The National Association of Broadcasters
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Tentative Program of Activity in Behalf of the NAB

FOREWORD

On Friday, January 10, 1936, after a long day of arduous labor, the Managing Director and his Advisory Committee discussed and agreed upon the following tentative program of activity in the field of copyright.

Late that evening they were informed, through newspaper sources and not by any communication from ASCAP, that a wire had gone out from ASCAP to all stations saying in substance that stations have until January 15, 1936 to accept the offer of a five-year contract contained in Mr. Buck's telegram of December 30, 1935 and those that do not accept are to be deemed infringers. This wire appears to be intended and to operate as a cancellation of the temporary arrangement under which most stations have been operating, based on Mr. Buck's letter, dated December 30, 1935, given to and accepted by the Managing Director.

This is not the time or place to comment on the precipitous action thus taken by ASCAP. Until it was taken, the Managing Director had every reason to believe that ASCAP would not exercise its right of cancellation of the temporary arrangement without first having further negotiations with him and his Committee and without having exhausted all possibilities of reaching an amicable settlement of the issues that have arisen. That hope, it seems, was without foundation.

At present writing it would seem that stations needing ASCAP music have no alternative but to accept the five-year contract by January 15, 1936. To this extent, the course of events has outrun a part of the tentative program which appears below. These events, of course, place increased obstacles in the way of future negotiations with ASCAP but the Managing Director and his Advisory Committee refuse to regard these obstacles as insuperable. Even if they are insuperable, that is all the more reason for bending every effort to carry out the rest of the program.

This report is to advise the members of the National Association of Broadcasters of a tentative program of activity in the field of copyright, agreed on by the Managing Director and his Advisory Committee[1] (selected pursuant to a resolution adopted by a majority of the Board of Directors, December 17, 1935). It is of the utmost importance that every broadcaster immediately acquaint himself with this program. For convenience, the activities proposed will be considered under the following four headings:

A. License arrangements between broadcasters and organizations controlling performing rights on copyrighted music.
B. Compiling and distribution of information to broadcasters and the taking of any proper steps to assist them in protecting themselves against exorbitant or unreasonable demands.
C. The copyright bill now pending in Congress, known as the Duffy Copyright Bill.
D. The suit now pending in the Federal Court, instituted by the government against ASCAP.

The problems referred to, and intended to be covered by the foregoing are, for the most part, such as to call for immediate decision and determination of a course of action to be pursued promptly and effectively.

A. LICENSE ARRANGEMENTS BETWEEN BROADCASTERS AND ORGANIZATIONS CONTROLLING PERFORMING RIGHTS ON COPYRIGHTED MUSIC.

From the point of view of number of copyrighted compositions controlled and their value to the average American broadcaster, the principal organizations controlling performing rights are:

1. American Society of Composers, Authors and Publishers (ASCAP).
2. Music Publishers Holding Corporation (MPHC), being the Warner Brothers group of music publishers.
3. Associated Music Publishers, Incorporated (AMP).
4. European Society of Stage Authors and Composers (SESAC).
5. Ricordi of Milan.

There are, of course, other important organizations, especially in the foreign field, and an unknown number of small independent music publishers and music copyright owners in this country. For the sake of simplicity, however, they will be disregarded in this discussion although they cannot and should not be ignored in fact or in practice.

It is unnecessary to state that the forms and terms of the license agreements of these several organizations, and the bases for calculating compensation to be paid by Licensees, conform to no standard. They are bewildering in their variations, not only as between the several organizations but also as between outstanding contracts and classes of contracts of the same organization. With reference to the bases for compensation, the principal classifications are:

1. A fixed amount (usually called a sustaining fee) calculated arbitrarily, plus a percentage of the Licensee's total net receipts.
   e. g., the ASCAP contract held by the great majority of broadcasters.
2. A fixed amount calculated arbitrarily, plus a percentage of the Licensee's gross actual receipts from programs containing music.
   e. g., the ASCAP contract held by WCAU.
3. A minimum guarantee calculated arbitrarily, plus a percentage of the Licensee's net receipts from programs containing Licensor's music.
   e. g., the ASCAP contract held by about 48 newspaper stations.

[1] The members of the Advisory Committee who participated in and approved this report are Messrs. Allen, Caldwell, Carpenter, Clark, Craig, Damm, and Loucks.

