

A Buttenheim Publication

MIART

Business partner of 50,000 home appliance/electronics retailers

magazine

DECEMBER 1965



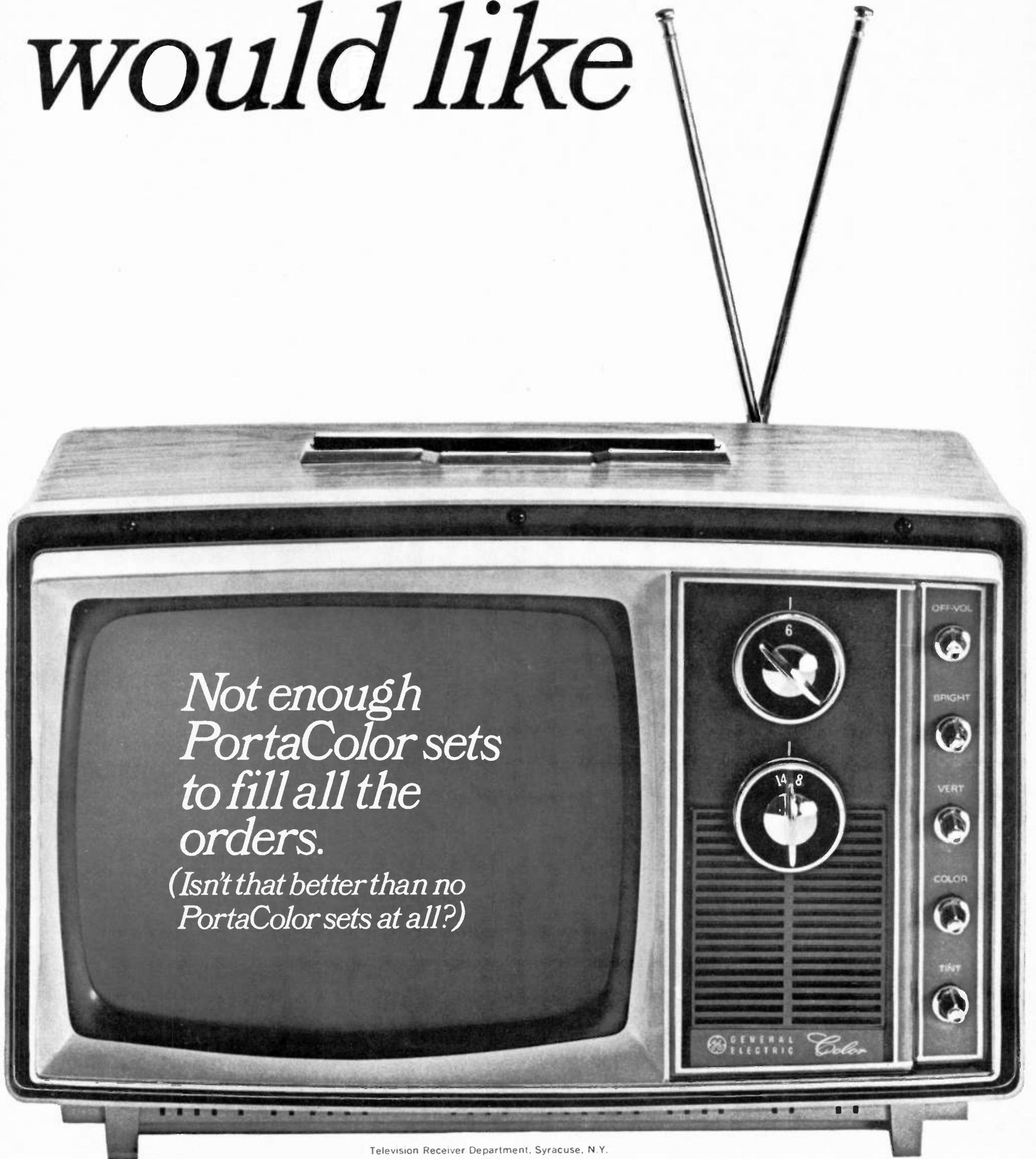
*Yamagiwa Electric Co., Ltd.
on Tokyo's "Radio Row" handles
products from 30 countries.*



INTERNATIONAL ISSUE

*What problem do
that other dealers
to have?*

G-E dealers have would like



*Not enough
PortaColor sets
to fill all the
orders.*

*(Isn't that better than no
PortaColor sets at all?)*

Television Receiver Department, Syracuse, N.Y.

GENERAL  ELECTRIC

One thing you know about us: we'll never make it big.

2F-23W



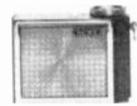
In fact, we haven't grown an inch. For instance, take our palm-size FM/AM radio, the 2F-23W. It's smaller than a pack of king-size cigarettes. But it gets all the big sounds on AM or FM. Like Bach's Prelude and Fugue in C Minor. Then when Bach turns you off, you turn him off. And switch to some serious rock and roll. The sound is so clear, you can almost understand the words.

2FA-24W

Then there's the 2FA-24W. It swings on FM only. It's small enough to fit into a pocket. But it tunes in automatically, just like the radio in your car. Just press the button and it zips to the next station. Press it in halfway, and it swings across the dial until you stop it. Then it locks in on the signal. So it's free from drift. For hi-fi nuts, we added a fine tuning control.



