonable length of time.

A186 The Chairman: I would like to suggest to you, gentlemen, in connection with that motion, that this same committee be continued to make a report on batteries a year hence.

Member: Our experience with the Julian as compared with the Pumpelly is that the Julian is much more likely to buckle.

Mr. Hoit: I would say in regard to this battery business that I have given it a very thorough and careful trial. We have had no satisfactory results from the Julian battery that we have had in our office. The Carpenter battery company very kindly sent us a battery to test, and we wished most enthusiastically that that might be a success, but it was not. We hoped it would be as it is a cheaper battery than any that we have been able to purchase, and it may be that the improvements made later are such that it is a complete success, and I hope that it is, but in the one that we had the envelopes would swell, would come together, short circuit by a buckling process, and ruin the cell at once; also the peppered plate, if I may call it so, the pepper box business on the plate—would sulphate and not allow the active material to be reached by the solution. We found it not satisfactory for our use, although we desired to do so, because it was a cheaper battery than any we had been able to get. The Pumpelly battery, I would say, that we are using, is giving us perfect satisfaction. We are using about 160 of these batteries to-day. However we have another battery, the Anglo-American battery, which is the liveliest battery that I have ever seen. Whether it will last or not, I do not know, but if it will it is the battery for use with the phonograph.

A187 A Member: Where is that made?

Mr. Hoit: The general offices are in Chicago.

Mr. Swift: I move that the report be accepted and laid on the table, and the committee continued. **Unanimously carried and so ordered.**

The Chairman: When we had a meeting five or six months ago at Omaha, I was the only one of all the members present at that time, who favored public exhibitions, and I said then as I say now, that the phonograph, if it is worth anything at all, ought not to be ashamed to be brought before the public in any form; and as a second point, I am in line with the gentleman from the Pacific coast, that is, that whatever the public get from the phonograph I propose to have them pay for.

Adjourned until 8 p. m.

EVENING SESSION.

Mr. Clancy: I will guarantee the bills at Kansas City, and put you up at a good hotel.

Kansas City was selected as the place for holding the next annual meeting.

The Chairman: I will now announce to you that you can come to Kansas City and stay as long as you like, there will be no hall rent and no hotel bills, just register now. **(Laughter.)**

Mr. Chadbourne: Will you give us the deed of a lot?

The Chairman: No lot. The next order on the programme, gentlemen, is the time of meeting. If any one has a good time for the meeting, we will consider it now.

Mr. Chadbourne: I move that that be left with the executive committee. **Seconded. Carried.**

A188 Mr. Smith: We have between 350 and 400 subscribers, and of these about two to one are users of the graphophone. I presume it is because Washington is the home of the American Graphophone Company, and the graphophone was in the field first.

We have had success from the beginning in putting out machines; from the very first day of our organization we have paid expenses, and our company is now earning about five per cent net on the capital stock. Our experience is that our leases are renewed instead of being cancelled, and we find that where we put out one machine, others are sure to follow. Our system of inspection is very thorough; but more important than all that is, our system of instruction has been very thorough. In the beginning of our organization, no machine was allowed to leave our office until the user had thoroughly learned the operation of it in our office, and if he didn't desire to learn the machine, he didn't get it. We have had some subscribers who found great difficulty in learning the machine, while others would come in and learn it in ten minutes; some had great difficulty in learning the treadle, but as a uniform rule, no machine was allowed to go from the office of the Columbia Phonograph Company, until the subscriber was an expert in the use of it. In that way we have had very much less friction in our company than there has been in some others. Our success has been all that we could desire and we have been extremely gratified at the result so far, and expect greater success still in the future. The graphophone is now in the hands of members of Congress and various other officials, the work of the official reporters of the Senate and House of Representatives²⁹ being done by the assistance of the grapho-

A189 phone. We have trained some of the most expert operators in the United States in the use of the machine, and they are constantly busy, and their skill in the use of the graphophone is continually bringing in a revenue for them. Our type-writer operators (ladies) generally prefer it to transcribe letters from as they can control the speed of the dictation; in the old way a stenographer in dictating his notes to a type-writer operator would crowd her from the time he commenced the dictation until the end, in order to finish within a reasonable time.

We have a number of skilled operators who can write from the machine while it is running, and who turn out from nine to ten type-written pages an hour, and from 25 to 30 folios an hour. I have myself had a very wide experience in the use of the machines, having used them now for about two years. I was furnished with them before they were given to the public, or before they were furnished to any company, and before there were any companies that would take them. During the last fall I reported the International Maritime Conference in the city of

²⁹ Original: "House of Representative" followed by a comma.

Washington, and without any assistance in a stenographic way, I furnished copy of 300 folios a day by the aid of the machines, and I finished my work and was ready to go home each day by 11 o'clock at night. In the old way, it would have taken me a much longer time, and it would have been necessary for me to have employed an assistant reporter and divided the money with him. I consider that in the last two years I have saved from \$4,000 to \$5,000 by the use of graphophones. My experience with the phonograph and the experience of our company with the phonograph has been much less than with the graphophone, and we do

A190 not claim to be authority on any instrument except the graphophone, but with that we have been eminently successful.

Mr. Hoit: The Chicago Central Phonograph Company have out 187 machines, of which 150 are for practical business use. The entertainment department is quite a feature with us and will be more so in the near future. As soon as this nickel-in-the-slot question is settled, and the machine put out, it will undoubtedly be a large source of revenue to us. I would state that our company is in good financial condition and that at no time in our existence has the money in the treasury been \$500 less than what was put in. We do not owe the North American Phonograph Company one cent. We have a bill from them for a few repairs which will be cancelled by credit for worn out parts to be returned. As far as rentals is concerned, an increase will hurt our business wonderfully.

The Chairman: What is the history of that order that we have heard something about from one firm.

Mr. Hoit: That is from S. A. Maxwell & Co. They first ordered two trial machines and afterwards ordered seven more, substituting them entirely for their stenographers, and the machines are giving the very best satisfaction. Any member of that firm will give you a strong recommendation of the phonograph.

The Chairman: One more question with reference to your customers. Do they all rush to your office and order machines?

Mr. Hoit:³⁰ No, they do not. They occasionally come in that way, but it really is not the rule. They come in and see the machine. We show them the ma-

A191 chine in connection with the type-writer operator; dictate a letter on the phonograph and transcribe it at once and hand it to him, and he listens to the machine and reads the transcript. In that way he is convinced of the utility of the machine.

Mr. Gottschalk: Have you any men canvassing for the machine?

Mr. Hoit: We have had no canvassers up to this date. We have placed one advertisement with the Chicago Tribune, costing us \$12.00 and that is the only advertising we have done.

Mr. Cantril, Colorado and Utah: We have put out up to the present time 100 machines. We have not been in the business long enough really to have had any experience. The machines rented are in the proportions of three graphophones to one phonograph. The fact that we have one firm using two graphophones satisfactorily, shows that the machines are practical. They can be used by almost anybody. These machines are used by a Chinaman who averages using 700 cylinders per week.

Mr. Cheever: I do not know exactly the line in which these remarks have been made as I have not been present for the last fifteen minutes. The Metropolitan Phonograph Company have out a very little less than 400 machines, three-quarters of which are used for business

³⁰ Original: "Mr. Hart"

purposes and the other quarter for private, social and similar purposes. A large majority of the subscribers like the machine very much. We know of several instances where the heads of offices after using the phonograph, much preferred it to a stenographer and type-writer. We have several customers who use the machines both at their offices and at their homes, for

A192 business purposes, that is to say, gentlemen who have correspondence will take their time evenings to do it and have their cylinders transcribed at the office the next morning. The professional typewriter and stenographer will prefer to use the graphophone instead of dictation to the type-writer direct, and having the dictation transcribed from the graphophone cylinders. One stenographer who uses our machines has dictated between 3,000,000 and 4,000,000 words in the past nine months for re-copying. We find that when our customers get over the first difficulties of using the machine, almost without exception they are enthusiastic in favor of the machine.

Mr. Clarkson: Among the users of our machines are the American Press Association, the Atlanta Newspaper Union and The Tribune, John W. Gray, editor. Henry W. Grady had an order in for two instruments and would have taken them had not death overtaken him. The future looks bright with us, and if the parent company will continue to improve the machines and keep them up to the proper standard, we have no doubt of success; and we feel as we did in the beginning, that there is every reason to believe in the ultimate success of the business.

Mr. Chadbourne: Gentlemen, the Minnesota company is on the broad road to success. We have not as many machines out as the Washington company, at the present time, but we feel very confident that the time will soon come, when we will have a great many more than they have in Washington or in New York. The machines that we have out are giving very good satisfaction to the users. We have quite a number out among doctors of divinity, editors, and others. We

A193 have received a very flattering certificate from the Rev. Dr. Laramie, of Minneapolis. He says that he saves one full day each week by the use of the phonograph in the preparation of his sermons. We consider that a good record for the phonograph. Dr. Shaw, editor of the Minneapolis Tribune, has had a phonograph in his office and we have transcribed his dictation in our office. He is very much pleased with the phonograph. It would be useless for me to go through the large number of our customers in detail, after all that has been said in favor of the phonograph and graphophone, but we feel very confident of the future and have as much faith in the instruments as ever, and consider success beyond any question.

Mr. Wood: Before our adjournment, I would like to have a report of the exhibition of the phonograph given in St. Louis at the exposition last fall. As Major Clancy had that matter in charge, I would respectfully refer the subject to him.

The Chairman: Some one has asked me to give an account of this exposition in St. Louis, so I will do so in a very few words. It was the rule of the St. Louis exposition that there be no inside entertainments of any kind where they charge an admission fee. We got them to make a special exception for the phonograph. I do not know whether that was through the influence of the gentleman who ran it, or whether they wanted to get part of our earnings. We succeeded in getting the use of a little hall which was on the inside and would hold about a thousand people. In that hall was a very large platform in front. Our plan of operation was simply this: We used the machines to copy some very fine music from Gilmore's band which was

A194 playing there every day, and also succeeded in getting some cornet solos from the soloist of Gilmore's band, also saxophone solos. When the people came in they were seated as they would be at any entertainment, until there would be anywhere from 12 to 150 people seated. We

would give them two or three pieces of music from the phonograph in the way of cornet solos and pieces by the band. At the close of that part of the entertainment, the curtain was dropped, and the audience were invited to come up on the platform where there were five machines each one of which permitted thirty listeners, and I had there assisting me some ten or twelve good looking operators, and Mr. Gray on my left here acted as expert. After the audience had listened to an explanation of the machine and some talk and music from the machines that stood around there, using the ear-tubes, we conducted them further back to the type-writers. They were admitted to the three divisions for ten cents and in conclusion I would say that we took in at that inside exposition \$3,252, and I believe that if we were to continue that exposition this year in the same way, the revenue would be very largely increased. One of the encouraging things that we experienced in connection with that exposition was that it was patronized by the best people of St. Louis. We had the songs of the best choirs, and we had talks on the phonograph by the leading representative lawyers of the city, and I know there were intelligent men and women that came back to that exhibit at least fifty times, and if we had gone on as I have been in favor of, I think the success would have continued as great as ever. In regard to the sale of machines, I think that if they had been sold we would

A195 have put out a great many more at that time than we did. They said at the convention that we had in Omaha a little over a year ago, I believe, when I made a motion in favor of giving public exhibitions in this way that it was not the best policy, and on my motion being put, I was the only one that voted aye. I am in favor of public exhibitions at hotels, fairs, expositions, concerts and everywhere that a public exhibition of this machine can be made, I am in favor of it and in favor of the public paying for their education along that line. Our difficulties arise in cases where the user will not take pains to give the machine proper attention. Where we can get them into the habit of using the instrument, they see its merits and will not part with it.

Mr. Cheever: We have many most enthusiastic users of the machine. One in particular might be called a crank on the subject. He sometimes has spent as high as a hundred dollars a week for musical cylinders. I have nothing to add in regard to the general business to what I have already stated in this convention. If you would like to ask me any questions, I should be happy to answer them, or to refer to Mr. Gottschalk who is more familiar with the details of the business than I am.

Mr. Clarkson: I might say a word about the increased rental on phonographs and phonograph-graphophones. I understood from the Chicago Central Company that it would kill their business if their rentals were increased. Does the Chicago company consider that they are furnishing a first-class stenographer to their subscribers at about the rates that first-class letter paper would cost them. In our company, when we mention the price, they are all surprised at its lowness, and I think that if an increase of rental was proposed

A196 and a better machine given the public, although they are not complaining about the present machine, there would be no dissatisfaction.

Looking at the business of our company, our condition is not quite as glowing as that of the Washington company on the start. We have been organized about one year; but from the beginning of this year since we got the new instruments, the phonograph and phonograph-graphophones, we find that expense for repairing is decreasing and we are daily increasing our business, and very little fault is found with the machines. We have many machines that are actually being used with the very best results in business, for instance, the editor of the Journal, a newspaper which has the largest circulation of any paper in the state, has rented a phonograph, which he keeps at his house and he uses it for editorial work. He told me that another machine

would undoubtedly be placed in the general offices for the business manager. I shall to-night prepare one or two cylinders, giving more or less of the proceedings of this convention to be type-written at home and published in his paper.

The Chairman: We of the Missouri Phonograph Company, have out to-day about 60 machines, all giving the best satisfaction.

Mr. Sampson: Representing New England, I desire to say that we have had very fair success with the phonograph and phonograph-graphophone. Of course, you are all well aware that New England is a very conservative place, and we do not take hold of new things so rapidly as they do in New York, but where we have placed machines, I think they have been so successful, that they are now doing us a great deal of benefit in the

A197 way of advertising themselves. Up to the present time we have not canvassed for the machine with any special effort, and it is only within two or three weeks that we have established any sub-agencies in our territory. We have out at the present time, 185 machines, and I can say that 104 of those machines have been put out since the first day of January, and they are all practically in business concerns. I think I can safely say that there are not in the entire territory that we occupy and control twelve machines that are used for amusement purposes in private residences; that they are in the best business houses in the city and of adjoining cities. We have not attempted in our territory to cover much outside of Massachusetts and Rhode Island, and some portions of Connecticut. Maine, New Hampshire and Vermont we have not attempted to work as yet. We find that the business men who have them are more than pleased with them. The manufacturers who are using them, and there are several who are in daily communication with their factories, with their offices, &c., by means of the cylinders of the graphophone, and are delighted with the machines. One manufacturer who has a very large factory, told me only two weeks ago, that never since he has been in business, has he ever received any such communications from his foreman as he had since the foreman had had the use of the graphophone; as he stated it, the foreman of the factory knows his business and knows how to talk it, but when I ask him to sit down and write me a letter daily on the conduct of the factory, he is not there. He does not know how to express himself in writing, but since I have used the graphophone, I get from him a report that is very full and very good of everything that is being done in

A198 the factory, much to my satisfaction. There has never been a cylinder which I have received of which I could not readily interpret every word. Another manufacturer in Abington is using three of these machines in his large shoe factory. The Holyoke Paper Company are using two of them, the Morgan Envelope Company, two, Overman Wheel Company, two, The Burnham Coal Company, two. The leading court stenographers of Boston, Walter Rogers & Co., are using four. Other stenographers of Boston are using five of these machines, and the two principal type-writers, ladies, are using the machine in connection with the transcribing of cylinders with great success. Col. Tom Major, General Butler's private secretary, and a court stenographer, has used two machines for nearly eight months, and he says that he has never enjoyed so much ease and got through so much work in the same length of time, as he has since he has used these machines, and that there is nothing that could induce him to give them up. Also in Providence, Mr. Holland, the editor of the Providence Journal, is using one daily in his office for his editorial work, and he told me a few days ago, that he believed that it would be only a short time before the compositors in his place would be setting type from the phonograph. Rev. Dr. Phillips Brooks, whom probably you all know, has used the phonograph for the last four months. The Rev. Dr. Griffith, of Boston, also uses the phonograph in the preparation of his

sermons. He says he finds it of invaluable use. Thus I might go on and enumerate to you, gentlemen, some of the successes of the phonograph and the graphophone in New England, but I think it would be useless to take any further time by giving a list of all the customers

A199 who are using the machine with perfect satisfaction to themselves; I have only given a sample of what the success has been in the past, to show what the success will be in the future.

Mr. McGilvra: With the exception of the Illinois State company, I believe the Old Dominion is the youngest of all the phonograph companies, it having been in existence only about ten months. The placing of machines in the hands of customers was not begun until the first day of January last. We have now out in the hands of users about 150 machines, very nearly all graphophones, and all, without a single exception so far as I know, giving perfect satisfaction. There is one firm in the city of Richmond, that has forty machines³¹ in daily use, Johnson & Co., publishers, 26th and Main Sts. Our machines went into that house solely because they are cheaper than the stenographic service which the house formerly required. We did not put in there the full number of machines now in use until after a thorough test had been made to determine the usefulness of the machines. The manager of one department of that house told me a few weeks ago that they had made a close comparison of results of the machines side by side with the stenographer, and they had found that two of their girls operating machines could get off as much work as five girls using stenography, and that the work was uniformly more accurate.

Mr. Glass: As I understand this is a meeting for the general interchange of ideas, I will say in regard to the Pacific Phonograph Company that we have met with the same difficulties that all the balance of the companies have, but have solved them in our own way. At the present time, we have nine girls, four of them

A200 using the caligraph, and we send out a girl with each machine who shows it up and thoroughly explains the working of it and operates it and finds out whether the machine is to be kept or not. The machine is usually kept. I will say further that those nine girls are the prettiest girls in San Francisco. We give our subscribers to understand at the outset that it is necessary to use a clear enunciation in dictating to the phonograph or graphophone to be transcribed by the type-writer, and as they have that understanding in the beginning and do not expect everything from the machine without doing anything themselves, we have no trouble afterwards. I will say further that we pay our canvassers \$50 per month, and give them \$5.00 commission on each machine, which \$5.00 commission they lose if the machine comes back six months later. You can understand that the canvasser takes some interest in the machine as well as the company who furnishes it.

Now, gentlemen, you have heard the resolutions that I introduced here the other day in regard to having a uniform machine, no phonograph and phonograph-graphophone, but one instead. Mr. Lippincott asked me to send the machine that I had to him and I will do it, and I am sure that when he sees it he will like it. I want to say this in regard to California, that we have got a machine made that will do the work and is a perfectly satisfactory combination machine. Mr. Lippincott has asked for this machine, and I shall send it to him at once. This machine will be used not only for dictation purposes, but as a mailing machine, and if adopted will prove of the greatest advantage to all concerned.

Mr. Chadbourne: Will Mr. Glass tell us what con-
A201 fidence he has in the future success of the phonograph.

³¹ Original: "machine"

Mr. Glass: I will say this in reference to the phonograph. I said something the other day in regard to my connection with the telephone. We have to-day in the city of San Francisco about 4,000 telephones leased. I am absolutely confident that in three years time, I will have as many phonographs, or what they give us in lieu thereof, placed in the same city, and I believe that before the time expires, that it will be worth twice what the telephone is worth to-day, to any man that is interested in it. I have an absolutely unfathomable faith in the result.

Mr. Conyngton: We find that it does not pay to mix up the exhibition and business machines in showing them. We made a mistake in Galveston at the outset of giving too much prominence to the musical exhibit, and many business men would leave, thinking that the machine was a very delightful toy but not a business machine. In our branch office at Dallas, Texas, we have pursued a directly opposite course and have met with very satisfactory results, so that for the future we propose to confine ourselves strictly to business, with reference to exhibiting the machines in any of our offices, but at the same time to provide for the amusement feature in such a way that all can have the opportunity of seeing and hearing the very many attractive features of this machine as a source of amusement, and as a means of livelihood for exhibitors in any city in which we have a branch office. Our arrangement at present in Dallas, is that in our regular office there are no musical cylinders on exhibition under any circumstances; but we inform them that next door there is a young man ready to exhibit the machine for amuse-

A202 ment purposes to all who come and pay him a fee for hearing it. The machine is looked upon with much more favor by those who pay ten or fifteen cents for hearing it than by those who just come in and³² bore us to death for an hour or half an hour listening to the selections that we have. As to public exhibitions in this territory, I would say that we made a very fine public exhibition in Fort Worth. We had a nice little section railed off in a building, and we kept three machines, with tubes for twelve to fifteen people to listen, constantly at work. In another part of this little space, we have two or three machines, graphophones and phonographs, which we show to men who are interested in the machine for different purposes. We have met with such success that we are more than pleased with this feature.

Mr. Gottschalk: It might interest the delegates here to know a little about our experience on this subject. When we first opened our present offices, we had from 150 to 300 visitors a day who came purely out of curiosity to see what a phonograph was like. We stood that for a little while, but we found that it interfered with our regular business and we had a sign with very large letters printed and placed in our front parlor saying that persons wishing to see the phonograph and phonograph-graphophone out of curiosity, are invited to examine it on the outside. This led to a discontinuance of the curiosity seekers. We have in the center of the room a machine for business purposes. In our rear parlor, which is cut off from the other two by folding doors, we have our musical department, so that if any one comes in, we ask them which they wish to see the phonograph or graphophone, and we take them to the

A203 proper apartment and try to get an order out of them. We have one source of revenue which we hardly think any other company in the United States has; we give regular exhibitions³³ in private houses. We receive \$25 for each exhibition. We have had as high as twelve or fifteen exhibitions in one week. Of course we pay our men extra for the evening work, but you are all phonograph men and know that we do not lose anything after all. We have specially prepared cylinders which we call exhibition cylinders which we use for this special work.

³² Original: "come in bore us." Alternatively, the correct text might have been: "come and bore us," with the word *and* mistranscribed as *in*.

³³ Original: "regular exhibition, in private houses." In support of this reading, see similar correction on A188.

The Chairman: The only point that I would like to have an expression of this convention on is this, whether it interferes with the business use of the machine.

Mr. Chadbourne: Would it not be well to leave that part of the business to the nickel in the slot machine?

Mr. Gottschalk: Thank you.

Mr. Chadbourne: I think that this exhibition feature certainly interferes with the use of the phonograph for business purposes, and ought to be discouraged as far as possible where you are dealing with people likely to want it for business purposes. Our opinion has been very similar to that of the gentleman from New York. We opened offices and had our rooms crowded from morning to night with curiosity seekers. People wanted to hear what the phonograph would do; then of course we had to go through with the whole rigmarole and show everything there was about it, and it amounted to simply nothing—it was a waste of time. Of course it was a very nice entertainment, and the audience was very much pleased and then would—go out.

Mr. Gottschalk: If there is no other regular business before the meeting, I would move that a vote of

A204 thanks be tendered to Mr. Smith and to Mr. Goodwin for the extraordinary work that they have done here during the past two days. We who have spoken five or ten minutes at a time, have no idea what a strain it must be to talk for ten or twelve hours at a stretch as these gentlemen have done. This work has raised the phonograph vastly in the estimation of every one as a machine of vast practical utility in the field of general reporting. If a merchant had come to me a few days ago and declined to renew his lease because he could not dictate to his machine without its being heard by other persons in the room, I would not have dared to contradict him, but these gentlemen have proven to us now that it can easily be done so as to be perfectly inaudible to all in the room, while the record, as we have found by testing, is wonderfully clear and distinct through the listening tubes.

Mr. Lindsay: I arise to second the motion made by my friend Mr. Gottschalk, and on that behalf I can heartily endorse all that has been said in regard to the gentlemen who have rendered us this essential and excellent service; but in connection with the resolution of Mr. Gottschalk, I would like to offer one, which can be voted upon at the same time with his consent.

The Chairman: I think it would be better to consider the motion separately.

Motion carried unanimously.

Mr. Lindsay: I beg to submit the following resolution: Be it resolved, that it is the sense of this convention that a vote of thanks be tendered to the Chicago Central Phonograph Company for all the courtesies it has shown to this convention; and that a vote of thanks be also tendered to the able and efficient manager of

A205 the Chicago Central company, Mr. George B. Hoit, to whose energy and ability is largely due the present success of his phonograph company.

Mr. Benson: I have been and am interested in a number of phonograph companies, and in organizing those companies, Mr. Hoit was the man that was with us in presenting these machines to the public, and if there is anything due to the efforts made by these various companies, I think we are largely indebted to him in getting the machines properly before the public, and I think thanks are due to him for the success of this company, and I move that the vote be unanimous.

Motion carried unanimously.

Secretary: I think it is eminently proper to pass the resolutions that have been offered, but I think that it would be a serious omission on our part, if we should fail to pass a vote of

thanks to the man who thought of this convention and called it, and to whose calling it is due. The good results of this convention are very apparent to all. I think if we had done nothing but come here and make the mutual acquaintance of those engaged in phonograph work, this convention would have been a success; but this interchange of ideas has been of great benefit to us all; so I move that a vote of thanks be tendered to Mr. McGilvra, of the Old Dominion Company.

Mr. Glass: I heartily endorse and second that motion.

The Chairman: The Chicago Central and all the other companies would not have enjoyed this meeting if it had not been for Mr. McGilvra. I know that many of the representatives of the different companies have been surprised at the good results of the meeting, A206 and we feel that thanks are largely due to the one that proposed the meeting.

Motion unanimously carried.

Mr. Chadbourne: Mr. President, before we close I would like to hear a few words of encouragement from Mr. Lippincott who is here, so that we can go home feeling that we have been benefitted by his words.

Mr. Glass: I want to say that since the offering of my resolution here about the combined machine which we have in San Francisco, Mr. Lippincott has requested me to send that apparatus right on to him. He will take it down to Mr. Edison's works for examination. Mr. Lippincott is a non-committal man, but he has given me distinctly and definitely to understand that he is going to give us that machine.

Mr. Lippincott: Mr. Chairman, I have learned a great many things in this convention and have been very much pleased with it. Although I have never lost my faith in the ultimate outcome of this business, I must confess that it was much harder work than I ever anticipated when I went into it. I think however that the history of this invention is only a repetition of the history of other great inventions, and in the end will be as successful, and I think that if we can only hold on and persevere, success will attend us; if it does not, it will be the only instance in the history of development that I have ever known; in other words, intelligent workers, added experience and earnest effort, are certain in this great undertaking to bring about the desired result.

The recommendations that have been made to the North American company, I assure you, will receive respectful attention, and we shall use our best endeavor

A207 to give you the machine that you want and the cylinders that you want.

With regard to the combination machine, that subject is one which offers very many difficulties, but they are not insurmountable, and I hope before the convention again meets in annual session, the machine will be everything that could possibly be asked. Of course there are bound to be improvements all the time; but I still think in the state of the business, it is to be hoped that a machine will be made that will be so far satisfactory, that we can draw a line and go ahead and do a profitable business for two or three years without having it constantly interrupted by these constant changes, which are not only annoying, but are terribly expensive to the North American company.

I am very glad to be present and meet so many of you that I have never met before, and I thank you for the many courtesies that I have received at the hands of the convention. I know that the convention has done me good, and I trust that so far as the business policy of the North American Phonograph Company is concerned, you will have no fault to find with us. (**Loud cheers.**)

Mr. Glass: I ask Mr. Lippincott to bear me out in the statement I have just made; is that correct?

Mr. Lippincott: Yes. Mr. Glass said he would send that machine out C. O. D.

Mr. Glass: I desire on the part of the far west to state that our relations with the North American Phonograph Company have always been of the most cordial nature; the first time that we had difficulties we reconciled them, and I want to say in behalf of all the phonograph companies with whom I have had any connection,

A208 that the North American Phonograph Company has given frank consideration to everything we have brought before it.

The Chairman: I wish to request now, that if any of you has any topic you would like to have discussed at the next meeting, that you refer the subject to the committee long enough before-hand, so that preparation can be made for it in the programme. And one more point: I trust that you will take example from my bashful young friend, Mr. Hoit, and from my still more bashful friend from Denver, Mr. Barber, and if you have anything of interest, bring it right before the convention for their examination and consideration—have all these improvements here on the first day of the convention and have them where we can look at them near by and make especial examination of them with reference to these machines. I want to say for myself personally in connection with the phonograph work, that I have been greatly benefitted by the convention. I have been doubly benefitted by the enthusiasm I received from the Central Phonograph Company at Chicago on their practical demonstration of what could be done in the way of putting out machines; but while, gentlemen, they have the great city of Chicago, we have a little territory out here in the west that is yet unworked; the only suggestion that I have to make now in connection with these gentlemen who are circulating in these great cities—I believe that a great deal of the interest will come from the smaller towns, and I believe, as Mr. Cheever stated to me in his office a year and a half ago, that the time is not far distant when the village of 500 people will have the phonograph or the graphophone in their office, where the man will come in from the

A209 country and dictate his cylinder and send it to his friends, either for commercial purposes or for the social relations, and I think I can see that in the future in connection with this work. Now, while we are getting our batteries ready for³⁴ these great commercial centers, let us not forget the grangers, the bone and sinew of the earth.

Mr. Tewkesbury: There is one topic that I do not think it would be well to postpone until the next meeting, and I therefore move you, Mr. Chairman, that this convention express its thanks to the chairman and secretary who have done such efficient service.

Mr. Glass: I second that motion.

Mr. Tewkesbury: I hope the chair will not be too modest to put the question.

(Motion put by secretary and unanimously carried.)

Mr. Gottschalk: I neglected to inform this convention on a very serious matter and it is lucky that I thought of it at the last moment. You probably all know a rather prominent gentleman by the name of John Wanamaker. John is a very nice man in his way, which is certainly our way at present. He is interested in the European phonograph interests and one of the parties interested in that company at my request saw him last week, and Mr. Wanamaker has promised to arrange to have an order rescinded which had gone out last year at the New York

³⁴ Original: “fer”

post office, that all phonograph and graphophone cylinders must go as first-class matter. He is going to rescind that and bring it under the second or third class rate.

The Secretary: I would move that every one of us do all in his power to encourage every man who has a graphophone or phonograph to send as many phono-

A210 grams to people in other states as possible; worry the life out of them, until they learn to use these machines. We have been able to place several machines by having people get “those queer looking little things in a paper box” and having to come down to our office to use the phonograph and the graphophone to listen to the cylinders, until they proposed to have one for themselves. If we would all encourage the sending of these cylinders right and left it would do us all a great deal of good. This is more of an idea than a motion.

Mr. Beach: I would say that I have sent a circular to every subscriber to the phonograph and phonograph-graphophone in my territory requesting them to do that.

Mr. Chadbourne: We have done that also, but the objection that they raised is that their friends may have a phonograph instead of a graphophone and vice versa.

Mr. Cheever: I call the gentleman to order. In the business transacted this forenoon, we decided to have that one machine.

Mr. Tewkesbury: Mr. Chairman, we do not want any postponement, and I want the gentleman from Minnesota to remember that.

Mr. Glass: If you look over the whole subject, you will see one thing plainer than anything you have seen to-night, and that is that WE SHALL HAVE ONE MACHINE! I move that we adjourn, and I invite the whole convention “down stairs.”

Adjourned.

[B1]

PROCEEDINGS OF SECOND ANNUAL CONVENTION OF LOCAL PHONOGRAPH COMPANIES OF THE UNITED STATES, HELD AT NEW YORK, JUNE 16, 17 & 18, 1891.

**Reported with the PHONOGRAPH,
Set up directly from the Cylinders, and printed by
The LINOTYPE REPORTING & PRINTING CO.,
[Sole licensee of the Stenographic Co. (Limited,)]
31-32 Park Row, New York.**

[B3]

SECOND PHONOGRAPH CONVENTION

**Fifth Avenue Hotel,
New York City, N. Y.,
June 16, 1891.**

The Convention was called to order at 10:30 o'clock, a. m., Mr. A. W. Clancy in the Chair.

OPENING REMARKS BY THE CHAIRMAN.

The Chairman: Gentlemen of the National Phonograph Convention:

A little less than a year ago we met at Chicago, Ill., for the purpose of discussing and promoting the interests of the Phonograph business. We have had many and varied changes since that time, and some of them of a discouraging character; but I do not think any of us have lost faith in the ultimate success of the enterprise.

To illustrate the present condition of the Phonograph business, I might relate an anecdote of two stuttering friends, Jones and Smith, who went out hunting. They had gone along for some time until finally they had "treed" a woodchuck. Smith stuck his hand into the hollow of the tree and had it severely bitten. He walked away quietly with his hand held behind him, and waited until Jones came up. He told Jones there was a woodchuck in there. Jones stuck his hand in and pulled it out in a bleeding and mangled condition. He said to Smith, who was laughing, "The darned thing has bit me." Smith then produced his bleeding hand, and in response to Jones said, "It b—b—b—bit me too."

B4 I suppose in discussing the Phonograph business that almost every man feels that he has in some way been bitten by the d—d—d—darned thing.

I am not here this morning to look on what may be the dark side of the picture of the Phonograph business, because I have before me reports that have come from various parts of the country, giving the most encouraging feeling with reference to the work; and while some of the organizations, perhaps, have not accomplished all that they would like, in the way of money and operations, others, certainly, are in very good standing today, and are doing what we may term a flourishing business.

In this connection I would like to refer you to an unsolicited article, from a very prominent lawyer, in the "American Law Review," with reference to the use of the Phonograph. It will prove to be very interesting and profitable reading. I can say with reference to the Missouri Phonograph Company that they can get, entirely unasked for, dozens of such testimonials from men who have been using the Phonograph for more than a year. A friend of mine put the matter in shape in discussing this question with myself last evening. He said, that of the three hundred men in the Phonograph business, perhaps seventy-five to a hundred have been making it a success, and that something ought to be done to bring into line the other hundred, at least; and, if possible, the other two hundred.

The Executive Committee met in this parlor last evening and had a short session, at which they considered and formulated a plan of business, by which we will be governed to-day until the election of officers is entered upon. They have agreed upon a list of Topics to B5 be considered, but it will be in order to add to the programme such Topics as the members of the organization may desire to hear discussed at this meeting.

I have on the table before me all the correspondence I have had with the different members and representatives of the various companies during the past year. I suppose there is little in such correspondence that calls for the action of the Convention, except so far as it relates to the credentials of members, so as to decide who is properly entitled to a seat in this Convention.

REPORT OF EXECUTIVE COMMITTEE.

Mr. Easton: Mr. Chairman, the Executive Committee beg leave to report the following resolution:

RESOLVED:

First, That the Convention proceed to an examination of the credentials of delegates.

Second, That the payment of the annual fee of \$15 from each company be provided for.

Third, That no company be permitted to vote that does not pay or provide for payment of the annual fee.

The President: The Committee has proceeded on the same basis as was adopted last year at the Convention at Chicago.

The Secretary will now call the roll of the Phonograph companies, and some one, the President or General Manager, will please report to us the names of their delegates.

The Secretary proceeded with the call as follows:

ROLL CALL.³⁵

B6 Missouri Phonograph Company, St. Louis, Mo.
A. W. Clancy, President, St. Louis, Mo.
J. C. Wood, General Manager, St. Louis, Mo.
Columbia Phonograph Company, Washington, D. C.
E. D. Easton, President,
William Herbert Smith, Vice President.
R. F. Cromelin, Secretary.
Chicago Central Phonograph Company, Chicago, Ill.

³⁵ Original includes the line "Missouri Phonograph Company, St. Louis, Mo., A." at the bottom of the page, but this is repeated at the top of page six.

Chas. Dickinson, Director, 115 Kinzie St., Chicago, Ill.
 Eastern Pennsylvania Phonograph Co., Phila., Pa.
 Jas. O. Clephane, Secretary, 16 S. 3rd St., Phila., Pa.
 Georgia Phonograph Co., Atlanta, Ga.
 F. Wohlgemuth, General Manager, Atlanta, Ga.
 Iowa Phonograph Co., Sioux City, Iowa.
 E. A. Benson, Director, Omaha, Nebraska.
 Kansas Phonograph Co., Topeka, Kansas.
 S. S. Ott, President, Topeka, Kansas.
 Kentucky Phonograph Co., Louisville, Ky.
 J. R. Kincaid, President, Louisville, Ky.
 Geo. W. Grant, Gen. Man., Louisville, Ky.
 Michigan Phonograph Co., Detroit, Michigan.
 Chas. M. Swift, Detroit, Michigan.
 Nebraska Phonograph Co., Omaha, Nebraska.
 H. E. Cary, V. P. and Gen. Man., Omaha, Neb.
 New England Phonograph Co., Boston, Mass.
 Chas. E. Powers, Treasurer, Boston, Mass.
 A. N. Sampson, Gen. Man., 657 Washington St., Boston, Mass.
 New Jersey Phonograph Co., Newark, N. J.
 W. L. Smith, Gen. Man., Newark, N. J.
 New York Phonograph Co., New York City.
 Jno. P. Haines, President, 257 5th Av., N. Y.
 Richard T. Haines, Sec. And Treas., 257 5th Av.
 Ohio Phonograph Co., Cincinnati, Ohio.
 Jas. L. Andem, President and Gen. Man., Cincinnati, Ohio.
 State Phonograph Co. of Illinois, Chicago, Ill.
 Granger Farwell, 232 S. Clinton St., Chicago.
 Geo. A. McClellan, Sec. and Treas., Chicago, Ill.
 Louisiana Phonograph Co., New Orleans, La.
 Thos. Conyngton, Gen. Man., Galveston, Texas.
 Texas Phonograph Co.
 Thos. Conyngton, Gen. Man., Galveston, Texas.

B7 Montana Phonograph Co.
 George B. Hoyt, Director, Chicago, Ill.
 Old Dominion Phonograph Co.
 C. F. Rowe, Sec. and Treas., Roanoke, Va.
 R. S. Boswell, Director, Roanoke, Va.

The Chairman: If there are any other companies that have not been called that desire to be listed here this morning, having delegates present, we would be glad to hear from them.

COLLECTION OF ANNUAL DUES.

The next business in order will be the collection of the annual dues, and as the name of each company is called we would like to have the representative of such company come forward and make the payment to the Treasurer.

At the meeting of the Phonograph Convention held in Chicago last year, the representatives of several companies went away and forgot to pay, and it has been thought best, before we proceed with business this morning, that the dues should be collected.

Mr. Clephane: It would be well to state the amount of those dues.

The Chairman: They are \$15 per annum, as stated in the report. That was decided upon last evening.

Mr. Easton: Mr. President, as the Treasurer is not present, we should have some one to act in his place.

The Chairman: I will appoint Mr. Clephane temporarily, until after the election.

The several companies thereupon paid their annual dues to the temporary Treasurer.

The Chairman: Will the Treasurer please read the names of the companies that are entitled to vote by reason of having paid their dues?

B8 The Treasurer: The following companies are entitled to vote:

The Missouri Phonograph Co. – \$15.
The New York Phonograph Co. – \$15.
The Columbia Phonograph Co. – \$15.
The Chicago Central Phonograph Co. – \$15.
The Eastern Pennsylvania Phonograph Co. – \$15.
The Georgia Phonograph Co. – \$15.
The Iowa Phonograph Co. – \$15.
The Kansas Phonograph Co. – \$15.
The Kentucky Phonograph Co. – \$15.
The Nebraska Phonograph Co. – \$15.
The New England Phonograph Co. – \$15.
The New Jersey Phonograph Co. – \$15.
The Ohio Phonograph Co. – \$15.
The Illinois State Phonograph Co. – \$15.
The Louisiana Phonograph Co. – \$15.
The Texas Phonograph Co. – \$15.
The Montana Phonograph Co. – \$15.
The Old Dominion Phonograph Co. – \$15.

The Treasurer: Seventeen companies are represented and have paid their annual dues.

The Chairman: There are seventeen companies present, according to the report of the Treasurer, that have paid their dues, and are therefore entitled to vote. There probably will be two or three more companies represented in a short time.

ELECTION OF OFFICERS.

The next order of business is the election of officers: a President, Vice President, Secretary, Treasurer and Reporter.

Nominations for President are in order.

ELECTION OF PRESIDENT.

Mr. Benson: I nominate Mr. Clancy.

Mr. Haines: I second the nomination.

Mr. Benson: I move the nominations be closed and that he be elected by acclamation.

B9 Mr. Wood: I second the motion.

The Secretary: It has been moved and seconded that the nominations be now closed and that the present incumbent be unanimously declared to be the President of this Convention for the coming year.

The question being put on the motion, it was unanimously agreed to.

PRESIDENT'S ADDRESS.

The President: Gentlemen, I thank you for your kindness and courtesy in again selecting me to preside over your deliberations. I shall endeavor to do so impartially and for the best interests of all who are interested in the Phonograph business.

ELECTION OF VICE-PRESIDENT.

Mr. Haines: I nominate Mr. E. D. Easton, of Washington, D. C., for the position of Vice President.

Mr. Clephane: I second the nomination.

No other nominations being made and the question being put to the Convention upon the election of Mr. Easton as Vice President, he was unanimously elected.

ELECTION OF SECRETARY.

The President: The next order of business will be the nomination of a Secretary.

Mr. Cromelin: I nominate Mr. R. S. Boswell as Secretary.

Mr. Boswell declining, other nominations were made, but each of the gentlemen declined.

The President: I will suggest Mr. Geo. A. McClellan. He is a young, vigorous fellow, and can do the work.

Mr. Easton: Mr. President, acting on the suggestion of the President, I nominate Mr. McClellan.

The question being put to the Convention upon the nomination of Mr. McClellan as Secretary, he was unanimously elected.

B10 The President: The next in the order of business is the election of a Treasurer.

ELECTION OF TREASURER.

Mr. Clephane: We have a somewhat distinguished financier with us, Mr. Andem, of the Ohio Company. I nominate him for Treasurer.

Mr. Easton: I second the nomination.

The question being put to the Convention upon the nomination of Mr. Andem as Treasurer, he was unanimously elected.

ELECTION OF REPORTER.

The President: The next business in order is the election of a Reporter.

Mr. Easton: I nominate Mr. William Herbert Smith, of Washington, D. C.

The question being put to the Convention upon the nomination of Mr. Smith as Reporter, he was unanimously elected.

GREETING TO MR. JESSE H. LIPPINCOTT.

Mr. Easton: I want to offer at this stage of the proceedings a short resolution:

Resolved: That the delegates of the National Phonograph Convention, in Second Annual Convention assembled, extend to Jesse H. Lippincott, President of the North American Phonograph Company, a cordial

greeting; that they remember with gratitude and affection the pleasant personal and official dealings with him while he was actively engaged in the Phonograph business, and sincerely regret his ill-health and financial misfortunes.

Mr. Boswell: I most heartily second that resolution.

Mr. Haines: I also second it most cheerfully.

Mr. Boswell: I move its unanimous adoption.

The President: I want to say for myself that I feel deeply in relation to this matter, as I have been associated in business dealings with Mr. Lippincott for some-

B11 time, and I have learned to appreciate his many sterling qualities. I would suggest that the resolution be adopted unanimously by a rising vote.

The question being put to the Convention on a rising vote, the Resolution was unanimously adopted.

Mr. Easton: I move the Secretary be directed at the earliest possible moment to send to Mr. Lippincott a copy of the resolution just adopted.

Mr. Boswell: I second that motion.

The question being put on the motion it was unanimously agreed to.

DEATH OF MR. WILLIAMS AND MR. CLARKSON.

The President: I intended in my opening remarks to have expressed my deep regret and sympathy for Mr. Lippincott in his unfortunate position at the present time, as well as to refer to the loss of two very valuable members, Mr. L. Halsey Williams, of Pittsburg, and Mr. F. E. Clarkson, of Georgia. I think there ought to be a committee appointed to report suitable resolutions with regard to the death of these two gentlemen, so that the Convention may have an opportunity of expressing its sorrow at the loss it has thus sustained.

Mr. Haines: I move that the Chair be authorized to appoint such a committee.

The question being put on the motion, it was unanimously agreed to.

The President: I will appoint on that Committee Mr. Clephane, Mr. Wohlgemuth and Mr. Conyngton.

INVITATION TO REPRESENTATIVES OF VARIOUS PHONOGRAPH AND GRAPHOPHONE INTERESTS.

Mr. Boswell: I move that the President of the American Graphophone Company, Mr. Thomas A. Edison, and Mr. Samuel Insull be invited to attend this Convention.

B12 Mr. Haines: I should like to add: "also a representative of the North American Phonograph Company."

Mr. Boswell: Certainly. I will cheerfully consent to include such representative in my motion.

Mr. Benson: I would like to amend by suggesting that names be omitted, and that the motion read "Representatives of the Edison Works, of the American Graphophone Company and the North American Company, be invited to be present," without naming any particular person.

Mr. Boswell: I accept that amendment, Mr. President. My desire is to have all invited. It was an oversight on my part in not including all in my original motion.

The President: The motion, as amended, is that we invite representatives of the North American Phonograph Company, the Edison Works and the American Graphophone Company to be present at this Convention.

The question being put on the motion, it was unanimously agreed to.

PUBLICATION OF PROCEEDINGS.

Mr. Haines: I move that the proceedings of this convention be printed by the Linotype Reporting and Printing Company, of New York City, and that the length of line and size of page be made to correspond to the published report of the proceedings of the Convention of last year.

Mr. Boswell: I second that motion.

Mr. Farwell: Mr. President, it seems to me that it would have been better if the report of last year's proceedings had been more condensed. Everything that was said by anybody was put down and published. In looking over a business document I desire always to be able to get at the meat of it without having to read

B13 the whole thing. It seems undesirable to me to have every little remark that is made on every subject reported and published. If we could have the proceedings presented in a condensed form it would be better. This course might interfere with the use of the Linotype, because there, I suppose, the operator has to take it right off the cylinders. Not to mention the saving in expense, I think it would be a more practical report and serve better to show the actual work of the Convention to have the report of the proceedings condensed.

The President: I understand, Mr. Haines, by your motion that you desire to have the Linotype Reporting and Printing Company prepare this document.

Mr. Haines: Yes; it need not necessarily be published *verbatim et literatim*. As I understand it, they will make a verbatim transcript, and then submit the galley proofs for correction and alteration. The curtailment can be made at that time.

The President: I should think that would be all right. Mr. Clephane, have you any information about how this can be done?

Mr. Clephane: I think the best way, possibly, would be to have a literal copy of the proceedings furnished in proof sheets, and then have an editing or publication committee go over these proofs afterwards for the purpose of condensing and making proper revision.

Mr. Haines: If I remember, Mr. President, last year a Committee on Publication was appointed.

The President: There was such a Committee.

Mr. Haines: And I think it would be well to appoint a similar Committee this year.

The President: Mr. Haines' motion, as I understand it, is that the Linotype Company shall do this work; that

B14 the cylinders shall be transcribed literally and the proof sheets afterwards be submitted to a proper Committee for condensation and revision.

Mr. Haines: Yes sir. I would like to ask, Mr. President, if it is understood that the expense of the publication of the proceedings of this Convention shall be paid out of the general fund?

The President: Yes sir; the only point is that I think in the outset we ought to understand what is going to be the cost.

Mr. Haines: I think so. I should be very glad to hear what the President of the Linotype Company has to say with regard to that.

Mr. Clephane: Mr. President, I will state that if the matter should be printed as originally transcribed – that is, in full, even – the cost would be less than the printing of a condensed report in the ordinary way. Of course by doing it on the Linotype we save the cost of having a transcript made upon the typewriter in the first instance, as the transcript is made upon the Linotype machine directly from the cylinders.

The President: About how much a line would that be?

Mr. Clephane: I have not made that calculation.

Mr. Haines: I was going to call your attention, Mr. Clephane, to the fact that this will be a very profitable advertisement for the Linotype Company, and they should take that into consideration in computing the cost.

Mr. Clephane: We appreciate that, and in making our estimate will take that fact into consideration. It must be borne in mind that it will also be an advertisement for the Phonograph.

Mr. Easton: Unless some one present can tell in ad-

B15 vance how many pages the publication of the proceedings will make, I do not see how it will be possible to get at the cost; no one can tell that now.

Mr. Farwell: Mr. President, the only point that I see now in connection with the publication is that it seems to be the feeling of the Convention that we only want to pay for the publication of matter important to us, and not to have such an elaborate pamphlet as we had last year.

Mr. Boswell: I assume that by means of the Linotype used in connection with the Phonograph the cost will be 20 per cent. less than it was last year.

The President: Suppose we leave this matter of publication to be modified and arranged by the Executive Committee.

Mr. Clephane: It will cost less than to have it printed in the ordinary way, and the Phonograph Companies will have the advantage of the advertisement, of course, of having the proceedings printed directly from the Phonograph cylinders.

The President: As I understand this motion, it is that the proceedings be printed by the Linotype Reporting and Printing Company of New York City, the cost and details to be settled by the Executive Committee.

Mr. Haines: Yes sir.

The question being put on the motion as stated by the President, it was unanimously agreed to.

The President: Mr. Clephane, you will please prepare yourself accordingly.

RELATION OF DIFFERENT PHONOGRAPH AND GRAPHOPHONE INTERESTS.

Mr. Easton: Mr. President, the Executive Committee beg leave to submit the following resolution and recommend its passage:

B16 Resolved: That a special permanent committee of five at once be appointed by the Chairman to confer and advise with the parties in interest on the state of the Phonograph enterprise, and especially the relation of the local companies to the parent company, said committee to report, as far as possible, at the present session of this Convention, and to be continued during the recess with full power.

The President: That is a resolution reported by the Executive Committee for action.

Mr. Easton: Yes sir.

Mr. Farwell: I move the adoption of the resolution.

The motion being seconded by Mr. Haines, the question was put to the Convention upon the motion as stated.

The President: This is a very important resolution and it seems to me ought to be carefully considered.

Mr. Boswell: I would like to hear the resolution read again.

The President: The Secretary will read the resolution for the information of the Convention.

The resolution was then read by the Secretary.

The President: You have this resolution presented by Mr. Easton, of the Executive Committee, before you. Are you ready for the question? I will put the motion.

The question being put on the motion, it was unanimously agreed to.

MICHIGAN PHONOGRAPH COMPANY APPEARS.

The President: There is one more company to be added to the list. Mr. Swift, of the Michigan Phonograph Company, has just come in. This makes eighteen companies that have paid their money, and that are entitled to vote.

INVITATION OF THE LINOTYPE REPORTING AND PRINTING COMPANY.

The President: I wish at this time to present this invitation to the Convention:

B17

Office of Linotype Reporting and Printing Co.,
31 and 32 Park Row,
New York, June 13, 1891.

Mr. A. W. Clancy,
President of Phonograph Convention,

Dear Sir:

If the members of the Phonograph Convention to be held at the Fifth Avenue Hotel next week, can arrange to visit our office on Wednesday next we will be pleased to give them an exhibition of the practical working of the Phonograph in connection with the Linotype.

Very respectfully,
JAMES O. CLEPHANE,
President.

This invitation is before you, gentlemen, for such action as you may desire to take.

Mr. Boswell: I move the invitation be accepted.

The President: What hour, Mr. Clephane, would you suggest having the members of the Convention call?

Mr. Clephane: If the members of the Convention could call about half-past eight in the morning, it would be more agreeable to them probably, and equally convenient to us.

The question being put on the motion, it was unanimously agreed to.

Mr. Boswell: Referring to the resolution introduced by Mr. Easton for the appointment of a Committee on Conference, I will ask if it is not left to the Chair to appoint the Committee?

The President: Yes sir.

Mr. Boswell: I would suggest that in selecting that Committee you carefully consider the interests of the different sections of the country, and select a representative from each section. The conditions may not be the same in each territory.

The President: I would be glad to have any suggestion with reference to that matter, because it is the most im-

B18 portant thing we have before us. I will have but little time to consider the appointment of that Committee.

Mr. Boswell: I hope the President will give it mature consideration.

PHONOGRAM FROM NORTH AMERICAN PHONOGRAPH COMPANY.

The President: I also wish to present to the Convention a Phonogram which will be placed upon one of the Phonographs, either the nickel-in-the-slot, or some one of the machines that are in operation, so that all the delegates can listen to it. It is a cylinder that has been sent by the North American Phonograph Company.

Mr. Haines: I move that the Phonogram be placed on one of the machines present, and read aloud by the reporter, so that we may have the benefit of any information it may contain.

The question being put to the Convention on the motion, it was unanimously agreed to.

The Phonogram received from the North American Phonograph Company was repeated as follows:

Mr. President and Gentlemen:

It has been suggested that a short speech from me on the Phonograph might not be inappropriate at this time, and I take pleasure in embracing the opportunity to welcome you, in the name of the North American Phonograph Company, to this city.

It is to be hoped that this, the Second Annual Convention of the National Phonograph Companies, will result in much that will be beneficial to the general enterprise. If it is your pleasure to submit your conclusions, through the medium of a Committee of three or four of your number, to the North American Company, I can assure you that the officers of that Company will take great pleasure in meeting them and will take into serious consideration any proposition which may be submitted. You may rest assured of their earnest co-operation in all that pertains to the general welfare of this business.

I hope that it may be my pleasure to meet with many of you to-morrow to escort you to Mr. Edison's labora-

B19 tory at Orange, after which a slight entertainment will be offered you, for the particulars of which I beg to refer you to your presiding officer, Major Clancy, with whom I already have had the pleasure of conferring. I trust that your visit here may not only be productive of much good, but also of much pleasure; and no one will take more pains to accomplish both results than

Yours very truly,

THOMAS R. LOMBARD.

Mr. Haines: I move that the communication just received be placed on file.

The question being put on the motion, it was unanimously agreed to.

INVITATION TO VISIT EDISON'S LABORATORY.

The President: I will read in connection with this Phonogram a communication that I received on June 4, from Mr. Lombard:

At the meeting of the Convention on the 16th inst. it is the intention of this Company to invite the representatives of those companies in good standing to go to Orange to visit the Edison Laboratory and Phonograph Works, and some other entertainment of a sociable character. We have selected the 17th inst. as the date to be set apart for that purpose. Letters will be sent to the companies notifying them of the same, and asking for the names of their delegates so that we may make our arrangements accordingly.

Will you at the proper time bring this before the Executive Committee and make the plans accordingly?

Trusting this will be satisfactory, I remain,

Yours respectfully,

THOMAS R. LOMBARD.

FULL REPORT OF PROCEEDINGS TO BE MADE.

Mr. Farwell: I would make the suggestion that the Reporter make a synopsis of what is said here instead of taking it down verbatim. It seems to me that it will require the expenditure of more money than there is any necessity for in the matter of printing. If Mr. Smith would just use his judgment in noting down these pro-

B20 ceedings, without making a verbatim report, it would be more practical and business-like.

Mr. Haines: I would like to have the President of the Linotype Reporting and Printing Company asked whether it will cost this Convention any more to receive the verbatim report first, and then correct it afterwards, than it will to make a synopsis of it in the beginning?

Mr. Clephane: Mr. President, in reply to the inquiry of Mr. Haines I will state that the time of the operator while engaged in making corrections would have to be charged for, the same as is done in ordinary printing offices; but as I have already observed, the expense of having a typewritten transcript in the first instance will be done away with, and it will not cost as much as it would to have it first transcribed, and then printed at a printing office. I think that there will be a reduction of from 25 to 30 per cent.

Mr. Farwell: For example, suppose that fifty pages of matter were condensed into ten pages, would it not cost a good deal less to have the reporter make the synopsis so that there would only be ten pages to be printed?

Mr. Haines: Mr. President, I think there are a number of gentlemen present who would like to have proof sheets giving the proceedings in detail; then for purposes of publication these proof sheets could be so revised that the report could be cut down to what you might call a synopsis.

Mr. Clephane: Of course if you reduce the number of pages by condensation afterwards it will save that proportion of expense for presswork and paper.

Mr. Benson: I think Mr. Farwell is entirely right. As far as I can see there is no good on earth of having all this matter in the book. If a motion is put and car-

B21 ried, that is all, it seems to me, that anybody desires to know about it. It does not seem to me important to know that Mr. Farwell or Mr. Haines made a suggestion about the cost of this or that.

Mr. Dickinson: It often happens that a slight incident leads to things of more importance, so that I differ somewhat from the gentleman.

Mr. Haines: That is the reason I thought that if we could have proof sheets for our own use, and then have a synopsis of the proceedings printed for publication, it would cover the ground and at less expense.

Mr. Clephane: The expense would be very materially reduced, of course; but I do not think the Convention will object to the expense that will be incurred by printing a very full report.

Mr. Easton: Mr. President, I suggest that we proceed to have a full report made, and let the question of how much is to be published be left to the Executive Committee to determine.

Mr. Haines: That would be, perhaps, the best way, and I therefore second the motion.

The President: It is moved and seconded that we have a full report made, and then have the matter of how much shall be published left to the determination of the Executive Committee.

The question being put on the motion, it was unanimously agreed to.

TOPICS SUGGESTED BY EXECUTIVE COMMITTEE.

Mr. Easton: The Executive Committee has directed that the following Topics should be presented for consideration and action by the Convention.

No. 1. What light and inexpensive improvements can be made to the Phonograph to increase its utility?

B22 No. 2. The sale of machines; prices and proportions to the parent and local companies.
No. 3. Slot machines.

ADDITIONAL TOPIC – SUPER-SENSITIVE DIAPHRAGM AND NEW ARM.

Mr. Clephane: I should like to submit an additional Topic. If Mr. Swift is in the room, I would like to have him listen, as he and I have had some conversation about it. I would like to know if I present it in a shape that is acceptable to him. It is this:

The advisability of having furnished to such of the local companies as desire them, for application to the present Phonograph, a new super-sensitive diaphragm and a new arm; these to be furnished by Mr. Edison under special arrangement with Mr. Edison, and the North American Phonograph Company.

Mr. Boswell: I hope that Topic will be presented for our consideration.

The President: This is a Topic that you want to have presented for discussion?

Mr. Clephane: Yes sir; that is my purpose in suggesting it.

Mr. Conyngton: That is already provided for under the Topic of “Improvements of the Phonograph,” as suggested by the Executive Committee.

The President: This is presented with a request to the Executive Committee that it be put upon the program. I will put the³⁶ motion on adopting it as one of the Topics.

The question being put on the motion, it was unanimously agreed to.

Mr. Swift: I would like to suggest a Topic, that a general agent of sub-companies be appointed.

The President: It is in order now for members of the Convention to present any Topics they would like to have

B23 discussed. The Executive Committee has agreed upon those already read, but we are willing to listen to others.

NAMES OF AUTOMATIC SLOT MACHINES ANNOUNCED.

I have been requested to have announced the names of a number of the Automatic Slot Machines that will be presented here for exhibition. We will take that subject up now. Let those that have Automatic Slot Machines here announced the fact, and give the name of the machine.

Mr. Ott: Mr. President, the Kansas Company have a machine here. It has no name, unless you call it the Kansas machine. There is no special name given to it.

The President: Then name it. Call it the Ott-Tewkesbury machine, so that we will know it.

Mr. Ott: It may be known as the “Topeka Machine.”

Mr. Cary: We have here the “Nebraska Automatic Slot Machine.”

Mr. Wood: We have the “St. Louis Automatic Slot Machine.”

Mr. Ling: I have here the “Ling Automatic Slot Machine, of Detroit.”

³⁶ “the” is repeated twice in the original.

Mr. McClellan: I have a machine here. It has not been christened yet. You can call it the "McClellan Machine, of Chicago."

Mr. Conyngton: I have here an automatic slot machine called the "Hartford Model No. 2," and "Hartford Model No. 3."

ADDITIONAL TOPIC – "MUSICAL CYLINDERS."

The President: This additional Topic has been suggested as a proper one to place upon the program:

The best method of obtaining cheap and good musical cylinders.

B24 Mr. Wood: I think that Topic is out of place, for this reason: A good many of us understand that Mr. Edison has a duplicating process, and if this Committee will make an arrangement so as to get those musical cylinders, we understand that they can be procured very much cheaper than we can now get them.

Mr. Benson: I presented that Topic. I did not mean to go into any detail as to how to make these things, but I had in mind a way of getting them, and I thought it was a matter of sufficient importance to be looked into.

The President: I think it is a very important subject.

Mr. Wood: I move the adoption of the Topic.

The question being put on the motion, it was unanimously agreed to.

ADDITIONAL TOPIC – APPOINTMENT, AGENT OF SUB-COMPANIES.

Mr. Swift: Mr. President, I have a Topic that is rudely sketched in this way:

The appointment of an agent of all the sub-companies, to whom all controversies with the North American Company shall be presented and negotiated; who is to keep himself fully informed of the condition and intentions of the North American Company, and its relations to the American Graphophone Company and the Edison Phonograph Works, and who shall report monthly to all companies.

I submit this Topic for discussion because in the case of the Michigan Phonograph Company it has caused us an expense of several hundred dollars to send a man down to New York half a dozen times in a year, simply to get information. I think one man living near New York, or in New York, connected with the Phonograph business, might be a very great aid to the sub-companies. I am sure that a great many of the sub-companies have had the same controversy with the North

B25 American Company that we have had; but each one has been ignorant of the status of the other. Standing alone a company has no power; combined, the companies represent a capital of seven or eight million dollars. They are just as strong as the North American Phonograph Company. Instead of being dictated to, if we are combined, we can dictate; and we can then get information at very small expense, to secure which now involves us in a very heavy outlay.

The President: If there is no objection, the Executive Committee will place this Topic on the program. I hear no objection. It will be so ordered.

BEST PLAN OF ECONOMICALLY CONDUCTING BUSINESS.

Mr. Easton: The following has been submitted:

What plans shall be adopted by which the interests of all the sub-companies may be uniform, and the cost of conducting and maintaining business be reduced to the minimum?

MISSING PARTS.

Mr. Dickinson: Mr. President, does the question of “Missing Parts” come in under any of the resolutions that have been offered at this time – the question of the settlement between the local companies and the North American Company for missing parts, and wear and tear of machinery?

The President: No sir; there is nothing of that kind on the program.

Mr. Dickinson: I submit the following:

How can the differences with the North American Company, with regard to missing parts, wear and tear, etc., be best settled?

Mr. Benson: Mr. President, would it not be a better idea to ask this Committee that is going to be appointed

B26 to have a construction put upon that clause of the contract?

Mr. Dickinson: I will accept that suggestion.

The President: It has been suggested by some of the members of the Convention that we adjourn until two o’clock. At that time the Committees will be announced, and then an opportunity will be afforded anyone who desires to do so to make suggestions to the Committee which will be appointed to confer with the North American Phonograph Company.

Mr. Easton: I move that we adjourn until two o’clock to-day.

The question being put on the motion, it was unanimously agreed to.

The Convention took a recess until 2 o’clock.

B27

AFTERNOON SESSION, June 16.

The Convention was called to order at 2 o’clock, p. m.

APPOINTMENT OF COMMITTEES.

The President: The first thing in order after recess is the appointment of committees, of which there are three; the Conference Committee, to be appointed in accordance with the resolution offered by Mr. Easton this morning; second, the regular Executive Committee of the Convention; and, third, the Editorial Committee.

The first Committee of five that I have arranged is: Mr. Benson, Mr. Powers, Mr. Swift, Mr. Easton and Mr. Farwell.

The regular Executive Committee:

Mr. Haines, Mr. Wood, Mr. Sampson, Mr. Conyngton,³⁷ Mr. Cary and Mr. Dickinson.

The Editorial Committee:

Mr. Clephane, Mr. Smith, of New Jersey, and Mr. Boswell, of Virginia.

These Committees, as nominated, are before you for your approval or disapproval.

On motion the appointments as made by the President were unanimously approved.

DISCUSSION OF TOPICS.

³⁷ No comma in original

The President: The first Topic on the program to be presented for your consideration is: What slight modifications should be made in the Phonograph to increase its efficiency?

Mr. Boswell: I move we take up the Topic relating to the sale of machines.

B28 The question being put on the motion, it was unanimously agreed to.

TOPIC – SALE OF MACHINES.

Mr. Boswell: I would suggest, the territory of Mr. Smith (New Jersey), being peculiarly situated, that he may have a few words to say on the subject of the sale of machines.

The President: These questions are open for full discussion, and I hope each one of you will say just exactly what you feel, and what you believe.

Mr. Smith: Mr. President, I do not know that I have anything to say in addition to what I said at the Convention held in Chicago last year. Perhaps the views that I hold will not have any force with the representatives of other companies, and for the reason that I view the matter of the sale of machines entirely from the standpoint of the New Jersey Phonograph Company. I hold now, as I did then, that the interests of the New Jersey Company instead of being advanced would be decidedly prejudiced by the sale of machines, and this because of the peculiarity of our location. We are between New York City, on the one side, and Philadelphia, on the other, to either of which cities the trade of our state naturally gravitates. If the sale of machines were adopted the business which we now get under the present system would naturally go to either the New York Phonograph Company, or to the Eastern Pennsylvania Phonograph Company, and the business of the New Jersey Phonograph Company would be that of continually defending itself against an infringement of its rights. Personally, I am opposed to the sale of machines, and shall vote against anything that tends in that direction.

Mr. Wood: There is one point there that I think we

B29 should, in the outset, before proceeding with the discussion of this question, clearly understand, and that is whether it is proposed to have a restricted or unrestricted sale. That ought to be clearly defined so that we will not make any errors in discussing the subject.

