

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

JAMES W. BALDWIN, Managing Director

## NAB REPORTS

Copyright, 1936. The National Association of Broadcasters

*Special*  
MAY 5, 1936

### REPORT ON COPYRIGHT

*There is printed below the full text of the Report and Recommendations of the Managing Director concerning the creation of a Bureau of Copyrights in the NAB as approved by the Board of Directors at a meeting held in Chicago, April 27, 1936.*

TO THE MEMBERS OF THE BOARD OF DIRECTORS  
OF THE  
NATIONAL ASSOCIATION OF BROADCASTERS

By motion passed on February 3, 1936, at your last meeting, you instructed me to prepare and submit to the Board at an early date a detailed plan and program for the establishment and successful operation of a corporation having substantially the same purposes and powers as the Radio Program Foundation. In pursuance of that action I submit the following report. In doing so I want to take formal note of the assistance received from Mr. Walter J. Damm, Milwaukee, Wisconsin, to whom I am indebted for the music classifications contained in the report; also of the advice and counsel received by me from Messrs. Philip G. Loucks and Louis G. Caldwell, Washington, D. C., in formulating the basic principles embodied in the plan.

# **Part I**

## **Foreword**

### **Broadcasters Have Waged Copyright Fight For Ten Years**

For more than ten years the broadcasting industry in the United States has been endeavoring to solve what it calls the copyright problem.

The industry has at different times both supported and opposed copyright legislation in the Congress. It has instituted a lawsuit against the largest group of copyright proprietors in the world and has aided the Government in its suit against this same group. It has waged fierce fights against groups of copyright proprietors over terms and conditions in contracts and over methods of royalty payments. It has attempted on two occasions to establish and operate its own music source. It has expended many thousands of dollars; consumed many hours in discussion; considered many plans and proposals; and adopted many resolutions and reports. But today the problem remains unsolved.

The present copyright laws are antiquated and should be revised. The provision of the present law imposing minimum damages for infringement should be repealed. It is an anomaly in our law. No other nation in the world has a similar provision in its copyright laws. Other changes also are needed. But revision of the law, however favorable to broadcasters, will not in and of itself solve the problem.

A monopoly of music performing rights, if in violation of our laws, should be dissolved by the Government. But dissolution of the monopoly, however sweeping the decree, will not in and of itself solve the problem.

The broadcasting industry has learned one thing from its ten years of fighting. It has learned that it must give more attention to its own business and less to the business of copyright owners. Nobody knows whether the industry is paying too much or too little for its use of copyrighted music. As long as the present situation exists, nobody can find out.

### **Existing Licensing Agreements Offer No Promise For Solution**

Not a single license agreement in existence today holds any promise of a permanent solution of the problem. Not only is this true from the viewpoint of the broadcasters; but it is equally true from the viewpoint of the originator or creator of musical compositions. When broadcasting developed a new market for creative works, it found the author and composer allied with publishers. The publishers are commercial users of musical works in very much the same sense as broadcasters. Unlike conditions of a decade ago, the publisher and broadcaster now compete for the creation of the author and composer. It was simply a fact that the creator had disposed of a part of his valuable performing right to one class of customers before another class had risen to prominence. Broadcasters want, and are willing to pay generously for the works of the creator. Their interest is in the author and composer. They are not concerned with the profits or losses of the publishers or other users.

The problem has been made to appear more difficult than it really is. There are millions of musical compositions now in existence and many more millions will be written. But of the millions of works in existence, less than 800,000 are currently copyrighted in the United States. Of copyrighted and non-copyrighted musical works of all classes, about 35,000 compositions are active, that is, in ordinary day to day use. An average broadcasting station, operating full time, will perform about 75,000 separate selections in a year. If the same composition is performed once a week for fifty-two weeks, a library of 1,500 different compositions would supply the needs of a broadcast station. But

some numbers are performed more frequently and some less frequently, and 1,500 compositions would not be considered by any broadcaster as an adequate repertory. But, contrary to the popular belief, the broadcaster does not need all of the copyrighted music in the world; nor should he be required to pay for such extensive accessibility.