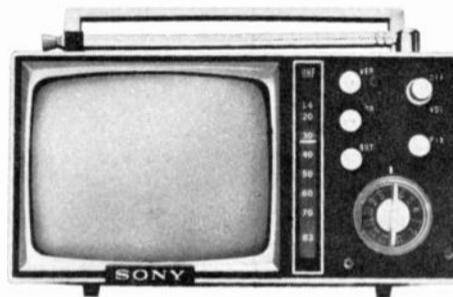
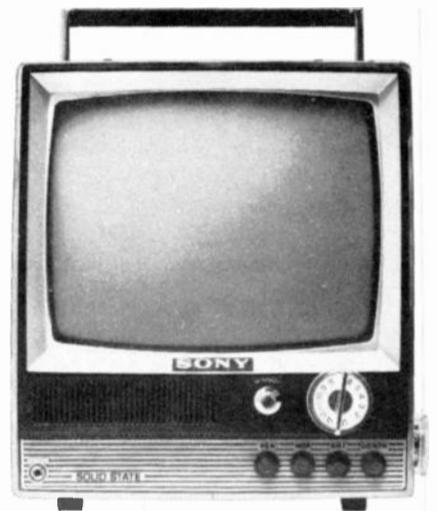
IR-81



The IR-81 is our smallest wonder. It pulls in AM only. But it's about as big as grandpa's pocket watch. And just as sensitive. Because we squeezed 8 transistors and a thermistor into that tiny space. (Incidentally, the little gem comes nestling in its own gift box.) It can even be hooked onto a watch chain and hidden in your vest. It sounds just like a musical watch pocket.

TV 9-51UW

Even our big wonder is getting smaller. We just knocked two pounds off the 9-inch Sony (TV9-51UW). And we even made the price easier to take. But we didn't sacrifice a thing. It's all solid state. With new Stable Epitaxial Passivated transistors. It brings the words and pictures in so clearly that you'd swear it was a big big set.

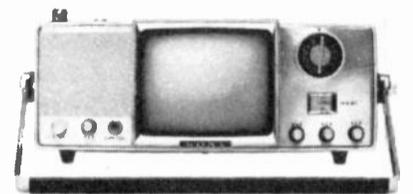


TV 5-307UW

We've taken still more of a load off you. The price of our tummy television, the 5-inch Micro TV (TV 5-307UW), has been reduced. And we've made more of them. So there won't be an empty tummy left in town.

TV 4-204UW

Our 4 inch walkie-watchie (TV4-204UW) now recharges overnight or while it's playing on AC. And it's equipped to pick up stations some sets don't even know about.



SONY®
580 5th Ave. New York, N.Y.



COVER: Headquartered at busy intersection in Tokyo's "Radio Row," Yamagiwa Electric Co. is said to be largest retail appliance-brown goods operation in Japan. Company has branches in three other cities. Story starts on page 16.

MART *magazine*

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A Buttenheim Publication

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RECORD PROFITS



TP-703

MICRO-MINIATURIZATION IN A CAPSTAN-DRIVEN PORTABLE TAPE RECORDER—Only 2½ inches small, this sensitive recorder is the answer to a series of problems in a small tape recorder. Features remote on/off switch and external jack for recording from microphone, radio, TV or phonograph.



TP-706

ULTRA-RELIABLE CAPSTAN-DRIVEN VALUE LOADED STANDARD—Our "most for the money" standard recorder—this all transistor model features constant speed dual track recording. Records six hundred feet of tape at 1⅞ ips with a visual recording level meter. Can't be beat for a highly versatile optional loaded recorder.

AC/BATTERY OPERATED PORTABLE TAPE RECORDER

This solid state medium-sized tape recorder is setting new records for walk-in profits. Reel-to-reel recording enclosed in a decorator approved case announces quality home recording. □ Each part is painstakingly produced under most exacting conditions to deliver a reliable product for maximum profit return. □ Self-selling, these ultra-reliable recorders combine the best craftsmanship known for demonstrable sound appeal. Fool-proof with separate RECORD and FORWARD buttons, the TP-704 simply never comes back. Your customer deserves the world's finest workmanship! □ Other added advantages include: An AC converter built into the set automatically disconnects the set from battery power when AC power is connected. Normal battery life is extended many times. Five-inch reels run at 1⅞ or 3¾ ips. Microphone fitted with remote control on/off switch. Operates on four low-cost "D" cells or AC house current. Piano keyboard for easy recording.

AIWA

SELECTRON INTERNATIONAL CO.

"Quality produced for fail-safe recording"

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A Message From Japan

By HIDEO HIRAYAMA, Dempa Publications, Inc., Tokyo



Hideo Hirayama, President

It is my real pleasure to have this opportunity to send a message to the readers of MART Magazine, for my desire is always to convey to the American people what the Japanese people in the consumer electronic and appliance fields think, and how they have been trying to improve circumstances in regard to international trade between the United States and Japan.

The American people know well enough that Asia is gaining a more and more important position in relation to the U. S. Many serious problems, which pose no little political concern to the United States, are rooted in Asia. Examples are the Vietnam War and the Red China issue in the United Nations. Japan has consistently backed the United States on these issues.

This political tie is strengthened by international business relations in which the United States is Japan's best customer, and Japan is also one of the best customers of the United States. A fact that not too many Americans are aware of is that Japan, which is territorially smaller than the state of California, has been buying more than the United States does.

I personally believe that if the American Government should award a testimonial to one country which has contributed the most to the abatement of the outflow of gold from the United States caused by the deficit of international payments, it would possibly be Japan that should receive it, because all statistics indicate that Japan bought more than twice as much from the United States as did the U. S. from Japan, in most recent years.

When one nation buys from the other nation, the latter usually thinks that she is entitled naturally to sell to the former, based on a primitive "give and take" theory. The same can be said in the case of Japan. But the Japanese people have no intention to sell promiscuously to the United States. The Japanese Government always controls directly or indirectly sales to the U. S.