Mr. Conyngton: I have understood, properly, or improperly, that the proposition is only to sell machines for business purposes, and in particular places; and further, that every machine sold by any company is to have a plate on it which is to be engraved: "Sold for business use in—" then specify the particular place where it is to be used. I understand that is the only proposition that is before the Phonograph companies to-day. It is claimed that it has been decided by the Supreme Court, that if articles are sold under such restrictions the parties cannot move them to another territory, or sell them to third parties for use in other States, or in other parts of the same State. If I am not right about this I hope some one will set me right.

Mr. Andem: I would like to ask Mr. Smith whether he would be opposed to the selling system if a scheme were devised by which his territory would not be affected. I want to know whether he is opposed to selling on principle, or only opposed to it because he feels that his territory is in danger?

Mr. Smith: That is the only reason, because I believe my territory would be seriously affected.

Mr. Andem: On principle, then, you are not opposed to selling?

Mr. Smith: No, I cannot say that I am. I have understood from the first that it was proposed to sell these machines without any restriction whatsoever, and that

B30 this had to be done, if I have understood the matter correctly, because they could not legally be sold with restrictions. In other words, as I understand it, a purchaser of a machine in New York City can bring his machine into the state of New Jersey, and we have no redress against him, or against the Company selling the machine. I was going to say, or against the parent company. I am not so confident about that. That is my understanding, so far as the holder of the machine is concerned, and the company selling it.

Mr. McClellan: Mr. President, I think that it would be very difficult to enforce any rule of restriction after selling machines. If a man once becomes the owner of a piece of property he will do as he pleases with it. The only way, it seems to me, to get over this trouble would be to lease the machine for 99 years, with certain restrictions, the same as you lease the machine now, and which practically makes ownership.

Mr. Boswell: Mr. President, last January I came to New York to oppose as far as I could the sale of machines, not because I was opposed to selling, but because I believed it would interfere with our business in the exhibition line, and in the placing of business machines, as the other local companies might send machines into our territory. Again, I was opposed to the sale of machines on the ground that the local companies were formed with a distinct understanding, in respect to localities, that machines were to be rented. Figures were submitted to stockholders, or subscribers to stock, based on the rental of machines. In my opinion a radical change, made, as it were, in the twinkling of an eye, would hurt the business. But occurrences have taken place recently that move me to waive those objec-

B31 tions. It has been published to the world that the head of the Phonograph Company has suffered financial embarrassment; and while it was published at the same time that it did not affect the Phonograph enterprise, yet it has done so to a certain extent. What, therefore, is presented before the Phonograph interests now? Some plan of re-organization! And such a scheme, it seems to me, ought to embrace all the interests. There is no objection to selling instruments without restriction, if we all have a common interest.

This brings us to another point which has been suggested for discussion. It is very necessary that we should have a little larger field in which to do business. To-day we can approach a customer with only one proposition. We have to say to him "You must lease." Now, where a man wants to purchase outright he should have the privilege of doing so. Even without a re-organization I do not think that our territory would suffer very much from an unrestricted sale, but New Jersey being between two great commercial centres, Philadelphia on the one side and New York City on the other, the very life would be crushed out of that company, it seems to me.

Mr. Conyngton: Mr. President, I do not know whether we are commencing at the right end of this matter. As I understand it, there is a clause in our contract with the home company by which they can order the sale of machines whenever they wish; and I suppose that all of us have understood that the North American Company is financially embarrassed, and that to relieve themselves from this embarrassment it is almost necessary for them to order the sale of machines. They have a large lot of the present model of machine on hand, and

B32 we are told we cannot get hold of the improved machine until these are out of the way. With that condition of things existing, it seems to me all that we can do is to discuss the best conditions and terms on which the machines shall be sold, so as to preserve the rights of the sub-companies, enable us to make the greatest possible amount out of the business, and work off the present stock of machines so that we can get the new model that is behind them.

Mr. Frelinghuysen: I think that argument is one of the strongest that could be urged against the sale of machines. We are told that there is a large number of machines on hand of the model which all of the sub-companies have found it impossible to rent. To go on the market and attempt to sell those machines to customers, and fill the only market we have with an inferior machine; to load up these people who would be possible customers for the improved machines, with this old stock of the North American Company, would be putting ourselves in a most ridiculous position. As a matter of business, I think it would be suicidal.

Mr. Clephane: Our friend from New Jersey (Mr. Frelinghuysen) has touched upon a very important point in this discussion. In the first place, let me say that I do not see how we are going to provide for the sale of these machines in an unrestricted manner, in view of the injunction which has been obtained by the Automatic Company. But even if we had the legal right, would it be wise to offer to the public the Phonograph in its present shape? The public have come to understand that there is a superior machine at hand, and unless we accompany our offer with a proposition to place on the present instrument, even at additional cost to them, the **B33** new diaphragm, the new start and stop movement and new arm, we will not, in my opinion, make much headway. With these improvements placed on the machine I believe we will have no trouble in disposing of all the Phonographs that are in stock.

In any event, unless there should be a combination of all interests, I do not see how the plan of an unrestricted sale could be adopted without doing great injustice to the local companies.

With regard to the Graphophone, which I understand is going material improvement, that can, of course, be sold outright; but I think it wise to have a restricted sale as to that. I would greatly prefer, therefore, to have the discussion of this subject postponed until after the visit to Mr. Edison's laboratory to-morrow. If we then ascertain that the new diaphragm can be secured, and it works practically, as some of us saw it work at his laboratory in December last, I think a popular demand will at once be created for the improved instrument.

It would be unwise to adopt the policy of leasing for ninety-nine years, as each company would then continue under obligation to keep the instruments in repair at its own expense, and be subject also to the liability of having the old machine returned with a demand for its substitution by a new one. If we can get that diaphragm on the present machines, all of them that are to-day in stock will be taken, and they will be kept constantly in use in the exhibition field.

As I say, I prefer having the whole question left until after our visit to the Edison works. Some one has said that while the diaphragm works very satisfactorily in Mr. Edison's laboratory, it is not a durable one, and will not work satisfactorily in practice. Now, if you gen-

B34 tlemen visit his place to-morrow I hope you will make diligent inquiry as to that, and put that diaphragm, if it is exhibited, to very severe tests, in order to ascertain whether it is or is not a practical thing. If it is practical, and we can get it, the placing of it on the machine will greatly popularize the present instrument; and I think we will have no trouble in disposing, either by lease or by sale, of all the present Phonographs. If it is practicable to postpone this subject until after our visit to the works and our investigation in connection with that diaphragm, it would seem to me to be wise to do so.

Mr. Boswell: These topics all blend towards re-organization, and every one of them looks in that direction, in my opinion.

The President: Suppose we take it for granted, for the sake of discussion, that the machines are to be sold, and assuming that, discuss then what shall be the price.

Mr. Smith: That would meet the point which the gentleman from Texas has made.

Mr. Boswell: I would like to get an expression of opinion about the terms for the sale of machines. I would like to know whether it is thought they should be sold on the same basis as the typewriter was, or whether it is expected that a gentleman should write his check for \$175 for a Phonograph, when he walks into the office.

The President: I am on record a year ago as to price. My price for a Phonograph is \$225.

Mr. Boswell: Cash?

The President: Well, I do not care about the manner of payment. \$225 is the price. If I could not sell them at \$225 I would put them up to \$250.

I would like to say, with reference to this question of

B35 selling machines: there is no use of talking about selling machines at a cheap rate. You will not do any more business by putting them down at a low price. The whole history of this line of commercial work that has been done by agencies, where it has been a success, shows that it has been done by giving the man who had to do the work the big end of the chip. We may count on that in the Phonograph business. In the days when pianos, organs and sewing machines were sold at a very high rate, fifteen or twenty years ago, how was it? Why, the man who sold the most got the most money. I remember when I was a boy, the first commercial work I did was the selling of charts. We went out and started on them at \$8 a set. We could not sell any. We kept on until we put them up to \$15, then we had a very fair trade. Why, because I could get Mr. Jones³⁸ interested by having him help me for \$2, or having another man, through some particular method or arrangement, to assist me. This all takes money and it all takes time.

Now, with reference to this question. We will say that we put the machine at \$150, a price which has been suggested, I believe, by some of the gentlemen, as a selling price for the machine. If that is done, I am in favor of having some provision so as to allow every sub-company to put on its own price. For instance, when Mr. Wood puts out a Phonograph now for the Missouri Company, he puts out a battery, battery service, table and things of that kind, and he gets up a pretty good round price – I think about twice as much as he should get for it. In carrying on commercial transactions, if we expect to do anything in business in the way of selling, or even in the way of renting, it must be put at such a price as will command the ablest and most experienced

B36 solicitors. I think this whole business has started off too much on the cheap plan. I hear people all over the country say \$40 is too much for a Phonograph. Well, it seems to me that it is too much, because business men who have money do not believe in paying rent. That is the objection we find from several men in our territory.

Mr. Andem: Is it not rather premature to discuss the price at which Phonographs are to be sold until we are first put into possession of information as³⁹ to what we ourselves can get them for?

Mr. Wood: For the last ten or fifteen days I have taken pains to go to our customers who are using the machines and I have put the question to them as to whether they would prefer to buy or to lease. About two-thirds of them have made the reply that they would rather buy; the other third have said that the machines being in their infancy, and in their present condition, they would rather rent, but eventually they would rather buy. Now, as to the price, I think \$150 would be a very foolish price to consider. We should at least put them at \$250, because then it

³⁸ “Mr. Jones” (possessive) in the original.

³⁹ Original has “at”

would not amount to over twenty or twenty-five dollars a year annual rental to the renter, allowing him ten per cent. interest on his money, which would make a very cheap instrument for his office. If we get these instruments down to \$150, with about \$50 profit on them, I think we will start out about the same way as we did when we first commenced the business. I know it was very hard work for me at first to ask a man \$40 a year. If he wanted to exhibit a machine we would ask him \$40, and that would give us \$20 profit. Then, after paying the incidental expenses, we would figure out about \$7 or \$8 profit. I do not have any conscience at all in asking a man \$150 a year rental,

B37 and I am getting it right along. I sell them all the other material that goes with it so that it makes a very fine deal, and it suits them a good deal better when they pay a good price for it, because they will take good care of it; think they have got something worth taking care of, and try to make their money back, which they are doing right along. I hope that no low price will be considered in the sale of machines.

Mr. Clephane: Would you make a difference if a man took two or three?

Mr. Wood: The concerns which we deal with are mostly very large concerns—

Mr. Clephane: It would be an inducement to take more than one machine if there was a reduction.

Mr. Dickinson: A point that is to be considered is, to put it at a figure where we can afford to take back the old machine and make an allowance for the new machine when it comes out,—redeem the old one and sell the parties a new one.

Mr. Wohlgenuth: It seems to me that to attempt to sell the old machine would be an utter failure. Everybody seems to be waiting for the new machine. If I were to offer to sell this machine, my parties would say, “No, this is only an experiment; we don’t want this machine.”

Mr. Boswell: Have you educated your customers to believe there is another machine?

Mr. Wohlgenuth: No; but they seem to be getting the idea that there is another machine. It seems to me that if we want to sell we must sell the improved machine.

Mr. Wood: There is one point I would like to state – that is in regard to improvements on the Phonograph. Ever since we started in the business it has always been

B38 given out that we were going to have an improved machine at the end of six or eight months, and the result has been constantly, in soliciting, that customers say, “We will wait until you get the improved machine.” That is what we are waiting for to-day. Now, when we get over that and say there is no more perfect machine than the one we are offering, this is the last improvement that is going to be made, and get the public mind settled down upon an agreed basis of fact, then they will buy.

Mr. Conyngton: Mr. President, if we wait until we get a perfected machine, we will have to wait a good many years. When we were down here last spring looking at this new model that we are talking about going to see to-morrow, Mr. Edison said that that would not compare with the machine that we would be using five years from now. Now, it seems to me, as we have got the present stock of machines on hand, that we have got to help the North American Company to get rid of them, and it would be more satisfactory to sell them than to rent them. The point is, to hold our present machines on the best possible terms we can, and then arrange so that we can get hold of this new diaphragm, a better start and stop movement, and a few other details that are embraced under other topics. If we can do that then we can work them off in some shape throughout the United States, and there will be a clear field for a new machine; and after that, I trust, also another new machine, and so on.

Mr. Andem: Of course, on general principles, the lower price we can fix upon as a price for a machine the more we can sell. I have no doubt that we must expect a good deal of our profit from the sale of supplies. For instance, if to-day we could sell ten Phonographs for \$100 **B39** apiece, where we could only sell five at \$150 apiece, we would sell so many more supplies, and thereby make more money out of the operation. That would be my idea. So far as our company is concerned, their views are that we should try and get a Phonograph that we can put out for about \$100, the batteries, cylinders and supplies being charged for as extras; and in that way make up the difference in price. I had an offer the other day for the purchase of an instrument. An exhibitor came in and offered me \$250 cash for a Phonograph. I think that probably out in Ohio there are ten that I could sell Phonographs to for \$250 apiece, cash. But if I supplied those men I do not think I could get any such figure afterwards, because they would go out and exhibit, and other people would say: "It is not worth as much now; the field has been occupied." We would have to come down to \$150. For the man who wanted it for amusement in his own home, I would say \$100 is a pretty good price to pay. That is the way it goes with us.

Mr. Boswell: I would like to inquire whether it is understood here that we are to sell the Phonograph on the same terms that typewriters are sold – a cash payment of say \$10; at the expiration of thirty days, an instalment of \$40; at the expiration of thirty days, \$10 more, and \$10 more each thirty days until the instrument shall be paid for; or is it expected that a man will write his check at once for the full amount of the purchase price?

Mr. Ott: I did not hear the whole of the discussion on this subject, but there is a question in connection with the sale of the Phonograph, regarding which I would like to get the opinion of gentlemen. It seems

B40 to me that if the Phonograph were placed upon the market to be sold, it would do away with the possibility for any earnings for exhibition purposes by the companies, and this would be a serious matter if the other companies are situated like the Kansas Company, which depends for existence upon its income from the exhibition field. I am very well satisfied that it would be an impossibility for the Kansas Company to place automatic slot machines on exhibition after another person had purchased a machine and made use of it for the same purpose. Is it the opinion of the delegates present that in the contract of sale a restriction could be placed, prohibiting the use of the instrument for anything but commercial work and purposes of that kind; or is the sale to be unrestricted?

Mr. Andem: I have been informed, but I do not know whether it is on good authority or not, that it is proposed that the Phonograph shall be sold subject to the uses designated in the bill of sale, and no other. Further that the instruments sold are to be used only in certain designated territories. I am informed that if the person purchasing the machine agrees to that as a part of the contract, such contract can be enforced in the courts. I am told that the Herdic Company, of Williamsport, Pennsylvania, built a lot of herdics and sent them down to Washington, D. C. The contract of sale provided that they should be used only in the City of Washington. After having been used there for awhile, the company concluded to enter other fields, and they sold them to parties in Springfield, Ohio, and removed them there. The company in Springfield attempted to run them, when the Herdic Company, upon receiving information of such attempt, instituted proceedings. The Court en-

B41 joined the Springfield parties from using those herdics in Springfield, on the ground that they were sold in the first instance under an express stipulation that they should be used only in the City of Washington. The same principle, I assume, would apply to the sale of Phonographs.

Mr. Ott: On that point I have only this to suggest: It seems to me that if the Phonograph were sold with restrictions limiting its use, especially in a territory that is small, or sparsely settled, such restrictions would practically prohibit the sale. It is my opinion that people would pay only a moderate, or limited price, for an article that they could use only within a given county, say in the District of Columbia, or in a given State, for that matter. Especially would that be the case if they were restricted to counties. I do not know whether any of the companies are organized with such limited territory as a county, but I think there are some that are organized on the basis of a number of counties. Some of the companies, as I understand, have made arrangements to dispose of territory by counties. I had some conversation with Mr. Lombard about that yesterday. Under such a system they would establish agencies in each county, instead of establishing agencies for States. The sale of a county would result in the establishment of an agency for that particular county. If that agent were limited to that county, and he could not sell to parties with permission to use it outside of the county, it would be a very serious restriction upon the sale, and few people would buy the instrument. I think, however, that it is entirely right from a legal point of view, and that the courts would hold that such a restriction in the contract would stand. I do not question it from a legal

B42 standpoint so much as I do from a practical standpoint.

Mr. Boswell: May I inquire how a local company can dispose of a county under its contract with the parent company?

Mr. Ott: I can only answer the gentleman according to the knowledge acquired from Mr. Lombard himself. I refer especially to the Kansas Company, which embraces within its limits the Territory of New Mexico. A gentleman well-known in the Phonograph field has made application to buy the Territory of New Mexico from the Kansas Company. We made a proposition to him, agreeing to let him have it for a given price – he to make any arrangement that was necessary with the North American Company for the purpose of subdividing the district. The North American Company would not do it; but they say, “Do as our friend Mr. Wood has done in the State of Arkansas.” The parent company recognizes only the Missouri Company; but the facts in the case are, if I understand them correctly, that the State of Arkansas for a given length of time was absolutely sold, just as much as though it never had belonged to the State of Missouri, or to the Missouri Company, with the exception of the necessary back door that it must have open to reach the parent company. The same subject was referred to in this matter as being applicable to the disposition of counties, or any given territory, whether it be a county, city, State or several States.

Mr. Haines: Mr. President, I can only re-iterate what I said at the Convention in Chicago last year, that we are not organized on a basis for the sale of machines. If we were all one company, as the typewriter company, and we were the local agents of that company, it would

B43 be perfectly proper and right to order the sale of machines. But we are not. We stand as individual owners of the machines in the various territories which we represent, and it would be an injury to the other companies if we should sell, for instance, machines here. Those machines, in the course of time, might go out of our control, although they might not in the beginning. They would be sold to third and fourth parties, and we could not keep track of them. They would go out into New Jersey, Pennsylvania, and all the other adjoining States. It would be a

hardship on the companies owning such territory, and they would derive no benefit whatever from the sale of them. I think that the principle is wrong. There is a good deal more that I could say on that subject, but I think what I have said covers the ground.

Mr. Smith: Mr. President, will you allow me one word more upon this question? Mr. Haines, of the New York Company, has expressed my views exactly. My opinion regarding the sale of machines is based entirely upon the present organization of the local companies. Under the present organization the sale of machines seems to be impracticable.

Mr. Boswell: We have a topic on the program for discussion that will remove your present objections, to wit: a re-organization, contemplating all the interests coming in, under one head.

The President: I have always believed with regard to this sale matter that it would have to be arranged upon some equitable basis, and it seems to me it might be done under some arrangement by which all the companies in the country would be interested in the sale of all machines.

B44 If there is nothing further on this subject with regard to the sale of machines, we will take up Topic No. 3.

Mr. Boswell: I would like to say one word further with regard to the sale of machines. Sometime ago the Phonogram published an article, to the effect that if the Phonograph were sold, it would stand in the same position precisely that the typewriter does to-day, or, in other words, that the Phonograph would find its way into every business house. It took the oldest of the typewriter organizations six years to place 1,400 machines. There is a gentleman here who was begged to take twelve of them and practically show their uses, and offered free use of the machines for any length of time. I refer to Mr. Clephane. When the Remingtons got hold of the machine it took six years to put out 1,400 of them. How many Phonographs are there out up to this time?

The President: I should say there are two or three thousand out; certainly not less than two thousand.

Mr. Dickinson: In the neighborhood of three thousand about two months ago.

Mr. Clephane: I do not see how we are going to come to any conclusion with regard to the sale of machines in the present status of affairs.

The President: We are not coming to any conclusion. The matter is simply under discussion.

Mr. Clephane: I hope it will not be understood that the discussion is closed upon that subject. I want to see what we are going to have in the way of improvement upon the present instrument before we undertake to act definitely upon it.

B45 **The President:** The next topic is "Automatic Slot Machines." I suggest that we call upon the gentlemen who are here with automatic machines to present them and tell us something about their construction and use, and what each will probably cost. We will listen to Mr. McClellan.

TOPIC – AUTOMATIC SLOT MACHINES.

Mr. McClellan: I think I can explain the instrument better if you will take a look at it.

Mr. McClellan thereupon exhibited to the Convention the automatic machine called the "McClellan Slot Machine."

The President: What is the price of the machine?

Mr. McClellan: Where we put them outside of our territory the price has been \$25, and 10 per cent. of the receipts, unless a party wants to buy them outright. The McClellan Machine, of Chicago, Ill., can be bought for \$25 – the whole arrangement, complete, with 10 per cent. royalty on the gross receipts; or be purchased outright for \$50.

Mr. Haines: What does the outfit consist of?

Mr. McClellan: It consists of a case similar to the one here and of the attachment and signs.

The Ling Machine was next exhibited by Mr. Ling, the inventor, of Detroit, Michigan.

Mr. Ling: The return attachment we are willing to sell separately for \$5, and the automatic slot device for \$5 also, making \$10; but the price of the automatic slot does not include the safe. You can attach them to any safe. They are sold outright at those prices without royalty.

Mr. Wood: The total cost of the St. Louis Machine is \$42, including cabinet, safe, money drawer, safety fuse attachment and everything complete – the complete at-

B46 tachment, for \$42. This price includes the machine crated on board the cars.

Mr. Cary exhibited to the Convention the “Nebraska Automatic Slot Machine.”

Mr. Cary: The price of this machine is \$50, attachments and everything complete.

Mr. Ott thereupon exhibited to the Convention the “Kansas Automatic Slot Machine.”

Mr. Ott: The terms of the Kansas Machine are, for the cabinet and automatic mechanism, about \$35 – not to exceed \$40; the cabinet to be made of hard wood, oak or sycamore.

Mr. Conyngton exhibited to the Convention “Automatic Slot Machine, Hartford Model No. 2.”

Mr. Conyngton: The rate for the above machine is \$25 for the attachments complete, and \$50 with the case, either in cherry or mahogany.

The President: It has been suggested that there are some members who would like to inquire with regard to the “right of way” of these automatic slot machines. In the past we understand that a good many companies tied themselves up with contracts for a particular machine, which we supposed had all the patents that could be obtained in that line. If there is a man now who has an absolute patent on his machine we would like to have him stand up and be interrogated.

Mr. Clephane: I would like to inquire if there is any representative of the Automatic Machine Company here?

Mr. McClellan: For the information of the gentleman present I will say that Mr. Benson has a patent on a machine – on the Douglas Machine.

Mr. Boswell: I understand that Mr. Glass, of California, has a patent on the adaptation of the nickel-in-the-slot device to the Phonograph.

B47 **Mr. McClellan:** Mr. Benson’s patent was granted after the patent of Mr. Glass.

Mr. Boswell: I submit further, in regard to the Glass patent, that the North American Company investigated the matter previous to the making of the contract by certain local companies with the Automatic people. They investigated the patents of the Automatic Company and found them sufficient, and recommended that the local companies should make contracts with it. When the Automatic people effected their organization and communicated with the local companies, asking them to make contracts for the automatic slot machines, the North American Company wrote to the local companies, calling their attention to the contract, and stating that there would be a violation of their contract if the local companies undertook to make a contract with the Automatic Company. After awhile the North American Company changed front, and informed the local companies that there was no objection to their making the contract sought by

the Automatic people; that they had investigated the matter and had found that the Automatic people had patents, and that it was a good thing to do, to make that contract.

Mr. McClellan: I will state – I do not know how true it is – that I have heard somewhere that this patent of the California Company, or Mr. Glass, provided for a machine that ran continually; that while the music was shut off from the tube, the circuit was not broken in any way; but ran the battery out from the time the machine was started. I understand the patent was granted on that kind of machine, and that the music was shut off from the tube. It was an entirely different machine from the machines made now,

B48 whereby the machine was stopped by breaking the circuit.

The President: Has the Automatic Company any patents?

Mr. Boswell: I do not know. I never saw the patents.

Mr. Dickinson: The Automatic Company own the Glass patent, and paid him for it in stock. I understand that the North American Phonograph Company have one-fifth, one-half million, of the Automatic Company's stock.

The President: I suppose that all of you would like to know with reference to this question, and perhaps you had better settle in your own mind the question with reference to your right to use any of these machines.

Mr. Andem: I will state that I was told by a member of the Automatic Phonograph Exhibition Company that they claim they have a fundamental patent on the stopping of the Phonograph arm, automatically, and raising it and carrying it back; that they had not yet obtained a patent, but their priority of invention was such they had no doubt they would obtain it.

Mr. Conyngton: Mr. President, I understand that there are only two patents granted, one to Mr. Douglas, and one to Mr. Glass for some sort of an arrangement that is not now used at all. From what we can learn from our attorneys it will be two or three years before anybody can get a patent.

Mr. Grant: Mr. President, I would like to ask if the Automatic Company has ever introduced a machine that works automatically?

The President: They have not, I understand.

Mr. Andem: I am told also that there are eighteen interferences now pending in the Patent Office, one of the

B49 eighteen interference parties being the Automatic Phonograph Exhibition Company.

Mr. Conyngton: There are more than that.

Mr. Ling: The device that I have shown, I have secured a patent on, and secured thirteen out of the fifteen claims. The patent was allowed last November.

Mr. McClellan: Is that wholly on the slot, or is it on the attachment to the Phonograph?

Mr. Ling: That part of it is on the attachment to the Phonograph.

The President: In what way would yours interfere with any of these others?

Mr. Ling: I am not prepared to say.

Mr. Wood: Gentlemen, we have investigated that matter pretty thoroughly in St. Louis, through a very able attorney there, who has made patents a specialty during his whole life. He says there are a great many applications before the Office now, and that it is left to three commissioners to decide who are entitled to obtain patents. That is the condition of things there in Washington now.

Mr. Grant: Gentlemen, I would like information as to whether or not the Automatic Company has ever attempted to interfere with the use of other automatic machines by the local companies.

Mr. Conyngton: They have written some very strong letters stating the dreadful things they are going to do.

The President: I suppose we would answer that in the negative.

Mr. McClellan: I do not believe they have interfered with anybody.

Mr. Hoit: Mr. President, the Automatic Company has not attempted to interfere, but has written us warning

B50 letters. At the first of this business, at one time, they thought they had the only slot machine there was in existence. At that time I had the only machine outside of the Automatic Machine, and I received several letters from them warning me not to use the machine, as it was an infringement on their patent, and they would prosecute us as soon as they got ready. They did not know the exact time when they would bring the suit, but at their leisure they would close us up. The first patent that was issued was issued to Mr. Glass, and that patent was assigned to the Automatic Company. I had an expert look through the patents very carefully, and he reported to me there was nothing more covered by the patent than pinching the tube and cutting off the sound, when the nickel would release it, opening it up so that it would continue. It also provided that any number of persons could hear from a number of tubes, the machine running continuously. Afterwards Mr. Douglas received a patent on his very complete machine. It is complete in every detail. That patent is now owned by Mr. E. A. Benson. There are no other patents issued, so far as I know. I have three applications for patents, and I am just watching the matter as it goes along. There are over a hundred interferences.

The President: I suppose that the real object the Convention has in view is to get all of these facts from the various companies, so they can determine as to where they can get a good automatic slot machine. I would suggest that if there is anything in connection with what has been brought up here to-day in the way of statements before the Convention, and which any one of those representing the automatic slots has not already mentioned, we would like to have him do so, because we

B51 are anxious that all of these points should appear in our proceedings, and be before the members of the Convention.

Mr. Conyngton: On the part of the Automatic Company, if they ever make a claim for damages, they cannot claim any more from us than they have made out of those companies they have contracted with. I understand a good many of those companies, instead of having any profit to divide with them, have a deficit, after they charge up their expenses. So that when they come to sue us that will be the measure of damages. I do not think we need be very uneasy about that.

The President: It has been suggested that, as perhaps we will visit the Phonograph Works to-morrow, the subject of Batteries had better be deferred awhile. There is a gentleman here representing the Edison Battery, and circulars relating to it are here for distribution.

The Secretary will please call the roll. I would like some one from each company to inform us on how many machines rental is being paid by the company he represents.

NUMBER OF MACHINES UNDER RENTAL.

The roll was called as follows:

The Chicago Central Company – 200.

The Columbia Phonograph Company – 400.

The Eastern Pennsylvania Phonograph Company – over 100.

The Georgia Phonograph Company – over 50.

The Iowa Phonograph Company – over 200.

The Kansas Phonograph Company – 56.
The Louisiana Phonograph Company – 45.
The Michigan Phonograph Company –
The Montana Phonograph Company – about 45.
The Missouri Phonograph Company – 134.
The Nebraska Phonograph Company – 80.
The New England Phonograph Company – 300.

B52 The New York Phonograph Company – 750.
The New Jersey Phonograph Company – about 80.
The Ohio Phonograph Company – 161.
The Old Dominion Phonograph Company – 225.
The State Phonograph Company of Illinois – about 125.
The Texas Phonograph Company – 110.
The Kentucky Phonograph Company – 78.

NUMBER OF GRAPHOPHONES UNDER RENTAL.

The President: Now we will have reports as to whether any have Graphophones in use, and if so, how many.

The roll was called as follows:

The Columbia Phonograph Company – about 12 or 15.
The Georgia Phonograph Company – 8.
The Kansas Phonograph Company – 2.
The Missouri Phonograph Company – 1.
The New England Phonograph Company – 17.
The Eastern Pennsylvania Phonograph Company – about 7.
The New Jersey Phonograph Company – 2.
The Ohio Phonograph Company – 7.
The State Phonograph Company of Illinois – 1.
The Old Dominion Phonograph Company – between 4 and 5.

NUMBER OF AUTOMATIC SLOT MACHINES IN USE.

The President: Do you wish a report of the number of automatic-slot machines in use?

Mr. Andem: I think that would be a good thing. I would like to have the roll-call on that subject.

The President: The Secretary will call the roll as to the number of the automatic-slot machines that are now in use, and if you desire the names of the different machines we will also take a record of that. I think it would perhaps be better for you to state whether you are using one or more styles of machines, and to state how many of each kind. This is, of course, an approximate estimate only.

The roll was called as follows:

The Chicago Central Phonograph Company – about 65.

B53 The Eastern Pennsylvania Phonograph Company – about 25.
The Columbia Phonograph Company – 142 alleged automatics.
The Kansas Phonograph Company – 41: 40 of the Kansas, and one of the old Missouri.
The Louisiana Phonograph Company – 35, Hartford No. 2.
The Montana Phonograph Company – 40.
The Missouri Phonograph Company – 96.
The Nebraska Phonograph Company – 48.
The Old Dominion Phonograph Company – 155.
The New England Phonograph Company – 45. Automatic Exhibition Phonograph Company's machine.

The New Jersey Phonograph Company – about 65. Automatic Exhibition Phonograph Company’s machine.

The Ohio Phonograph Company – 61; 49 of Standard Automatic Company and 12 of the Automatic Exhibition Phonograph Company’s machine.

The Illinois State Phonograph Company – 65.

The Texas Phonograph Company – 80.

The Kentucky Phonograph Company – 41. Automatic Exhibition Phonograph Company’s machine.

The New York Phonograph Company – 175.

TOPIC—IS THE AUTOMATIC SLOT MACHINE PROFITABLE.

The President: The question now is: Is the automatic-slot machine profitable? We will call the roll by companies.

The roll was called as follows:

*The New York Phonograph*⁴⁰ *Company:*

Mr. Haines: Yes.

The Chicago Central Phonograph Company:

Mr. Dickinson: I am unable to state whether it is profitable or not, but I am able to state, and I am very confident, that if it were not for the automatic-slot we could not pay expenses. Mr. Russell figured out for us the amount it took to take care of the automatic machines, and it made a loss, and yet the business part made a worse loss.

B54 *The Columbia Phonograph Company:*

Mr. Cromelin: The automatic-slot business is not profitable in our territory, due mainly to the ease with which the machines may be beaten. If we had a machine that could not be beaten there is no doubt about its being profitable.

The Eastern Pennsylvania Phonograph Company:

Mr. Clephane: Mr. President, I will say we did not commence putting out automatic-slot machines until about three or four months ago. We were waiting until we got one with which the public would be satisfied. Mr. McDonald, who was in our employ, finally got us up one that appeared to be satisfactory, and we ordered 50 of them. We have so far placed 25. Those 25 have been yielding us an income of between \$450 and \$550 a month. I should say, therefore, that they are profitable. It is the McDonald machine, gotten up specially for us, and made at Bridgeport, Connecticut.

The Georgia Phonograph Company:

Mr. Wohlgenuth: We did not find it profitable on account of defective machines. Therefore we withdrew them all within the last month.

The Kansas Phonograph Company:

Mr. Ott: Mr. President, we did not start in the automatic-slot business until late. The first machine that we made any use of, I think, was last October. We tried it for a time; but of course we could not make the expenses of the company on one machine. Hence, for the time we used it, it was a losing game, but we considered that experimental work. The receipts of the machine induced us to invest more money in the same line, we believing that it would be profitable. We did

B55 some experimental work, and finally got up a machine which you have seen to-day. We have had 15 or 16 of those in use now for the last three months. We have put out the balance within the last two or three weeks. We believe that it is profitable. True, we have not made any

⁴⁰ “Phonogrph” in original.

money out of it, but that is due largely to the limited number of machines in use. Since we have placed a larger number of machines we have found it profitable to such an extent, at least, that we have been able to pay for the machines as we have gone along. Our machines have averaged about \$1.75 per day, and we believe we can meet expenses with 50 cents a day. With a little retrenchment and a little more method and system we think we can cover that expense with 30 or 35 cents a day. Upon the whole we believe it profitable.

The Louisiana Phonograph Company:

Mr. Conyngton: We have found the automatic-slot business profitable in Louisiana, because we went there with the fruits of a somewhat bitter experience in Texas, and with a good deal of information that we had obtained from others in the business. We have only a limited number out in a very large city – somewhere between 30 and 40 – and we are handling the business very carefully. We do not expect to increase that number very much. We calculate that it will continue profitable there for a good while. We hope to make it profitable, and are beginning by leasing or selling machines to one party in each county. I will give you a different tale when you come to Texas.

The Montana Phonograph Company:

Mr. Hoit: Yes.

B56 *The Missouri Phonograph Company:*

Mr. Wood: I report, yes. I would also like to add that I believe that wherever there is a failure in the automatic-slot interest, or where it is not profitable, it is wholly due to an imperfect automatic-slot machine. We have made an actual test, and our company has received large profits from the automatic-slot machine. I attribute it wholly to our having a very fine machine. From 48 machines we have realized as much as \$1,500 in a month.

Mr. Conyngton: Mr. President, may I ask Mr. Wood a question? Can you take a small town in Missouri, of say twenty or thirty thousand inhabitants, pay a man to go out there; pay your freight; pay your battery charges; pay for music, and then make the nickel-in-the-slot machine yield a profit, or do you refer only to St. Louis and Kansas City?

Mr. Wood: I refer only to Kansas City. A question is to come up here, the discussion of which may be of advantage to us. It is how to handle interior territory so as to make it profitable. In the last forty days I have rented eight machines in eight different counties, giving them the exclusive right until the first day of January. I let them have a Phonograph and the privilege of the county until the first day of January for \$125, and then sell them a slot case, music and everything else at a good big retail price. It generally foots up to about \$270. Now the idea is that all that profit comes in without any expense whatever. On the other hand, if I sent a man out there I do not think I would make a cent. And we do not intend to do it, because they all come in after them. Wherever we have sent one machine we get four or five inquiries. We now have eight or ten counties where

B57 we have machines. The business is successful because we can put out a slot machine which anyone can handle – that is, anyone with ordinary knowledge and a little common sense. I believe there is just exactly the secret. That is the only way we can make money out of the interior part of the State. It is necessary to get the Phonograph before the people, and have them patronize it. The country people do not have as good music as they do in the city, and they are its best patrons. I think the interior is just as profitable as if not more profitable than the large cities; but a person has got to handle it right.

The Nebraska Phonograph Company.

Mr. Cary: The Nebraska Phonograph Company have been operating the automatic-slot machine since the 1st of January, and have averaged about \$1.10 per day per machine. We are depending wholly upon coin slot machines for our support. We only have out some 25 commercial machines.

The New England Phonograph Company:

Mr. Sampson: The New England Phonograph Company regards the slot machine business as fairly remunerative. But undoubtedly it would have been more so if we had had a good machine. We had the first of the Automatic Exhibition Phonograph Company's machines, and it was continuously getting out of order, thereby involving us in a very large expense. We have only received some 50 machines for our large territory. I believe that if we had had some simple machines, such as have been shown here to-day, so that we could have put out three or four hundred in the New England territory, it would have been a very remunerative business.

B58 *The New Jersey Phonograph Company:*

Mr. Smith: Mr. President, the automatic-slot business in the territory of New Jersey has been only fairly remunerative, due, in my judgment, to the causes which have affected the territory of the New England and the Columbia Companies, and also to the fact that the largest patronage of these machines comes from what may be termed a floating population. The fixed population, after they have gone over the machine a few times, will not patronize it; that is, they will not patronize it freely. But I think that in those localities, and in those cities, where there is a large floating population – that is, people who come from other points – the nickel-in-the-slot business is the most remunerative. We did not get fairly under way until the winter months, October and November of last year. We are anticipating a good business along our seashore and other summer resorts during the present summer.

The Ohio Phonograph Company:

Mr. Andem: Yes, with a big "Y."

The President: Mr. Andem, will you state the difference between the two kinds of machines?

Mr. Andem: We commenced putting out the Automatic Company's machines, and confined it to the largest cities, such as Cincinnati and Cleveland. The receipts at first were quite large, but the cost of inspection was very heavy, the cylinders were easily damaged and thrown out of adjustment, and people treated the machines in a pretty rough manner at times. We finally grouped them together in what we call a system of arcades. We have a place in Cincinnati called an arcade, and one in Cleveland of the same sort. We found there that by putting the machines in groups of ten, having an

B59 attendant present to make changes and keep the machines in the best adjustment in which they can be kept, the receipts were larger. After a while they began to fall off with the old style of machines, on account of the imperfections of the instrument. We have displaced them and replaced them with an improved style of machine, and we find the receipts going up again. We are doing a very good business now.

The President: What machine do you use now?

Mr. Andem: It is a machine that is made in Cincinnati by the Standard Locomotive Works. It is a very costly machine; made handsomely, and there are only fifty of them in existence.

The Old Dominion Phonograph Company:

Mr. Boswell: Mr. President, in the statements that have been made by different gentlemen, they all seem to have lost sight of the fact that in different localities different conditions exist. We find that in working the automatic-slot business in our territory, the largest cities are worked at a loss, while in towns of three, four, five, six hundred and a thousand inhabitants the business pays. We can place the instruments in those little towns and they serve as a plaything, as a variety show. The people in those towns have only the church to go to, and they cluster around this machine. We pay 20 per cent. of the gross receipts. We get honest returns. In the larger cities we have men that we pay larger percentages to, and yet we run the large towns at a loss; but we hope with our summer resorts to run a large number of machines at a profit, adopting Mr. Andem's course. The statement made by Mr. Wood shows conclusively, from the exhibition standpoint, that there ought to be an organization, and that the Phonograph Companies

B60 ought to have the exhibition feature under absolute control.

The State Phonograph Company of Illinois:

Mr. McClellan: I will answer for the State Phonograph Company, of Illinois, and say that they are profitable. We have sixty-five machines out at present. We have had only that many for about a month or six weeks. Before that time we had a little over forty. I think if the machines are properly taken care of; that is, systematically inspected; good music kept on the cylinders, and changed often, with good attendants, who will keep the machines in order and thus enable you to get the confidence of the public, that they will patronize your machines, and you will make money; otherwise you cannot. We are at an expense in the State of Illinois, because of the attention required. We put them out on certain lines of railroad, and we have an arrangement with those railroads by which we obtain transportation. We have boys in the larger towns to take care of from three to seven machines. They inspect them twice a day and change the music. We keep good large signs announcing the name of the selection on the machine. I think that a man can take care of twenty-five or thirty machines as well as he can fifteen, if the business is properly systematized, good music kept on the machine, and proper care taken of the instruments. Then, I think, you will get a good return on the money invested. In fact we are paying the expenses of our company entirely from the receipts and profits on our automatic-slot machines – sixty-five in number.

Mr. Boswell: Mr. President, all in the line of re-organization. The question is: "How can we secure a cheap cylinder?" The Automatic people promised a

B61 perfect automatic-slot machine. We were also promised a perfect Phonograph. I have suggested that the local companies come forward and contribute \$50 a month for the manufacture and purchase of blanks and cylinders; and that there be an organization in the City of New York, or Boston, or Cincinnati, to make first-class records. To-day each company is feeding on some other company, selling records; resorting to all these means when they can make a big saving to themselves and permit other companies to make a large profit on the exhibition business, by having the cylinders manufactured by some one company organized for that purpose and supported by the local companies.

The Texas Phonograph Company:

Mr. Conyngton: I have to answer generally, yes, although we have lost a good deal of money by carrying out what Mr. Wood condemns in his remarks. We got started early last fall, and as fast as we could get machines we tried to spread ourselves over our immense territory. By the time we had paid for our assistance, paid for music and all the multifarious charges

incident to the business, we could not figure any great amount of profit. But we ran through the winter, and then when the warm weather commenced we had to close down on the business in most of our cities. Now we are trying to carry out this other plan of getting parties whom we can rely upon, and there are only a few such persons, of course, to run the business on shares, whereby we have a certain share of the gross receipts; or else, what suits us better, to lease or sell a machine outright. There is money in the business undoubtedly, but we are all of us learning it by degrees. I think the business will become permanent.

B62 *The Kentucky Phonograph Company:*

Mr. Grant: I believe we are the last company on the list, and almost everything has been said that can be said about the automatic-slot machine. We have in position forty of the first machines made by the Automatic Exhibition Company. They are very imperfect. The receipts from them, however, have been very large. But our net profits, our actual profits at the present time lie in the possession of about \$4,000 worth of plugs, gun-wads, etc. Those are our net profit.

Mr. Conyngton: Mr. Chairman, I want to explain about the champion machine for the amount of receipts. A machine like that was put out three months ago in the city of New Orleans, in the most prominent drugstore. In the first two months it took in \$1,020, and at the end of the third month it had taken in \$1,400. I believe that beats the record.

Mr. Andem: I think I ought to say one thing about the handling of the slot machines, because I think it is very important. We have found that the receipts of the slot machines to a great extent depend upon the way the cylinder is announced. If you simply give a short announcement of it, which conveys no information except what the man may hear, it does not arouse his curiosity, and he looks at it and he does not think from the announcement that he would like to hear it. But if you will put on the full announcement, stating what it is, in as effectual away as the circumstances will warrant, you will observe an increase in the receipts. In our arcade system, I have, upon a wager, taken an inferior cylinder and increased the receipts of the day by putting on a very attractive announcement.

We hired a gentleman from an adjoining territory

B63 to sing a number of banjo songs, and that cylinder was put on a machine in our arcade, and it was announced as an-old-time-before-the-war banjo song sung by a plantation darkey. I think the receipts from that machine ran about \$4.75 to the day. It went away ahead of some of the Marine Band receipts.

Mr. McClellan: I wish to say that I think it pays to put as prominent a sign as possible on the machine, so as to attract attention. People will listen to a selection, if they can see the sign across the room, and see that there is something on there that they have not heard. I will say that this company have regular customers in certain towns who go around, and when records are changed they go from one machine to the other and listen to different selections. Where people are passing, if you put a large sign out announcing the name of the piece and put on some information in regard to it, it will increase the receipts of the machine. We have a frame that we put on, that is cut out a little at one end, and enables us to slip in a card under the glass, so that it will not be mutilated by the public. We try to make those signs attractive. They are not artistic particularly, but plain, so that people can read them across the room. I think you will find that will make a difference in the receipts of the machine, because oftentimes people see an old familiar piece that they would like to hear, or they will see that the music has been changed.

The President: I think from the answers to these questions, that we can say the automatic machine is profitable, provided we have a machine that goes automatically, have good

selections on the machine, and have large signs and frequent changes. In going around to the different parts of the country, where-

B64 ever I find an automatic-slot machine, I always go and look at it, and put in my nickel. If the experience that I have had with the automatic-slot machines, with regard to their working, is such as the public generally have, I will say that the whole thing ought to go under, as far as the management is concerned. They start off with a rake and a tear in your ears at the beginning. Week before last I was in Iowa, and I struck three different machines. I put a nickel in the slot, to show to somebody else who knew that I was connected with Phonograph interests, and the thing was a dead give-away. I remember that in 1879 I paid twenty-five cents three different times to hear a man yell in the Phonograph and hear his voice come back, and I thought it was a splendid show. I think that the whole point about this automatic-slot and this entertainment feature is simply that the people who pay their money must get something for it. I think that good talk on the machine, to hundreds of people in these smaller places, is much better than rotten music; it is much more of an entertainment to them – some short or brief address or some short story. I think we are mistaken in the idea that people desire to have vulgarity in the songs. One of the experiences of Mr. Wood has been that an old hymn like “Nearer My God To Thee,” when put into one of the “dives” of St. Louis has proved one of the most profitable selections that they had on the machine. But it was on there in good shape and brought out the old melody in good style. As my friend Andem suggests, if the cylinder is put on right, and announced in a proper manner, it will pay. If our friends up in Iowa are going to handle machines in that careless way, it affects the business in Missouri. It affects us in Illinois. It af-

B65 ffects us all over the country. I feel that we need this unification, or something on that line by which we will all be able to co-operate in the work. **(Applause.)**

Mr. Boswell: The idea of the greatest enterprise on God’s green earth being stood up in the manner in which this is, is ridiculous. **(Applause and laughter.)**

Mr. Wood: I want to enlarge a little with regard to my experience with sacred music in saloons. I have found it very successful. We first put on a “hymn” cylinder and the parties refused to have it taken off for a week. Then I think we had on at one time fifteen or twenty pieces of sacred music in one of the worst saloons in St. Louis, and they had a regular run there and were exceedingly profitable.

Mr. Grant: The sub-companies are in the nature of a mutual association, and if any of them get in hard lines I think it ought to be the duty of their neighbors to assist them in every way.

The President: That is what we are here for.

Mr. Grant: The President of the Ohio Company has just made a statement here that he has taken from our territory an old Kentucky nigger to sing some for him. From that nigger songs he received a net profit of \$4.70 a day. I think we ought to claim a share.

Mr. Conyngton: Mr. Andem provided for that. He said it was not the song, it was just the label.

Mr. Andem: It was Kentucky music, and very poor. I also want to say, although perhaps my remarks may be misconstrued, that what the President states about talking records is true in our case. Our largest receipts come from the records that have talk on them, especially humorous talk. I need not specify what kind of humorous talk, perhaps, any more definitely; but there are

B66 certain cylinders of that kind, that are very profitable. We find that class of cylinder brings in more money than music.

The President: Is it not true that the person who wishes to see the machine from curiosity would prefer good plain talk on them to almost any music?

Mr. Andem: It is true in our experience that to a person who has never heard a Phonograph the hearing of the reproduction of speech is a much greater marvel than the reproduction of music, for the reason that they have heard musical boxes and organettes and different kinds of instruments that have imitated music, whereas they have never heard anything before that would imitate the human voice. Therefore they always express greater surprise and gratification at hearing a talking cylinder than they do at hearing a musical cylinder.

Mr. Boswell: With the new machine that Mr. Edison has there is no question about the exhibition feature being taken out of the field of curiosity and put into the field of entertainment.

The President: I gave a brief report at Chicago as to our exhibition work a year ago at this last exposition in St. Louis. We obtained music there from the best singers in St. Louis, the best colored quartettes, as well as from the best players of Gilmore's band. I took a good portion of that music home with me and used it in the entertainment at our home.

I think there is a social feature to the future of the Phonograph that will inure to the benefit of these companies. As to how it is to be developed is more than I can say.

Mr. Wohlgenuth: Mr. President, one of the greatest drawbacks at present to the success of the social ma-

B67 chine is the price of records. We have to charge a high rate, and I presume that is the case in all the territories.

Upon motion, the Convention thereupon adjourned until 8 o'clock, p. m.

B68

EVENING SESSION, June 16.

June 16, 1891,

8:30 o'clock, p. m.

The Convention was called to order by the President.

POSTPONEMENT OF CONFERENCE COMMITTEE.

The President: If the Committee appointed to confer with the representatives of the North American Phonograph Company are ready to report, we will be pleased to hear what they have to say.

Mr. Benson: Mr. President, I will state that the Committee this afternoon had a very pleasant interview with two representatives of the North American Phonograph Company,— Mr. Bush and Mr. Lombard — but we have not had an opportunity to confer and prepare a report. We will, therefore, have to ask the indulgence of the Convention until to-morrow morning.

SCOPE OF CONFERENCE COMMITTEE ENLARGED.

Mr. Clephane: Mr. President, I move that the Committee be requested to also confer with representatives of Mr. Edison and the American Graphophone Company, and report to us fully the situation as they may gather it from such parties, submitting to us, in writing, such recommendations as they may deem advisable.

The question being put on the motion, it was unanimously agreed to.

During the discussion on the motion to enlarge the scope of the Committee on Conference, the following interesting proceedings took place:

Mr. Andem: Mr. President, I suggest, as Colonel Payne, President of the American Graphophone Com-

B69 pany, is present, that he be requested to address the Convention in regard to the general subject in which we are all interested, and to furnish us such information as he feels prepared at this time to impart.

REMARKS OF PRESIDENT OF AMERICAN GRAPHOPHONE COMPANY.

Col. Payne: The American Graphophone Company received a circular invitation to send a representative to this Convention, and appreciating the magnitude of the enterprise itself, generally, and the effect of good feeling in all branches of it, it requested me to attend as its representative. For what purpose it was desired by you to have our company represented, we could not tell. We presumed, however, it was with a view of having our representative present to listen to your discussions, and to answer any questions that might properly be answered. As it is proposed that your Committee shall have a conference with me, I do not consider that it would be proper at this time to make any statement as to the policy of that company. I do not think, indeed, that anyone could make any statement as to the policy of that company which would be of a definite character.

It may not be out of place for me to remind gentlemen in this connection, that in 1887 the American Graphophone Company was organized and commenced exploiting the Graphophone in the United States and Canada, and this under a license from the Volta Graphophone Company, holding patents for the United States and Canada. In 1888 Mr. Jesse H. Lippincott made a proposition to us to undertake the introduction of the Graphophone in the United States. After considerable negotiation we entered into a contract with him, the substantial

B70 details of which are known, I presume, to every member of this Convention.

The organization of the American Company, and transposition of the name from "Phonograph" to "Graphophone," incited Mr. Edison to renew his efforts towards securing a practical Phonograph. Finding this to be the case, the feeling became general among the stockholders that it would be better to harmonize the two interests than to have what might prove an injurious competition. Therefore, through Mr. Lippincott, who had then made his first contract with us, an arrangement was made with Mr. Edison which brought about this result. The history of the enterprise from that time is known to you all. Either wisely or unwisely, shortly after the enterprise was fully started, the Graphophone was practically withdrawn from the field by the action of the North American Company; and last summer it was proposed to enter into a new contract. I am not going to discuss the policy of having a single machine. If it can be obtained, it will be very desirable. I think, however, that too much importance has always been attached to that one thing, and that it has tended, more than anything else that has been done, to retard the general talking machine enterprise. The fact is that there is not another patented invention that has not at first been put upon the market in the best way it could be, and then the original machine improved from time to time.

Reference has been made to the typewriter. Now, I have used a Remington typewriter almost from the time that my friend here, Mr. Clephane, spent a good many days, weeks and months trying to get the machine into popular use. I bought my machine. I never would

B71 have rented it. And I have bought every improved Remington typewriter from that day to this. The Remington typewriter when it was put into use was sold, and notwithstanding all the improvements that have been made, the selling system has gone on successfully. The sale of

machines continues to increase rapidly with each year, and this notwithstanding the competition in typewriters is greater than it ever has been before in the history of the enterprise. If the typewriter people had waited until they had gotten a perfect typewriter, or as good a one as they have to-day, (for it is not yet perfect by any means,) its history would no doubt have been quite different.

With regard to our position, I will state that we have never been approached by the North American Company with any suggestion at all as to our policy, our rights, or as to our construction of the contract between Mr. Lippincott and ourselves. We have never been asked by that company for a single machine; nor have we ever been asked by them whether we recognized Mr. Lippincott's assignments to them or not. The only conversation we have ever had on the subject with any gentleman who might be said to be a representative of that company was with Mr. Bush, who himself suggested to me that our contract with Mr. Lippincott was entirely a personal one; one not capable of assignment to anybody or to any corporation. This conversation was with Mr. Bush, as the attorney of Mr. Lippincott.

In view of Mr. Lippincott's financial misfortunes, we deemed it important to ascertain just how we stood, and we therefore secured the opinions of gentlemen of eminent standing in the legal profession; and notwithstanding the views of the eminent gentlemen which have been

B72 cited here to-day, I say that no lawyer can read the original contract between the American Graphophone Company and Mr. Lippincott without coming to the conclusion that it is a personal contract with that gentleman. There is not an assignable word in it from beginning to end. It calls for Mr. Lippincott's personal exertions, and provides that he is to devote a certain amount of his personal time to the development of the business.

I desire at this time to correct a statement that has been made as to alleged transactions between the American Graphophone Company and the North American Phonograph Company. I will state, in reply to what has been said in the discussion, that the North American Company have never paid the American Graphophone Company one dollar in any shape or form. Mr. Lippincott did at times send us checks of the North American Phonograph Company, explaining that they would answer in place of his own. We have never accepted, and in fact never received, an order from the North American Phonograph Company; we have never had a line of correspondence with that company; we have never shipped a machine at their request, or recognized them in any shape or form. Not because we did not wish to do it, but simply because we were not asked to do it. Other statements to the contrary are not correct.

That company have never made an issue with us; have never asked us to recognize any rights they had in any manner, shape or form. It is perhaps just to the American Graphophone Company to say that we did not know of the contents of the contract or assignment of Mr. Lippincott to the North American Phonograph Company of July, 1888, until in January of this year. We

B73 knew that there was such a company in existence, and we knew it was organized after Mr. Lippincott got the right to introduce the Phonograph, but at that time, as you all recollect, that interest was stipulated to be conducted under two heads, viz.: the North American Company, under the authority of the North American Company, and under the authority of Jesse H. Lippincott, sole licensee of the American Graphophone Company, the two enterprises being kept entirely distinct. There is not a letter-head or bill-head of any local company printed to-day that does not bear that conclusive evidence upon its face, recognizing the two separate enterprises. The American Graphophone Company have not said that they would not recognize the local companies. They have not taken any position in this matter at all, except in an informal

discussion with Mr. Bush, and this discussion with him was not as the representative of the North American company, but as the attorney of Mr. Lippincott.

The present attitude of the American Graphophone Company is that our contracts with Mr. Lippincott are in force. We are acting under them. We are offering him month by month the five thousand Graphophones a year provided for in the contract, and calling upon him to take and pay for them. We are ready to deliver them whenever they are demanded. What he does with them after he receives them, we do not know and do not care, so long as he fulfils his contract with us, and does nothing to injure the enterprise.

I have said to you, I think, about all that it is proper for me to say. We are ready at all times to answer any inquiries that the local companies, or that the North

B74 American Company may see proper to make of us. We only desire that such inquiries may be so presented to us that we can deliberately consider them, and prepare full answers.

Mr. Boswell: As I understand it, there is no antagonism at all on the part of the American Graphophone Company towards the local companies.

Mr. Payne: Not the slightest in the world.

Mr. Benson: Perhaps it is proper that I should state that the gentlemen representing the North American Phonograph Company did not say that you would not know the North American Company and the local companies, but that you did not know them.

Mr. Payne: I merely state the fact that we have never had any dealings with either of them. I want this Convention to understand that we have never expressed an opinion upon that subject in reply to any question from any source outside. The position we occupy to-day is simply the result of circumstances that have transpired.

Mr. Wood: Would you have any objection to informing us, as local companies, whether the American Graphophone Company have a new machine made, or about to be made?

Mr. Payne: I want to say on that point that we have quite a number of Graphophones at our factory, and recognize the justice of some of the complaints that have been made about them, and are trying to improve them. We have men at work at Bridgeport now both on the Graphophone and on the cylinder, and if it becomes a necessity for us to take the field, as it may possibly be, we propose to have a machine that we can offer to local companies, or to agents, with some assurance of success.

Mr. Andem: I would like to ask Colonel Payne if the

B75 American Graphophone Company still recognizes Jesse H. Lippincott as licensee?

Mr. Payne: We do recognize our contract with him as still being in force. He is entitled to his five thousand machines a year, and can get them at any time he wants them.

Mr. Boswell: There is an option with the American Graphophone Company for the purchase of Phonograph patents.

Mr. Payne: It was at my suggestion that Mr. Lippincott undertook to buy the Edison rights in 1888, as one mode of combining two interests and getting them all under one management. We did get a contract from Mr. Lippincott of the character to which you refer. Mr. Edison had assigned all of his patents to the Edison Phonograph Company. Years before Mr. Edison had made an assignment of his fundamental patent to what is known as the Edison Speaking Phonograph Company, a company which did nothing under that assignment, but simply slept on its rights until after the organization of the Edison Phonograph Company, and the negotiations between Mr. Edison and Mr. Lippincott had been started. Mr. Lippincott did acquire by purchase the Phonograph rights. The contracts are published, and are probably known to all of you. There is no reason, therefore, why I should not refer to them. Mr. Edison

agreed to sell the stock of the Edison Phonograph Company, which was the owner of the Edison patents, to Mr. Lippincott for a certain sum of money payable in a certain way. Mr. Lippincott offered that agreement to the American Graphophone Company. The negotiations between Mr. Lippincott and the American Graphophone Company ended in his giving the American Grapho-

B76 phone Company an option to purchase. That is to say, an agreement that they could buy the stock of the Edison Phonograph Company and stock of the Edison Speaking Phonograph Company at any time within five years, at what such stock cost him. That was in August, 1888. Therefore, the American Graphophone Company can, under that agreement, at any time before August, 1893, purchase the Edison rights for what they cost Mr. Lippincott. The agreement was that Mr. Lippincott was to take out stock at par, or was to be paid in cash. That agreement is still in existence. The Edison Phonograph stock went into Mr. Lippincott's possession, was afterwards transferred by him to the North American Company, and by that company re-delivered to him, and by him pledged to Mr. Edison as collateral security for a note of his which Mr. Edison holds, and which, I understand, is for part of the purchase money of that same stock. The optional agreement has been recorded in the Patent Office of the United States. It is known to Mr. Edison, and was known to the North American Phonograph Company at the time it was made.

I want to say before the Convention adjourns to-night that it was my intention to go home to-morrow. I came here as a matter of courtesy to this Convention. I mean courtesy on the part of the American Graphophone Company, and unless I can be of some advantage by remaining, I will adhere to my original determination and return to-morrow. My business requires me there. I think if your Committee have any questions to propound, or propositions to submit to the American Graphophone Company, that they will be of such a character that they cannot be answered or satisfactorily adjusted in an hour, or in a day, but that they will require some deliberation

B77 on the part of our company, and some deliberation on your part. I therefore suggest it will be better to submit the same in writing, and we will take pleasure in answering as fully and promptly as possible.

Mr. Dickinson: I move that a vote of thanks be extended to Col. Payne for his courtesy in appearing before us.

Col. Payne: I hardly think my coming is deserving of any such notice as that, and modesty would lead me to ask that to be withdrawn.

The question being put on the motion, it was unanimously agreed to.

INVITATION TO VISIT THE EDISON LABORATORY.

At this point the Secretary read to the Convention the following invitation from the North American Phonograph Company:

The North American Phonograph Co.,
No. 10 Wall Street,
New York, June 16, 1891.

The pleasure of your company is respectfully requested to visit the Edison Laboratory, Wednesday, June 17th, 1891. If you accept will you kindly meet the undersigned at the ferry, foot of 23rd Street and North River, 10:45, a. m. Please be prompt.

Yours respectfully,
THOS. R. LOMBARD,
Vice President.

On motion the invitation was accepted by the Convention.

THOROUGH TEST OF NEW RECORDER, REPRODUCER AND ARM.

Mr. Clephane: Mr. President, the Convention having accepted an invitation to visit the Edison Laboratory, through the courtesy of the North American Phonograph Company, I beg leave to submit this motion, in order to test the sense of the Convention with respect to what I regard as a most important matter: That the President of

B78 this Convention be requested to formally ask Mr. Edison to exhibit in the most thorough manner the new arm, the new recorder, and the new reproducer, such as he exhibited to representatives of the local companies in December last.

The question being put on the motion, it was unanimously agreed to.

Mr. Andem: I would like to ask the President what will be the order of business on our re-assembling on Thursday. We have some topics already recommended that have not been touched. The discussion to-day has been on the sale of machines, and it was suggested that we could hardly finish that up until after this exhibition to-morrow at the Edison Phonograph Works. I am afraid, from what this Committee has on hand, that perhaps it will not be able to formulate a report to this Convention before Thursday. Will there be a continuation of this topic when we meet again?

The President: Yes sir, if so desired.

ADDITIONAL TOPIC – THE “PHONOGRAM.”

Mr. Easton: I want to suggest a Topic to be added to the program before we adjourn. The “Phonogram; what shall we do about it, or with it?”

The President: I think that the “Phonogram” is a very important matter, and I feel that we ought to have a committee to investigate it.

Mr. Easton: I move the appointment of a Committee of three to consider and report to the Convention on that Topic.

The question being put on the motion, it was unanimously agreed to.

INVITATION TO VISIT NEW YORK PHONOGRAPH OFFICE.

Mr. Haines: I want to extend, on behalf of the New

B79 York Phonograph Company, the courtesies of that company to this Convention. We will be very glad to have them make our office their headquarters during their stay in town, and use it for writing their letters, etc., or for any other purpose to which they may desire to put it. It was neglect on my part not to mention this early this morning.

Mr. Boswell: I would like to inquire whether that is extended to all the companies, or only to those that are in good standing?

Mr. Haines: We know of none that are not in good standing.

The President: We accept your courteous offer, and are very much obliged to you for use of Phonographs and other accommodations.

Mr. Boswell: I move that a vote of thanks be extended to the New York Company for their courteous invitation.

The question being put on the motion, it was unanimously agreed to.

Mr. Clephane moved that when this Convention adjourn it be to meet on Wednesday evening at 8 o'clock, p. m.

**The question being put on the motion, it was agreed to.
The Convention then adjourned.**

VISIT TO EDISON'S LABORATORY.

June 17, 1891.

On Wednesday morning at 10:45 the delegates assembled at the West 23rd Street ferry, in accordance with the invitation of the North American Phonograph Company, and were escorted by Mr. Lombard, the Vice President of said company, to the Edison Phonograph Works, where lunch was served.

B80 After partaking of a bounteous repast, a conversation was held with Mr. Edison, after which the improved Phonograph, sensitive diaphragm and other improvements, were exhibited by Mr. Lombard and Messrs. Ware, Ballou and Miller, of the Edison Phonograph Works.

VISIT TO MANHATTAN BEACH.

After receiving every courtesy possible, the party was again taken in charge by Mr. Lombard, who escorted the delegates to Manhattan Beach, where later in the evening a banquet was served.

At the conclusion of the banquet the following resolution was unanimously adopted:

“That the National Phonograph Convention hereby extends its hearty thanks to the North American Phonograph Company, and its Vice President, Mr. Lombard, for the courtesy and lavish hospitality this day extended to them.”

Wednesday, June 17, 1891.

8 o'clock, p. m.

The Convention met and a quorum not being present the Convention stood adjourned until Thursday, June 18, 1891, at 10 o'clock, a. m.

B81

MORNING SESSION, June 18.

New York City, June 18, 1891,

10 o'clock, a. m.

The Convention was called to order at 10 o'clock, a. m., the President in the Chair.

THE “PHONOGRAM.”

The President: I find before me this morning a letter to this Convention to which I have not had time to refer before. I will read it to the Convention.

New York, June 17, 1891.

**Mr. President and the Executive Board of Phonograph Companies, Fifth Avenue Hotel,
New York City.**

Gentlemen:

I desire in behalf of the “Phonogram,” your official organ, to make a statement, and ask the consideration of your honorable body in lending your aid to the promotion of an enterprise which is so closely allied to your interests and which will best subserve them, if it can have your liberal support.

A few months ago the “Phonogram” was started for the purpose of creating an interest in the Phonograph, and at the same time educating the public in its uses, giving information generally of a kind likely to be desired by the public, and of benefit to the companies.

This magazine has now reached its fifth issue, and up to this time has had little or no encouragement from the local companies in the way of support, and in fact has had from some companies a certain degree of opposition, because it had the misfortune to publish some views that did not coincide with the ideas of those in control.

At the convention of the companies last May (page 161, Proceedings First Phonograph Convention) the matter of starting a publication of this kind was suggested with the assurance that it met with the approval of the companies and would receive their support.

It now becomes important that substantial aid shall be given this publication, if it is to continue.

B82 At this date we have increased our circulation until the magazine now goes into many foreign countries as well as our own.

Each month adds to the large list of testimonials in its praise and advocating its usefulness.

In view of these facts, and knowing how important is its existence in producing good results to the general enterprise, I now ask of your companies a just consideration, trusting that such action will be taken as will give an impetus both to it and the great and common interest in which we are all engaged.

