

## PolyGram, 20th Tie Seen As Foundation For Buyout

LOS ANGELES—In what's believed to be a preamble to an outright purchase, PolyGram Records has entered into an agreement with 20th Century-Fox Records under which PolyGram is slated to assume operational and managerial control of the label.

PolyGram's involvement with 20th, rumored for some time, became official last week via a joint statement issued by Guenter Hensler, president of PolyGram Rec-

ords, and Herb Eiseman, chairman of the label.

The development is the latest in a series of negotiations for rights to Fox's recording and music publishing interests. Earlier this year, Warner Bros. Music acquired the vast 20th Century music publishing firm, which Eiseman had headed in addition to his label duties.

First release under the new PolyGram/20th arrangement will be the fourth album by Stephanie Mills, "Tantalizingly Hot," slated for release May 10. Her product along with other 20th acts had been previously marketed through the RCA/A&M distribution setup.

Although principals have withheld comment, it's been widely reported that Mills' involvement with Fox was a focal consideration in negotiations over any distribution or purchase agreement.

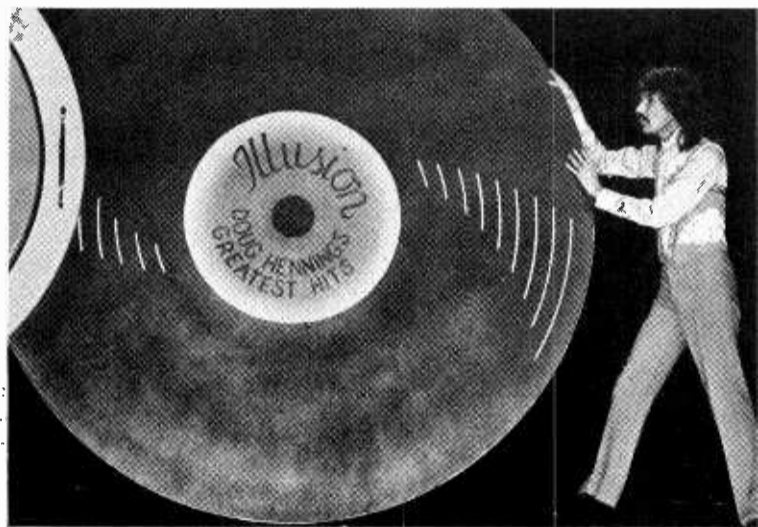
She is the label's most commercial property at present, having gone gold with her last several album via sales in the soul and pop markets. Other black acts have been solid performers for 20th, too, including the Dells, Gene Chandler, Carl Carlton, the Chi-Lites (whose "Hot On A Thing Called Love" is currently high on Billboard's soul charts) and Leon Haywood.

## Retail Focus On Returns Issue In CBS Study

NEW YORK—CBS Records is discovering that returns policies remain uppermost in dealer minds in their relationship with manufacturers.

At least that is the informal conclusion tipped by one investigator among a number now combing the country in a grass roots study of dealer attitudes commissioned by the label.

In face to face interviews that last  
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HENNING'S HITS—Magician Doug Henning shows NARM delegates his own "album," a prop used during Henning's special show as featured during the opening business session at NARM's convention last week.

## Ellis Keynote Speech Cites Increased \$\$ Competition

LOS ANGELES—In a bleak review of record industry prospects, Terry Ellis, chairman of Chrysalis Records, said that if he were 25-years-old today and an "ambitious entrepreneur, the record business would be something of a no-no."

The tone of his NARM keynote speech Saturday (27) surprised conventioners and invited little support in the corridors of the Century Plaza Hotel. While his speech drew polite applause, few could remember when a keynote speaker didn't get a standing ovation following his address.

In addition to calling attention to the current recession, Ellis cited a litany of developments that were cutting into limited disposable dollars held by the consumer. He focused on technological developments that were "enemies of the record business."

"Competition is fierce and getting fiercer," declared Ellis, who identi-

fied the industry's enemies as video players and software, and cable tv. The latter, he noted are "dealing not just with consumer dollars, but consumer time. All time spent is time not spent listening to records... there is less time to listen, less time to buy. All these enemies cut into record sales and profits and frankly paint a gloomy picture."

Although he said that "sophisticated cable music"—an apparent reference to the Home Music Store—poses alternatives for the sale of music, he added that such technology would eventually lead to the theme of his talk, "the world of music without records."

"... the record business as we know it—and love it—is in great danger of extinction... Those who are not aware or are unconvinced, let me suggest that they do their own research to make their own conclusions."

Ellis suggested that industry cooperation in fighting its ills left something to be desired. This view took the form of reference to Joe Cohen  
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## Programmers Keying On A/C

By DOUGLAS E. HALL & ROBYN WELLS

DALLAS—While it may have been some time since radio had any good news for the record industry, there are developments scheduled to show up at the National Assn. of Broadcasters' convention here April 4-7 which could be a major boost to adult contemporary recording artists.