Whoever tries to import electronic and electric products of Japanese origin will learn immediately that there is not a single popular item which can be brought freely into the United States without going through complicated voluntary or compulsory export control regulations, such as check price systems, quota systems, quality standard approval systems, etc.

It is, of course, not easy usually, to control artificially the natural flow of international trade. But what I wish all American businessmen to understand is the attitude of the Japanese people toward carrying on legitimate business in U. S. markets, because Japan is handicapped by those export control regulations, in competition with other nations which can freely sell their products to

United States markets.

As a result of experience in the past 10 years in U. S. markets, Japanese lines of electronic and electric products for consumer use are reaching the point where they are handled only by specialized importers with long experience or by Japanese manufacturers themselves who have sales affiliates in the United States.

It is no longer Sony only that sells to U. S. markets directly, but there are several more manufacturers who have affiliated American corporations selling directly, bypassing American importers. This recent move of Japanese manufacturers toward the sales through their own channels is based on their feeling, after many bitter experiences, that none but themselves can keep complete control over price and sales policies for their products.

On the other hand, American importers of Japanese products have come up to keep closer relation with Japanese manufacturers. Now they discuss sales prices, marketing policies, etc., with Japanese manufacturers to get better co-operation. Consequently, the whole marketing situation of Japanese electronic and electric products is moving toward a desirable direction, in my opinion. This is indicated by production statistics and speed in bringing out new products in the fields of transistor radios, micro-television, VTR's, etc.

It is the consensus that Japan stands second in the world with respect to consumer electronics, and in the fields of high-class transistor radios, tape recorders, micro-television, etc., Japan can successfully compete with any nation.

On the other hand, there are fields where Japan can never beat the United States, such as in computers, etc.

It is my philosophy that the United States and Japan, which are neighboring countries with the Pacific Ocean in between, are destined to share mutual prosperity by trading with each other in items each can produce more advantageously.

From this viewpoint, I would like to pay my high respect to MART magazine which tries to deepen the understanding of American people toward Japan through the editorial contents of this December issue.

In conclusion, I should like to suggest that if there are opinions, advice or requests from the readers of MART Magazine pertaining to Japanese electronic and electric products or marketing policies for these products, I shall be very happy to include them in "Dempa Shinbun," a Japanese daily trade paper covering fields in Japan similar to those of MART under the title of "Voices from America." ■

FRIDAY

DECEMBER						
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10

DEC. 1965

Still Time!

Yes, still time to multiply your profits by sending your order to us now.

We've streamlined our processing and delivery to get your shipments to you fast — in plenty of time for the heaviest Christmas selling!



PANASONIC
BY MATSUSHITA ELECTRIC

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MID-WEST SALES/PANASONIC CHICAGO, 4615 N. Clifton Avenue, Chicago, Ill. (312) 784-2200
WESTERN SALES/NEWCRAFT, INC., 8665 Wilshire Blvd., Beverly Hills, Calif. (213) OL 5-5160
HAWAII/MATSUSHITA ELECTRIC OF HAWAII, INC., 205 Kalihi St., Honolulu 17, Hawaii, 847-315

On Tape...

Tape Recorder Specialist Caters to Professional People

Sells high end units to doctors, lawyers, clergy: Cites absence of price wars with discounters, high profit margin, quick sales, as major advantages of appealing to this clientele.

By ALAN C. ROSE

Doctors, lawyers, clergy, and other professional people are largely responsible for making Audio King the top tape recorder dealer not only in Minneapolis, but also in an area encompassing several hundred miles in all directions.

Founded 12 years ago by owner Al Kemp, Audio King has built its business around high end merchandise with the average sale in the \$300 range. Gross profit normally runs over 30 per cent.

"Being a specialist is the only way to really do a job with tape recorders," says Kemp. "We have established ourselves as a tape recorder center and people come not only from the Minneapolis-St. Paul area, but from surrounding states to do business with us. Our four salesmen and two service men might not be experts on various other brown goods, but there is very little they don't know about recorders.

"We cater heavily to professional people who want stereo systems either for their place of business or for their home. Fifty per cent of our volume is in complete machines and fifty per cent is in custom decks."

Kemp says that whereas at one time he carried several manufacturers' products, today he sells only Sony and Ampex as he feels these two lines pretty well cover his needs in recorders — "the custom type units."

According to Kemp, the clientele he deals with almost always know what they want in a unit and what type will do a job for them, as compared to the average consumers who are not quite sure of their needs.

"When we talk to a doctor or lawyer he usually has ascer-

(Continued on page 47)



TAPE RECORDER is fitted into custom cabinet if requested by customer. Dealer Al Kemp reports that most of his business is with professional people who rarely argue price, and are just concerned with getting best sound.

Hitachi Achievements '66

Exclusive 'Levelmatic' gives professional sound. Fully portable AC/DC, 5" reels, 7-transistors, 2 speed capstan, push button control, two source mixing, speaker monitor, dynamic mike, remote control, tape counter. Suggested retail — \$99.95

More 'Levelmatic' in a light-weight (4½ lbs.) 7-transistor portable. Plus two speed capstan, two source mixing, speaker monitor, dynamic mike, remote switch and 3½" reels. Suggested retail — \$49.95



TRQ510



TRQ330

tape-it easy[®] with

SINGLE CONTROL OPERATION

Here's a Quality tape-recorder designed for impulse sales. With outstanding features as ■ Capstan Drive ■ Two Speeds ■ Single Knob Control ■ AC or Battery ■ Dynamic Speaker ■ Pause Control ■ Remote Dynamic Microphone ■ 3¼" Reel. Prices start at \$39.95.