1st. I would propose that a guarantee fund of \$20 per month be placed to the credit of the "Phonogram," by each company, to whom we will furnish in return copies of the magazine at cost and advertising.

2nd. It is of great advantage to us to have all local news, and I would respectfully suggest that each company furnish us monthly with such.

3rd. I would also respectfully suggest that the "Phonogram" be mailed to all users of the Phonograph by each company in their territory, or would make the proposition to mail copies from this office to the users or contemplated users of the Phonograph, taking names from the mailing list of each company.

And in conclusion, if your honorable members will give to this little magazine the meed of justice it deserves, we, on our part, will agree to establish a journal vigorous, progressive and representative, of which you will be eminently proud.

With great respect I remain

Yours very truly,

V. H. McRAE,

Manager.

The President: What are your wishes and feelings in regard to the "Phonogram?"

Mr. Andem: Mr. President, in regard to the "Phonogram" this is about the feeling of the Ohio Company. We are willing to contribute to the support of such a magazine, if it is conducted on broad principles. We think the parent company ought also to contribute. We feel also that individuals should not be attacked, because they may differ in their views from the editor of

B83 that magazine. Sometime since there was a violent article in the "Phonogram" against an officer of the Ohio Company; in fact, it was myself, and we felt that we ought to, under the circumstances, withdraw our support from the magazine, and we have done so. We are ready at any time to support, by advertising patronage and by subscription, any magazine that is conducted on a broad plan; that contains information of interest to the Phonograph companies, and that is supported by the parent company, as well as by the local companies.

The President: I have been in hopes that this Committee would by this time have formulated some kind of a report or suggestion. Of course we have no power by which we can make them act. My idea is that this Convention might have what is known as an editing committee, consisting of one or two members, and that all matter connected with the Phonograph companies should be supervised by this committee before its appearance in the "Phonogram." We do not care very much what the editor may say with reference to type-writers, short hand reporters, etc., but we are interested in the kind of matter that goes into the "Phonogram," as far as our business is concerned. I have noticed several articles in the "Phonogram" which it seems to me would have been better not to have been printed. I have this to suggest, that we get a report from this Committee, and that we also ask the Editor to come before the Convention. I think that we ought either to agree to do something with this magazine, or not recognize it as our organ.

Mr. Ott: I was about to suggest that the further discussion of this subject should be postponed until the Committee has made its report.

B84 Mr. Wood: I will say that, in my opinion, if the "Phonogram" is properly edited, and a little care used as to what articles shall go into it, it will be a very useful periodical. A great many have come to my office with the remark that they saw a "Phonogram" in such and such houses. There have been articles put in the magazine which should not have been published. We are taking some three hundred copies, and are disposed to increase our subscription. If it is carefully edited, there is no doubt that it can be made a very valuable advertising medium for the Phonograph business in general throughout all the States.

Mr. Hoit: Mr. President, the reason that the Committee have not reported is that they have been interviewing the different members of this Convention, endeavoring to get their views, so that they may be able the more intelligently to report upon the subject.

The President: I am in favor of either making the present "Phonogram" an organ, or establishing some other paper that will answer the purpose.

Mr. Conyngton: I do not see how we can decide intelligently upon the matter until we get a report from our Committee. We will all be guided by that, more or less, I presume.

Mr. Wood: I would like to say that the proposition made in the letter just read would not be acceptable to all of the companies. If each company, however, on its part would agree to support this periodical to as great an extent as possible, and increase its subscription, I have no doubt it could be established on a self-sustaining basis. It seems to me that is the most natural way of introducing it.

Mr. Wohlgenuth: I will say for the Georgia Company

B85 that we are not prepared to give any absolute guarantee for the support of the "Phonogram." We will do our best for its interests by obtaining subscribers, and as far as we can ourselves contribute to its support.

Mr. Ott: It appears to me as though the proposition contained in the letter is not altogether an equitable one. My views of that are these: That in a far distant company, covering a large territory which is very sparsely settled, it would be an inequitable arrangement to insist that that company, which can at best do only a small business, should be taxed the same as another company which has its headquarters in a large city. In many instances the business of a large city is worth more than that of a whole State or section.

That is not only true of the nickel-in-the-slot business, but especially so of the commercial business. It is a fact, that a great proportion of the business that can be done by and with the Phonograph is done in large cities. Stenographers are employed there; manufacturing interests centre there; railroad interests centre there, and the employment of stenographers is far greater in proportion to the population than it is in an agricultural district. Hence, to make an assessment, if an assessment it might be called, of a like amount from all companies would seem to me to be inequitable.

Mr. Andem: The Ohio Company would not feel like paying an assessment, but as I said before, we would support it by advertising, and I would like to suggest to this Committee what class of advertising would find expression there. In the first place, all of the companies who are making and offering for sale musical cylinders would be apt to publish every month a list of the cylinders and prices; and they would be encouraged to display

B86 their advertisements. All the companies or individuals who have slot machines for sale could put in cuts of them, and state the price of the automatic device and cabinet. We would get a great deal of information in that way that would be valuable. I think the greatest benefit I will derive from my trip east on this occasion will be the getting of just such information. But it is

rather expensive to have to come a thousand miles to get it. It would be much more satisfactory to get it by subscribing to a magazine. I might have it then in a much more complete shape and in better form at home. With regard to a guarantee fund, I think anyone will see at a glance that a magazine, conducted properly, with its columns filled with advertisements of that nature, would not need a guarantee fund, but on the contrary would prove to be a very profitable investment.

Mr. Conyngton: I agree with Mr. Andem. It seems to me that if I were conducting the "Phonogram" myself I would cut it down in size; cutting my coat according to the cloth. It is not necessary that we should have as large a magazine as the "Phonogram" to start with. It seems to me that many advertising interests that are connected with the Phonograph will in a short time, if not now, afford ample support without the necessity of calling for aid from local companies. We all know that trade journals are more profitable than any other branch of the newspaper business as they develop, and they call attention to new interests as they spring up. Those who are familiar with electrical publications know what a large and profitable advertising field they have, and it will be the same with the "Phonogram." I do not think the companies ought to bind themselves by a guarantee to keep up anything

B87 of the kind. I think they ought to subscribe for it according to the number they can use. These subscriptions ought to go in at cost price. Then it ought to be so edited that we can afford to send it to all of our customers. We in Texas have sent on about two hundred names, but a lot of matter has been published in the "Phonogram," the effect of which I am afraid it will take them a long time to overcome. It places you at a disadvantage when you go to people with a lease for a machine, and the party knows already that you are only paying twenty dollars a year for it. He thinks he ought to pay you about ten dollars advance. The magazine certainly ought to be revised by some business man who understands the business of the local companies. Then I believe it would pay right from the start.

Mr. Boswell: Had we not better, as local companies, find out where we stand before we go into any discussion with regard to the "Phonogram"? Some of these companies have paid large sums for their franchises, and it appears that the parent company to whom that money has been paid is in a very bad way financially, and otherwise. The managers of the local companies are responsible to their stockholders, and I think this Convention ought, as a body, solidly, to ascertain by a committee the true condition of affairs. You suggested yesterday that certain questions be framed and submitted to the North American Company.

There is no doubt in the world that there ought to be an organ of the Phonograph companies.

GOOD AND CHEAP MUSICAL CYLINDERS.

The President: One of the subjects that we postponed until after the visit to the Edison Works was "The Best Method of Obtaining Good and Cheap Musical Cy-

B88 linders." The Secretary might, at this point, read the notes that we requested him to make at our exhibition yesterday.

The Secretary: In regard to musical cylinders we examined the duplicated records there, and wish to report as follows with regard to them: The Edison Phonograph Works are in a position to furnish duplicate phonograms, at fifty cents each, packaged f. o. b. A sample lot of six records will be sent to all companies immediately. The company will be in position to fill all orders they may receive, after samples have been tried. If good master records (that is, the

original records), are sent to the Edison Company they will duplicate the same at the same price as other duplicates that they may manufacture. These master records sent for duplication must be smooth and the record clear, in order to get good reproduction. Orders for these records must be sent to the North American Phonograph Company.

Mr. Kincaid: Mr. Edison told me in person that he would certainly fill any orders that we sent direct. He said that the North American Company had demanded a royalty of eight cents on each record, and figuring the cost of the record at ten cents and what his manufacturer's profit would be naturally on the record, that he was willing to pay the North American Company the royalty that they demanded and furnish these cylinders directly to the companies at fifty cents.

The President: I understand that that would be so, provided the North American Company did not arrange to furnish these records.

Mr. Kincaid: I did not understand that we would necessarily have to have any dealings with the North Amer-

B89 ican people in order to get these records; but that we could send these orders to the Edison Phonograph Works after we had seen these samples that they propose to send us, and that we would receive duplicates at once.

The President: For the benefit of those who did not witness the exhibition yesterday at the laboratory, I wish Mr. Miller to state the difference between the two classes of Phonograms which they will furnish under this duplication system.

Mr. Miller: Mr. Edison is not in a position yet to furnish the more expensive ones. He would want a guarantee of a certain amount of money before he would start the more elaborate process.

The President: We want that explained.

Mr. Miller: He would have to have a guarantee before he would go ahead with that, but as to these duplicates we are willing to furnish them at fifty cents apiece. The cylinders, by the more expensive process, are absolutely perfect, and you can get as many as a million duplicates from one master; whereas by the other process you cannot get over two hundred, although we are not prepared to say positively how many duplicates we can furnish under this process of which we are now speaking.

The President: It is, perhaps, proper to say that we heard from the duplicate records very excellent music and talk, and we can get those at fifty cents apiece.

I think it proper to add that it makes no difference to the local companies whether they order through the North American or through the Edison people, they will get the cylinders at the same price. The price of the expensive cylinder to which we listened will have to be settled by the question of demand. Mr.

B90 Edison stated personally that he would not undertake to do anything of that kind without orders for five or six hundred a day.

Mr. Ott: With reference to the cheap cylinder, it seems to me that it would be well for all the companies to co-operate with Mr. Edison in this new mode of furnishing cylinders. I inferred from conversation with him, that if this co-operation could be had and maintained, the cylinders would be reduced in price as rapidly as the increase in their manufacture justified such reduction.

Mr. Edison and the North American would, of course, have to have preserved their proportion of profit.

There is another matter that was referred to which might possibly in the end reduce the price of the cylinders somewhat. That is, the fact that when a record is destroyed, so that it has

no value as a record, the cylinder is worth something. Some one stated last evening – I have forgotten who it was – that the wax was worth about twelve cents a pound in quantities such as the companies probably could accumulate, not to include, as I understand it, the shavings from the cylinders, which are more or less mixed with dirt and foreign substances, and which would not be susceptible of use again. It has been our experience that the difference in temperature between midnight and midday, cracks a great many cylinders that otherwise are still perfect. The wax is clean and in every respect is just as good as when it was sent out, except that it has a crack part way, or clear across the surface. The cylinder is worthless for a record of any kind, or for an instrument of any kind, except to be cast over and a new cylinder made of it. If that wax is worth three or four or five cents for each cylinder, as has been stated, the

B91 companies may find it worth while to look after the saving which will be effected by the return of the wax material. The co-operation with Mr. Edison, or anyone else who undertakes this business, it seems to me, would ultimately lead to a low price cylinder.

Mr. McClellan: Mr. Miller, I suppose that all the musical records you send on will have the title upon the end of the cylinder, as we saw arranged at the laboratory yesterday.

Mr. Miller: Yes sir; they will be fixed up in that way.

Mr. Clephane: It seems to be the general sentiment that it would be better to concentrate our orders at the Edison Works, and in that way secure a more perfect cylinder, and a cheaper one at the same time. While this appears to be the general feeling, it might be well to hear from such companies as are engaged in the manufacture⁴¹ of cylinders so as to ascertain what their view is of this matter.

Mr. Haines: In reply to that suggestion I will say that we manufacture a very large number of musical cylinders, as do also most of our neighbors in this part of the country, where we have a large amount of talent to draw from. We should be glad to secure musical records at fifty cents apiece, if they are first-class records and cover the ground fully. On the other hand, we can manufacture a cheap grade of records ourselves in the city, and shall always hope to manufacture a certain proportion of the records we use. I think it would be to the advantage of all the companies if we ordered as many cylinders as possible from the Edison Works, at the same time not shutting ourselves off from the benefit to be derived from manufacturing special records which the Edison Phonograph Works probably could not supply.

B92 Mr. Conyngton: Do I understand that any movement of this kind is required? As I am informed, Mr. Edison proposes to put these on the market. If he puts a grade of cylinders on the market like the ones we heard yesterday at fifty cents apiece, all the orders will go to him naturally, without our taking any action in the matter. I do not see that we can take any action, anyhow. Suppose we should pass a resolution of the character suggested, we cannot bind our Boards of Directors and stockholders.

The President: What kind of a resolution?

Mr. Conyngton: I understand that there was a resolution introduced that we should send all of our orders for cylinders to the Edison Works.

The President: I do not understand that any such resolution has been introduced.

Mr. Conyngton: How could we take any action with regard to the matter otherwise? I am trying to show that we cannot take any conclusive action in the matter, and that it will not be necessary to do so.

⁴¹ “manufacture” in original

Mr. Clephane: As I understand from Mr. Miller, there is a class of cylinders that Mr. Edison will furnish without having the exclusive right to do so; but that the more perfect cylinders he cannot undertake to furnish unless the gentlemen agree to suspend the manufacture altogether themselves and give their orders exclusively to him. Here is an opportunity, it seems to me, to obtain a very fine cylinder at a very low price, if the gentlemen themselves feel like suspending their manufacture.

Mr. Conyngton: I understand that Mr. Edison could furnish cylinders, like those to which we listened at the factory, for fifty cents apiece.

The President: There is no question about that.

B93 Mr. Conyngton: We ought to be very well contented to begin with those, and undoubtedly the ordinary business rules will then govern, and Mr. Edison will get orders that will justify him in resorting to this more expensive process hereafter. We ought not to bind ourselves to deal exclusively with the Edison Works, anyhow, because nearly every company in the country that is making cylinders at all makes some cylinders that we desire to have. Our friend, Mr. Andem, makes some Brady's that we can afford to pay him five dollars a piece for, because we make money out of them. If you give me time I can go around and pay the same compliment to all the companies, because they furnish us good cylinders and we make money off of them. We do not want to shut ourselves off from dealing with them. Therefore, it seems to me that this matter will take care of itself. If we can only get cylinders like those we listened to yesterday we will send the bulk of our orders to the Edison Works, and all other companies will do likewise. The orders will accumulate, and Mr. Edison will increase his manufacturing facilities as the demand justifies it.

Mr. McClellan: I think we all recognize the fact that variety is necessary, especially where records are used on nickel-in-the-slot machines. It is true, a good many of us make a number of the records that we use; but in order to increase our revenue we buy records from all the other companies engaged in the manufacture. Of course we must not lose sight of the fact that Mr. Edison, as he said yesterday, will duplicate any record that we may send him. If we get a good record of any kind, a master record, we can have as many copies of it as we desire. I think, as Mr. Conyngton does, that this matter

B94 will regulate itself to a great extent, because I do not believe the companies can afford to make as good records as we heard there to-day, for less than he will furnish them.

The President: I have only one suggestion to make on the musical cylinder subject. I believe it has already been stated that it would not be possible for us to cut off any of these companies from manufacturing their musical and talking records. But Mr. Edison stated, as reported to me, that for anyone who will prepare a good cylinder and send it to him, he will make duplicates from that cylinder. He will take our cylinder and make duplicates at fifty cents each. It seems to me there certainly ought to be some sort of a resolution following up Mr. Edison's proposition. I do not know in just what form it should be worded. I think, however, there ought not to be anything in the resolution to prevent anyone from manufacturing cylinders if he sees proper to do so. I do not think it is possible to do that. But we certainly ought to have a resolution drawn stating that we will most cheerfully co-operate with Mr. Edison in securing these duplicate cylinders. If we pay Mr. Andem five dollars for a cylinder, and Mr. Andem is willing, as we will be, when we get a good cylinder, to send it to Mr. Edison and get it duplicated at fifty cents apiece—

Mr. Andem: That co-operation would kill the profits of our business.

The President: That is the object of this arrangement.

Mr. Conyngton: Could I get a cylinder from Mr. Andem for five dollars, send it on to Mr. Edison and get a hundred duplicates for fifty cents apiece, and then sell them for seventy-five cents apiece?

B95 The President: I think no cylinders of that kind ought to go to the Edison Phonograph Works. The order should go to the original manufacturer. You will find some competition when you get home, right there, that you have not considered before in regard to this.

Mr. Clephane: Mr. President, there is a way by which Mr. Andem can preserve the monopoly of these choice cylinders of his; make a great deal of money for himself, and yet enable the local companies to have them at a reasonable figure. That is, to have him send the one cylinder to the Edison Works, have duplicates made, and then he get credit for all sales of that particular cylinder to the different local companies.

The President: At five dollars apiece?

Mr. Clephane: No; he would have to come down to reasonable terms.

Mr. Boswell: In other words, you would hold out to the local company a premium upon its industry in securing the very finest records, and having secured such you would give such local company the opportunity of making a reasonable profit upon those records?

Mr. Clephane: Yes sir.

Mr. Boswell: If Mr. Edison would make such arrangement, it seems to me it would be the proper thing to do.

The President: One of the points that you will find when you get home will be this problem of dealing with the local companies. I understand that there are companies that are now furnishing cylinders to other State companies that they buy from the North American Phonograph Company. I do not think it is a proper business for any company to be engaged in. I claim if I get a musical cylinder from Mr. Andem, I would have

B96 no right to send it to the Edison Phonograph Works to have it duplicated.

Mr. Boswell: But Mr. Andem has the right.

The President: What is to prevent me from sending it to Mr. Edison and having a duplicate made?

Mr. Conyngton: It would simply depend upon Mr. Edison's recognizing the right of Mr. Andem, for instance, to a monopoly.

Mr. Dickinson: I do not know whether this voices the true sense of the Convention, but I offer the following resolution:

RESOLVED, That this Convention recommend to the various Phonograph companies to forward all orders possible to the Edison Phonograph Company, in order to enable them to furnish the best musical records for exhibition cylinders.

Mr. Conyngton: I would like to have the committee incorporate into that resolution a request to Mr. Edison to recognize in each company the right to its own cylinders.

Mr. McClellan: I think that would depend a great deal upon Mr. Edison himself. If he were to manufacture a great variety of records, of course he could himself about supply the demand.

Mr. Andem: Mr. President, it strikes me that the proper way of getting at this would be to have Mr. Edison consent to duplicate in such numbers as may be desired any record that a local company might send him; put such on his list of cylinders to be furnished to the local companies, and then have him pay to the local company furnishing the original, a small royalty on each one that is sold. In that way the local company would get repaid for such labor and expense as it may have been involved in.

B97 Mr. Sampson: Mr. President, Mr. Andem has struck upon the very point that I had in mind. It seems to me that it would be a very simple matter for any local company that had a specialty that was adapted to its locality, to make one fine master cylinder and send it to Mr. Edison, ordering as many as it might desire for its own use. Such company at the same time could give to Mr. Edison the privilege of manufacturing such additional number as would meet the demands of the other local companies, and allow him to sell such duplicates of this master piece, he allowing such royalties as he might think fair to the local company furnishing the original.

Mr. Andem: There is another thing I would like to suggest. When the companies visited the Edison Works in last December, the same question came up, and on a conference with Mr. Edison he suggested that the only trouble in the way was that he did not see where the money was coming from to pay for these cylinders. I think, on my own suggestion, we then each one of us ordered a number of cylinders as a kind of guarantee fund. I placed an order with him for one thousand cylinders for the Ohio Company. I never have been able to get them, or to in any way hear about them. I hope this present suggestion will not fall through in the same way. One drawback, in dealing with the Edison Works, is, that while we know of a great many good things that we can get there, we can only get those that have been officially adopted, and I am afraid that the cylinders talked about this morning may come within that category.

Mr. Hoit: Mr. President, in ordering these records, would it not be better to order from the North American

B98 Company, and possibly at the same time send a duplicate order to the Edison Phonograph Works, so that they might know that such order had been given to the North American Company. It does not seem to me that the Edison Works would care to antagonize the North American company, or take their business from them. As I understand it, ordering through the North American Company would not increase the price of these cylinders at all. It would be the same as though they were ordered direct from the Edison Works.

If there is any profit in such business for the North American Company it seems to me they ought to be placed in a position to get it.

Mr. Kincaid: Mr. President, I understood from Mr. Edison that all the profit the North American people expect to derive from the sale of these duplicates is eight cents royalty on each cylinder. Mr. Edison is ready, as I understood him, to allow them that royalty. How, therefore, the North American people can be injured by our sending all orders direct to the Edison Works, I cannot see; provided he pays that eight cents royalty.

Mr. Hoit: The report of the Secretary as made here was that the orders must come through the North American Company. That information I understood the Secretary to get from the Edison Works.

Mr. Conyngton: I would like to inquire of Mr. Miller whether by this process all the cylinders are of equal quality. After you turn them out are they tested, or are they all known to be of equal quality, and therefore no test required?

Mr. Miller: They are all tested and labeled.

B99 Mr. Cromelin: Is the hundredth record you make as good as the tenth, for instance?

Mr. Miller: We do not know yet. I have had as many as a hundred duplicates made, and there seemed to be no difference between them.

Mr. Conyngton: You go over them and test them and throw out any that happen to be defective?

Mr. Miller: Yes sir.

DOUBLE ADJUSTMENT DIFFICULTIES.

Mr. Andem: I would like to inquire if the question of the difficulties that we have in handling cylinders on one machine, and the question of double adjustment on a cylinder would properly be a subject of discussion, as well as the place at which we are to get them?

The President: I suppose that subject might be gone into.

Mr. Andem: It is a very important topic and ought to be considered. I thought, as a matter of information, I would state our practice, and see if I could get any suggestions. We sometimes, in a lot of twenty-four cylinders purchased from some local company, will find four or five cylinders that have what we call double adjustments. In other words, when you put them on a slot machine they will run about an inch and a half and then get out of adjustment. Our experience is that that is caused by a change of temperature. The other day in Cincinnati the lady who inspects our musical cylinders before they go out, said to me that although she had about three hundred cylinder on hand, the state of the weather was such that she was in doubt whether she had enough to fill the slot machines for the day. They had expanded, and could only be used for

B100 about half their length. I suggested that perhaps they had better be put on ice, or something done to contract them. We tried various plans; among other things we did we pressed them in our hands, and finally succeeded in molding enough into shape to get through with that day. The temperature changing the next day, we had no trouble. If any member here has any suggestions to make as to what should be done to restore cylinders to their original form, or if Mr. Miller can give us any information on the subject, as he is an expert, I would be very much obliged.

Mr. Miller: The only way, I presume, to meet that difficulty would be to strike an average temperature, and make the records at that temperature. For instance, where we make our duplicates now, we have lights in our room and have a regular temperature. When we strike an average temperature, we try to keep the room at that average while they are being made.

The President: Do you loosen your cylinders at night?

Mr. Andem: Yes sir; we have done all those things. I would like to ask Mr. Miller whether he makes cylinders for different localities.

Mr. Miller: We can do that just as well.

Mr. Conyngton: We have had the same trouble spoken of by Mr. Andem, and perhaps in a more pronounced manner than any other company. When the weather began to get warm this spring, we found that nearly all the records we had on hand were utterly unavailable; that just a slight degree of expansion in the length of the cylinder would change them so that they would not run through with one adjustment. We wrote to those companies with which we had orders at that time, and asked them to make the records in the middle of the

B101 day. This they did, and we have had very little trouble since then. I believe though that the weather will have to be taken into consideration. Records made in the winter cannot, as a rule, be used in the summer; and records to be used in the Southern States will have to be made at something like the same temperature which prevails in those States.

Mr. Ott: I would like to inquire of the gentlemen present whether it is their opinion that the double adjustment required on cylinders is always due to the temperature? My theory is that it is not. Mr. Miller who is an expert on this subject, may give me some information on that point. It is my opinion that when the diaphragm is once let down on to the cylinder for the

production of music, it never should be raised until the entire cylinder has been traversed. I think the raising of the diaphragm and dropping it again is liable to cause it to drop at a point out of line with the one from which it was raised. I probably can give a diagram of that on an exaggerated scale, and Mr. Miller will tell me whether I am right.

Mr. Miller: I think that by using the new musical reproducer you will not have anything like the trouble with the adjustment you have now, as I find that that keeps track better than the other reproducers.

Mr. Andem: I want to suggest that the way to get over to some extent the difficulty of which I have spoken, is by having a place in which to keep what we call the exhibition cylinders. Those cylinders that require two adjustments, which cannot be used on slot machines, but which are perfectly good in every other respect, we sell to exhibitors who exhibit to twenty people at a time through hearing tubes and they adjust as the cyl-

B102 inder goes along. That is the way we use up that class of material.

Mr. McClellan: Mr. President, it ought, perhaps, to be stated in this connection that the Edison Company will send with the samples of the duplicated cylinders a small weight that is used to weight the diaphragm; that may have the effect of better keeping the adjustment.

Mr. Conyngton: I will suggest to those who are making musical cylinders that if they would send out selections suitable for reproduction through a horn in a hall there might be a market for a limited number, at a much higher price. A great many of our musical records, while admirable in the nickel-in-the-slot machines, fail entirely when they are reproduced through the horn. Occasionally we get hold of very excellent pieces that will come out loud and clear, but not often.

The President: I understand we can get the music made just as loud as we desire it. If you wish a loud musical record the best way would be to send an order for one, and if found to be satisfactory, to order as many more as you desire. There is a certain style of music of which you cannot get a loud reproduction. Of course you cannot get a fine quartette selection that will be loud enough to be thrown out in the hall.

Mr. Sampson: I would like to say, Mr. President, that I have a large number of band pieces that I have exhibited in halls that hold anywhere from a thousand to fifteen hundred people. I have filled the Hollis and other theatres in Boston with records that I have made, and have gotten as high as two or three encores for the pieces. We had eighteen pieces in the band. I will say also that I had a story by Mr. Russel Huntington on a cylinder, which was produced at the Hollis Street

B103 Theatre two weeks ago Sunday night at a benefit. It was thrown out through the hall so perfectly that everyone heard it. Mr. Huntington was well known, and he put this talk on a cylinder for the express purpose of a beneficiary entertainment.

Mr. Andem: The Ohio Company purchased of the New England Company some of the Levy cornet solos, and we have one now which I think we could reproduce in any public hall at any time. When we put one of them on a slot machine that particular machine will be surrounded by parties, and I have heard the remark made that there was no need of paying a nickel because they could hear enough of it on the outside of the machine. That shows how loud they are.

Mr. Dickinson: Mr. President, I beg leave to offer the following resolution:

RESOLVED, That this Convention recommends that the various Phonograph companies send all their orders for the manufacture of musical and other records to Mr. Edison, with a view to having such records reproduced at the least possible cost; and

RESOLVED FURTHER, With a view to improving the quality of musical records and increasing their variety to the greatest extent, that each company shall, from time to time, send Mr. Edison such carefully made records as they may desire to have reproduced; and the companies sending said records shall have the exclusive control of the sale of said reproductions at a price enabling such companies to make a reasonable profit on the same.

Mr. Haines: The object of this resolution is to reduce, as far as possible, the cost of manufacturing musical records, and to increase, as far as possible, the variety and the quality of such records. Each company will have special facilities for making musical records in their own territory, whether they are recitations, or musical records of those or any other class. It will

B104 therefore create a certain rivalry between the companies which will materially improve the records that are sent out, without necessarily raising the price of such records.

The question being put on the motion to adopt, it was unanimously agreed to.

The President: A copy of this resolution should be sent to the Edison Phonograph Works.

The next Topic for the discussion of the Convention is the question of Batteries, and we will have to very much abridge discussion on this Topic.

BATTERIES.

Mr. Hoit: With regard to the Battery question, I will say that we have tried a great many batteries, and have found the most successful one to be a storage battery. I think the Anglo-American storage battery is the one that has given the greatest satisfaction under all circumstances and conditions. Representing, as I do, the Anglo-American Company, I feel I can speak as one having experience. They have been tested by different companies, and, according to the reports, have given entire satisfaction. It is a compact battery, although you must necessarily have the weight to get the efficiency. It has a weight of about 50 pounds, and is guaranteed to give 150 ampere hours, but will frequently produce 300. It never will run below 200 ampere hours. It can be easily and safely shipped. Every day they are being shipped to Galveston, Texas; Helena, Mont.; New Orleans; Atlanta, Ga.; Canada and all over this country. I am convinced it is the best battery in use to-day.

Mr. Grant: In regard to the Battery question I would like to say a word. Adams Express Company's office in

B105 our place refuses to receive them, and there are many points in our State which we cannot reach by any other line. The reason for this refusal is leakage.

The President: What battery?

Mr. Grant: The Anglo-American Storage Battery. Another reason for the refusal is because, on one occasion, they placed a can of varnish on top of the batteries in the car at one time, and in about ten minutes they had no varnish in the can and not much can. The battery was varnished when we received it, and had received a very thorough and thick coat. I would like to call to the attention of the manufacturers of storage batteries the necessity of providing some sort of an insulated cover. We have since that time used tape for insulating purposes. I think that the manufacturers of batteries for Phonographs should provide for this insulation.

Mr. Andem: I would like to ask Mr. Grant if he shipped the batteries without any crate or packing?

Mr. Grant: We have put the block on them with two holes in it, but that is not always satisfactory. I am willing, however, to endorse the Anglo-American as the best battery we have ever yet had experience with.

Mr. Andem: We ship a great many batteries over the State of Ohio to exhibitors, and we have had the same experience that Mr. Grant has spoken about. Two or three of the express companies refused to receive our batteries. Thereupon we had a wooden crate made which protected the binding posts, and put a handle on the top of the battery, so that it could not be handled except from the top, marked "This Side Up With Care," also a little cork in the rubber tube and then called the manager of the Adams, the United States and all the

B106 other Express Companies to our office, showed them this battery, and asked them if they would please try and spill some of the fluid. The battery was kicked around our office, turned upside down, and notwithstanding this rough treatment they were unable to spill any of the fluid. They immediately issued an order to receive all batteries from us packed in that way. We have had no trouble since.

Mr. McClellan: We ship a great many batteries all over the State of Illinois; about as many, I presume, as most other companies. We use none at all in Chicago, where our office is located, and we therefore ship all that we use. I would recommend that the companies, if they can spare the time, ship the batteries by freight, if possible, as they receive a great deal better care than they do when shipped by express. I have had a talk with the express company's agent in regard to the matter, and he says they cannot prevent their men from throwing the batteries around when they are in a hurry. As the trains stop but a little while oftentimes, the goods are rushed forward and thrown out in any condition at all; and it is very difficult to prevent the batteries from being tipped over on the side. This will, of course, cause the liquid to run out. On the contrary, when handled as freight, they are put in the freight house, and the men take their time to put them out, and you will find that they will receive a great deal better attention. Of course, in cases of necessity, you are obliged to ship them by express. I would recommend to all battery companies the placing of a handle on the top of the battery, because when the expressman in a hurry picks up a battery – the handles to most batteries tha I know of are on the side – they never

B107 take two hands to it, but pick it up by one hand on the side, lifting it at an angle of 45 degrees. The liquid is almost sure under such circumstances to spill out and run down the side of the case. We have had a good deal of trouble in this way, and have paid considerable attention to it. A handle on the top of the batteries would overcome this trouble in shipping them.

Mr. Grant: I would like to ask a question in regard to closing these batteries with a rubber cork. We have had two batteries explode, the theory of which we are not able to explain.

Mr. Andem: What kind of batteries were they?

Mr. Grant: One of them was a Pumpelly. I do not know what the other was. One exploded in the train and the other one in our office, much to the consternation of the office boy. If the gentleman interested in the Anglo-American battery can explain that, I would like to have him do so; and also to state if there is any objection to putting a cork in that battery.

Mr. Hoit: We have had very few batteries explode, and the reason for the explosion is not so much the cork as it is a lighted match being held over the vent, or a spark from the terminals of the battery. A spark will ignite the fumes of the sulphuric acid, and will explode the battery. We are very careful in the charging of the battery, and do not allow a candle, a match or anything of the kind to be placed near it. We do not light a cigar in the room where the battery is being charged, because there would then be danger of the battery exploding.

I will say another thing in regard to the terminals. We are making them now in as compact form as possible, and are endeavoring to protect them as much as

B108 we can. The Anglo-American Company are making improvements every day. They want the business of the Phonograph Companies, and are doing everything possible to adapt the battery to such use. They are giving the subject a great deal of thought, and are determined, if possible, to make this battery the most efficient one in existence. We believe it to be so now, and we propose to keep it so.

In regard to leakage, you will find that the present batteries will not leak. You will find that by careful usage there will be no acid spilled at all. The cells now being made are a great deal thicker than the ones in the former batteries. The plates are heavy, and a new patent has just been gotten out upon the battery, whereby the battery materials cannot be made so as to short circuit it.

The matter of convenience and safety in shipment is being carefully considered, and the probabilities are that you will have a handle on top of the battery in a very short time.

Mr. Wood: I would like you to explain a little further in regard to the cause of the explosion of the batteries. I do not think Mr. Hoit has gotten hold of the real point yet. I had two blow all to pieces about ten days ago while being charged.

Mr. Andem: What kind of batteries were those?

Mr. Wood: The Anglo-American. On close investigation the manager of the electrical house found that the vent was not opened while they were being charged; that they will stand certain pressure without the air circulating, but when they are fully charged, or nearly so, they must have a vent or an explosion is liable to take place. We also had another case where a person

B109 attempted to put in some muriatic acid, and it acted very queerly.

I think that the Anglo-American battery could be improved in the way of shipment, if they would make the outside cover larger and thicker, and have an iron band placed around the bottom. We have had better results shipping by express than by freight. We have shipped a great many batteries, and we have had no trouble yet with the companies. Undoubtedly the occasion of the explosion with Mr. Grant was that when the battery was being charged there was no vent hole.

Mr. Hoit: The Anglo-American Company would be very glad indeed to get any suggestion from any member of this Convention that would improve the battery in any degree.

Mr. Boswell: I will say that the Anglo-American is the best battery that we have had in our territory.

Mr. Wood: I will say the same.

Mr. McClellan: I will make a similar report.

The President: I think it would be well to call over the names of the companies that have batteries in use, so that the members who are using them might give the names of the batteries. The roll will be called by companies, and if you have two batteries, you can name them.

The Secretary called the roll as follows:

The Chicago Central Phonograph Co. – Anglo-American.

The Columbia Phonograph Co. – the Julian storage cell exclusively.

The Eastern Pennsylvania Co. – the Anglo-American.

The Georgia Phonograph Co. – Anglo-American and Electric Accumulator. We prefer the Anglo-American.

The Iowa Phonograph Co. – the Anglo-American.

The Kansas Phonograph Co. – We have used the Car-

B110 penter, the Pumpelly and the Anglo-American. We prefer the Anglo-American.

The Louisiana Phonograph Co. – We are only using the Anglo-American in Louisiana.

The New England Phonograph Co. – Sorley storage and Gethins Gravity batteries.

The Montana Phonograph Co. – Anglo-American.

The Missouri Phonograph Co. – Anglo-American.

The Nebraska Phonograph Co. – Anglo-American.

The New York Phonograph Co. – The Gibson and Julian. We would prefer the Gibson, if there were no lawsuit pending.

The Ohio Phonograph Co. – The Pumpelly, the Julian, the Anglo-American and the Woodward. The Anglo-American preferred.

The Old Dominion Phonograph Co. – The Anglo-American, the Pumpelly and the Edison Primary in small places. As a storage battery, we prefer the Anglo-American.

The Texas Phonograph Co. – We have used most of them, the Electric Accumulator, the Julian, the Pumpelly and the Anglo-American. We prefer the Anglo-American.

The Kentucky Phonograph Co. – The Anglo-American, the Pumpelly, the Julian and Edison. Anglo-American preferred.

IN MEMORIAM.

The President: We will now listen to the report of the Committee appointed to draft suitable resolutions relative to the death of two of our members, L. Halsey Williams, of Pittsburg, Pa., and F. E. Clarkson, of Atlanta, Ga.

Mr. Clephane: Mr. President, your Committee to whom has been referred the sad duty of preparing some appropriate tribute to the memory of two of our number who have so recently been taken from us, and who were so endeared to us by ties of the closest friendship – L. Halsey Williams and F. E. Clarkson – beg leave to submit resolutions which they are sure will meet with the hearty concurrence of all.

B111 When men are associated together in even an ordinary business enterprise, the loss by death of any of their number makes a deep impression, but how serious and lasting becomes that impression when such as those for whom we now mourn are removed from our midst. In an undertaking such as that in which we are engaged, the sturdiest qualities of manhood are required, and who possessed them to a greater degree than our two comrades who have fallen by the way! and this at a time when the struggle has as yet but just begun. A vacuum, difficult to fill, has certainly been created by the death of our two worthy friends and co-workers. How often in the past have we been guided by their wise and unselfish counsels; their calm and accurate judgments? Unfortunate, indeed, it is for us that they should have been called away just at this particular crisis, when the very existence of that for which they struggled so earnestly, gave their time, their energy and of their means, is seriously threatened. At this moment how forcibly we recall their devotion to the enterprise; their unbounded faith in its ultimate success. All that we can now do is to seek to profit by their example; endeavor to become imbued with their spirit, and allow no internal dissensions to interfere with our onward march.

We recommend the adoption of the following resolutions:

RESOLVED, That in the death of L. Halsey Williams and F. E. Clarkson, the Phonograph enterprise has suffered a loss which it can ill afford; that we will seek as the guardians of their interests to emulate their example of courage and steadfastness, and endeavor to urge forward the enterprise with which they were so closely identified, to its utmost point of success.

RESOLVED FURTHER, That we tender our most sincere sympathies to the relatives of the deceased in their bereavement.

B112 RESOLVED FURTHER, That the Secretary of this meeting engross copies of these resolutions and transmit the same to the families of the deceased through the respective companies with which they were connected.

Mr. Swift: Mr. President, I move the adoption of the resolutions. There is only one suggestion that I desire to make before submitting any remarks on the resolutions, and that is that it is not well to spread upon our record for publication to the world any intimations that we are in a crisis. Whether we are or not, it is not well to convey that intimation to the families of deceased members.

Mr. Clephane: It is intended merely to transmit the resolutions.

Mr. Swift: Then I most heartily move the adoption of these resolutions, and in making this motion, I should like to make a few remarks with reference to these gentlemen. Mr. Clarkson was one of the first gentlemen connected with the Phonograph business that I had the pleasure of meeting. I met him about the time that we were organizing the Michigan Phonograph Company. He was in Mr. Lippincott's office on that occasion when I was there, and he impressed me from the start, as he continued to impress me during his lifetime, whenever I met him, with his enthusiasm, his vigor and his attachment to the Phonograph business. He was a man of exceptional powers in the way of organization, and his company, under very many discouragements, was one of the very best organized companies in the United States. I think that Mr. Clarkson was a thorough business man, and in addition to that was a thoroughly good fellow. In business it is very frequently all important that a man should be a strictly business man; but those men who particularly endear themselves to us, and to

B113 whose memory we look back with love and fondness, are those men who are possessed of sufficient of the milk of human kindness to be the good fellows of the world. I would rather have it said by my friends after I am dead that "He was a good fellow; we all liked him," and refer in a friendly spirit of reminiscence to some good times they had had with me, than to inscribe any amount of virtues on my tombstone. A man constituted in that way, like Mr. Clarkson, is a man who loves his fellow man, and whom his fellow man loves. I think no man ever met Mr. Clarkson, to know him at all, who did not have feelings of kindness and love for him.

With reference to Mr. Williams, I met him at a conference concerning Phonograph matters about a month ago in this very room. My acquaintance with him was extremely slight. I think I had never met him before, except at the Chicago Convention. My feeling with reference to him is that of being deeply shocked at the death of a man who appeared at that time to be in the prime of life, and in good health and spirits. I am informed that he was thoroughly interested in the Phonograph business. He had a very large amount of money in it, and was a good friend of the enterprise. I think the resolutions aptly express what we all feel with reference to these men, and I therefore move their adoption.

The President: I think that Mr. Clarkson, in the paper which he read at our Convention last year, which all of you have doubtless read, has plainly shown that he fully anticipated all the difficulties we are now passing through, except the financial. I mean all the difficulties pertaining to the progress and future of the

B114 Phonograph business. Since I have heard of Mr. Clarkson's death, I have taken the pains to carefully read that paper. It contains not only his experiences, but there are many prophetic things in it which show that he was a student of the business to which he had devoted his life. Mr. Williams, as you remember, last year was made chairman of the Committee to prepare papers for the permanent organization of this Convention. He had practically performed that

work, and had sent the documents to some other members of this Committee, and he intended no doubt to be here with us and assist in putting this organization on the best possible footing. I feel deeply with reference to the death of both of these gentlemen.

Mr. Boswell: Mr. President, the pathways of bright and useful lives are too often darkened by the shadows of death; too frequently terminated by the grave; too seldom extended out to the plane of success. Thus it was with the lives of our departed brothers. The Phonograph, in this, the early morning of its life, has suffered an irreparable loss in the death of Mr. Williams and Mr. Clarkson. I second the resolutions.

The motion being put to the Convention upon the adoption of the resolutions, it was unanimously agreed to by a rising vote, and in silence.

Mr. Boswell: I move that the Convention now adjourn out of respect to the memory of our deceased brothers.

The question being put on the motion to adjourn out of respect to the memory of the deceased members of the Convention, it was unanimously agreed to.

B115

12:15 o'clock, p. m.

The Convention was again called to order by the President.

REPORT OF SECRETARY REGARDING LABORATORY EXHIBITION.

The President: I suggest that the Secretary read the result of the examination of the Phonograph yesterday at the Edison Works, and then we will go on with the discussion of this Topic: "The advisability of having furnished to such of the local companies as desire them, for application to the present Phonograph, the new super-sensitive diaphragm and the new arm; these to be furnished by Mr. Edison under special arrangement with Mr. Edison and the Phonograph companies."

The Secretary: Mr. Lombard stated that the North American Phonograph Company will be prepared to receive orders for the new dictating diaphragm, sensitive reproducer and arm, as special extras, they not to be considered a part of the machines. He further stated that orders could be filled within three weeks after receipt of the same. Prices will be quoted at earliest possible moment.

In order to test capacity of cylinder on new machine, Mr. Frelinghuysen read from a newspaper, and found that it took ten minutes to fill it. In nine minutes fifty seconds he had recorded distinctly 2,000 words.

The sensitive recording diaphragm was exhibited to the delegates (using same one exhibited in December last when representatives of Phonograph companies were at Edison's Works). It was estimated that it reproduced the voice three times louder than the ones previously used.

It was also learned that the mailing cylinder to be used on new machine will require eight minutes dictation to fill it, and will contain almost 1,000 words. This cylinder is provided with mailing case, and will require two cent postage for transportation in mail.

Mr. Swift: I move that the subject of unification

B116 and consolidation be postponed until after the report of the Conference Committee.

Mr. Boswell: I second the motion.

The question being put on the motion, it was unanimously adopted.

NEW DEVICES ON PHONOGRAPH IN USE BY LINOTYPE COMPANY.

Mr. Easton: I have here, and I hope every representative present before he leaves will take opportunity to see it, a very simple device that I found in use in the Linotype office in this city, 31-32 Park Row. It provides first for automatically indicating the proper starting point on the cylinder. It also has a bell to indicate to the dictator when he is nearing the end of the

cylinder. This can be attached to the standard Phonograph here and its operation exhibited, so that members can determine upon its merits, and decide whether or not they wish to procure duplicates. It is estimated that these appliances will cost something like \$1 apiece in lots of a hundred or more.

Mr. Smith: I would like to ask if the companies would not be violating the terms of their contracts if they were to obtain appliances for the machine from others than the North American Phonograph Company?

Mr. Clephane: This does not mutilate the machine in any way. It can be put on and taken off at will. There can be no objection to its being used.

Mr. Swift: Has anybody spoken about a simple device which I saw at the Linotype office, which causes the last three words of a record to be repeated every time the instrument is started to give out a new sentence?

Mr. Clephane: That is a very simple device, and can

B117 be obtained at a very small price, probably 15 or 20 cents.

The President: We are about to take an adjournment, and members can investigate the devices referred to during the recess.

The Convention thereupon adjourned until 2 o'clock, p. m.

B118

AFTERNOON SESSION, June 18.

Thursday, June 18, 2 o'clock, p. m.

The Convention was called to order at 2 o'clock, p. m., pursuant to adjournment.

NUMBER OF MACHINES UNDER RENTAL.

The President: The Secretary will read a condensed report of the number of machines upon which the companies here represented are paying rental.

The Secretary read as follows:

The companies here represented are nineteen in number. They report as under rental 3,375 Phonographs; 56 Graphophones, and they have in use 1,249 Slot Machines.

On the question whether or not the slot machine business is profitable, the Secretary reports as follows:

Seventeen companies have voted, yes, and two, no. The reason given by those voting in the negative is that the business is not profitable because of the imperfect character of the machines in use.

REPORT OF EXECUTIVE COMMITTEE.

The President: The Convention will please listen to the report of the Executive Committee.

The Executive Committee reported as follows:

The Executive Committee met at the fifth Avenue Hotel, June 18, 1891. Present: J. C. Wood, Missouri; Thomas Conyngton, Texas; Charles Dickinson, Chicago, Ill.; R. T. Haines, New York; A. W. Clancy, Iowa, ex-officio.

Mr. Haines was chosen to preside, and Mr. Wood to act as Secretary.

Mr. Wood moved that two printed copies of the pro-

B119 ceedings of the Convention be furnished to each local Phonograph Company that has paid its annual dues of \$15, or that may do so hereafter. Carried.

He also moved that companies that have paid their annual dues be furnished with additional copies of the proceedings at \$5 per copy. Carried.

On motion, it was ordered that one hundred copies should constitute the entire edition to be printed.
On motion, the report of the Executive Committee was unanimously adopted.

TREASURER'S REPORT.

The Treasurer reported that he had received dues from twenty companies, amounting to \$300, and had received estimates for reporting, printing and binding the proceedings of the Convention, which, together with other expenses, are estimated as follows:

Hotel bill for parlors for use of Convention,	\$ 40.00
Reporting proceedings, 21 cents per folio, estimated,	135.00
Printing 100 copies, 100 pages each, at 90 cents per page.....	90.00
Binding 100 copies, at 18 cents per copy.....	18.00
Incidental expenses, stationery, postage, etc.,	<u>15.00</u>
	\$298.00

On motion, the work of preparing and revising the report of the proceedings for the printer was left with the Chairman of the Editorial Committee and the Chairman of the Executive Committee.

RENEWED DISCUSSION ON THE "PHONOGRAM."

Mr. Haines: I want to make two or three remarks with regard to the publication of the "Phonogram." While the "Phonogram" has been issued generally in the interest of the Phonograph business, I believe that the Phonograph companies should have a publication controlled by themselves, and issued solely in their interest. Such a publication can be conducted undoubted-

B120 ly far cheaper under their own direction than it can be by outside parties, who depend entirely upon the publication of a magazine of this kind for their remuneration. I believe the Phonograph companies can at a very slight expense publish a magazine devoted exclusively to their interests, and not be dependent upon outside advertisements, which may, or may not, interest their subscribers. If it be thought best to defray part of the expense of running such a journal by inserting outside advertisements, the local companies probably, in a short time, could make such a journal self-supporting. We would then derive the benefit of such patronage, instead of outside parties, whose sole interest may be in the income derived by them personally from the same, and who are not directly interested in the Phonograph enterprise.

Mr. Andem: I suggest that the roll of the companies be called and their delegates asked whether they would support such a magazine; how many numbers they would subscribe for, and whether they would advertise in it.

Mr. Wood: I would like to ask Mr. Haines to give us an idea of the cost, by the hundred, of publishing such a magazine.

Mr. Conyngton: It must not be forgotten that some of the companies are under pledge already to the present "Phonogram." I would prefer, that being already started, to make some arrangements with its managers.

Mr. Haines: I have no figures on which to base an estimate of the cost of printing a magazine of that sort. I think that if such a publication is conducted by the companies themselves, a party should be employed to devote his or her time exclusively to its management.

B121 The President: A Committee was appointed yesterday, I believe, to report on the "Phonogram."

COMMITTEE'S REPORT ON THE PHONOGRAM.

The "Phonogram" Committee submitted the following report:

Mr. Chairman and Gentlemen of the Convention:

The Committee appointed to consider the question of the publication of an official organ of the Phonograph companies make the following report, viz.:

1st. That in their judgment an official organ will be of great value to the Phonograph enterprise and should be maintained.

2nd. That a Committee to consist of three delegates should be appointed, to have full charge of such publication.

3rd. That the companies, previous to the starting of such a publication, should pledge themselves to contribute monthly, for at least one year, a certain sum of money to guarantee the financial existence of this publication, with the privilege of each company contributing of taking copies of the publication, or advertising therein at rates to be agreed upon.

4th. That before this report is acted upon this Committee be authorized to ascertain the cost of maintaining a suitable magazine or organ of the Phonograph companies, and submit the same to the National Executive Committee of the Phonograph Convention for their approval. Should this report be approved by the Executive Committee of the National Phonograph Convention, a circular should be then sent to each of the sub-companies, submitting the plan to them for their approval.

Mr. Andem: I would suggest that that Committee, when it was appointed, could get a great deal of information without very much trouble or expense, by joining the Newspaper Clipping Association, and paying five cents per clipping for items regarding Phonograph news from all parts of the country. They could certainly afford to pay that small sum, and in that way a collation of information which would be of great value could

B122 be added to that which the companies would themselves contribute.

The President: It ought to be understood that each company would be expected to send news with regard to the business.

Mr. Conyngton: With regard to the "clippings," I will remark that the North American Company is a subscriber to that already, and they will probably furnish the clippings without cost.

Is it not going to be almost impossible to find any man who will give his time to properly editing this paper for any reasonable compensation?

Mr. Boswell: Any man who has the Phonograph enterprise at heart will do it.

Mr. Conyngton: Everybody who has the Phonograph enterprise at heart, and who is competent to edit a paper of that kind, has his hands and his head full already.

Mr. Andem: I think I could suggest four or five members of the Convention who have literary ambition, and who would take hold of it.

Mr. Conyngton: I know that everybody is ready to take hold of a thing of that kind, and I know they would drop it like a hot potato in about three months.

Mr. Boswell: The question here is not whether we can make the publication a financial success. The question is whether we shall have an official organ at a reasonable cost.

Mr. Wood: Mr. President, Mr. Haines said that there could be a paper maintained very inexpensively. I would like to get his ideas about it.

The President: He has already said that he is not able to give an estimate.

B123 Mr. Wood: It seems to me that that is a very important matter for us to investigate.

Mr. Andem: I believe if this Convention were to authorize the receiving of propositions to conduct and publish such a magazine, that it could be done without any guarantee on the part of the local companies, upon showing to such people the probable amount of patronage they would receive in the way of advertising. Local companies, for instance, would advertise what

music they have for sale; the battery companies would advertise the batteries they have for sale; the slot-machine companies who have slot devices and cabinets for sale would advertise, and there would be advertised a thousand different appliances for the Phonographs.

Mr. Conyngton: Why would it not be possible to outline a policy, and let Miss McRae go on editing as she does now. She has shown a good deal of pluck in carrying it along thus far, and while there is a little lack of wisdom in the editorial management, that might be supplied without much trouble.

The President: Are you ready for the report of the Committee as it has been presented?

Mr. Clephane: I move the adoption of the report.

Mr. Ott: Mr. President, while I am heartily in favor of the general sentiment of the report, there is an inequality in regard to the stated amount to be paid by each company, as the report has it. Such a tax would wreck the Kansas Company, and not only the Kansas Company, but every small company that has a sparsely settled territory. There is no doubt in my mind that a company that covers the State of New York, the State of Illinois, or Maryland and the District of Columbia, and many others which might be named, in which there

B124 are large cities, could afford to pay their \$20 per month for the maintenance of an official organ of that kind, better than some of the other companies.

Mr. Haines: The sum of \$20 per month mentioned in the report is not an arbitrary amount, but is rather a suggestion. The latter part of the report provides for having the matter of cost duly investigated and reported to the sub-companies, before any specified amount per month shall be fixed upon.

The question being put on the motion to adopt the report of the Committee on the "Phonogram," it was unanimously agreed to.

SPECIAL COMMITTEE ON THE "PHONOGRAM."

The President. I will appoint on that Committee Mr. Haines, of New York; Mr. Andem, of Cincinnati, and Mr. Easton, of Washington.

Is there any other business not already considered that any member now desires to bring before the Convention?

Mr. Andem: I move that the Treasurer be authorized to communicate with those companies not present and represented, and other Phonograph and Graphophone interests, such as the Edison Works and the American Graphophone Company, and notify them upon what terms they can receive copies of the proceedings of this Convention, and to receive from them their dues.

The question being put on the motion, it was unanimously agreed to.

The President: I observe Mr. A. G. Tate, representing the Edison Works, is present. We would be pleased to hear from him, if he has any suggestions which may help us in our enterprise.

POWER.

Mr. Tate: Mr. President, I would like to have an op-

B125 portunity to say something to you on the question of Power – not as representing any interest, but simply as a user of the Phonograph, and as understanding the conveniences that are necessary in order to make the Phonograph valuable in business. I believe I was the first person to use the Phonograph in a practical way. Mr. Edison thought he would try it on "the dog"

before he tried it on anybody else (**laughter**), and nobody will ever know what I have suffered in connection with its use; but happily that stage has passed.

The power that is used to drive the Phonograph must, in the first place, be reasonably economical; it must next be constant, and the next qualification which it should have is long life. I heard one of the delegates remark a few moments ago, referring to the question of batteries, that the companies, in order to live, were obliged to charge a certain percentage over and above the cost to them of the batteries. I just want to say now that if the companies are not going to be able to live by the sale of Phonographs, they never will sustain life through the sale of batteries. I think it would be an excellent idea if all the Phonograph companies should adopt a standard battery. It does not matter which battery it is. I have no interest in that matter. I speak simply in the interest of the various Phonograph Companies.

There is no class of work which is so expensive as experimental work, and I think that battery companies have been doing a great deal of experimental work in primary batteries. You cannot pick up an electrical journal to-day without finding a half dozen primary batteries offered for sale; and I am aware that it is a great temptation to those who use that class of power, to test those batteries to see if they cannot obtain better

B126 results than from the batteries they have already in use. I think that if this Convention would appoint a Committee on Batteries, and refer all questions relating to that subject to the local companies to abide by their decision, that they would make a great step in the right direction.

Again, if the Phonograph Companies were all buying their batteries from one concern they could obtain much better prices. The business being concentrated, the manufacturer would be enabled to produce batteries at a much less price than can manufacturers who are selling only a few cells to all these various companies.

The question of "constancy" in a battery is a very important one. I have used all kinds of batteries on the Phonograph, and those that are apt to give out at an unknown moment and interrupt business are a source of annoyance and irritation. The companies cannot afford to use power of that character. If you were erecting a steam plant, putting in expensive engines, you would not provide cheap boiler power. I do not think that the batteries that are supplied for the Phonograph to-day are worthy of the instrument which they are to run.

Another point that I wish to make is this: That the companies should make an effort to supply the power to their customers at as low a price as possible, making for themselves little or no profit. If I were running a Phonograph company, I should not attempt to make a profit out of a battery. I should cover all expenses, but I should make my profit by putting a higher price on the initial sum charged for the instrument, rather than to maintain a permanent tax on my customers, which causes constant irritation, and in many cases that I know of, has caused people to abandon the Phono-

B127 graph. Power should be supplied at the lowest possible cost.

Another important point is the question of renewal. The batteries that are used now do not last long. Inspectors are sent around so frequently that the attention of the users of the Phonograph is called all the time to the trouble which is required in order to maintain the running of the machine. If batteries could be furnished to them which would operate the Phonograph for long periods – and when I say long periods, I mean periods from six months to a year – it would not alone be beneficial, so far as the customer is concerned, but it would enable the Phonograph companies to conduct their organizations much more economically than they do now.

Also, if the Phonograph companies are using a certain battery and will stick to it and not experiment, they can so organize as to meet the requirements of their business on a much more economical basis. I have always been impressed with this idea: that it is wrong to put out into the hands of the public an expensive instrument – a very fine piece of mechanism like the Phonograph – and give so little attention to the power that is sent out to operate it.

I do not know, Mr. President, that I can add anything to what I have said on that point. It is a very serious matter, and I should like to see some concerted action taken by the Phonograph companies in relation to this question of Power. I thank you, Mr. President, for your kind indulgence.

The President: We appointed at our last Convention a Committee on Batteries, and this forenoon I was very much surprised that somebody did not bring up the point which Mr. Tate has presented.

B128 Mr. Dickinson: Mr. Clarkson was, I believe, the chairman of that Committee.

I believe Mr. Tate misunderstands the existing situation with regard to batteries. I think he also misunderstood my statement about our making a large profit on batteries. According to our contracts with the North American Company we can charge only \$40 a year as rental for the Phonograph, and in order to make both ends meet, we have had to increase the charge for batteries and battery service.

Mr. Boswell: I would like to ask Mr. Tate whether he has reasonable expectation that a power which shall last for six months or a year will be provided?

Mr. Tate: Yes sir; there is reasonable expectation. I think the power can be derived not only from one but from several batteries for that length of time. The idea has always been that a subscriber must be supplied with a Phonograph that would take up a very small space. If the companies will supply batteries which are large enough, and which, considering the price of the Phonograph itself, are of proportionate excellence, I think that they can get exactly what they want. I notice that a great many of the companies are using storage batteries. I have no doubt that we can obtain storage batteries which will run three or four times as long as those now in use. The first cost will be greater, but that is simply a question of investment. It will reduce your running expenses, and that is an important point that should be looked after. You can afford to make that investment because you certainly receive the interest on the money you have in them. The unknown quantity is the expense of maintaining a battery, and the longer the life of the battery the less that expense will be.

B129 Mr. McClellan: Mr. President, I would like to ask Mr. Tate whether his idea is that the capacity of a long life battery would deteriorate any less than a short one? They are liable to sulphate, and all that, and the life of a battery is unknown.

Mr. Tate: That is very true, but I think that the companies can find batteries that will give the life that you require. I believe that it can be done with storage cells, if you prefer to use storage to primary; but as to the deterioration on a storage cell, I am not very well informed, and therefore cannot give you definite information. I should like very much to see the experimental part of that work concentrated at some one point, from whence the results could be made known to all the Phonograph companies. It would save a tremendous amount of expense, for at the present time each company is experimenting on its own hook. As I said before, there is no line of experimental work that is so deceptive and so expensive as experimenting in connection with primary or secondary batteries.

Mr. Boswell: Following up the suggestion of Mr. Tate, I move that a Committee of three be appointed to consider and report upon the question of Power; and that they report by circular

to the different companies for their information, they to present their final report at the next meeting of this Convention.

Mr. Andem: I move to amend that by also directing such Committee to report on the methods used by the different companies for recharging their batteries. There has not been a word said on that subject, and it is a very important one. We have one way of recharging our batteries which we think is very economical. I have not the slightest idea how other companies recharge their

B130 storage batteries. I can tell them how we do it at a very slight cost. I would like to know how other companies do that. Some, I understand, pay so much a battery to electric light companies, and others charge them in their offices. We adopt the latter plan. We have three plants, one at Columbus, one at Cleveland, and one at Cincinnati. We get a current into our office at a fixed rate per month, and we recharge all our old storage batteries at a very reasonable cost. We think it is easier to recharge our batteries and then simply call upon a carman or a boy to take them, or send them out by express. The man who visits the Phonograph is a mere messenger, and not an expert. He takes out a battery fully charged and brings back another one. He has no work to do at the house, or place of business. We do all that at the office. We think that is the practical way of doing the work.

We have a contract with the electric light companies at each of these places I have mentioned to furnish us with the current. It is a 110 volt current.

Mr. Boswell: What does it cost you a month?

Mr. Andem: We have different rates. In Cincinnati we pay \$18 a month for about a fourteen ampere current, and we have the privilege of running that at all times, day and night, and of charging as many batteries as we please. That is the yearly contract. In Cleveland the rate is about \$12 for the same thing, and in Columbus we have to pay by the meter system.

Mr. McClellan: Do you use an automatic cut-off to cut off the current?

Mr. Andem: Nothing of the sort.

Mr. Haines: May I suggest that perhaps the proper way to ask and answer these questions would be through

B131 an official organ such as the "Phonogram." In this way any question that may arise at any time can be asked and an answer to the same be published, the information being in this way conveyed to the members of the different sub-companies. No prices need be given.

The discussion in this convention of the manner of charging, and of the question relating to the various styles of batteries will not be likely to lead to the results desired, but if information on these subjects be published at length in the Official Organ of the Phonograph companies, a great deal of benefit may be derived. There are a great many minor points, such as the recharging of batteries, etc., that do not belong properly in the annual report of the Phonograph companies.

Mr. Boswell: I accept Mr. Andem's amendment.

The question being put upon the motion of Mr. Boswell, as amended by Mr. Andem, it was unanimously agreed to.

Mr. Wood: I would like to say that I deem the question which Mr. Tate has brought up as of vital importance to the Phonograph interest. These storage batteries, which we now have, last only about fifteen days and consequently have to be removed and carried to the plant to be recharged, which necessitates handling a great number of times. A battery that would run a Phonograph for one month, or two, would be of greater advantage in putting out the Phonograph through the country than any other thing that I can think of. I would like to ask Mr. Tate if he

thinks it is possible that a battery can be manufactured that will last a month, or sixty days – a storage battery – and something that would be practicable. In that event we could well afford to pay a larger price for it.

B132 Mr. Boswell: It is a common thing for the Anglo-American battery to run a month.

Mr. Wood: No, it is not; they average about fifteen days.

Mr. Tate: Of course the life of a battery depends upon the number of hours a day it is used. I am not familiar with the⁴² different styles of storage batteries that are made, but I have no doubt that the manufacturers of storage batteries could supply batteries for Phonographs which would last during the period you mention. The point I wanted to make was that a month or two months is an insufficient time for a battery to last. I believe that the Convention, or its various members, have been considering the sale of instruments for the purposes of reproducing music. They are going to go into private houses, and I have no doubt at all that sales are going to be very large. Now, while you can have access to business offices during the day, I think you will find, if you come to invade private houses with such frequency as is now necessary with reference to business offices, that the objection will be very strong. You should, therefore, get a battery that will operate the Phonograph for at least five or six months, or longer, if you can get it. It is possible to get it if you will spend enough on the first cost. It is simply a question of investment.

Mr. Dickinson: Mr. President, the Pumpelly people informed me about a year ago that they were experimenting as to the best battery, and I understood that it was a storage battery. I have understood that all the storage battery companies have reached the conclusion that the life of a storage battery is about three hundred amperes. When they go beyond that they do not gain in proportion to the weight.

B133 The President: I will appoint on that Committee Mr. Tate, of the Edison Phonograph Company; Mr. Boswell, of the Old Dominion, and Mr. Hoit, of Chicago.

DIRECTIONS REGARDING DUPLICATE CYLINDERS.

Mr. McClellan: Mr. President, Mr. Miller requests me to state to you that when you receive these duplicate records from the Edison Phonograph Works, you will find in the bottom of one of the boxes a small weight with a set screw, which is to be adjusted to the diaphragm for use on slot machines. It is supposed that it will cause the cylinder to wear longer and will prevent the squeaking noise, or grating, to a certain extent. He wishes you to try these small weights, and if you would like to have them afterwards you may order them of the North American Company at a very slight expense.

Mr. Ott: The weight, as I understand it, and as I saw it yesterday, is attached to the broad bar of iron which is attached to the dipahragm at its lower extremity, on the under side.

Mr. McClellan: In unpacking these duplicate cylinders you want to be careful not to throw these weights out with the packing, because they are very small.

REPORT OF THE CONFERENCE COMMITTEE.

The President: I understand that the Conference Committee is now ready to report. We will listen to that report.

⁴² “hte” in original.

Mr. Swift: I am not the Chairman of the Committee, but the report being to some extent in my shorthand notes, I am delegated to read it.

The report is as follows:

Your Committee on Conference beg leave to report that they have had friendly interviews with the repre-

B134 sentatives of the North American Phonograph Company, the American Graphophone Company and the Edison Phonograph Works, and all matters have been frankly discussed; and your Committee, as a result of these interviews, take pleasure in assuring the Convention that their confidence in the value of the franchises owned by the sub-companies, and the ultimate success of the Phonograph business, has been very greatly augmented, and that they confidently believe that ere long the enterprise will be placed on a substantial and profitable business basis.

In connection with this report the Committee offer the following resolution:

RESOLVED, That we see nothing in the situation to discourage any sub-company, and that each of said companies should in good faith go forward and use every effort to promote the business in all of its departments.

