

# The National Association of Broadcasters

1760 N STREET, N. W. \* \* \* \* \* WASHINGTON 6, D. C.

October 1, 1943

SPECIAL A. F. of M. BULLETIN

No. 22

## Contract Between Decca and World With The American Federation of Musicians

A contract, which has been signed by Decca Records and World Transcription with the American Federation of Musicians, forms part of this bulletin. This contract does not call for the making of any payment by broadcasters and Decca and World have already formally announced that they will not attempt to pass on to the consumer any part of their cost. The contract does, however, include a recognition of "the principle of a continued interest which all of the members of the Federation have in the use of records containing instrumental music," and which provides for direct payment by the record and transcription companies to the Union.

This is contrary to the declaration of principle in which all record and transcription companies joined in their rejection of the Union's demands on February 23, 1943. This declaration of principle, it will be remembered, received the commendation of the NAB Convention. Decca and World are recording under this contract. None of the other transcription companies which are parties to the War Labor Board proceedings have as yet assented to the agreement; neither have Victor and Columbia which on September 28 became parties to the War Labor Board hearings.

On its face the agreement is not clear as to whether it is a firm agreement for a fixed period at a stated wage scale or whether the Union reserves the right to strike at any time. Presumably, this question will be clarified when the War Labor Board hearings resume on Monday, October 4. Mr. Petrillo, in urging the other companies to sign the agreement, said that it would end the controversy with respect to records and transcriptions. He said that he did not expect any substantial revenue from the agreement during the war, but expressed the belief that the agreement might yield three to four million dollars a year to the Union after the war was over. This estimate would appear to be predicated on an anticipated sale of ten times as many records as have ever before been sold in the history of the recording industry. The contract follows:

### Contract Text

September , 1943, as of September 20, 1943

Decca Records, Inc.  
50 East 57th Street  
New York, New York

GENTLEMEN:

This is to advise you that during the term of this contract you and your subsidiary companies may employ

members of the American Federation of Musicians upon the following terms and conditions:

1) You shall use only members in good standing of the American Federation of Musicians for the performance of all instrumental music in recording phonograph records and electrical transcriptions (Hereinafter sometimes referred to as "recordings"), and when employing persons who are eligible for membership in the American Federation of Musicians you shall employ only such persons as shall be members thereof in good standing;

2) We shall exercise full authority in order that our locals and members of the Federation engaged in or pertaining to such recording activities shall do nothing in derogation of the terms and intent of this agreement;

3) Immediately upon the making of any recording and prior to its release, you shall advise the Federation of such recording, of the serial or other number thereof, and any additional information in connection with any such recording which we may reasonably require. Upon demand by the Federation you shall promptly furnish to it a copy of any such recording including those made or pressed by you in Canada;

4) Upon the execution of this agreement you shall promptly furnish to the Federation a copy of your current catalogue or recordings, and thereafter from time to time as and when issued, you shall supply a copy of all supplements thereto;

5) You shall not require, request, induce, or in any manner attempt to influence any member of the Federation to play, or perform for recordings, or render services pertaining thereto, except as permitted by this agreement;

6) You shall not dub, re-record, or re-transcribe any recordings except upon previous written notice of any such intention to be given to the member through whom the performers were originally employed, as well as to the Federation; and upon payment to the said member of the full scale for all performers applicable to such new use;

7) You shall not require members of the Federation to make phonograph records containing commercial advertisement or any recordings to

be used by or for actors as accompaniment for or in connection with their performances;

8) No changes in our Constitution and By-Laws will be made during the term of this agreement which shall contravene any of the provisions herein;

9) All laws, rules and regulations of the American Federation of Musicians (a copy of which is herewith submitted) are made part of this agreement;

10) You shall pay our members for the services rendered by them in the making of recordings such sums as you may agree upon with them, but which in no event shall be less than scale;

11) All contracts for recordings between you and members of the Federation shall contain the following provisions:

"As the musicians engaged under the stipulations of this contract are members of the American Federation of Musicians, nothing in this contract shall ever be construed as to interfere with any obligation which they owe to the American Federation of Musicians as members thereof."