Dokorder PT-18C
The tape recorder line
that sells itself!

Distributor and Dealer Inquiries Invited. Write Today!
RENGO TRADERS INC. 234 5th Ave., New York, N.Y. 10001

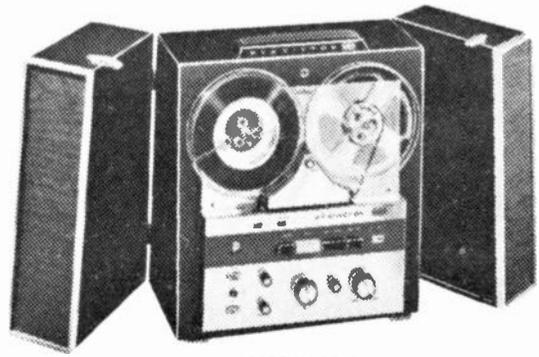
Now RCA—the company that makes tape recorders for the Gemini spacecraft—



MODULE MARK II MGG72



TIROS I YGS11



SCORE II YGG45

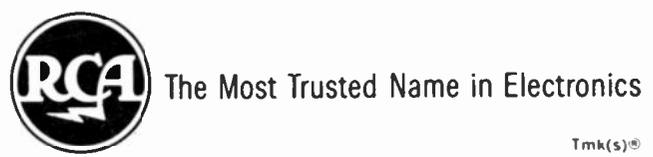


TIROS II YGS21



offers 9 tape recorders you can sell. (When the news is this big, who has to shout?)

Now's the time to get aboard the booming tape recorder bandwagon. Now – with the complete new RCA Victor line of 5 reel-to-reel  and 4 snap-in cartridge  models that a child can operate. Best of all, they're from a name your customers know and trust. All 9 are Solid State. All 9 have RCA Solid Copper Circuits – the circuits of the Space Age. And all 9 are backed by the biggest advertising program in the business. Sound pretty terrific? It is pretty terrific! Call your RCA Victor distributor. 



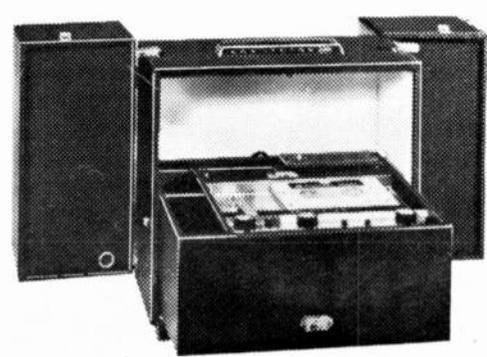
SCORE I YGH31



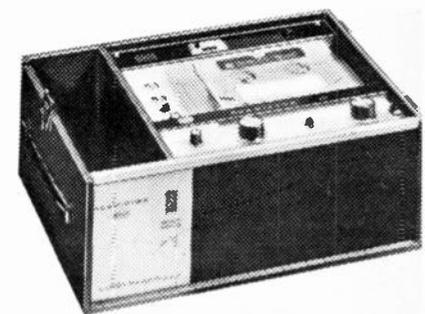
MODULE MARK I MGC71



RELAY I YGB11



RELAY III YGD43



RELAY II YG829

a great name in Electronics!

SANYO

Ni Cd

Sealed Nickel-Cadmium Rechargeable Batteries

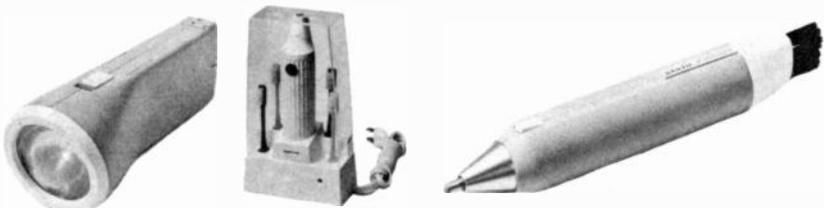


CORDLESS PORTABLE POWER

An ideal power source for the highly profitable cordless boom is the Sanyo Hermetically Sealed Nickel-Cadmium Rechargeable Battery made possible by recent technological developments. It can be recharged hundreds of times, has a relatively constant discharge voltage and excellent charge-retention properties. The nominal voltage is 1.25 volts—its sintered plate cells providing higher discharge rates than the molded electrode cells in general use.

These rugged, shock and heat-resistant batteries ($-4^{\circ}\text{F} \sim +140^{\circ}\text{F}$) come in not only standard sizes—size AA, A, C and D—but also in a variety of ampere-hour capacities ranging from 225 mA/hr to 3,000 mA/hr. Furthermore, thanks to special construction features, Sanyo rechargeable batteries can be arranged to fit any packaging and voltage needs—for example in

- | | |
|-------------------------|--------------------|
| Electric Toothbrushes | Electric Shavers |
| Electric Carving Knives | Hedge Clippers |
| Electric Drills | Shoe Polishers |
| Electronic Photoflashes | Tape Recorders |
| Transistor Radios | Movie Cameras |
| Emergency Lightings | Cigarette Lighters |



Flashlight — Electric Toothbrushes — Electric Eraser

(If you have portable power problems, write to:

SANYO

SANYO ELECTRIC CO., LTD. Osaka, Japan



Laurence F. Kedzie



Jerry Siegel



Robert L. Harbaugh



Nancy Kinser

Regional Winners In Annual

Grand Winner To Be Announced In January;

Eight distributor salesmen (actually seven men and one lady) — one from each of the geographical areas established by MART Magazine — have been named regional winners in the eighth annual Distributor Salesman-of-the-Year Contest sponsored by this magazine.