Also the following preamble and accompanying resolutions:

WHEREAS, The mutual relations between the North American Phonograph Company, the American Graphophone Company and the Edison Phonograph Works are not well understood by the sub-companies, and the rights of the sub-companies largely depend on these relations, and it is of the utmost importance that they be well understood and the legal and business status of the sub-companies defined, to the end that nothing to which they are entitled be lost or waived by ill-advised or unwise action.

AND WHEREAS, It is important that the sub-companies act jointly, so that their action may be effective. Therefore,

RESOLVED, That a Committee of three be appointed by the Chair to gather all information possible bearing on the mutual relations of the North American Phonograph Company, the American Graphophone Company and the Edison Phonograph Works, and formulate a statement of the position which the sub-companies are legally entitled to take for their protection and the enforcement of their rights; and that said Committee be empowered to employ and obtain the opinion of counsel thereon, and report in writing the result of their doings, to the several sub-companies, together with such recommendations as may be by them deemed necessary, if any, as to the proper course to be pursued by said sub-companies.

B135 RESOLVED, That the several sub-companies shall, as soon as possible after receiving such report, indicate to the Chairman of such Committee whether the recommendations therein contained, if any there be, are concurred in.

RESOLVED, That if the recommendations of such Committee be adopted by a majority of said sub-companies, they will all abide thereby and act in accordance therewith, and will contribute their pro rata to the payment of expenses incurred in the employment of counsel, etc.

Provided, that no company be obligated to contribute more than the sum of \$75.00.

RESOLVED, That the representatives of the sub-companies here present shall lay the foregoing resolutions before the Board of Directors, or other proper officers, of their respective companies, and obtain a ratification thereof, and as soon as possible advise the Chairman of such Committee of such ratification.

Mr. Swift: I would like to say a word with reference to the report. We have had some very interesting interviews with representatives of the North American Company, Mr. Edison and Col. Payne, and we are all of us assured that the little temporary difficulties, if any, that have been by some members supposed to embarrass the action of the Phonograph business will be soon overcome. I think it is the opinion of every member of the Committee that with endeavors being made by persons so largely interested, such a result will soon be reached, and that when it is reached, the Phonograph business will be put on a very much better basis than it has ever been heretofore. It will have a business foundation, and will be uncomplicated by certain peculiarities of contract relations that now tend to embarrass the enterprise.

At the same time, Mr. President, inasmuch as the various persons interested in the business – I refer to the Edison Phonograph Works, the American Grapho-

B136 phone Company and the North American Company – have carefully advised themselves, and obtained the best legal opinions possible in regard to their rights, it seems to us very advisable that the sub-companies should be likewise informed of exactly where they stand. It is

necessary that every sub-company should fully understand what it got when it received the franchise, precisely what was conferred upon it by the contract with the North American Company, precisely how it is affected by the relations of the North American Company with the American Graphophone Company and with the Edison Phonograph Works; and it is very important, when that contract has been construed, and we have been informed of the best position we can take under that contract, that we should act jointly and all take the same position. **(Applause.)** That is the result of the labors of the Committee, and there is a unanimity of opinion among its members. I think that the expense connected with the investigation of the facts and obtaining the necessary legal opinions will not exceed probably \$750. It is not likely that \$75 will be called for from any company. It will probably be much less; but we have fixed the limit beyond which we know the Committee will not be required to go. I think that any company that has paid ten, twenty, thirty, forty, fifty or a hundred thousand dollars for a franchise can well afford to pay \$75 more to have that contract construed, and to know exactly what it means.

Mr. Clephane: As the mover of the resolution enlarging the scope of the Committee, I think it proper to say that, in my opinion, the Committee is certainly entitled to the thanks of this Convention for the very thorough

B137 manner in which they have investigated this whole subject, and for the recommendations that they have suggested, which I think ought to be unanimously adopted by this body.

Mr. Kincaid: I am ready to say for the Kentucky Phonograph Company that I have come on with full authority to take any step necessary to have our position exactly defined, and I am ready now, for the Kentucky Phonograph Company, to say: "Go ahead and do what is to be done, and do it at once."

Mr. Boswell: So am I.

Mr. Wood: I will say, speaking on behalf of the Missouri Company, that we heartily endorse the report of the Committee, and shall be glad to act under it.

Mr. Martin: I did not hear the report of the Committee, but as the Treasurer of our Company and Col. Sampson, representing our company, who, I observe, is not here just now, approve the report and recommendations, I pledge our company to aid you in carrying out the recommendations.

Mr. Conyngton: I cannot see anything wiser or better for the companies to do, and I think I can answer for Texas and Louisiana, that they will co-operate with the companies in carrying this thing on.

Mr. Dickinson: Speaking for Chicago, I believe she will do her share.

Mr. Swift: It is not modest for me to say anything more. I am sure that I do represent the Michigan Phonograph Company sufficiently to assure the Convention that that resolution will be adopted by the Michigan Company.

Mr. Farwell: I will answer for the Illinois Company that they will carry out their part of this resolution.

B138 The question being put on the motion to adopt the report of the Conference Committee, it was unanimously agreed to.

The President: There are twenty-one companies here, I understand, including the North American Phonograph Company and the Edison Phonograph Company, that have paid their dues.

SPECIAL COMMITTEE OF CONFERENCE.

Gentlemen, I think you have placed me in a rather delicate position in requiring me to name the members of that Committee, who shall continue the work which has been so well begun; but I feel, with you, that our interests, in all their details, should be very carefully represented, and in nominating a Committee, as I do now, I do it with my hand, heart and soul, and with the consciousness that I have most of the moneyed interest that I have on this earth involved in it. I name on that Committee, Mr. Powers, of Boston; Mr. Farwell, of Chicago, and Mr. Swift, of Michigan.

TIME AND PLACE OF NEXT MEETING.

The President: Have you any instructions to give to the Executive Committee with reference to the time and place of meeting next year?

Mr. Easton: I move that the time and place of meeting next year be left to the Executive Committee.

The motion was put and carried.

PLEDGES OF SUPPORT OF LOCAL COMPANIES.

Mr. Swift: The special Committee appointed to investigate the Phonograph companies desire that every local company which has the opinion of any attorney or any fact in connection with the organization or franchise should furnish it to this Committee. The Com-

B139 mittee are also desirous of having a copy sent to them of the Contract executed by every single Phonograph company.

Mr. Kincaid: Mr. President, if it is the wish of the Committee that they should know at present how many companies are ready to ratify the vote of their representatives in this Convention as to the adoption of that resolution, I would suggest that it would be a good idea to have the companies called, and see whether they are at present ready to vote, yes, or no, as to that ratification.

The President: You mean ready to pledge their company now officially?

Mr. Kincaid: Yes sir.

The President: The Secretary will call the roll. You understand that it means that all of you who are ready to sign an official document to-day, giving authority to this Committee to proceed under this resolution, will answer "Yes;" and if you can not do that, state the time at which you will report to the Committee the determination of your company.

The Secretary called the roll as follows:

The Chicago Central Phonograph Co. – Does not know when.

The Columbia Phonograph Co. – Ready.

The Eastern Pennsylvania Phonograph Co. – Ready.

The Georgia Phonograph Co. – As soon as I communicate with the President. I cannot give the number of days. Probably within ten days.

The Iowa Phonograph Co. – Ready.

The Kansas Phonograph Co. – Ten days.

The Louisiana Phonograph Co. – Ready.

The Michigan Phonograph Co. – Ready.

The Montana Phonograph Co. –

The Missouri Phonograph Co. – Ready.

The Nebraska Phonograph Co. – Ready.
The New England Phonograph Co. – Ready.
The New York Phonograph Co. – Ready.

B140 The New Jersey Phonograph Co. – Ready in ten days.
The Ohio Phonograph Co. – Ready.
The Old Dominion Phonograph Co. – Ready.
The State Phonograph Company, of Illinois. – Ready.
The Texas Phonograph Co. – Ready.
The Kentucky Phonograph Co. – Ready.

Mr. Boswell: I move that all the local companies, those represented and those not represented, be notified of this resolution, and be invited to participate.

The question being put on the motion, it was unanimously agreed to.

The President: I suppose, in view of the report that has been made by the Conference Committee, that the details of any further arrangement will be subject to any action that may be taken or recommended by this Committee of three who are appointed.

As I understand it, we are giving this Committee full power, and we pledge them our hearty co-operation and united support. When they have concluded on a line of action themselves they then are to report back to the sub-companies the result of such action.

Mr. Smith: That is, it is understood that any plan that they see proper to submit to the companies, will be acceded to by those companies that go into this arrangement.

Mr. Andem: In other words, we are giving them our power of attorney to act.

Mr. Smith: I hope, before the Convention adjourns, even if we, as a Convention, do not decide upon some plan of operation, that the matter will be thoroughly discussed so that we may, if possible, get the views of all the members present, and what their ideas regarding unification, so to speak, are.

The President: I will state, in answer to that suggestion, that in relation to this movement we are about to

B141 take, we will all act under one Committee, and I hope the time is not far distant when we will be a combination actually and under one general authority.

Mr. Swift: The name and address of the Chairman of this Committee of three is Mr. Charles E. Powers, No. 27 Tremont Row, Boston, Massachusetts. We desire sent to him first and foremost, a copy of the franchise of each company. Secondly, all the information that any company or anybody connected with the company may have with reference to the relations between various companies, or any information bearing upon the objects covered by this resolution. Also, if any company has taken legal advice and has a legal opinion on the effect or operation of any one of these contracts, or any part of any one of these contracts, to have that also sent on.

QUESTION OF RESTRICTED OR UNRESTRICTED SALE.

Mr. Easton: Now, I would like to ask that the roll of the companies be called, and every member present state whether his company is in favor of unrestricted sale, restricted sale or no sale. I make that as a motion.

Mr. Smith: I understand this calls for our judgment to-day on the present organization.

Mr. Farwell: I am opposed to having that motion put. I do not think we are in a position to-day to say exactly which way we want to vote, and I object to going upon record until I know something about the facts. I will say that I am in favor of a restricted sale; that is, I am in favor

of it when the conditions exist so that I think it is a good thing to do it. But I do not want to say to-day what I would do in either event.

Mr. Easton: I have no wish whatever to take the vote if the members do not want to have it done. We have

B142 taken up the subject of sale and have not finished it, and I thought it might be possible to reach a quicker conclusion by simply calling the roll and dropping it, than by going on with the debate without the roll-call.

Mr. Grant: I would favor the roll-call, no record to be made, but just simply as an expression of opinion at this present meeting.

Mr. Farwell: If you will amend the motion so as to call upon each person to state whether he believes he will eventually favor a sale, I should have no objection to it; but if you want us to state what action we will take to-day, I am not prepared to give an answer.

The President: Suppose that we put the question in this way: that we think the proper way to manage the Phonograph business is either by restricted or unrestricted sale of machines.

Mr. Easton: I offer the following resolution:

RESOLVED, That in the opinion of the delegates present the Phonograph business in the future should be conducted as, on a roll-call, the vote indicates; that is to say, when the roll is called the company will say, restricted sale, unrestricted sale or rental.

Mr. Swift: I move that the resolution be laid on the table, and that the consideration of the whole matter be indefinitely postponed.

Mr. Boswell: Mr. President, we have talked on every subject. We have discussed batteries, cylinders and the relationship of the local companies to the parent company; now, why not let us have an expression of opinion as to sale, no sale or restricted sale; that is to say, as to whether we think in the future the enterprise would be bettered by enlarging the scope of the local companies in the business.

B143 The question being put on the motion of Mr. Swift, it was lost.

The President: The question now is upon the motion of Mr. Easton.

The question being put upon the motion of Mr. Easton, with regard to roll-call, it was decided to be lost.

Mr. Boswell: I move that this convention do now adjourn, *sine die*.

Mr. Wood: I second the motion.

The President: Before putting the motion I wish to return my thanks to you for your courtesy, and if I were able to sing the old hymn that I learned years ago, in Ohio some place, I would have you join with me in singing, "Blest be the tie that binds." I believe that we are interested in and have our money invested in a great enterprise. (**Applause.**) And as I said to you to-night, the most of what I have on this earth, financially, is in it. I have faith in the enterprise, and believe yet that the records that we have taken in the last year, and the records that we have made in this Convention, will be a basis for great essays and great talk with reference to the original talking machine. I trust that each of us will co-operate, one with the other; that we will stand together and make all our movements carefully and advisedly. I hope and trust that when we meet in annual Convention one year from now, we will feel that we can meet without any embarrassments of any character whatever.

Mr. Boswell: I move that a vote of thanks be extended to the President for his very able conduct of the proceedings of this convention.

The question being put on the motion by the Secretary, it was unanimously carried.

The Convention thereupon adjourned *sine die*.

[C1]

**PROCEEDINGS OF THE THIRD ANNUAL CONVENTION OF THE NATIONAL
PHONOGRAPH ASSOCIATION OF THE UNITED STATES, HELD AT CHICAGO,
JUNE 13, 14, 15, 1892.
REPORTED BY THE PHONOGRAPH.**

[C3]

**THE
National Phonograph Association**

A. W. CLANCY, *President.*

E. P. STONE, *Vice-President.*

WALTER S. GRAY, *Secretary.*

JAMES L. ANDEM, *Treasurer.*

EXECUTIVE COMMITTEE:

THOMAS CONYNGTON,

CHARLES DICKINSON,

H. D. GOODWIN,

A. W. CLANCY,

J. C. WOOD,

AUGUST N. SAMPSON.

SPECIAL COMMITTEE:

CHARLES M. SWIFT,

GRANGER FARWELL,

A. W. CLANCY,

CHARLES E. POWERS,

ERASTUS A. BENSON.

[C5]

THIRD ANNUAL PHONOGRAPH CONVENTION.

Chicago, Illinois, Monday, June 13, 1892, 2 o'clock P. M.

**The National Phonograph Association was called to order at 2 o'clock P. M.,
President A. W. Clancy, presiding.**

The President: The first order of business is the reading of the report of the Executive Committee.

“Mr. Chairman: The Executive Committee submits the following report:

ORDER OF BUSINESS.

First—Collection of dues.

Second—Treasurer's report.

Third—Election of officers.

Fourth—Miscellaneous business.

Fifth—It was decided to hold two sessions a day, meeting at 10 A. M. and 2 P. M.

The Committee recommend that all newspaper reporters be referred to Mr. Andem who will furnish them with the necessary information.”

Report adopted.

The President: The Secretary will now proceed to call the roll of such companies are entitled to join the Phonograph Association. The annual dues are \$15.

All officers of sub-companies are entitled to speak in the Association, and one vote is allowed each sub-company.

The calling of the roll showed the following Companies represented, and entitled to vote in the Convention:

C6 The Columbia Phonograph Co., Washington, D. C.
E. D. Easton, President.
W. H. Smith, Vice-President.
R. F. Cromelin, Secretary.

Chicago Central Phonograph Co., Chicago, Ill.
Charles Dickinson, Director.
Walter S. Gray, Manager.

Georgia Phonograph Company, Jacksonville, Fla.
F. Wohlgenuth, General Manager.

Iowa Phonograph Company, Sioux City, Iowa.
E. A. Benson, Vice-President.
E. P. Stone, Treasurer.

Kansas Phonograph Company, Topeka, Kansas.
G. E. Tewksbury, Vice-President.

Kentucky Phonograph Company, Louisville, Ky.
Geo. W. Seymour, General Manager.

Missouri Phonograph Company, St. Louis, Mo.
A. W. Clancy, President, Chicago.
J. W. Moore, Secretary, Minneapolis.
J. C. Wood, General Manager, Milbank, S. D.

Minnesota Phonograph Company, Minneapolis, Minn.
C. H. Chadbourn, President and General Manager.

Montana Phonograph Company, Helena, Mont.
Geo. B. Hoit, Director, Chicago.

New England Phonograph Company, Boston, Mass.
Aug. N. Sampson, General Manager.

Nebraska Phonograph Company, Omaha, Neb.
E. A. Benson, President.
H. E. Cary, Vice-President.

New Jersey Phonograph Company, Newark, N. J.
V. H. Emerson, General Manager.

Ohio Phonograph Company, Cincinnati, Ohio.
James L. Andem, President and General Manager.

State Phonograph Company of Illinois, Chicago, Ill.
Granger Farwell, President.
Geo. A. McClellan, Secretary and Treasurer.

Louisiana Phonograph Company, New Orleans, La.
Thos. Conyngton, Director.

Texas Phonograph Company, Galveston, Texas.
Thos. Conyngton, Director.

C7 West Pennsylvania Phonograph Co., Pittsburgh, Pa.
G. B. Motheral, President.

North American Phonograph Company, New York.
Thomas R. Lombard, Vice-President.
A. O. Tate, Director.
Thomas Butler, Treasurer.

Edison Phonograph Works, Orange, N. J.
A. O. Tate, Secretary.

Edison Manufacturing Company, New York.
A. O. Tate, General Manager.

American Battery Company, Chicago, Ill.

J. B. McDonald, President.
Automatic Phonograph Exhibition Co., New York.
Thomas Butler, Secretary and Treasurer.
Michigan Phonograph Company, Detroit, Mich.
Chas. M. Swift, Vice-President and Treasurer.
E. M. Benson, Manager.
Wisconsin Phonograph Company, Milwaukee, Wis.
H. D. Goodwin, Secretary.
Tennessee Phonograph Company, Nashville, Tenn.
New York Phonograph Company, New York City.
John P. Haines, President.
Richard T. Haines, Secretary and Treasurer.
Eastern Pennsylvania Phonograph Company,
E. P. Wallace, President.

The President: I have a letter here from the New York Phonograph Company that I suppose it will be in order to read:

A. W. Clancy, President National Phonograph Association, Leland Hotel, Chicago, Ill.:

DEAR SIR—I am instructed by our Executive Committee to write you regretting that it is impossible for any officer of this Company to attend the Annual National Phonograph Convention, which is to be held during the coming week in Chicago, owing entirely to pressing business which requires their time and attention here. We desire, however, to have our Company represented and will remit our dues, and you are authorized and requested by our Executive Committee to

C8 represent this Company as present at the Chicago Convention. Please represent us as being present at the National Phonograph Association without voting power.

Trusting this will be agreeable to you, believe me, with best regards and with the hope that the meeting will prove a most beneficial one to all the Companies represented,

I am, very truly yours,

RICHARD T. HAINES.

Mr. Chadbourn inquired as to the right of Battery and Automatic Companies being admitted to this Association.

Mr. Benson: I have no objection to admitting these outside interests who have no money in the territory to an associate membership without the right to vote.

The President: There are questions coming up here for discussion in which the sub-companies are entirely independent of any other interests. This organization is simply a Phonograph Association in which everything interested in the business is combined. We did allow at the very first meeting the Phonograph Exhibition Company membership by paying their dues at that time, and the record will show it. These organizations are really entitled to only associate membership.

The next order of business was the report of the Treasurer.

This report is as follows:

REPORT OF TREASURER FOR 1891.

CINCINNATI, O., June 10, 1892.

To the President, National Phonograph Association, Chicago, Illinois:

DEAR SIR—I have the honor to present herewith my report as Treasurer of the National Phonograph Association for the year 1891, with accompanying vouchers, showing receipts and disbursements during the year, and balance in Treasury up to date.

Very respectfully,
 JAMES L. ANDEM,
 Treasurer National Phonograph Association.

C9

SUMMARY.

Total receipts from all sources	\$385 00
Total disbursements	353 74
Balance cash on hand	31 26

Total	\$385 00
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James L. Andem, Treasurer, in account with National Phonograph Association.
 Dues received from following Companies:

1891.

RECEIPTS.

June 16	Missouri Phonograph Co.	\$15 00
	New York Phonograph Co.	15 00
	Columbia Phonograph Co.	15 00
	Chicago Central Phonograph Co.	15 00
	East Pennsylvania Phonograph Co.	15 00
	Georgia Phonograph Co.	15 00
	Iowa Phonograph Co.	15 00
	Kansas Phonograph Co.	15 00
	Kentucky Phonograph Co.	15 00
	Nebraska Phonograph Co.	15 00
	New England Phonograph Co.	15 00
	New Jersey Phonograph Co.	15 00
	Ohio Phonograph Co.	15 00
	State Phonograph Co. of Illinois.	15 00
	Louisiana Phonograph Co.	15 00
	Texas Phonograph Co.	15 00
	Montana Phonograph Co.	15 00
	Old Dominion Phonograph Co.	15 00
	Michigan Phonograph Co.	15 00
	North American Phonograph Co.	15 00
	27 West Pennsylvania Phonograph Co.	15 00
	30 South Dakota Phonograph Co.	15 00
July 3	Edison Phonograph Works.	15 00
	10 Alabama Phonograph Co.	15 00
Aug. 17	American Graphophone Co.	15 00
Sept. 30	Chicago Central Phonograph Co. (extra copy).	5 00
Nov. 16	Anglo American Storage Battery Co. (extra copy).	5 00
	Total.	\$385 00

C10

DISBURSEMENTS.

June 17	Box Cigars.	\$ 7 00
	Fans.	75
	18 Bigelow, typewriting.	11 58
	Parlors Fifth Avenue Hotel.	40 00
	Typewriting.	1 75
	Telegrams and postage.	6 00
	Postage.	64
July 14	Typewriting.	1 50
	31 Expressage on printed reports from New York.	2 00
Aug. 10	W. Herbert Smith, reporting.	132 30
	Linotype Co., printing reports.	150 22

Balance, cash on hand. 31 26

Total. \$385 00

Mr. Stone: I move that the report be adopted.

Mr. Tewksbury: I second the motion.

The question was put to the convention upon the adoption of the report of the Treasurer, and it was adopted.

The President thereupon addressed the convention as follows:

Members of the Third Annual Phonograph Association Assembled.

GENTLEMEN—Two years ago we met in this city and organized for the first time in the world an Association devoted to the interests of the talking machine. We found at that time that our money had been invested in what seemed to be a popular enterprise; but at the same time, that the financial side of the work, to all who had invested their money, was far from being satisfactory. You will all remember, by referring to the proceedings on that occasion, that the difficulties which were encountered, beginning from the Edison Phonograph Works through the North American Phonograph Company, and associated with them the various sub-com-

C11 panies, and even to the individual operator of the Phonograph. Each one of these interests, in his various capacity had his complaints to make, and all were suggesting various remedies. The question at that time—whether machines should be sold or rented—was *seriously* discussed.

At that same meeting, the question of operating with both the Phonograph and Graphophone on the market was considered impracticable, and the North American Phonograph Company was urgently requested to consolidate the entire interests, and in that way give us the best possible machine.

Later the Graphophone was withdrawn from the market, the Phonograph somewhat improved, and again business seemed to be starting with a new interest. At that time, another interest known as the Nickel-in-the-slot-machine developed, and while it has been a very profitable resource to many of the Companies, it is a serious question to-day whether it helps the business in a general way or not.

You will remember the various discussions that have been had on the question of *power*, and how the many different devices have been presented that would simplify the operating of the Phonograph for all practical purposes. We hope at this meeting that the Chairman of the Committee on Batteries will be able to give us some kind of an encouraging report along this line.

One year ago the Convention assembled at New York City, and at that time the special theme of discussion was: “What are our rights as sub-companies under the contract with the North American Phonograph Company?”

You remember the efforts that were made to try to come to some mutual understanding at that meeting, and that we finally adjourned, leaving special power with a Special Executive Committee who should in-

C12 vestigate and report at the earliest opportunity. Without bringing in this address the various trials which the Special Executive Committee has encountered, let us await their report which will no doubt be fully and completely explained to the members of this Association, and to their satisfaction.

Time has rolled on, another year has gone by, and we find the North American Phonograph Company still doing business in the same general way; the sub-companies are trying

to hold their head above the waves, but without any very general understanding as to what they own, or as to what is to be the final outcome from a business standpoint.

There are also here gentlemen coming from different parts of the country who have invested a large amount of money in the Phonograph interest.

Instead of having the Graphophone as part of our interest, which we all faithfully believed in the beginning, we find it now being placed on the market as a rival talking machine, and at the same time no rights are protected so far as the sub-companies are concerned.

We are glad to see so many representatives from the North American Phonograph Company; from the Edison Phonograph Works, and, also, we trust we will see one from the American Graphophone Company.

We are of the belief that in the future there is but one way to successfully carry on the Phonograph interests, and that is by unification and consolidation of all the various sub-companies of the United States under one general head, to be operated under one management; to have one machine and that the latest and best; to use but one battery; to use but one nickel in the slot (if such is to be used at all); to have one cylinder; to have a system of sales and no rentals, and one price for the machine at certain points designated in all parts of

C13 the United States. We would therefore recommend that all of these interests be allowed to come before this Association, and make such open, frank and clear statements as may appear best to them, and that we have a free discussion without any personalities. It is the hope of your presiding officer that before you adjourn this session you will come to some equitable basis by which all, from the Edison Phonograph Works to the individual operator of the machine, will be greatly benefited.

Permit me to refer to the Phonogram—a paper managed and edited by Miss V. H. McRae,⁴³ and which, as I believe, deserves our highest commendation and praise for the help that this organ has been in advertising the various interests of the sub-companies. This paper, without any question, from each and every one of the sub-companies should have a larger circulation and a larger patronage. While we have had an editing Committee for the past year, appointed by this Association, we at this time recommend that as this editor has shown ability to manage the “Phonogram” in the interests of the talking machine business, that such Committee be discontinued, and that the “Phonogram” be allowed to be managed by the editor as the official organ of this Company, in such a way as her best judgment shall dictate.

Permit me to extend to the members, one and all, of the Phonograph Association, my cordial thanks for your courtesy to me in the past two years as your presiding officer, and I trust and hope that my successor may have the same pleasant relations with the members of the Association that has been accorded to me.

I believe that the Phonograph as a useful instrument has come to stay. I believe that a public to-day are asking for this machine in its best form, and I trust that the conclusions of your deliberations at this meeting will be such as to put our interests along with the interests

C14 of the public far in advance of anything that any of us have anticipated or expected.

Again I thank you and wish you prosperity and success. **(Applause).**

The President: The next order of business will be the election of officers, and each and every organization that has paid its annual dues is entitled to one vote in the election of officers.

Mr. E. D. Easton, thereupon, as Vice-President of the Association, took the chair.

Mr. Easton: The first order of business is the election of President.

Nominations are in order.

⁴³ “McRea” in original.

Mr. Andem: I nominate for President, Mr. A. W. Clancy.

Mr. Conyngton: I move to make this unanimous and that we elect Mr. Clancy by acclamation.

The motion was put and unanimously carried.

The President: Gentlemen of the Association, I remember our pleasant meeting two years ago and a year ago, and I also remember the many anxious hours that I have spent trying to study out some solution by which I might get the investment that I have put into the Phonograph business back into my pocket or else into somebody else's pocket. I suppose many of you have had that same purpose in mind. I want to say, however, gentlemen of the Convention, that there never has been a time when I have lost faith in the Phonograph as a practical business machine. It has been a companion in my office and in my home. In various places that I have seen it used by those who have given it a fair test, it has been found to be invaluable. I believe that if we can only have a simple co-operative plan, which is certainly of mutual interest to all of us, the future of the phonograph business will be bright and prosperous. Allow me to repeat what I said a moment ago, I want to

C15 see every man called out in this Convention that has any interest in any way in connection with the work. Let him state his case fairly and squarely. If we differ with reference to the management of our territory, let us state our case clearly.

If the gentlemen who are representing the parent company differ with us, let us hear them clearly and fairly. In that way I think "by rubbing two rough stones together we may get smooth," and at the same time benefit us all in our business.

The next order of business will be the election of a Vice-President.

Nominations are in order.

Mr. Cary:⁴⁴ I nominate Mr. E. P. Stone of Iowa.

It was moved and seconded that Mr. Stone be elected Vice-President by acclamation.

The motion was put to the Convention and it was unanimously carried.

The President: The next order of business is the election of Secretary?

Mr. Conyngton: I nominate Mr. Geo. B. McClellan, our present Secretary.

Mr. McClellan: I want to decline right now; I would be very glad to serve, but it will be impossible.

Mr. Stone: I will nominate Mr. Walter S. Gray of the Chicago Company.

Mr. Chadbourn: I second the nomination of Mr. Gray.

Mr. McClellan: I move that the nomination of Mr. Gray be made unanimous.

The motion was put to the Convention upon the election of Mr. Gray as Secretary, and it was unanimously carried.

The President: The next order of business is the election of a Treasurer.

Mr. Benson: I move that Mr. James L. Andem, of

C16 the Ohio Company, be nominated as Treasurer of the Convention, and that he be elected by acclamation.

The motion was seconded.

The motion was put to the convention upon the election of Mr. Andem as Treasurer of the Convention by acclamation and it was unanimously carried.

The President: Gentlemen of the Convention, the expectation of your Executive Committee was that the Special Executive Committee, consisting of Mr. Powers, Mr. Swift and Mr. Farwell, would report this afternoon. But I understand that Mr. Swift has been called to

⁴⁴ Original: "Mr. Carey"

Boston and that he will arrive here this afternoon at 4:30 o'clock. He and Mr. Farwell together will be able to make a report here at the meeting to-morrow morning. We called this Phonograph Association together on this date after a partial consultation with that Committee, so that they would be ready to report. You have been here for a little time together, and if there are any other special questions of interest that you would like to take up this afternoon, the Convention is in your hands.

Mr. Easton: I think the subject to be submitted by the Special Committee is of so much importance, that I hope we will be able to take that up and give our entire time to it, and dispose of it before anything else comes before the Convention.

Mr. Benson: Are there any other Committees to report? If so, it seems to me that it would be better perhaps to listen to the reports of some of the other Committees so that we will not waste the afternoon.

POWER FOR THE PHONOGRAPH.

The Chairman: There is a report to be received, I understand, from the Committee on Power.

Mr. Tate: Mr. President, the Committee on Power, as a Committee, has no report to submit to the Convention, but as chairman of that Committee, if the gentle-

C17 men wish, I would like to make a few remarks in regard to power. I do not know that I can do much more than supplement what I stated at our meeting of last year. I found then that the members were greatly interested, and I presume that the experience that they have gained during the last year has rendered them still more susceptible to-day to anything that may be said upon that subject. I myself am in a position now to speak with regard to power with much more confidence than I could a year ago, because of the experience which I have had during the intermediate period. I have always taken a very broad view of this question, and am convinced that there is no battery which will run the Phonograph or any talking machine which is not a battery of exceptionally long life. In perfecting the Phonograph, that was one of the first difficulties that was recognized by Mr. Edison, and his experiments on a battery to accompany the Phonograph were started at the time he commenced experiments on the Phonograph itself. It has taken very much longer to perfect the battery than was expected. It always takes longer to perfect any invention than it is supposed it will at the start; but the result has been most gratifying and a battery to-day has been produced, that, so far as any of us who are familiar with the subject are aware, fills the bill completely. It may be that at some time in the future something better will be found, and I hope it will, and if it be found, I, in the interest of the Phonograph, will be one of the first to recognize it, but I can say that up to the present time it has not been found, and that is something which sooner or later, all who are interested in the Phonograph must recognize. I would much prefer in discussing the subject that I were not so directly connected with the battery in question, because it places me in a position more or less of recommending wares which I have for sale. However, I do not intend

C18 to allow any false feeling of delicacy to prevent my making statements which I know are of vital importance to the Phonograph business. I want to say I am much more interested in the development of the Phonograph than I am in any of the various branches of the business, and that I speak solely from the standpoint of the battery as a necessary adjunct to the Phonograph. When the Edison Lalande battery was first placed in the hands of the Phonograph Companies, it was in a very imperfect condition, possibly more imperfect than the Phonograph itself. We have paid

attention to all the difficulties that have come up which have been purely mechanical and we have succeeded in overcoming them one after the other, until we think that we can now offer to you a practical battery which has been subjected to very severe tests in various offices and at different kinds of work and which has seemed to fulfill all the necessary requirements for the Phonograph business.

This battery has no local action, or in other words, when the battery is idle it does not eat itself up, a feature which is not possessed by any other battery that I am familiar with.

I hope that as the result of this convention the phonograph business will be very greatly extended in the future and that the machines will go into districts which it has not yet entered. All the machines that have been placed in the hands of the public in the past have gone into districts that are very thickly settled and placed chiefly in the cities where it was possible for those manipulating the business to give attention to the batteries and to take entire charge of them. But the time will come, and I trust it will come very soon, when Phonographs will be placed in the hands of people whom you cannot reach, and then you must give them a power upon which they can rely for a reasonable length of time.

C19

LIFE OF PRIMARY BATTERIES.

The President: How long?

Mr. Tate: Not less than three months as a limit, and certainly six months ought to be very general. It is a question that is not very obscure. The Phonograph requires just so much current to run it and if you get a cell that has a certain capacity it is a very easy matter to tell how long it is going to run. There are plenty of primary batteries that have a capacity to run a Phonograph for three or six months but the trouble is that they are always eating themselves up instead of doing useful work. The work of all inventors on primary batteries has been to get a battery the energy of which would be put forth in useful work. That has been the difficult problem in connection with primary batteries. The first battery capable of furnishing power that has yet been produced is the Edison Lalande battery, so far as we know up to the present time. There is, of course, a large field for storage batteries and that field has been, I understand, very satisfactorily filled in the past. I speak now of the wider and probably more difficult problem of dealing with the great public where your machines go out and you lose track of them, as contradistinguished from your dealings with people in thickly settled communities, to which class the business has been heretofore almost exclusively confined. I do not know that I can say more, but I believe that the feeling is unanimous that a battery of long life is required. If anything better than that which is offered by the Edison Manufacturing Company can be found I advise the gentlemen of the convention to search for it, and search for it earnestly, and when they find it to adopt it; but above all things find a battery that will give you a long life. Whenever a battery has to have a rest it detracts so much from the popularity of the Phonograph. The further you can widen those periods of rest the better it

C20 will be for the business in which you are engaged. I think that covers about the ground. I do not think there is anything more that I can say, unless I go further into details, and I think that would be unnecessary.

Mr. Chadbourn: Mr. President, I would like to have him go a little more into details and let us know what kind of a battery this is, what is the size of it, what is the weight of it; whether a battery of the kind the gentleman speaks of is as big as a wagon, and unhandy to

move, or whether it is small so that it can be handled easily, and not of great weight. I would also like to know something about the cost of running it.

Mr. Tate: Primary batteries are a great deal like steam engines or probably I might say they are a good deal like boilers. You can get just so much power in a certain space. You cannot get a portable primary battery which will furnish power for any reasonable length of time. If you want a primary battery which is portable you have got to put up with a short lived one. In the battery to which I have particular reference each cell is about twenty inches high and twelve inches wide. They are not portable; they are not suitable for putting in anybody's parlor. If they go into a private house they should be placed in the cellar and wires run from the battery to the Phonograph. In an office the objection is not so great as they can be put in a cabinet and placed somewhere out of the way. It is an impossibility to get a primary battery that is portable to furnish the life which should be given to a battery to go with a Phonograph. I know of no such battery that can be used in connection with the Phonograph for six week's time.

The President: What is the size of one of these six month batteries?

Mr. Tate: It is about eighteen inches high and twelve

C21 inches wide. The weight of it would probably be about sixty pounds charged.

The President: And the price of it?

Mr. Tate: The price of the battery is \$27, making the cost to the consumer for running the Phonograph about two cents an hour.

The President: Have you had any experiments with reference to running this long life battery?

Mr. Tate: Yes, I have had five or six different batteries which have run for over a year. The work which they have been doing is lighter than the work required of a Phonograph; but at the same time that experience is valuable as showing that the battery does not eat itself up, and that it will deliver all the power, is indicated by its rate. The loss by local action in the Edison-Lalande battery is less than one-half of one per cent. It is the hope of the gentleman who last spoke that a battery of long life which is portable, could be found, but I am convinced it is a hope which never will be realized.

The President: Is not that pretty near a portable battery?

Mr. Tate: I consider a portable battery to be one that you can take up in your hand and carry around, a battery that will weigh not more than 20 or 25 pounds.

Mr. Emerson: From what you have said one is apt to get the impression that there is but one cell, and Mr. Chadbourn, I presume, has the impression that there is but one cell to make a complete battery, whereas, in fact, it requires four cells.

Mr. Tate: Yes, four of that size to complete a battery.

Mr. Chadbourn: That comes pretty near the size of a wagon. I would like to inquire if it would not be advisable to connect with the various electric companies, and utilize the power that is used for lighting; whether

C22 the power to run the phonograph can not be gotten from the electric light companies, and make it useful, durable and cheap. But, heretofore, there has been no way of using that power in a satisfactory manner. I wonder if that has been experimented on during the last year?

Mr. Emerson: In New Brunswick two years ago we had a phonograph that was attached to an electric light circuit so arranged that when the user turned on the lights in his office for the afternoon it would automatically charge his batteries at the same time. He used a 23 ampere hour accumulator battery I that way for about 23 months. There is one thing about the Lalande battery I would like to say. We have an Edison-Lalande battery of the kind that Mr. Tate speaks

of in a place in Westfield. From the time it was set up to the time it was run down it was over seven months and a half, and it gave absolute satisfaction all that time. It never failed the user once. I can speak in the highest terms of that battery.

ELECTRIC LIGHT POWER.

Mr. Lombard: The question in regard to using power from the electric light companies has already been arranged for, as many of the gentlemen know, by the manufacture of the electric light machine, as it is called, which machine is so arranged that you can connect it with any incandescent current not using over 120 volts, excepting the alternating current. It is a very beautiful machine, and gives perfect satisfaction. They are largely used in some of the cities, in New York and elsewhere.

Mr. Chadbourn: We tried that by attaching a current directly to the phonograph, but in all cases it proved unsatisfactory; the current is not steady enough to run the phonograph.

The President: Did you have a resistance box?

C23 Mr. Chadbourn: We had a resistance box, but it would not be steady; the current would waver.

Mr. Lombard: The gentleman is referring to the old style incandescent light machine, which was unsatisfactory, but which has been improved. The new improved machine gives no trouble of that kind.

Mr. Easton: We have had an experience of more than two years with Phonographs run by the electric current direct, and the service is absolutely perfect; we have had no trouble at all with those machines.

Mr. Tate: I would like to inquire if the Columbia Company uses a resistance box or lamp resistance?

Mr. Easton: We use a resistance box.

Mr. Tate: The resistance boxes that were put out with the first Phonograph for electric light machines were found very unsatisfactory, and the better results which we get now, which were referred to by Mr. Lombard, have come from adopting the use of incandescent lamps as a resistance box. The current on those machines furnishes absolutely perfect power, and wherever the electric current can be obtained for running the machines, it is the ideal way of running them.

Mr. Chadbourn: What is the expense of the electric light current?

Mr. Tate: That depends upon what the various local illuminating companies charge for the current.

Mr. Chadbourn: What is the size of the lamp?

Mr. Tate: An ordinary sixteen-candle power lamp.

Mr. Sampson: I desire to say, in connection with this matter of electric light machines, that in the early days we had very unsatisfactory results, but recently we have had a number of the electric light machines from the North American Phonograph Company. I have had one in my own private desk in my office which has been in use now for over three months, and it has given me the utmost satisfaction. I use the ordinary resistance box

C24 that is sent with the machine and we take our current direct from the dynamo in the building. The people from whom we rent our offices furnish electric lights for the building, and they charge so much a light, so that by connecting the machine with this current, I am paying only at the rate of three dollars and a half a year for power to run the machine, which shows that wherever you can connect with the direct current it is the model way of using the Phonograph

and I think will give the utmost satisfaction. Wherever you can do it it seems to me that it shuts out all batteries and everything of that sort. I desire to say, most emphatically, that this is a step in the right direction.

Mr. Wohlgemuth: I would say that we have used an electric light machine for upward of two years in the same way which Mr. Sampson has used it, only we were using the incandescent current.

Mr. Tate: I do not know that the present Phonograph motor could be wound for 500 volts, but a Phonograph motor could be made for 500 volts. It may be possible that the present motor could be wound for such a current. That I do not know.

Mr. Wohlgemuth: I would like to say that we charge our batteries from the same current. We charge our batteries right on the premises, and I find that we economize on the batteries.

Mr. Tate: There is one thing in regard to running motors with a 500 volt current, it might not be desirable to bring 500 volts so close to the hands of the operator. I don't know that the gentlemen would be willing that their customers should take that risk.

Mr. Conyngton: We have got some customers we would be willing to risk with that amount. (Applause.)

Mr. Hoit: Mr. President, I have made some investigations with regard to batteries, but have found nothing that I thought would equal or excel the Anglo-American

C25 battery that you have been using for the last two years. I think that a primary battery could be advantageously used in certain districts and am in favor of primary batteries to some extent. I have a primary battery that you can examine and form your own opinion. It is very neatly put up, runs the Phonograph in very good shape for a short time, costs six cents, and takes about five minutes time to recharge it. The operator of the battery need know nothing of connections or anything of that kind as they are all made in proper detail. It is a very neat battery and it will be here for your consideration.

Mr. Andem: I would like to ask Mr. Hoit if the Anglo-American batteries are now offered for sale?

Mr. Hoit: The Anglo-American batteries are not being made. The Anglo-American Company have dissolved and the members of the Anglo-American Company have organized a corporation known as the American Battery Company. They have a storage battery that is in process of construction which they expect to do a great deal more work than any storage battery that has ever been put on the market. They have had a number of these batteries running at the World's Fair, and they have gone away ahead of their expectations. They do not know the life of their batteries but I am confident that they have got the best storage battery now that there is in existence or ever has been.

Mr. Andem: I would like to ask Mr. Hoit when those batteries will be offered to the public, and what the cost will be.

Mr. Hoit: The cost of the battery will be less than the Anglo-American battery. They hope to reduce the cost from the figure of \$10.50. They expect to put the batteries out in about thirty days. There are very heavy demands on them now for factory work, and they are attending to that first.

C26 **Mr. Chadbourn:** I would like to ask the gentlemen of the Convention if they have ever had any trouble with storage batteries blowing up. I have had several of them blow up.

Mr. Andem: We had three last year but we discovered the reason and have had no further trouble.

Mr. Chadbourn: We had three at one time. They went off all at once, and they were blown to pieces. I have been unable to find anybody yet to tell me why they did so.

Mr. Andem: Mr. President, as Treasurer of the Convention last year I was furnished with a certain number of copies of a book that covered that point. It is a very interesting book and contains information on that subject. Would suggest that Mr. Chadbourn secure two copies of last year's proceedings.

Mr. Emerson: We have had more or less experience with batteries in this way. We had at one time a young man who was in charge of the battery service and I told him I thought the acid was pretty low in a certain battery and he had better investigate it. Just about the time he was to re-charge it, he lit a match and stuck it into the battery. The result can be anticipated. **(Applause.)**

INTRODUCTION OF THE NORTH AMERICAN PHONOGRAPH COMPANY.

The President: At our meeting two years ago you will remember that we had with us the President of the North American Phonograph Company, and he was called upon a great many times to talk to this Association. We have with us now for the first time in our Convention the Vice-President, and I think we might take a little time this afternoon to listen to Mr. Lombard.

Mr. Lombard called for by the Convention.

C27 Mr. Lombard then said: Mr. President, I am very much obliged to you for your kind invitation and will take a great deal of pleasure in talking to the gentlemen of this Convention, but I would rather wait until a little later. I want to hear what the others have to say. I suppose that there will be a good many questions that will have to be answered and it is my desire to have the gentlemen here all fully informed on every point upon which we can give them information, but I think in order to save my time and yours that any questions that they want to have answered, should be put into type-written form and then I will endeavor to the best of my ability, to answer them seriatim. I can only say at the present time that the North American Phonograph Company, through its representatives here, intends to do all in its power to put the business in shape so that we can press it forward. We don't want to go back. We want to go forward, and all suggestions that may be made by you gentlemen, will be attentively listened to. We want to confer with you and see what is best to be done. You can feel assured of our hearty co-operation in everything to advance the enterprise.

Mr. Andem: I move that members of the Convention having questions that they desire to be propound, in accordance with Mr. Lombard's suggestion, prepare them and hand them in to be submitted to the Executive Committee, and by them formulated and subsequently presented to Mr. Lombard for answers before the entire Convention.

Mr. Conyngton: I second the motion.

The question was put to the Convention on the motion above stated and it was carried.

Mr. Stone: I would like to ask the Chair who the Executive Committee is at the present time?

The President: The names are on the program.

C28 Mr. Stone: Are they elected at each meeting?

The Chair: They are appointed by the Chair at each meeting of the Association.

Mr. Chadbourn: I would like to ask the Chair if no other questions can be asked, only those that are submitted in writing or typewriting?

The President: I think that these oral questions take a great deal of time and come in an indirect way. I think the other is the best way to get at it. There is no objection to questions, but if we commence on that line there will be no end to it. I⁴⁵ think the better way would be to stand by this motion and put the questions in writing. I have two or three that I want to write out and I want to have them in definite shape, so that they can be definitely answered. If any of you prefer to rise and have the Secretary take down your questions there is no objection⁴⁶ to it.

Mr. Tewksbury: I apprehend that the gentleman from Minnesota has in mind the fact that sometimes one question suggests others.

Mr. Benson: I move that the Chair appoint a Committee of three to draft a constitution and by-laws and report at the earliest possible time to this Convention.

The motion was seconded.

The motion was thereupon put to the Convention as above stated, and carried.

The President: I will appoint as members of that Committee Mr. E. A. Benson, Mr. Geo. W. Seymour and Mr. James L. Andem.

Mr. Sampson: I move that the remarks contained in the President's address, be referred to the Executive Committee to formulate the program for to-morrow's work.

Motion carried.

The President: I have a long communication here

C29 from the "Phonogram," that a year ago was made the official organ of this Association.

The matter in said communication was temporarily deferred.

UNITING THE COMPANIES.

The Secretary thereupon read the following resolution:

Resolved, Is it not desirable to consolidate all the sub-companies in one corporation for the purpose of united action and the protection of their individual rights; if so, how shall it be done?

Mr. Chadbourn: Mr. President, I offer that resolution for the purpose of discussion, to see if some method cannot be devised by which the sub-companies may act unitedly and further the interests of all concerned. I came down here for the purpose of getting a little light at this convention. I am like the old minister that had a call from another parish and a much more remunerative one than the one he was then occupying and he did not know hardly what to do. So he took the matter under consideration. One of the old deacons met the minister's hopeful son on the street one day and wanted to know what his father was doing or what he intended to do about the call that he had received. The boy said, "I do not know what Pa is going to do. He is praying for light, but the goods are all packed." (**Applause.**) That is about the condition that we are in up in Minnesota. We are still praying. We are praying for light and I come here now and offer that resolution for a little light upon this subject. I would like to hear from the North American Company, from the Edison Company, as to what they propose to do. We have made no money and there is no prospect of making any money that I can see under the present situation of things, unless the parent Company put us upon our feet and give us the improved machine. Have we any

C30 individual rights under the contracts that we made with the parent Company, for which we paid our money and large sums of money, for territorial rights? Just what those territorial rights are I do not know. They are being infringed upon. Machines have been sold by various

⁴⁵ Original: "It"

⁴⁶ Original: "objections"

Companies and they have come into our territory and continue to work there. Not in our territory alone but in all territories throughout the West. There are tramp machines running around and they defy us. The North American Company, I understand, claim that they have got nothing to do with it. They have no battles to fight for the sub-companies. They must fight their own battles. I am still praying for light.

Mr. President: In view of this resolution offered by Mr. Chadbourn let me request that you hold to the question of the desirability of consolidating all the sub-companies into one corporation. The question is open to any gentleman who has any views upon that subject.

Mr. Tewksbury: I do not wish to express any opinion as to the advisability of carrying out this proposition but I think that under some of the State laws it would be impossible for many of the corporations to be consolidated in the way proposed without the consent of every stockholder, and I think in some cases without that consent in writing it would be impossible to bring about such a consolidation; so that if the convention discuss it they must take into consideration the facts as they exist and not the inclinations and wishes of the members who are here on the floor.

Mr. Benson: In answer to Mr. Tewksbury, I will say, that the Board of Directors I think in all States have the right to sell out the business of the corporation, and that objection could be very easily gotten rid of by selling out the business to this new Company.

C31 Mr. Conyngton: It might need a stockholders' meeting.

Mr. Benson: I suppose that all Directors have the power to dispose of the Company's holdings.

Mr. Stone: It strikes me that at this time it is impracticable for us to discuss that to nay great length. Later in the meeting it might be better, after we have heard the report of the Special Committee. But I do think that it is very necessary for the members of the sub-companies here assembled to unite in some scheme for our own protection. I fully agree with Mr. Chadbourn in his statements with regard to the action that some of the Companies have taken to selling instruments and sending them into our territory. I state this of my own knowledge, and think that the solution of that question lies in the united effort of the Companies, and in that way only. I favor his resolution so far as providing for a temporary organization at this time by which we may discuss those questions.

MR. TATE REPRESENTING MR. EDISON.

Mr. Tate: Without dealing directly with the question which is before the meeting, I would like to make a few remarks on behalf of Mr. Edison and the Edison Phonograph Works. They together have had a problem to solve which has been very much like the problem the sub-companies have to solve now. A short while ago Mr. Edison found himself with a heavy personal investment in the Phonograph business which he had to make in order to sustain the Phonograph works, in coming to the rescue of the people who had joined him and put money into that concern. He was fortunately able to make an arrangement whereby all the vexed questions between himself and the North American Phonograph Company were satisfactorily settled. The present President of the North American Phonograph Com-

C32 pany is coming to Chicago, and has placed his resignation with the North American Phonograph Company. In a week or so Mr. Edison will be elected to that position. (**Applause.**) Mr. Edison feels that all he people who have come into the Phonograph business and put their money into it should be protected. (**Cries of "good," "just."**) There has been a great deal of

discussion in your meeting and elsewhere of rights and what this or that company has bought, and at your last meeting you appointed a committee to report to you about the rights of the various sub-companies or certain of them. I have not the least doubt that the reports of that Committee will be interesting to you; but so far as I am concerned, and so far as Mr. Edison is concerned, it is not very interesting. Mr. Edison feels that all this business should be dealt with upon the broad basis of equity, and that we should not go into the technicalities. That we should meet as business men and formulate some plan whereby the people who have put money into the business will have an opportunity of taking money out of it. **(Cheers.)** As I stated before we are not here to deal with technicalities, but we are here to try to arrive at some broad basis by which these Companies can be consolidated, if you decide that is the best way to do it, but at any rate upon some basis that will enable the people who are interested in the Companies and have their money in them to get benefits from the business which shall be large and profitable.

Mr. Conyngton: In this matter of re-organization it seems to me that before we can go into the matter intelligently we ought to have the report from our Special Committee.

The President: Let us not discuss the report of that Committee as we can not have it today. If there is anything to be said on this general line let us say it now.

C33 Mr. Stone: I move then that this matter be laid over until to-morrow.

Mr. Conyngton: I was only mentioning that to show that we could not go intelligently into it we ought to know how we stand. Now, Mr. Edison and the others, represented by Mr. Tate, are ready to meet us more than half way; I think we ought to know what our rights are legally and then possibly we could go into the matter in a more conciliatory spirit, and be much more likely to come to an understanding than if we discuss it now.

Mr. Stone: I renew my motion.

The President thereupon called Mr. Stone to the chair.

Mr. Clancy: I want to say something as a representative of our Company and not as Chairman of the Association, because in all of my dealings in connection with this, as President of your Association, I have always been in the chair and have endeavored to give every man his right to talk and to see that those rights were protected as far as possible. I am very deeply interested in this resolution that has been presented by Mr. Chadbourn, and I think whatever may be the language of it the spirit of it is certainly the only final outcome with reference to success in the future. One reason why I was anxious to hear something said about it this afternoon is, that we find a different spirit with reference to the parent Company, as represented in this room at this time, from what it was when we met in New York City a year ago. Had it been so at that time that Mr. Tate could have walked into the meeting in New York City and said that Mr. Edison was soon to be elected President of the North American Phonograph Company, this Committee, with the instructions that it had at that time, would never have been appointed, and the money would never have been required. I have said to these gentle-

C34 men from New York, in talking with them aside, in reference to the work of the Executive Committee, correspondence has been going on with reference to what the sub-companies could do to get out of the soup, as Mr. Chadbourn has stated, for the last two or three years, and when we met in New York City and appointed a Committee, most of whom are present now, they went to visit Mr. Bush, Mr. Lombard and others representing the North American Phonograph Company. Mr. Lombard was, at that time, in a position in which he could not talk, because he had not anything specially to talk about. Mr. Bush represented all that there was in the North American Phonograph Company, almost impersonating Mr. Lippincott, and at that time, as we understood it, he was representing the whole business as a lawyer and was representing it the

very best he could for that side of the question. Now, to-day we have a spirit that has come into this meeting that differs from what we have ever had before. You have been to New York, you have gone to see the North American Phonograph Company, you have gone around to talk with the Graphophone Company as to what they were going to do and we have all been swimming around wondering where we were going to land. We all admit to-day, that our business, from the beginning was organized on the wrong basis. When we are thinking over these questions with reference to putting out more machines, which is the only way to make money for the Company, I am of the firm belief that there is no way to do it except by unifying our efforts all under one general head. The question as to how that shall be done is one that I am not able to answer this afternoon; but I simply want to bring out the sentiment of this meeting. Our Association, as we organized it originally, was for the purpose of keeping our work in one united line and we have all said that if we could have one

C35 machine, one nickel-in-the-slot, one battery, one line of interest all the way through so that we understood just what we could do with the subscriber, and what we could not do, we would be much better off, and our expenses in every locality would be lessened. But how are we to-day? What is our condition actually? It is not the trouble that we have gotten into with the North American Phonograph Company only, to know whether they are going to protect our rights, and it is not the trouble that we are in with reference to the American Graphophone Company starting up its new institution; with one another, invading our mutual rights in selling supplies and musical cylinders and all sorts of arrangements and dipping into one another's territory. If this kind of business is to be carried on all over the country and we have a right to do it, regardless of any law, it seems to me the only way out is to get back to one general head. I am as anxious as any gentleman present to hear a full report of this Special Executive Committee; I am anxious on this account. I think that the men who were appointed on that Committee are as good men as we have in our Association, because they have larger interests perhaps than any other's personally, and they went to work in the very best way. They have encountered some difficulties which they will give in their report, to you. But I have thought, Mr. Chairman, since meeting the members of the North American Phonograph Company and the other members that have come into this city, that the probabilities are, that if the spirit of this meeting could be conveyed to that Committee before its final report was submitted it might possibly come in a little different form from what it otherwise would, understanding the spirit by which we may co-operate with the parent Company. I favor the resolution. I am not able to tell you on what basis, but I

C36 only have this to say, that if we are to consolidate, it certainly looks like a sensible line of movement and the start ought to be made by the sub-companies to the North American Phonograph Company. I speak for the Missouri Phonograph Company and say nothing about other Companies. We have been struggling to try to make some money for the capital invested. We have often sat, in our deliberations as directors, and wondered how we could go back some time and meet some of these Methodist praying members and Presbyterians that we had gone around and asked to put in \$150 in the way of stock, and when we go back to visit them, or see them, or meet them on the street, what do they say: "What have you done with reference to my money invested." They consider us all along the line, to put it in common parlance—rascals—while in the beginning we sold them this stock in the very best of faith. I suppose to-day that all of you have got more or less stockholders in connection with your Company that, socially, you are almost ostracised from. Now, gentlemen, are we going to follow right along in that line of doing business all our life. I am here, most emphatically to vote, as a director of the Missouri Phonograph Company, for the inauguration of a new policy. I am ready, so far as I am

personally concerned, for my own Company, to head the list as one who is in favor of unification and of consolidation, with a central head that shall manage the whole affair, and then make an equitable division of our interests that shall be right and just to every man who has put any money into the enterprise, let it be large or small.

Mr. Clancy, the Chairman, thereupon resumed the Chair.

Mr. Lombard: Mr. President, I want to say just a few words in commending what you have just said, and as representing the North American Phonograph Company here today, I wish to say that, if you gentlemen

C37 form any plan of the unification, you will find hearty co-operation on our part, and I believe personally that that is the solution of the question.

Mr. Chadbourn: There is only one other feature of it which might be a solution and that is that the money that the sub-companies have put into this concern and paid over to the North American Phonograph Company for territory shall be refunded to them and wipe off the slate and begin anew. Form a new Company and go ahead and make some money. You can sell the stock over again.

Mr. Stone: I want to say a word. It strikes me that this scheme is entirely impracticable and that it is utterly impossible for us to arrive at any equitable basis upon which we will all agree. I think that the time taken up by this meeting in trying to arrange for such a consolidation of interests, would be wasted. My opinion would be that the only practical way to get at it, if there is any, would be for us to appoint a Committee to formulate some plan and lay it before this Convention, but I feel that the time we take up in discussing this thing, at present is wasted time, because I don't believe that we can get together on any such basis.

Mr. Conyngton: Mr. Chairman, it will undoubtedly be difficult to get together, but it is not impossible at all. Such an arrangement can be made that Companies can come into the combination and those who stay out will stay out to their disadvantage. It is very easy to make a combination so that the others will fall in line with it.

Mr. Stone: It seems to me that that would be entirely wrong. I can't say that I would want to take advantage of any other Company by any action of mine. I don't think that that would be right.

Mr. Conyngton: It seems to me it as a matter of life

C38 or death with us and we want to know before we go any farther along what we are going to do. I have investigated the matter myself. I have not heard anything from our legal Committee, but I do not feel that our future rights, abstractly and legally, are not worth anything.

Mr. Lombard: I would say, Mr. President, in regard to what has been said by Mr. Conyngton that the North American Company, in considering this question, would not contend for the legal rights; we wish to look at the moral rights and we are perfectly willing to meet them on that ground.

Mr. Chadbourn: I will ask Mr. Lombard if he has any proposition to make on that line.

Mr. Lombard: The proposition should come from the Local Companies. We are willing to consider any proposition and to co-operate with you, but I think the proposition should come altogether from the Local Companies.

Mr. Easton: Mr. President, our Company occupies here a somewhat unique position. We would be satisfied if we could have simply and solely the rights for which we have paid. We do not want anything more or less.

Mr. Conyngton: Mr. Chairman, we all thought we paid for the rights of the Graphophone, but we do not seem to have it at present.

Mr. Chadbourn: Who answers for the Graphophone here?

The President: They are not members of this Association at this time.

Mr. Chadbourn: I will ask Mr. Lombard. He is a representative of the North American Company. What is the status of the Graphophone Company with the sub-companies?

Mr. Lombard: I should be very willing to answer

C39 that question in the series of questions that are to be propounded to me in writing.

THE GRAPHOPHONE.

Mr. Chadbourn: There was a committee appointed to formulate some plans and they will have to take into consideration the present status of the Graphophone Company. All these sub-companies supposed they had the right to the Graphophone at the time the contract was made. What has become of that? or shall we have to come into competition with the Graphophone Company in the future. These questions will arise.

Mr. Benson: Mr. President, this question comes up in a strange way for so serious a proposition as it is. The way the consolidation should be brought about between Companies, when they want to get together, is that their directors, as business men, should sit down and figure out whether it is advisable for them to come in; but to discuss this in the general way we are doing here is a waste of time. This is a thing that I have seen coming ever since the Phonograph business was a year old. It will some day go into what we call an agency business, and this business will be consolidated all over the country, as they have very largely done in the Telephone business. There are only two large companies now in the Telephone business. It seems to me that this is a matter entirely between sub-companies. It would seem to me to be right for the directors of the various Companies to meet or appoint a committee to meet in order to devise some equitable basis and to see how many Companies would come in. There might after awhile be two Companies, one in the West and one in the East, but sooner or later it will come to that. I don't believe that a general discussion like this is of any value at this time.

Mr. Sampson: Mr. President, I don't know that I

C40 have anything very particular to say on this subject because it strikes me as being one of so great magnitude that unless we have some formulated plan upon which to work a discussion would be, to say the least, very vague. In one sense the idea of consolidation may be the "survival of the fittest." There must be a plan adopted or devised by this Convention whereby we can get at the various opinions of the different Boards of Directors of the different Companies to find out whether they are authorized to go into any such arrangement as this. We come here simply as delegates, but when you undertake to consolidate the interests of the stockholders of several corporations into one gigantic Company, it seems to me it is a question over which we are not to-day at liberty to assume control or even to discuss. I know that in my own Company for the last five or six months it has been a serious question with some of the directors as to the advisability of continuing under the present system of our organization, and at a recent meeting of the Executive Committee one of the members of the Board went so far as to offer a motion looking to the reduction of the capital stock of the New England Company simply because, as he said, it was better for him to get a dividend on five shares than no dividend on 500. Therefore it shows that there is a disposition practically in the minds of all that there should be something done towards unification. But the process leading to that is so great in its magnitude that I believe that a general discussion of it only delays it and that it would be necessary in order to get at the legitimate and fundamental facts of such a unification to have it left to a committee to find

out at what the Board of Directors of the various companies would be willing to put their Companies in on such a basis.

Mr. Lombard: While I do not wish to offer any suggestions, I do wish to say that the line of discussion

C41 seems to be, with a view of uniting all of these Companies into one Company. One gentleman states the objection that in some States it would be necessary to have the consent of every stockholder, and I think he is right. This question was mentioned to me over a year ago. I was requested by some of the representatives of some Companies to bring this about. I said at that time it was something the North American could not do. It was something we had nothing to do with and it was something which they must bring about for themselves. But naturally I have thought over it a great deal and it strikes me that there is no necessity of making one big company and merging all these Companies into one, but if some general arrangement can be made so that each company can retain its corporate existence, control its own territory, and yet have the effect of one organization by an arrangement that could be made as to a general agency, in which that general agency would be the agent for each Company under some equitable plan, whereby each Company would be able to realize all the profits that there may be in the business in that territory and at the same time to relieve to a very large extent the expense of maintaining expensive organizations for many Companies, etc. I do not think it is absolutely necessary that they should all form a new Company. I do not believe they will have to do that at all. I merely throw this out as a suggestion.

The President: I will say that the question of uniting into one great body is not new in our country, and the only thing that I have thought about is, that whatever might be the plan of getting back under one general head of operation, the practical result of this must be that we will carry on business very much on the same plan that the typewriter is operated. I understand that a man who has Iowa for his territory has all the rights there so far as selling the machines are concerned, and

C42 if there is a new machine that comes into that territory that has been furnished by somebody else, and they find it out some way, directly or indirectly, he gets credit for it. But there are several interests which have united during the last few years under one general head. It seems to me that there might be a plan arranged by which the Phonograph business could be operated on the same line. I admit that this talk this afternoon can only be at random, but it was intended simply to bring out the spirit of this meeting. We would talk very differently, if we had a basis to talk upon. It cannot be done in a week or two weeks. If we were to bring such a result about by the time of the meeting one year from now we would possibly be a great deal better off two years from now than we are now, while operating under the present basis. We expect to have the report of the Special Executive Committee sometime about 10 or half past 10 o'clock to-morrow, and I apprehend that the only reason why Mr. Swift is not on hand in having the report ready is because there were some matters he wanted to have a consultation with Mr. Powers about, before making the report.

The convention thereupon adjourned to Tuesday, June 14, 1892, at 10 o'clock, A. M.

C43

SECOND DAY'S PROCEEDINGS.

Chicago, Illinois, Tuesday, June 14, 1892.

10 o'clock A. M.

The convention was called to order at 10 o'clock, A. M., President A. W. Clancy, presiding.
The Secretary thereupon read the minutes of the last meeting of the Convention.

Mr. Andem: Mr. Chairman, I move that the Secretary be directed to furnish two printed copies of the report of the proceedings to each Company that has paid their dues.

Motion carried.

The President called Mr. Stone, Vice-President of the convention, to the Chair.

The Chairman: The minutes of the last meeting have not yet been approved. A motion to that effect will be in order.

It was moved and seconded that the minutes of the last meeting be approved.

The motion was carried.

Mr. Tewksbury moved to re-consider the motion providing that two printed copies of the proceedings of the Convention should be furnished to each Company.

Mr. Clancy moved to lay the motion to reconsider on the table.

The question was put to the Convention on the motion to lay the motion to reconsider on the table and carried.

Mr. Clancy: I move that the question of printing the proceedings be referred to the Executive Committee to use their own judgment as to matter that ought to go into that book.

The question was put upon the motion and carried.

C44

REPORT ON PROGRAM.

The Secretary then read the order of business for the session as follows:

First—Report of the Special Executive Committee.

Second—The “Phonogram.”

Third—Questions to be answered by Mr. Lombard.

Fourth—Miscellaneous business.

Fifth—Uniting Companies under one general head.

Sixth—Report of Committee on by-laws and constitution.

Seventh—Roll-call of Companies, to see on how many machines each Company is paying rent, and how many machines have been sold.

Eighth—Musical records.

REPORT OF THE SPECIAL EXECUTIVE COMMITTEE.