### **Broadcasting Industry Has Never Measured Actual Musical Needs**

The first task of the broadcaster, therefore, is to obtain some estimate of his actual musical needs. Having determined this, he should then set about acquiring on the best terms possible that music which will satisfy his needs. He should not endeavor to influence the price or prices asked by the copyright owner. If the price is disproportionate to the merit or value of a work or works, he has the option to refrain from use. As a member of an industry interested in a never-ending supply of new musical works, the broadcaster is desirous of encouraging the creator. He is interested in encouraging authors and composers to write for radio presentation. He will not forever be interested simply in acquiring performing rights of music written primarily for publication or for the stage, motion picture, dance hall or night club. As an art, broadcasting must develop creations written primarily for radio presentation and adapted to conditions peculiar to broadcasting. Any proper plan devised by broadcasters for the utilization of original creations must inevitably inure to the benefit of authors and composers. The use of such creations should determine the extent of compensation to authors and composers. Merit of such creations should determine the extent of their use.

### **Music Publishing Industry Custom Has Confused Copyright Ownership**

Basic difficulties have faced broadcasters and copyright owners in their attempts to work out a joint solution. Licensing agreements are entirely too vague as to rights conveyed thereunder. Existing agreements say simply to the licensee that in the event you perform a composition, the performing right of which is vested in the licensing group, that no infringement suit will be instituted. These agreements, when carefully analyzed, convey no definite affirmative rights but are more in the nature of forbearance of suits for infringement. This is so because no licensing group of any importance has furnished to its licensees a complete list of the works it owns or controls or has agreed to adequately indemnify the user in all cases where he exercises his best efforts to avoid infringement.

Perhaps one reason for the reluctance or refusal of licensing groups, up to the present time, to make available detailed and complete catalogs and adequately warrant title to all compositions listed therein, is the confusion which has resulted from private contracts between composers or authors and publishers or other users. This confusion is the result of custom in the music publishing industry which obtained before the advent of either broadcasting or sound motion pictures. The publisher may own the performing right or the composer may have reserved that right to himself and parted only with the right of publication. It is not always true, therefore, that a licensee may rely entirely upon the copyright notice imprinted upon the printed copy of a composition.

Until such time as each broadcaster has in his possession a complete catalog of the compositions in day to day use through which he is able to ascertain ownership of the performing rights therein, confusion will continue. Until that time arrives the broadcaster is left with no alternative except to avoid the use of all compositions, the performing right ownership of which is in doubt. With respect to each and every composition performed, the broadcaster must know (a) that he has a right to perform the particular work he is using; (b) that the proper legal or equitable owner has authorized the performance; and (c) that compensation is paid to the legal or equitable owner or his lawfully appointed agent.



## **Use Should Determine Basis of Compensation To Copyright Owner**

Much has been said and written about the so-called "per piece" plan. The plan has been commended as the only sound and scientific method for the licensing of performing rights and, at the same time, it has been condemned as impractical and unworkable. In these discussions mention is seldom made of the fact that so-called "grand rights" are nearly always obtained on a "per piece" or a "per performance" basis. But it is a fact that this method of obtaining "grand rights" has never been extended to the more extensively used "small rights." In existing licensing agreements "grand rights" are specifically withheld and are available in most instances only upon a "per performance" basis.

At the present time broadcasters are at a distinct disadvantage in checking their performances and entering such performances upon their program logs. But if for no other reason than to be in a position to defend against an infringement suit erroneously commenced, the broadcaster must be in a position to make proper entries on his log. This is now virtually impossible and will continue to be impossible until confusion over ownership of performing rights is abated and the stations are in possession of adequate information to check accurately.

It is a condition precedent to the institution of a "per piece," "per performance" or any measured service plan, that each station should have in its possession a complete catalog of the works it is licensed to perform and that accurate entries be kept on program logs at all times. Furthermore, broadcasters have a right to know what they have a right to perform under their licenses. They should not be put to the expensive and almost impossible task of trying to ascertain what they have no right to perform. In no other way can the constant danger of infringement, with its unfairness to both the broadcaster and the copyright owner, be avoided.