The Distributor Salesman-of-the-Year for 1965 will be selected from these eight regional winners. His name will be announced in the January, 1966, issue of MART Magazine. The grand award winner receives a cash prize of \$500 and a special plaque, to be presented in the winner's home territory early in 1966.

Each of the seven other regional winners receives a special plaque.

Judges for the contest are: Edward H. Arel, The Burden-Bryant Co., Springfield, Mass., Distributor Salesman-of-the-Year for 1964; Jack Wayman, vice president, Consumer Products Div., the Electronics Industries Ass'n (EIA), Washington, D. C.; and Charles Krauss, managing editor, MART Magazine.

This is the first time in eight years the contest has been running that a lady distributor salesman has reached the "finals."

Here are the eight regional winners with the states that comprise their regions shown in parentheses:

Region I (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont): *Harold J. Winters, Radio & Appliance Distributors, Inc., East Hartford, Conn.* In his letter nominating Winters, Samuel M. Boyd, Bailey-Wagner, Inc., Springfield, Mass., says of Winters: "Hal Winters has done more for the products he sells — RCA Victor — and the dealers he serves, than any other wholesaler I have known in recent years . . . He insists, as strongly as possible in his position, that his dealers sell at a profit, and, while he has fewer dealers — purposely — than many of his competitors, his volume and market penetration are second to none."

Region II (New Jersey, New York, Pennsylvania): *Donald McLaughlin, Philadelphia Distributors, King of Prussia, Pa.* Bud Klinkowstein, divisional manager, major appliance department, Pomeroy's Inc., Levittown, Pa., writes of McLaughlin: "I have approximately nine other salesmen that call on me on a regular basis, and all nine



Anthony Walenz



John L. Lounsbury



Donald McLaughlin



Harold J. Winters

Distributor Salesman Contest

A Lady Makes The Grade This Year

do just about what I have described. The difference in Don is that he does more than just take an order. Through his efforts, our sales in Motorola products have increased over 500 per cent in four years."

Region III (Illinois, Indiana, Michigan, Ohio, Wisconsin): *Laurence F. Kedzie, territorial sales manager, Frigidaire Sales Corp., Indianapolis, Ind.* In his nominating letter on behalf of Kedzie, Perry L. Gerson, vice president, Miami Hardware & Appliance Co., Inc., Dayton, O. (which Kedzie covered before his promotion to his latest post) describes how Kedzie, on his first visit to the store, tore apart the floor display, re-arranged it and "told" the store to run its weekly ad on Friday and Saturday instead of Thursday and Friday. Gerson goes on to relate his surprise when the ad pulled from 50 miles away, then says, "We decided not to call Frigidaire and ask them what kind of a character they had sent us, as business picked up immediately. In the months that followed, this young man came up with different promotions which all proved excellent . . ."

Region IV (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota): *Anthony Walenz, Hotpoint Div., General Electric Co., Omaha, Neb.* Raymond M. Nollett, Nollett Electric Co., Valentine, Neb., writes of Walenz: "I think that we are in a very good position to know what a man of his caliber can do for a retailer of this type, as we had purchased our business here early in 1963 as a going business, but now realize it had been worked only to half of its full potential. With the help of Mr. Walenz in our in-store promotions, we have increased our sales from a meager less than 50 units the first year to about 175 units to date this year. This, being our third year of business, is consistently showing a 35 per cent increase in total sales month after month over last year."

Region V (Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Puerto Rico): *John L. Lounsbury, Charles S. Martin Distributing Co., Inc., Atlanta.* Dealer George J. Romberg, City Ice Co., Gainesville, Ga., says of Lounsbury: "He is interested foremost in keeping his dealers competitive, and at the same time giving them a price

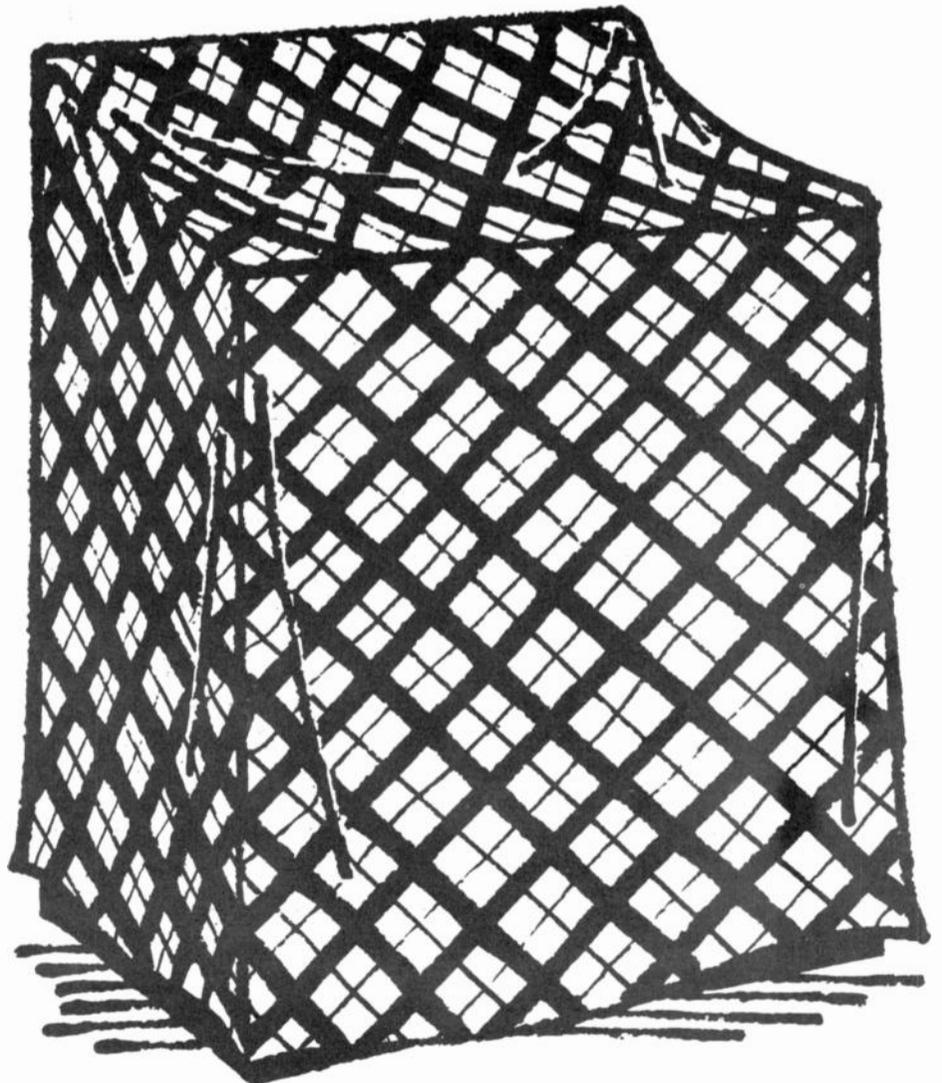
(Continued on following page)

