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THE INTERNATIONAL NEWSWEEKLY OF MUSIC AND HOME ENTERTAINMENT

OCTOBER 5, 1985/\$3.50 (U.S.)

## Cutbacks at Record Bar: Layoffs, Store Closings

BY FRED GOODMAN

**NEW YORK** Flat sales are being portrayed as the culprit in a series of major cutbacks by record retail giant Record Bar of Durham, N.C. Approximately 40 administrative positions—representing as much as 30% of Record Bar's home office staff—were cut on Sept. 19. Five of the chain's 193 stores have been closed in the last month, with more to come, and the fate of several other Record Bar ventures is unclear.

The layoffs, the first in the company's 25-year history, came just a week after Record Bar's annual chainwide convention at Hilton Head, S.C. They include the release

of 18 employees, the reassignment of 12 others, and the erasure of 10 currently vacant slots.

Ron Cruickshank, president of Record Bar, says the company's original projections for 1985 proved far too optimistic. "We were geared up for a 20% growth, and sales have been flat," he says. "That's the biggest single thing, and we've had to program ourselves to gear back. We've had too much money going out."

Computer problems in Record Bar's new warehouse have been compounding the chain's cash crunch, leaving many outlets without the proper product mix going into the all-important holiday shopping season. "We're not getting the product out there fast enough,"

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## NO BOARD? Two Labels Seen Abandoning New CD Packaging

BY IS HOROWITZ

**NEW YORK** Warner Bros. and Elektra Records have apparently given up attempts to seek early acceptance for all-board Compact Disc packaging that bypasses the jewel box.

Their packaging experiments with two top acts, which generated a firestorm of protest from retailers and consumers beginning last spring, have been shelved indefinitely, according to a highly placed source.

While comment could not be obtained directly from creative services executives at the labels, fur-

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## Musical Majority Announcement EIGHT LABELS TAKE ANTI-RATINGS STANCE

BY SAM SUTHERLAND

**LOS ANGELES** Eight U.S. record companies have taken public stands against proposed ratings measures for sound recordings, including the Recording Industry Assn. of America (RIAA) recommendation of an industrywide generic sticker.

The move, which marks the first significant shift in label postures since the RIAA framed its position earlier this summer, was signaled Thursday (26) with an announcement from the Musical Majority, a recently formed anti-censorship group, that the A&M, Geffen, Island, IRS, Tommy Boy, Modern and Gold Mountain labels have added

their support to the fledgling group's own stance.

Of those companies, only A&M has reversed a formal approval of the RIAA position, which held that 24 signatory member firms would voluntarily apply a generic warning sticker to product deemed potentially offensive. An RIAA spokesperson confirmed that the other seven had not signed the RIAA statement on ratings, and are thus making their first public statement on the issue.

Geffen Records founder David *(Continued on page 68)*

## Farm Aid Concert Raises \$10 Million In Sales, Pledges

This story prepared by Paul Grein and Kip Kirby.

**CHAMPAIGN, Ill.** Last week's all-star Farm Aid benefit at the Univ. of Illinois here raised approximately \$10 million in ticket sales, merchandising and pledges. That's one-fifth of the total event organizer Willie Nelson hopes ultimately to reach, counting mail-in pledges and retail sales of Farm Aid merchandise. In addition, Nelson notes that the toll-free 1-800-FARMAID phone lines will remain in operation for one year.

Additional revenue could be generated by a possible Farm Aid album and videocassette. But Nelson's manager Mark Rothbaum notes that reports of an album and video release are premature.

"All ancillary rights would have to be negotiated directly with the

*(Continued on page 68)*



Move over Bing Crosby. It's time to get rockin' to the **RAS Records Reggae Christmas LP**. Featuring Jamaica's top recording artists, this is a delightful holiday treat everybody can rejoice to. Retailers make sure you have plenty in stock. Contact **RAS Records, 301 564-1295**. Also City Hall, Rounder, Action, Kenyon, Gemini, Big State, Richmond Bros., Western Merch, and Slic distribution.



