

Music Custodian Role Seen Prime Factor of BMI Guiding Philosophy

The continuing growth of a library of copyrights for the use of signatory licensees is a prime goal of any performing rights organization. These basic well-springs may lead, however, upon the achievement of a certain maturity, to other corollary functions. Principal of these is the concept of custodianship of musical culture.

Through two decades of existence, Broadcast Music, Inc., has constantly broadened its own base to the point where it is today, in the full sense of the word, a custodian of music, of not only American but, truly international roots.

When BMI first opened shop in its Manhattan offices two decades ago it was immediately faced with myriad problems in its struggle for survival. Conditions were such as to discourage

any kind of sustained life for such a fledgling organization.

A Challenge
Yet, with radio, one of the principal users of musical material, faced with a virtual embargo on traditional sources of music, particularly in the popular classification, a place, a need and a challenge existed. The success with which the challenge was met and the seeds furnished it on the record, with the existence of a healthy BMI 20 years later.

It is true that the early beachhead for BMI was established with the use of monetary incentives to creators, these incentives were provided by radio, which at the time was facing a blackout on performing rights of most of the available musical repertoire. Many over the years have found this concept an odious one, worthy of attack. Yet, BMI supporters

point out that without the initial momentum provided by the financial support of radio, BMI would never have left the starting gate.

Generous monetary incentives offered to lure talented creators from the writing and publishing ranks gradually achieved their initial goal—a substantial reservoir of popular song material. As this position was won, the organization turned its sights on other fields of music—and through an imaginative program of grants, contests, prizes, awards and fellowships, it succeeded in building a wealth of catalog in such fields as jazz, rhythm and blues, country music, folk music and concert material.

These programs have come to be identified with the basic philosophy of BMI today. This is to encourage musical creativity in all forms. (Continued on page 23)

FACTS ON BMI LOGGING AND MEMBERSHIP NOTED

At the close of 1960, 20th Anniversary year for Broadcast Music, Inc., the BMI combined publisher-writer family numbers close to 10,000. Estimates from BMI officials place the publisher affiliations at about 4,500, with approximately 5,300 writers members in the field.

In this anniversary compendium of BMI history and philosophy, it may be of interest to examine the vital statistics of the complex operation carried out at BMI headquarters in New York, on behalf of this substantial family of creators and business men.

The BMI membership fluctuates because of what spokesmen called the organization's "open door policy" to new people. It is also pointed out that the membership ranges from major publishers and writers with substantial catalogs, right down to those with minor holdings of a few copyrights and even fractional shares of compositions.

If a figure for the total number of copyrights licensable under BMI contracts were given, it would include, in the words of BMI executives, a number of inactive items. However, the current BMI publication, Performerindex No. 6, lists approximately 35,000 titles as having been performed under BMI licenses on network radio and TV as well as 2,100 separate stations during the past two years. Overall, BMI controls over half-a-million copyrights.

In round figures, BMI's total income from licensees for the fiscal year ending last July 31, was \$12,700,000, of which about \$8,000,000 was paid out to writers and publishers in the form of royalties.

Many regard BMI's logging system as the most complete and extensive now in existence. Some sources have indicated that BMI surveys about 13 times as many hours of broadcasting and detects performances of about four times as many songs as any other performing rights organization in the country.

Logging System

The scientific logging system was set up originally by Professor Paul Lazarsfeld of Columbia University. Under the system, performance credits are determined by sampling local stations and by a complete count of both radio and TV networks. Networks send in complete reports showing what music has been used on each program and how many affiliated stations used the show.

Data on local stations is obtained from standard marketing guides. These stations are put into different classes, according to geographical location, power, time on the air and other factors. By selecting stations from each category, groups of stations are selected for sampling each month.

The list of stations is then sent to a private certified public accounting firm. Stations do not know until just before logging takes place that they are being sampled. Each station in the sample fills out forms for an entire month showing songs performed, composer and author names, record companies, etc.