THE SCOTS ARIE COMING!

Norge is about to take the wraps off the hottest news in appliances. Why not get in on the unveiling at your Norge distributor's? You'll get the good word on an introductory promotion second to none plus a chance for volume sales and profits you haven't seen the likes of in a decade. Look for the Norge Man sporting a red plaid vest. He's Good News!

NORGE

home appliances **BORG** **WARNER**®



Regional winners . . .

(Continued from page 13)

that will allow a profitable mark-up. John realizes, however, that it takes more than price to keep a dealer competitive and to get his share of the market. So he does a little more than the average salesman. He reads appliance news publications and keeps me up-to-date on the latest changes in the industry . . . John keeps my floor filled with display materials; he is always prepared to hold a sales meeting if I call on him; and he keeps advertising funds set aside for monthly promotions."

Region VI (Alabama, Kentucky, Mississippi, Tennessee, Arkansas, Louisiana, Oklahoma, Texas): *Nancy Kinser, Graybar Electric Co., Inc., Little Rock, Ark.* David A. Shapiro, secretary-treasurer, Baims Department Store, Pine Bluff, Ark., writes of Mrs. Kinser in his nominating letter: "You find in Mrs. Kinser those attributes of a standard of customer service so rare that often I feel that Mrs. Kinser is working on my payroll to help Baims be successful . . . Through the unique imaginative efforts of Mrs. Kinser, our organization . . . went from a position where we were not using small appliances at all to our present status which has

reached a peak in moving over 100 of one single appliance unit in a day, which is considerable volume for a city with a population of 50,000."

Region VII (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming): *Robert L. Harbaugh, Boyd-Harbaugh Inc., El Paso, Tex.* In his letter nominating Harbaugh, B. G. Huddleston, president, General TV & Electronics Services, Alamogordo, N. M., writes: "He is at once a friend, a coach, a business associate, and a supplier . . . He talks of business and management methods and marketing concepts in an exciting manner that brings to me new ideas for more successful opera-

tion of my own business. These wide ranging discussions between us have created an atmosphere of trust and confidence that has contributed materially to a much improved sales and profit performance by my firm in the past year."

Region VIII (California, Oregon, Washington, Hawaii, Alaska): *Jerry Siegel, Admiral Distributors-Los Angeles, Los Angeles, Calif.* Clayt Hyden, Clayt Hyden's Standard Discount, Anaheim, Calif., writes of Siegel: "We handle most major lines, and therefore the statement that we have enjoyed the best representation from him of any rep that calls on us means that we place Mr. Siegel above at least five other salesmen in this area . . . Mr. Siegel's understanding of the discount operations peculiar to Orange County has given us further cause to praise him, because our use of his knowledge to successfully compete with some of the giant discount operations in this county." ■



Contrasting tawny yellow, mimsi blue and jet black. (The "Westwynde")

This stunning new design, available in marquesa maroon on white, becomes a talking piece in any setting. (The "Op")

New! Astral Decorator Refrigerators

New profits in compacts are yours with these new interior decorator styled compact refrigerators. Whether your customers' tastes be classic or modern, you will find that the styling of these new leaders is exciting!

Prices—through an amazing graphics breakthrough, these models are priced to successfully compete with solid color refrigerators. The func-

tional excellence of the famous Astral Refrigerator now sparkles with the *most wanted* basic new designs.

Profits—extra profits are yours as soon as you place these delightful new decorator refrigerators on your sales floor. They are priced to allow you a *full* margin and offer your customer the latest in home decor at \$189.95.

DEPT. M

morphy-richards

Astral

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Minneapolis League Wins 2 IAEL Achievement Awards

The North Central Electrical League in Minneapolis won two of the first Annual Management Achievement Awards — in the categories of "Member Service" and "Industry Promotion" for one product — when the honors, were presented at the 30th annual meeting of the International Ass'n of Electrical Leagues, which is composed of more than 60 local or regional electrical industry associations throughout the United States and Canada. R. E. Lieb, executive secretary, accepted the awards on behalf of his association.