## **Performing Right Responsibility At Program Originating Point**

Where a program is originated at a single point for broadcasting over a group of stations, performing rights, with respect to all stations accepting the program, should be cleared at such originating point. This should be so irrespective of whether the originator of the program is a network, transcription or other company.

This should be so because a station broadcasting a network program, for example, does not know, and even by the exercise of the greatest degree of care cannot know, whether the composition next being broadcast is one for which he holds a valid license. Yet if there is included in the program a composition for which the station holds no valid license, the rule seems to be that he is just as liable as the originating station. The liability is the same whether the unlicensed composition occurs in a network or an electrically transcribed program.

Networks and transcription companies exercise the greatest possible care in avoiding the use of compositions for which their affiliated or accepting stations do not hold licenses; but should error occur the station actually broadcasting the number would be liable even though it had no way of knowing in advance that the composition was to be performed or did not know that the particular arrangement or adaptation from which the transcription was made was one for which it had no license.

In the case of network programs you have declared yourselves in favor of clearance of copyright at the source so that only the originating station will be held responsible for infringement and affiliate stations will be under no obligation to secure licenses with respect to such programs or to bear responsibility for any infringements that may occur therein. The same policy should apply with equal force to electrical transcriptions.



### **Payment of Copyright Royalties Presents Serious Policy Question**

The preceding section deals entirely with the matter of responsibility for clearing performing rights. It does not mention by whom payment of the royalties should be made. Custom in the industry is not uniform. Transcription companies, as a general rule, do not clear performing rights. Network companies clear performing rights for affiliates with respect to certain licensing groups but do not do so with respect to the largest and most important group. As a general proposition the station pays the performing right royalties whether the program is supplied by the network or transcription company.

The fee must be paid. Whether the fee should be paid by the network or transcription company for all stations taking a given program; whether it should be paid by the stations individually; or whether it should be divided up among the stations and network or transcription companies, is a serious policy question which is now, and perhaps always must be, a matter of private contract between the stations and originating companies directly concerned.

But this is true. All of the costs which go into program production must be paid by someone. If the originating company is required to add copyright performing fees to its other program production costs then it should have the right to adjust its station agreements to take into consideration this new cost item.

As pointed out before, this is a matter of contract between stations and originating companies. It would seem, however, that no distinction should be made between copyright costs and other items of cost which go into the production of the entire program.

In the final analysis the advertiser pays all of the costs which go into the production and broadcasting of his program; and copyright fees are just as much a part of this program cost as is the cost of talent, telephone lines, recording operations, and other items. In a few instances the copyright fee is passed on to the advertiser as a direct charge but the general practice is otherwise. It may be that the time has arrived when the advertiser should pay for the use made of music in his program as a direct charge and under a system whereby he might have the benefits which will accrue from a market in which copyright owners sell their rights in competition with each other and in which prices are fixed by such competition. This is a question of policy which cannot be answered in this report.

### **Adequate Financial Support and Competent Personnel Needed**

The Board of Directors of the National Association of Broadcasters has authorized the formation of a corporation as the vehicle for perfecting and executing a comprehensive copyright plan designed to effect a solution of the industry's copyright problem. The exact form of the corporation or organization is not discussed in this part of the report. But any corporation or organization created will be confronted with the necessity for raising money and finding competent personnel.

The ultimate object of the plan is to stabilize methods and practices in the performing rights field in so far as those methods and practices affect broadcasting. It seeks to achieve this through the creation of the machinery necessary to make competition among copyright owners effective and at the same time secure to the creators of original works the compensation which their works are able to command in an open and competitive market. It is not proposed that the corporation or organization should enter either the publishing, transcription or licensing businesses unless it becomes necessary to do so in order to achieve its objective. It recognizes that many, if not all, of the proposed functions can be performed by one or more existing agencies and that it would be far more desirable to utilize existing facilities than to duplicate them. At the same time, the plan is complete enough to duplicate any or all of them if that should become necessary.