IBM Tapes

All reports of music used on radio and TV are received and checked for BMI titles notes. Electronic tapes are prepared, with BMI titles coded for machine data processing. Individual cards for each performance are then prepared from the tapes. The cards are thereafter sorted in title order by composer and publisher. IBM machines are wired in preparation for performance and payment reports. Checks and performance reports are automatically prepared and payment made to writers and publishers. Payments are made quarterly to writers and publishers.



SYDNEY M. KAYE, one of America's outstanding copyright authorities and chairman of the board of BMI, has guided the organization as its chief counsel since its formation in 1940.

War, Strikes Marked BMI Start

As early as 1937, users of music were seriously thinking of a time when musical product might be licensed to them through competing performing rights bodies. Such a condition might be expected to enrich the musical culture through increased variety and types.

In 1939 a dream turned to cold economic reality. In the view of many at the time, unless a competitive source were to enter the picture, users would be at the mercy of what they felt would be economically destructive licensing rates being asked by the principal existing source of music.

Broadcasters, most important single users of musical product, provided the answer by founding on October 14, 1939, a new licensing organization to be known as Broadcast Music, Inc. Stock participation of broadcasters in BMI was based on a figure of 40 per cent of the money paid to ASCAP for license fees in 1937.

In the immediate following years, the fledgling organization managed to weather a series of storms and challenges, the first of which was simply how to build a catalog of music from scratch. One of the trials in those earliest days was to attract publishers into the BMI fold, at a time when most believed that BMI would eventually fold up. In this event, they reasoned, they might face reprisals when attempting to regain their earlier affiliations.

However, in July of 1960, six months before the banning of all

music controlled by the traditional performing rights society because radio interests refused to go along with projected rate increases, the Edward B. Marks publishing firm, with a tremendous catalog of popular favorites as well as a priceless catalog of Latin American material, joined the BMI ranks. This move was enough to impel many others into the fold.

Among the very earliest of

these was the notable Latin and country music material of Ralph Peer, the well-known Chicago firm of M. M. Cole, and the Italian publisher of many prominent operatic and serious music works, G. Ricordi.

During the 10-month period following New Year's Eve of 1940, when music of the older performing rights society went off the air, many songpluggers of old-line publishing firms found them-

selves out of jobs. Lured by the generous program of helpful advances held out to new publishers by BMI, many of these joined the BMI fold as well.

Band Leader Films
It is notable, too, that in the early period of BMI, much of the nation's popular music emanated from and was built into hidden through the route of the big band. Hence, some of the earlier BMI (Continued on page 22)

BASIC DATA ON AMERICAN MUSIC

Increase in dollar volume of sales of records, musical instruments, performing rights, etc., 1939-1960 640%

Increase in the value of the U. S. Gross National Product, 1939-1960 443%

Therefore, the field of music has grown 44% faster than the total economy has grown during the past 20 years.

	1939	1960	% Increase
Writers who share in performing rights payments	1,000*	10,000*	900
Publishers who share in performing rights payments	137	5,000	3,650
Performing rights payments	\$7,000,000	\$42,000,000	500
No. of symphony orchestras	250*	1,200	390
People who play musical instruments	15,500,000	31,000,000	100
Sales of musical instruments, accessories and sheet music	\$75,000,000*	\$500,000,000	567
Record sales, retail	\$50,000,000	\$435,000,000	770
Gross national product	\$91.1 Billion	\$494.5 Billion (P)	443
Index of Industrial Production 1935-1939=100	126	203.1 (P)	61

The above information has been drawn from

TWENTY YEARS OF SERVICE TO MUSIC (BMI)
CONCERT MUSIC, U. S. A. (BMI)

And reports by: U. S. Department of Commerce

Federal Reserve Board
American Symphony Orchestra League
American Music Conference

THE BILLBOARD
VARIETY

(P) = Preliminary

* = Estimated from trade sources

Note: Some data rounded



CARL HAVERLIN, president of BMI since 1947, was honored in 1960 by the American Symphony Orchestra League for his "valuable services to music" and for the "sincerely constructive policy of BMI toward the advancement of music as a high art." Early in life he toured in vaudeville, followed with a distinguished career in broadcasting, and joined BMI in 1940 as director of station relations.