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## Griffey, Zappa Begin Seminar On Political Note

**NEW YORK** The sixth New Music Seminar began here at the new Marriott Marquis Hotel last Thursday (26) on a decidedly political note, with keynote speakers Dick Griffey and Frank Zappa urging grassroots involvement in the issues of apartheid and record rating respectively.

Griffey, chairman of Solar Records and president of the Black Music Assn. (BMA), urged the record industry to act as "a communicator" on the issue of apartheid in South Africa. "Most young people here don't know what institutionalized racism is," Griffey said during his convention opening remarks. "Our responsibility is to make them aware."

Within the industry itself, Griffey also proposed a three-pronged program that includes recognizing a

*(Continued on page 68)*



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## LYRIC ROW NOT ECHOED OVERSEAS

### Idea of Rating System Finds Few Foreign Proponents

*This story compiled by Nick Robertshaw and Peter Jones in London, with assists from Jim Sampson in Germany, Willem Hoos in Holland, Glenn A. Baker in Australia and Vittorio Castelli in Italy.*

LONDON Stateside controversy concerning explicit, violent or profane song lyrics has found few ech-

oes in Britain or elsewhere.

Industry opinion in the U.K. holds that self-regulation has worked perfectly well in the past and will continue to do so. The notion of a lyric rating system is widely regarded as being just short of absurd.

John Deacon, director general of the British Phonographic Industry (BPI), notes: "One of the main reasons for the success of the British

record business of late has been the sensitivity of the record companies to the demands of the consumer. Put simply, the customers are getting the music they want.

"The industry's output is in effect a reflection of public taste," says Deacon, "and it makes no commercial sense either to offend listeners or to place retailers in jeopardy by issuing records with dubious lyrics. Self-regulation is brought about by normal commercial pressures."

He adds that if BPI members were ever to request guidelines, they would be provided, but that no such request has ever been received. U.K. companies voluntarily sticker releases deemed likely to give offense; CBS, for instance, has done so with recent Marvin Gaye and Joan Rivers albums.

But even here, some retailers warn that any hint of censorship is more likely to attract some youthful record buyers than to deter them.

Nevertheless, controversy in this field is not unknown within the U.K. marketplace. During the heyday of the British punk bands—whose central ambition was to be as offensive as possible—records like the Sex Pistols' "Never Mind The Bollocks, Here's The Sex Pistols" succeeded in arousing the hostility of the conservative establishment, thereby helping to guarantee their commercial success.

Where the Obscene Publications Act has been invoked, retailers have

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**Top Pickers Lend a Helping Hand.** FarmAid organizer Willie Nelson is flanked by Neil Young and John Cougar Mellencamp, as the trio surveys the early morning crowd at the Sept. 22 benefit concert in Champaign, Ill. (Story, page one.)

### Keynote Speech at Video Confab

## MGM/UA's Gallagher Praises Distributors

NEW YORK A strong defense of video wholesalers is a key element of a keynote speech by Bill Gallagher, president of MGM/UA Home Video, at this week's convention of the 560-unit strong National Video Co. at the Princess Hotel in Acapulco.

Gallagher, whose keynote Monday (30) is a highlight of the five-day confab, has arranged an unusual video presentation. He has taken clips of 10 home video companies whose executives appear on a "Studio Executive" panel Wednesday (2) and has compiled them into a 25-minute presentation as part of his address.

Before the convention, Gallagher stated that his 30 years of experience in the music industry, much of them as top sales executive at Columbia Records, have made him particularly sensitive to the "value of two-step distribution, particularly if one is marketing a sizeable catalog.

"A distributor who enters into an agreement agrees to represent the broad base of a manufacturer's catalog. To a company in the video industry that lives on hits alone, this philosophy may not be very important, but my company, MGM/UA, represents the most classic catalog in the film industry."

Gallagher says MGM/UA's direct selling policy protects his wholesalers via terms that do not undercut them, a policy in effect

share my risks."

MGM/UA's distributor network involves 27 to 30 companies, although representation by such firms as Commtron, Metro and Sound with their multiple setups swell the ranks even further.

Gallagher further contends that

visibility of product in key mass merchandiser outlets such as K-mart, which does not rent product, eventually feeds consumer traffic to the video specialty dealer who buys from his distributors.