The plan is divided into three principal parts:

1. Making available to broadcasters a complete and accurate catalog or index of active musical compositions.
2. Creation of a standard library of musical compositions taken, for the most part, from the public domain of music.
3. Establishment of a system for making available to the industry copyrighted musical works on a measured service basis.

Great flexibility should be given to the plan. In its administration it may be found advisable or necessary to eliminate some of the principles; modify others; or develop new ones. Practical considerations should govern each step in its development and wide discretionary powers should be given to its executive officers. Advantage should be taken of every opportunity to utilize existing facilities and the cooperation of copyright owners sought toward this end.

The plan should not be considered as a substitute for pending litigation or legislation except where such litigation or legislation is in direct conflict with the general objectives to be achieved.

## **Part II**

### **Proposed Plan**

1. The organization proposed to be organized under the resolution adopted by the Board of Directors of the National Association of Broadcasters should provide broadcasters with a complete and accurate catalog or index of all active musical compositions based upon minimum library requirements.
2. In the event such catalog or index is found to be unavailable, the organization should undertake a survey of the musical needs of the industry with a view to compiling its own catalog or index based upon minimum library requirements.
3. If it is found necessary to undertake such survey, the study should embrace:
  - A. Analyses of libraries of leading broadcasting companies.
  - B. Analyses of transcription libraries.
  - C. Analyses of the best phonograph collections.
4. From the information obtained from such survey there should be compiled a master index of all active musical compositions.
  - A. Three identical cards should be made for each composition included in the minimum library.
  - B. Each card should list
    - (a) Title of the composition
    - (b) Name of composer or composers
    - (c) Name of author or authors
    - (d) Publisher or copyright owner
    - (e) Date of copyright
    - (f) Name of arranger
    - (g) Licensing group controlling performing right
    - (h) Character of composition
    - (i) Type of composition
  - C. If the composition has been electrically transcribed, the card should also note
    - (a) Name of transcription company
    - (b) Library reference
    - (c) Name or names of performing artists
    - (d) Serial number or other identification
  - D. If the number has been phonographically recorded, the card should note
    - (a) Name of recording company or companies
    - (b) Name or names of performing artists
    - (c) Serial number or numbers
    - (d) Arrangement used, etc.
5. One set of cards in the master index should be filed alphabetically by title of composition.
6. A second set of cards in the master index should be filed by classes or types of composition. The following classifications are suggested:
  - A. Classical orchestrations
  - B. Classical song orchestrations



- C. Popular old dance orchestrations
  - D. Popular new dance orchestrations
  - E. Popular song orchestrations
  - F. Popular song copies
  - G. Classical song copies
  - H. Hillbilly orchestrations
  - I. Special arrangements for particular groups
  - J. Modern impressions
  - K. Brass band
    - a. Concert
    - b. Marches, etc.
  - L. Vocal scores
  - M. Hillbilly song copies
  - N. String ensembles
  - O. Foreign language song copies
7. A third set of cards should be arranged in detailed classifications as an aid to program directors in building programs. An example of this type of classification follows:
- A. Accordion solos and duets
    - African (Indian)
    - Agitatos
    - Air
    - American music
    - Arabian music
    - Argentine
    - Aviation
  - B. Ballets
    - Baritone solos with orch. accomp.
    - Birds (butterfly)
    - Bohemian music
    - Bolero
    - Brass band
      - 1. American marches
      - 2. American patriotic
      - 3. Baritone solos
      - 4. Bass solos
      - 5. Chime solos and Vibra-Harp solos
      - 6. Christmas
      - 7. Clarinet solos, duets, etc.
      - 8. College music
      - 9. Comedy songs
      - 10. Concert
      - 11. Fan Fares
      - 12. Flute solos. Piccolo duets, etc.
      - 13. Fox-trots—popular music
      - 14. Funeral march
      - 15. Galops—one-steps