The "Industry Promotion" award for multiple products went to the Cal/Ore Electrical League of Medford, Ore. It was accepted by Clarence L. Weaver, secretary-treasurer.

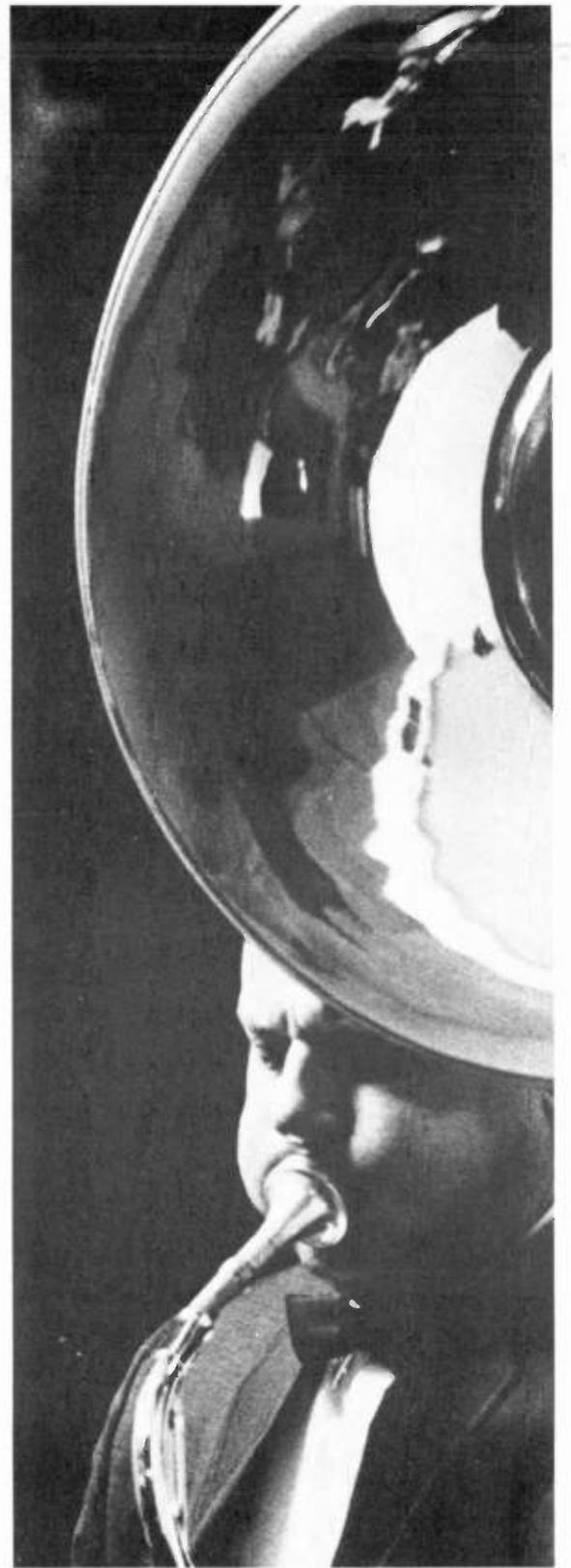
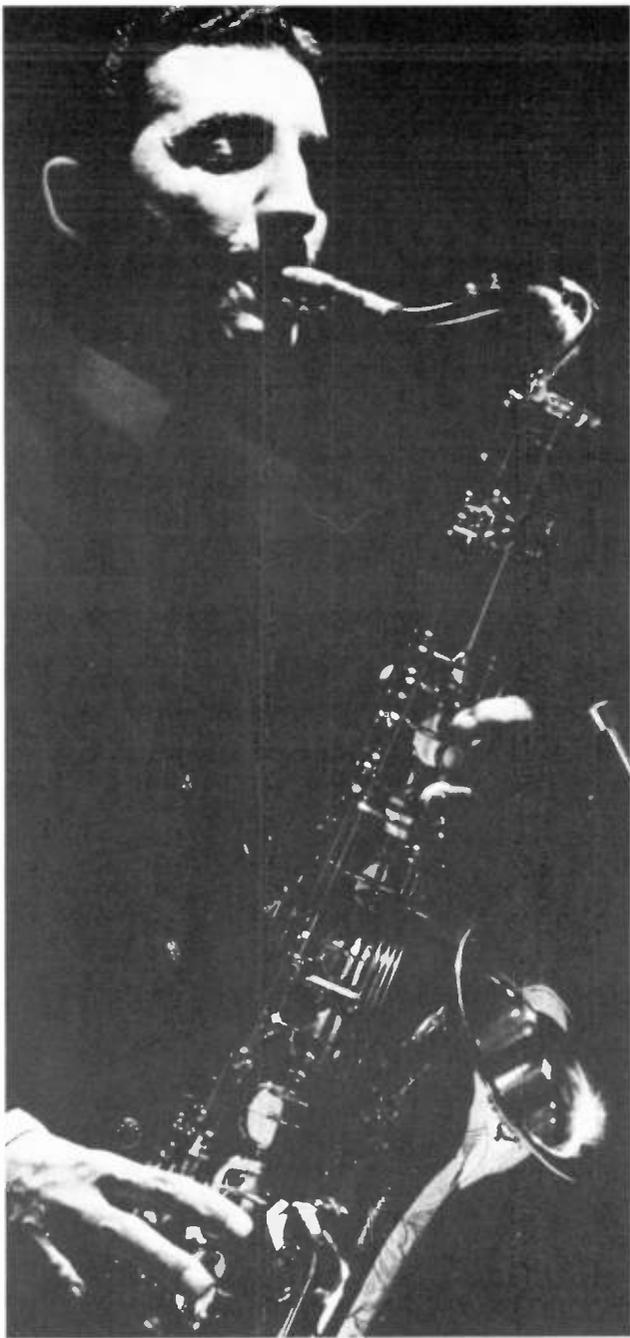
In the category of "Industry Communication," a tie-award went jointly to St. Louis Electrical Board of Trade (accepted by Harry Guest, executive vice president) and The Electric Ass'n of Kansas City (accepted by J. S. McDermott, executive manager).