To the doomsayers who believe

(Continued on page 70)

## Billboard Forges New Link With European Music Report

NEW YORK Billboard Publications Inc. has announced a joint venture between Billboard and European Music Report (EMR). The venture will be headquartered in Amsterdam. The principal property of EMR is Eurotipsheet, a weekly publication covering the Pan-European market for radio, tv programmers and the music industry at large.

Eurotipsheet, started 15 months ago, is the compiler and publisher of the European Top 100 charts, reaching 5,000 readers weekly.

Theo Roos, founder and publisher of Eurotipsheet, has, in a 20-year music industry career, held key roles with EMI, WEA and Phonogram. He is also the founder of Flying Dutchman, a leading international music marketing company.

Roos will continue as president of EMR, and will also function as pub-

to new headquarters in Amsterdam, and as a result of the alliance with Billboard will share new office space in London with the magazine.

Sam Holdsworth, publisher of Billboard magazine, notes that the "synergy existing between the two publications is ideal. The alliance strengthens Billboard's overall position in Europe. Theo Roos' industry experience and leadership combined with the experience and resources of Mike Hennessey, managing director of Billboard Ltd., will help position and strengthen publications in the international home entertainment business."

Eurotipsheet was established to serve a growing Pan-European music marketplace, and Roos now plans to expand the publication overall and increase its news coverage. EMR also has plans for radio and tv as

## Calendar

Weekly calendar of trade shows, conventions, award shows, seminars and other notable events. Send information to Calendar, Billboard, 1515 Broadway, New York, N.Y. 10036.

### SEPTEMBER

Sept. 30-Oct. 3, National Assn. of Recording Merchandisers (NARM) Retail/Manufacturer Advisory Committee Meeting, Sheraton Harbor Island, San Diego. (609) 424-7404.

### OCTOBER

Oct. 5, Music Law Symposium, 1985, Mandalay Four Seasons, Las Vegas. (312) 988-5580.

Oct. 10, American Jewish Congress Cultural Achievement Award Dinner, Pierre Hotel, New York.

Oct. 10-11, Electronic Accessories Show, Atlantic City (N.J.) Convention Center. (215) 675-7562.

Oct. 10-12, Fourth Annual NARM Independent Distributors Conference, Sheraton Bal Harbour, Bal Harbour, Fla.

Oct. 11-13, Country Music Assn. Talent Buyers Seminar, Hyatt Regency, Nashville. (615) 244-2840.

Oct. 11-13, 21st Annual Retail Advertising Seminar, Westin Hotel, Chicago. (212) 244-8780.

Oct. 12-16, Audio Engineering Society (AES) Show, New York Hilton, New York. (212) 661-2355.

Oct. 14, Country Music Assn. Awards Show, Grand Ole Opry, Nashville. (615) 244-2840.

Oct. 15, Annual BMI Country Awards Dinner, BMI Nashville Headquarters, BMI Row, Nashville. (615) 259-3625.

Oct. 16-18, Musexpo/Videxpo '85, Kensington Exhibition Center, London. (01) 968-4567.

### NOVEMBER

Nov. 9, 1985 CMJ New Music Awards, Beacon Theatre, New York. (516) 248-9600.

Nov. 14-16, 16th Annual Loyola National Radio Conference, Holiday Inn, Mart Plaza, Chicago. (312) 670-3207.

Nov. 16-17, Ninth Annual Songwriter Expo, Pasadena City College, Pasadena, Calif. (213) 462-1382.

Nov. 20-24, Billboard's Seventh Annual Video Music Conference, Sheraton Premiere Hotel, Universal City, Calif. (213) 273-7040.

### JANUARY

Jan. 27-31, Midem, Palais des Festivals, Cannes. (516) 364-3686.

### FEBRUARY

Feb. 2-5, NRB '86, Sheraton Washington Hotel, Washington, D.C. (201) 428-5400.