16. German fox-trots & waltzes
  17. German marches & Polonaise
  18. German songs—vocal
  19. Guitar solos
  20. Horn solos
  21. Laendlers
  22. Lancers, Quadrilles, reels & hornpipes
  23. Mazurkas, Mazurs, Kujawiaki, Oberok & Menuetts
  24. Other foreign marches
  25. Overtures
  26. Polkas, Krakowiaks & Cakewalks
  27. Brass quartets
  28. Religious or Sacred
  29. Schottisches & Barn dances
  30. Tenor solos
  31. Trombone solos
  32. Trios
  33. Trumpet solos, trios & duets
  34. Waltzes—concert-dances
  35. Waltzes—popular-dances
- B. Brigadiers
- C. Canadian music
- Cello solos
- Cello (duets, quartets, trios, etc.)
- Characteristic dances
- Children
- Chinese
- Christmas
- Clarinet solos with orch. accomp.
- College music
- Light concert
- Heavy concert
- Cuban music
- D. Dance (Special rhythmic)
- Dance orchestrations
1. Bird
  2. Children
  3. Comedy
  4. Day
  5. Dream
  6. Eyes
  7. Fall
  8. Flowers
  9. Home
  10. Kiss
  11. Luck
  12. Moon

- 13. Mother
- 14. Name
- 15. Night
- 16. Rain
- 17. Smile
- 18. Spring
- 19. Star
- 20. Summer
- 21. Sun
- 22. Water
- 23. Wedding
- 24. Winter
- Danish music
- Day and night
- Dramatic music
- Dutch
- E. Earth
- Easter
- Egyptian
- English
- F. Fan fares
- Fashions
- Flowers
- Flute solos with orch. accomp.
- Flute and Clarinet duets with orch. accomp.
- Folk songs (American)
- Forest (Woods-trees)
- Fraternal music
- French
- Funeral marches
- G. Galop
- Gavottes
- German
- Grecian music
- H. Hawaiian
- Hill Billy
- Hungarian (Gypsy)
- I. India
- Indian music
- Intermezzo (Humoresque & Caprices)
- Irish
- Italian
- J. Japanese
- Jewish
- K.
- L. Lullaby's
- M. Mazurkas



- Minuettes
- Modern Impressions
- Mother and Father
- Mountains (Hills, Cliffs)
- Musical comedy (Operettas & Comic Opera)
- M. Mysteriosos
- N. New Year
  - Nocturne
  - Northern music
  - Norwegian music
  - Novelty
- O. One steps
  - Operatic music
  - Opera selections
  - Oriental music
  - Overtures
  - Medley overtures
- P. Persian music
  - Piano solos
  - Piano solos with orch. accomp.
  - Piano duets
  - Piano duets with orch. accomp.
  - Picture tunes
  - Polish
  - Polkas
  - Processional marches
- Q.
- R. Religious
  - Reveries (Meditations, Barcolles & Romance)
  - Rhapsodies (Fantasias, Paraphrases)
  - Rube (Reels, Jigs, Hornpipes, Quadrilles & Lancers)
  - Rumbas
  - Russian music
- S. Saxophone solos with orch. accomp.
  - Schottisches
  - Scotch music
  - Seasons (Spring, summer, fall & winter)
  - Serenades (Berceuses, Idyll)
  - Slavonic music
  - Classical song orchestrations
  - Popular song orchestrations
  - South American music
  - Southern music
  - Spanish music
  - Sports
  - Standard marches
  - Stein songs (Toasts)

- String ensemble
- String quartets
- String trios (Violin, Piano & Cello)
- Suites
- Swedish music
- Swiss music
- Symphonies (Sonatas)
- T. Tangos
- Themes
- Trombone solos, with orch. accomp.
- Trumpet solos with orch. accomp.
- Trumpet duets with orch. accomp.
- Turkish music
- Two steps
- U.
- V. Valse concert
- Viola solos, duets, etc., with piano accomp.
- Violin solos with orch. accomp.
- Violin solos with piano accomp.
- Violin duets with orch. accomp.
- Vocal
  1. Vocal ensemble or chorus
  2. Male quartets
  3. Male trios
  4. Mixed quartets
  5. Trios (Sop., bar. & ten.)
  6. Six voices (Male Quartet, sop. & alto)
  7. Duets (Sop. & bar.)
  8. Duets (Sop. & ten.)
  9. Women's trios
- W. Waltzes (Dance)
- Water (Nautical, Nature)
- Wedding music
- Wood wind music
- Y.
- Z.