4. A fixed amount calculated arbitrarily, plus a percentage of the Licensee's net receipts excluding a portion of the network receipts on network programs.
   e. g., the ASCAP contract held by the network owned or controlled stations.
5. A fixed amount calculated arbitrarily.
   e. g., the ASCAP contracts held by certain nonprofit stations; also the SESAC contracts.
6. A fixed amount calculated according to some standard.
   e. g., the MPHC contract based on a monthly payment of X times the station's highest quarter hour rate; the AMP contract based on a monthly payment of one times the station's highest day-time quarter hour rate; and the Ricordi contract based on gross receipts of stations.
7. A fixed amount, whether calculated according to some standard or not, covering not only the Licensee's station or stations but also other stations (network affiliates) to whom Licensee furnishes programs, with respect to such programs.
   e. g., the SESAC and AMP contracts with the two national network companies; the MPHC contract contemplated with MPHC and said companies.
8. Compensation calculated on a per-piece or per-use basis, with or without a guarantee minimum.
   e. g., the future MPHC contracts as contemplated in the present three months contracts.

There are undoubtedly other varieties than the foregoing, and many subvarieties of the foregoing.

In view of the complexities raised by the fact that with respect to two of the organizations (ASCAP and MPHC) there is a pressing and immediate need for negotiations, and by the further fact that such negotiations will necessarily be closely related with present and future negotiations with the other organizations, it seems advisable to subdivide this discussion into appropriate sub-headings.

1. *The ideal objectives sought to be accomplished.*

(*a*) *No discrimination.* At the earliest possible date all discriminations by any such organization as between Licensees must be completely and finally eliminated. The terms and the compensations must be based upon some reasonable standard, applicable to all alike, and the contracts must contain clauses binding the Licensor to give the benefit of any more favorable contract of one Licensee to all Licensees. This, of course, does not mean that more favorable contracts may not be accorded to small stations as a class, or to bona fide non-profit stations as a class, provided that the line drawn is reasonable and all within the class are similarly treated.

Any contract between a broadcaster and a copyright owner by which the broadcaster gets the exclusive right for any period to broadcast one or more compositions is to be considered a form of discrimination and is not to be tolerated, and any license agreements should be drawn so as to eliminate, so far as possible, any such form of discrimination.

(*b*) *Basis for calculating compensation.* This Managing Director and his Advisory Committee have little discretion in this matter. The membership of the NAB at three successive annual conventions have endorsed the per-piece or measured service basis for compensation and have left no discretion except as to the detailed method of giving it effect. As noted below, there are several possible varieties of per-piece plans, and some present practical difficulties and burdens far greater than do others. Subject to this qualification only, the Managing Director and his Advisory Committee unqualifiedly endorse the per-piece basis as the only just and equitable basis for compensation, and will insist upon it as an immediate or eventual indispensable term of any contract.

In view of the fact that there is a substantial minority in the NAB which, while conceding the theoretical desirability of the per-piece basis, believes the practical difficulties are too great to put it into effect immediately, and in view of the further fact that a certain number of the smaller stations are not equipped or staffed to do so immediately, and in view of the further fact that certain outstanding contracts (particularly ASCAP) may prove to be a temporary insurmountable obstacle, it is recognized—

(*a*) that the putting of such a plan into effect may have to be gradual, but in no event should it await five years or any substantial portion thereof,

(*b*) that it may have to be accompanied by temporary alternative forms of contracts, available to all stations on equal terms, and

(*c*) that a permanent alternative may have to be offered to the smaller stations,
   e. g., a flat license fee.

No temporary or permanent alternative should be accepted, however, which is in anyway discriminatory or which is not based on some reasonable and easily intelligible standard. In particular, compensation should in no event be based on a percentage of Licensee's revenue.

(*c*) *Nature of licensing organization.* If the benefits of price competition between copyright owners (or groups thereof) could be secured and preserved, the ideal licensing medium for a per-piece system would be a single organization, conducted in a fashion analogous to certain well known patent licensing pools. The organization would act simply as the repository and trustee of performing rights, with power to issue licenses. It would have no power to fix, or to participate in the fixing of any price per-piece; this would be done by the copyright owner who registers his compositions, and the compensation he expects. with the organization. It would, however, have to be bound by certain agreed classifications with respect to stations, and, with respect to compositions. The organization would be responsible for collecting the compensation from Licensees and for distributing the proceeds (less expenses) to the copyright owners on a per-piece basis. It would be open to any and all copyright owners without discrimination.

