

NOV 26 1962

Toy Production Zooms Ahead

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New York

The Christmas sales jam is on for toys. Most of the toy manufacturers have been operating at capacity production to meet the holiday demand.

Shipments by 129 companies—members of the Toy Manufacturers of the U.S.A., Inc.—during the first seven months of this year were 15.3 percent larger than for the same period last year. These manufacturers have an aggregate volume of over \$500,000,000 a year, about one-half of the total sales of the United States toy industry.

Not only have toy sales so far this year reached an all-time high, but the rate of gain exceeds substantially that recorded in the like months of 1961. Judging by the 17 percent increase in orders received during the January-July period and the large backlog of un-filled orders, 1962 as a whole promises to be a banner year.

Faster Than Economy

As has been the case during virtually the entire postwar period, the toy industry's growth this year has been considerably faster than that of the economy as a whole.

The 15.3 percent rise in toy shipments during the first seven months compares, for example, with an increase in total retail sales of 7 percent and in department store sales of 5 percent during the same period.

That the toy industry is continuing to get a larger share of the consumer's dollar is evidenced by the fact that during the first half year, total personal consumption expenditures increased by only 6 percent as against 16 percent for toy sales.

The Toy Manufacturers Association pointed out that the overall figure for sales usually cover up the wide variations among individual companies. For example, while last year the 129 firms included in the association's statistical reporting program increased shipments by 18.6 percent, 56 of these concerns reported declines. This situation reflects in part the frequent changes in demand in the toy trade.

Imports Watched

Another factor is the large number of small companies in the industry which cannot afford the heavy development and promotion outlays required

to bring out a steady flow of new models and products. The association's data indicate that more than a half of the increase in sales recorded by the survey group last year was accounted for by 14 companies with an annual volume of more than \$9,000,000 each. Many small companies have, however, done exceedingly well.

The industry is watching carefully the trend of toy imports, which up to a few years ago were rising much more rapidly than sales of the domestic manufacturers. From 1957 to 1961 the rate of increase in imports was about equal to the gain in domestic shipments. In the first half of 1962, however, toy imports rose by 36 percent as against 16 percent for the sales of the association's members.

Old Reliables

There are many new toys being offered this year, but they are mostly variations on the old ones. Basically, children stick to toys that are well known and have been successfully accepted over the years.

The list of favorites for babies to children of 16 and over include: Rattles, squeaky animals, dolls, soft woolly animals, and floating toys. The tricycle is still a favorite, as well as trucks, inflatable figures, play table and chairs, and dishes and cooking utensils. Desirable, too, are hand puppets, peg boards, store-keeping toys, and village sets.

As the children get older they want toy typewriters, printing outfits, jack-stones, jump ropes, marbles, tops, kites, pogo sticks, hoops, stilts, and bicycles.

The advanced children want handicraft sets, model kits for boats, airplanes, and space toys. They appreciate sound effects sets, archery, target shooting, shuffleboard, wood carving, party games, electric trains, movie projectors, photography kits, magic and sleight-of-hand outfits, and hobby sets.

A. C. Gilbert Company of New Haven, Conn., is one of the nation's leading toymakers. It is featuring this year the adult world in toys. In the world of science, Gilbert chemistry sets feature the new "chem-dial." With this toy, a youngster simply sets the dial's pointer to the experiment he wants, such as colored smoke,

BUSINESS FINANCE



Model Planes Roll Off Assembly Line

Christmas cheer for many American youngsters is rolling down the assembly lines at toy factories across the country, as this one at A. C. Gilbert Company in New Haven, Conn.

then reads off the number and type of chemicals he needs and the simplified instructions on how to mix them.

And the long-time favorite—the Erector set, meets the astro age this year with exciting new models for the space-minded boy. He can build astronaut trainers, a "cherry picker" crane, or a lunar probe to take samples of the moon's crust.

New American Flyer ready-to-fly model airplanes also add

new dimensions to children's toys. Three trim new model planes made of virtually indestructible plastic have been designed for the novice to fly. Even American Flyer trains, another perennial favorite, have added new capabilities. Flatcars now carry the little automobiles that run on autorama highways, to link together both rail and highway transportation.

In addition to all of these, Gilbert continues to improve its line of entertaining and educational science toys with improved microscopes, telescopes and physics, electrical engineering and Electronic sets from the Gilbert Hall of Science.

Actually, Wrather Corp., a California-based firm whose activities are concentrated in the recreation-entertainment aspects of leisure-time activity, acquired control of the long-established New England firm.

Jack Wrather, president of the Wrather Corp., is a director and chairman of the executive committee of the Gilbert Company, and A. C. Gilbert Jr., is president.

Mr. Gilbert said in an interview that the American toy industry is quite obviously still growing, although because of cyclic representation of age groups in particular years the growth rate is a bit slower at present than it has been in the past few years.

"The rate of growth," he said, "will increase dramatically as the birth rate jumps with the marriage of those children who were born during the years of World War II.

"The large toy companies," Mr. Gilbert continued, "with their greater resources for research, development and high advertising budgets, will become even bigger but there will always be a place for the small company because of the inherent flexibility of its operation."

Mr. Wrather said the toy industry is growing in relation to the population — when there is a large number of children, more toys are sold. He added that the amount of discretionary income of the average American family is increasing. That is, they have an increasing amount of money to spend on goods and services above the necessities of food, clothing and shelter.