8. Information contained in the master index should be made available to all broadcasters.
  - A. The exact form in which the information should be made available should be decided after the master index is completed. It may be advisable to duplicate the three sets of cards or only one set. It may be found advisable to publish the breakdown described in Paragraph 7 in loose-leaf catalog form. Practical considerations of administration and use should govern decision in this step.
9. The master index should be constantly supplemented by cataloging:
  - A. Additional compositions not included in the minimum library.
  - B. Currently published compositions.
10. All or a part of this additional information should be supplied to broadcasters.

11. The organization should equip itself with adequate facilities to supply a copyright checking service to members.
  - A. Obviously, it would be impractical to include in broadcasters' indices the hundreds of thousands of cards listing compositions only occasionally used; but the organization should, as rapidly as possible, build up complete information on the musical literature of the world in order that its checking service will be both complete and accurate.
12. The organization should compile a standard library of music for broadcast stations.
  - A. Compositions included in the standard library should be available to broadcasters for their unlimited use without the payment of performing fees.
    - (a) Such compositions should be taken from the public domain of music by careful selection.
  - B. Compositions in the standard library should be arranged or otherwise adapted to sound or visual broadcasting presentation.
    - (a) Copies of such arrangements or adaptations should be made available to broadcasters.
  - C. Cards for such compositions should be inserted in the master index and duplicates sent to all broadcasters just as in the case of all other compositions. These compositions, however, should be listed on cards of different color in order that they may be readily distinguished from compositions the performance of which requires payment of fees to an individual or licensing group.
  - D. Compositions in the standard library should be electrically transcribed as rapidly as possible through arrangement between the organization and some transcription firm or firms and pressings of such compositions should be made available to all broadcasters.
13. The rights to perform compositions included in the standard library should be unlimited with respect to all broadcasters.
  - A. Disposition of rights, if any, other than rights necessary and proper to the use and maintenance of the library may be disposed of by private contract but no such contract shall in any manner impair the usefulness of the library.
14. The organization should warrant its rights in all compositions included in the standard library and should defend against all claims for infringement and agree to save broadcasters harmless in the event of recovery of judgment for infringement.
15. In addition to its other services, the organization may act as agent for broadcasters in the negotiations for radio rendition or performance rights of any rhapsody, concerto, symphony, or like work, or any opera, operetta, musical comedy, play or similar production which rendition or performance involves the so-called grand rights. Also it may act as agent for any broadcaster with respect to rentals necessary for such renditions or performances.
16. Under proper rules and regulations, the organization may classify broadcasters in accordance with their relative economic status and may provide classifications of musical works, under which rules and regulations copyright owners may list their compositions and set over against each a price per performance for each class of members.
  - A. With respect to compositions listed on a performance basis the organization shall have the power to collect from the broadcaster and pay over to the copyright owner all moneys due from such broadcaster and due to such copyright owner.



- B. Broadcasters shall send periodic statements of performances to the organization, upon request, certifying that the information contained therein is taken from the official program log. Should dispute arise broadcasters may be required to submit their complete official logs.
  - C. Compositions on a performance basis should be listed along with the cost per performance or other cost factor on cards in the master library and duplicates sent to all broadcasters. It may be found advisable to identify such per performances compositions through the use of cards of a different color.
17. The organization should suggest library methods, agreement forms, studio and remote control practices, and supply other information of a detailed nature which will enable broadcasters to minimize library expenses; facilitate their program operations; and avoid use of unowned or unlicensed copyrighted material.