As a practical matter, this ideal does not seem likely of realization, at least in the immediate future, and perhaps never without compelling legislation or judicial decree. The possibilities and the desirability of such legislation have not been canvassed by the Managing Director or his Advisory Committee, and, in any event, the legislative process is too slow to meet the immediate problem. On the other hand, such possibility should not be ignored in any long range plan on the subject.

Several years ago ASCAP might be said to have come close to meeting one of the essential features of such an organization but to have been completely lacking in another essential feature. On most of the important musical compositions, it held or claimed to hold, the performing rights, and, while it is said that the proceeds were inequitably distributed by it among its members and that the conditions of admission to membership were such as to be unfair to outsiders, it did seem to furnish most of the convenience of a single licensing organization. The bad features which counterbalanced this convenience was that, being virtually a monopoly, it had power to exercise, and did exercise, an unrestrained power to fix prices. There was no price competition between the copyright owners, nor was there any other form of competition between them.

Since then, separate licensing organizations have made their appearance, notably AMP, SESAC, and, most recently, MPHC. It cannot yet be said that there is any evidence of price competition between them. Probably there will be no such competition until the broadcaster is on a basis of bargaining equality. In this connection the subject matter of parts B, C, and D becomes of prime importance.

The present existence of several licensing organizations has potential advantages for the broadcaster, so long as those organizations have price-fixing power, for the sake of securing some measure of the competition to which buyers are entitled. The Managing Director and his Advisory Committee conclude, therefore, that, pending the advent of an ideal such as previously described, it should be their aim to prevent by any proper means within their power the elimination of any potential competition by the merger of the more important licensing organizations.

(*d*) *Clearance of copyright at the source.* It is indispensable that performing rights be cleared at the source. By "source" is meant the originating station, or the originating station or network studio, in the United States. The terms is not intended to cover remote control orchestras and the like (although certain exceptions should be made in such situations where the broadcaster has no voice in what is performed), since it cannot be expected that the Licensor will accept such a responsibility.

Reference is had primarily to network programs. The network company should be exclusively responsible for obtaining licenses from, and paying compensation to, the licensing organization, and the affiliate station should not bear any portion of this responsibility. The network company may, of course, pass on a share of the cost to the affiliate; this will depend on contract arrangements between network and affiliate.

In no other way can responsibility be laid where it belongs. The originator of the program is in a position to commit or to avoid infringements; the affiliate is not. The originator collects the revenue from the advertiser out of which, directly or indirectly, the performing fees must ultimately be paid. Finally, if the practice becomes prevalent of passing on the cost to the advertiser,

the originator is the person having contact with and collecting revenue from the advertiser.

The same principles apply to electrical transcriptions, and should be insisted on.

(*e*) *Compulsory furnishing of lists of compositions.* Henceforth, no licensing agreements should be entered into which do not obligates the Licensor to furnish to Licensee a complete list of the compositions covered by the license, and to maintain such lists up-to-date by additions furnished at stated intervals. In large measure this was accomplished for the first time in the current temporary MPHC contract.

The importance of such lists is obvious. They are a necessary prerequisite to any per-piece system of compensation. Without them, an indemnity agreement is so easily evaded as to be almost worthless. Eventually such lists will put an end to the confusion of overlapping and conflicting claims of the principal licensing organizations.

It cannot be emphasized too strongly that the copyright notice printed on musical compositions gives no trustworthy indication as to who controls the *performing rights* with respect to that composition. This information can be obtained in no other way than by lists furnished by the licensing organizations.

(*f*) *An adequate guarantee of indemnity.* Henceforth, every license agreement should contain an adequate guarantee of indemnity, protecting the Licensee against infringement claims by all third parties based on performance of compositions covered by the license agreement. Such a guarantee is not adequate if it is limited in amount (as in the current temporary MPHC contract), or if it is not referable to a definite and easily accessible list of compositions, or if accompanied by any other qualification detracting from the protection to which the Licensee is entitled.

(*g*) *The reasonableness of requirements as to records and periodical reports.* It must be conceded at the outset, that if either a per-piece plan or any form of measured service plan is to be adopted, fairness to the Licensor demands reasonable obligations on the part of the Licensee to keep adequate records and to make periodical reports to the Licensor. Once this is conceded, it makes little difference whether such reports are made on a weekly or a monthly basis.