Mr. Swift: Mr. Chairman, the Committee consisting of Mr. Powers, Mr. Farwell and myself who were to investigate our rights as against the North American Company, and get a legal opinion about those rights, and to take steps if necessary for the enforcement of those rights, is present to-day in the persons of Mr. Farwell and myself. Mr. Powers asked me to extend to the Convention his regrets that he could not be here. The Committee has been to a great deal of trouble and some considerable expense. We have held a great many meetings in New York. I think I have been there myself five times. We have consulted counsel and have opinions of certain kinds pro and con, but all of this has been done at the expense of certain Companies who answered the call for contributions, and the question which the Committee would first like to submit to the Convention is that we may first have a conference with the Companies who have subscribed to the fund. The Companies who have subscribed are New York, New England, Ohio, Kansas, Nebraska, Louisiana, Chicago Central, Iowa, Missouri, Illinois State, Michigan and Columbia. Perhaps, inasmuch as they have contributed

C45 and paid the expenses of the investigation, they perhaps should be advised or consulted before a report is made as to just how much should be stated to the Convention. A great deal of the matter which we have to report is of a nature that we should not care to have an open discussion on before the representatives of the Edison Company and the North American

Company, until we had first submitted what we have learned to the Companies who have subscribed. I therefore ask permission before making any further report to have a conference with the Companies who have subscribed and paid the \$75.00.

The President: Is it your pleasure to take a short recess and give an opportunity for this conference with the Committee?

A recess was thereupon taken until 1:30 o'clock P.M.

The President: I simply want to state that we have been discussing this matter and before the Special Committee express their final opinion, we want to come together for the purpose of having them have a conference before making a final report to the General Convention.

Mr. Swift: In view of the fact that that Committee has been discharged, I move that a Committee be appointed to confer with the North American Company and its representatives here, The Edison Phonograph Company and The American Graphophone Company (if represented here), with a view to learning the present status of events, and from that make a report to the Convention.

The motion was seconded.

The motion was put to the Convention and carried.

The Chairman: I will appoint on that Committee, Mr. Swift, Mr. Farwell and Mr. Benson.

The Convention thereupon adjourned until 2 o'clock P. M.

C46 **The Convention was called to order at 2:30 o'clock P. M., President A. W. Clancy presiding. In addition to the Companies already represented at the meeting, the Michigan Phonograph Company and the Wisconsin Phonograph Company are present at the session this afternoon.**

Mr. Easton: I move that we proceed to hear from Mr. Lombard in reference to answers to the questions that have been prepared by the Executive Committee and submitted to the Association.

The motion was seconded, put and carried.

The Chairman: We are ready for the report of the Special Committee, if they are ready to report.

Mr. Swift: I understand you refer to the Committee appointed just before adjournment. That Committee has nothing to report at present and asks for time in order to confer with the representatives of the North American Company. I understand that we will be able to arrange a conference this afternoon or evening. After that is over we will be able to make some suggestions. The Conference will consider the question of unification in some way and I would ask that any suggestions that the members may have in that line, or resolution to that effect should be referred to our Committee so that we may have all the information available.

The Chairman: I understand, then, that in view of the report that you have made, you desire further time before you make any recommendations to the General Convention, and that you want time to confer with the Edison people?

Mr. Wood thereupon offered the following resolution:

WHEREAS, It is the sense of this Convention that the only solution of the problem presented by the present unsatisfactory condition of the Phonograph interest is the immediate adoption of the policy of the unrestricted sale of machines, and whereas such policy can best be carried out by centralizing the management of the Phonograph business throughout the United States.

C47 *Resolved*, That a Committee be appointed to formulate a plan and suggest the same at to-morrow's meeting whereby the interests of the various local Companies may be unified, such plan when agreed upon to be presented to the Board of each Company for action.

Mr. Swift: I move that the matter covered by that resolution be referred to our Committee so that the matter may not be divided up.

The question was put to the Convention upon the reference of the above resolution to the Committee and the motion was carried.

The Chairman: The next regular order of business is the answering of the questions by Mr. Lombard.

VICE-PRESIDENT LOMBARD'S STATEMENTS.

The President: I will read these questions in regular order:

First—What protection have the local Companies from the trespassing of machines sold under restriction.

Mr. Lombard: Mr. President, and gentlemen of the Convention, I find in looking over these questions that there are several of them that mean about the same thing. I have divided them off into six parts and if you will permit me I will read all of those that come under one answer as I can answer them generally much more easily than to answer each one separately. Taking the first one: What protection have the local Companies from the trespassing of machines sold under restriction? The fifth question is: Is it not the duty of the North American Phonograph Company to protect the sub-companies from infringement from lessee of machines from other territory? I think both questions can be answered in the same way.

As to the duty of the North American Company in the premises there may be and probably are two opinions on that question. The contracts in force now between us are subject to two constructions, one from

C48 our side and the other from yours. The question of protection has been brought up because of conditions that have risen entirely since those contracts were made. You are asking practically for protection for the exhibition rights of the Phonograph. Of course, generally, I understand that it applies to machines to be used for any purpose. The North American Phonograph Company when it went into business and entered into those contracts did so with the idea that all of the territory was to be thoroughly exploited and the public at large were to be put in possession of machines either by the rental system, or if that proved unsatisfactory, afterwards by purchase. The contract was drawn up by some of the best legal talent that could be secured in the City of New York, one side represented by lawyers for the North American Company and the other by lawyers for the sub-companies. I do not think that the North American Company could ever take a position of policeman. In other words, we are not prepared, nor do we intend to police the territory of each local Company. We want to do and to act in every way possible in protecting you in all rights under the broad gauge-way of looking at it. I mean by that, we don't want to have a Company, because it has concluded that it wants to devote itself exclusively to the exhibition business, the nickel-in-the-slot or something of that kind, to bar us out of our legitimate field. When we created these local Companies we did not intend to create any such monopolies as against ourselves. We wished to only so organize the whole territory that it would be fully and capably covered. The opinion of the projectors was, that by the organization of local Companies and the interesting of local capital, you would get the natural agency of those people who, having their money invested, would do all that was in their power to increase the use of the machine. By confining yourselves to an exhibition of

C49 the machine only you are restricting the use of that machine to the prejudice of the North American Company. There is no doubt that in the past, under the restrictions that have been placed upon the machines sold, and the conditions of the leases under which machines were leased, you have had it in your power to protect yourselves. The question is properly asked here,

but at the same time, as you will see as I go along further in my remarks, it is not pertinent because the conditions are about to be changed. The unrestricted sale of machines is inevitable, and the question of how we shall go about that is what we now want to present to all of you gentlemen and confer with you on a basis of getting at it, so that all rights will be fully protected and all interests preserved.

In the second series of questions we have: "What steps, if any, does the North American Phonograph Company intend to take to assure to the local Companies the exclusive rights for the Graphophone for which they have paid?" In the sixth question we have: "Have we lost all control of the Graphophone and the patents involved?" In the eleventh question: "Have we any more control of our territorial rights regarding the Phonograph than we seem to have had over the Graphophone?" I think I can answer all those collectively to your satisfaction. In the first place, taking the last question, we have more control over the Phonograph than we had over the Graphophone. The North American Phonograph Company is the owner of the patents of the Phonograph. It never was the owner of the patents of the Graphophone. It merely controlled them for the time being, as the agent for the sole licensee of the Graphophone Company, Mr. Lippincott, under a contract made with the Graphophone Company, which contract is now abrogated. You never had any more rights than that contract gave you, and the life of that

C50 contract was terminated when Mr. Lippincott was unable to perform his part of the contract. The rights, therefore, have ceased so far as we are concerned, excepting possibly there may be rights that the local Companies and the North American Company may have as against the Graphophone Company, but that question is something which I cannot determine, and I do not think any one here can determine it. It would necessarily involve litigation and adjudication by the courts. There could be a good many differences of opinion on that subject. But of the Phonograph we are absolutely in control. We own the patents and therefore we are in a very different status. As to what steps we propose to take, that is a question that can only be answered in one way. We are prepared to meet whatever issue is presented to us, and we propose to meet it. I do not think that there need be any anxiety on the part of the Graphophone Company. Good and wise business policy will probably prevail in regard to all the interests on either side of the talking machine question.

In the third series of questions, we have: "What is the bonded debt of the North American Phonograph Company; how long to run, how secured, and by whom held?" "If foreclosed hereafter, what would be the effect upon the North American Phonograph Company and upon the sub-companies?" The bonded debt of the North American Company is \$300,000. It can only be foreclosed by a breach of contract or conditions of the contract on the part of the North American Phonograph Company. The bonds are debenture bonds, and foreclosure can only be enforced by the holders of a majority of those bonds. The majority interest is in the hands of Mr. Edison. If foreclosed, the bondholders would step into the position of the North American Phonograph Company and the sub-companies would have the

C51 same relation to those bondholders that they have now to the North American Phonograph Company.

In the fourth series—

Mr. Chadbourn: Were those bonds issued before the contracts with the sub-companies?

Mr. Lombard: No, sir, they were recently issued.

Mr. Swift: Do they cover the entire indebtedness?

Mr. Lombard: The entire indebtedness to Mr. Edison has been liquidated by those bonds. I want to say that there is still a demand note held by Mr. Edison.

Mr. Swift: How is that secured?

Mr. Lombard: That is not secured in any way excepting by an arrangement with Mr. Edison, and that is in regard to another matter.

Mr. Easton: There is an open account also, is there not?

Mr. Lombard: There is an open account that is being reduced every month.

Mr. Dickinson: Is not the demand note secured by the patents to the Edison Phonograph?

Mr. Lombard: It is secured by the stock of the Edison Phonograph Company.

The next question is: "Who owns the controlling interest of the stock of the North American Phonograph Company?" I have not a list of the stockholders here, but I can state generally that the controlling interest of the North American Company is owned by the Edison interest.

Mr. Easton: Would you mind telling us what you mean by "the Edison interest?"

Mr. Lombard: I mean Mr. Edison and those associated with him.

Mr. Dickinson: Is not Mr. Lippincott at present associated with Mr. Edison? Is the stock which Mr. Lippincott held the stock which gives the Edison interest the control?

C52 Mr. Lombard: It is acting in Mr. Edison's interest.

Mr. Dickinson: Is Mr. Lippincott a stockholder of record to the extent of a controlling interest in the North American Phonograph?

Mr. Lombard: I can say that Mr. Edison has control of the North American Company and controls the policy of the Company.

In the fifth series we have this question: "What do you think of the practicability of the new Phonograph seen at the factory last year? Is there a probability of it being manufactured and being given to the sub-companies, and if so, when? If the instrument possesses superiority over old ones, what can the sub-companies do to hasten its coming?" The fourth question is, "Are there any improvements to the Phonograph in contemplation, and if so, what are they?" The tenth question, "How can the differences between the North American Phonograph Company with regard to missing parts, wear and tear, etc., be settled?" The next question is, "Why should not special improvements now furnished as special extras on the Phonograph be furnished free?" I propose to answer these all collectively, but I think I will take the first part of the first question and answer that by itself. As to the practicability of the new Phonograph, you are all of you just as competent to judge as I am. That is all of you who have seen the machines. I do not think that anybody can express an opinion that is worth anything regarding a new speaking machine until it has been in actual use in the hands of the public. The reason that machine was gotten up by Mr. Edison was because of suggestions from some of the members of different sub-companies who wanted a combination machine. In the early history of this enterprise we had a combination machine, that is to say, the old spectacle machine was practically that, and we were all hounded to death to get something simple. They said, we want

C53 something that the public don't have so much trouble to learn how to use. Mr. Edison therefore set to work to simplify the machine, and he produced the present machine. That went out, and as soon as they got that simple machine, they said, Now we want something that will do a lot of things. Mr. Edison then attempted to give them a machine that would do a lot of things, and the result was that it got right back to a complicated machine again. And in my private opinion, we have there a complicated machine that it would be dangerous for us, under the present circumstances, to attempt to put on the market. The present machine will do all that was claimed for it to do. It is in successful operation in many of the large business houses of the

United States, and while improvements are desirable, and no doubt will come in time, I don't think they will be in the form of that machine you saw at the factory. As to the improvements that are in contemplation, there was one suggestion made by one of my associates when that question was raised. He said that it was a very hard thing for a sick dog to raise pups, and I think it applies right there. You ask for improvements on the Phonograph, but at the same time you must realize that under the system in which we have been operating, any improvement on the Phonograph is an impossibility, simply because financially the North American Phonograph Company could never stand it. An improvement which necessitates an expense of fifty cents on each machine, means thousands of dollars to us in making the changes on all the machines that are out. You have a right, if we adopt any special improvement, to send back old machines and say, we want the new machines, and that was the result when we changed from the old type. It would be the result again, and if we were putting on improvements every month, the same thing would be going on. That never could continue to the

C54 advantage of you or ourselves. As to why the improvements that we are now using and selling as special extras should not be given, that question is answered by what I have just said, and as was specially stated to you, gentlemen, at the last convention, when you were at Orange, that we could only give them to you as special extras, and I think you will all bear witness that those special extras were not so desirable that you wanted very many of them, and if we had had to go to work and order the thousands of them that would have been necessary to put on all machines, it would have been an immense loss to the North American Phonograph Company, with no practical advantage to yourselves.

“How can the differences with the North American Phonograph Company, with regard to missing parts, wear and tear, etc., best be settled?” That, I believe, concludes the list of questions, and I propose to take that up in this way: Those differences can only be settled in one way, and that is the unrestricted sale of machines. The system under which we have all been operating is a wrong one, and the sooner we face that and recognize it, and change to that system, the better it will be for all of us. There is a good deal of talk among you gentlemen here about unification. I want to express myself personally as heartily in favor of some means whereby the local companies may put themselves in some position to act in concert with the North American Phonograph Company to forward the general interests of the Phonograph all over the United States. There seems to be some of you gentlemen who have confined yourselves to this exhibition business, and seem to be fearful that anything like the sale of machines is going to interfere with that. I don't think that at this time we can consider such a proposition as protecting anything of that nature. It is too small and insignificant

C55 to take any part. The protection of all of those rights can be easily arranged by your own Committee. When you adopt the plan of unification, each Company's territory can be held inviolate. Each Company can carry on its own, or have carried on, in its own territory, all of the exhibition business to its own advantage. But for some Companies in one section of the country to control an exhibition business to the detriment of a lot of companies to whom it is of little value and want to go into an open sale, is palpably unjust. The idea in the beginning was that we had something that was so wonderful and so desirable that all the country would flock in and beg us to let them have it, and there was a Chinese wall built around the whole enterprise. We wanted the public to have it, but we wanted them to have the machines with strings to them, so we could keep control of them. It was a narrow-minded policy. A policy that we have been criticised for broadly. I read only a week or two ago an editorial in one of the leading electrical papers of New York City in which they declared that the Phonograph business has been a failure

because of the narrow-minded business policy of only renting machines and not selling them broadly. The rented machine is nothing more or less than a foot-ball. It goes from one person to another and back to us, and every turn it takes, it costs us money. The public, in other words, has been getting the best of this thing all along. The North American Company and the local Companies have been paying for the experience. The contract has very little to do with it. It is not a contract that a business man can work under. It is a contract made by lawyers, and lawyers are proverbially not business men. They are not trained as business men and we cannot expect that of them. They are good men to bring in when you are in trouble, to get you out of it; but for lawyers to get up and outline a contract as to how business should

C56 be carried on is perfect nonsense. In that contract, as I said before, we had some of the best legal talent in the country. We had such men as Judge Noah Davis, Judge Auerbach and others, and what is the result? I submit to you, gentlemen, that that contract is bad in every way, both for you and for us, and we cannot, if the conditions of that contract are strictly enforced, live twenty-four hours under it. They have not been enforced, and you are not any of you complying with the conditions of that contract. As to the question of what your rights are legally, litigation is entirely unnecessary. We don't want to meet you on that ground. We feel that if it is necessary, we have got the stronger position but we don't want to do that. We want to meet you as business men. You put your money in this and we put our money in it, and we want to see how we can get the money out of it. That is what we are here for to-day. We are not here to wrangle over whether we should give you a new belt for an old belt, or anything of that kind. We are here to face the situation as it is to-day. We are here to say to you, gentlemen, this policy that we hoped would be a good one, has proved an utter failure. The contract between us does not fit the bill. It was projected with good intentions, but it was made before the business was started at all, and under a misapprehension of the facts. We have had three years now of experience. Let us take that experience and apply it to the present condition of affairs and see if we cannot go forward and mark a new epoch in our history, and one of progress. The most important question before you in this Convention, seems to be that of unification. I have experienced more trouble and more difficulty owing to the varied interests of local companies than anything else. There are many of you here that know and will bear me out when I say, that on questions of whether they are important or not, whenever we have

C57 attempted to get an expression of opinion from the local Companies, it has been almost impossible to get it. We have had to send around circular letters and ask, What will you vote on that? Then we would have to send another one, Won't you please answer our questions; and another, Won't you please answer our questions. The local Companies, I take it, are composed principally of men who have other interests. Their Phonograph interest is only an incident.

In a great many of the Companies the management is in the hands of some person who is possibly not a stockholder and does not feel that he is in a position to answer those questions. He has difficulty in getting his directors together in time to make those answers, and consequently the whole enterprise is blocked and checked. We cannot go forward because we can't get a unity of opinion. The North American Company is put in a position where it has no way, unless it sends a representative around over the whole United States and personally interviews these people, of getting at what the Companies want to do. Now then, by uniting in some way, having some organization or person that we can confer with at all times and on all questions as they may arise, the whole business is put into shape where we can handle it, and it is the only way in my judgment which it is practical for us or for you gentlemen to do to-day. We have come here to say that to you. We are here to say that the North American Company starts out now under a

new order of things. Mr. Edison goes into that Company as President. He is unqualifiedly for the unrestricted sale of machines all over the United States. At the same time he is also unqualifiedly in favor of having every local Company's interest protected just so far as it is possible to do it, and we believe it is possible to protect them in their entirety, provided they act in unison with us. But if you all act

C58 independently of each other you put us in a position where we cannot protect you and we cannot protect ourselves and we cannot protect each other.

I will say in conclusion that this opportunity that is given to you now of seriously considering this question, I hope you will take advantage of, and you can rest assured that we will do everything that is in our power to assist you in bringing to a conclusion some arrangement that will be satisfactory to all. If necessary, I myself will visit each one of your Companies and meet with your directors and explain the condition of affairs. We all want you to consider that we have come in a spirit of perfect fairness and equity.

Mr. Chadbourn: At the convention two years ago, the North American Company promised and agreed to make a combination machine. Is it not a fact that Mr. Edison did get up a much improved Phonograph some time thereafter, but it was withheld from the sub-companies by the parent Company, for the reason that the parent Company could not get the instruments from the Edison Works without paying for them, and the impecunious condition of the North American Company prevented it?

Mr. Lombard: I have answered that question already. That refers to the machine and my opinion of it. You were not kept from having it by any reason of impecuniosity, but the North American Company never desired that machine, and when at the last Convention the delegates were shown the machine, there was no very great desire expressed on their part to have it. There is no doubt in my mind that a better machine can be made and will be forthcoming as soon as we go into the general sale of machines. Then you can have anything you want. You can have all the improvements. You can have different types of machines. The system under which we are now working absolutely precludes

C59 anything of that kind. You have got to have an unrestricted sale, and all the other things will come in their due time.

AUTOMATIC EXHIBITION COMPANY.

The Chairman: There is a question under the miscellaneous business. It is: What are the relations existing to-day between the North American Phonograph Company and the Automatic Exhibition Company?

Mr. A. O. Tate spoke as follows: The relations that exist between the Automatic Phonograph Exhibition Company and the North American Phonograph Company are, that Mr. Edison and the North American Phonograph Company together own a controlling interest in the stock in the Automatic Phonograph Exhibition Company. At the last meeting of the stockholders of that Company, they elected their own Board. They have a majority on the Board and a majority of the Executive Committee and they elected their own officers. I think any further statement superfluous.

SELLING MACHINES.

The Chairman: The next question for the consideration of the general Association is: Which is the most profitable to local Companies, to sell or rent machines? We will ask Mr. Sampson to respond to this.

Mr. Sampson: My opinion is that it is most profitable for them to sell. I am here to-day to give my voice for an unrestricted sale of machines. I believe that it is the only outcome of the difficulties under which we exist to-day. It is the only outlet in my opinion to keep the local Companies from becoming "Kilkenny Cats" and fighting each other to death. The unrestricted sale of machines means a large number of machines sold all over the country, and speedily absorbs the old machines that are now on hand and opens the doorway to a better

C60 and we hope a more complete machine than has ever yet been produced from the Edison Works. I believe, myself, that the sale of machines will not only induce Mr. Edison and the people associated with him to arrive at the conclusion that the time has come when they cannot stop on the way but must go ahead and improve, because the unrestricted sale of machines puts them in the hands of other inventors, other brains, new material and people who have thinking caps on their heads, and inventors perhaps that are equal to Mr. Edison himself, in that line. I believe that Mr. Edison thinks so much of this machine that he has invented that he will not stop, but that he will immediately give us the benefit of his very best and most mature ideas in regard to the Phonograph. I was talking with a gentleman in New York the other day who told me that he believed he could produce a diaphragm that would be far superior to the one now used on the machine, but he said he can't do it under the present circumstances. Now, if we have this unrestricted sale, it is going not only to open the door to all these things, but it is going to get a large number of machines out, and you will not only make money on the sale of machines, but you will reap a very large benefit from the sale of supplies. It is from the sale of supplies, I believe, that the profit to the Companies is yet to come. You gentlemen who have not sold machines, have but a slight idea of the quantity of supplies that the people who buy machines use. They are constantly coming to you. I want to say right here that after the first month of the sale of machines in my territory we have had a credit balance on the side of our merchandise account right straight along. I hope that the unrestricted sale of machines will come, and come speedily. I know that it is of benefit to every one who is in the Phonograph business.

C61 Mr. Chadbourn: What would you say the machines should be sold for?

Mr. Sampson: That is an open question. There is a very large diversity of opinion in regard to that. My opinion on that would be something like this: That the present machine should be sold at what it is to-day, but that we ought to get it a little cheaper than we do from the North American Company. My view in regard to that is that the North American Company ought to sell to the sub-companies for \$75. I can say here twenty odd machines and they did not see fit to take the offer. We would be very glad to buy of the North American Company all the machines that we use, machines in our territory, even in renting them at \$40 per year, when we can get the whole of the \$40 and supplies to go with them, but when we have to put them out on \$40 and only take \$20, that is a different question.

Mr. Andem: I hear a good deal said about the unrestricted sale. I would like to ask some of the representatives of the North American Company what the prospect is of their being able to allow us to sell without the present restriction in regard to the sale of machines.

Mr. Tate: We have already called a meeting of the Directors of the Automatic Company to adopt a resolution by which the present injunction will be raised without any unnecessary

delay. Just as soon as we get back in New York that meeting will be held and the injunction will be raised as quickly as the legal process, which is necessary to raise it, is gone through.

Mr. Goodwin: I am very sorry to have been characterized as a pirate thus early in the day, but I think, from my point of view, that I should be regarded merely as progressive. I remember that two years ago, after a

C62 long and rather exciting discussion, a vote was taken as to the propriety of selling machines and Mr. Easton, Mr. Friend, Mr. Clephane and myself formed the big four that voted in favor of the sale of machines. I believe that we had twenty-four against us. I think the vote if taken to-day might be taken a little different. The whole success of this business depends upon whether we believe that the machine is a valuable one. If we all come to that conclusion then the success or failure of the enterprise depends merely upon the business arrangement. In Wisconsin we have altogether put out on rental 350 Phonographs and some 75 Graphophones. To-day we have on rental no Graphophones and three Phonographs for business purposes, one of them being used by myself, one of them being used by a transcriber of mine, and another one being used by another transcriber of mine. I think that this is a fair commentary on the advantage and disadvantage of the rental system. The trouble is that the Phonograph Companies in the beginning drew a faulty analysis from the telephone business. There is no comparison to be drawn between the two instruments at all. If we had begun selling the Phonograph at that time we would have been in a good condition to-day. I have no doubt that I could have sold nine-tenths of the 350 Phonographs that we rented, and the profits on those Phonographs would have put us in fine financial condition to-day.

Mr. Swift: How many have you sold?

Mr. Goodwin: I couldn't tell at present. I think about seventy-five.

Mr. Swift: How many are in the State?

Mr. Goodwin: I think there are about forty in the State. People will not take care of the machines which they rent, which causes us great expense, and they usually return them after having had them three or six

C63 months, and we get nothing but curses from them ever afterwards. If a man owns a thing he cares for it and uses it. Sometimes the people who have rented our machines pay the second quarter but it has been a rare exception indeed. As I have been guyed somewhat on the sale of machines I wish to say that I have used every endeavor to stick to the restriction clause given us by the North American Phonograph Company. We have refused request after request for the sale of machines that came outside of our territory and have always informed each purchaser that the restriction must be lived up to. We have not given them any encouragement at all not to live up to it or to take the machine out of the State, and we have refused to sell every machine where we had any idea that it was going out of the State. But the present state of affairs, where a few of the companies are selling, and the rest of them are trying to rent, is a very unhappy one. We have a person that is extremely anxious to get a machine. He comes to a Company such as ours and asks to purchase a machine. We tell him the restriction and refuse to sell him to take out of the State. He goes out and hires a dummy for five or ten dollars, who comes and at the expense of a few very large lies purchases a machine from us.

Mr. Chadbourn: Don't you suggest that to him?

Mr. Goodwin: No, sir, we do not. It is the natural result of the present bad system, and it can't be helped. I don't think we are any more in fault than the other Companies. I don't believe that any Company has been or could be more careful. For instance, we received the straightest report that the Washington Phonograph Company was not only selling the machine

but selling them absolutely without any restriction, and without putting the restriction plate upon the machine.

C64 Mr. Easton: We have been told that the Wisconsin Company put it only on with mucilage.

Mr. Goodwin: We didn't believe that against the Washington Company any more than the Washington Company believed it against us. I am saying here only what is absolutely the truth. We would not be so foolish or so dishonest as not to attempt to live closely up to the restrictions that are laid down for us, namely, the two restrictions that are established for us by the North American Phonograph Company. We think that there is no redress in case a machine is taken out of the State. Of course an action of replevin might be brought in the name of the North American Phonograph Company, but it would be difficult to maintain it. The only action, perhaps, that could be made to hold would be an action of injunction, and even that might not hold.

Mr. Stone: That is just what these fellows that come into our territory tell us. I don't know where they got their information.

Mr. Goodwin: Many of these men who have come into your territory have consulted good attorneys. Any lawyer can tell you what action might be brought or what action might be upheld, and I presume that every one of these fellows have consulted a good lawyer. We certainly have never made any statement except that we would hold them to the closest letter of the restriction.

Mr. Andem: I want to inform Mr. Goodwin that what we object to is that these same parties who lie to get their machines from them in Wisconsin and take them into Michigan, and then lie and say they bought them in Ohio.

Mr. Goodwin: I wish to state what, in my opinion, will be the result of an unrestricted sale of the machine. In the first place the rental system will be vastly im-

C65 proved. The money in renting machines is almost nothing to the local companies now, because of a division with the North American Phonograph Company. There is no money in \$20.00 a year for these machines, but when you sell machines you will find that you will very frequently be able to buy them back and on fitting them up they can be easily rented for probably \$5.00 a month, just as the typewriters are. I remember that frequently the largest monthly revenue that we received in the typewriter business was from old machines fitted up and rented. Perhaps you can buy a second-hand machine back for \$40.00 and fit it up for \$5.00, and rent it for a year in advance for \$50.00. There is money in that. You will find that when you have built up this business for the sale of machines, and people have begun to clamor for them, as they will when the demand has greatly increased, that you can rent them to pupils who wish to practice on them. I presume that will be the largest field for the rental of the machine, as it is in the case of the typewriter, and it is an immense field.

Mr. Andem: I would like to ask you if you would not like to buy a good many second-hand Phonographs from the parent company and then rent them?

Mr. Goodwin: Here is the second result of the sale of machines. While we have now a very fair machine, it would very rapidly improve. That is, as these machines are sold from the North American Phonograph Company they would have the money to pay for making improvements. But right here I want to say that it is my belief that all the improvements should be made along the line of the present model, just as has been done in the case of the Remington Typewriter. The first model, made by C. L. Shoales in '73, has never been changed up to the present day in all its essential respects. The improvements were simply in detail and

C66 I think this simple model should be adhered to and improved. I will say here that I think it does not require very many improvements to make it a first-class, simple machine that can be used by any one with any judgment. The growth of this machine, as it will grow under the unrestricted sale, must be like the growth of all other things, by simple evolution. It must not be made to grow by drawing in all these machines and sending out an entirely new one of a different style. Stick to your first simple model and the thing will be successful. The sale of machines will certainly be greatly increased if all the Companies are working hand in hand to press the sale on. Now only a few Companies are engaged in the sale of machines during the short period when they are not engaged in fighting with the North American Company and their brother Companies. It is well known that if a machine is a good one, and that is the basis upon which we must predicate all of our work, the sale of it increases not in arithmetical ratio but in a geometrical ratio, and after having put out a few thousand of these machines you will find that the sale each year increases geometrically and not arithmetically. This is what will give you the improved machine. On the subject of the unrestricted sale of machines I wish to say in conclusion that all the bugbear difficulties that are staring us in the face will, in my opinion, almost entirely settle themselves. The reason that men come to Wisconsin to buy machines is because they can't buy them in Ohio. When men can buy machines as well in one district as in another, there will be no reason for their coming to Wisconsin, for instance. They will go to the depot that is nearest to them. They will go to the agency in which they reside, and thus this territorial invasion will settle itself. I think that we will find that the trouble will be very much less than we expect.

C67

RENTING MACHINES.

Mr. Dickinson: I simply wish to say that I am still of the opinion that it will be more profitable in years to come for the companies to rent machines. I think that Mr. Tate's argument of last evening in regard to the nickel-in-the-slot business can be cited as showing a profit when he said that there were \$13,000 made on three hundred machines in New York which was \$45 a year net. If I understand him rightly, \$20 a year besides the \$45, must have gone to the North American Company. That is \$65 out of a machine that you buy for \$95 net from the North American Company. Surely that is more profitable than selling.

Mr. Tate: I think that Mr. Sampson of the New England Company could give us some valuable information on that point. He spoke yesterday in regard to the amount of supplies which are usually purchased by the people who buy machines from his Company. I would like to hear from him on that point.

The President: Mr. Sampson referred to that in his address in the afternoon.

THE PHONOGRAPH WORKS.

Mr. Tate: I want to say that the pulse of the Phonograph business is centered in the works. We can tell very quickly whether the business is in a healthy condition or whether it is feeble. The pulse is beating now to very slow music. We are shipping from the factory an average of about twelve machines a week, that is two phonographs for each working day. We have a factory there which is second to none in America with respect to the excellence of its equipment and which represents an investment of over half a million dollars. The total value of the Phonographs and supplies that are shipped from that factory is about a thousand dollars a

week. I noticed that one of the questions that was asked of Mr. Lombard was when we might expect some new types

C68 of machines and when you might expect the present Phonograph to be improved. Now, I submit to any gentleman here present who has been engaged in the manufacturing business to improve processes of manufacture, how can we improve articles of manufacture when we have to meet conditions such as exist to-day at the Edison Phonograph Works. Two years ago we started near the Edison Phonograph Works another little factory. It represents an investment of just one-tenth the amount of money that we have invested in the Phonograph works. We manufacture there the Edison Lelande battery and we ship from that factory nearly two thousand dollars a week in value of batteries as against the value that is shipped from the Edison Phonograph Works. I think it will not take a very brilliant intellect to determine the relative values, commercially, of those two enterprises. That naturally brings forth the question as to what is the matter. Something must certainly be wrong. It seems to me that the line in which we have been proceeding to-day is going to solve this problem. The gentleman who last spoke has expressed himself as in favor of the rental of machines and says he thinks that in time that policy will inure to the great benefit of all those who are interested in this business. I simply have to ask him, how long can we stand it? Does he think that we are mines within ourselves and have unlimited resources of wealth to be putting our money into this business, because we like to see the dollars skip out of our pockets? I don't know where they go. They go to pay workmen and wages. We don't make any money and no one is making money in the business. Really it is in a condition to-day of almost complete paralysis. When machines in the Edison Phonograph Works commence to move and we commence to ship from there a sufficient amount of ma-

C69 terial, phonographs and supplies to represent the real value of this business, then we will know that it is in a happy condition. But unless the process that has been advocated here to-day is adopted, and I trust it will be adopted voluntarily by all these companies, the business can never be a success.

THE IMPROVED MACHINE.

Mr. Chadbourn: Mr. President, I would like to ask Mr. Tate if it is not a fact that there was a large number of improved machines made within the last two years and sent to Europe to the International Company.

Mr. Tate:⁴⁷ The machine which has been spoken of here several times as the "Improved" machine is an instrument that Mr. Edison evolved at the request of a large number of the representatives of these local Companies. He received suggestions. He invited suggestions from all the Companies as to what they considered improvements on the present Phonograph and in adapting these various suggestions he complicated it of course. It seemed to be the opinion that a Phonograph was required which could be used for ordinary dictation, and which could be used also in connection with the mailing cylinder. There were, I understand, fifty of those machines built, and I think that six of them were given to these foreign Phonograph Companies and were sent abroad by them. I don't know what they did with them. They probably still have them in London. They have never sold but very few machines and have practically done no business at all. The rest of the machines are at the Edison Phonograph Works.

⁴⁷ Original: "M. Tate"

Mr. Tewksbury: I hope Mr. Tate will excuse me, but out in the district where we live, there is an organization called the Farmers' Alliance and when times get

C70 bad and crops don't sell, they get together and say that they will issue so many millions of paper money. And what he says reminds me very much of the talk these people give us about this business now. When they have not got the money, they stand up and propose that the government shall issue a vast amount of money. It seems to me that Mr. Tate has taken exactly the same stand.

Mr. Tate: I think that the gentleman from Kansas is wedded to the Automatic Phonograph Exhibition Company, and as a director of that company I am highly gratified. The nickel-in-the-slot business has been the salvation and the curse of the Phonograph business. It was the evil spirit that spread its wings and flew over all these companies and seemed to hypnotize them. They commenced to pick up the nickels and lost sight of the dollars. But there is another point that it might be well to bring out at this time before you gentlemen who are anxious about the nickel-in-the-slot interest. That is, if they choose to continue in that kind of business, it seems to me that there is no reason why the various Phonograph companies should not control it. It would be an unwise man who would attempt to compete with them. Any man going into that business would have to buy the Phonograph supplies from the people controlling that territory and it would simply be a question of "freeze-out." Therefore, if the gentleman from Kansas can only feel that his nickel-in-the-slot business is absolutely secure, as it is, or if we could induce that feeling, perhaps we could induce him to take a broader view of the phonograph business in general. I think it is wrong for any company to display selfishness. I think it is necessary that the local companies as between themselves should make concessions. We are here for that purpose and the companies should take up the questions in the same spirit and deal with them on the broad gauge that we do.

C71 Mr. Stone: I want to say just one word. I have heard these gentlemen talk, Mr. Goodwin among the rest, and Mr. Tate, and he has yet to tell me or anybody else how in the world you are going to make a man pay \$150 or \$200 for a machine that won't pay \$10 for a quarter's rental, and put it in and use it. Mr. Goodwin tells us that he has only got three machines rented at the present time. He has sold 75. I want to ask Mr. Goodwin how many of those 75 machines that he has sold have gone into men's offices and are used to-day for commercial machines, and want to ask him if it is not a fact that of these 75 machines, 74 of them are traveling around the country to-day and being used as exhibition machines.

Mr. Goodwin: No sir; it is not.

Mr. Stone: I think we have got about 65 of them in our own territory and they say they come from Wisconsin. Now, it is all very nice to tell us that the matter of selling machines is going to rectify this whole thing. I say gentlemen, it is going to take something else besides selling machines to rectify it. It is going to take lots of work, and it is going to take a machine that will do the business when it goes into a man's office. That is what I thoroughly believe. We have had three years of hard work and hard experience in this business. We have sunk lots of money. The nickel-in-the-slot business is the only thing that has kept it alive. That is the only thing that has kept nine out of ten of the Companies that are represented here to-day alive. Now, if they will tell me how we can take that machine and force it into a man's office, then I am for the unrestricted sale of machines. But I know that we have tried, and tried hard, to make these machines go into men's offices and we can't do it. These are questions which I want answered.

A COMMERCIAL MACHINE.

Mr. Sampson: I would like to answer Mr. Stone for a moment. There is a concern in Boston that represents one of the largest interests in the country, that before we sold a machine, when we had them on the rental system, would not take a machine of me. They said when you get down to the sale of the machine, we will buy one. And when you say that the machine can't be used in a commercial office, you are saying something that is not so. I know that it can be used in a commercial office and I will read you now a testimonial which was sent to me by this very concern, that, when I put the machines on sale, purchased four of them. I will read you what they say:

BOSTON, May 10, 1892.

New England Phonograph Company, Boston.

DEAR SIR: The four phonographs which have been in use in my office since last February are still giving perfect satisfaction. Our experience is that any correspondent can learn to dictate upon the phonograph after ten minutes instruction. Its simplicity and the perfection of the results obtained from it, are equally wonderful. Correspondents, with a little experience, find it possible to dictate at the rate of a letter a minute, averaging long and short together, which is much quicker than by any other method that we have tried. It has proven much easier work to dictate to the phonograph than to a stenographer and there is no liability of misunderstanding as each word is taken down clearly as it is spoken with the exact tone and accent of the speaker and is so reproduced by the vibrator. The training that is in this way given to the dictator is not without value. I have thought that we had reached the happiest combination of attractiveness and usefulness that could be obtained in a machine, but the abiding pleasure of using the phonograph makes it a serious rival in that respect, and I congratulate you upon the vastness of the field of usefulness that is open before you. When you have overcome the prejudice which I confess I entertained myself, that the phonograph is simply a mar-

C73 velous toy, and business man learn how practical and what a time-saver it is in correspondence, you will not be able to keep up with your orders.

Signed,

A. W. TOURS.

A BUSINESS MACHINE.

Mr. Lombard: I want to say a few words in regard to what Mr. Stone has said here. I understood from what he said that he doubted this machine being a practicable machine for a business office. I want to take up one question as to the reason for failure in the introduction of this machine into business offices.

There is no doubt that the machine is valuable in any business office and the one we have heard is only one of hundreds of testimonials of a like nature. Testimonials, I will say, that come from the owners of machines are quite different from those that come from men renting them. I account for that in this way: While the renter is willing to say that a machine is very valuable to him, he does not go into that unqualified praise of the machine the owner does, because he does not want you to think he cannot get along without it, and because he don't want you to feel that you have "got him on the hip." And if you will examine the large number of testimonials published, you will find that those who have purchased machines are strongest in their endorsement of it. Now, as to the cause of failure in some of the territories in the introduction of the machine as a business machine: It has not been because the machine is at fault so much as it has been that because of this system we could not afford to employ the mechanical talent necessary to introduce them into business offices. You have never been able to have first-class

canvassers. You could not pay them. You can pay them under a sale system. You are dealing with an inferior kind of men and you can never succeed under the rental system. The unrestricted sale, with good commissions, will revolutionize the whole business.

C74 Mr. Stone: I want to say that to a great extent I believe that to be true, so far as sending men through the territory. But I want to say to Mr. Lombard, that right in our own little town we are there to look after machines. We certainly have competent men. But, nevertheless, our experience is that three months, at the outside, is the length of time for which they have taken their machines, and then they come back into our office. Now, so far as the practicability of this machine is concerned, I want to ask Mr. Lombard why it is that in his own office in Jersey City he keeps at his own right hand a stenographer, which I saw him use myself.

Mr. Lombard: The criticism that you make is only partly true. The Phonograph has been used by me ever since the old double spectacle, that I confess I used to dread to sit down to, to dictate to, although I did it as a matter of duty. Since the advent of this machine all that has changed and I have used this machine for the dictation of my letters, right straight along without any exception.

Mr. Stone: But as a matter of duty?

Mr. Lombard: No, sir; as a matter of pleasure. I would not substitute, to-day, a stenographer for my machine, if I should go out and go into any other kind of business. When you once understand how to use it it ceases to be any trouble. That I have a stenographer is true, but she was a typewriter, used to transcribe my letters, and it may have been, that, actually having a stenographer, there were times in the forming of contracts or something of that kind, that I would call shorthand into use. But there had been so little use for her shorthand while she was transcribing in the Phonograph Company that she had to get into training so that she could get back into form to take shorthand dictation at the ordinary rate of speed. She was entirely out of training.

C75 I use a stenographer only now and again as a rule. All the office force that I have will testify to the fact that I use a Phonograph all the time; not as a duty, but as a pleasure.

SIMPLE IMPROVEMENTS.

Mr. Andem: I do not believe the point has really been touched yet. We had out at one time 150 commercial machines—Graphophones and Phonographs—and we had testimonials from those parties just as strong as those that have been read here. Some of these parties stated that they would not be without a talking machine for \$200 a year. They have not got them now, and they can get them for a good deal less than that. We are using some of these testimonials as pads for memorandum blanks.

When they first saw the machine they were pleased at the result of it, and it was only in the actual handling that they discovered the difficulty. In other words, to-day, if we want a machine to be successful, what do we do? What we do first is to put on a little arrangement for the purpose of preventing the cylinders from slipping off. Then we get from the Columbia Phonograph Company a little piece of brass that prevents the arm from going so far back that a man will spoil the end of his cylinders. Then we get from the Wisconsin Company a proper start and stop. Then we want to get from the Columbia Company a little bell arrangement that will show when we are through.

As we receive the machines from the North American Company we cannot keep it up without these additions.

WANTS RENTALS.

Mr. Dickinson: I wish to speak again in favor of rental. Mr. Tate asked me the question as to how many years it would take. If we have reached the point where we have got to the end of our rope, I say that we should have unrestricted sale. But it seems to

C76 me with the North American Company reorganized on the present basis, and judging from the fact that our Chicago Company is now growing slowly and healthfully, that the other companies should do likewise, we would adhere to the rental system. I honestly believe that it will bring us in double, and even treble what we can make by selling machines. But if we must fail before being able to reach success on renting, I say we will be in favor of unrestricted sale. I would rather not favor unrestricted sale for another year. We have out, now, about 111 machines on rental.

AGAINST RENTALS.

Mr. Tate: I would like to ask Mr. Dickinson if he would be kind enough to define "failure." When would you consider that any policy that had been adopted was a failure?

Mr. Dickinson: I consider, taking the Phonograph business as only three years old, that it is hardly fair to call it a failure because it is not a money maker at the end of three years. As I understand it, the typewriter people were nine years before they made it pay. The Telephone people, I have understood, did not begin to do as well as the Phonograph has done after three years' work. I do not know how long it took the Sewing Machine, but all new things which change the public method of doing business, take time for their introduction. It is a matter of education. If the majority believe that by unrestricted sale we can educate the public faster, then we should have it. I believe that by the rental system we can educate the public and then also get the profit which comes from the rental system before we get through, which was the first idea which Mr. Lippincott seems to have had when the Company was organized. If he had kept his health, I believe that we would have had a different status of affairs to-day. It was a mistake for the North American Company to de-

C77 clare 9 per cent. in dividends instead of leaving a half million dollars in their treasury to develop the business.

The Chairman: The question now is, what is considered the best policy for the local companies—either sale or rent?

ROLL CALL ON VOTE.

Columbia Company: In favor of rental or unrestricted sale optional with the public.
Chicago Central Phonograph Company decline to vote
Georgia Phonograph Company: Unrestricted sale.
Iowa Phonograph Company: Restricted sale at the present time, and rental.
Kansas Phonograph Company: Rental.
Kentucky Phonograph Company: Optional with the public either to rent or sell without restriction.
Missouri Phonograph Company: Sale.
Minnesota Phonograph Company: Rental; the North American Phonograph Company taking care of the territory and keeping tramps out.
Montana Phonograph Company: No answer.
New England Phonograph Company: Unrestricted sale and rental optional with the public.

Nebraska Phonograph Company: Unrestricted sale, provided the machine can be bought at a price low enough to warrant us in buying them; and rental.

New Jersey Phonograph Company: Rental.

Ohio Phonograph Company: Restricted sale.

State Phonograph Company of Illinois: Unrestricted sale.

Louisiana Phonograph Company: Unrestricted sale or rental, optional with the public.

Texas Phonograph Company: Unrestricted sale or rental optional with the public.

Western Pennsylvania Phonograph Company: Restricted sale as to territorial limits, both as to supplies and machines.

Michigan Phonograph Company: Mr. Swift—In favor of unrestricted sale on a basis of combination with the North American Company and the Edison Phonograph

C78 Works. In my opinion the only money that will ever be made at the Phonograph business is the difference between the cost of Phonographs and the selling price, and if it could be arranged so that the sub-companies could participate in the difference between the actual cost of the machines and the price received from the public, I should be in favor of unrestricted sale. I believe the experience of our company, however, up to date, is that we have done fairly well in the renting of machines under the present arrangement. Under the present arrangement we should be in favor of renting.

The Wisconsin Phonograph Company: Unrestricted sale.

THE GRAPHOPHONE.

The Chairman: The next item on the program is the subject of “Musical Records.”

The Secretary thereupon read the question upon the subject of musical records as follows:

“Is it the opinion of representatives here assembled that it is proper for any Company to sell musical records to the local customers of another Company?”

Mr. Seymour: I think there can be but one voice in that matter. “Under the present arrangement,” no. I do not see what right one Company has to solicit business in another’s territory. It is not a written law, yet a law which should be obeyed in the spirit as well as the letter, that such business should not be done and that all orders should come through the local Company. We ourselves have suffered to some extent and I speak advisedly when I say that we do not approve of anything of that kind because it detracts from our profits.

The President: I want to state a case that is personal to myself. I am living at Chicago at this time. I find some musical records that I wanted that are the property of the Missouri Phonograph Company. I bought them and paid for them. When I was visiting New York the last time in February, I found a number of excellent

C79 records that New York Companies owned and I ordered a dozen of them for my house. I paid for them and I have them here now. Have these two companies violated their rights in connection with the Chicago Central Phonograph Company in sending to me those records? That is in question?

Mr. Seymour: That puts a different aspect on the case from the way I understood the question. I think there are exceptions to all rules. There are circumstances under which I do not think I could refuse to sell a man records if he lived out of State and I think you have stated one of them. What I have special reference to is the fact that some Companies solicit business through advertising to the regular customers of the company in control of the territory. I think all such orders as that should come through the local company, allowing them profit. The Kentucky Company takes no records and probably looks at this from a selfish point of view, although I do not present it from a selfish point of view at all. It is simply from what I know of the agreement

between the Companies. I think that the contract ought to be lived up to. I have had some experience in regards to supplies such as records, blank cylinders, etc.

Mr. Stone: I want to state that in our State the same thing exists, and I think it is an improper way of doing business. I think there is just one way for us to stop that kind of business, and that is for us to buy our records from men who will protect us.

The Chairman: How many of the Companies are making musical records?

The New Jersey Phonograph Company makes records for sale.

The Michigan Phonograph Company.

The Columbia Phonograph Company.

The New England Phonograph Company.

C80 The Ohio Phonograph Company.

The Kansas Phonograph Company.

Louisiana Phonograph Company.

The New York Phonograph Company.

The North American Phonograph Company.

Mr. Easton: I would like to show the Convention in⁴⁸ a word, how foolish that complaint is. There is not a shadow of foundation for it. Take our own case, for instance. Suppose we took the ground that musical records were not ordinary merchandise and could not be sold wherever we pleased, any man, woman or child in our territory, who owns a Phonograph, can take it wherever they please. That man has not bought a franchise. If you say that we, who have bought an extensive franchise cannot do what any man in our territory can do, you place us in a very awkward position.

Mr. Swift: We don't say you can't do it, but if you do do it, you can't expect to get the trade from certain Companies.

Mr. Easton: The musical record business is like any other business. It settles itself. The gentlemen who buy our records, buy them because they think they are the best obtainable. I think the gentlemen present are all agreeable, and I have very high esteem for them personally, but I don't believe there is a man in this room who buys our records because it pleases us. I believe they buy them because they can't get along without them, and I think they can't get along without them because we make the best records. We sell more records than all the other manufacturers combined. The Columbia Phonograph Company has had many a proud day, but this is the proudest day of our existence. We have learned to-day that we do more business than the Edison Phonograph works, because it has been stated that their output there is \$1,000 per week, and we do

C81 more business than that. He has said that they shipped two machines a day. We averaged the sale of six machines last week; that is one machine a day.

Mr. Tewksbury: I think Mr. Easton has missed the point. It is not a question of the legal right to sell, but a question of the wisdom of doing so.

Mr. Easton: We have agreements with more than half the gentlemen present that we will not sell in their territory, and we have never broken one.

Mr. Cary: It seems to me that if a company is buying records, running from one, two, three or four hundred dollars a month, that they should be protected. We buy quite a large number of records from the Columbia Phonograph Company, and we have been placed in a very embarrassing position a number of times by men writing us stating that they could buy the same

⁴⁸ "in" appears twice in original

records we sold, for fifty and seventy-five cents from some other Company. One man, a banker, at Seward, Nebraska, owed us a note of a hundred dollars, which came due, and when we pressed him for the account he said that we were not entitled to it; that we were selling records of the Columbia Phonograph Company to him for \$1.50 each, which cost us fifty cents. He said that the Columbia Phonograph⁴⁹ Company had informed him. It placed us in a very embarrassing position, and we would simply have to quit doing business with any concern that would do business on that basis.

The Chairman: You would not buy hats, I suppose, the same way?

Mr. Cary:⁵⁰ A retail concern, I suppose, would treat the matter in the same way. But I think if a man buys a thing in three or four hundred lots, he is not buying a hat or one record.

Mr. Easton: That reminds me about the story we used to hear about why a certain thing was so! The

C82 answer is that the banker told a lie. It is a very simple situation. He may have bought from Chicago duplicates of our records.

Mr. Cary:⁵¹ We have a number of men in our State who have been buying records of the Columbia Phonograph Company. We wrote to you about that and you gave us no satisfaction. Then we wrote you word that we wanted your position defined.

Mr. Sampson: I would like to say one word and that is that the New England Company's territory has been invaded in the same way, and several of my customers have bought records direct from the Columbia Company and have had their catalogues sent to them with a discount made to them for the purchase of so many records.

Mr. Dickinson: I wish to say that within three weeks I have known parties in Chicago who were offered records by the Columbia Phonograph Company, and my recollection is that it was not far from the same price that we could buy them at.

Mr. Andem: One of our customers in Cincinnati bought two dozen Brady records from the Columbia Company not a great while ago, delivered in Cincinnati.

If a man who has bought the Brady records, finds one of these duplicates, he says: It is a wonder there has ever been any sale for these; they are the most wretched things that have ever been heard. Not because of the record but because of the poor duplicate. Such a man would buy the whole set perhaps, if he heard one of our good ones, but hearing one of your bad ones he would not buy any.

Mr. Sampson: I would like to say right here that the Columbia Phonograph Company sent two dozen records to a customer of mine and he sent a half dozen of them to me to show what kind of records they were and I advised him to return them. He did return them and

C83 in place of those he returned he received some which were so much worse, that I have one of them on hand as a monument of poor records.

Mr. Easton: In reply to Mr. Sampson, I wish to say that we sell in his territory purely as a matter of charity. We have received so many letters from that territory that the character of the music coming from Boston is so bad that it is purely as a matter of charity we have to sell them.

Mr. Lombard: I think the musical record business is about in this situation. When Mr. Edison first made musical records, as you all remember, the character of the records was very fine and all that sort of thing, but unfortunately they were not up to the mark in their shipping department, and as a consequence we used to get all kinds of complaints as to how records were

⁴⁹ Original: "Ponograph"

⁵⁰ Original: "Mr. Carey"

⁵¹ Original: "Mr. Carey"

received. It resulted after a considerable time in Mr. Edison getting tired of those complaints and he said to the North American Company, "You had better make them yourself for a time until we get a little further along and improve the method of making them and shipping them." That was rather a sudden determination on Mr. Edison's part and I was put in a hole with about 600 orders for records to fill. I immediately started in to see how we could fill those orders and made some arrangement with the New York Company to do so. Complaint was made by some of the Companies that their business was impeded because they could not get musical records and I suggested to them that for the time being it would be a good idea if they could help themselves out that they make the musical records themselves. They started in from that time and I don't suppose any of them expected then to go into the general wholesale making of records for general distribution over the country. They did it for a present means of supply to themselves. The North American took a hand

C84 in it, but was fortunate and made some very good records. We don't claim that our records were the best that were ever made or that we sold more than anybody else. At the same time, we did keep up the general line of experiment for the purpose of doing two things,—making the best records and the cheapest. We believed that the time was coming when the musical record business would become so great that it would be worth our while to prepare for it. But, in the meantime, the companies got to trading amongst themselves. Strictly speaking, according to the contract, I do not think they have any right to do it. Under the terms of the contract musical records are special record, and furthermore, all contracts are made subject to the contract with the Edison Phonograph Works, which was given the exclusive right to make musical records, and that has never been waived. But, at the same time, we did not want to act like the dog in the manger and say: We won't make them and you can't make them. We wanted to do everything we could for the general welfare of the enterprise. After awhile we commenced to get complaints about the intrusion of territory, one against the other. I received from Mr. Tewksbury a very strong letter of protest and others remarked in personal interviews about their experience in coming into competition on that line. The subject was taken up after the reorganization of the North American Company when the Edison people came in, and Mr. Butler and myself did discuss the question as to what should be done. We advocated this line of policy. We said these companies are making musical records and they are, as a rule, very poor and they are exceedingly dear. We will go in on the line of strict business principles in trying to make a better and cheaper record and see if we can't beat them in the long run. That is what we are undertaking to do to-day. Now, as to your fight

C85 among yourselves, we have nothing to do with it. You are making these records and we don't want to bother with it, and if there is any money in it for you, we would be very glad to have you make it. We sell you the cylinders on which to make them and it makes business for us in that way. I believe that we will eventually be able to give you a first-class, high-class record, but at the same time we recognize that a great many of the local companies have exceptional opportunities in obtaining local talent. I have some records made by a local company that are as fine as anything I ever heard in my life, and we are trying to beat them, and I think that is legitimate. When we do and when we can sell them cheaper, I think they will buy from us.

Mr. Stone: I think, though, that you will sell them to your Companies.

Mr. Lombard: Who will sell them to the Companies.

Mr. Stone: All we ask of Mr. Easton is that he will give us what is due to our territory.

Mr. Cary: We don't propose to quarrel about selling to our customers. If any of the concerns make a record and shall sell to our customers, they are at perfect liberty to do so, but

they must understand from the start that they can't sell to us. I think that if the Companies will all get together on this basis, they should do so. We should organize, and when we find that Companies are doing this kind of business we should not give them our orders.

Mr. Sampson: We do not wish to make any claim for our records, but we do claim that we have been absolutely fair to our sister Companies in relation to the invasion of territory. I never would send a record to any man that would send to me personally, without recognizing the sub-company that had control of it. What we do claim is, that we do make the best talking record that is made in the country, and that is the celebrated Casey.

C86 Mr. Stone: I want to say in regard to this (perhaps it won't suggest itself to Mr. Easton), but it is one of the reasons why at the present time we cannot control our own territory as regards the machines which are sold and come into our territory, simply from the fact that they can go and get supplies elsewhere, and therefore they are independent of the local Companies. If we could control the supply business of our own territory, we could control the sale of machines in it very largely, which under the present arrangement, we are entitled to.

Mr. Easton: I would like to ask him how he would reach my suggestion that any person who owns a machine may sell records to the world. We have plenty of talent in our territory who can make splendid music, and we would be at a very great disadvantage if we could not do what any man can do who owns a machine.

Mr. Lombard: Why don't they do it?

Mr. Easton: They do do it. That is the answer.

The Chairman: The next item is the report of the Committee on By-Laws and Constitution.

Mr. Benson: We thought we would ask the Convention for further time.

The President: The next regular order of business is the discussion of the subject "The Phonogram."

Mr. Seymour: Under this head I would suggest that we read the communication from Miss McRae, the editor.

The communication in reference to the Phonogram is as follows:

THE "PHONOGRAM."

NEW YORK, June 8, 1892.

Mr. A. W. Clancy, Chicago, Ill.

MY DEAR SIR—I have, according to your request, prepared some data which, though somewhat voluminous,

C87 is important, and which I have tried to condense as much as possible.

Many questions arise as to the propriety of matter inserted, intended to serve the interests of all the Companies impartially, but which are viewed differently and changed by the "Phonogram" Committee, appointed to revise this magazine, which brings conflicts embarrassing to me, financially, and otherwise, and I am at a loss which "horn of the dilemma to adopt."

I suppose you will hear the complaints of Mr. Sampson, in regard to the mutilation of his article in the last issue of the "Phonogram." You will also hear the Committee's side. I wish to say that I have no choice in this matter but must act as the Committee decide. It is a most unpleasant position to be in, and is even worse, for I am continually confronted with the threat that if so and so is, or is not published, such and such patronage will be at once discontinued. You will at once see from the data herewith submitted, that I cannot afford to lose any patronage and that I should not be the one on whom this loss should fall.

I will consider it a favor if you will put this matter before the Convention and say to these gentlemen that I stand on neutral ground, only willing and wishing to serve all. If the sub-companies will vote for an impartial committee, or those aggrieved will arrange with the present Committee, so that the responsibility and loss will not fall on my shoulders, I shall certainly feel relief. As it is, who is the sufferer? I answer, only myself. The blow

intended for Mr. Sampson falls on my head alone by the cancellation of a patronage which would embarrass me, financially, to a great extent. The stroke against Mr. Easton, rebounds on me and loses to me his strong support. Cannot this matter be arbitrated by the Convention and let all be represented in the pages of the "Phonogram" without fear or favor? Again, after reading my letter before the Convention, will you do me the favor to move that a subscription to raise the issue to eight or ten thousand be at once started? We must have a larger subscription and I would ask why it is that eighteen of the Companies do not patronize the magazine.

I believe this journal has made itself valuable to the

C88 Companies and surely each Company could afford to take a hundred copies at five dollars (printer's cost) a copy.

If all now assembled will join in making a larger issue, it seems to me, in face of the past history of this little magazine and of the unbiased testimonials of those having patronized it, that an increased revenue to each Company so contributing would result.

Yours very truly,
V. H. MCRAE,
Manager.

SUBSCRIPTIONS.

Columbia Phonograph Co., New York Phonograph Co., West Pennsylvania Phonograph Co., Iowa Phonograph Co., Ohio Phonograph Co., Louisiana Phonograph Co., New England Phonograph Co., Florida Phonograph Co., Texas Phonograph Co., North American Phonograph Co., Spokane Falls Phonograph Co., Missouri Phonograph Co.

Monthly subscriptions from these amounts each month to	\$ 97 25
Advertising from three Companies	60 00
Total	<u>157 25</u>

EXPENSES OF THE PHONOGRAM.

Printing, each issue	136 00
Cuts each issue	40 00
Paper, inside and cover	60 00
Office rent	28 75
Mailing, etc.	20 00
Total	<u>284 75</u>
The difference ⁵² between these amounts is paid for by outside advertising which the editor gets personally, leaving her.....	000 00

COMPANIES NOT SUBSCRIBING.

Alabama, none.
Colorado and Utah, one subscription a year, \$1.
Chicago Central, one subscription a year, \$1. Took 450 copies March issue in which their article appeared.
Eastern Pennsylvania, one subscription a year, \$1.
Georgia, two subscriptions a year, \$2.

C89 Kansas, none.
Michigan, none. Sent for two copies (no remittance).
Minnesota, none.
Montana, two subscriptions a year, \$2.
Nebraska, ten subscriptions a year, \$10.
New Jersey, none.

⁵² Original: "differences"

Old Dominion, none.
 Pacific, none.
 South Dakota, none.
 State Phonograph of Illinois, one subscription a year, \$1.
 West Coast, none.
 Wyoming, none.

Mr. Easton: The address of the President containing reference to the Phonogram was referred to the Executive Committee for action.

The President: They did have that matter before them, and they simply placed this subject upon the program.

Mr. Benson: I move that the Committee on Editing the Phonogram be discontinued, and that the magazine be issued and published by Miss McRae upon her own efforts.

Mr. Easton: I second the motion.

The question was put to the Convention upon the motion as above stated, and was carried.

The President: It was thought perhaps the Companies might care for this information, and it is desired to ascertain from each Company upon how many machines they are paying rent, and how many have been sold.

Mr. Lombard: Mr. Butler can give you that information up to the first of May. He has it all here, and can give it to you.

Mr. Dickinson: I move that we ask Mr. Butler for this information, and that it be placed upon the record.

The question was put to the Convention upon the motion and the motion was carried.

Memorandum about each of the machines sold and

C90 rented, etc., by each of the Companies, furnished by Mr. Butler.

**LIST OF PHONOGRAPHS AND PHONOGRAPH GRAPHOPHONES
 ON RENTAL, JUNE 1, 1892.**

	Phonographs.	Phono. Graphophone.
*New England	221	1
*Kansas	180	
*West Pennsylvania	182	5
*Ohio	138	4
*Columbia	270	6
*New York	744	2
*Nebraska	172	
*Texas	50	
*Missouri	191	
*New Jersey	166	
*Iowa	65	
*Georgia	45	
*Kentucky	38	
*East Pennsylvania	132	5
*Chicago Central	215	
*State of Illinois	98	
*Louisiana	128	
*Leeds & Co.	9	
*Wisconsin	34	
Pacific	72	2
Florida	21	
Spokane	34	

West Coast	44	
*Colorado and Utah	195	
Minnesota	44	
Alabama	55	17
South Dakota	16	1
Tennessee	85	156
Wyoming	1	1
Central Nebraska	17	14
Old Dominion	152	13
Total rented Phonographs	3, 888	
Total rented Phono. Graphophones		228

*Active.

C91

**PHONOGRAPHS SOLD BY SUB-COMPANIES UNDER 1,000
AGREEMENT FROM JULY, 1891, TO JUNE 20TH, 1892.**

New England Phonograph Co	138
Wisconsin Phonograph Co	28
Pacific	2
Ohio	7
Columbia	27
Texas	5
Kentucky	8
Tennessee	4
Louisiana	1
Holland Bros., Canada	123
Leeds & Co., Indiana	97
Mississippi	27
Total	467

Mr. Clancy: There is another matter which I wish to refer to which is personal. The members of the association have asked that they might visit the World's Fair grounds, and I am certain that those of us who live here would be glad if the convention would adjourn at any time and take two or three hours to go out in a body.

The Convention thereupon adjourned until Wednesday morning, June 15, 1892, at 10 o'clock, A. M. A Committee then escorted the delegates to the Worlds' Fair grounds.

THE GRAPHOPHONE.

CHICAGO, ILL., June 15, 1892.

The convention was called to order at 11 o'clock A. M., President A. W. Clancy presiding.

The minutes of the preceding meeting were read and approved.

The President: With reference to the proceedings as they were printed last year, it is also stated by the treasurer that every one paying in last year, will be entitled to two copies of the book. There are some copies still on hand. I think that all that are interested in the success of the business ought not to be borrowing copies

C92 from our friends and neighbors, to find out what was going on last year, but we ought to get ours in the legitimate way.

We will say to all the Companies who have paid their dues, there are a few copies of the book still on hand which will be furnished at five dollars a copy. You can obtain them by

applying to Mr. Andem at any time during the Convention, or by writing to Walter S. Gray, Secretary, after the Convention has adjourned.

EXPENSES OF EXECUTIVE COMMITTEE.

Permit me to make a simple statement here this morning which I have not been authorized to do, although I think it is just to all the companies here represented. The great problem a year ago was the question as to our standing with the North American Phonograph Company. I don't need to repeat those proceedings, because you are all familiar with them. But when they came in with their report, and asked that each Company subscribe \$75, at that meeting there were fourteen names who pledged personally that they would represent their Companies directly or indirectly for that amount of money. These gentlemen who have brought us this information with reference to our legal standing have worked hard and earnestly during the past year, and with that only eleven Companies have paid in the \$75. There are some who have not paid whose names are on the paper. The point that we want to make in connection with this matter is that that is paid information, the same as you would pay any attendant for their work. Mr. Powers, Mr. Swift and Mr. Farwell have not included in any of the expenses connected with their work a single in dollar for their time. They have simply charged for their legitimate expenses for railroad fare and what they have had to pay outside attorneys, &c. I will state to this Convention, that, with the best figuring they have been able to make, they are about \$206 short. The

C93 men who have already paid in their \$75, yesterday pledged that they would make up that amount of money. But if there is any other Company represented who wants an abstract of that information to take away with him, with reference to the general standing, you are privileged to come in and get that information just as the balance of us did. I want to make this statement so that you will thoroughly understand it.

The Executive Committee will have a meeting in the committee room immediately upon the adjournment.

The next regular order is the report of the Committee that was appointed at the termination of our session yesterday.

The next business is the report of the special committee appointed yesterday to confer with the representatives of the North American Phonograph Company.

Mr. Smith from the above committee thereupon presented the following report:

At an interview had with Messrs. Butler and Lombard representing the North American Company, and Mr. Tate representing Mr. Edison, those gentlemen indicated a willingness to meet the sub-companies half way.

Several plans for consolidating and unifying the work of the parent and local Companies were discussed.

