

# FCC To Anderson: Supply Us With Payola Evidence

## Chairman Burch Letter Requests Information

NEW YORK — If the Federal Communications Commission (FCC) is to make a formal inquiry into charges of a "new payola scandal" in the music business—as charged by investigative reporter Jack Anderson in his March 31 column—then the Federal agency wants more concrete evidence from Anderson himself.

Dean Burch, chairman of the FCC, has written a letter to Anderson on the subject, since Anderson's basic thrust is that "... disk jockeys and program directors across the country are provided with free vacations, prostitutes, cash and cars as payoffs for song-plugging." As a result of the 1959 payola scandal, Congress passed legislation making bribes to radio personnel a Federal crime.

In his letter, Burch, noting the Mar. 31 Anderson report, states: "The Commission had made inquiry

into hundreds of allegations of payola practices, and it makes many field investigations into such charges. This is consistent with Commission practice of investigating all alleged violations of the law when information is available to indicate such investigations may be fruitful. In line with this policy, we would appreciate you furnishing the Commission with any information that might provide a basis for an investigation by this Commission."

As of presstime, Anderson had yet to bring up the subject in his subsequent columns.

### RIAA Reply

Meanwhile, the initial Anderson column received a speedy reply from the Recording Industry Association of America (RIAA). Stan Gortikov, recently named permanent president

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# English Price Confusion In Tax Cut, Price Rises

LONDON — Following the new Budget in which the Chancellor of the Exchequer Anthony Barber reduced the purchase tax on records from 45% to 25% comes news that Phonogram, in line with Decca and EMI, is passing on the whole of the reduction to the customer with a single retailing at 45p. The International budget line remains constant at £1.25 but the Popular and Classical series comes down from £2.15 to £1.99 and Vertigo from £2.40 to £2.25.

RCA, on the other hand, was planning an increase anyway so the reduction in purchase tax passed on to the consumer has been partially consumed by increased manufacturing costs. An RCA single therefore retails at 47p. The Popular Vanguard and Barclay series go up from £2.19 to £2.20 and the Popular budget line remains at 99p.

To make matters more confusing, CBS has raised the price of singles up to 49p with Pop Albums at £2.09 in-

stead of £2.29, Classics at £2.29 instead of £2.49 with the Harmony budget series remaining at 99p. Its method has been to round off all prices to 9p. The Kinney Group (WEA) is retailing singles at 49p.

Companies are expected to increase their prices in due course. It is the poor retailer who bears the brunt of the confused state of the industry and instead of being able to do his job of selling records he has become bogged down with working out the price of each individual record. The retail trade is crying out for a standardized price structure on records and the sooner it materializes the better for all concerned—the manufacturer, the retailer and the customer.

**Japan Assoc. Pres.:  
Records Tax Unfair  
Burden  
See Int'l News**

## FRONT COVER:



Tex, a name usually associated with country music, is also a primary figure on the pop/soul scene. Then and now. As singer and writer. As a figure who together with producer Buddy Killen, has carved out a sound that's never been duplicated. Not that folks haven't tried. Joe Tex is back in the gold with his Dial (distributed by Mercury) "I Gotcha" single (#5) and has just released an LP of the same title.

His first waxing was a huge hit, "Hold What You Got." It brought a preachin' posture to the Top 40 of the time and that special one-to-one musical relationship still works magic for him, both pop and r&b. His music and lyrics are raw soul, and yet his performances have had little trouble selling pop, establishing himself as a stylist of the first order. "Skinny Legs And All" was a million seller for him four years back. Joe Tex means business and music; he certainly qualifies as a rare stalwart soul-man in an ever-changing millieu.

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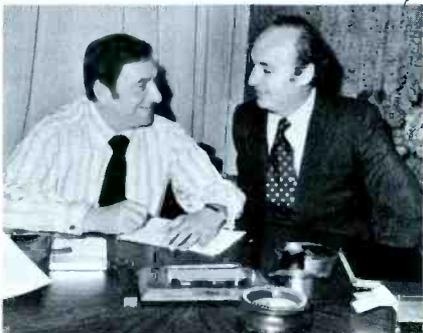
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# Newton Mapping Music Wing Of GSF Inc.; Named Co. Pres.

NEW YORK — Larry Newton is returning to the music business as part of his role as president of GSF Inc.

Formed in March, 1971 as an indie film production company, GSF plans a record operation and music publishing-management affiliate, according to Robert S. Sinn, chairman. This phase of the firm's operations will be known as GSF Music and Productions Inc.