Requirements as to records and reports should, however, be confined to what is reasonably necessary to accomplish the purpose, and should not extend merely to prying into the Licensors business. No reason is perceived, for example, for requiring the Licensee to report performances of compositions not covered by the license agreements; the Licensor will be adequately protected by a right to audit Licensee's lists and by any other means of checking Licensor may have. The reporting of all compositions is an undue burden, and will be all the worse if it must be done to each Licensor.

Only limited records and reports can be expected or required with respect to phonograph records, electrical transcriptions, and network programs (so far as affiliates are concerned), because of the impossibility of giving the complete information.

In all cases where only a flat fee (*e. g.*, a fee based on card rates) is required, the burden of records and reports should not be as great.

(*h*) *Miscellaneous.* The foregoing are intended to cover only the principal features of license agreements, and are not intended to exclude consideration of other features which are or may be objectionable. For example, license agreements should not be required to be personal to the Licensee, and their benefits and objections should go with the sale or transfer of control of the station. Furthermore, license agreements should be drawn so as to leave no doubt as to the right of the broadcaster to make any arrangement or adaptation of a musical composition reasonably incidental to the broadcasting of such composition.

(*i*) *Uniformity.* Uniformity of arrangement and phraseology of license agreements is an end worthy of consideration in itself. It helps to avoid conflicting and confusing interpretations. To this end, study of the forms and agreements now in use by the several licensing organizations should be made and their differences and objectionable features should be noted. There is no reason, for example, why a model guarantee clause can not be drafted, agreed upon, and used in all contracts.

It is to be noted that to date little or no attention has been paid by broadcasters to the forms used by AMP, SESAC, and many other licensing organizations.

2. *Means and methods for establishing a per-piece system of compensation.*

As already stated, the NAB is committed to securing the adoption of a per-piece or measured service system of compensation. The subject cannot, however, be intelligently approached without giving due weight to practical difficulties since they have a definite bearing on which of several plans should be sought, as well as on the steps which must be taken by broadcasters to prepare themselves for the carrying out of any such plans.

The furnishing to each Licensee of authentic lists by the licensing organization is an indispensable prerequisite to any acceptable plan. At the present date no such list is available, and the only lists promised for the future are the MPHC lists to be furnished not later than February 1, 1936, and those informally assured by AMP. It is obvious that considerable expense is involved in making such lists available to broadcasters. Nevertheless, in the opinion of the Managing Director and his Advisory Committee, it is only logical and just that the Licensor furnish such a list at its own expense, since otherwise, as already pointed out, any indemnity agreement is virtually worthless (whether or not a per-piece plan is adopted) and every Licensee is in the ridiculous position of not knowing what he has bought or how to protect himself against infringement.

A second very substantial difficulty is the fact that some broadcast stations are neither equipped nor staffed to put a per-piece plan (or even a measured service plan such as the ASCAP newspaper form of contract) into effect immediately. If it were offered tomorrow, such stations are unprepared to accept it. Consequently, it is clear that for some, and perhaps for all, stations, a transition period is necessary, and that for the smaller stations a per-piece plan may prove impracticable. These are not to be construed as arguments against its adoption; they are simply realities which cannot be ignored. The discussion which follows must be understood as being subject to a working out of these realities in a practical way.

There are several methods or standards for establishing a per-piece plan, among which a choice must be made:

(*a*) *The Licensor might set opposite each composition the price per performance.* Manifestly the price cannot be the same for a 50 kilowatt full-time clear channel station as it is for a 100-watt local daytime station. Such a system requires that stations be somehow classified, and that a ratio of each class to the figure specified be worked out. Such a ratio cannot scientifically be based on net or gross receipts, or on the character of the station's assignment with respect to frequency and power, or on the population within its service area. The practical difficulties and the possibilities of error and injustice are too great. The only acceptable basis for classification of stations would seem to be some unit taken from the station's card rates.

Even then, however, the total number of musical compositions furnishes an obstacle in itself. If they are all to be separately priced, then the burden of the necessary records and reports might prove to be disproportionately great for the average Licensee.

(*b*) *The Licensor might divide all compositions into classes, and set a price per performance for any composition of each class.* This method would still require a ratio such as already described, based on card rates.