## Pop Music Video Network Prepares for Oct. 31 Debut

BY JIM McCULLAUGH

LOS ANGELES Music Video Services—a major music video distribution, marketing and promotion company—is forming the Pop Music Network, an affiliation of video music cable and broadcast television channels and programs consisting of more than 40 million potential viewers.

The primary goal of the Oct. 31 launch, explains MVS president John Persico, is to secure and coordinate national advertising for PMN and, in turn, offer major national advertisers an alternative media buy for next year. He adds that he hopes to add anywhere from five to 10 stations by year's end and boost the potential viewing audience to more than 50 million. He claims that the affiliation will provide a lower spot cost for national advertisers than MTV, which boasts approximately 27 million viewers.

Among current affiliates are New York/New Jersey's U68, Boston's V66, Houston's Video Majic, L.A.'s Video 22 and nine other outlets in secondary U.S. markets.

"We think the timing is perfect," says Persico, "in that many of these stations are just in the process of

setting up sales departments, and Warner Bros. and CBS are charging for clips. This is a way those stations can pull in national advertising and receive a major source of revenue.

"In some cases, it may mean survival for a small station in a small market. It's hard for a station to sell on its own."

Persico adds that the arrangement is non-exclusive, and that there will be restrictions in major markets to avoid advertising representation conflicts. PMN affiliates will still tap local advertisers.

In addition to securing airtime for sponsors for PMN, MVS also hopes to orchestrate national promotional events, contests, syndicated programming, special features and other activities heretofore unavailable to tertiary market programs. Target demographics are both male and female 12- to 34-year-olds.

MVS, with offices in both Atlanta and Los Angeles, also offers research and tracking activities for the music video industry. Its video clip charts, based on television and club airplay, appear in numerous trade and consumer publications, including USA Today, Rolling Stone and TV Guide.

## Lifelines

### BIRTHS

Girl, Diana Ruth, to Mandel and Deidy Riley Crittendon, Aug. 14 in Dyersburg, Tenn. She is program director at WFUL Fulton, Ky.

Boy, Scot Lawrence, to Stephen and Nadine Peebles, Sept. 2 in Beverly Hills. He is a producer and editorial director with the Westwood One Radio Networks.

Boy, Patrick Smalley-Wall, to Dr. Sue Smalley and Kevin Wall, Sept. 9 in Los Angeles. He is president of Radio Vision International, a licensing agent for home video programming.

Boy, Ryan Joshua, to Gary and Dena Casson, Sept. 13 in New York. He is vice president of business affairs for Elektra/Asylum Records.

Boy, Harry Nicholas, to Dave and Samantha Frishberg, Sept. 20 in Van Nuys, Calif. He is a Fantasy recording artist.

### MARRIAGES

Jonathan Zavin to Bernadette M. Hogan, Sept. 21 in New York. He is a partner in the entertainment law firm of Zavin, Sinreich & Wasserman.

## New Companies

**Ugly Alien Entertainment**, a management and booking company, formed by Terry Selders. First signings include the Dose, Space Gop and Martial Law. P.O. Box 26, Mansfield, Pa. 16933; (717) 662-7035.

**Ben Cromer Productions**, formed by Ben Cromer. Company's central focus is the syndication of rock programming to album rock, CHR and oldies-formatted stations. 2115 Southall Place S.W., Roanoke, Va. 24015; (703) 982-7397.

**L.P.R. International Ltd.**, formed by Larry B. Phillips. Company's focus is artist booking, management and development. First release is

Forest Park Rd., Atlanta, Ga. 30351; (404) 366-6657.

**Mach One Music Inc.**, formed by Byron Grant and Bob Hurley. Company publishes the Express Music Catalog, a 22,000-title retail mail-order catalog of music and video software. 175 Fifth Ave., New York, N.Y. 10010; (212) 245-6161.

**NightWave Records**, an independent record label specializing in dance music, formed by John DeLava and Kevin G. Toney. First release is "Magic," a 12-inch single by Brian Soares. 7985 Santa Monica Blvd., Suite 109-Box 440, West Hollywood, Calif. 90046; (213) 650-3131.

