Capitol Magnetics Increases Lacquer Disc Prices 62 1/2% (continued from page 39)

profitable business” and that the company has been “working on a margin.

“The business of selling lacquers has been on a plateau for years,” Mays claimed.

“There is still no room for expansion.

Thus, in June the lacquer industry found Capitol Magnetics announcing an increase in prices as of July 1.

“We invested two years ago in a new $1 million lacquer disc facility in Virginia,” furnial-to-noise ratio, and decrease problems in the surface condition of the lacquers. (Lacquers are prone to collect surface debris in manufacture).

These explanations have failed to assuage outraged owners and operators of mastering facilities. “I’m not in the business of making Capitol Industries do research,” said Mac Evans, president of MasterTone Inc. “Transco is a nice little company and we are a nice little company, and they treat us very well,” Evans said, noting that he deals primarily with Transco and will continue to do so.

Business Windfall

Comments from other mastering plants indicate that the $1 million price increase may mean a business windfall for Transco. (Preston estimated that at the time of the price increase Capitol supplied about 50% of the U.S. market for recording lacquers.)

“it will be a natural consequence for us to shift to Transco,” said Snoddy of Woodland. “We do not necessarily want to deal only with Transco; we like to deal with more than one supplier, but we are not supposed to underwrite their research and development.

George Ingram of Nashville Record Productions Inc. also noted their unwillingness to deal with only one supplier. “We’ve told Capitol we don’t like the price increases, but there are only two suppliers, and what if Transco burned down?”

Norwood Wet, engineer supervisor of recording operations for Columbia here, states that the Nashville operation already uses Transco products exclusively, but that the New York division has used Capitol products. “Any negotiations on price increases will have to be done by New York,” he said.

Sticking With Transco

Dave Ellsworth, studio manager of K Records in Los Angeles, which does mastering primarily for Disney and Polydor, say they will stick entirely with Transco. “They have had no problems with Capitol’s products in the past,” Ellsworth said. “Everybody out here laughed quite a bit at the price increase. It goes back to the quality problems. When you talk to Audio dealers, they say they have a good product, but when you get their discs in the studio, they wear out the tools faster. To raise their prices is just adding insult to injury.

“Not to say they can’t make a fine disc,” Ellsworth stressed. “We have used hand-picked Audio Discs in direct-to-disc sessions and, we can make a fine disc when they set their mind to it.

Further irritating the resentment against Capitol is the fact that Capitol has a less lenient policy than Transco concerning return of defective discs. “Capitol takes an implementerative posture,” Snoddy said. “You experience difficulty with all discs and always have to reject a certain percentage,” he explained. “When we feel uncut discs are not up to quality, with Capitol it is discretion at their end as to whether they will take them back. With Transco, it is discretion at our end.”

Only Place

All parties concede that agrees to the constant increase in aluminum prices is a legitimate reason for increase in lacquer prices — but only to reasonable levels. According to Ingram at NRP, “Alcoa aluminum in this area is the only place you can buy aluminum centers suitable for mastering blanks.” Due to this monopoly, he added, “the master disc industry pays more per pound of aluminum than any other industry.

The outcry from mastering plants has only arisen of late due to the fact that many plants had stocked up with materials bought at the old prices, which they have just now begun to exhaust. The mastering plants are now becoming concerned that they, in turn, will now have to raise their prices to record companies. (“Tremmer at Gotham Audio describes Capitol’s $4 disc increase as giving the “disc mastering outfit a glorious opportunity to raise prices $5-10.”)

Ingram states NRP has already gone up roughly 10% on prices across the country, for the master disc plant. Ingram said, the lacquer itself constitutes about 15% of their cost, with the remainder invested in labor and other materials.

Getting Vicious

Evans at MasterTone Inc. said, “We will be raising our prices soon. Our 14” discs, now priced at $50 a side will go to $70. They are already priced at $70-75 in New York and L.A. It’s gotten rather vicious — the price increases,” he noted.

“There’s no way the industry can absorb this kind of price increase,” Snoddy said of the Capitol raise. “We will be forced to go up some. Fifty-two percent of all singles are cut here, and we feel we have a leader in bringing people to Nashville and holding prices down.

“Cost of a lacquer is probably for a million-dollar sale, be commented, ‘but it’s going to be hard on the independents who have to watch every penny.

New Label Formed

NEW YORK — Big Sound, a new label with offices at 175 Thompson St. Suite here, is set to release its first L.P. “Baron Gold & the Sensational Nightingales” of Phil Spector tunes performed by artists on the label’s roster. Big Sound is managed by Jon Tiven, Thomas Cavalier and Doug Snyder. Included on the label’s roster are The Scratch Band and The Nielsen Band.

QCA Opens New 24-Track Studio

CINCINNATI — QCA Records recently hosted more than 100 record distributors, makers of the news media to celebrate the opening of the label’s second 24-track studio and to introduce its new Red Mark pop music label.

Entertainment for the reception was provided by Jim Nabbie and The Inx Spots and Joe Wellman’s Amazing Grace Band. Serving as chief engineer for the two studios is Chuck Seitz, who previously was senior engineer at the RCA studios in Nashville. Before joining RCA 14 years ago, Seitz was associated with King Records. Assisting Seitz will be Ric Probst, Son Schepman, Mike Fuller, Steve Vining and Dave Ashbrook.

QCA, which has been in the gospel music business for 27 years, recently entered the country and pop music fields.

Truck Driver’s Poem Becomes Grove Single

CINCINNATI — Gospel/country artist Bobby Gentry has recorded the Tragedy Of Beverly Hills,” a poem written by Charles Martin, a truck driver, following the Beverly Hills, Kentucky nightclub fire of May 28 which claimed the lives of 164. The narrative recording has been released as a single on QCA Records.