Much would depend on the number of classes found necessary, and the ease with which the several classes might be distinguished one from the other (and this, in turn, would depend largely on how the lists furnished to the Licensee are classified, arranged and indexed). It is said that 20 classifications are recognized in Great Britain. It has also been said that as many as 40 might be necessary for the purpose of equitable operation of a per-piece plan, from the point of view of the copyright owners.

If a simple and practicable classification can be worked out, without an undue burden on the Licensee, the Managing Director and his Advisory Committee are disposed to regard this method as feasible.

(*c*) *The Licensor might agree to charge a uniform price for each composition, expressed not in dollars and cents but on a percentage of the station's card rate for a given time unit.* This method has the advantage of simplicity and of least burden to the Licensee. It has the disadvantage, however, of eliminating competition between musical compositions controlled by the same licensing organization.

A variation of this method would consist in providing that the price thus calculated serve as a maximum, leaving Licensor free from time to time to establish lower prices (similarly calculated) on particular compositions or classes of compositions. The more this is done, obviously, the greater become certain of the burdens already referred to, but possibilities along this line cannot be overlooked.

3. *Negotiations with Licensing Organizations.*

What bas been stated under earlier sub-headings sufficiently covers the objectives to be achieved, if possible, in future negotiations with any licensing organization. It is necessary, however, to take note of particular problems raised in connection witb certain of them, so that the objectives may be interpreted witb regard to the practical situation.

ASCAP. As matters now stand, the overwhelming majority of broadcasters are dependent on the bare authority of an arrangement effective after December 31, 1935, subject to cancellation by ASCAP on two days' notice. Tbis arrangement is based on a letter from Mr. Buck, President of ASCAP, to the Managing Director, dated December 30, 1935, and accepted by the Managing Director on that date. Network affiliates bave the similar protection of an analogous assurance with respect to network programs. These arrangements are, of course, subject to a qualification not contained in tbe previous contracts; they cover tbe repertoire of ASCAP only as of January 1, 1936.

Under Mr. Buck's telegram of December 30, 1935, any ASCAP Licensee is privileged, of course, to obtain a five-year extension subject to this qualification as to repertoire. The Managing Director and his Advisory Committee trust, however, that the members of NAB tbat have not already accepted five-year renewals will content themselves with the temporary arrangement accorded by Mr. Buck's letter. This will leave them perfectly free to avail themselves of any advantages that may be secured as the result of further negotiations. It is believed that Mr. Buck and the other direct officials of ASCAP are, and will remain, fair, and will not take advantage of the two day cancellation clause to the detriment of any independently owned station.

It must be frankly recognized tbat the principal obstacle to satisfactory negotiations with ASCAP proceeds from its outstanding contracts with the two network companies and certain individual broadcasters. Early in June, 1935, as already stated, unconditional five-year renewals were obtained by about fifty-five stations including the network-owned or controlled units. Between June, 1935, and December, 1935, some 70 additional stations sought and obtained five-year renewals, with tbe condition (already mentioned) as to diminution of ASCAP's repertoire. During the closing days of 1935, some additional stations (the exact number of whicb is not known) availed themselves of five-year renewals conditioned on ASCAP's repertoire as of January 1, 1936.

It cannot be denied that the fact that such contracts are outstanding presents a serious problem in any future negotiations, particularly since some of the contracts (*e. g.,* those of the two networks) contain material advantages whicb will not lightly be surrendered. The Managing Director and tbe Advisory Committee believe, however, that tbe early elimination of tbese discriminatory advantages is an indispensable condition precedent to a stable solution of tbe copyright problem.

The Temporary MPHC Contracts. In the ligbt of wbat bas already been stated under earlier sub-beadings, little need be said as to what should be sougbt in any future MPHC contracts. For the first time the temporary contracts now outstanding offer substantial bope of the accomplisbment of certain of tbe broadcasters' prime objectives, sucb as the furnishing of complete lists, the clearing of copyright at the source, and tbe relation of compensation to card rates rather than to receipts.

There remains, of course, the working out of a satisfactory per-piece plan of compensation. Even bere, however, broadcasters bave for tbe first time the written assurance of what is believed to be a bona fide intention on the part of a licensing organization to cooperate in working out sucb a plan.