## Part III

### Organization

In acting on my Report dated February 3, 1936, you approved the following recommendation:

“13. That the need for the immediate establishment of a corporation having substantially the same purposes and powers as the Radio Program Foundation be recognized and that the Managing Director be instructed to prepare and submit to the Board at an early date a detailed plan and program for the establishment of such a corporation and its successful operation.”

Further study and investigation has convinced me that the primary purposes and objectives outlined in this report can be accomplished successfully by a properly manned “Bureau of Copyrights” in the NAB. If such a Bureau is created no legal formalities will be required. The formation of a new corporation, of course, will require compliance with certain legal formalities. The important factor here is the achievement of results and I am now of the opinion that in the beginning, at least, the NAB, without the aid of a separate corporation, can accomplish much in respect of the three principal parts of the plan, namely:

1. Make available to broadcasters a complete and accurate catalog or index of active musical compositions.
2. Creation of a standard library of musical compositions taken, for the most part, from the public domain of music.
3. Establishment of a system for making available to the industry copyrighted musical works on a measured service basis.

Already substantial progress has been made with respect to (1) above. Mr. E. C. Mills, General Manager of the ASCAP, has extended to the NAB, under authority given him by the ASCAP Board of Directors, an invitation to copy their records concerning musical compositions. This invitation has been accepted. Conferences have been held and correspondence has been exchanged concerning minimum data required and the working out of a plan to compile complete information with respect to the musical selections used one or more times on the Network key stations during the years 1934 and 1935. This will make available to broadcasters an index of approximately 25,000 active musical selections and furnish the most important groundwork for the establishment of a per piece or measured service system. A continuing service will be supplied by the NAB which will keep such records up-to-date and provide for a gradual enlargement of the index. The ASCAP invitation imposes two conditions: (1) The NAB will be required to make copies of such index available to any broadcaster whether or not he is a member, and (2) it is to be definitely understood that under no circumstance does the ASCAP warrant or guarantee to others that the information contained in the index is correct.

Also, investigation and study made since the last Board meeting leads to the conclusion that the NAB can provide a standard library (No. 2, above) of musical compositions taken, for the most part, from the public domain. There is music of excellent quality available. It can be supplied through the medium of electrical transcriptions of high quality and at a cost which any station can afford to pay.

Moreover, should experience resulting from practical operation show the need for a separate corporation, the “Bureau of Copyrights” could be incorporated without impeding further progress.

## **Part IV**

### **Personnel**

Adequate provision should be made for the employment of competent personnel to carry the plan into successful operation.

Obviously there should be employed as Director of the Bureau of Copyrights a man of high academic training in music who has had extensive practical experience in the field of copyrights and their use in building radio programs.

## **Part V**

### **Finances**

It must be recognized at the outset that the plan can succeed only if it is adequately financed.

In the beginning it will be necessary only to provide funds for the employment of a Director of the Bureau of Copyrights and his staff; and necessary office space and equipment. But prosecution of the entire plan will require substantial expenditures and ways and means should be provided so that the NAB's income will be sufficient to meet them. This is a matter that must be passed upon by the membership.

## **Part VI**

### **Conclusion**

The plan herein submitted is far from perfect. Undoubtedly it will necessitate extensive revision and amplification in actual administration; but it is proposed as a framework upon which I believe a constructive solution to the industry's copyright problem can be found. It is my opinion that if adopted it will receive wholehearted cooperation from both member and nonmember stations. I am confident that with adequate financial support the plan will succeed. While progress will be slow, I believe that it will materially improve the quality of radio programs. I believe it will result in a new and more equitable formula for the payment for use of copyrighted music whereby authors and composers may be rewarded generously for their creative ability. And I believe that authors and composers ultimately will be encouraged to write music primarily for radio presentation.

I urge its adoption.

Respectfully submitted,

JAMES W. BALDWIN,  
*Managing Director.*

Washington, D. C.  
April 27, 1936.