There are indications that names like Barry Manilow, Kenny Rogers, Billy Joel, the Captain & Tennille and Dan Fogelberg will be given increasing airtime as national pro-

grammers chase the 25-to-54-year-old listener.

Only a few years ago, syndicator suites at NAB conventions were dominated by beautiful music formats featuring faceless string orchestras, often recorded in Europe, with watered-down covers of current top 40 hits.

But beautiful music is today in trouble, and at this year's NAB affair, formats such as TM Programming's new "TM Easy" are being introduced; "TM Easy" features 25%

vocals, 75% of which are by the original artists. TM is the second syndicator to try this route. The "father of beautiful music," Jim Schulke, tried a similar format last year under the banner of "Schulke II," but it had some bugs and did not perform well in all the markets into which it was sold.

TM thinks it's got a proven product since it is actually joint venturing this format with EZ Communi-

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## Black Buyer \$\$ Share Declining

By PAUL GREIN

LOS ANGELES—Blacks are now buying records roughly in proportion to their share of the population, whereas they used to buy more than their share. That's a key finding of a Warner Communications consumer survey which was highlighted during NARM's "Black Music Is Green" session.

Blacks account for 11% of the general population, as they did at the time of a similar Warner Communications survey in 1977. But the percentage of record dollars accounted for by blacks has slipped

from 16% to 12% in this period. The decline reflects the economic hard times of recent years which have hit blacks the hardest.

LeBaron Taylor, CBS' vice president and general manager of divisional affairs, drew a link during the session between black music and prevailing social trends.

"If you read the newspapers you know that most of us feel that the hands of time have been turned back on us," he said. "We're greatly concerned that the progress that we've made in the record industry may also be eroding. We cannot allow the record industry to follow the

present (economic and political) climate in America."

The Warner research also indicates that there are more whites who most often buy black music than blacks who most often buy black music. According to the report, 57% of current record buyers who say they most often buy black music are white. A "current buyer" is defined as someone who buys at least one record a year.

Another key finding of the study: 42% of black consumers who buy at least one record during the year are most often buying non-black music. The remaining 58% of current black buyers most often buy black music, whereas only 8% of current white buyers most often select black music. Yet whites come out ahead in buying black music because there are nine times as many current white buyers as black buyers.

The Warner data also shows that buyers of black music (defined as consumers who say they most often select black music when buying records) are heavy buyers. According to the report, 46% of buyers of black

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## Impounded Tapes Have False WCI Security Tag

By IS HOROWITZ

NEW YORK—More than 6,000 allegedly counterfeit cassettes peddled to retailers as bargain Canadian imports, with some bearing phony Warner Communications anti-counterfeit stickers, were impounded last week following a raid on Hot Cakes Music Inc. and Federated Record Co. Inc. in Newtonville, Mass.

The action, significantly the first to arise from the detection of false WCI stickers, followed spotting of suspect cassettes in a number of retail and racked locations, and their surfacing in returns to Pickwick International from one of its major racked accounts.

Hot Cakes and Federated, both operating out of the same headquarters in the Boston suburb, are identified as one-stop/importer/exporter and distributor firms specializing in cutouts and budget product.

Michael Driscoll is also listed as a defendant along with Hot Cakes and Federated, in a civil complaint filed in Boston's Federal District Court on Friday, March 26. The document charges copyright infringement of sound recordings, album graphics and trademark infringement. Six labels are named as plaintiffs.

The complaint, as well as a writ of seizure, was served the following Monday (29) when a U.S. deputy marshal raided the companies' warehouse at 24 Munroe Street, in Newtonville.

The extraordinary procedure of *ex parte* seizure was used to maintain confidentiality until the moment of entrance on the target premises. Rarely invoked, this remedy is permitted under the Copyright Act if it is feared that prior disclosure might lead to dispersal of the evidence.

Chief justice John J. McNaught authorized the *ex parte* action, and

also issued a temporary restraining order against further infringement by the defendants.

In an affidavit filed with the court, chief RIAA investigator Kenneth A. Giel says he was first tipped to the alleged counterfeit tapes by John Langley, director of antipiracy activities for the Canadian Recording Industry Assn. Purportedly of Canadian manufacture, the tapes were being distributed in the Boston area by Hot Cakes.

Some of the cassettes examined by the RIAA and the local WEA branch were found to bear a WCI security sticker which betrayed its counterfeit source when viewed through a WCI verifier. The latent, or second image was not revealed during this examination.

A copy of a catalog titled "Canadian Import Cassettes" was secured  
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## Chess Returns Via Sugar Hill Midline LPs

By JOHN SIPPPEL

LOS ANGELES — The vaunted Chess/Checker/Argo catalog comes back to market around May 15 with the late Leonard Chess scion, Marshall Chess, supervising the project for Sugar Hill's Joe Robinson.

Marshall Chess, re-entering the industry after a long absence, is overseeing a six-album \$5.98/\$8.98 release, with a regular monthly issuance of about the same number thereafter.

U.S. distributors for Robinson saw and heard parts of the new

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