Newton, who has left his post as vp of world-wide sales of ABC Pictures Corp., said the label will be a full-line operation "in every sense, with strong representation in pop, country, soul



Newton, Sinn

## See More Campus TV Concerts

NEW YORK — Response to last week's announcement of the Sly and Family Stone closed circuit TV concert (April 7th), also featuring Shawn Phillips and Ruth Copeland and being telecast to three colleges, indicates that this will be a "dynamic new medium for bringing the world's leading pop artists directly to youth throughout the country," according to Neal McCutcheon, president of Neal McCutcheon Associates Inc., executive producers of the event.

Accordingly, expansion plans are already being formulated for further events, he declared.

The team assisting McCutcheon is comprised of individuals and companies combining expertise in all areas. Joshua White and Lee Erdman are producing the Sly television origination, with White directing. White is well known in the rock field for his innovative light shows at the Filmore East, Woodstock, and many other rock music concerts and music festivals. More recently, he has pioneered in the use of closed circuit TV

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and jazz." Initial releases from the label, to be named shortly, may come in mid-summer, Newton added, with a network of indie distributors now being line-up.

Newton, a 20-year music industry veteran, became associated with the American Broadcasting Co. when he joined ABC Records in New York in 1956 as vp and national sales manager. In 1965, he replaced Sam Clark as president of the label. Clark had moved over to ABC as head of non-broadcast activities at ABC, which includes the ABC/Dunhill labels. Newton assumed his film post at ABC in 1970.

Newton started his music career in Philadelphia in the late 40's. He later formed a successful indie label, Derby Records.

As president of ABC Records, he also spearheaded the company's development of ABC Record & Tape Sales, a rack-distribution operation.

## Knight Says He's Suspended Contract Of GFR

NEW YORK — The recording contracts of Grand Funk Railroad have been placed in suspension, according to Terry Knight. Knight said he made the move "for the group's failure to comply with the terms of the contract and for breaking their exclusive recording artist agreement, Mark Farnner, Donald Brewer and Melvin Schacher, professionally known as "Grand Funk Railroad", have been notified that their now existing Recording Artist Agreement with Good Knight Productions has been placed in Suspension until the terms of the Agreement are met".

Knight revealed that, since the members of the group have notified him in writing that they have "terminated" their contracts with him, Knight said he has been forced to cease negotiations in the group's behalf for a new recording deal and immediately suspend their contracts "until the matter is settled".

When asked how long he expected the Suspension to last, Knight said: "that's up to Grand Funk. The usual terms of recording agreements provide that when an artist breaks his contract the company has the right to suspend it for as long as the artist refuses to perform. It could take weeks or it could take years before the group can record again. It's all up to them."

## Starday-King Broadens Activities

NEW YORK—Starday-King Records, purchased last October, by Hal Neely, Jerry Leiber, Mike Stoller and Freddie Bienstock, has spent the past few months in a period of revitalization and extensive studio activity.

Working out of New York, A&R heads Leiber and Stoller have initiated a steady flow of new acts and new material, while the Nashville office has undertaken a new phase in market activities with an expanded staff and catalog of new recordings.

All exec operations of Starday-King will be consolidated into the Nashville and New York bases. The company will maintain its studios in Nashville and in Macon, Ga., while phasing out the Cincinnati operation. Starday-King Records will continue to market the King, Federal, Deluxe, Starday, Nashville, Agape and Metro-Country labels; moreover, they have added Hopi, Good Medicine, Mandala and Mpingo to their label catalogue.

Additions to the Starday-King staff include: David Rosenberg, the newly-appointed creative director, working out of New York; Leroy Little, heading South and Southwest promo out of Norfolk, Va.; vet promo-production man Bob Riley, handling South and Midwest promo out of Nashville; and vet disk man William "Hoss" Allen, national promo out of Nashville.

Continuing with the firm are Mike Kelley, head of eastern promo in New York, and marketing head Colonel Jim Wilson, and his assistant, Carlene Westcott, in Nashville. Charlie Dick has rejoined the Starday-King Nashville staff as head of country music promo.

## Tony Musical Nominees Named

NEW YORK — Four musicals have been nominated for the 1972 Tony awards, to be presented Sunday, April 23, over the ABC-TV network.

They are: "A Man Ain't Supposed to Die a Natural Death," "Follies," "Two Gentlemen from Verona," "Grease." For best score, the nominees are: Melvin Van Peebles, "A Man . . ." Webber & Rice, "Jesus Christ Superstar," Stephen Sondheim, "Follies" and Galt McDermot & John Guare, "Two Gentlemen from Verona."

The Tony telecast will feature salutes to Ethel Merman and Richard Rodgers, and excerpts from "Superstar," "A Man Ain't Supposed to Die a Natural Death" and "No, No Nanette."