

BMI, radio committee will try again

Negotiations on rate increase set to commence within two to three weeks, say officials

Prospects for resumption of negotiations on new rates for radio stations' use of the music in the Broadcast Music Inc. catalogue appeared to brighten last week.

Reports from unofficial but informed sources indicated that moves were afoot aimed to get BMI officials and the All-Industry Radio Music License Committee together again, probably within the next two or three weeks.

It would be their first session since talks broke off abruptly after the initial full-fledged meeting on BMI's request for a rate increase more than a month ago (BROADCASTING, Sept. 23). Current BMI licenses expired Sept. 30 but were extended by BMI to Dec. 1.

The reports that talks may soon be resumed became current last week as both sides held meetings of their own bearing at least indirectly on the music-rate dispute.

BMI stockholders held their annual meeting in New York on Tuesday (Oct. 15) and re-elected the incumbent slate of directors including BMI President Edward M. Cramer, leader of the drive for higher radio fees.

Announcing the results, BMI officials said Mr. Cramer had enunciated the organization's licensing policies in a letter telling the stockholders last month that "it is essential to the continued successful operation of BMI that there is adequate recognition of our contribution to programing" and that he was confident that the rate negotiations "will affirm BMI's present and ever-growing importance as a major supplier of music."

Against this background, BMI officials took the re-election of Mr. Cramer and his fellow directors as clear evidence of stockholder approval of BMI's present licensing policies, specifically including its bid for higher rates. And since the stockholders are themselves broadcasters, BMI management obviously considered the vote a significant boost for its cause.

BMI's announcement said "almost 80% of outstanding stock voted in favor of, and none against, BMI's present licensing policies." It called the vote "one of the largest BMI stockholder approvals of management and its policies."

The all-industry committee, said to represent upwards of 1,000 radio stations, met the following day and named three new members in a move obviously designed to broaden the committee base (CLOSED CIRCUIT, Oct. 14).

The new members, raising the total from six to nine, are A. A. Church, assistant secretary of Storer Broadcasting Co.; David H. Morris, president of KNUZ Houston; and Michael P. Mallardi, vice president and general manager of the Straus Broadcast Group.

Elliott M. Sanger, retired executive of WQXR New York but continuing as a member of the station's board of directors and executive committee, announced the expansion as chairman of the committee and also said the group in its meeting "reviewed the situation regarding the current impasse in negotiations" for a new BMI contract.

Committee members on hand for the meeting were Mr. Sanger and John J. Heywood, Avco Broadcasting; Robert D. Enoch, WXLW Indianapolis; and Mr. Church and Mr. Mallardi. Emanuel Dannett and Bernard Buchholz of the New York law firm representing the committee also attended. Absent committeemen were Mr. Morris, George W. Armstrong of Storz Stations, Herbert Evans of People's Broadcasting, and J. Allen Jensen, KID Idaho Falls, Idaho.

AFM set to vote on 3-year contract

The American Federation of Musicians is asking its members in New York and Hollywood to ratify or reject a proposal made by the networks on a new three-year contract, it was reported last week.

More than 600 members are eligible to vote by mail with ballots to be submitted by Oct. 23. The present union minimum is \$257 a week. And networks have offered an additional \$20 each week for the first 18 months and \$20 more for the second 18 months. The contract would replace one that expired last July 31 but has been extended since that time.

The terms are said to be substantially the same as those rejected by the union membership in a mail vote last August.

Members of the BMI board re-elected at the stockholders meeting, in addition to President Cramer, are John H. DeWitt, John Elmer, Rex G. Howell, Sydney M. Kaye, Merrill Lindsay, Dwight W. Martin, Richard H. Mason, Paul Morency, John F. Patt, William M. Regan, J. Leonard Reinsch, G. Richard Shafto, Robert B. Sour and E. R. Vadeboncoeur.

Messrs. Martin (WDSU-TV New Orleans), Morency (retired head of WTIC Hartford, Conn.), Patt (former head of WJR Detroit), Shafto (chairman of Cosmos Broadcasting) and Vadeboncoeur (president of Newhouse Broadcasting) are members of the executive committee. Mr. Kaye, chairman and chief architect in the formation of BMI in 1940, is an ex-officio member of the committee.

MGM appoints committee to select new president

Robert H. O'Brien last week lost his long fight to retain control over Metro-Goldwyn-Mayer Inc. The MGM board of directors Tuesday (Oct. 15) announced appointment of a committee to seek a replacement for Mr. O'Brien as president and chief executive officer of the movie-TV production company.

Mr. O'Brien will be moved into the job of chairman when the new chief executive is named following the company's annual meeting in December.

The shift is viewed as a major victory for industrialist and financier Edgar M. Bronfman, who last spring asked Mr. O'Brien to relinquish the job he has had five years to a younger man. Mr. Bronfman, president of Joseph E. Seagram & Sons, became MGM's major stockholder slightly over a year ago when he purchased a large block of stock from Philip J. Levine, the New Jersey realtor who waged two unsuccessful proxy fights to wrest control of the film company from the O'Brien forces.

At issue is Mr. O'Brien's reluctance to diversify from film production into other entertainment and educational areas, as favored by Mr. Bronfman.

Mr. Bronfman is chairman of the committee that will pick Mr. O'Brien's successor. Other members are George L. Killion, present board chairman, who