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Carson J. Robison, the Cowboy Radio Singer,  
1903-1988

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2015-01-01

### Letter, 1951 February 6, from Otto A. Harbach to Fellow Member

Otto A. Harbach

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AMERICAN SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS  
THIRTY ROCKEFELLER PLAZA  
NEW YORK 20, N. Y.



February 6, 1951  
Number . . . 6022

Dear Fellow Member:

Herewith is a description of our present Distribution System. Keep it for reference so that you may understand discussions of any changes which we hope to have ready in the near future.

Our problems are far too difficult to be solved by a hastily conceived formula. It will require patience and understanding on the part of everyone concerned with no undue consideration given to those who can yell the loudest.

We must try to understand the other fellow's point of view and be ready to use unemotional common sense in discussing changes.

We must meet each other on some fair basis of compromise. Otherwise, ASCAP will be easy pickings for many who would like to see us fail.

With best wishes, I am,

Sincerely,

OAH:AL

Otto A. Harbach,  
President.

FACTS ABOUT THE WRITERS' DISTRIBUTION FORMULA  
(As Now in Effect)

Distribution is made quarterly as usual, of current monies available. Reclassification is made once yearly, October 1st. Reclassification is automatically determined by performance records within certain limitations.

Writers' distributable revenue each quarter placed in three distinct funds:

1. Current Performance Fund -- 20% of total.
2. Sustained Performance Fund -- 60% of total  
(The Writers' Classification Committee may make awards to works, the performances of which do not reflect their true value to the Society. Not more than 20% of the 60% allotted to the Sustained Performance Fund can be used for this purpose).
3. Accumulated Earnings Fund -- 20% of total.

HOW THE NEW FORMULA WORKS

I. CURRENT PERFORMANCE FUND -- 20% of total.

First, it should be understood that distribution beginning with October 1st, 1950 is based upon all performances credited in the preceding calendar year.

The total of each member's performance credits is recorded for the calendar year. Then a grand total is found for all members during that year. The cash in the fund is divided by this grand total to determine the value of a single performance credit. For example, for the October 1950 quarterly distribution, the single performance credit was found to be worth 1-1/2 cents +. Member Jones's total performance credits in 1949 were 9,260. Multiply this by the value of one performance credit (1-1/2 cents +) and we find his share for that quarter to be \$147.05.

II. SUSTAINED PERFORMANCE FUND -- 60% of total.

For the purpose of simplicity, imagine a ladder, each rung of which represents a class to which is allotted a certain number of points or shares. These should not be confused with "credits". At the top is a rung calling for 1500 points, next below is a rung calling for 1300 points, a little lower is a rung calling for 1200 points, then 1100 points, then 1050 points. A little lower is a rung calling for 1000 points. From this 1000 point rung down there is a decrease in value by 25 points until the 200 point rung is reached. From here on down the decrease is proportionately less until the last five rungs are separated by only a single point.

A writer member's position on this ladder depends on his total performance "credits" gained over the preceding five years.

For instance, to be on the 1500 point rung, a member must have had an average of 600,000 performance credits for the previous five years.

To be on the 1000 point rung, a member must have had an average of over 38,000 performance credits for the previous five years.



A member's place on the ladder, (whether on each October 1st he remains on the same rung or is elevated or demoted), is determined by the average of his performance credits over the preceding five calendar years.

If this average exceeds the average of any class above him, he is promoted to that class within the limitations set forth below.

If this individual average of a member is less than the average of any class below him, he is demoted to that class within the limitations set forth in the following paragraph.

From the 1000 point rung to the 500 point rung, a member may drop a maximum of 100 points in one year. From the 500 point rung to the 100 point rung, a member may drop a maximum of 50 points in one year. Below the 100 point rung a member may drop a maximum of 25 points in one year. On the way up, from the one point rung to the 500 point rung, a member may rise a maximum of 100 points in one year. From the 500 point rung to the 1000 point rung a member may rise a maximum of 200 points in one year. Consequently, a member can rise twice as fast as he can drop under this plan.

For purposes of the first distribution under the new system, a member's maximum rise or fall is determined in relation to his pre-existing classification rating (converting the lettered or numbered classes under the old system to point ratings under the new system).

It should be noted that in gaining credits, performances may be weighted. For instance, theme songs, jingles, background cues and new copyrights on arrangements of public domain material receive less consideration than original works regularly programmed. Serious music, such as symphonic, concert and choral works, chamber music, etc., receive special consideration based on the length of performance.

To sum up, each member's five year performance credit average determines his position on the ladder. Add together the ladder points (as distinguished from the performance credits) of all members, divide the total fund of 60% by this total of ladder points to find the cash value of a single ladder point. In the October 1950 distribution, a single ladder point was worth \$2.57+. Member Jones's five year average has put him on the 375 point rung. Multiply the value of a single ladder point, \$2.57+ by 375 and we find his share from this 60% fund to be \$966.06.

The above assumes, of course, that the total amount of 60% was available for distribution in the Sustained Performance Fund. If awards are made by the writers' classification committee to works whose performances do not reflect their true value to the Society, naturally this percentage of 60% is reduced, and the point value becomes proportionately less. (See last paragraph Page 3).

### III. ACCUMULATED EARNINGS FUND -- 20% of total.

To distribute the accumulated earnings fund, two factors are involved: First, a member's total quarters of ASCAP membership; Second, the average of ladder points earned by his ladder standing during the preceding five years.

The record shows that member Jones has been in ASCAP 113 quarters. For the first ten quarters he was on the 187 point rung which gave him a total of 1870 points for those ten quarters (187 multiplied by 10). For the last ten quarters he was on the 375 point rung which gave him a total of 3750 points for the last ten quarters (375 multiplied by 10). Adding 1870 points and 3750 points, we arrive at a total of 5620 points. Dividing this total of 5620 by 20, (representing the 20 quarters of the last five years), we get the average sum of 281 ladder points. Now multiply 281 by 113, the total number of quarters of membership and we find Jones's total points in the accumulated earnings fund to be 31,753. In the

same manner, find the total of all members' accumulated earnings fund points, divide the accumulated earnings fund by the total of all the points of all the members and the cash value of each single point is found to be 1 cent+. Multiply 1 cent + by 31,753, (Jones's total points) and we find his share is \$324.76. Mr. Jones's check is therefore:

|   |    |         |
|---|----|---------|
| Current Performance Fund                    | \$ | 147.05  |
| Sustained Performance Fund                  |    | 966.06  |
| Accumulated Earnings Fund                   |    | 324.76  |
| Grand Total for the October quarter of 1950 | \$ | 1437.87 |

#### ADJUSTMENTS WITHIN SUSTAINED PERFORMANCE FUND (LAST PARAGRAPH ARTICLE II)

In further qualification of what has been said, the exact language on the memorandum filed with the Department of Justice follows:

"A limited adjustment may be made for works which have a unique prestige value which is not reflected by the number of performances, or which have more performances than the survey reflects as well as for works which are performed in media not surveyed by the Society. This adjustment will be made in the Writers' Classification Committee subject to the limitation that not more than 20% of the amount allocated to this fund may be used for the adjustment purposes.

"In determining sustained performance fund distribution, for the year commencing with the October 1950 distribution, the performance records for the years 1945 to 1949, inclusive, will be used. In determining such distributions for the year commencing October 1951, the performance records for the years 1946 to 1950, inclusive, will be used. A similar practice will be followed in subsequent years."