Said contract shall also contain the following paragraph which is part of a resolution adopted by the American Federation of Musicians:

"That members of the American Federation of Musicians are authorized to accept employment for the purpose of making phonograph records and electrical transcriptions by such phonograph and electrical transcription companies as shall have entered into an agreement with the American Federation of Musicians permitting the employment of its members upon the terms and conditions contained in the standard form of agreement promulgated by the American Federation of Musicians to its members on September —, 1943."

12) In order to give effect to the principle of a continuing interest which all the members of the Federation have in the use of recordings containing instrumental music, you shall pay to the American Federation of Musicians the following:

a) For phonograph records manufactured or produced by you or others from masters hereafter recorded by you containing performances by members of the Federation, and which phonograph records are sold by you or by the lessees of your masters to others a payment equal to the following:

$\frac{1}{4}$ -cent for each record, the manufacturer's suggested retail price of which does not exceed 35 cents:

$\frac{1}{2}$ -cent for each record, the manufacturer's suggested retail price of which is not more than 35 cents but does not exceed 50 cents:

$\frac{3}{4}$ -cent for each record, the manufacturer's suggested retail price of which is more than 50 cents but does not exceed 75 cents:

1 cent for each record, the manufacturer's suggested retail price of which is more than 75 cents but does not exceed \$1.00:

$2\frac{1}{2}$ -cents for each record, the manufacturer's suggested retail price of which is more than \$1.00 but does not exceed \$1.50:

5 cents for each record, the manufacturer's suggested retail price of which is more than \$1.50 but does not exceed \$2.00:

$2\frac{1}{2}\%$  of the sale price of each record, the manufacturer's suggested retail price of which exceeds \$2.00.

You have advised us that the manufacturers' suggested retail prices as referred to in the foregoing schedule are published in your catalogue of records.

b) For electrical transcriptions, manufactured from masters hereafter recorded by you containing performances by members of the Federation, and which are intended for more than one use by your customers, lessees or licensees as part of your library service or otherwise, a payment equal to 3% of the gross revenues derived by you from the sale, lease, license or other disposition thereof.

For spot announcement transcriptions commonly known as "jingles," a like payment of 3% of the gross revenues shall be made.

c) For commercial electrical transcriptions manufactured for commercial broadcasting, intended for a single use and only so used, there shall be no payment pursuant to the terms of this paragraph 12.

d) All payments stipulated in this paragraph 12 shall be made to the Federation pursuant to the resolution referred to in the 11th paragraph hereof within 45 days following each calendar half-year and shall be accompanied by a statement certifying all payments required to be made pursuant hereto.

e) The Federation at its option shall have access and right of examination of your books and records relating to this subject at all reasonable times.

f) It is understood that your obligation to make the payments pursuant to this paragraph 12 hereof shall continue after the expiration of this agreement.

13) You shall not interfere, assign or attempt to interfere or assign your rights pursuant to this agreement.

14) During the term hereof, we will not enter into any agreement with any phonograph rec-

ord or transcription companies upon terms more favorable than those contained in this agreement. In the event, however, that we shall make any agreement with any other phonograph record or transcription company upon any terms more favorable or different from those contained in this agreement, you shall have the right at your option to cause your agreement to be conformed therewith.

15) You shall not make, or permit the use of your facilities for making, or otherwise give aid or assistance in the making of any phonograph recording or transcription which shall utilize instrumental music, for or on account of any other persons engaged in the phonograph recording or transcription business unless authorized in writing by the Federation.

16) You agree not to make recordings or transcriptions of any radio program broadcast from a studio or off the air, without written permission first obtained from the Federation, however, since it has been the practice of the Federation in the past to grant such permission, it is agreed that permission will not be unrea-

sonably withheld and that when granted it shall be upon the payment of transcription scale.

17) The term of this agreement shall be for the period commencing as of September 20, 1943, and terminating December 31, 1947.

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Your signature in the space provided below will constitute this a binding agreement between you, your subsidiaries and ourselves.

Yours very truly,

\_\_\_\_\_  
President

Decca Records

\_\_\_\_\_  
by Executive Vice President

Attest: \_\_\_\_\_  
Secretary