The forming of a general Company to absorb the sub-companies and the North American Company was suggested, but the palpable difficulties connected with the fixing of a proper basis for distribution of stock between the various interests seemed insurmountable. The operating of the entire business of the country by the North American Phonograph Company, and an apportionment of the profits or losses between the North American Company and sub-companies was also canvassed. This plan was urged by the North American representatives, but it appeared to your Committee to be open to the objection that the sub-companies, while restricted to a proportion of the profits, would have no voice in the management of the business or the determination of the profits.

As a modification of the foregoing, your Committee, after consultation, suggested to the representatives of

C94 the North American Company a plan whereby the territory of the sub-companies should be operated by the North American Company for a period of, say three years, during which time the parent Company should fully develop the business by paying generous commissions, advertising it extensively, and that the sub-companies should receive for every machine, and upon all supplies sold in their several territories, a certain percentage of the selling price, and a certain proportion of all rentals received. By this plan, the sub-companies would be relieved from the

entire trouble of conducting the business; would run no risks, and all they received would be velvet. This plan, while not entirely approved by the North American Company, was favorably received, and we were informed that if the Convention would, with practical unanimity, agree to the proposition, it would doubtless be accepted by the parent Company.

The percentage to be paid the sub-companies, and the details of carrying out the plan, were not decided upon, and would, of course, require careful consideration by both parties interested.

Your Committee are very favorable to the general scheme suggested, provided a satisfactory percentage can be agreed upon, and they therefore offer the following resolution:

Resolved, That this Convention favors the unifying of the Phonograph business, and the consolidating of the entire interests of the parent and sub-companies.

It favors the plan whereby the local territories shall be managed by the North American Phonograph Company from a central point, and an unrestricted sale of machines; the business to be pushed to the utmost, and sales encouraged by liberal advertising and generous commissions; each sub-company to receive upon all machines and supplies sold in, or to be used in its territory, a fair proportion or percentage of the price received by the North American Company.

Resolved, further, That the Chair appoint a committee of three members of this Convention to continue negotiations with the representatives of the North American Company and Mr. Edison, and to formulate in detail a scheme in accordance with the foregoing resolution, and

C95 to report the same with their recommendations thereon to the several Companies here represented.

Mr. Swift: For the purpose of bringing it before the Convention, I move the adoption of the resolution contained in the report. About all that this Committee has considered is contained in that report. I think the members of the Committee would much prefer that the bulk of the discussion should be carried on by persons not on the Committee. Personally I have always been opposed, and the Michigan Company has always been opposed, to selling machines. We have never sold any machines in our territory. And let me add before I proceed, that we have never yet come to the conclusion that selling with restrictions and with the present conditions, would ever be profitable. But we have become convinced that the business never will be profitable until it can be consolidated and unified in some way. You will remember that a year ago I offered a resolution that steps be taken looking towards a consolidation of all the interests. I was impressed at that time with the belief that the business could never be successful unless it was run as one business, and conducted with one head and on a different plan from that upon which we are proceeding and upon a plan which contemplated a very extensive advertising and very liberal commissions to agents. I believe that none of us have lost our faith in the Phonograph. We believe that if the Phonograph had received the same push and energy and same general business advantages that the typewriter has received, it would have been equally successful and probably very much more successful. We understand from Mr. Tate, who represents Mr. Edison, that Mr. Edison, so far from losing any of his enthusiasm about the Phonograph, is more enthusiastic than ever, provided the business can be run upon some such general scheme as that proposed. Mr. Edison has a great many improvements in contempla-

C96 tion, and has formulated a great many ideas, but I don't know that they have progressed any further than the point of being ideas. We are assured by Mr. Tate that Mr. Edison intends to run this business as the president of that Company. It will be run by him and in accordance with his ideas, and every possible liberality will be shown for the purpose of introducing these machines to the public, provided the North American Company can get the territory to work in, and provided it is not restricted by the constant and unavoidable questions that must arise between the North American Company and the sub-companies. It being necessary to come to some general conclusion, our Committee discussed a great many propositions with the representatives of the North American Company and Mr. Edison's representatives. We thought that it might be possible to follow the lines of a plan suggested by Mr. Auerbach, the attorney for Mr. Edison in

New York, and to which I referred yesterday in consultation with the members of the present conference. That scheme was the general capitalization of all the sub-companies and North American Company into one large Company, a dividing up of the stock on some equitable basis and paying the profits out in dividends on that stock if there were any profits. But the moment we began to consider that scheme, we saw at once the difficulty of dividing up said stock and arriving at a proper basis of apportionment among the various Companies. It could not be upon the basis of the money contributed, because some territories had contributed very largely for territory worth less than territory where the contributions had not been so large; and we could not think of any scheme of apportionment which we could recommend to the Convention which would meet the approval of the gentlemen on the other side. So we passed that scheme.

Then the idea was suggested by the North American

C97 Company that some scheme could be entered into by which the business should be run from a central point, by the North American Company, or possibly by some general agent of all of the sub-companies, and that the profits and losses should be divided up among the sub-companies on some proportion. The proportion suggested was to be according to the sales made in the territories. But there were a great many difficulties connected with that. It was suggested that the management must, of course, manage and have all to say therefore about the expenses. The sub-company could not be consulted on every item of expense, and when we came to arriving at profits, the sub-companies, while they would only receive a proportion of profits, would not be in on anything which decided what those profits were. That proposition which was made by the North American Company was therefore passed by us on those objections. But we said to them, we are perfectly willing for you to take our territory for a limited period, say two or three years, and operate our territory and pay us some kind of a profit that will be velvet. If you can make some kind of an arrangement by which for every machine that comes into our territory or is sold in our territory, you shall pay us a royalty or a proportion of the profits equal to a percentage that will be satisfactory and relieve us of all responsibility connected with the business and all trouble connected with it, and put us on velvet, that strikes us as being a proposition, that would be all right. The members representing the North American Company and Mr. Edison considered this proposition, and thought, after some consideration, that it might possibly be satisfactory to Mr. Edison. Of course a great deal would depend upon the percentage. If we should ask for seventy-five per cent., we probably would not get it. If they should want to cut it down to five per cent., I am sure they

C98 would not get it. But if we could manage to agree upon a percentage that would be satisfactory, it strikes me as being a very good scheme. Neither Mr. Tate or Mr. Lombard or Mr. Butler was able to say without some considerable consideration just exactly what that percentage would be, and neither did we feel disposed to recommend any particular percentage until we had consulted the members of the Convention and had talked the matter over among ourselves, to see how low a percentage we could afford to take, and how high a percentage we would be in a position to demand. We therefore made up our minds at a late hour last night, after consulting upon this matter for several hours, that that was a question of detail that could not be settled at this moment, and it was necessary therefore to continue the Committee, or to appoint another Committee to carry on the negotiations with these gentlemen, for the purpose of arriving at some basis which would be satisfactory to us, and when satisfactory to us, it could be by us explained to and recommended to the various Companies.

I don't know that we have anything further to report in reference to what occurred last evening in our consultations than I have already stated, and that is substantially covered or intended to be covered by the report already submitted.

Mr. Dickinson: The first impression that struck me, in settling the proportion of profits or losses that would come to the Companies, would be the consideration of the territory, and the extent of work in the territory. That should enter into the computation of the share that each Company and the parent Company were entitled to receive.

Mr. Farwell: I think Mr. Dickinson has not grasped our point. We don't intend to have any loss or to apportion any loss. But for every machine that is sold in

C99 the territory of Mr. Dickinson he will receive so many dollars. For every cylinder that is received in your territory, you will receive so many cents. In other words, that territory is your monopoly, and the North American Company, acting as the general agent or the general management of the territory all over the country, will pay to you at the end of every month a fixed royalty, either fixed in dollars and cents, or fixed in the way of a percentage for everything that is done in your territory. I think that in our own territory I can grasp the situation in dollars and cents perhaps better than in any other way. We are doing to-day, for example, a business of about \$8,000 a year. We are spending about \$8,000 a year, and we are operating 125 machines. I think that you can safely say that instead of renting 125 machines, that we shall sell in the territory of Illinois a hundred machines this year, or that the North American Company will, as the general agent. On that we would be entitled to a certain sum. I will take for example, \$3,000. I will add to that a thousand dollars more that we will get for our commission upon our supplies furnished to those hundred machines. In other words, I expect next year that we, in this territory, will receive a net income of \$4,000, out of which we shall have to pay nothing whatever, unless we assign something for one manager or secretary to look after some of the details. That would be a net gain in our own territory of about that amount, whereas before we were doing a larger business, and our money was going out in expenses. We would be getting a net revenue from which we have to pay nothing whatever. We don't propose to stand any expense. We merely propose that the saving and methods of handling it by a general agency shall benefit us to that extent. Have I made myself clear?

Mr. Dickinson: It is perfectly clear, except that I

C100 don't clearly see how the North American Company can exploit it without large expenses and large advertising, and if we give up our plant that we have worked for three years to attain, to get ourselves in business shape to do the work, in case the North American Company do not make a success of it we have lost the three years' work and have to start in again on the old basis.

Mr. Farwell: They don't give you any proportion of the profits, but they pay you for the privilege of handling that business in your territory a certain fixed sum for every piece of business that they handle in that territory. There is nothing contingent about it whatever.

Mr. Dickinson: Do I get the point clearly that we throw up everything, that is, our present manager, expenses and everything?

Mr. Farwell: Everything. You don't have a dollar of expense. They will have general agents, as I understand it, all over the country. They will handle it under the typewriter method. As Mr. Swift said to me a few moments ago, the thing was organized on the telephone method, which was wrong, and we will adopt instead of it the typewriter method, which is right. You have no expense whatever, but for everything that comes into your territory, you receive a royalty.

Mr. Easton: I see no objection to this report, nor do I see occasion for discussion, for this reason: The report is a recommendation, first, that the scheme be approved, and second, that the scheme be submitted. I see no objection to that. This Convention is not in a position to decide anything. The negotiations, if they are sent with recommendations to the Companies from this Committee, can go in no stronger form. Then we will, all of us, have to hear and decide whatever may be proper with reference to the report of the Committee.

Mr. Conyngton: Mr. Chairman, I would like to in-

C101 quire, how many Companies are necessary to go into this to start this scheme. This action here does not carry anything at all, because we cannot bind our directors or stockholders. We can merely recommend it, and try to arrive at some scheme. Probably a portion of the Companies are represented here. Suppose we go back home and find that our stockholders are afraid of some trick in it, and we cannot get them to go into it?

The President: Then you will simply sit on the fence and see the train go by.

Mr. Farwell: I would make the suggestion then, that as each Company is called, the representative of that Company state, as well as he can, any views that he may have upon the subject, and express his opinion whether his inclination will be favorable or otherwise in regard to this matter. There can be nothing binding here, but there can be an expression of opinion on the part of most of them.

Mr. Clancy: I want to answer Mr. Conyngton's question by saying that Mr. Easton covered the ground here a moment ago. This is for the appointment of a committee that shall prepare a plan. It is simply a question of whether you are favorable to having a movement of that kind started, and you can feel free to state any questions or any position which you may take in regard to the matter. You must all remember that the details cannot be discussed except upon one point, and that is we might generally agree what that percentage should be.

Mr. Easton: I move that the roll be called, and each representative state whether or not he favors such a plan, and their views in brief upon the subject.

The above motion was put and carried.

The Secretary thereupon called the roll of the various Companies, as follows:

C102

The Columbia Phonograph Company:

Mr. Easton: The Columbia Phonograph Company would be decidedly against such a plan. It is impossible for us to understand how, if we have spent three years or more, first, in trying to learn the business, and secondly, in trying to learn how to present it in our territory, others could do that work for us better, unless we are exceedingly incompetent. We ask nothing whatever but to be allowed to go on under the contract as it now stands.

The Chicago Central Phonograph Company:

Mr. Dickinson: The Chicago Central Phonograph Company are just beginning to see daylight in regard to paying expenses and getting ahead slowly, and unless the plan is very favorable to this Company, especially as we have the World's Fair coming here, my recommendation to the directors would be not to accept it for another year at least, and see what develops during the next twelve or eighteen months.

The Georgia Phonograph Company:

Mr. Wohlgemuth: The Georgia Phonograph Company takes practically the same view as the last speaker. They are also arriving at a position where they are able to meet their

expenses. Probably in the course of a year or so they might be able to do a little more than that. I cannot say that for the Florida Company, and I am not representing that Company here, although I do indirectly represent it. That is in a different condition, and this scheme might probably assist that Company. I don't think the Georgia Phonograph Company would stand out against the general opinion of the convention of the Companies generally, if the scheme were adopted. They would probably be willing to come in. I would have to submit that question, of course, to the President and directors of the Company before I could finally pledge myself or the Company to any step. I

C103 would like to ask one question. In this scheme, I take it, the North American Company would assume all responsibility. This percentage, as I understand, will be paid to the sub-companies, absolutely, and they take all risk of profit or loss.

Mr. Swift: They take the entire risk. We don't stand a chance to lose a dollar, and we stand a chance to make from one dollar up.

Mr. Benson: I am of the opinion that the Iowa Phonograph Company would fall into the scheme; but just one word, if you please, that may throw some light on this subject. We discussed that matter last night, that where a company was doing business and had good men in the field, and machines out as they have in Chicago and other fields, that that man should be continued there. The Company's representative would no doubt act as the agent in that field.

Mr. Tewksbury: The Kansas Company would be opposed to the scheme. What I want to say is that I think Mr. Benson misses the point. This is a discussion of principle and not of men at all, and it cannot be taken into consideration as to whether it would affect favorably or unfavorably the person now engaged in the management of the Company.

The Kentucky Phonograph Company:

Mr. Seymour: There seems to be one point overlooked there, and that is about the slot machine. I am satisfied the majority of the people here do not look with favor upon the slot feature, the North American Company especially. But it is undoubtedly a fact, and I can state from our own experience, that the slot feature has been our salvation up to this time. What I would like to know is, whether or not the North American Company would do away with the slot feature, or rather what profit the local companies, as now organized, would

C104 derive from the slot feature, in case this new scheme went into effect.

The President: They would not throw money away would they?

Mr. Seymour: Of course I cannot commit my company to anything by a vote, but I would like to know what disposition they expect to make of the slot feature before I could give any answer at all.

Mr. Swift: I understand that all those details are matters that have not been fully discussed with the representatives of the North American Company, and would be discussed before the plan was submitted in detail to the different Companies. It is really an expression of opinion in advance, and can only call for an expression of opinion in a general way; but the point that struck us was, if they should decide to adopt it, that it absolutely relieves us from all risk and all expense, and left us without a chance of losing anything, and gave us a good chance of making considerable money. It is also on the condition that very liberal advertising should be done and very liberal compensation paid to agents.

The President: I desire to make this explanation: The plan that is proposed puts the business into the hands of the North American Phonograph Company, and the gentlemen who are here now representing these various sub-companies cannot, of course, bring up all the details

with reference to how that business would be managed in your territory. But if Mr. Seymour is making a thousand dollars a month out of the nickel-in-the-slot business in Kentucky, I am certain, with all the advantages they now have in the Edison Phonograph Company that that business would not be thrown away. But I did not understand the question for discussion here as Mr. Seymour puts it. The point that Mr. Lombard makes all the way through was that we were running the nickel-in-the-slot to the extent that we were not

C105 making any attempt to exploit the machines in other directions, but that we were giving our attention to that and making that the business in place of the other side of the business.

Mr. Seymour: I would just state that the nickel-in-the-slot business at present in Kentucky, pays our running expenses, and all the profits that possibly can be made, are made from the sale of machines. We can't sell enough machines to pay our expenses, and not depend upon the nickel-in-the-slot feature, for the present.

Mr. Swift: Then I cannot see how the Kentucky Company could be in any worse condition if the North American Company paid the expenses that the nickel-in-the-slot now pays, and gave them a profit upon the machines and supplies put into the territory.

The Missouri Phonograph Company:

Mr. Wood: I think that many of the remarks that have been made here since this question was opened, are rather ahead of time. They refer to details and things pertaining to the business, as to how it is to be run, etc., which will have to be left to this Committee to settle. Of course, if those plans and details are not satisfactory to the Company, they will not have to accept them. But there is one thing positive, and it cannot be denied, that our whole principle and our whole way of doing business as it has been done in the past, is very expensive. Mr. Farwell covered that point very distinctly, and that is a proper business way to look at it. It is dollars and cents. It is not how many dollars we earn, but how many we save at the end of the year; how many we have left. It seems to me that a Committee could formulate plans, with the experience we have had, whereby each Company would come out ahead every year. Surely, they would not come out behind. There are lots of Companies who are in arrears now, who would not be worse off at the end

C106 of the coming year. While our Company is in good shape, and I think we are able to paddle our own canoe, I speak in a general way for many Companies that are weak. Take for instance a lot of Companies in the Northwest that have not the means to support an office and general manager and all that sort of thing. This is the important point. It is the money that has been thrown away to run the business of the Phonograph Companies that we wish to save. I am willing to say that for our Company, if a better method could be adopted, that it surely would be approved.

The President: Are you in favor of this resolution?

Mr. Wood: Yes sir, I am.

The Minnesota Phonograph Company:

Mr. Chadbourn: Mr. Chairman, I like that term that Mr. Swift used a short time ago, that we are all to be placed on velvet. We have been grubbing around in the log cabin on the ground floor a long time, eating hard tack. And I like that term velvet. We are all to be placed on velvet. Now, that is splendid, and if you can formulate any plan by which these sub-companies shall be placed on velvet, I am with you. In regard to this plan. It may be a good one, and I think perhaps it is. We paid good hard money for our territory, and it is worth something.

It is worth no less than it was at the time when we paid our money to the North American Phonograph Company for it. It ought to be worth a good deal more. We have worked hard day and night, spent all our money, and all we earned, and put all the money we had besides into the business. But I must say that we have not paid any dividends yet. Now all I ask is that you put us in this position, on velvet, and I am with you.

The Montana Phonograph Company:

Mr. Hait: We are in favor of it.

C107 The New England Phonograph Company:

Mr. Sampson: We are in favor of the resolution and the appointment of a Committee.

The Nebraska Phonograph Company:

Mr. Carey: I am of the opinion that the Nebraska Phonograph Company would favor this scheme, provided that the commission would be large enough to the sub-company, and provided that the North American Company would push the business in our territory. If we were assured that responsible men and good men were to be put into our territory equal to what it is to-day and what we expect in the future, we would favor the scheme.

The New Jersey Phonograph Company:

Mr. Emerson: We are at present making a little money, and before consenting to any scheme at this time, we should want at least a guarantee of considerable more than we are now making. Our prospects are improving each year. However, I should vote for the resolution as it stands.

The Ohio Phonograph Company:

Mr. Andem: The Ohio Company is in favor of the appointment of the Committee to present this scheme, and it is also in favor of the adoption of the resolutions which recommends that the business be pushed and sales encouraged by liberal advertising and large commissions; but they would prefer waiting to see the scheme before they commit themselves.

State Phonograph Company of Illinois:

Mr. Farwell: We are in favor of the scheme if the details can be arranged so that they are satisfactory to us. I would say here that there is one point which we perhaps do not touch upon, which in a measure will take care of itself. That is this: that in addition to the fixed

C108 percentage or fixed amount which we would get from machines and supplies, all who possess a sub-company with employes that are acquainted with the business, would have them act as agents for the North American Company in that territory, and if our agency was as efficient as any other agency would be, we would have the chance to make for that agency or those individuals would have a chance to make for themselves, an additional fee for their services. States that are so organized that they can handle the business, would have a perfect right to act in the interest of the North American Company, and I believe that the North American Phonograph Company would be inclined to employ them, because they would consider them the best talent in the field. I am practically right on that, am I not, Mr. Tate?

Mr. Tate: You are perfectly right.

The Louisiana Phonograph Company:

Mr. Conyngton: Individually and according to instruction I had when I came up here, I should most assuredly vote for this resolution. At the same time, the Louisiana Company would like to wait a little while and exploit the nickel-in-the-slot business before assenting to this.

The Texas Phonograph Company:

Mr. Conyngton: The Texas Company is ready to fall in line right away, I think.

Mr. Andem: I understand that it is not the plan of the North American Phonograph Company to appoint a guardian for any Company except those who need them.

The Chairman: I hardly think that is a fair statement of it. I don't think that ought to go on the record as being the idea.

Mr. Andem: I will explain it. In other words, I don't understand that the North American Phonograph Company intends to interfere with the local management

C109 of those Companies who are conducting their business successfully, if those Companies desire to continue in the same way as their agents. That is what I mean by that.

The Chairman: I am willing to have it put in that way; but I do not understand that in connection with this proposition that they are simply to come in as helpers to advertise and push the business to get the improvements and get rid of the machines, and to take care of the expenses that you are now paying.

Mr. Farwell: It seems to me that each individual Company then would act in two capacities. For example, the Ohio Company, as the owner of the franchise of Ohio, would receive a certain fixed stipend on every machine and on all supplies sold in that territory. Then, if in addition to that you had the organization or the efficiency to act as the agent of the North American Company in that territory, or even in a wider territory, you would get that service and for that you would receive such compensation as you could make a deal for. The two things would be entirely separate.

Western Pennsylvania Phonograph Company:

Mr. Motheral: I would like that the Committee should be appointed and let them submit the report to the different Companies. If we see fit to adopt it, all well and good. As for the Western Pennsylvania Company, I can say that we are at present making money, and, like the New Jersey Company, there would have to be some inducement held out to us in order to have us go into the scheme. I am, however, in favor of the appointment of a committee.

Michigan Phonograph Company:

Mr. Swift: We are in favor of the scheme.

Wisconsin Phonograph Company:

Mr. Goodwin: Mr. President, this resolution, which

C110 is very carefully worded and which it is very important for all our interests now to carry unanimously, is of course purely advisory. We take a vote favoring the unification of the Phonograph interests, and secondly the appointment of a committee for the purposes named in the resolution. The action of this committee is purely advisory, and as far as these advisory actions are concerned, they ought to be unanimous. The fight will come when we bring the matter before the respective boards of directors of the different Companies. We ought not now to make the mistake that we made two years ago. The proper scheme for the putting of this

valuable machine upon the market is that adopted by the Remington typewriter people, who have a central distributing and managing office, and have absolute and entire control of every local agency. We think that our machine is as good and as useful at least as theirs, and we have, moreover, a monopoly, which they do not have. If they are making their millions each year, one Remington typewriter being sold every five minutes during the twenty-four hours of each day, including Sundays, we ought to make even more. We are now developing the proper plan. It has taken us two years to come around to the view that these machines should be sold, and I hope it won't take us two years more to come to the view of the proper manner of selling them. The only difficulty is as to the apportionment of the profits and really these questions that have been discussed this morning ought not now to be considered. They are all details which should be left entirely in the hands of a committee. Let this resolution go through unanimously and let these matters of detail be settled by the Committee, and then let the fight, if there is going to be a fight, come in the board of directors of each local Company. Some one has said, what becomes of the nickel-in-the-slot business? I wish it was gone where it

C111 ought to have gone years ago. Mr. Lombard will tell you where it ought to go to. If, however, there is anything of value in this nickel-in-the-slot business, I think we can depend upon the general management to take care of it properly. Of course whatever local agent is appointed will take charge of the nickel-in-the-slot business as well as all other business. It seems to me that the selection of the agencies must be left entirely, when it comes to that detail, in the hands of the general managers. If, for instance, the general managers of this centralized Company are not satisfied with the way the Wisconsin Company is managing its business, let them have full authority to fire us and put some good man in. All we want is the money. We don't care for the honor. Another detail that might perhaps be considered under this resolution is what becomes of the assets of the local Companies. I have no doubt that this central management will take what assets there are and properly compensate the local Company for them.

Mr. Farwell: I will say that that was so stated last night. I think we can say that there would be some fair adjustment for whatever is on hand.

Mr. Goodwin: Where the local Companies have good managers, doubtless the North American Company or this central Company will appoint them as agents. If they are not good managers, the sooner they are dropped, the better. We have come to a point where we must rely on some one. We must have an autocrat for this business. The republican form of government is with us a failure. Another point that I have not heard discussed here, and which we ought to consider and which has an important bearing here, is that of the expiration of the patents. We must remember that four or five years—I think nearly five years—have elapsed. The life of a patent is but seventeen years. Why continue this procrastinating policy? If we do not carry this

C112 resolution through to-day just as it stands, I believe that we are put back two years at least, as we were when we failed to pass a resolution to sell two years ago. And if we are put back two years by the failure of this resolution, I am ready to sell my stock for one cent on the dollar. If the Companies do not do as they are advised by this resolution, I believe that they are lost. We must remember that it is the running expenses that are consuming us. We get in some money and if we could declare that money out in dividends, it would be lovely, but it goes to pay the managers—all except myself; I don't get anything.

Two years ago we came so near suicide by our action in this city and in this convention, that we have only, by the utmost care, succeeded in recovering some heart. Just as soon as we are able again to handle the razor, shall we take it to again cut our own throats? The only man

that can save us in this exigency is the one who is to-day in control of the North American Phonograph Company. He is the autocrat upon whom we must rely. It is our only salvation. A drowning man, they say, will grasp at a straw. We are drowning. A rope is offered us, not to hang ourselves with, but to save ourselves with. Shall we not grasp it? Therefore, personally, and as representing our Company, I am heartily in favor of this resolution, and I urge you not only to pass it, as I know you will, but to pass it unanimously. It is a resolution which is advisory. Let the fight come, if the fight must come, in the local Companies' directors; but let us present a solid front here. If we do that we are saved. If we do not, we are lost—and forever.

Mr. Easton: I rise to a point of order. I understood this roll call was to ascertain whether we were in favor of unifying. I think we all favor the resolution.

The Chairman: I think that the object of the roll

C113 call was to have each member express himself as to the general idea of the resolution.

Mr. Easton: I understood we were going to vote upon whether or not we wanted the North American Company to run our business.

The Chairman: The roll call was made for the purpose of your expressing your sentiments.

Mr. Dickinson: I was expressing my sentiments, but I should vote in favor of unification of the business, if it could be done upon a proper basis.

Mr. Swift: I think there are members who are in favor of the resolution who are not in favor of committing themselves to any plan, and I think the resolution would be voted for by a good many members if the ayes and noes were called simply on the adoption of the resolution. It is a resolution simply calling for the appointment of this Committee to get up the plan in detail and submit it to the several Companies. I therefore move that the ayes and noes be taken on the adoption of the resolution alone.

The motion was put and carried.

The Chairman: The Secretary will call the roll.

Columbia Phonograph Company—aye.

Chicago Phonograph Company—aye.

Georgia Phonograph Company—aye.

Iowa Phonograph Company—aye.

Kansas Phonograph Company—aye.

Kentucky Phonograph Company—aye.

Missouri Phonograph Company—aye.

Minnesota Phonograph Company—aye.

Montana Phonograph Company—aye.

New England Phonograph Company—aye.

Nebraska Phonograph Company—aye.

New Jersey Phonograph Company—aye.

Ohio Phonograph Company—aye.

State Phonograph Company of Illinois—aye.

Louisiana Phonograph Company—aye.

Texas Phonograph Company—aye.

C114 Western Pennsylvania Phonograph Company—aye.

Michigan Phonograph Company—aye.

Wisconsin Phonograph Company—aye.

Tennessee Phonograph Company—aye.

The Secretary: Twenty companies have voted in the affirmative. The vote is unanimous.

Mr. Swift: I would like to have the North American Company, if they desire, say something about this matter.

EXPENSES OF COMMITTEE.

The Chairman: I think that this Committee ought to be appointed and be requested to report. It will have to be done and be paid for, and it is going to cost one or two members of this Committee considerable expense and take some time. Therefore it will require some assessment with reference to these Companies who want to pledge a certain amount to have that plan submitted to them. Whether that will be fixed by this Committee or not we cannot now say. You cannot expect this Committee to go on and do that work for nothing and submit it to you. There are twenty Companies, and the question was with me whether fifty dollars would cover the expense to each Company, or thirty dollars or seventy-five dollars, or what it ought to be.

Mr. Lombard: After consultation with my colleagues, when that question is thought of, the North American Company will be perfectly willing to bear any expense that may be incurred. I want to have this opportunity of correcting an impression which seems to be prevalent among some gentlemen as to the sentiment of the North American Company with regard to the nickel-in-the-slot business. I think, personally, I am responsible for a great deal of the impression that has gotten about that we are against it. I have been very warm at times in expressing my opinion against it monopolizing the entire attention of the Companies. I recognize, if any one can,

C115 the importance of the nickel-in-the-slot portion of the business as a department of the business, and I think it is proper that it should be put in as one of the issues to be cared for and looked after. The idea of abolishing that or doing away with anything that is money-making is as far from my idea and from the idea of the North American Company as it can be from yours. I expressed myself in regard to that business to this effect, that it would so monopolize the attention of the managers that they would lose sight of the business side of the question, and it would result in disaster. I will now here take the responsibility of an editorial article that appeared in the first number of the "Phonogram." I wrote that article and expressed those views and Miss McRae had to suffer for it. Some of the Companies complained very bitterly and withdrew their support on account of it. But I reiterate at this time every word I then said. I meant it and I think I am borne out by the facts at the present time.

THE NICKEL-IN-THE-SLOT.

Mr. Conyngton: In regard to the nickel-in-the-slot business it was certainly very well expressed yesterday by Mr. Tate when he said that it was the salvation and curse of the Phonograph business. In both our Companies we depend upon the nickel-in-the-slot business for our receipts, and it comes in very nicely indeed. But with the business machine we had to let them go because we can't afford to put them out. We tried the experiment for about a month in New Orleans and let one gentleman devote his entire time to putting out business machines and I think he put out some seven or eight during the month, but the profits on them didn't begin to pay his salary and time and the expense and trouble connected with it. We therefore had to let it go until we got to a position where we could pay larger commissions. Now, without presuming to advise the

C116 North American Company how this business should be run under a unification, if I were running it I would separate the nickel-in-the-slot business altogether from the business part of it.

I would give some man a commission to put out commercial machines and would not let him handle the nickel-in-the-slot business at all. If the Companies are now managing the nickel-in-the-slot business properly let them continue the management and go on with it until they break down. But if you let your managers tamper with that they will find it so very attractive with ready money coming in that way that they will be sure to forget the other.

Mr. Andem: I would suggest to the representative from Louisiana and others that we have had some experience in the nickel-in-the-slot business, that this plan would not interfere much with that because we could then sell nickel-in-the-slot machines for other people to operate. We could sell them outright and they could make the profits and we make a good enough profit out of selling the outfit to them to make it profitable to us, instead of handling it ourselves. I know our Company would like to do that. To those Companies who think they have not the cabinet or facilities for doing that I will say that the Ohio Company can furnish them at reasonable rates.

MR. EDISON'S FEELINGS.

Mr. Tate: I want to endorse all that Mr. Swift has said in regard to Mr. Edison's feeling respecting the Phonograph business. There never has been a time in his history when he has felt so confident of the success of the Phonograph as he feels to-day. When we started out upon this mission of peace Mr. Edison expressed the belief that we would find but very little difficulty in arranging with the local Companies for putting into effect a plan such as has been outlined here this morning in the report of your Committee. The only basis it

C117 seems to me upon which that combination can be made is a percentage basis. We had some discussion last night in regard to paying over a stated amount for each Phonograph sold in the various territories, but that is impracticable for the reason that as soon as the padlock is taken off this business a great many different classes of machines will be produced to meet the requirements of the public, and as we don't know what those machines are going to cost or what they are going to sell for we must arrange everything upon the percentage basis. There have been some remarks made in the meeting to-day in regard to the personnel of the agency organization which is contemplated in the resolution that has just been passed. It is not difficult to imagine a number of neighboring States in each of which the government, so far as the State is concerned, is practically perfect. But when we consider those States as a federation, take them as operating together for some single purpose, if they are not allied in some way and have no central government, you can easily imagine they will be in a perpetual state of warfare. That is the condition of the Phonograph business to-day. There is nothing in the remarks that have been made by the representatives of the North American Phonograph Company and nothing implied in this case that is a criticism on the individual management of any Company. It simply means that the general scheme has been a failure and what we require is to unite all these forces and work together for a single purpose in one direction. It would be a very short sighted management that would fail to avail itself of the talent which undoubtedly would be found in these various local Companies. I know that they would gladly avail themselves of all such talent and I know that in the great majority of cases they will find it. Before closing, as this probably will be the last opportunity I shall have to address you, I wish personally to thank

C118 you for the very courteous manner in which you have received Mr. Edison's representatives and I wish to say that the unanimous adoption of this resolution is very gratifying to Mr. Edison personally.

The President: I will appoint the following Committee: Mr. Charles Swift, chairman, Mr. Granger Farwell and Mr. E. A. Benson.

Mr. Swift: I would like to make a suggestion with the unanimous consent of this Convention. I think, perhaps, in view of the importance of the matters to be discussed we ought to have some representative from the East, and I would like to have the President also a member of that Committee and therefore would ask the unanimous consent to have the Committee increased to five, of whom the Chairman would be one.

The motion of Mr. Swift was put to the Convention and it was unanimously carried.

The Chairman: I will appoint Mr. Powers of Boston as the other member of the Committee.

Mr. Swift: I would like to say then, as Chairman of that Committee, that I would like to have any member of this Convention who desires to make any suggestions send those suggestions and recommendations to my office, No. 80 Griswold street, Detroit, as soon as possible.

The President: The Executive Committee will have a short session immediately upon the adjournment of this meeting, and this afternoon we would like to have a short session at 2 o'clock, at which we will have the subject of power or batteries and then miscellaneous business. We need not be in session very long this afternoon, I think, to dispose of the business. We can, perhaps, get through in half an hour.

Mr. Easton: I move that this Convention adjourn at 4 o'clock this afternoon.

The motion was put to the Convention upon the motion to adjourn at 4 o'clock, and carried.

C119

THE PHONOGRAM ENDORSED.

Mr. Wood: I do not believe that this Convention should adjourn without at least recognizing the very able way that the interests of the several Phonograph Companies have been advertised and brought out in and through the *Phonogram*. I, therefore, for one, would like to see an expression of thanks to the Phonogram in this Convention. I therefore make a motion that this convention do tender to the editress of the *Phonogram* our hearty co-operation in her work and our thanks for the very faithful way in which it has been edited in the interest of the several Companies; and I further move that we make it the official organ for the coming year.

The question was put to the convention upon the motion as above stated, and it was unanimously carried.

LOCAL EXPENSES.

The President: I want to state that the Illinois State Phonograph Company and the Chicago Central have agreed, as I understand, to take care of the expenses of this room and the furnishing of the machines, so that some of the expense we paid out in that direction heretofore, is cut off. I wrote to the Chairman of the Executive Committee when the Convention met in New York, that we expected the local Companies there to furnish the room, and to furnish the machines and batteries without expense to the Association, and so, if any gentleman asks for a meeting in the future, at any particular point, and wants us to meet there, let him consider that he is making that invitation with this in view, because we want to keep a little money in our treasury to take care of our business and follow it out in that line just as well as we can.

I think that Mr. Dickinson pledged, personally, thirty or forty or fifty dollars to see that this scheme should be carried out. I don't remember the exact amount.

A vote of thanks was heartily given to the Illinois

C120 State and the Chicago Central Phonograph Companies, for accommodations.

The Convention thereupon adjourned until 2 o'clock P. M.

AFTERNOON SESSION.

June 15th, 1892.

Convention called to order 2:30 P. M. for afternoon session.

SUBJECT OF STORAGE BATTERIES.

Mr. McDonald: Mr. Chairman and gentlemen of the Convention, I will explain to you as briefly as possible, the new type of storage battery manufactured by my Company, the American Battery Company. I have here two plates, one a skeleton made of pure lead, the other is a plate fully formed. The skeleton plates we place in a chemical bath and connect into the circuit from our dynamos for about six hours; they are then taken out, and we find them fully formed. We apply no oxides but form the oxides by reduction of a part of the metallic lead. The oxides acquired by this process are much finer and more compact in the plates than applied oxides. By forming our oxides from a part of the metallic lead we find the peroxide and metallic lead closely united, consequently no polarization and no internal resistance. This process is known as the Plante process. Gaston Plante, the eminent French chemist, made this form of battery in 1860, but it took Mr. Plante six months to form his plates; by our method we form them in six hours. The electro-motive force in these batteries is stronger and more constant than in any oxide battery ever made. We have our batteries on two launches at the World's Fair Grounds, and last Saturday, Mr. Pumpelly and myself took one of the launches with a party of friends out for a twenty mile cruise on the lake, and made our tests on the last five miles. We found that when the boat was running on the second speed the motor drew from the batteries at the

C121 rate of 45 amperes and each cell stood while working 2 2-10 volts; on the third speed drawing 75 amperes, each cell stood 2 1-10 volts.

I have been manufacturing oxide batteries for three years, and I know what I am talking about when I say that no applied oxide battery in the world could make as favorable a showing. It must be much more durable and longer lived than any other battery made, but I cannot state just what the life of this battery is. A few weeks ago one of the professors of the State University of Iowa was in our office and informed me that he had purchased in Paris one of the Plante batteries thirty-one years ago, and that he had been using that battery in his laboratory continuously for thirty-one years. This gentleman's statement is the best evidence I can give you of the life of this type of battery. We have orders to-day on our books for nearly six thousand batteries, but in a few weeks we will be able to fill orders for the Phonograph Companies.

Mr. Easton: I would like to ask how many hours of Phonograph work these batteries will do.

Mr. McDonald: I have not put one of our new cells on a Phonograph to test that point yet for the reason that I have not been able to spare one long enough to make the test, but they will run a Phonograph over one hundred hours. Another thing I desire to state is this, we are experimenting on a solid Electrolyte and I believe it will be a great improvement for the Phonograph cells. It will do away with the spilling of solution, but we shall not put it into the cells until we are perfectly satisfied that it will do the work.

Mr. Lombard: I would like to ask one or two questions. First, in regard to the liability to buckling.

Mr. McDonald: I will guarantee that they cannot be made to buckle.

Mr. Lombard: How does the weight compare?

C122 Mr. McDonald: The new battery will be several pounds lighter than the Anglo-American cell, and so far as the patents are concerned we do not infringe on any other patents. You are all aware that a gentleman living in the State of Ohio thought it would be a bright idea to control by patents everything that could be invented in electrical appliances, but he could not get patents on this type of battery, as Mr. Plante gave his inventions gratis, to the world. Gentlemen, I see Mr. Pumpelly is here and he is the oldest storage battery man in the West. I personally would like to hear what he has to say on the subject of storage batteries. Gentlemen, I thank you for your kind attention.

There being no objection, Mr. Pumpelly was given the floor and spoke as follows:

Mr. Pumpelly: I won't detain you but a moment or two. I don't know that it is worth while for me even to say what I know about it. We all have had experience in the use of storage batteries. Those who have not handled them themselves had heard all about them and know all their faults. You have been disappointed. You have lost money and so have we. **(Laughter.)** I have made great efforts, from the time that I patented a certain kind of battery, to overcome faults that showed themselves in all batteries, although some of us know that some of those batteries, when well made, have been in use for over three years; but in the last three or four weeks I have been examining and studying the peculiar action that takes place in the electrolyte, the composition of which I don't know, discovered by Mr. Morrison and Mr. Smith of Des Moines, Iowa. Mr. Smith, being president of the State society of pharmacy and president of several other societies and evidently a thorough chemist, and Mr. Morrison had all the time been experimenting with storage batteries. He made a good many failures. With the aid of Mr. Smith he has

C123 fallen evidently upon a new process for making what we call to-day the Plante system of forming the electrodes of a storage battery. I don't think it is a process that Plante thought of, because it is formed through an electrolyte that he never used. He doesn't mention anything of the kind, but the result is this, that these lead plates are folded by machinery and, of course, are always the same thickness and are placed in a peculiar electrolyte. In five hours' time solid lead crystals seem to form and spread out from the center of this body meeting from each side so that in six hours' time under a current of thirty amperes the plate becomes what you might say solid. After what I have seen the battery do under the most difficult circumstances and under tests which no other battery ever made, I came to the conclusion that this was the battery we had all been working for and looking for and all had become discouraged of obtaining. What Mr. McDonald says of this trial on the boat can easily be carried out in your business with increased advantages. The electro motive force of the battery when it is charged is between two and four and two and five-tenths. It does not drop below two and four-tenths when the battery is put to work and a current drawn from it. While boat was running at half speed, the electro-motive force did not drop one single point. I tried it every twenty minutes for an hour and it stood there. When the speed of the boat was increased and the pull was seventy-five amperes, the actual current developed was eleven and a half horse powers and the drop was only one-tenth of the voltage of the battery, under that tremendous pull.

The Chairman: The Executive Committee for next year will be Mr. Goodwin, Mr. Sampson, Mr. Conyngton, Mr. Dickinson and Mr. Wood.

Mr. Benson: I want to make a motion that the Committee appointed on constitution and by-laws be discharged.

C124 The question was put to the Convention and carried

Mr. Andem: I move that a new committee on constitution and by-laws be appointed to report at the next meeting.

The motion was put to the Convention and carried.

The Chairman: I will appoint on that Committee Mr. Easton of the Columbia Phonograph Company, Mr. Motheral of Western Pennsylvania and Mr. Seymour of Kentucky.

The Chairman: The next question that the Committee have referred to the Convention is the place for the next meeting.

Mr. Easton: I move that the time and place be left to the Executive Committee.

Mr. Conyngton: I move that we arranged to meet in Chicago next year leaving the time to be arranged by the Executive Committee.

The Chairman: The amendment has been accepted so that the motion will stand as made by Mr. Conyngton.

The question was put to the Convention upon the motion as amended and carried.

AN OFFICIAL DIRECTORY.

The Chairman: It was suggested in the meeting of the Executive Committee this afternoon that we should request all the sub-companies to furnish a list of their directors and officers to be made a part of our printed proceedings. This motion was passed last year but there were many of the Companies which never furnished that list, and there was but little attention paid to it. This, perhaps, is one of the historical events in connection with our work, and I think it would be well to have all of those names made a part of the record.

The Executive Committee further reported that the printing of the proceedings should be left in the hands of the President and Secretary.

Those are the two items that we desire to report to

C125 the Convention; first, the reporting of the proceedings and second, the printing.

Mr. Easton: I move the recommendation of the Executive Committee be adopted.

The motion was carried.

The President: The next order of business is miscellaneous business.

CONCLUDING REMARKS.

Mr. Conyngton: I presume we all feel that we have had a very successful meeting, and that we have probably come nearer to accomplishing the purpose for which we met together than we have at any Convention heretofore. We have had comfortable apartments, met on time, everything has been provided to facilitate our work. Before we adjourn I move that we extend a vote of thanks to the representatives here in Chicago who have provided all these facilities and to whose courtesies and kindnesses we are so much indebted.

The motion was unanimously carried.

The Chairman: I want to say to the Convention in conclusion, that I extend to the Convention my heartfelt thanks for the promptness with which you have all been on hand at the meetings at this time. I feel that it is the first time since we assembled, even in the Auditorium two years ago, when everything seemed to be running at a hundred and fifty per cent. rate

through the enthusiasm of our friend Glass of California, that we are getting down to something like business, and I want to admonish you or rather to recommend to you, as you return to your homes, that you are, in the first place, to consider the vital interests of your own sub-company; but let us look a little into the broad future and see, if we cannot arrange in connection with the North American Phonograph Company, a plan that will not only bring us back all the money that is invested but will put before the world an instrument that is to lighten the work in every

C126 office and at the same time make thousands of persons happy by uniting the voices of the world in various ways around the fireside.

Mr. Easton: I hoped that some one else would make the motion as I dislike to occupy too much of the time of this Convention, for I am sure that what I have to say will occupy the time of this Convention too much. The delegates have all been very much gratified by the spirit shown by the representatives of the North American Company and the Edison Phonograph Works and by their attendance and interest here. I move that a vote of thanks be extended to them.

The question was put to the Convention upon the motion for a vote of thanks as above stated, and carried.

Mr. Lombard: Mr. President, I will take occasion to thank the gentlemen on behalf of myself and the other gentlemen can do their own thanking, for that vote, and to also thank them for the very kindly way in which they have received the overtures made by us for pushing this business into the future. I trust that when we meet together next year we will have some pretty good history to talk about and will be able to tell about how much we paid this Company and how much we paid that. It may be that it would be a very good time to hand around checks. I suggest that as a point to the gentlemen here.

The Convention thereupon at a quarter of four o'clock p. m. adjourned sine die.

C127

OFFICERS AND DIRECTORS

New Jersey Phonograph Company:

OFFICERS AND DIRECTORS.

George G. Frelinghuysen, President.
Nicholas Murray Butler, Vice-President.
Howard W. Hayes, Secretary.
Sylvester S. Battin, Treasurer.
V. H. Emerson, General Manager.

Louisiana Phonograph Company:

OFFICERS AND DIRECTORS.

H. T. Howard, President.
H. Lee Sellers, Vice-President.
Hugh R. Conyngton, General Manager.
R. H. Sellers. Thos. Conyngton.

Texas Phonograph Company:

OFFICERS AND DIRECTORS.

H. E. Landes, President.
Jno. H. Atchison, Vice-President.
Thos. Conyngton, General Manager.
L. S. McKinney. J. S. Montgomery.
Judge A. H. Willie. Hugh R. Conyngton.

Chicago Central Phonograph Company:

OFFICERS.

Chas. L. Raymond, President.
Ernest A. Hamill, Vice-President.
John H. Dwight, Secretary and Treasurer.
Walter S. Gray, Manager.

DIRECTORS.

C. L. Hutchinson. E. A. Benson.
F. S. James. Chas. Dickinson.
J. C. Black. E. A. Hamill.
 Chas. L. Raymond.

Iowa Phonograph Company:

OFFICERS.

W. P. Manley, President.
A. C. Brackebush, Vice-President.
Whitfield Stinson, Secretary.
Edward P. Stone, Treasurer.
G. A. Beach, Manager.

DIRECTORS.

W. P. Manley. A. S. Garretson.

C128 Edward P. Stone. F. W. Little.
 W. Stinson. A. C. Brackebush.
 E. A. Benson.

Minnesota Phonograph Company:

OFFICERS.

C. H. Chadbourn, President.
C. N. Chadbourn, Secretary and Treasurer.

DIRECTORS.

C. H. Chadbourn. C. N. Chadbourn.
R. W. Chadbourn. S. G. Cook.
 John L. Martin.

Kentucky Phonograph Company:

OFFICERS.

R. C. Kinkead, President.
L. Leonard, Vice-President.
Geo. W. Grant, Secretary and Treasurer.
Geo. W. Seymour, General Manager.

DIRECTORS.

L. Leonard. Chas. H. Gardener.
R. C. Kinkead. Geo. W. Grant.
W. H. Simmons. E. Galatti.
 Geo. W. Seymour.

Kansas Phonograph Company:

OFFICERS AND DIRECTORS.

S. S. Ott, President.
G. E. Tewksbury, Vice-President.
A. B. Poole, Secretary and Treasurer.
S. S. Ott and G. E. Tewksbury, General Managers.

Missouri Phonograph Company:

OFFICERS.

A. W. Clancy, President.
J. C. Wood, Vice-President and General Manager.

Mrs. Alice A. Taylor, Second Vice-President.
William H. Yeaton, Third Vice-President.
J. W. Moore, Secretary and Treasurer.

DIRECTORS.

William H. Yeaton, Kansas City, Mo.
D. D. Webster, Minneapolis, Minn.
A. W. Clancy, Chicago, Ill.
J. C. Wood, Milbank, S. D.
John L. Martin, New York City.

C129 Miss A. M. Henderson, Minneapolis, Minn.
J. W. Moore, Minneapolis, Minn.

Columbia Phonograph Company:

OFFICERS.

Edward D. Easton, President.
Wm. Herbert Smith, Vice-President.
R. F. Cromelin, Secretary.

DIRECTORS.

E. D. Easton. Wm. Herbert Smith.
Chapin Brown. Benjamin Durfee.
Charles H. Ridenour.

Western Pennsylvania Phonograph Company:

OFFICERS.

Geo. B. Motheral, President.
L. S. Clarke, Vice-President.
Henry F. Gilg, Secretary.
F. L. Stephenson, Treasurer.

DIRECTORS.

P. C. Knox. George L. Whitney.
L. S. Clarke. J. H. Friend.
H. L. Childs. Geo. B. Motheral.

Nebraska Phonograph Company:

OFFICERS.

E. A. Benson, President.
H. E. Cary, Vice-Pres., Treas. And Manager.
Geo. F. Wright, Secretary.

DIRECTORS.

E. A. Benson. Geo. F. Wright.
H. E. Cary. W. S. Whitten.

Ohio Phonograph Company:

OFFICERS.

James L. Andem, President.
A. O. Koplán, Secretary.

DIRECTORS.

James L. Andem. J. H. Bromwell.
A. O. Koplán. C. B. Fidler.
(One vacancy.)

C130 Montana Phonograph Company:

OFFICERS AND DIRECTORS.

E. D. Edgerton, President.
C. K. Cole, Vice-President.
A. R. Gates, Secretary and Treasurer.

Don Davenport. P. P. Shelby.
E. A. Benson. Geo. B. Hoit.

State Phonograph Company of Illinois:

OFFICERS AND DIRECTORS.

Granger Farwell, President.
W. H. Hubbard, Vice-President.
E. L. Lobdell, Treasurer.
G. A. McClellan, Secretary.
G. B. Shaw. W. D. Preston.
E. A. Benson.

Michigan Phonograph Company:

OFFICERS.

C. C. Bowen, President.
Chas. M. Swift, Vice-President and Treasurer.
Wm. V. Moore, Secretary.

DIRECTORS.

C. C. Bowen. Chas. M. Swift.
Wm. V. Moore. Geo. S. Davis.
C. D. Marsh.

Wisconsin Phonograph Company:

OFFICERS AND DIRECTORS.

John H. Frank, President.
Joshua Stark, Vice-President.
H. D. Goodwin, Secretary.
T. J. Pereles, Treasurer.
E. H. Bartlett.

New England Phonograph Company:

OFFICERS.

Gen. A. P. Martin, President.
Charles E. Powers, Treasurer.
J. B. Gleason, Secretary.
Aug. N. Sampson, Gen'l Manager.

DIRECTORS.

Gen. A. P. Martin, 105 Summer St., Boston, Mass.
Charles A. Cheever, 13 Park Row, New York City.

C131

Schuyler Quackenbush, 38 Broad St., New York.
J. S. Auerbach, Drexel Building, New York.
Charles Powers, 27 Tremont Row, Boston, Mass.
J. H. Lee, 117 Pearl St., Boston, Mass.
B. Van Wagenem, 753 Broadway, New York.
A. F. Higgins, 52 Wall St., New York.
J. B. Gleason, 115 Broadway, New York.
J. L. Martin, 13 Park Row, New York.
J. B. Metcalf, 8 Broadway, New York.
Jesse H. Lippincott, care North American Phonograph Company, 44 Broad St., New York.
Thomas C. Powell, Providence, R. I.

The Eastern Pennsylvania Phonograph Company:

OFFICERS.

E. P. Wallace, President and General Manager.
James O. Clephane, Secretary.
Edwin P. Graham, Treasurer.

DIRECTORS.

E. P. Wallace.

James O. Clephane.

E. T. Postlethwait.

George H. McFadden.

North American Phonograph Company:

OFFICERS.

Thomas A. Edison, President.

Thomas R. Lombard, Vice-President.

Thomas Butler, Treasurer.

Cleveland Walker, Secretary.

[Di]

**PROCEEDINGS OF THE FOURTH ANNUAL CONVENTION OF THE NATIONAL
PHONOGRAPH ASSOCIATION OF THE UNITED STATES, HELD AT CHICAGO,
SEPT. 20, 21, AND 22, 1893.**

REPORTED WITH THE PHONOGRAPH.

[Dii]

PRESS OF HOUTKAMP & CANNON, MILWAUKEE, WIS.

[D1]

**THE
National Phonograph Association,
1893-1894.**

A. W. CLANCY, *President*,
531 Wabash Ave., Chicago.

E. A. BENSON, *Vice President*,
Omaha Neb.

WALTER S. GRAY, *Secretary*,
Owen's Building, Chicago.

RICHARD T. HAINES, *Treasurer*,
Edison Building, New York City.

Executive Committee.

HENRY D. GOODWIN, *Chairman*,
Milwaukee.

AUGUST N. SAMPSON,
Boston.

THOMAS CONYNGTON,
New Orleans.

J. C. WOOD,
Milbank, S. D.

A. W. CLANCY,
Chicago.

[D3]

INDEX.

	PAGE
Officers, - - - - -	3
Members, - - - - -	5
Secretary's Report, - - - - -	8
Treasurer's Report, - - - - -	9

Programme, - - - - -	9
Election of Officers, - - - - -	13
President's Annual Address, - - - - -	14
The Phonograph in Schools. President A. W. Clancy, - - - - -	19
Phonograph in Teaching Music. H. D. Goodwin, - - - - -	26
Phonograph with Deaf and Dumb. T. R. Lombard, - - - - -	32
Reporter's Appointment, - - - - -	33, 52
Printing Report, - - - - -	34
Language Teaching by the Phonograph. Dr. R. S. Rosenthal, - - - - -	35
Phonograph in Teaching Ancient Languages. H. D. Goodwin, - - - - -	44
Constitution, - - - - -	47
Talking Records. Daniel Kelly, - - - - -	54
Duplicates. R. T. Haines, - - - - -	55
The Bradbury-Stone Storage Battery. H. W. Morton - - - - -	57
The Edison-LaLande Primary Battery. Mr. Oliver, - - - - -	61
The Crowds Primary Battery. W. A. Crowds, - - - - -	66
James O. Clephane latter, - - - - -	71
<hr/>	
[D4] Semi-Annual Meeting, - - - - -	74, 76
The Electric Light Machine, R. L. Thomae, - - - - -	78
Motors, - - - - -	84-85
Best Method of Dictating. Mr. Holland, - - - - -	87
Exhibition of Transcribing, - - - - -	91
The Commercial Phonograph. Thomas R. Lombard, - - - - -	92
Phonograph for Shorthand Writers. H. D. Goodwin, - - - - -	101
Special Exhibitions. J. M. Parker, - - - - -	112
Phonograph for Social Purposes. R. T. Haines, - - - - -	114

[D5]

**FOURTH ANNUAL CONVENTION
OF THE
NATIONAL PHONOGRAPH ASSOCIATION.**

**VICTORIA HOTEL, CHICAGO, ILL.,
September 20th, 1893.**

The association was called to order by President Clancy at 10 A. M. On roll call the following companies responded with proper credentials and were duly enrolled.

**ACTIVE MEMBERSHIP.
(See Constitution.)**

The Columbia Phonograph Co., Washington, D. C. represented by E. D. Easton, R. F. Cromelin and M. E. Lyle.

The Chicago Central Phonograph Co., Chicago, Ill., represented by E. A. Benson, Charles Dickinson, W. S. Gray.

The Missouri Phonograph Co., St. Louis, Mo., represented by J. C. Wood, W. H. Yeaton, A. W. Clancy.

The East Pennsylvania Phonograph Co., Philadelphia, Pa., represented by letter, E. P. Wallace, James O. Clephane.

D6 The Iowa Phonograph Co., Sioux City, Ia., represented by Whitfield Stinson, E. A. Benson.

The Kansas Phonograph Co., Topeka, Kan., represented by S. S. Ott, George Tewkesbury.
The Kentucky Phonograph Co., Louisville, Ky. represented by George W. Seymour.
The New Jersey Phonograph Co., Newark, N. J., represented by V. H. Emerson.
The New England Phonograph Co., Boston, Mass., represented by Aug. M. Sampson, L. E. Evans.
The Ohio Phonograph Co., Cincinnati, O., represented by James L. Andem.
State Phonograph Co., of Illinois, Chicago, Ill., represented by letter, Granger Farwell, Geo. McClellan.
Louisiana Phonograph Co., New Orleans, La., represented by H. R. Conyngton, R. H. Sellers.
The Wyoming Phonograph Co., Cheyenne, Wyo., represented by letter, A. Gilchrist.
The Old Dominion Phonograph Co., Richmond, Va., represented by C. F. Rowe.
The Wisconsin Phonograph Co., Milwaukee, Wis., represented by H. D. Goodwin.
The Tennessee Phonograph Co., Nashville, Tenn., represented by R. L. Thoma.
The Michigan Phonograph Co., Detroit, Mich. Represented by letter, Chas. Swift.
The Pacific Coast Phonograph Co., San Francisco, Cal.,⁵³ represented by Louis Glass.
The North American Phonograph Co., Masonic Temple, Chicago Ill., represented by Thos. R. Lombard.
The Edison Phonograph Works, Orange, N. J., represented by A. O. Tate.
The New York Phonograph Co., Edison Bldg., New York City, represented by Richard Townley Haines.

D7 The Nebraska Phonograph Co., Omaha, Neb., represented by O. C. Reddick, E. A. Benson.

ANNEX MEMBERSHIP.
(See Constitution.)

The Bradbury Stone Electric Storage Co., Lowell, Mass., represented by H. W. Morton.
The Edison Manufacturing Co., Orange, N. J., represented by A. O. Tate.
The Union Electric Co., Chicago, Ill., represented by Mr. Crowdus.
The Eastern Electric Light and Storage Battery, Boston, Mass., represented by Mr. Clark.
The American Battery Co., Chicago, Ill., represented by J. B. McDonald.

ASSOCIATE MEMBERSHIP.
(See Constitution.)

Benjamin F. Oliver, Oak Cliff, Texas.

President Clancy then made the following statement concerning the enrollment:

At our first meeting, Mr. Halsey Williams, with one or two others, was appointed a committee on constitution and by-laws and had prepared, I think, a form of constitution. It had gone the rounds and was signed by the other members of the committee, but as Mr. Williams and Mr. Clarkson have both passed to the beyond, the draft of the constitution and by-laws was

⁵³ Original: "Cal.,"

somehow mislaid. In our meeting in New York city, the matter was discussed but hurriedly passed by, and again when we met last a committee was appointed. I hope this

D8 time, however, we will be ready to come into the Association⁵⁴ with a satisfactory constitution and by-laws prepared. I would say that the chair heretofore has simply followed the usual precedents. The other classes of members talked over by the executive committee with the phonograph business who might care to join, and it was thought that they might be taken in at \$5.00 per member, and have the privileges of general meetings and one report, but no right to vote, and we thought as we had enrolled the annex members heretofore, those having power connected with the phonograph, that they would have the privilege to come in and speak in the meetings and have the privilege of discussing the best interests of the phonograph business in connection with power, but at the same time have no right to vote on any question, and that they would be admitted on payment of \$10 dues.

The secretary's report was then presented as follows:

Secretary—I have not made any written report. The proceedings of the last year's convention are all embodied in the printed book. I will simply state that we have on hand a number of copies of the proceedings for 1890, 1891 and 1892. They are to be sold at \$5 each. If any of the members want them in addition to what they have they can get them. There are six copies of the report of 1890 yet on hand, and quite a few of 1891, and also of 1892. **Report received and adopted.**

The treasurer's report was read as follows:

To the National Phonograph Association, Chicago, Ill.

Gentlemen:—I submit herewith my report of receipts and disbursements as treasurer for the year 1893, showing total receipts of \$471.26, and total disbursements \$326.34, leaving a balance in the treasury of

D9 \$144.92, for which latter amount I enclose herewith check in full. I also inclose cash book and vouchers for the years 1890, 1891, 1892, and 1893.

Very Respectfully,

JAMES L. ANDEM, Treasurer, N. P. Ass'n.

Treasurer's report received and adopted.

Report of chairman of executive committee in regard to programme, etc., received and adopted as follows:

Mr. Goodwin: The executive committee reports that the time and place of holding the convention was fixed after considerable discussion and with the especial purpose in view of the general convenience of the month of September and the city of Chicago during the World's Fair time.

With regard to the programme, suggestions of subjects were made by various members of the executive committee and by others, but whatever good points there may be in the programme are largely due to president Clancy whose labors on the executive committee, as well as in all other departments of phonograph business, are indefatigable.

The Programme is as follows:

FIRST SESSION – WEDNESDAY, 10 A. M.

1. Roll call of Sub-Companies.

⁵⁴ Original: "Associatian"

2. Enrolling Associate members.
3. Enrolling Annex members.
4. Report of Secretary.
5. Report of Treasurer.
6. Report of Chairman Executive Committee.
7. Election of Officers.
8. President's Address.

The Educational Phonograph. Paper by Dr. R. S. Rosenthal, Chicago, on The Teaching of Languages.

D10 Discussion, E. D. Easton.
 Public and Private Schools – A. W. Clancy.
 The Phonograph in the Family – W. E. Stinson, J. H. McIlvra, James L. Andem.
 The Phonograph in learning Music – H. D. Goodwin, J. W. Moore, J. E. Ewing.

AFTERNOON.

A ride on the whaleback, free to all members of the Association.
 Examining the Phonograph Exhibit at the World's Fair.

SECOND SESSION – THURSDAY, 10 A. M.

Best Method of Making Records.
 Paper – V. H. Emerson.
 Discussion – Silas Leachman.

Musical Records
 Paper – August N. Sampson.
 Discussion – Walter S. Gray.

Talking Records.
 Paper – Russell Hunting.
 Discussion – Daniel Kelly.

Duplicates.
 Paper – Leon F. Douglass.
 Discussion – Richard T. Haines.

Power for Phonograph.
 Paper – George W. Seymour.
 Discussion – Hugh R. Conyngton.

Storage Batteries.
 American. J. B. McDonald.
 Bradbury-Stone.
 Julian (Brush.)

D11 Primary Batteries
 Edison-LaLande. Mr. Oliver.
 Crowdus. Mr. Crowdus.

Electric Light.
 R. L. Thomae.

Water and Treadle Motors.

Sketch of Edison and History of Phonograph.

A. O. Tate.

Improvements on Phonograph.

Paper – James O. Clephane.

Discussion – E. A. Benson.

Diaphragms and Length of Cylinders.

Paper – H. E. Cary.

AFTERNOON.

A Special Entertainment for all the Members of the Association.

Bring any devices, records, or other apparatus that you may wish to exhibit, to headquarters.

THIRD SESSION. – FRIDAY, 10 A. M.

Business Methods.

Dealers.

Paper, George B. Motherall.

Discussion – George W. Grant.

General Agent.

Paper, M. B. Kit.

Discussion – W. H. Yeaton.

Soliciting Agents.

Paper, R. F. Cromelin.

Discussion – Guy L. Wood.

Contracts.

Paper, J. C. Wood.

Discussion – Charles A. Cheever.

D12 Piracy.

Paper, C. H. Chadbourne.

The Commerical Phonograph.

Paper, Thomas R. Lombard.

Business Letter to Phonograph.

J. L. Andem.

Discussion – Col. Evans.

Best Method of Dictating.

Mr. Holland, of Canada.

Exhibition of Transcribing.

W. S. Gray.

Sermons.

Rev. Lloyd Jenkins Jones.

Law.

Paper, Mr. Thielecke.

Shorthand Writers.

H. D. Goodwin.

The Social Phonograph.
Most Popular Songs.
 Paper, Thos. Conyngton.
Popular Talks.
 Paper, R. T. Haines.
Good Recitations.
 Paper, Whitfield Stinson.
Special Records.
 Paper, George B. Hoyt.
Exhibition Work.
Traveling Exhibitors.
 Paper, George H. Tewkesbury.
Special Entertainments.
 Paper, Jesse M. Parker.

D13 County and State Fairs.
 Paper, H. E. Cary.
Nickle-in-the-slot.
Best Device.
 Paper, W. S. Burnett.
Phonograph Parlors.
 Paper, S. S. Ott.
 Discussion – George F. Wright.
Keeping up Interest.
 Paper, Louis Glass.
Miscellaneous Business.
Announcements.
Adjournment.

The motion was then made that the convention proceed to the election of officers by ballot.

Motion seconded and unanimously carried.

Mr. Glass: I desire to place in nomination for president, the present incumbent of the office, Mr. A. W. Clancy, and in this connection I will state that the people of the far West fully believe in and appreciate his prompt and thorough method of doing business, his manner of pushing things through is very acceptable to⁵⁵ us, and we wish to tender him our thanks for his excellent work in the past, and hope that the Association will elect him for the ensuing year.

Mr. Lombard: I move that that vote be made unanimous and that the secretary be authorized to cast the ballot of the association for the election of Mr. A. W. Clancy as president for the ensuing year.

Motion seconded and unanimously carried and ballot so cast, and Major Clancy was declared elected president for the ensuing year by Mr. Seymour who had been called to take the chair.

D14 Mr. E. A. Benson was nominated for vice president; nomination seconded and resolution unanimously adopted that the secretary be directed to cast ballot of the society for that purpose, which was done, and Mr. Benson was thereupon declared unanimously elected vice president.

Mr. Walter S. Gray was also unanimously elected secretary.

⁵⁵ Original: “fo” – could also be “for”

Mr. A. O. Tate: The West seems to be pretty well⁵⁶ represented in the Association. We have Nebraska, Missouri and Illinois, and I think the East is entitled to one officer in the Association; I therefore nominate R. T. Haines as treasurer.

Motion seconded.