## ...newsline...

**DON'T DELAY:** Members of the National Academy of Recording Arts & Sciences (NARAS) should keep in mind that this year's Grammy Awards entry forms, covering the entire eligibility period for members and the last three months of the period for companies, must be received by the following dates: Thursday (3) for companies; Monday (7) for members. Late filing could result in elimination from the nomination process.

**GET THE FACTS** about the issues involved in the "Home Audio Recording Act" now pending in Congress at the New York Music Publishers' Forum, next Monday (7) at the Grand Hyatt's Empire Ballroom E, from 4-7 p.m. On hand for the discussion will be Congressman Bruce Morrison (D-Conn.), who recently introduced the bill in the House; Recording Industry Assn. of America (RIAA) president Stan Gortikow; George David Weiss, president of The Songwriters' Guild; and Chappell/Inter-song Music USA president Irwin Robinson. For information, call Lori Mason at (212) 370-5330, ext. 63.

**A NEW EXCLUSIVE DISTRIBUTION DEAL** now has the major custom recorded projects of Book-of-the-Month Records, a division of Book-of-the-Month Club Inc., exclusively distributed to the retail trade by Caedmon/Arabesque. It's C/A's first outside distribution deal. The first four releases to be handled under the new pact (all are three-LP sets, with two-cassette and two-CD set equivalents) are "Sondheim," "Songs Of New York," "Bach Family" by the Zuckermans and "Beethoven Sonatas" by Richard Goode. All were set to ship Tuesday (1). On Nov. 1, two more three-LP sets ship: "Complete Chopin Polonaises" by Arthur Lima, and "Swing Reunion," featuring Red Norvo, Louie Bellson, George Duvivier, Benny Carter and others. The stores and chains Book-of-the-Month Records had been servicing directly will now be handled by Caedmon/Arabesque. For information, contact (800) 223-0420.

**SLOW BOAT TO BEIJING:** Neshui Ertegun, president of the International Federation of Phonogram & Videogram Producers (IFPI) and chairman of WEA International, will head a seven- to 10-day fact-finding mission to the People's Republic of China. The expedition comes at the invitation of Kong Mai, secretary general of the Chinese ministry of radio and tv. Members of the IFPI group are: Allen Davis, vice president of IFPI and president of CBS Records International; Ian Thomas, director general of IFPI; and Nicholas Garnett, IFPI regional director, Asia/Pacific. The group is due to arrive in Beijing on Oct. 9, with the purpose of "increasing cooperation between China and the world recording industry."

## Joint Telerecording Push CompuSonics, AT&T Link

NEW YORK CompuSonics Corp., the Denver-based manufacturer of digital audio equipment, has entered into a one-year agreement with AT&T to jointly promote the telecommunications giant's Accunet Switched 56 data transmission service and CompuSonics digital telerecording system.

Under the terms of the agreement, the two firms will participate in joint marketing activities, including promotional events, seminars and sales presentations for telerecording applications.

At a recent press demonstration hosted by AT&T at its headquarters here, CompuSonics made use of AT&T's land-based telephone data transmission system to digitally transmit and receive music between Chicago and New York (Billboard, Aug. 17).

David Schwartz, president of CompuSonics, is a strong proponent of the "electronic record store" concept, an idea that has been bandied about for some time, but which Schwartz says is now poised to "become a reality." While that is open to debate, such a system, as seen by Schwartz and CompuSonics, would

cess and hard disk equipment to allow music software dealers to receive an album master via a digital transmission from the record company.

The retailers would then be able, in turn, to digitally transmit the music to consumers who would use credit cards to charge their purchases over the phone lines. The final step would involve the CompuSonics consumer digital audio recorder/player (which has yet to see production), which would record the transmission onto a five-and-a-quarter-inch "super-floppy" disk.

AT&T's Accunet Switched 56 service was started last May, and is provided by AT&T Communications, a unit of the firm based in Basking Ridge, N.J. The service is capable of a number of applications in addition to its ability to transmit high-quality audio signals, such as transmitting large blocks of digital data, improving the effectiveness of data networks, and sending digitally-encoded, encrypted voice or video signals and other forms of data. AT&T claims the system is more reliable and less expensive than satellite-based transmission networks.