

Record industry facing problems

From PAGE SEVEN

Earlier this year, as the magnitude of the problems facing the record industry became apparent, Joe Smith, the guiding genius of Elektra/Asylum Records was quoted in a number of publications and on the air concerning those problems. Clive Davis, whose record industry credentials are legend, sharply called Smith to task in an open letter in Billboard for being so widely quoted "trumpeting views of gloom and doom." The following quotes, from Davis' open letter, and from Smith's keynote speech at the Radio Music Report convention in Atlanta demonstrate that both men's views of the future of the record business (and, congruently, the radio business) are really not so far apart. They demonstrate, Page Seven believes, a very realistic view of all our futures.

CLIVE DAVIS, PRESIDENT, ARISTA RECORDS:

... The problem we face in music and records are and were caused

by mismanagement, not by a gigantic fall-off in consumer demand. Last year we had a major revolution that caused a severe disruption. Twenty-seven million albums were sold in the United States by only two releases...and what's more, they were two-record sets, each with an escalated list price of around \$13.98. If this were the only disruption, it would have been enough to cause a year-to-year comparison impossible to gauge. It would have meant that fifty million single album units would have to be sold for us to meet last year's dollar volume. Where are we going to get fifty brand new platinum artists in one year?

...The layoffs that are taking place were inevitable. The fact that some companies' sales are way down, or non-existent, was also inevitable. How can anyone absorb three million returns of a \$15.98 album and not be affected? Or, three million individual albums of the same group, at any price? If \$1 million an album is paid to an artist and 300,000 units are sold, or is \$2.5 million an album is paid to another

artist and one million units at greatly reduced profit margins are sold, one must expect write-offs to be taken or layoffs eventually to be made....

JOE SMITH, CHAIRMAN, ELEKTRA/ASYLUM RECORDS:

...We are going through a change, and we are having a difficult time adapting to this. You must understand, that for 25 years this business has gone in only one direction -- straight up. Whatever excesses we've indulged ourselves in, whatever limos and parties and T-shirts and jackets and junkets -- whatever we've done. All the heady stuff we've always made more money -- no matter what we did. We couldn't blow it, somehow. What you see now, and will see, is the end of that, probably for a long, long time and possibly forever because this industry is a different structure now.

We're controlled by six major corporations for the most part around the world, and they only want to know about big profits. They want to know about a

reasonable return on their investment, and that doesn't leave room for some of the lavish parties we've had and for some of the craziness that we've engaged in ourselves. Those of us who've made these cutbacks recently are in no frame of mind to indulge some of our artists or ourselves or our friends in radio with anything that's not necessary. While cutbacks may be just a word, and lay off just a word, it's affected friends and associates of ours, and it's affected a great many young men and women who really love our business and who are out of it now and stand very little chance of getting back into the process. So we don't take that very lightly, and we are trying to reach a

balance, and, we will reach a balance in our business in the next several months that will come to terms with the new level of expectancy. We are not going to be this wild business that's going to sell 17 million albums and 15 million albums. We're going to deal with things as they are and raise our company activity levels to those, until we reach a point where some reasonable money is made for the major corporations that are involved with us.

While the next few months are going to be very difficult and very painful for many of us in the record business, what will emerge in the 1980's, somewhere, will be a leaner and more effective and a more "take care of business" record industry....



Professor Beattie presented Blaine Lewis with a cheque for \$43.50 on Monday. Mr. Lewis was the weekly winner of the UNB Civil Society's 50/50 draw which took place on Sept. 28.....
MADELEINE DEWOLFE Photo

ATTENTION: B. Ed. STUDENTS IN 4 YR. PROGRAM

All Education students who intend to do their 3-week practice teaching and Internship in 1980 please come to Room 203, Marshall d'Avray Hall to pick up placement forms. Completed forms must be in by OCTOBER 19, 1979.



CHSC

MUSIC FOR LISTENING AND DANCING
TRADITIONAL ■ FUNKY ■ JAZZ

Martini George Sextet

Thurs, Fri, Sat,

Oct. 4th, 5th, 6th

9:00pm-1:00am