It was moved that the secretary be instructed to cast the ballot of the society in favor of Mr. Haines.

Motion seconded and unanimously carried, and the ballot was so cast. Thereupon Mr. Benson took the chair and the president read his annual address as follows:

Gentlemen of the National Phonograph Association: I congratulate you after more than four years of experience in the Phonograph business, that you are still ready to assemble and discuss methods, means and terms by which we may improve and prosecute the business interests of the Edison Phonograph.

This association is familiar with the history of the Phonograph. You all remember the time when we first received the Double Spectacle Phonograph, and its associate, the Graphophone, and, at the same time, you understand all the improvements that have been made up to date, and those that are expected to assist in our work in the future. I only wish, to-day, that we could have continued this same body of the same

D15 persons who were with this Association at its formation, three years ago. At that time you remember the spirit of discussion rested on the question of having one machine with all the best improvements that could be given to it. With all of the various business set-backs that we have had from time to time, perhaps all has been done by the great inventor, Mr. Edison, that could be done in giving us the new and improved Edison Phonograph. I am certain, however, that he is not resting quietly at this time, and that you will find in the future he will be up with the progress of the times with all that may be done to assist the operators of the phonograph.

You will also remember, those who were in the first National Phonograph Association, the spirited contest that came up with reference to the selling of machines. You remember how positive every man seemed to feel at that time on the question of rentals and of the safeguard of territorial lines. A few at that first convention favored the selling of Phonographs.

I am not certain as to whether I remember the exact vote, but it seems to me that it was about 28 against selling and four in favor. I think there is no man to-day who believes in the rental system entirely and alone. It has taken some time to bring our people, who were first educated with the rental idea, down to the system of selling machines, and in selling, to give the purchaser an unrestricted sale.

It is not my purpose, as your President, to go over all the changing interests of the Phonograph. I think the programme, with its papers and discussions will fully satisfy you. In looking it over, you will see that it contains first the educational phases of the Phonograph. These papers will be presented by persons who

D16 have given this subject a special study, and I think the phase presents a new and useful field for the use of the public and one of financial interest to stockholders.

The commercial interests of the Phonograph have been receiving by degrees more and more attention, and we all believe in the near future the commercial machine is destined to become a very important part of the phonograph business.

The social Phonograph is destined also to play a very important part in the enterprise. I still believe that the statement which has been made by Mr. Edison himself, "I will yet live to see

⁵⁶ Original "wel"

the day that Phonographs will be almost as common in homes as pianos and organs are to-day” will be fulfilled.

As to the exhibition, “Nickle-in-the-Slot,” and other minor phases of the phonograph, you are referred to the leaders on the programme.

Permit me to refer again to the first session of the convention, in connection with this one. At that time we had with us Mr. Jesse H. Lippincott, who was then President of the North American Phonograph Company, full of life and vigor, and ready in every way to accommodate, and as far as he was able, in his best judgment, to prosecute properly, the phonograph interest.⁵⁷ On account of illness, the business became somewhat disintegrated for the time, and you all understand how the financial troubles came upon the North American Phonograph Company.

Allow me here, taking my own view of the case, to personally compliment Mr. Thomas R. Lombard as always having from first to last, stood faithful and true to the varied interests of the sub-companies. I believe to-day, that he stands on that line as firmly as he did at the darkest hours of the phonographic interests,

D17 when Mr. Lippincott failed to operate and to prosecute the business properly. I am also certain that he has the full sympathy of Mr. Thomas A. Edison, the inventor and now President of the North American Phonograph Company, who has said, “I desire every man to have an equal chance with me to get back his share of the profit, who in any way put a single dollar into the phonograph interests.”

Mr. A. O. Tate is here as a special representative of Mr. Edison, and he will, no doubt, be ready to answer any questions that may come up in connection with the future interests of the business, from Mr. Edison’s standpoint.

Two years ago, Mr. Chas. Swift, of the Michigan Phonograph Company, very strongly, in connection with your humble servant, championed the cause of unification in connection with the phonographic interests.

You all remember the meeting in Chicago one year ago.⁵⁸ This meeting had for its central purpose the idea of consolidating the varied interests of the Phonograph companies. You remember the special committee that was appointed at that time, and as they have already reported in writing to you, and as the members of that committee will be represented in this convention, I leave them to answer you on any points that any member of this Association might desire to ask, or that may be explained by the committee itself. I will simply state that under the new lease contract, the Missouri Phonograph Company (of which I have the honor of being the President), has been more than satisfied with the result for the past year. We are not able quite to give you a special report of all that has been done, but Mr. J. C. Wood, our General Manager, will be very glad to answer any other Company

D18 with reference to the satisfactory manner in which the business has been conducted in our special territory.

We have been, up to this date, as an Association, operating only according to the precedent set at the first meeting, and without Constitution and By-Laws. I hope that the Committee appointed at the last session, will be ready to make its report, so that we can conduct our work in the future according to well regulated By-Laws.

The Secretary’s and Treasurer’s report has given to you the financial situation and standing of the Association.

⁵⁷ No period in original.

⁵⁸ Original: “Chicagoo ne year ago” without a period.

I trust that every sub-company will be, in some way, represented in this Association and that in your deliberations, you will be kindly and charitable toward one another on points on which we may clearly differ, and, at the same time, that we shall have a session that shall be profitable and useful, not only to the members who may be present, but to the general interests of all the Sub-Companies and others associated herewith.

It is well that we should establish a special membership for individuals who might join this Association as associate members, and, at the same time, allow those who in any way have power to operate the Phonograph, in some way, to become connected with this Association.⁵⁹ That, however, will be finally settled in the adoption of our Constitution and By-Laws, which will, no doubt, be reported in due time by the committee appointed for that purpose.

I thank you, gentlemen, for your courtesy in the past, and for the privilege of acting as your President for the last three years, and especially do I thank you for your unanimous endorsement and election for the ensuing year.

D19 I especially thank you, Mr. Glass, for your kindly words coming from the Pacific coast, carrying as your words always do, hope and good cheer to your central and eastern friends of the United States. Let me request that you all be prompt at each session of our association, and that you all assist me in carrying out the programme to the best advantage of the Association. I shall try to preside over your deliberations, within justice and fairness to all.

Again, thanking you, I declare the fourth annual session ready to take up the regular programme.

The following address was then given by President A. W. Clancy entitled, *The Phonograph in Schools*.

The public schools of the United States are the best in the world. It has been said by a wise educator: "What you would have become a permanent part of the nation's life should be taught in our public schools." The phonograph is not an original thinker, nor is it an original teacher; the phonograph, however, correctly records the sound waves as they are given and carefully preserves them for future reference. In the past, there has been no means of uniting the public schools of one locality with those of another, in vocal communication, except by transferring the pupil himself, and I wish to say that ever since I have known and understood how well original voices could be recorded, recognized and preserved by the phonograph, I have always believed that instrument had a great future, not only from an educational but from a social standpoint, on account of its capability of effecting vocal communication without the necessary presence of the speaker. Having been associated with school work nearly all my life, directly or indirectly, I think I can understand something of the difficulties that present themselves in introducing any improvement in connection with that work.

D20 Previous to my association with the American Book Company, I was, for fifteen years, directly connected with the public schools, and can well remember how prone most teachers are to keep in the old path; and, perhaps, that is one of the principal difficulties in the phonographic interest to-day. When this system of studying languages was urged by Dr. Rosenthal, and practically demonstrated, I felt convinced that a new field of great usefulness was to be occupied by the phonograph. It was a new feature in connection with this work for the North American Phonograph Company to have prepared cylinders carefully and well, illustrated at the World's Fair the educational and language phases of the phonograph; and from the time that I have spent in that exhibit myself, demonstrating these lessons, comparing them and studying them with

⁵⁹ No period in original.

teachers of languages in colleges, I am fully satisfied that a great work can be done in that line with the phonograph. I shall hereafter indicate how we may, though with some difficulty, introduce the phonograph into the public schools. I believe that at the World's Fair to-day there is presented, I think, in all an exhibition of school work contained on about five hundred cylinders from different cities, including New York, Sioux City, Milwaukee, Kansas City, Denver, and Omaha.

I make this statement without any hesitation that to-day the worst taught branch in the public schools is oral reading, and the difficulty exists largely, I think, because the child has before him, from time to time, so many imperfect examples. When you stop for a moment to consider how the teaching of other branches is conducted in their daily recitations, you will see the importance of having before the child

D21 good examples in oral reading. When the teacher wishes to improve the child in penmanship, he takes an example of his work at the beginning of the term; he puts it aside and immediately places before him a splendid, first-class copy; he asks the child to imitate that copy and to improve as he can from day to day by comparing his work with the copy, which he is able to do, so that the gradual improvement of the child naturally follows, because he has a high ideal to work to. But when you consider that in his oral reading, he hears no examples except from his fellows, and occasionally from his teacher, who has made no particular preparation or arrangement for that particular recitation, except to bring out the thought, with but little attention to voice culture, then you will readily understand the difficulty the child has in keeping a high ideal before him. I know a great many self-styled teachers of oratory in the public schools to-day who cannot give correctly the different sounds of the letter "a." How do you expect, gentlemen, your child and mind, when they have no good example to follow along that line, ever to become perfect in articulation, unless as they have perfect examples?

I have in the last year made a good many experiments in phonographic articulation with the aid of our best readers here in this city and elsewhere, and those who were able to give those sounds clearly and well, and I make the irrefutable statement that there is no objection to carrying that work direct to the public schools and having before the pupils the best oral examples of elocution and good reading.

We all doubtless have from time to time remarked that no one ever heard his own voice except through

D22 the phonograph. Now, just as the pupil in penmanship can compare his work with most excellent copies and with his own former efforts, so, by the aid of the phonograph, he can compare his work with that of the best pupils from other cities, or with that from the best examples that can be given by skilled professional readers brought directly before him from day to day. I might quote several college professors that I have talked to in connection with the language work in the schools, where they say to me that our students hear scarcely any talk in German, French or Spanish except that which is given personally by the professor and what they get from one another.

A recitation can clearly be placed on the phonograph, listened to again and again, because language teaching is given through the ear. I might, this morning, follow out the different lines with reference to the question of oral instruction in all the phases of reading, taking up accent, emphasis, articulation, intonation, and the various points in stress of voice that are brought out; and I have examples taken from the best readers of the city in my office, and some of them are on exhibition at the Fair grounds, showing how these examples can be clearly carried to the public schools by our very best readers. Now the question arises, even if this is true, what is it

worth to the phonographic interests from a business standpoint? It is a remarkable fact that many of the public schools are using, in preference to the improved books of the present day, the first spelling book that was ever used by our grandfathers, Webster's Elementary Spelling Book. It contains, of course, many good words, but also many which are obsolete. Being associated with the firm that still publishes that book, I can state on reliable authority, that there have

D23 been over a million copies of the Webster's Elementary – the old blue back – sold, annually, and its sale still continues. From that you will understand how hard it is to introduce innovations into the public schools. Who have you to deal with there? First, the teacher must become convinced that the phonograph would be a great help. The time was when they had no blackboards in the public schools; the authorities had to be brought to see that these boards would assist the teachers, and it was by no means easy to convince teachers and authorities of the importance of the board and the chart. The time was when they had no philosophical apparatus, and a demand for them had to be worked up by pioneers who have persistently gone about and insisted on educating the people. The people in time will see the necessity of using the phonograph in connection with public school work, and after that is finished, we must take a step higher to the superintendent; then we take the next step to those who are elected by the people, that is, school boards; and they must be educated along this line to see the real need and use of the phonograph.

Having operated on one school board, I am prepared to attest the great difficulties in bringing about the much desired result. Pioneer work is the hardest work, of all but I have a faithful and abiding confidence, whatever may be the feeling of this association, and whatever may be the result, that we will yet live to see the day that phonographs will be an integral part of our public school work, and that the schools in Paris will listen to songs in the voices of the children of the public schools of New York; that the children of Chicago will listen, as they have been permitted to do at this World's Fair, to the voices of children who talked in the

D24 public schools of New Zealand. Many people fail to realize, when they listen to a Jim-Jam song from the nickel-in-the-slot phonograph and pay a nickel for it, some of the real educational advantages of the phonograph, that are to-day being demonstrated at the World's Fair. A gentleman who came from New Zealand, representing a deaf and dumb institute there, carried all the way with him here to the World's Fair to have at a little convention, ten cylinders to compare results with the other gentlemen that he was meeting there, to show how he had been teaching his children to talk. Before you go away, visit the Milwaukee school exhibit with the phonograph, and see there how the children of the congenitally deaf in Milwaukee are taught to talk; and the result of their work is placed on the phonograph in a manner that will carry conviction to the skeptical. To this intelligent convention, and those of you who are always in the work, I only need to throw out this thought, that one of the great fields of usefulness for the phonograph is that of our public and private schools.

I have several strong testimonials on this point. Mr. Goodwin has already used the phonograph in connection with language teaching in the High School in Milwaukee, and we have a great many letters coming to the educational department here asking for information on this line. In the future, cylinders will be prepared to send out examples of various kinds of school work, just as we are doing in other lines with the social machine. The phonograph affords the only means of comparison in oral public school work. At the beginning of the term, the teacher calls her class around the phonograph, and asks them to read by paragraph, as they do, as a general test of their

D25 work; that recitation is left on the cylinder; the class improves gradually and at the end of the term an exact comparison can be made and the improvement clearly noted. I think the emulation that will come to the child in seeing how much better he can do that work at the end of a week's or a term's experience, will be as invaluable as is a similar comparison of written work. I had my nephew recite a little declamation to the phonograph which he thought was prime; but he mispronounced a great many words; his articulation was like that of most children nine years old. After he had recited it, I had him listen; he said it sounded to him as though some fellow was mocking him; then I called attention to the various words that he had badly articulated, a few that he had mispronounced, and said to him, "Ernest, in a week from now, I am going to ask you, after I mark all these points in your declamation, to recite to me another cylinder, so that I may make a comparison of the work." The result surpassed my expectation, and affords a glimpse of a vast field of usefulness. In Chicago I asked a teacher to bring a class to my room near by where I had a phonograph; the teacher and pupils in that recitation did a great deal of hesitating and stammering in their talk; questions broken; answers followed largely the example of the teacher; and while the class and the teacher were well posted, there was nothing clear, crisp or definite in connection with the entire recitation. I said nothing until I got them to listen to the record. After they had listened, they were properly disgusted, and all wanted to go home. I asked the teacher to have the pupils practise for a week, follow up generally the same questions, and then come back again. She did so; and I have both recitations to compare, and a statement

D26 also as made by the teacher that she never had anything that created any more interest in her school than the voices of the children.

Mr. Cromelin:— Did you take those records with a horn or how did you manage it?

The President:— I used the same device that is on exhibition at the fair grounds, except that I have a five way speaking tube attached, and with the ten children in the class mentioned I had them transfer, that is two of them use one speaking tube.

I will say that I showed the class machine to Mr. Edison and he has the whole idea and he will put it in better shape so that the carrying of the voices will be much more satisfactory, even than at present.

PHONOGRAPH IN TEACHING MUSIC.

A paper was then read by H. D. Goodwin on the subject of the Phonograph in Music, as follows:

As it is now possible in many states to purchase the phonograph at reasonable prices, it may not be unimportant to note the capabilities of the instrument in the teaching and studying of music.

The phonograph makes a record on the surface of a cylinder about two inches in diameter, which it automatically planes smooth at or immediately before the taking of the record, so that all possibility of dirt on the surface of the cylinder is thus avoided. The cylinder may be planed forty or fifty times for new records. The track is cut by a scoop-like recording stylus, which makes a U-shaped cut track, the edges of which are perfectly smooth. The phonograph talking stylus is knob-shaped, has play laterally and vertically,

D27 and will follow readily every depression and elevation of the track.

As the phonograph requires somewhat different manipulation when used for musical than when used for ordinary commercial purposes, it will be well to note the proper method of its employment. It is well known, of course, that as sound vibrations increase, pitch rises. If,

therefore, a record is made on the phonograph, the number of revolutions of the main shaft at the time of taking the record must be carefully noted, in order to keep the pitch of reproduction and recording uniform. The speed of any phonograph can be changed at will. In order to keep uniform speed, the electric motor machine must be used, as the governor of the treadle machine is not regular enough for musical work. In taking a record on the phonograph it is necessary that the speed of the main shaft be uniform. If the speed is not uniform, the record will be reproduced out of tune. If a musical record is made on a cylinder running at a slightly variable speed, it can never be reproduced in tune. In order to make and reproduce a record in tune, there must be no lost motion in the bearings and leather belts of the machine. But the principal point to be observed is that the main shaft centers and bearings are true, and that all the lost motion of the main shaft is taken up. It is thus seen that careful scientific manipulation is necessary in order to use the phonograph for musical purposes, at least in making the records. For compound sound vibrations, a tin horn suspended horizontally is used as a collector. For simple sounds, the ordinary speaking tube is generally used. The phonograph will record all powerful vibrations, simple and compound, and quite a range of weak vibrations. If, however, the vibrations are too

D28 powerful, the resultant vibration of the glass diaphragm will be broken up into a large number of irregular vibrations, producing a crash or rattle; in like manner faint sounds will fail to cause the glass to vibrate. Glass forms the most sensitive and reliable diaphragm known, although many other materials may be used. The student will listen to the reproduction through hearing tubes, and never through the tin horn.

Just as the use of the clavier is important as an aid in acquiring technic, so is the intelligent use of the phonograph a useful means of gaining an understanding of the æsthetic and ethical sides of music.

The first exercise given by means of the phonograph, should be devoted to the training of the ear to a clear knowledge of relative pitch. A cylinder with a simple melody should be prepared for the pupil, who should be required to take it home and transcribe it from his own machine, on music paper, and return it for correction. The phonograph is arranged with a start and stop attachment, so that the pupil can work with one phrase, repeating it till the ear is familiarized with the intervals. After having written the exercise, he can check it over with the cylinder. This practice should be kept up until the pupil can transcribe melodies from the machine as readily as the typewriter operator can transcribe word dictation. When the pupil can readily transcribe melodies, exercises with an added second voice should be given him, then with a third and next a fourth voice added. Finally, the student should be able to transcribe the most complex harmony with ease. This method of practising will open a new vista to many a musical student, and enable him to acquire by diligent study, a facility in determining tonal relations, such as Mozart had as a divine gift.

D29 The second field of usefulness of this instrument is musical interpretation. Let the instructor prepare an artistic record of what he wishes the pupil to study, and let a careful study of each phrase and its interpretation, including rhythm, tempo, accent, quality, power, light, shade, equality, evenness, and all its effects and relations to other phrases etc., be made. The pupil does this by repeating each phrase until he is satisfied that he thoroughly comprehends its meaning, and by comparing it with other phrases until he understands their various effects and relations. Just as the faces that we often see and the voices that we often hear are impressed upon our memory much more strongly than the faces that we seldom see and the voices that we seldom hear, so this constant repetition of the properly interpreted phrase fixes it forever in the student's mind. I had the pleasure of studying in this way a bourrée played to the phonograph by

D'Albert. After listening to this record perhaps fifty times, and repeating the less understood phrases for perhaps a hundred times, one must become imbued with the spirit of the interpretation.

Third.—The student can keep on hand for reference, cylinders containing illustrations of different interpretations, and can refresh his memory by reference to them as readily as he can refresh his memory of Hamlet by referring to the works of Shakespeare. For filing cylinders, a bureau with pegs in the drawers is a cheap and handy receptacle, and can be made to hold nearly a thousand cylinders.

Fourth.—The use of the Phonograph in this direction is for the correction of faults. Muffled pianoforte fingering and careless phrasing are relentlessly exposed by the little instrument, and the student sees his work from an entirely new point of view.

D30 *Fifth.*—Let the student, after having studied a work thoroughly, play it while listening to the phonograph record made by his teacher. This is an excellent test to determine whether the work is well learned or not. An objection may be made here that the adoption of such a method would lead to imitation, but I do not believe the objection is tenable. The student thoroughly learns what is given him by the teacher; in fact, practically has his teacher by his side constantly. It is then for the teacher to see that in new work the pupil applies the principles acquired from him by the aid of the phonograph.

Many interesting methods of practice with this instrument would suggest themselves to the able and progressive teacher. It is impossible to do slovenly work with the phonograph, and while its use requires much time and care, the results attained will be good. The instrument is useful with those students who wish to become thorough musicians, and should be employed with no others. I believe the instrument has not as yet been introduced into any musical college, but when its great advantages become known, it will doubtless prove a valuable aid to the progressive teacher.

Mr. Glass:—That paper is an exceedingly novel one to me. I regard it as so valuable that I move that 1,000 copies of that paper be printed and distributed among the members here.

Unanimously carried.

President:—The question of phrasing in the teaching of music, you will see illustrated in the exhibit of the Denver schools at the World's Fair. The phrase is constantly repeated by the children, and they listen repeatedly to good examples in connection with their work. I know of one young lady, a superior

D31 pianist, who constantly records her own work, and when she has finished a beautiful strain, she immediately turns to the phonograph to listen to the results of her playing there; and she says enthusiastically that the phonograph is the best critic and most excellent teacher she has ever had.

Mr. Sampson: I might make a remark here that it is very singular that there is one party who is exhibiting the phonograph who claims that he can get fully as good results from treadle as from the motor phonograph; he is the only man whom I ever came across who has made that claim. He is a terrible crank on the subject. His name is Siever. He explains it, that in the olden times he was a printer and has worked the press for so many hours that he has got absolutely perfect music and he seems to reproduce music as well on the treadle machine as any one could on the motor machine. He is the only one I ever saw who has used the treadle phonograph successfully for that purpose.

Mr. Goodwin:—He probably has an exceptionally perfect governor. I have met some such. They are rare, however, the governor being liable to run a little uneven. I do not see how even or uneven treading can affect the governor one way or the other. The most expert printer

could not make an uneven governor run even and the veriest clown could not run a perfect governor unevenly unless he undersped.

Mr. Haines:—I might give one illustration of a method of learning music which has been in operation by a friend of mine, perhaps for the last two years, up the Hudson. In his family they have bought all the latest songs of the day, and in this way have learned almost everything of interest to them in preference to the method they formerly had employed of learning

D32 from sheet music; and they have found the new method much simpler and more attractive than the old. I may be pardoned for referring to one instance, while this does not relate to the study of music in any way, still it comes under the same general head. The leader of one of the principal orchestras in New York has secured engagements to a large extent during the past two years by showing⁶⁰ his patrons,— the Vanderbilts and a good many of our rich people — many of the novelties which he has been able to present at their houses, by having them listen to the reproduction⁶¹ of the music first at his business office, so to speak, sampling and making selections in that way.

Mr. Lombard:—I do not know as it is quite in the line of the musical phonograph, but it is of great interest to state to this convention a matter that has come up recently. I have received letters from a gentleman who is in charge, I am told, of the largest deaf and dumb institution in the world, hear in Illinois, who proposes to use the phonograph, after having investigated it very thoroughly, for preserving to the partially deaf students that they have, the articulation of the voice, training their hearing, with the view of course, of retaining in their memory anything that they have known of language. He believes that he can, by making records of the speech of the dumb people, show great progress with it and that the phonograph will be largely used in all such institutions.

The President:—I desire to ask Mr. Goodwin this question: Is it not probable in the future that we shall be able to send to the public schools for teaching music and to private homes, not only the printed page and the way the music is written, but the manner in

D33 which the author would have that music played or sung?

Mr. Goodwin:—I look upon that, Mr. President, as one of the important innovations that will be introduced by means of the phonograph in the methods of studying music in the future.

The president announced the following communication:

Mr. President:—Will you kindly announce to the members of this Convention that on Friday afternoon “The North American Phonograph Co.” will be glad to have them go to the Fair Grounds as its guests, when a special entertainment in the Plaisance will be given for their benefit. I think that the trip on the whaleback, set down for this afternoon, could be deferred until then.

THOS. R. LOMBARD.

Mr. Haines moved that the kind invitation be accepted.

Seconded and unanimously carried.

Adjourned.

THURSDAY, SEPT. 31.

Convention called to order by the president.

The report of the Executive Committee was presented as follows:

⁶⁰ Original: “showinhg”

⁶¹ Original: “reroduction”

The committee recommended that H. D. Goodwin be appointed reporter at a per diem of \$10 during the continuance of the session, that he be allowed a maximum of 20 cents per folio for the amount of matter transcribed, that the report be printed, and that the expense of printing the report be not greater than that of the past year, and that the president, the secretary

D34 and the reporter be constituted a committee to consider what shall be published, to read the proof and to see to the publication of the report. Mr. Goodwin was requested to find out what the expense of printing 1000 copies of his paper on Music would be; the committee further recommended that the first order of business after roll-call, Sept. 21st, 10 A. M., be the report of the Committee on Constitutions and By-Laws.

Mr. Goodwin:—I have learned that the expense of printing the 1000 copies on good paper will not exceed ten dollars.

Mr. Tate:—In regard to that portion of the report which refers to Mr. Goodwin's paper on Music, I think it would be a good idea to ascertain how many copies of that paper each Company would like to have, for as a thousand copies are going to be printed, we might have five or ten thousand printed as well as one thousand. The North American Phonograph Company can use several thousand of those reports, and I know that some of the other Companies, as for instance the Pacific Company, desires to obtain a larger number of copies than they can when a thousand are printed.

The President:—What will you do with the executive committee's report?

Motion was made that the report be accepted and placed on file.

Motion seconded.

Mr. Ott:—Before the motion is put I would like to make an inquiry with reference to the cost of printing of such report, as I understand it is not to exceed the cost of the last annual report.

The President:—95 cents per page. Last year we took bids from several printers, had them report before the committee finally adjourned, and 95 cents per page

D35 was the best that could be got and the order of the committee was that it should not go over this.

Mr. Ott:—Would it not be proper to have that report corrected so as not to exceed the 95 cents per page.

Report so corrected, and so ordered. The report of the executive committee was then unanimously accepted and adopted.

Mr. Benson then took the chair.

Dr. R. S. Rosenthal of Chicago then presented a paper on the subject of:

LANGUAGE TEACHING BY THE PHONOGRAPH.

The use of the phonograph introduces a new era in the study of languages by taking the place of the living teacher to a large extent. Of course, no one will claim that the services of an able teacher can be dispensed with entirely, but the phonograph enables us to take advantage of such services in the highest degree. In the following remarks, I believe that simple and correct principles are enunciated. The conclusions form an improvement on my Meisterschaft system; but above all, is to be taken into consideration the fact that the wonderful, new phonograph method enables us to take full advantage of all these principles, and thereby gain results that would otherwise seem surprising. The mastery of a language is now a thing of comparative simplicity, and one which can be surely attained in short order by the earnest student, having

with him his ever faithful, ever patient friend the phonograph, always ready to repeat the difficult phrase a thousand times, if need be, until it is firmly fixed in the memory; a friendly teacher that will never chide, scorn or ridicule the pupil, no matter how many times the

D36 same question may be asked. Then let it be understood that the following principles depend for their most successful results upon the use of the phonograph and that I thoroughly sympathize with the revolutionary character of the work of the machine in the line of languages.

The great educational authorities in all lands are coming, one by one, to the conclusion that in this busy age it is not only expedient, but necessary to give primary attention to the living languages. And “let the dead bury their dead.” Men and women have become tired of spending four and five years at Latin and Greek without acquiring sufficient knowledge of them even to read the authors with pleasure.

The practical mastery of modern languages has become an absolute necessity. It is no longer sufficient to teach the pupils the intricacies of the German declensions or the grammatical technicalities of the French language:—*the present civilization demands higher and more practical results*. Our students must not only know the grammatical peculiarities of French and German, but must be enabled to use foreign languages just as readily and correctly as their own; they must not only be acquainted with the classical master-works of France or Germany, but must speak and understand the practical every-day language of common life. They frequently know the grammars of these tongues better than the natives themselves, and yet in going abroad they are utterly unable to ask for the common necessities of life in idiomatic French or German, and fail to understand the polite utterances of even a waiter or chambermaid. These facts are so fully understood that it would be useless to discuss them.

D37 Let me now call your attention to another fact. In this cosmopolitan land of ours, every intelligent observer must have noticed the ease and rapidity with which foreigners master our mother-tongue. They have neither books, teachers nor interpreters; they may be Russians, Frenchmen, Spaniards, or Swedes; they generally understand nothing about the principles of grammar; they may be too young or uneducated to even read or write their own language; yet, despite it all, they invariably, within a few months, master sufficient English not only to make themselves understood, but to speak it grammatically and correctly, provided they have mixed with cultured classes of society, and, of course, faultily and badly, if they have had the misfortune of associating with uneducated people.

From these facts it is obvious that some system *must* exist which we intuitively follow when we reside abroad, and which always and under all circumstances leads to complete control of a foreign tongue.

Nature, through the mastery of this first simple phrase, has pointed out the true and only way in which alone languages can be learned. IT IS THROUGH SENTENCES, *and never through single, isolated words*. Disconnected words are never language. No one will ever learn a language by studying isolated words, disconnected expressions, and abstract rules.

“A man is not a carpenter and cannot pass himself off for one,” says a celebrated French writer, “simply because he has purchased a complete outfit of carpenter’s tools. The mere acquisition of the tools has not advanced him a single step in his art.”

So also is it with the student who has mastered only the grammatical technicalities and isolated words of a

D38 language. I divide the whole language, which is *infinite*, and which *no one*, not even a Shakespeare, has ever mastered *in its entirety*, into the language of literature and the language of every day life. I hold that in studying foreign tongues we must first acquire a working

knowledge of practical every day French and German before we can enter upon the study of classic literature. The study of literature can be pursued only after the language of practical life has been acquired. This is the first point to be insisted upon. Next we have an objective and subjective language. A true language must deal with these two branches from the very start. Mere object teaching – as some books advocate – is consequently wrong, because it is one-sided. Side by side these two languages must progress, working into one grand harmonious whole. Only thus can a real method be developed.

I also divide the words of the language into the necessary and the unnecessary ones.

Who does not know how the majority of grammars fill page after page with the most useless, and frequently most absurdly ridiculous sentences?

Imagine plodding through pages like this, and I wish to remark that I quote verbatim from a widely-used French grammar:

“I have a rose. He has a book. You have a stick. My brother has a pen. His sister has an apple,” and so forth through fifty pages.

Think of learning French from a so-called “Conversation Grammar” published a few years ago in New York, and from which I will quote the first four “conversations” only: *“Where are the monks? They are in the refectory. Who killed the elephant? It was the grocer. Where is the bird? It is sitting on the blacksmith’s shop.”*

D39 Would any one believe that such stuff could find a publisher, or that a book like this would be used in any school?

Throughout my books I have therefore endeavored to give nothing but useful and practical phrases, sentences which we are in the habit of using in the common transactions of life, expressions which everyone *must* employ, be he merchant, scholar, physician, lawyer or tourist.

The proper selection of the vocabulary of practical life, about 4,000 words, is the first distinguishing feature of my method, and while Nature *never* fails in providing a person with words best adapted for his own necessities, it has taken the investigations of many minds to determine the limits and extent of speech for a scientific system of linguistry.

Yet, disconnected, isolated words are not language. A person might learn a whole dictionary by heart and yet would not be able to speak. I hold that instead of beginning with simple phrases which no one can ever put to practical use, we ought to commence with complex, long, flowing, connected, rational sentences, such as we are in the habit of employing in practical life. Instead of teaching phrases whose construction is the same as those of our own native tongue, we ought, on the contrary, to commence with idiomatic sentences, whose formation⁶² is utterly foreign to our mode of speaking, thereby dis-acustoming our minds from thinking in English, and becoming familiarized with the foreign ways of expression and thought.

For this, after all, is the great difficulty; this is the “*punctum saliens*” of the whole problem. We must learn to think in the foreign language itself. We must no longer think about our French or about our German,

D40 but in the language itself. No one can speak a foreign tongue who does not think in it. This can be accomplished most successfully by the use of the Phonograph to train the ear by constant repetition, as the eye is trained by constant looking.

Remember also that *the ear* is the natural organ of language. To substitute for it the eye – as is done in all schools – is to commit a blunder so vital that the greatest philologist is unable to

⁶² Original: “formations”

accomplish in ten years what a humble, illiterate child attains in six months. To learn from a dumb book leaves the student just as speechless as the source from whence his knowledge proceeds. If you want to learn to swim, plunge in the water and strike out boldly. If you desire to learn to speak, listen to foreign speech and imitate what you have heard until by habit it becomes second nature to you. This is the method of nature, and this is the method of the phonograph.

In the phonograph we have a teacher we can send into any country. Here we have a means of bringing about that great brotherhood of nations of which we all talk so much, and yet nobody has the enterprise, backbone or intelligence to make this great instrument what it ought to be, *the educator of the world*. Persevere as pioneers in this great work, in this great undertaking, in this education of the masses. The professors of any university might deliver lectures with the instrument and thus help the progress of University extension. The battle is really almost won and victory is in sight, and I wish the enterprising pioneers and missionaries in this great work success and God-speed.

The President:—Doctor Rosenthal has presented to me some practical ideas regarding the introduction of his method into various towns and localities. I would

D41 like to have him give just a word on the practical side⁶³ of this matter, to those who are interested in the introduction of the phonograph.

Dr. Rosenthal:—In introducing the phonograph I have spent a good deal of time, money and thought, and I think I have finally hit upon a plan by which we can not only introduce the phonograph but help to educate the masses. I read the other day a little editorial in the *Lutheran Observer*, about “The Phonograph, a Busy Pastor’s Best Help,” or some such title, and it suggested a little plan which I think can be made very practical and very useful.⁶⁴ When I had still the old Meisterschaft system, I used to travel from place to place and announce that any person who would buy my books now at this appointed time, to-day, could get ten free lessons in the various languages. I shall go a step farther this time, and I shall say to them this, “I will now leave in this town, to be either the individual or united property of a class of twenty-five persons, who will purchase my books and will pay me from eight to ten dollars each, a phonograph as an instructor, with cylinders prepared.”⁶⁵ I think if this scheme is properly handled I can easily find in each town of from 5,000 to 10,000 people a clergyman who would like to have a phonograph. I will say to him: “My dear sir, you can get it in less than no time, get twenty pupils in your church or in any other whom you wish to keep away from the ‘corner grocery and liquor store,’ whom you want to educate in any of the higher branches, have them come to you every day; you have nothing to do except to press the button and the phonograph does the rest. The phonograph is yours, and here are your own people studying.” Now it seems to me, that in any town one can easily dispose of a phonograph in this way. I know when I

D42 set out on my travels now I shall adopt this plan and I feel convinced that there is nothing better. It is the best language teacher, the best educator of the young, and to the parson it is a bargain; and I assure you a parson likes a bargain. **(Laughter.)**

The first town that I shall attack is very likely New York City, where I hope to dispose of a great many phonographs.

Mr. Easton:—Mr. President, and gentlemen of the convention, it is customary, I believe, when we have a lecture on temperance, for instance, to furnish an awful example. In this case I

⁶³ Original: “sied”

⁶⁴ Original: “useffl”

⁶⁵ No closing quotation mark in original.

am the example for Dr. Rosenthal's lecture. I was probably the first person to actually study German from prepared cylinders.

Dr. Rosenthal:—Yes, sir.

Mr. Easton:—And I am a graduate. I went through the course with very satisfactory results to myself. This summer I was in Germany for a while, or, rather, on a German ship. I don't know how the Germans like my way of talking, but it pleased me and didn't seem to hurt any of them at all. One of the delegates has just asked me quietly to speak a little German for him, but though I am expert I must decline to do so, as I will not gratify mere vulgar curiosity. The point, in brief, here about this system seems to be that a person who is thoroughly in earnest, and wishes to master a language, can do so by the aid of the talking machine better than in any other way.

The President:—I have been very much interested in this subject of studying language by the use of the phonograph. I tried when I was a boy seventeen years old to capture the German language in the old style, but I couldn't get very much out of taking two lessons

D43 a week from a teacher, and it was impossible to remember all that he would tell me in a half hour, and practice it the rest of the week. There was only one German family in the town and as most of them were girls and my native bashfulness prevented my practising German with them, I did not hear very much German; but when I had my teacher come into the office of the American Book Company, and place a cylinder of his own preparation on a phonograph in my own office, I said to myself, I can take that cylinder home and learn it, and I can repeat every word of that cylinder that was given to me on that first day. I haven't however been following up the German language, but have been studying the Spanish, in which I have made good progress practising from prepared cylinders without any other teacher. Now, I want to say in this connection that I believe most thoroughly what the Doctor has stated with reference to the question of language teaching being almost wholly ear teaching, and I believe that when this matter is illustrated and exemplified, the phonograph will enter every family circle, to teach the languages as well as for the hundreds of uses and pleasures in which it may be employed.

I now move that two cylinders for each Company shall be carefully prepared by native teachers, such cylinders to be furnished at the expense of this Association, in German, French, and Spanish with the pamphlets accompanying the same, for the purpose of illustrating and using in their offices at their various headquarters, and further that the convention offer Dr. Rosenthal a vote of thanks for the very able work he has done in language teaching with the phonograph, and for the paper which he has been good enough to present to the Association.

D44 Motion seconded and unanimously carried.

The President here resumed the chair.

Mr. Easton:—There was one point that was not touched upon, which I might briefly mention. Dr. Rosenthal, when teaching in Washington, used not only to go through his text books but prepare an advanced course for pupils who wished to take it; for instance, he used to read simple German plays on cylinders. I have two or three prepared in that way. It gives the pupil an excellent chance to follow advanced German as well as to take the elementary sentences of the first books.

Mr. Goodwin:—Mr. President, I have been requested to say a word upon the use of the phonograph in teaching Latin and Greek. In the fall of the year 1888 I was teacher of the Latin and Greek languages in the Milwaukee High School, and I used in that work one of the first graphophones that were ever made. I taught the scanning, which the ordinary pupil finds very difficult, entirely by means of a machine. I dictated a few cylinders, properly scanned, and let

the class work with them and paid no more attention to the scanning, except that I held them responsible for the results, and the class that did the work in that way passed a better examination on that subject than the classes with which I had, in former times, spent weeks, off and on, on that subject. I also used it in prose composition in Latin and Greek, and found it of very great assistance, and if I had continued as a teacher in the school there I should have used the phonograph as a most valuable assistant in the work, and I think that it is the only correct means of learning a language.

Why is it that in the study of the ancient languages so much more time than is apparently necessary is devoted to learning the fundamental principles, and why

D45 is it that after years of study the student is almost without exception unable to read, or translate fluently, to say nothing of speaking the language? Are the classical languages so much more difficult than the modern or were the ancients so far superior to us intellectually that we cannot learn what they learned with ease and in a short time? Vergil was master of the intricacies of Latin and Greek prose and verse at fifteen. The honor men of our universities at twenty can rarely construe a page of difficult Latin, or a Greek chorus, without terrific, almost laughable labor. The difference is not so much in the intellectual inferiority of the moderns as that we study these languages in the wrong way.

The ear is never trained, and when the ear is not trained the language is not learned.

Here then is the secret of the revolution which will be worked by the phonograph in the teaching of ancient languages. The phonograph enables the student to train the ear as readily as the printed page enables him to train the eye. I would suggest the following exercises for the study of the ancient languages with the phonograph.

First:—Take very simple work, like Viri Romae or Xenophon's Anabasis. Dictate a cylinder in an even, clear tone. The student should listen to this cylinder over and over again, until he understands it without translation. He may refer to the book, if necessary, during the early portion of his studies until his ear is somewhat trained, especially if he is an "advanced" student under the old systems.

Second:—Let him transcribe the work with the greatest pains; then let him compare the work with the

D46 cylinder, making all corrections possible, and finally with the original.

Third:—Let him note the quantity of each syllable and its accent.

Fourth:—Let him repeat the dictation, sentence by sentence, after the machine, correcting his errors of pronunciation in that way, and "taking in" the cylinder in the original. Let him read from the book, then listen to the phonograph for correction.

Fifth:—Let him practise scansion, beginning with the dactylic hexameter, and thence proceeding to the more complicated meters, from properly dictated cylinders. Let the machine scan a verse, stop the cylinder, repeat the verse, making a distinct effort to catch the rhythm. It is astonishing how quickly there will be developed in this way the intuitive rhythmical sense, and how in a short time, in the case of a bright student, this sense will develop until it approaches the unparalleled rhythmic sense of the ancient Greeks. A student may study Schmidt's Rhythmik and Metrik from cover to cover, and have the names of every foot, verse and system at his tongue's end, and yet have no sense of true rhythm and no ability whatever to read metrically. I know of a case of an excellent student "old-style" who though master of the technicalities of Grecian rhythm, could not scan a Greek chorus without dotting the accents under the syllables. Poor fellow, he was a victim of bad training. His rhythmic sense was absolutely underdeveloped.

Sixth:—When the student is somewhat advanced, whole books should be transcribed from the phonograph, and thus it is seen that the machine becomes as great a trainer of the eye as of the ear.

D47 Many other exercises will suggest themselves which I will not take the time to mention here. But the result of this training will be that the Greek student, instead of being able to painfully plod along at the rate of a page an hour with the aid of his much-thumbed lexicon, will be able to read twenty pages in an hour, in the original, and will become so absorbed in the reading that he will be transported in thought to the great past and to think with the great Greeks and Romans. There is no mystery about the classical languages. They are simply cloaked with the stupidity of bad methods; and all that is required is the strength of the giant Phonograph to strip them of their dark covering and reveal them in their simple beauty.

The time is rapidly approaching when the idea of learning any language without the aid of the phonograph will be looked upon as a relic of barbaric perversity, and we who take a stand for the right, and point out the true path to the people will receive the reward of pioneers in the praise of the future.

The Convention thereupon went into executive session, and adopted the following Constitution:

ARTICLE I.

Name. The name of this association shall be “The National Phonograph Association.”

ARTICLE II.

Object. The object of this association shall be to promote and develop the interests of all talking machines controlled and exploited by The North American Phonograph Company and the local Phonograph Companies acting under its authority in the United States and Canada, and to instruct all persons who are

D48 interested in buying, selling or using the phonograph or any power connected therewith.

ARTICLE III. SECTION 1.

Meetings. This association shall meet annually and semi-annually at such time and place as shall be decided upon either by the association or its executive committee.

ARTICLE III. SECTION 2.

Special meetings may be held by order of the association or by a call of a majority of the executive committee.

ARTICLE IV. SECTION 1.

Officers. The officers of this association shall consist of a president, a vice-president, a secretary and a treasurer, who shall be elected by the voting members of the association, and who shall hold their respective offices for one year and until their successors are elected and qualified.

ARTICLE IV. SECTION 2.

Qualifications. No one can be elected an officer of this association who is not an active member.

ARTICLE IV. SECTION 3.

How Elected? The elections of all the officers shall take place at the first session of each regular annual meeting by regular nominations and written ballots, unless otherwise ordered by the association.

ARTICLE V. SECTION 1.

Duties of Officers. It shall be the duty of the president to preside at meetings, to appoint annually an

D49 executive committee of five members, to sign all vouchers which are paid out in the name of the association, to appoint, at his discretion, a sergeant-at-arms, to look after the general interests of the association and examine and approve the official minutes to be printed as the official reports of the association, and to sign all orders made on the treasurer.

ARTICLE V. SECTION 2.

Vice-President. It shall be the duty of the vice-president to perform the duties of the president in the absence of that officer.

ARTICLE V. SECTION 3.

Secretary. It shall be the duty of the secretary to keep a record of the proceedings, to collect and receive all moneys, deposit them with and take a receipt from the treasurer for the same, to draw and sign all orders on the treasurer, to attend to all correspondence that may come under the name of this association, to consider, pass and report upon all applications for membership referred to it, and to make an annual report to the association of his work, and to perform such other duties as the association may direct.

ARTICLE 6.

Executive Committee. It shall be the duty of the executive committee to arrange all programmes, to send to all members a copy of the same at least eight weeks previous to the time of the annual meeting, to pass upon all reports referred to it, set the time and place of the annual meetings, unless previously decided by the association, to do all business left unfinished by the association unless otherwise ordered by it, and to

D50 perform such other duties as the association may from time to time direct.

ARTICLE VII. SECTION 1.

Members: Active Members. Active and voting members of this association shall consist of one membership or alternate from each of the various local phonograph companies organized in the United States, under the authority of the North American Phonograph Company, and such alternate shall be chosen by the representative of his company then present, unless previously named by his company, and of one membership from The North American Phonograph Company and one from the Edison Phonograph Works. The annual dues of each active member shall be \$15, payable in advance, and each such member shall be entitled to two copies of the annual printed report.

All officers or directors of said sub-companies shall be entitled to be enrolled and attend the general meetings and participate in discussions, but each sub-company shall be entitled to but one membership and but one vote, and only active members shall be present at executive sessions.

ARTICLE VII. SECTION 2.

Disqualification of Active Members. Should it be authoritatively established that any local company, in the conduct of its business, is pursuing a course inimical to the objects of this Association, as stated in Article 2, such company can, by a majority vote, be suspended from this organization until such time as it shall have provided satisfactory assurances and guaranties to respect and follow the constitution; and re-admittance

D51 shall also be had by a majority vote of the executive committee.

ARTICLE VII. SECTION 3.

Associate Members. The associate membership of this Association shall consist of all persons who may desire to join the National Phonograph Association and who are agents or dealers in the phonograph. Such associate members shall be entitled to the privilege of all the meetings of the association (except the executive), shall be entitled to participate in any and all discussions, shall receive one copy of the proceedings, but shall not be entitled to vote. The annual dues for associate membership shall be \$5 per member, payable in advance.

ARTICLE VII. SECTION 4.

Annex Membership. The annex membership of this association shall consist of any company desiring to join, which furnishes battery or other power to operate the phonograph. Such company shall be entitled to the privileges of all meetings of the association, except the executive, shall be entitled to participate in any and all discussions, shall receive one copy of the proceedings, but shall not be entitled to vote. The annual dues for this membership shall be \$10 per member, payable in advance.

ARTICLE VII. SECTION 5.

Credentials. Each member shall file with the secretary, at the beginning of each annual meeting, his credentials entitling him to such membership.

D52

ARTICLE VIII.

Questions of Debate. In all questions of parliamentary law this association shall be governed by Roberts' Rules of Order.

ARTICLE IX.

Unfinished Business. All unfinished business not attended to by the association shall be attended to by the executive committee.

ARTICLE X.

Reporting Meeting. An official reporter shall be appointed annually by the president, whose duty it shall be to make record of the proceedings of the meetings with the phonograph, and furnish a type-written transcript of the same to the secretary, and said report before being published, must be approved by the president and secretary.

ARTICLE XI. SECTION 1.

Quorum. A quorum for the transaction of business at any session of this association shall consist of a representation of not less than seven active voting memberships.

ARTICLE XI. SECTION 2.

Executive Sessions. Executive sessions may be held by the active members at any time during the convening of the regular sessions. But one representative from each company (not including the officers) shall be present. These sessions may be called by the executive committee or by the president at the request of a member.

D53

ARTICLE XII.

Qualification of Members. All persons desiring to become members under this constitution shall have their names and credentials first submitted to the executive committee or to a special committee appointed for that purpose, who shall immediately report to the association.

ARTICLE XIII.

ORDER OF BUSINESS.

1. Calling the roll of sub-companies (calling roll of other members at pleasure.)
2. Reception and disposition of communications.
3. Report of officers and committees.
4. Unfinished business.
5. Election of officers.
6. New business.
7. Regular program.

ARTICLE XIV.

Amendments. This constitution may be amended or changed only by written resolution offered by any member at one session, to be laid over and voted upon at a later session, and must have a two-thirds vote of all the members present to carry said amendment.

Mr. Andem:—I move that 250 extra copies of the constitution be printed for distribution among members.*

Seconded and unanimously carried.

W. V. Emerson spoke as follows on the subject of best method of making records:

Gentlemen, I have not very much to say upon the method of making records, and I hardly think I should be put down for the subject of best records of all classes, as I do not make talking records, as you know. Those

D54 which we handle are made by ourselves personally. In a general way I will simply say our specialty in the past has been vocal records. I find that in making these records I cannot establish any set rules. One man will make a better photograph with the same light and lens than another. So with records. The subject has to be studied. The singer and all his peculiarities have to be studied. No two men will work alike and it would be hard to establish any set rules. I would further say that our knowledge of the business we consider of more value than our franchises.

On the subject of Talking Records the following letter from Mr. Daniel Kelly was read:

CINCINNATI, Sept. 18, 1893.

Henry D. Goodwin, Esq., Chairman Executive Committee.

* Footnote in original: "Executive Session closed."

DEAR SIR:— Your communication received and would say in reply I very much regret my inability to comply with the requirements of the appointment as my present physical condition will not permit me to travel, especially by rail.

Hoping the fourth annual session will be enjoyable to its members, instructive in its result, beneficial to us all, and thanking you for the honor conferred by the appointment, I remain, dear sir,

Yours respectfully and fraternally,
DANIEL KELLY.

P. S.—Another reason why I cannot attend, you see, Mr. Goodwin, myself and Pat Brady are in partnership, and Pat is under the weather now. I just left him and “the doctor” together. Brady has a swelled head; he got it coming home from “Paddy’s Wedding,” and the policeman that clubbed him swore he was “On a Spree,”

D55 but he made a “Plea in his own Defense.” It did no good. They put him in “The Patrol Wagon” and landed him in the county jail, which we all know was not “Police Justice.” After serving his time, his wife sued for a “Divorce.” That was last “St. Patrick’s Day.” Then he made a speech that got his name up, and his friends saw that he was a great orator, so they ran him for alderman of the First Ward, and he made a speech “Before the Election” that won for him many votes from the other side. The next night, “After his Election,” he made another rousing speech to his constituents, who held a mass meeting to consider the advisability of taking some action to relieve the money markets of the country. They decided unanimously to send Brady to Washington to inform Congress and Mr. Cleveland of what he would do “If He were President of the United States.” When he returns, which will be shortly, it will be by way of Chicago, after which the public may expect a very glowing account of his “Opinion of the World’s Fair,” and his experience in the Windy City.

Mr. R. T. Haines spoke as follows on the subject of Duplicates:

There has been no process which has been put into practical operation to the extent of furnishing excellent duplicate records to the companies, although I know that there are at least two systems that are quite perfect. I think that the business of all the companies, not only the amusement side as demonstrated in the household use of the machine and public exhibitions, but in the automatic line, which has always been very profitable, will be greatly increased from the manufacture of first class duplicate records by such talent as cannot be obtained at the prices we pay for the talent employed.

D56 I think, perhaps, the best and quickest method of securing duplicates for our use would be for local companies to preserve the choice records which they are able to make from time to time from talent which they are unable to employ but which comes to them voluntarily, talent of distinguished people, and I believe within a month or two, we may be able to secure duplicates at a minimum expense. Meanwhile, I make the suggestion that if any of the companies have in their possession rare records that they preserve them until they hear further from me.

Mr. Easton:—I would like to ask Mr. Haines if this process will destroy the original?

Mr. Haines:—In the general discussion I have not had in mind any special process; I merely mentioned the fact that there are one or two processes which are very good.

Mr. Easton:—I inquired because those who contemplated sending records might like to know as to the possibility of their destruction.

Mr. Haines:—I think duplication implies ultimate destruction of the original. I doubt if we shall ever find a process of duplicating records which will not eventually destroy the original.

Mr. Evans:—I would like to suggest to Mr. Haines that a most important thing would be to announce the speed with which the records are taken. We had a Gladstone cylinder which was a duplicate of an authenticated original, and somebody came in where we had it and denied that it was a cylinder of Gladstone, stating that he was familiar with his voice, and that the pitch was not right, but we could not tell what the speed was and could not establish the pitch.

D57 Mr. Emerson:—I personally owned that original cylinder. The New Jersey Company now owns the original and the duplicates were made by us and were made invariably from the original cylinder at a revolution of 120.

Mr. H. W. Morton spoke as follows on the subject of

THE BRADBURY STONE STORAGE BATTERY.

The members of this convention need but little information regarding our batteries for phonograph purposes, for most of them have applied the adage that “the proof of the pudding is in the eating.” The evolution of storage batteries for phonograph and other purposes, has been slow but sure. Patent litigation has prevented their extended adoption for many classes of work. Those unfamiliar with this subject are greatly surprised at the variety of purposes for which they have been adopted, and the Bradbury Stone Co. have been called upon to furnish batteries for many new applications.

One correspondent asks for a type to store up business in prosperous times, for use during dull seasons, like the present. Storage batteries have a most interesting application for internal surgical operations. A small incandescent lamp is imbedded just below the cutting point, and the operator is thus enabled to go “by sight and not by faith.” A patient can swallow a small lamp and, the room being darkened, the working of the “interior economy” is visible and a remedy applied to the parts affected. To those of us directly connected with the storage battery business, the names of Plante,⁶⁶ Faure and Brush, are indelibly impressed upon our brain tissue and the sentence “Active material

D58 mechanically applied, in contradistinction to forming by electrical disintegration,” haunts us by day and by night.

Like all the rest we have experimented with “electrical disintegration,” but we cannot get durable commercial results. We apply the active material mechanically to a plate or grid, which is so moulded that the active material is thoroughly protected. After exhaustive tests and experiments, we have come to the conclusion that our form of plate is as mechanically and electrically perfect as it is possible to make it, considering the nature of the only material that it is practical to use, that of lead and its oxides. We are now devoting our best efforts to obtain as great perfection in all the details, such as electrode connections and a form of separator that will prevent, as far as possible, any liability of short circuit or deterioration of active material. In this connection I would ask your hearty co-operation by informing us of any defects that may develop in service, and we will also be most grateful for any suggestions that your experience in practical work indicates would be beneficial.

When the batteries are fully charged, the specific gravity of the acid should stand 1210. The battery should not be discharged where the hydrometer will show under 1130. In discharging, we reduce the specific gravity of the acid, which if below above point, produces

⁶⁶ Or “Planté”?

invisible salts. If the battery is left standing discharged, naturally the greater the quantity of sulphate.

This sulphate will appear principally upon the faces of the positive plates; it has the effect of insulating that portion of the material which it covers, making the same non-active. The evil resulting from this can be readily understood. For example, if one-half of the

D59 plate's surface is covered, and the battery should be put under charge at its ordinary working rate you are charging a cell that has really only half its working capacity in a healthy condition. The current used is therefore just double what it naturally should be: the result being that the current attacks the grid.

The remedy for this evil is, in the first place, never discharge the battery below the point given. Should the battery be in the condition above named, give it a long, low charge; this will remove the sulphate and bring the plates back to a healthy condition.

Storage batteries for phonograph purposes have many and varied conditions to meet that are not met in other lines. They must be able to withstand more or less rough usage, and the "Wandering Jew" could be given points by some of our batteries. You have already made the phonograph speak where no other form of electrical invention has penetrated. Our batteries have been packed upon mules, with your phonograph over the mountains of North and South America. Together they have encountered the kangaroo and jack rabbit of Australia; even dark Africa has been invaded, and together we may yet find the "missing link" between man and animal. As I come from Boston I should not be true to my intellectual surroundings, did I not mention a possible field for the phonograph, and, of course, the Bradbury Stone Batteries. Specialists upon the brain tell us that memory is definite impressions upon the brain tissue. May not an Edison perfect a phonograph that shall project an electrical needle point into these impressions upon the brain tissue, and, as it follows convolution after convolution, should we not hear, in tragic tones, the secrets of many lives, their disappointments and experiences. Think what such a

D60 phonograph would do in our courts of law! What a millenium it would bring! No one would even dare think wrongly. Let us go a step farther. It is becoming recognized that some persons are born with a capacity to receive impressions from those who have passed from our sight. They claim to repeat to us messages from departed friends. How much more convincing to hear our friends speak through a purely mechanical, than a human medium, with a distinct personality. May not the phonograph be so delicately perfected that it would interpret these mysterious impulses from the unseen world? What a relief to some of us it would be for our phonograph to tell us, with angel voice, there is no hell fire for you to suffer for all eternity.

I will conclude by saying that the man who uses a poor storage battery, will wish he hadn't, like the young miner from Maine out near Denver, who used a large coal shovel for a toboggan, and wished he hadn't. After getting up to a fair rate of speed, his envious friends at the top heard him shout as if in great pain. It seems that the thin shovel blade, upon which he was sitting, had become heated to a most uncomfortable degree by the friction.

Mr. Sampson:—I desire merely to present the thanks of Mr. Alfred Clarke, of the Eastern Electric Light and Storage Battery Company, of Lowell, Mass. He had no idea, until I telegraphed him the fact, that storage battery companies could become annex members. Had he known that, he would no doubt be pleased to be here. He has asked me to speak for him and I do so with great pleasure and refer you to his circulars which I place around so that you may read them and profit by them. I have used most all batteries and I can say

D61 that for an all-around battery, so far as my experience has served, the Sorley is the best. Mr. Clarke is constantly improving it, never weary in receiving communications from the phonograph people, always ready to try experiments, etc., and thinks the cell can stand the extraordinary rough usage of business. In our territory it is sent all over and handled in the roughest manner, and I say the battery which I represent here in behalf of Mr. Clarke has stood the test in a satisfactory manner. All the connections of this battery are fine lead welding, and I have a sample here which shows the process by which the connections are made.

A resolution of thanks was then, by unanimous vote, tendered to Mr. Clarke for his able paper.

Mr. Oliver then spoke as follows on the subject of

THE EDISON-LA LANDE PRIMARY BATTERY.

Mr. President and Gentlemen:—I am glad to say that a comparatively easy task falls to my lot today, *i. e.*, to describe to you the Edison-LaLande Primary Battery; to point out its special characteristics and to show how these characteristics render it peculiarly well adapted to supply the motive power for the Phonograph, no matter for what purpose the latter may be used—in the business man's office as a stenographer, in the schools and colleges as a teacher, or in the home as a source of pleasure and amusement.

I think that a brief history of the origin and development of the Edison-LaLande battery would not be out of place here, and would be of interest even to those of you who are already familiar with it in practice. What I might call the progenitor of the Edison-LaLande cell

D62 was invented some years ago by two Frenchmen named De Lande and Chaperon, and it attracted a good deal of attention at the time owing to its simplicity and other advantages, to which I shall draw your attention later, and which rendered it easily superior for general purposes to any other primary battery then existing. It had, however, serious practical drawbacks; it was heavy, clumsy, and expensive. It consisted of a heavy cast iron cell with an ebonite cover from which the zinc element hung suspended in a spiral form. The negative electrode, which consisted of copper oxide, covered the bottom of the cell, and over this was poured a solution of caustic potash. The cover was hermetically sealed by means of flanges and nuts.

The chief points of superiority possessed by this battery were the low internal resistance, the constancy of the electro-motive force, and the absence of polarization and local action.

Mr. Edison, being fully alive to the lack of a good and reliable primary battery, and, moreover, being specially desirous of finding a good and cheap motive power for the Phonograph, recognized possibilities in the LaLande-Chaperon cell which a lesser genius might well be excused for overlooking. He, therefore, took it in hand and after a long series of costly experiments, evolved what is now widely known in both hemispheres as the Edison-LaLande primary battery.

The Edison-LaLande battery consists essentially of the same elements as the LaLande⁶⁷-Chaperon, *i. e.*, black oxide of copper for the negative element and zinc for the positive, the exciting fluid being a 25 per cent. solution of caustic potash.

The first point to which I would draw your attention is the remarkable simplicity of the cell. It consists of

⁶⁷ Original: "LaLand"

D63 a single jar of porcelain containing the one solution, there being no inside cup, and the elements, both positive and negative, are suspended in the form of plates from the porcelain cover. There are two zinc plates hanging from a bolt in the cover, and between these is placed the copper oxide plate which is slotted into a copper frame. A layer of heavy paraffine oil, $\frac{3}{8}$ of an inch thick, is poured on the top of the solution to prevent evaporation and atmospheric action. A simpler form of cell it would be impossible to imagine. To charge the battery, all that is required is to place two sticks of caustic potash in the jar and fill up to this brown line with water, let it dissolve, pour on the oil, screw the elements to the cover and place the latter on the jar, and the battery is ready to start work at once.

Let us now see how far this battery meets the requirements of the Phonograph. First, it is, as you can all see for yourselves, a very simple and compact form of cell, and the advantages of simplicity are so obvious that it would be superfluous for me to point them out.

The next point in which this battery excels is its perfect cleanliness and the absence of all odor and noxious fumes. There are no creeping salts formed, there is no lead to be converted into white oxide, and there is no corrosion of the connections. These are very important advantages, especially to those who use the phonograph in their homes and offices, and for whom it is not convenient to have the battery placed anywhere but in close proximity to the machine. Any smell or acid fumes in such circumstances would interfere greatly with the pleasure derived from the Phonograph, and many people would be inclined to think that the pleasure obtainable from the machine

D64 was more than counter-balanced by the dirt and discomfort caused by the battery. It would almost seem as if the Edison-La Lande battery was actually invented for such cases as these, so completely does it fill the requirements. Those of you who have time to visit the Edison Mfg. Co's exhibit at the Fair—and I hope you will all come—will have every opportunity of examining batteries that have been at work since the first of May.

A still more important point, however, in connection with the battery, is the almost total absence of local action and (what follows from this) economy of material, and an absence of all necessity for inspection or supervision. Owing to this important quality, *i. e.*, absence of local action, there is no waste, since no destruction or consumption of material whatever goes on, except, of course, when the battery is in actual use doing actual work. And as a matter of fact, the loss from this cause is not wasted.

Again, absence of local action obviates all necessity for that inspection or supervision which is so constant a source of annoyance and loss of time. The battery, when once set up, will run the phonograph for one hundred hours consecutively, if necessary, and taking the household phonograph as an example, a little calculation shows us that under ordinary circumstances the battery would last several months without re-charging, and during this time would require absolutely no attention whatever, and when exhausted the average American boy is quite capable of setting it up again. All it requires is to be let alone, and the more you let it alone, the better will it do its work.

The next point about this battery is its low internal resistance which is only .025 ohms, a very great deal less than that of any other primary battery. This is

D65 only another way of saying again that this battery is economical, for a certain amount of energy, and therefore of material, must, of course, be expended in overcoming this resistance and is thus lost. But the expenditure of energy from this purpose is in the Edison-LaLande cell reduced to minimum. It would be very difficult to find a generator of power with less waste of material.

The last point to which I desire to draw your attention is the constancy of the electro-motive force which is practically the same as seven-tenths of a volt per cell throughout the whole life of the battery. You can always rely with absolute confidence on getting your current whenever you want it by merely turning the switch, and you may work it continuously until exhausted without any noticable diminution in the voltage or current output.

To sum up its advantages:

- (1.) Compactness and convenience of form and simplicity of recharging.
- (2.) Cleanliness, absence of all smell or fumes.
- (3.) Long life.
- (4.) Absence of local action and polarization.
- (5.) Economy.
- (6.) It requires no inspection or supervision.
- (7.) Low and constant internal resistance.
- (8.) Constancy of E. M. F., and the absolute certainty of getting your current whenever you want it.

If an expert sat down to make out a list of the attributes which go to make a perfect galvanic battery, it would be merely a repetition of the qualities I have mentioned as possessing.

Mr. Easton:—How long will a battery run a phonograph?

D66 Mr. Oliver:—Four cells are required to run a phonograph, and they will run it 100 hours. The electro-motive force of each cell is not very high, being seven tenths of a volt per cell, but it has this great advantage over most primary batteries that you can always depend upon it as being seven-tenths of a volt.

The President:—I have a five-cell battery that has been running since March, 120 feet from the phonograph, and all the neighborhood uses my phonograph.

Mr. Oliver:—When the battery is exhausted, it is so simple to recharge, that the average American boy is quite capable of undertaking it; all it requires is to be let alone.

The President:—Ours is down in the coal shed covered with coal so that nobody can get at it.

Mr. W. A. Crowdus spoke as follows on the subject of

THE CROWDUS BATTERY.

Æsop tells in a fable of a farmer whose grain was being destroyed by mice, and he was obliged to set traps for them; but he found one poor lone crane one morning with the mice. The farmer said, “you are in bad company, therefore must suffer with the rest.” So it is with the man who talks primary battery; he is in bad company, and needs an apology. (**Laughter.**) I came before you, gentlemen, to show the battery a year ago in this city. I left the battery in working order, but before I could get away I was asked some very pointed questions on the battery, and when I replied briefly, a smile went around the crowd and I heard whisperings “I have heard that story before.” I am glad to say that this battery has been offered to phonograph users for about one year, and I think, without exception, it has

D67 made a friend of every man that has used it. But there is no *best* battery for the phonograph. In that respect it is something like a horse; a good draft horse is not a good driving horse and *vice versa*. This battery has requisites that adapt it especially to certain purposes that are not exceeded by any other form of power for the phonograph, and one special purpose is that of the traveling man. We have a light battery here measuring 7¼ inches; we have a smaller size, 6¼;

the two sizes have the same power; that battery has found more friends and is more widely used by persons traveling and exhibiting the phonograph, than any other. This battery has greater power in the same space than has been possible to obtain in any other form of battery. The output of this battery is 150 Watt hours, practically constant. As constructed for the phonograph, it has a voltage of $3\frac{1}{2}$; the voltage necessary for a phonograph to run, practically, is two volts; but this has a volt and a half to spare. It delivers three amperes to the phonograph and has enough current to deliver for four phonographs connected⁶⁸ to this one battery, if necessary.