This is hardly the place in which to note minor defects in contracts. Mention should be made, however, of the necessity of changes in the MPHC contract in at least two important respects (in addition to working out a per-piece plan) as follows:

(*a*) The guaranty of indemnity sbould not be limited in amount.

(*b*) The burden of records and reports is still unduly and unnecessarily burdensome.

Miscellaneous Contracts. Space does not permit separate consideration of the various other contracts now in force between licensing organizations and broadcasters, such as the AMP, the SESAC, and the Ricordi contracts. All of tbese require immediate study, and demand that every effort be made to bring them into harmony with the principles already set forth.

B. THE COMPILING AND DISTRIBUTION OF INFORMATION TO BROADCASTERS AND THE TAKING OF ANY PROPER STEPS TO ASSIST THEM IN PROTECTING THEMSELVES AGAINST EXORBITANT OR UNREASONABLE DEMANDS.

Broadcasters are virtually as far as ever from achieving one result which would be of infinite value in protecting themselves against the power of monopoly in copyrighted music, *i. e.,* the marshalling and the making available of music in the public domain. The Radio Program Foundation, founded for this purpose as the result of the NAB Convention of 1932 at St. Louis, Missouri, failed because of lack of cooperation. For the immediate present, however, available music in the public domain cannot be relied upon as an effective weapon by itself with which to combat exorbitant or unreasonable demands, although encouraging possibilities are now in sight and are under consideration.

The fact is that, with the exception of comparatively few stations, broadcasters are not equipped to take advantage of their unquestionable legal rights in the controversies with which they are faced. The first and indispensable condition to becoming so equipped is the establishing of adequate records in their music libraries, preferably by card index, showing with reference to each active musical composition used by them, the name of the composition, the composer, tbe author, tbe publisher, the date of publication, and the performing rights of the licensing organization. It cannot be too strongly urged that during the immediate future all broadcasters become thus equipped, so as to be prepared to avoid infringements of the rights of any licensing organization from whom tbey have no real need of a license, or whose demands they may regard as unjustified.

The Managing Director and his Advisory Committee agree tbat one of tbeir first duties is to do all in their power to provide members of the NAB with detailed directions for the establisbment by them of records wbicb will tbus enable them to protect themselves.

C. THE COPYRIGHT BILL.

At its last annual meeting, the NAB endorsed the copyright bill now pending in Congress, known as the Duffy Copyright Bill. Its principal features bave been summarized in the NAB BULLETINS and need not be discussed in detail bere. Among other tbings, the bill, if enacted, would eliminate the unjust tbreat of a minimum penalty of $250 for every infringement, whetber guilty or innocent. It is not free from defects but is so great an improvement over the statute now in force (the Copyright Act of 1909) as to demand support.

Tbe Managing Director and bis Advisory Committee agree that every effort should be devoted to securing enactment of this legislation.

Closely related to tbe Duffy Copyright Bill is tbe impending international conference on the copyright treaty, known as the Berne Convention, and tbe proposed adherence of the United States thereto. The conference was to have been held at Rome in the recent past but, because of international complications, has been indefinitely postponed. Sooner or later this conference will be held and, since the Duffy Copyright Bill contemplates that tbe United States sball become a party to this Convention, it is important that these developments be closely observed and tbat, if necessary, the NAB take a part in them. Among other things, it is being vigorously urged that the new Convention recognize a copyrigbt in tbe manufacturer of phonograph records as such so that, in addition to payment of royalties to the person controlling copyright in the composition, the broadcasters would be obligated to pay royalties to the manufacturers to a far greater extent than they would be under tbe Duffy Copyright Bill.

D. THE GOVERNMENT SUIT AGAINST ASCAP.

This suit, instituted by the Government against ASCAP on tbe charge that it is an illegal combination in restraint of trade, is still pending in the Federal Court. In the opinion of the Managing Director and his Advisory Committee this suit is as important now as it bas been at any time in the past and its prosecution should be pursued with vigor.

It would be of questionable propriety in this statement to comment on the issues or the merits of tbe Government's case. The Managing Director and his Advisory Committee confine themselves to stating that they regard it as tbeir duty to keep the Department of Justice fully informed of their every activity and of every development in the pending controversies.

CONCLUSION

Lengthy as is the foregoing statement the Managing Director and his Advisory Committee have felt that there is due to the membership of the NAB as complete an account as is possible from time to time of their activities, actual and proposed.