You naturally want to know why this battery is better than any other, and I will show you the parts of it. This battery is mechanically constructed in a different way from any other. The carbon forms the double purpose of a porous cylinder and a negative electrode. The porous cup, which in itself is a non-conductor of electricity, closely surrounds the cylindrical carbon, there being a separation of a sixteenth of an inch all about. The connections are made at the bottom by first depositing electrically copper, then a cap is soldered on, and the connections are hermetically sealed so that there is no possibility of corrosion. No one has

D68 to be versed in electricity to connect these batteries together; the connections are made and sealed. You have two posts and it makes no difference which wire goes to which post; the cylindrical zincs make connection with the base plate. This plate is copper amalgamated with mercury, which renders its polarity neutral.

The chemicals used in this battery are sulphuric acid and water. It is practically a two-fluid battery, or one fluid of two different kinds. The inside fluid is sulphuric acid and water, about equal parts. The depolarizer is nitrate of soda. The same solution is placed in the outside of the porous cup and but $19/20$ of it is water; that is the zinc solution. There is but slight local action in this battery, because of the fact that the zinc is in a solution almost water. The use of these two porous mediums check what is called the osmosis, that is, the mixing of the two liquids, in a greater degree than ever before possible in any other battery. This battery becomes, in a few minutes, almost a three-fluid battery, the stratum between the two cups is different from the other two, consequently two mediums must be passed before you can get to the outside. The outside being the thinner passes through the pores more rapidly, consequently the strong acid does not come out and attack the zinc. This battery especially recommends itself for portable purposes; it is light and it can be filled in eight minutes by anyone. Everything in it can be taken out and handled easily. The constancy of this battery is something remarkable, more than has ever been attained in any other battery that I know of. You have a mechanical and chemical depolarization both, and the result is that the battery works almost on a straight discharge line without weakening from start to finish.

D69 Mr. Easton:—How long will a single cell run a phonograph?

Mr. Crowds:⁶⁹—Twenty-two hours. Small size 16; largest 16. They are made in three sizes.

Mr. Easton:—What is the cost of the one that runs the phonograph 22 hours?

Mr. Crowds:—Eighteen dollars is the retail price of the battery. The cost of maintaining this battery is as low as possible, as we use the cheapest, commonest chemicals. The manufacturers sell three-pound cans of this soda for $12\frac{1}{2}$ cents and the liquid can be bought for 12 or 15 cents a gallon; or, if you apply at a retail druggist you will pay about five cents a pound for your acid. There is nothing which degenerates in this battery. It is practically indestructible. A porous cup can be replaced for 25 cents. This battery is sold, I believe, and

⁶⁸ Original: "conneced"

⁶⁹ No speaker attribution in original.

guaranteed for two years. I have a complete battery here, if any of you wish to examine it; also some catalogues explaining in detail the sizes, weights, price, cost of operating, and output.

Mr. Sampson:—What causes, for instance, one cell of your battery to boil over and discharge itself?

Mr. Crowdus:—Do you use sal-soda on the pan?

Mr. Sampson:—Put it up just according to directions.

Mr. Crowdus:—The zincs are amalgamated when made. The directions for the battery say put a drop or globule in each time; if that should not be done, or if there should be an impurity or unamalgamated place in the zinc, it would cause local action and produce this boiling, which might become so furious as to boil over. If you take the zincs out you will always find there will be a black spot at that place. I believe that you will

D70 never find that to be the case unless there is a defective spot in the zinc.

Mr. Conyngton:—We find the formation of the gases unpleasant.

Mr. Crowdus:—The best preventive of that is the carbonate of an alkali, such as sal-soda, with which a little slaked lime might be mixed. This forms a perfectly satisfactory absorbent. The greater the amount of work being done by the battery the greater the quantity of fumes produced. If you prefer you can put in any two fluid battery solution, but others are more expensive and will not give more than 25 per cent. of the same work as with the solution of ours.

Mr. Goodwin:—I have used the Crowdus battery with more satisfactory results than I could ever obtain from any other battery. As Mr. Crowdus has remarked, the chemicals are very cheap. I pay \$1.35 per hundred pounds for sulphuric acid. It takes about five minutes to charge the battery and it is ready for instant use and runs constantly from start to finish. I have not found the fumes objectionable, if the battery is all right. If the zincs are properly amalgamated, and there is no leakage, the battery will not boil. It should, in fact, look as clear as crystal, and no local action should be apparent whether the circuit is open or closed. Undoubtedly the boiling that Mr. Sampson speaks of, and probably the gaseous effusion mentioned by Mr. Conyngton, are due to a leakage from the carbon and porous cups, due to the cement being broken off in the long transit from Chicago to Massachusetts and Texas.

Mr. Evans moved that a vote of thanks be extended to Mr. Crowdus, which was unanimously carried.

D71 **Mr. Evans:**—I move that in place of meeting at ten o'clock Friday morning we adjourn to meet at 9:30 instead.

Seconded. Carried unanimously. Adjourned.

Meeting called to order at 9:30, September 21st, 1893.

Secretary's report read and approved, being minutes of last meeting.

Letter from Mr. James O. Clephane read:

ROOM 56, 46 BROADWAY, NEW YORK CITY,
September 12, 1893.

HENRY D. GOODWIN, ESQ., CHARIMAN:

Dear Sir: – Your favor of 1st inst. received yesterday. Nothing would give me greater pleasure than to be present on the occasion of the Fourth Annual Meeting of the “National Phonograph Association,” and again shake the boys by the hand, but unfortunately pressing business engagements will keep me in New York at that time.

Trusting, however, that these annual reunions will be regularly observed, I indulge the hope that I may be able to share with you in the pleasures of 1894.

As I cannot personally attend the meeting on the 19th to perform the part, so kindly assigned me by your committee, of saying a few words on the subject of the "Improvements on Phonograph," permit me in this communication to record my gratification at the great progress which has been made in the development of that wonderful instrument. I am more than ever convinced that it is only a question of time,—and that a comparatively brief period,—when the talking machine will be quite as universal as the type-writer now is.

And what a proud day that will be for the Clancys, the Lombards, the Goodwins, the Haines, the Stones,

D72 and others who will have so largely contributed to this most desirable result by their intelligent, faithful and laborious efforts! It is the earnest wish of the writer that not only may they enjoy the pleasures and the honors consequent upon such success, but reap largely of the financial benefits that will result therefrom.

Again expressing my deep regret at my inability to mingle with you on what I am sure will be a most enjoyable occasion, I remain,

Yours very sincerely,

JAS. O. CLEPHANE.

Motion made and seconded that the letter of Mr. James O. Clephane be received and made a part of the minutes. Unanimously carried.

The President:—I would like to ask Mr. Tate the exact date of the invention of the phonograph, and I would like to have him make a few remarks upon that subject.

Mr. Tate:—I will have to give that date later. I will look it up and send it in.

Mr. Haines:—I think it was in the early part of 1877, and I would state as a matter of interest that about that time I called on Mr. Edison a number of times with a view to securing the rights for the state of New York, which some eleven or twelve years after, I succeeded in acquiring for our company. A stern chase is a long chase, but we sometimes win.

The President:—I feel that we ought to have in our proceedings, not only a cut of the old original phonograph, and the next one that was put before the public, and the next the new improved phonograph. I think it would be very interesting.

Mr. Tate:—I can give you a fac simile of the original sketch, as drawn by Mr. Edison himself, of the first

D73 phonograph. It is well known to everybody who has read the history of the phonograph (which has been in print many times) that it came to Mr. Edison as a kind of inspiration. He was experimenting on the telephone, and while engaged upon that he turned to one of his workmen and said: "I can make a talking machine," and a few moments afterwards he sat down and made this sketch, which is now in the possession of a friend of mine.

Motion made that Mr. Tate be requested to furnish sketch and data regarding phonograph to the special committee on printing, with leave to print.

Motion was seconded and unanimously carried.

Mr. Goodwin:—The Executive Committee, at a session yesterday, made the following recommendations, and report them as follows: That the bill of H. D. Goodwin for postage on 200 or more programs and letters mailed during the year, for printing the programs and for typewriting and stationery, \$10, be allowed; that the bill of the New York Phonograph Company, over due, \$12, be allowed; that the time of meeting of the next convention be the third Tuesday in September, 1894, and the place Boston, Mass. The chairman of the executive committee has received a number of letters which he holds at the disposition of the convention.

Motion was then made that the report be accepted and adopted. Seconded. Unanimously carried.

The President:—The committee decided that it would be well if the various companies could know in advance of the place and time of meeting; two or three companies would have been represented at this meeting,

D74 perhaps, had they known a little sooner just when the association would convene, and the committee thought it was best to settle this from one year to another with reference to time and place. I would like every company to understand this before the vote is taken.

Mr. Glass extended an invitation for the Convention to meet in San Francisco, and expressed himself also as strongly in favor of semi-annual conventions.

Mr. Tate:—I cannot speak too strongly in favor of semi-annual meetings. It will be of great advantage for all who are associated in phonograph work to meet often. These semi-annual meetings will give us new ideas and renew our zeal, and I therefore move that a semi-annual convention be held in addition to our regular meeting, at a time and place to be designated by the association, and suggest that the next time and place be New York, the third Tuesday in March, 1894.

Mr. Sampson:—I think it would be very much better to get together frequently, but when we undertake to ask Mr. Glass to come clear across the country to New York in six months from now, and in six months later to be under the expense of coming to Boston, it means a good deal of expense in connection with the sub-companies but I think that these meetings should be held, and that every one who can take the time to attend should.

Mr. Tate:—The only expense, Mr. Chairman, which would be incurred would be the expense of sending a representative to the semi-annual convention. I think that the local companies would be willing to spend something in order to keep in touch with people who are holding their interests practically in trust.

Mr. Conyngton:—I think our company is located almost as far from the East as any others, and I know

D75 we should not only be very glad to endorse the semi-annual conventions, but to attend them. It seems to me the whole phonograph interest ought to be closely in touch.

Mr. Ott:—I have not given the matter a great deal of thought one way or another, but I would be heartily in favor of the meeting semi-annually, and the only question that would arise in my mind at all would be the item of expense which the companies could well afford rather than to forego the benefits derived from meetings of this character. There is this about it, any Company that does not desire to send a delegate, does not necessarily incur any expense at that meeting, so I do not see why there should be any opposition here.

The President:—As nearly as I remember, I don't know as I have the statistics correct, when we organized this Association at the Auditorium, at the first meeting, we had twenty-eight sub-companies, or twenty-eight delegates, and the next year the meeting was at New York, where we had a representation of twenty-three delegates, as I remember it, in round numbers. The next meeting, which was one year ago, in this city, had a representation of twenty-two voting active memberships. This year there are twenty-one; so you see that the matter has not varied much all along, with its ups and downs, with reference to keeping up the membership. The active line, perhaps, with which this association will be represented, will run from twenty to twenty-eight memberships, and perhaps it will not be able at any time, as far as its active work is concerned, to get beyond that point, and I think that all of us in our correspondence ought to

encourage each and every sub-company to keep up its membership in this association. I do not think that there is any feeling anywhere

D76 but that every company should be represented in this association, and I am very strongly in favor of the semi-annual meetings. There is no expense to the association any more than the printing of programs; the only expense to the local company would be to send a delegate, and that would be at their pleasure. The only point about which I am at a loss, Mr. Evans, is how to accept this motion directly now, having already settled the time and place, and the probabilities are that Boston wants the annual meeting and not the semi-annual meeting.

Mr. Tate:—We have settled the time and place for the next annual meeting. If we amend our Constitution so as to provide for semi-annual meetings, after the amendment has passed, it will then be in order to name a time and place for our semi-annual meeting, and that will not in any way interfere with any work that we have already accomplished.

Mr. Sampson:—I was just about to say, Mr. President, that having fixed a place for the annual meeting it seems to be a very excellent idea to have semi-annual meetings, which I most heartily approve of, because I think none of us come together at all but we receive inspiration, and a long draft of what we might call elixir of life in the phonograph business, to take home with us, still I think the semi-annual meetings should be held at some central point, while the regular convention is held at various points, to suit the members of the convention; and would suggest that the semi-annual convention be always held at Chicago. There is nothing in the Constitution to prevent the call of a special meeting, which we might call a semi-annual meeting, if it is not thought fit to incorporate this in the Constitution.

D77 **Mr. Tate:**—If any of the companies do not wish to send delegates to the semi-annual convention they need not do so, but on behalf of the North American Phonograph Co. we would feel much gratified to have the semi-annual meeting and we would like to report to the local companies at more frequent intervals the result of our work, and, as I say, if there is no serious objection to it I should like very much to have the Constitution amended in that regard. This would not affect the original vote as to the place of annual meeting but would merely be an amendment to the Constitution.

Mr. Evans:—I move that the Constitution be amended so as to read that we have annual and semi-annual conventions, the regular convention being annual and there being an additional semi-annual convention, the time and place of both meetings being left to the convention.

Seconded and unanimously carried, and the Constitution so amended.

Motion made, seconded and unanimously carried referring the letters mentioned in the report of the Executive Committee to a special committee of three to report later in the convention.

The President appointed Messrs. Sampson, Seymour and Tate as such committee.

Mr. Evans:—I move that the convention go into executive committee to receive the report of the committee.

Seconded and unanimously carried.

The convention then went into executive session.

At the conclusion of the Executive session Mr. R. L. Thomæ spoke as follows on the subject of the Electric Light Machine:

D78 The first thing about the electric light machine that requires explanation is that the motor is wound only for the constant current incandescent circuit, not over 120, and not under 80 volts. It is possible, probably, to get an electric light machine to work on a current of less than 80 volts or a little more than 120 volts, but it would be necessary to change the shunts and field. Now, I

think I can demonstrate here the exact workings of the electric light machine a great deal easier on a piece of paper than I can on the machine itself, on account of the complex connections. This scroll work on the top here is supposed to represent the governor of the electric light machine, connected by a belt to the armature shaft. The pressure required for a phonograph with battery motor is two volts, and from two to three and a half amperes of current per hour, according to the amount of dirt allowed to accumulate on the machine. Now, the current from an electric light plug will usually average about six amperes at a pressure of about 120 volts, so that we get, instead of 1/125 of a horse power as sent out by a battery, nearly a whole horse power, and that power must be reduced by the resistance in the motor before it can be governed so that it will operate the machine. Now in order to reduce that current, we interpose a resistance: this spiral line represents a coil of wire, and is our means of reducing the current to its proper amount. The current passes to the governor top brush. Whenever the governor speeds up so that the balls fly out and break the contact, the current is shunted through the long resistance; I think the best way to illustrate the use of the shunt is to compare it with water; here is a water motor, we will say, which requires a four inch pipe to feed it, at a certain given pressure. It will not run with a discharge

D79 from a two inch pipe. Now then, if we have no two inch pipe here, and we have a stop cock here, or a valve, and we turn this off suddenly there is a severe shock to the pipe. In order to avoid a stop in water pressure we put in an air chamber, so in order to avoid a heavy spark in electricity we put in a heavy shunt which still carries a portion of the current to the motor but not enough to run it. Now, in order that a machine may be governed properly, it is necessary that there should be perfect equilibrium between these two resistances; if you have not enough resistance in the entire coil your machine will run after the contact is broken at the governor, because you are getting more than your two inch pipe so to speak, while if you have too much resistance in the shunt you will get a heavy spark at your governor for the reason that it cuts off too much electricity there, and the object is to get the smallest possible spark from the governor in making contact, and at the same time get just to much resistance in the shunt to allow your motor to run when the contact is broken.

Now, we frequently have complaints that the electric machines will not govern, that they speed up too fast, and that they can't get them down; they can't make them come down to speed, they get going faster and faster, and finally they have no governing power on them at all. The explanation is as follows: The current goes into this coil, making a resistance for a pressure of 120 volts; then it goes up through this wire to green, then it follows green and goes up through the right hand commutator brush, there it passes through the armature, coming out of the armature back on yellow to this central point again, and goes through yellow into the field, goes through the entire field and comes out

D80 again on green, goes up through green to the connections under the governor, through the brush down to the base of the governor and out to the coils. Now, the shunt current is made in the same way and is formed of all of these wires; every one of them is included in the shunt. The central black wire represents the shunt wire. Of course, it makes a complexity of connections for the reason that the shunt wire has got to be brought back to the box. If the shunt were underneath, as it is⁷⁰ on the motor machine, you wouldn't have any trouble with the connections, but here you have to have three wires in order to bring back your third circuit into the block. Now, here is a wire coming down into the box which passes along inside of those coils, you can

⁷⁰ "is" appears twice in original.

see them there, from top to bottom, and it sometimes happens, when you put your electric light machine on a⁷¹ circuit of a little over a hundred and twenty volts, and the circuit suddenly pops up to that for some cause, this wire, or all the wires, get a little heated, and this vertical wire bows out, and in bowing out it touches about a dozen of those cross wires and thus shortens up your total resistance represented by this section, which should be nearly 241 ohms, down to say 200 ohms resistance, and the consequence is that you get so much current that you cannot reduce your speed. I have found in at least a dozen cases that the only trouble with the electric light was that that little tack holding the vertical resistance box wire was not in its right place, and I have had occasion to remark it before, and I am very glad to have the opportunity to make the remark in public, because I think it will make a reform in that direction. We have had several cases right in point within a week or two of that same trouble. In a case of that kind we simply take the tack out, move the wire

D81 along, and put it where it cannot bow out. If the machine seems to indicate that you have not enough current, I should say that the first thing to do is to look for dirt; if you do not find any dirt, you can shorten up your resistance at any time with ease by crossing some of the wires of the resistance box. There may be too much sparking at the governor, and yet the whole apparatus may otherwise appear to be in perfect order; but if you shorten up any of the long resistance you will make less spark. Electricity divides itself in proportion to the resistance; for instance, if the resistance were 10 ohms in one way and the resistance were 100 in another way, one-tenth of the current would go through the 100 ohms and nine-tenths would go through the 10 ohms. If you get too heavy a spark, it is due to one of two things; you have either got not shunt wire on at all or you have got too much, or there is oil on the face of the contact. I notice that a great many machines that I have personally inspected in the offices of different customers, have too much oil on the governor, and it oozes down and gets on the commutator and causes the machine to run irregularly. There is nothing that makes more trouble with the governor than that one thing. Another point of difference is that in the motor machine for batteries the current splits and half goes through the armature and the other half goes through the field and out. You will notice in following the wire into the field of an electric light machine, it first goes through the armature, then out, and then into the fields, and then out, all in series. I presume it was wound that way to increase the resistance and to help reduce the current; I never could see any other reason for it.

D82 Now, we have another complaint that comes in about the electric light machine. We have some customers who want to run their machines at fifty revolutions per minute, and because they have one or two machines that will do it, they think that all phonographs ought to do it. Now, anyone who is familiar with the moulding of iron, especially for magnetic purposes, ought to know that even in one cast or run of the metal, you cannot make two castings that are exactly alike in their magnetic qualities. Sometimes there will be a better magnetizing quality of one field than another field in the same run of castings. If you get a field that remagnetizes very quickly, and a very limber spring governor, you can run your machine down very low, but if the governor has a stiff spring and the remagnetizing quality of the field is poor, you cannot run your phonograph very slow, and I would recommend that under no circumstances should an electric light machine be allowed to run at less than eighty revolutions per minute, to do good work, unless you can get some method of governing better than the present.

⁷¹ "a" appears twice in original.

There is one peculiarity that I have noticed in governors; that is, that the strap spring of the governor seems to vary a little in thickness; sometimes it will have thin spots in it, and those spots will cause a very peculiar action. Now, if these springs are not perfect, there are places where it rises with an even pressure, so to speak, and just as it gets to a certain point it will snap just like the bottom of an oil can and the speed will increase with a jump, thus making a squeak in the record. I do not know how to explain the cause of it. I suppose in rolling the springs out it is very difficult to make them even. Those are two or three little things that I have observed in running electric light machines,

D83 and, in fact, running any electric motor machines, and I think that spring defect is the hardest one of all to find. I have never been able to find it except by feeling in every other direction, finally taking the springs out and gauging them and then finding that they were a little bit thin in spots.

I do not know of any other point I wish to make on the electric light machine, but if there are any questions that any one would like to ask about them, I should be only too glad to attempt to answer them.

Mr. Douglass:—Have you had any experience in using lamps as resistance?

Mr. Thomæ:—Yes, I have used them, and I should say that in one respect they are better than the box resistance, while in another respect they are not so good. If the box resistance were absolutely perfect in its construction, it ought to last almost forever. There is just this one thing about it that the wire, after having a current sent through it for a long while, seems to get very brittle, and the very shaping of that wire sometimes will break it. Now in the lamp resistance you can use a coil of wire or a fifty-candle power lamp for your actuating current, and can use a sixteen candle power for your resistance year after year. Some people even put in two sixteen candle power lamps here, but if you put too much resistance in you get too much of a spark at your governor. We had that trouble right here in this town.

Mr. Douglass:—What are the amperes required on an electric lamp machine, and what is the candle power?

Mr. Thomæ:—Fifty candle power. I am not enough of an electrician to say what the reduction of the current is after passing through a 50-candle power lamp, but I know that a 50-candle power lamp takes up about

D84 1 ½ amperes of current. Mr. Reed, of Springfield, might help me out there. Will you tell me what the reduction is, Mr. Reed?

Mr. Reed:—I could not tell you exactly. A 50-candle power lamp takes an ampere and a half of current on a 110 volt. Circuit; I could not state exactly what the reduction of the current would be after passing through.

Mr. Thomæ:—That lamp burns with a fair degree of brightness after the contact is made, therefore I should infer that the amount of current used by the phonograph is very small indeed.

Mr. Glass:—We estimate that it would be an ampere and a half that the phonograph would get the benefit of.

Mr. Thomæ:—And that would indicate that the amount of power given out by that motor was 1½ times 110, or about a quarter of a horse power, nearly, whereas it requires really only 1/125 of a horse power, and I have seen as many as 150 phonographs run from one-eighth of a horse power which would indicate that the phonograph actually takes about 1/400 of a horse power to move it.

Question:—Can you use the alternating current with the electric machine?

Mr. Thomæ:—I don't know. I am not an authority on the alternating current, but of one thing I am quite sure, that we have tried to induce Mr. Edison to wind a motor for the alternating current without success, and there is now no phonograph motor for alternating current, to my knowledge.

Mr. Haines:—In reply to that question I will say that motors can be wound for the alternating current for the phonograph at an expense of about \$75 by the

D85 Westinghouse people, but I think that the phonograph people have hardly ever felt like making the outlay.

Mr. Thomæ:—As I understand it, a motor for an alternating current has to be especially arranged and has to have a transformer with it.

Mr. Haines:—Certainly; that is true.

Mr. Glass:—Wherever the alternating current is used there is always a transformer used which drops it down to about 50 volts.

Mr. Lombard:—The Westinghouse people make an alternating motor, one-eighth horse power which they claim will run a phonograph, and which costs \$25.

Mr. Thomæ:—The usual charge for storing a battery is about a dollar; you fill a couple of batteries a month, average throughout the year. You can connect one of these motors on to almost any kind of a current and they won't⁷² charge you over a dollar a month for the current; at the rate of 1½ cents, or at the rate of one cent per lamp an hour would cost a cent and a half for a phonograph.

Mr. Thomæ:—I have seen three machines running in Brown Brothers' Unity Building running fifty revolutions a minute,—electric light machines they were. They got in a new machine that was one of the kicks referred to; they couldn't make it run so slow. Seventy revolutions a minute is about as low as is usually possible.

Mr. Andem:⁷³—I would like to know if you have met with any trouble with the sensitive recorder not recording, that is, skipping, or whether you have used the sensitive recorder?

Mr. Holland:—I have used that and found no difficulty whatever from it. When I used the phonograph in the senate chamber, the company sent me on

D86 two extra sensitive speakers and these I used in the office for dictation. I found no difficulty whatever from them, and I think on the whole they made a remarkable record; of course, speaking in a high tone of voice the diaphragm would probably vibrate too much and cause a rattle, but I took care not to do that. The record so far is perfectly satisfactory to the operator.

Mr. Thomæ:— I have found that the sensitive speaker at times accumulates wax on the recorder, which has clung fast to it and raised it off so that it would not record. There is one peculiarity about that which I do not think Mr. Holland would experience in Canada, because there the chip taken from the cylinder is not soft or gummy, as it is in New York and the immediate vicinity of the ocean. I have noticed that we very rarely get the soft shavings that we get in our New York office.

Mr. Holland:— Our climate is dry, clear and constant; and probably that is the reason why the recording point does not clog with wax.

Mr. Evans:—I move a vote of thanks be extended to Mr. Thomæ for his able explanation.

Seconded and unanimously carried.

⁷² Original: "wont"

⁷³ Original: "Mr. Andum"

Mr. Glass:—There is a little matter I would like to bring up before this convention. It has occurred to me a great many times that the North American Company, in the advertising they are doing, should in every instance publish the names of all sub-companies. This should be done, of course, in very small type, and it would be an advertisement for every company in the United States, and I would like to put that in the form of a resolution.

Resolved, That it is the sense of this convention that in the advertising hereafter done by the North-American

D87 Phonograph Company, it is proper that the names of all sub-companies should be added to the advertisement. **Seconded.**

Mr. Lombard:—Advertising in magazines is very expensive, and furthermore under the arrangement which we made with the companies who went into the consolidation, we advertise as we do, and we are not advertising those companies who are out. We would be very glad to advertise them if they would care to share the expense, but I don't think we are called upon to do it now.

Motion withdrawn.

Mr. Holland spoke as follows on the subject of

BEST METHOD OF DICTATING.

The subject which has been assigned to me is not one which admits of much latitude in dealing with it. The Phonograph is capable of accomplishing so much that one may paraphrase the kodak motto, and speaking for the machine, say "You do the talking and I do the rest." Still, there is something of a knack in dictating to the Phonograph, and every one finds, sooner or later, that he must adopt some certain method to arrive at satisfactory results.

My experience has been confined to dictating original matter from my notes. When I first succeeded in getting possession of a phonograph, my intention was to use it for the purpose of reporting the debates in the senate of Canada. I was assured by the parent company that with a sensitive diaphragm this could be done in a way that would not interfere with the proceedings of that august body. However, when I made my application to the Debates' Committee of the Senate, it was

D88 rejected, almost without consideration, as an innovation not to be sanctioned or tolerated, and I have never been able to experiment in that direction.

After some four years' experience in the use of the Phonograph for transcribing parliamentary and law reports, I have come to the conclusion that the speaking tube is preferable to the small horn for making records to be used in connection with the type-writer. I have also learned that it is better to speak with the cup touching the upper lip tightly, and the lower rim of the cup a slight distance from the face, than to speak with the cup completely covering the mouth or have the lower edge of the cup touching the under lip. The upper jaw does not move in speaking, and the contact of the cup with the upper lip will keep the speaking tube firmly in the right position so that every sound that is clearly articulated will be perfectly recorded. If the speaking tube is pressed against the face so as to cover the mouth, the voice is more or less muffled, and a record made in that way lacks distinctness. Moreover, the moisture of the breath condenses on the inside of the cup with disagreeable consequences. If the rim of the cup is held against the lower lip so that one speaks downward into it, the position of the tube varies to the extent of the movements of the lower jaw, and the record is at times imperfect. I have used the small horn but little for dictation for the reason that I found it difficult to maintain the best

position for dictating, and because the voice must be raised to a louder pitch than for ordinary conversation to make a satisfactory record, and when one has to dictate for hours every day the strain on the vocal cords is too great.

The tone to be used in dictation is something which everyone must decide for himself. I suppose a man

D89 possessed of good lung power, and a deep bass voice can make a perfectly audible record if he speaks above a whisper, but the majority of people find that the sound waves are not sufficiently strong to make a record clear enough for use with the type-writer if the tone is lower than that used in ordinary conversation. I find that when I speak as if I were addressing half a dozen people in a room, I make a record which is sufficiently distinct for my operators, without unduly straining my voice, and that there is nothing to be gained by shouting at the Phonograph as some misguided people do at the telephone.

The speed that one can with safety dictate depends a good deal upon articulation. If the utterance is clear, the speed may be the utmost that your tongue can command. I have frequently dictated from my notes for over an hour at an average of 250 words per minute, and have rarely found mistakes in the transcripts made by the typewriter operators. The loss of a tooth or some local ailment of the vocal organs may cause indistinctness in the pronunciation of certain letters, and necessitate great caution in dictation. For instance, I find some difficulty in recording words in which the letter "s" is prominent. This is due to the fact that there is a considerable space between two of my front teeth, and my observation has shown me that whenever a typewriter falls into error in transcribing my records, it is generally caused by my indistinct pronunciation of some word in which the sibilant consonant is prominent. An operator is more likely to err in proper nouns, especially when they are unusual, than in transcribing ordinary matter. To guard against such blunders, I make it a rule to spell out the names of persons and places, first pronouncing the word and then

D90 spelling it, articulating each letter as distinctly as possible. It is also better to dictate the punctuation; in fact, it is necessary, at the end of each sentence. Some of the worst errors may occur through neglecting this simple precaution. It does not perceptibly increase the work of dictating, and the most intelligent and experienced operator will find it of great assistance in making a transcript.

The most difficult question which arises in making records is how to correct errors which occur in the course of dictation. I have heard various plans suggested, but have myself come down to one as the only practical way. When I find I have mis-read a word or two in my notes, I simply say "strike out that and substitute"—whatever the proper words may be. Then when the record is completed and I put away the cylinder, I leave a memorandum with it, requesting the operator to hear the cylinder through before beginning to transcribe. By this means, I find that my work is turned out with perfect accuracy, and in a manner that is in every way satisfactory.

A difficulty which I have found with the phonograph is the lack of means of knowing when the record has reached a point beyond which it cannot be reproduced. I understand that there are devices to remedy this defect, but I have not seen any. One is a warning bell, such as there is on a type-writer; another is a collar placed on the back rod so as to stop the movement of the speaker at the right place. On this point I should be glad to have some information from those whose experience is wider than my own.

I am frequently asked how many words can be recorded on a cylinder. It is a question more easily asked than answered, so much depends on the speed at

D91 which the cylinder revolves and the fluency of the one who dictates. The machine will record as fast as the words can be uttered, however slowly the cylinder may revolve, so long as the movement is regular. It is obvious, therefore, that by reducing the speed of the machine to the lowest rate that can be steadily maintained, and by speaking as fast as possible, the largest number of words can be recorded. That is what I try to do when dictating from my shorthand notes, and I manage to record between eight and nine hundred words on each cylinder. The typewriter operators have experienced no difficulty in transcribing such records. It is practicable to record while paring a cylinder. The record made in this way is perfectly clear and distinct.

I may sum up briefly by saying that the utterance being clear, you may with safety dictate at the utmost speed that you can attain, being careful to spell out, as well as pronounce distinctly, all proper nouns, and to dictate the punctuation; that the tone of voice in dictating must depend largely upon the individuals, but should, in my judgment, be slightly higher than that used in ordinary conversation; that the machine will record perfectly at the lowest steady speed at which it can be run and that the best position for the speaking tube in dictation is with the upper rim of the cup resting against the upper lip.

A vote of thanks was then given Mr. Holland for his able paper.

Mr. W. S. Gray then gave a very interesting and successful exhibition of dictating and transcribing, the latter being done by a lady who was entirely unacquainted with the phonograph; the test being received with applause.

D92 Mr. Evans:—Mr. President, I just wish to suggest two points in the discussion here. If a person makes a mistake in dictation, let him instruct the typewriter to run over the cylinder and locate the errors. As the typewriter has nothing to do but make the transcript, she has plenty of time to go over the cylinders and correct them carefully. Another point is in giving proper attention in teaching a merchant how to use the machine. Of course, there is a certain feeling against the phonograph at the start; the merchant says it is too hard to work; I can just as well dictate to my stenographer. But if the merchant is instructed thoroughly in the use of the phonograph, he will become infatuated with it.

Mr. Andem:—I have nothing to say on the subject of dictating, as everything that can be said has been said by the users. We have not been as successful as some of the other companies in placing a large number of commercial machines, and consequently could not speak so well on that subject as others.

Mr. Thomas R. Lombard spoke as follows on the subject of

THE COMMERCIAL PHONOGRAPH.

Mr. President and Gentlemen of the National Phonograph Association:—The subject of my address is one so familiar to you all, that doubtless there will be few new thoughts suggested by me, and I therefore crave your indulgence and patience.

The ancients devised means of various kinds for recording events; the first being the engraving upon stone of hieroglyphics that to-day engage the attention of the antiquary and archæologist to decipher. Later, came painting and staining upon papyrus, parchment,

D93 etc., and so on, each age improving upon the methods of the former, until in this, the nineteenth century, has been witnessed the greatest advancement along this line of any age.

The introduction into business houses a few years ago, of the typewriter and stenographic amanuensis, increased the facility for doing business to an enormous extent, and these adjuncts,

although at first received by business men with doubt and hesitancy, are now recognized as absolute requirements of every well-regulated office.

Notwithstanding that the shorthand writer is of the greatest possible assistance to the busy man, it is well recognized that there are many serious objections to the system, owing to the fact, that it, of itself, is not only imperfect, but that the dictator is entirely reliant upon the reporter for the true transcription of his thoughts and ideas, and cannot gainsay him when he is made in his letters to say that which he feels satisfied he never could have said.

The saving of time, also, to the busy man, is an item of the greatest possible moment, and there is nothing to-day before the public which gives the business man such perfect command over his correspondence as The Edison Phonograph.

It is not necessary for me to dwell upon the adaptability of the phonograph for dictation purposes; that fact is too well established. To-day, many of the most prominent business houses of the United States, as well as smaller ones, are using the machine for this purpose, with the greatest amount of satisfaction. They are being used in both houses of Congress and Parliament in this country and Canada for the same purpose. Every day brings testimonials from users of the phono-

D94 graph, testifying, in enthusiastic terms, to its value as an amanuensis.

The subject that should most engage our attention at this moment, is the best means to adopt for the purpose of more fully bringing this valuable instrument to the notice of the business man. We must not be downhearted if we find many slow to believe, and slow to change an already established system in their office. All great inventions and new systems are slow to be adopted at first. Take the telephone; how few could be brought to use it at first; but to-day who would care to be without it in their office, and, in fact, what a paralysis of business there would be all over the country if the telephone system should suddenly be taken from us.

The typewriter, for eight years, struggled hard to get a foothold, and in the first six years of its existence there were sold, altogether, less than one-third the number of machines that we have sold in the first four years of ours.

One of the most serious objections or obstacles that we have to confront us in the introduction of the Commercial Phonograph, is the fact of an organized opposition to the same on the part of the typewriter operators in the various commercial houses. These people have a misguided and misconceived notion that the machine is going to reduce their pay and reduce the number of typewriter operators necessary to conduct business. They, furthermore, dislike to contemplate the fact that they have spent time and money fruitlessly in the attempt to learn shorthand, and now to have it made useless to them, is annoying and vexatious; and it is to these people that we can surely lay any difficulties met or encountered in commercial houses in the use of the

D95 phonograph. Their antagonism has led them many times to tamper with the machine, so as to seriously impair its function and make it impractical for use.

While I do not wish to magnify or minimize this opposition, I am in no way disheartened by it. I feel that it is only a question of time when these people will see the error of their ways, and become the active champions of the machine that is as great a friend to the transcriber as it is to the dictator. The fact that by the use of the phonograph the typewriter operator has greater control of his or her time, can, in fact, do nearly three times the amount of work with one-half the mental strain, is one that is only to be known to be appreciated by the broad-minded operator.

The best way to meet this opposition is for the local companies and agents to establish in their own offices, schools for typewriter and phonograph operators. Let us be able to not only

furnish our patrons with the machine, but with an operator who can go there, take care of the phonograph, and transcribe their letters without difficulty. By so doing, we can bring a formidable lever to bear to break down the opposition of those who will shortly see that their best policy will be to get on board the train, and not seek to obstruct its progress.

In every use to which the phonograph is put, it is an educator to those using it. The business man in dictating to it, unconsciously learns to enunciate his words distinctly and to formulate his thoughts into shape so that dictation becomes an easy matter. We are often asked, "How can I correct a sentence that I want changed after it is dictated to the machine?" My answer to this is that each user of the phonograph generally arranges that to suit himself. The best way to my mind, is for the person who is liable to make these

D96 errors to have it understood with his transcriber that any cylinder in which a piece of paper is placed when it goes to the transcribing desk should first be listened to throughout before the transcription commences.

Then, when the party has made his blunder, let him go right on as if speaking to his transcriber and say, "No, I want to change that; let the sentence read as follows:" and then dictate it correctly as he wishes. He will find that in so doing there will be no difficulty for his transcriber to arrange his letter as he intended to have it, and with very little or no loss of time to himself or to her.

In dictation, the spelling of all uncommon names or words, and the dictation, of punctuation, facilitates the transcription, and should, as far as possible, be used. This, I believe, has been already referred to by Mr. Holland in his paper on the subject.

The ability to have an amanuensis by your side to whom you can dictate at any hour of the day or night, whenever the thoughts occur to you, is a point to be appreciated by the busy man, whether he be a professional or a business man.

There can be no manner of doubt as to the part the phonograph will play in commercial houses in the very near future. We are to-day having our hard work, and yet, look back only one short year; see what an immense stride we have taken in this branch of business. We do not have to argue to prove that the phonograph will do what is claimed for it. As a rule, business men are well aware of this fact. The only thing we now have to meet is the disinclination of men to change existing methods, and this we will have to meet by careful and persistent work on the part of able canvassers.

D97 Put the machines in, and put with them a transcribing operator who understands their use and will see that the machine does its best work, and the battle is won.

Once get a business house to purchase and use a phonograph, and it is only a matter of time for them to add to the number, and they become strong friends and advocates for its use thereafter.

Personally, I feel assured of the future and I confidently look forward to the time when the phonograph will be as common in business houses as is the typewriter or telephone to-day. All I can say to you is, do not despair, do not grow faint-hearted, if you do not meet with success at every point, but push on, work steadily with this one aim in mind, that the phonograph must and shall become an adjunct to all business houses; and bear in mind, that one phonograph well placed with a business house is worth the sale of twenty machines for exhibition work. While it may not bring as much ready money to you at first, the future is sure. What man among you would not be happy if he could sit down in his office conscious that two hundred machines in his town were in use for dictation purposes? The business arising from the sale of supplies for this number of machines would be sufficient to give him a good steady income.

Every machine sold in this way sells another. Therefore, I say, do not despair, push on, have faith in the future and all will be well.

Mr. Easton:—The commercial phonograph is a subject dear to the hearts of all talking-machine men, but I should like to know very much indeed how many of the phonograph men present, most of whom have been in the business from the beginning, either now or

D98 at any time, have used the phonograph in their daily work; and we might poll the convention.

Mr. Sampson:—I should be very glad to state my experience. From the time that we received the single diaphragm machine I have dictated all the letters, with few exceptions, that have gone out from our company, as well as a great many personal letters, and I certainly have dictated several thousand letters per annum. I might go, perhaps, a little further, and state that I seldom have a letter referred to me that requires any correction whatever. I frequently go from week to week without correcting a letter. I am very careful in dictating my letters. I don't know that I need to say anything further on the subject than to testify, as Mr. Easton requested, as to the use of the phonograph in the dictation of letters. I will repeat, as I said before, that I have dictated several thousand letters each year to the phonograph, with absolute satisfaction and with almost no errors.

Mr. Easton:—I did not state anything about my own experience. I suppose I should make the statement complete. I think I was the first man in the world to use a talking machine regularly for business purposes. I used a number of the original graphophones long before any company was organized, —just laboratory machines, —and since that time I have never dictated to a shorthand writer or typewriter direct.

Mr. Glass:—I want to say that I was with the Edison General Electric Company, in California, for two years. We did a great deal of business, and the letters were all dictated to the phonograph, and would run from ten to thirty to forty letters a day, and so far as corrections were concerned, we paid no attention to that. We dictated the letter just as exactly as if we were

D99 talking to a stenographer, and the girl had to read over every cylinder. She would simply speed it up and go over it, and if there were any corrections in it she would make them. We have another very large firm there which does an immense amount of work on the phonograph. One man can keep the run of and answer all the letters. He does not make any effort whatever to correct these letters himself, but if he wants to make a change, he simply says make such and such a change, and goes right along. In every instance the girl reads over the cylinder first and makes the correction.

The President:—I will say for myself that I have four places in the city of Chicago where I do business, and each of them has a phonograph. I happen to be president of a little enterprise here where we have a hot water heater; there is a phonograph there, and I perhaps dictate anywhere from ten to fifteen letters a week. I go by there and if there is anything to answer I simply talk it to the phonograph, and walk out, and the secretary of that company has the authority, after the typewriter copies it off, to sign my name to any letter. I am also the treasurer of a Building and Loan Association and I dictate a great many letters in which I never bother with the business part of the office at all, but do all my work to the phonograph. I dictate the American Book Company's letters to the phonograph exclusively, and myself or the typewriter signs my name. I never had any trouble along this line. I can say personally that the phonograph is an absolute necessity to me for commercial purposes. I want to make two points. When I first dictated to the phonograph, it was difficult to dictate at all; I was a stuttering,

stammering talker, and the fellows that got my letters generally had to read about three words and guess at

D100 the rest; simply because the ordinary stenographer that I first had experience with could not take down fast enough in the way that I was in the habit of talking. I would lose the thread and have to go back and then I would have to ask, "what did I say," but I find that the phonograph comes in and fills the place in my dictation that no stenographer, with the exception of a very few, could ever do.

Mr. Tate:—I have never compared dates with Mr. Easton, and I don't know whether I am the original phonograph dictator or he, but I sincerely hope that he has never gone through the experience that I have. I was very close to Mr. Edison when he first invented the phonograph and he used to try it on me.

He used to insist upon my dictating everything to the old double spectacled machine. It was not as complete as the double-spectacled ones sent out to the companies, and I frequently dictated ten to fifteen letters and sent them over to a typewriter operator and had them bring the cylinders back to me and tell me I had better shave them off again and try them once more. In later years, probably the year 1890, I was with the General Electric Company in New York, and had charge of a department conducting an immense correspondence. I had six operators and I kept the typewriter operators busy all day long at my own dictation. I would commence at half past nine in the morning and would dictate, with an intermission, of course, at noon, until two or three o'clock in the afternoon, and within an hour after concluding the dictation all my letters were transcribed without error.

Mr. Gray:—I have used the phonograph in all of my dictation for the last three years, and have recorded a great many letters on the machine.

D101 Mr. Sampson:—I always use the phonograph in dictation in my office, and my usual correspondence averages between five and six thousand letters a year, and I would not allow a stenographer in the office under any circumstances; I have no use for them.

Mr. Easton:—I want to know who don't, and why they don't use it.

The President:—I agree with you, Mr. Easton, and I think there ought to be another clause in our by-laws and constitution, that no man be allowed to speak in this convention who does not use the phonograph. That is a very much greater offense than piracy.

Mr. Goodwin:—There is no question but that all the companies use the machine practically and commercially.

Mr. H. D. Goodwin spoke as follows on the subject of

*THE PHONOGRAPH FOR SHORTHAND WRITERS.

When the question arose of the probable field which would be covered by the phonograph, it was admitted, by common consent, that the instrument would be immediately introduced into the office of every law, general and technical stenographer; yet, while the phonograph has been adopted by the leading shorthand reporters of the country, including the reporters of Congress, and while its use is gradually increasing, still there are many first-class stenographers who do not use the machine. Why this should be the case affords an interesting

* Footnote in original: "This essay is based upon practical experience in the use of the phonograph for exclusive note-dictation in law and technical reporting in the office of the writer for several years."

study, for even a slight examination will convince any one that the machine is undoubtedly indispensable to obtaining the best results in the shorthand writer's office.

D102 The immediate advantages to the expert stenographer of the phonograph may be enumerated as follows:

1. It is feasible for the shorthand writer to dictate his notes at the highest possible speed to the phonograph; a speed beyond comparison above that of the most expert writer in the world, being simply an every day matter to the user of the phonograph. My own average rate of dictation to the phonograph is two hundred words a minute for short periods, and one hundred and eighty for five to ten hours continuous work. It is just as easy to get perfect transcript from a dictation of two hundred and fifty words a minute, as it is to get it from a dictation of one hundred and fifty.

2. The advantage of turning out an immense quantity of correct transcript in a very short time, is not to be over estimated. The getting out of five hundred to six hundred folios a day is child's play, for the work can be divided among five transcribers, each of whom we will say transcribes at the moderate rate of forty words per minute. In six hundred folios there are sixty thousand words. It would, therefore, take three hundred minutes or five hours to do six hundred folios. An average day's work in court is about three hundred folios, therefore it would require but two and one-half hours per day to enable the shorthand writer to get out daily copy with this machine, whereas if he dictates even to two typewriters, to say nothing of having his head split by the noise of the two machines and by the necessity of dictating in a loud tone, he must work at least twice as long as when he uses the phonograph. Moreover, he must dictate from two parts of his note-book at the same time, which is a feat that not many shorthand writers can accomplish with safety.

D103 3. It is unnecessary to compare the work that comes from a phonograph; as it is, if done by an operator of common sense, always free from error. It has been the experience of many leading court stenographers that it is a perfectly safe practice to turn in phonograph transcript without comparison. Can as much be said of work which is dictated directly to the typewriter, where if the typewriter does not understand the word she usually puts down what she thinks ought to go but which is frequently wrong; while, if a word is misunderstood in the phonograph, the operator simply repeats it, and while the phonograph operator is usually in a quiet room by herself and not subject to the nervous strain of direct dictation which becomes frequently unbearable when the dictation is given to two typewriters at once?

4. One of the greatest advantages accruing from the use of the phonograph is the obviation of the necessity of having some one present to whom to dictate. If the dictator desires, he can do all his dictating at home. An hour's dictation will occupy one transcriber all day.

5. The economy of this method is something surprising. It increases the amount of matter which one expert writer can dictate, at least three fold, while the expense is by no means increased in that proportion. If a phonograph transcriber has a machine at her house, she can have clearly-dictated cylinders delivered to her, and can do the transcribing without the slightest waste of time. She can thus make more money in a given time than under the old system; and, moreover, the dictator can take advantage of every moment of spare time to dictate.

D104 The immense amount of time saved can well be devoted to increasing business. The prompt furnishing of transcript alone will largely increase the business of those who use the machine.

There is no reason why immediate transcript should not be demanded by all employers, and this demand will doubtless soon be universal, and will compel the use of the phonograph.

The bright people, however, who take up the phonograph early, will build up their business and reap a golden harvest by furnishing “quick phonograph transcript.”

If a shorthand writer does his own transcript he can write, perhaps, 150 folios per day, which at ten cents per folio would give him \$15 net. The disadvantage of this method is not only that the profit is less than it is either in dictation to the typewriter or the phonograph, but the transcript is gotten out so slowly that the shorthand writer is prevented from doing much new work which he could otherwise take. Moreover, the labor of typewriting, when added to the labor of shorthand writing, if both are successively continuous, is very apt to wear out a person of ordinary physique. When the work is dictated to two typewriter operators, about 300 folios per day can be accomplished, which,⁷⁴ at 10 cents a folio, after paying the typewriter operators each \$3.50 per day, leaves a profit of \$23. In dictating to the phonograph, 750 folios per day can be easily transcribed by five operators, which, after paying them \$3.50 per day, would leave a net profit of \$57.50. Moreover, in either of the two old methods, it is necessary to correct the typescript, which of course means reading it over, a full day’s work for 750 folios, which labor is entirely unnecessary where the phonograph is used. By the

D105 use of the phonograph, the expert can devote his time to notetaking, while in either of the other methods, he must devote the greater part of his time to transcript and correction.

In view of these eminent advantages, why is it that the expert stenographer does not in all cases use the phonograph? The reasons are as follows:

1. Natural conservativeness. There is a strong tendency to do things in the way they have been done. Because certain eminent writers have performed the feat of dictating to two typewriters at the same time, it seems to be the ambition of many stenographers to accomplish the same useless feat. The great desire of the ancient shorthand writer was to be able to dictate to ten longhand writers contemporaneously and thus get his work out at the rate of from 75 to 100 folios per hour. Stenographers are loath to leave the old for the new until they are satisfied in their own mind that the new is a decided improvement, and many people have a strange idea that the phonograph is a mere toy whose greatest accomplishment is to sing “jim jam songs” after a nickel has been dropped in the slot.

2. There is a hesitancy on the part of the expert to devote any considerable amount of his fabulous earnings to the purchase of a machine. Now to have a full office equipment for a large business means at least three to five machines, and an investment of \$75 in cylinders. I went into the office of a well-known shorthand writer in Chicago; he said he had used the phonograph but did not get satisfactory results from it. I viewed his equipment, which consisted of one phonograph and twelve cylinders! Twelve cylinders will not hold more than 100 folios, so that this gentleman, after dictating

D106 twelve cylinders, would be compelled to wait before dictating again until the twelve cylinders had been transcribed! His facilities for work are not in accord with Chicago’s reputation for progressiveness.

3. While the phonograph is an extremely simple machine, still it is difficult to get shorthand writers to study its mechanism and make themselves thoroughly familiar with the simplest way of using it. They decline with a certain haughtiness to learn the plebeian art of planing cylinders and how to prevent the cutting needle from becoming unshellacked, and therefore are unable to make a satisfactory record.

⁷⁴ Original: “which, which at 10 cents....”

4. They will not trouble themselves to enunciate with distinctness, an indispensable qualification to phonographic dictation.

5. Some stenographers are unable to read their notes with facility, but they should not be classed with experts.

The number of writers, however, who cannot read their notes with facility is much greater than we are apt to suppose. Many writers can make quite good transcript if they are given time enough, but reading their notes at the rate of 100 or 120 folios per hour, is out of the question. I know of one instance among many that I might mention. A young gentleman a few years ago reported a technical convention. He wrote for three days and spent six weeks in making a transcript. He would come to the office about 9 o'clock, pick up a note-book, study the characters with absorbed interest and attention for about an hour, when he would have completed about eight pages of his note-book, and would then laboriously proceed to the transcript with the typewriter and

D107 probably finish the "stent" by noon; and so it went. He finally made a fair transcript of the proceedings, for which he received \$100. He grumbled somewhat and said: "What is the use of working so hard for six weeks for \$100?" But suppose he had been able to read his notes with fluency? He could have dictated the work of the three days during the intervals in those days when he was not reporting and \$100 for three days work, even when the transcriber's pay is deducted, is not discouragingly small. It is true, also, that the ability of the shorthand writer is greatly increased by the dictation to the phonograph and after practising a year or so with the instrument, using it in his daily work, a bright writer will have gained an astonishing facility in reading his notes; and if this were the only advantage of the phonograph, it would warrant its exclusive use by all who cannot read their notes fluently.

HOW THE EXPERT STENOGRAPHER SHOULD USE THE PHONOGRAPH.

I have given all the possible objections to using and reasons why the stenographer sometimes does not use the phonograph, and, as will be readily seen, these objections and reasons are trifling, absurd and inconsistent. Having used the phonograph in my own shorthand work for five years, I have found certain methods of its employment of advantage, and these I will, in conclusion, enumerate:

First.—Have a phonograph at your house and one at your office, exclusively for your own dictation.

Second.—Have a number of transcribers each armed with a machine run by the electric light power or battery, as it is impracticable for the transcriber, usually, to run a treadle machine.

D108 Third.—Have a large quantity of cylinders. About 300 will be enough for a shorthand writer with a good business.

Fourth.—Have these cylinders in boxes on pegs numbered from 1 to 12, these boxes to be distributed among the transcribers.

Fifth.—Dictate clearly, especially the small words; spell proper names if somewhat uncommon.

Sixth.—At the beginning of each cylinder say "begin here," and at the end of each cylinder say "end here."

Seventh.—It is a good plan to number questions with a numbering machine and give the numbers to the phonograph.

Eighth.—Make corrections for peculiar words on a slip of paper.

Ninth.—Make yourself perfectly familiar with the mechanical operation of the machine.

Under the topic of the Most Popular Songs, the following discussion was had:

The President:—I would say that when I was associated with Mr. Wood in connection with the slot business, and they have the machines in saloons all over the city of St. Louis, that the phonograph that took in the most money was in one of the worst dives in the city, and had on it the song “Nearer My God to Thee.” I believe the songs like “Old Oaken Bucket,” “Nearer My God to Thee,” and other religious songs, etc., have the greatest popularity. The only trouble is that phonograph users have not taken the pains to get the best class of songs put on. I have given an entertainment in my home in which I have invited a variety of people. I have taken pains to have all these so called “popular” songs, but when I put on one of these good old songs

D109 the enthusiasm was great. The say: “I never have heard any such songs; I have heard ‘Daddy wouldn’t buy me a bow-wow,’ and I have heard these other classes of jim-jam songs, but I did not know that the phonograph was capable of producing anything like these artistic results.

Mr. Wood took me to this saloon in St. Louis that I referred to, and when I went into the saloon that morning there was a man standing, listening to the phonograph sing “Nearer My God to Thee,” and the effect was peculiar. I want to say they had take that cylinder in preference, and it was called for, to be placed back on the phonograph after having been taken away at the end of the first week. I want to stand on the line that the phonograph is an educational influence, and if we will give these people in the country the best songs, there will be a demand for things of that sort; but if you go into the town in the beginning with this low grade of theatrical nonsense, the result will be detrimental. The phonographic interest, I think, to-day will find that this good class of songs will prove popular with the public.

Mr. Sampson:—I have received applications for improper songs, and I wish we could avoid all such stuff as that; it injures the phonograph business very much; it is educating a class of people in immorality that the phonograph should not be guilty of, and that it should not be used for. **(Great applause.)**

I can show you letter after letter where we say, “We don’t know what you mean, and if we knew you were using that class of thing we would report you and have you arrested;” and I will cite an instance where I heard of one man who was using a phonograph improp-

D110 erly at a Rhode Island state fair. I did not know it personally, but learned it afterwards from a man that had a phonograph there, a gentleman who had been exhibiting in my territory a year and a half. A lady was exhibiting at the state fair in Rhode Island, and she could not understand how it was that she was doing no business, because heretofore she had always done an excellent business; so she shut her machine up and went over to a place where the crowd was, and she was so shocked at a cylinder that was on the machine that she complained to the management of the fair, and they ran that man out of town.

That is what the phonograph is being used for by a great many, and somebody is responsible for these things; somebody is doing this business; and I think it is time for us to try and find out where it comes from and shut it off. **(Great applause.)**

Mr. Glass:—I endorse what Mr. Sampson says in this matter. I come from California, and, of course, we have a good many crude sort of people out there. You have no idea of the applications we get for such cylinders; you have no conception of it. We never put out, endorse, or permit any such thing in our territory; and I think, as Mr. Sampson says, it is absolutely essential for all these companies to keep the phonograph clean.

Mr. Lombard:—Mr. President, I want to say that we also receive a great many applications for that class of cylinders, so much so that I recently sent out a circular letter to all

of our agencies, stating that whenever they received any inquiry of that kind, to write to the people that we don't deal in anything of that kind.

D111 Furthermore, I indicated to them that if we found that an agent of ours was connected with any class of records of that kind we would immediately cancel his appointment. I think it is a disgrace that a great invention like the phonograph should ever be prostituted to such uses.

Mr. Tewksbury:—I want to say that the Kansas Company gets these same letters; but it occurs to me that perhaps the influence is not so widespread as it seems. We get letters from men who say that if we will furnish this class of records, they will buy their cylinders of us instead of Columbia or New Jersey. We refuse to have anything to do with them. Now, isn't it a fact that the letters which all these companies receive are the same letters? They write to us and cannot get the cylinders, write to Mr. Easton and fail to get them, and Mr. Emerson and all others; and perhaps it isn't as widespread as it seems, because I don't know of a phonograph man outside of individual exhibitors who are engaged in the business, that is legitimately selling records, but that would refuse to have anything to do with such orders. I think these fellows duplicate their applications.

Mr. Easton:—We would scorn to furnish records of an improper character, and if we could give any help to detect such records, we would do so. I do not believe any phonograph company would deal in such records. There may be unscrupulous parties who own their machines and I think it should be the duty of all who have the good of the enterprise at heart to aid in crushing these fellows out.

D112 Mr. J. M. Parker spoke as follows on the subject of

SPECIAL EXHIBITIONS.

Ever since the first introduction of the phonograph to the public there has been a steady demand for exhibitions of this wonderful and interesting machine.

There are really two classes of these exhibitions—one of the social or private, the other the public; the latter given in a church or hall, and partaking the nature of a concert.

In giving this public exhibition it is necessary to say a few words at the start regarding the phonograph, its construction, and various uses, the method of taking records and reproducing them. Although the phonograph has been before the public for a number of years, it is astonishing to note the number of people who are utterly ignorant as to its general construction and usefulness; but it would not do to stand up and simply fire at the audience a lot of songs and bands, without a preliminary talk, which should be short and to the point. The audience is always more anxious to hear the machine than to hear you.

These exhibitions have to be governed to a certain extent according to the class of people of which your audience is composed. As a rule, old familiar selections with which all are acquainted, take the best. Variety, however, is the prime factor of an entertainment of this kind; bands, songs, quartettes, cornet solos, etc., must be intermingled, so as to present to the audience an ever-changing programme.

The attention of the people wants to be centered on the phonograph, yet the party who exhibits must use tact so as not to have this grow monotonous; and as

D113 suspense is one of the best methods of holding an audience, a few remarks about each record before reproducing it, draws the attention of the people to the principal points in each particular selection.

One of the best means of enlivening interest is to have some one from the audience, or some one who is well-known, come up and sing or recite into the machine, thus make a record in which the entire audience is interested, and which will in almost every case meet with the greatest approbation.

This break or interlude should occur about the middle of the entertainment, breaking up any possible monotony, and creating a new and enlivening interest. The last of this entertainment should reach a climax, generally some lively familiar piece, say a medley of popular airs, clear and loud, leaving a lasting and pleasing impression on the audience.

The other entertainment, the social one, differs from the first in the fact that you have a smaller, and probably, more critical audience.

Your entertainment most likely takes place in the parlor or drawing room. Questions are asked and answers given in a social way; a great deal of time is spent in letting each one talk or sing to the machine, and reproducing these to the amusement or pleasure of all parties. In fact, you place yourself and your machine at the disposal of the host and his guest, and you must make every effort to entertain them.

There can be no fixed set of rules for this class of entertainments, as you must be governed entirely by the wishes of those present. You can, however, and very easily, create in them a lasting interest in the phonograph.

D114 Mr. R. T. Haines spoke as follows on the subject of

THE PHONOGRAPH FOR SOCIAL PURPOSES.

I have not prepared a paper on the subject for two reasons: one is, that I think we have so many more important topics on the list, the other is lack of time; but I will speak very briefly on three points in connection with the subject. There are three things necessary for the success of the phonograph for social purposes: first, a high quality of music; the second is a low price for musical cylinders; and the third is perfect motive power. I regret to say that we have at the present time none of these requisites. Any suggestions that can be sent in to the executive committee, or to the North American Phonograph Company that will tend to improvement in these directions will do more for the advancement of the phonograph than anything else.

The President:—Suppose that there were cylinders well prepared by the best readers in the country containing such selections as “Charge of the Light Brigade,” “Over the Hill to the Poorhouse,” by Will Carlton, and “Decoration Day on the Farm,” by James Whitcomb Riley, would there be any sale for such records as that in connection with the phonograph?

Mr. Haines:—I think so; in fact I am sure that we could sell all the first-class records that can be manufactured. The New York Phonograph Co. has been able, from time to time, to make records of a high order in small quantities, and in some few cases we have made records of a high order in large quantities, celebrated singers, etc., and selling them to our customers at proportionate rates. We have never been able to make enough of these records, but the demand for records is

D115 so great that we have been obliged to employ cheaper talent to manufacture the records in greater abundance. Other singers have not been able to give us the necessary time to make a large quantity of records to furnish the public generally, but I am sure that we can sell all the records of a high order that we can manufacture.

Mr. Sampson:—I want to say in connection with this line that I am very strongly in favor of the idea that if we could keep in our offices, and keep with everybody who is exhibiting

the phonograph, records of good talent, it would do a great deal toward leading the people up to the idea of using the machine. I think it will be a great advantage to get a machine upon which we can put more on the cylinder. To my mind a talk which we could get from several distinguished people would be extremely popular, but the cylinders, as at present made, do not hold a sufficiently long record.

Mr. President:—I will simply answer you, Mr. Sampson, by saying that in my experience, when you put an excellent cylinder on the phonograph, either in story or in song, to hold the undivided attention of listeners five minutes, is about as much as you can expect; and the readers that I have secured to make these selections, where I have found them popular, have studied their pieces and broken the selections at the proper place. It is true that when you were giving your audience, “Gone with a Handsomer Man,” one of Will Carlton’s popular selections, it takes two cylinders. The one who gives that has studied the best place to divide it into first part and second part, and your audience simply rests for a moment while you are changing the cylinder. There are, however, many excellent short selections, as the “Seven Ages of Man,” by Shakespeare, which

D116 takes about three minutes and a half on the phonograph.

Mr. Ott spoke as follows on the subject of

PHONOGRAPH PARLORS.

I think the question of phonograph power is as well known by each of the members of the association as by myself, and I doubt whether I could add anything of interest.

The President:—In a town of 10,000 would you advise the putting in of one or two parlors?

Mr. Ott:—It would necessarily depend very much upon the location of the city, as to whether it was divided by a stream or in such physical parts as would bar the one section from being regular visitors in another part of the town. Where a town is compact, I think that in a city of even 20,000, or 30,000, one parlor is all that it could possibly support for any length of time.

The President:—Has it been your custom to keep one or more than one attendant?

Mr. Ott:—It has been our custom to keep one attendant in our place at all times when it was open.

The President:—I mean can one person take care of a parlor all day and evening?

Mr. Ott:—Yes, sir. During weeks of festivities when there were unusual crowds, it might require more than one attendant. It would depend on the extent of the crowd whether it would require one or more than one.

The President:—What has been your experience there with reference to popular talks on the phonograph in connection with the songs, and as to what songs they call for most?

D117 Mr. Ott:—We aim to keep a general assortment of good music on the number of phonographs we keep in a parlor of that kind, and all of them are more or less called for. There are some people who call for the talks, “Seven Ages of Man,” and various things of that kind, and others call for sentimental songs, but I believe that the greatest number of calls that we have for any songs, even in the parlors, where we attempt to maintain decorum in every respect, is for such songs as “After the Ball,” or “After the Fair,” for the length of time that they run. They don’t last like “Down on the Farm,” or “Home, Sweet Home,” but for the time that they are popular they are extremely so, and our experience has been that that class of songs has made the most money per cylinder for the exhibitor.

The Convention then went into its second executive session.

At the close of the executive session, an adjournment was taken until 3 P. M.

SEPTEMBER 23, 1893, 3 P. M.

General session resumed.

Mr. Oliver:—All I have to say in connection with the exhibition business is as follows: That in conjunction with the regular entertainments that we give, after reproducing some selection, we often put on a blank cylinder and let some member of the audience, not the whole audience, join in some familiar song and precede the song with the regular announcement of the place and date. The record, of course, is extraordinarily loud, and is very interesting.

D118 The President:—The semi-annual meeting does not, as I understand, require any extra annual dues, but it will be necessary to fix a place and time of meeting. It certainly seems advisable that this National Phonograph Association, all of us having invested our money for an honest purpose, ought to get nearer and closer together for the purpose of allowing every man to get at least a reasonable compensation back for helping to promote this great enterprise. I would suggest full co-operation with the executive committee in suggesting what ought to be brought out in the program as far in advance as possible, and they will be glad to have each and every member of this association present such subjects as ought to appear on the program, both in the semi-annual and in the annual meetings.

I will appoint Mr. Haines as a special committee to attend to that meeting at that time, so that he can select a suitable place to meet, and I would request you to correspond with Mr. Goodwin, the chairman of the executive committee, as to such items as are to be considered in the program and try to make that meeting a success; so that when we meet a year hence for our final clam bake in Boston, which will, perhaps, be the winding up of the association at that point, we shall have come nearer together and shall have promoted the interests of the phonograph company both financially and for the benefit of mankind in a way that it has never been before.

I will name as executive committee Mr. Goodwin as chairman, Major Sampson, Mr. Conyngton, Mr. Seymour and Mr. J. C. Wood.

Motion made that the time and place of holding the next semi-annual meeting be the third Tuesday in March, 1894, in New York City.

Seconded and unanimously carried.

D119 Mr. Haines:—Mr. President, I desire to offer a motion that the president of this convention be tendered a rising vote of thanks for the fair and courteous manner in which he has presided over this convention, and also that a vote⁷⁵ of thanks be tendered to the other officers of this convention for the able manner in which they have conducted the business of the past year.

Unanimously carried.

Adjourned *sine die*.

⁷⁵ “avote” in original