The Valley of the Sun Electric League of Phoenix, Ariz., was awarded two "Special Citations" — in the "Member Service" and "Industry Promotion — One Product" categories, with R. N. Ruecker, manager, accepting.

In the "Industry Promotion — Multiple Product" category, "Special Citations" went to: The Electric Institute of Washington, Washington, D. C., (with Whitney Watkins, managing director, accepting) and the Electric League of Western Pennsylvania (with Aaron Krochmal, executive vice president, accepting).

The Electrical Ass'n of Philadelphia won a "Special Citation" in the "Industry Promotion — One Product" category; J. A. Morrison, managing director, accepted the award. In the "Member Service" category, a "Special Citation" was made to The Electric Ass'n of Kansas City (with J. S. McDermott, executive manager, accepting).

Over 2,000,000 Astral refrigerators now in use.



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ZENITH DELUXE
9 TRANSISTOR
POCKET-SIZE
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Zenith introduces the world's finest performing AM/FM personal-size portable radio . . . *The Symphonette.*

It has up to 3 times greater FM sensitivity—more than 2½ times better FM selectivity—than any other FM/AM radio so compact (3½" high, 6½" wide, 1½" deep).

13 tuned circuits for super-sharp selectivity. 9 transistors plus 5 diodes. Automatic FM/AM gain control. AFC for drift-free FM. Telescoping 30" antenna adjusts for sharpest FM reception.

Complete with deluxe carrying case, earphone attachment and 4 batteries in handsome gift box.

Order now for Holiday sales.

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OKI tape recorders are truly great performers and because of their sound performance, proven stability and complete dependability, more satisfied OKI customers are recommending OKI Solid State Tape Recorders to their friends.

OKI incorporates more features into each model, and . . . at competitive prices. That's why the OKI line has one of the highest percentage of dealer profits in the industry.

If you are not now a member of the OKI family of franchised dealers, contact your nearest OKI Sales Representative today, or, write to Chancellor Electronics, and you'll get the details of the hottest tape recorder sales program for the 1965 fall selling season.

*Service records in all files show that less than 1/2 of 1% of all OKI Tape Recorders sold required service.

**OKI HAS THE MOST
COMPLETE LINE OF
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TAPE RECORDERS.**

†prices shown are Fair Trade Minimum Resale in states where applicable.



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COLOR TV SALES will triple this year over 1964 for Yamagiwa Electric, says Hyoga Kanagaya (second from left), managing director. Color display shown here is at rear of main floor. G. Shibukawa, floor manager, is at left.



INTERNATIONAL ISSUE

This Japanese Store Has An International Flavor

Yamagiwa Electric handles products of 30 foreign companies, 20 of them exclusively.

An international atmosphere is much in evidence at Yamagiwa Electric Co., Ltd., located in the heart of Tokyo's "Akahabara Radio Row."

Said to be the largest retail appliance-home electronics operation in Japan, Yamagiwa handles the products of 30 manufacturers located outside Japan, and has exclusive agreements with 20 of these companies.

Large portraits of the presidents of these foreign concerns are displayed in the main Tokyo store. The international theme is promoted, too, by attaching miniature flags of the country of origin to the price tags of products made overseas.

Several American brands are to be found in the store.

Even an attractive wrapping paper used by Yamagiwa was designed by a Copenhagen artist.

Toshio Yamagiwa, president of Yamagiwa Electric Co., Ltd., recently visited the U. S. with a group of Japanese retailers and wholesalers to take a look at American appliance-home electronics operations. Their tour included visits to stores in such cities as Chicago, New York, and Los Angeles.

In addition to its Tokyo location, Yamagiwa has branches in Osaka, Nagoya, and Yokohama.

The Tokyo store is said to do in excess of \$5 million in sales annually. About 40 per cent of this volume comes from lighting fixtures, which are displayed in great quantities, and the balance stems from appliances, brown goods, components, and records.

The store sells lighting fixtures at both retail and wholesale. As is common practice in Japan, Yamagiwa is also involved in a joint wholesaling operation with Matsushita Electric Co., Ltd. This operation sells appliances and brown goods

to retailers in areas where Yamagiwa does not operate.

Appliances and TV sets are displayed on the floor of the Tokyo store, while stereo, both packaged and components, is shown in a separate section on the third floor.

The dim lighting of this location is designed to complement the restful or romantic background music.

Yamagiwa Electric was founded in 1923 by the father of the present president as a wholesale outlet for electrical contracting products.

In 1925, the NHK radio network began broadcasting operations in Japan, and Yamagiwa started selling radio parts as well as assembled units.

In the post-World War II period, when no radio receivers were available, many amateurs came to Yamagiwa to purchase parts for home assembly. Then as radio sets became available, the company added these as well as other consumer goods.

Originally the radio parts department was located in the very front of the first floor of the Tokyo store. Now, the nature of the store's business has changed so much that this same department occupies the rear of the third floor.

Hyoga Kanagaya, managing director of Yamagiwa, told MART Magazine that the operation first began feeling the effects of the recession in Japan about the middle of 1964. Now sales are starting to pick up slowly, he said.

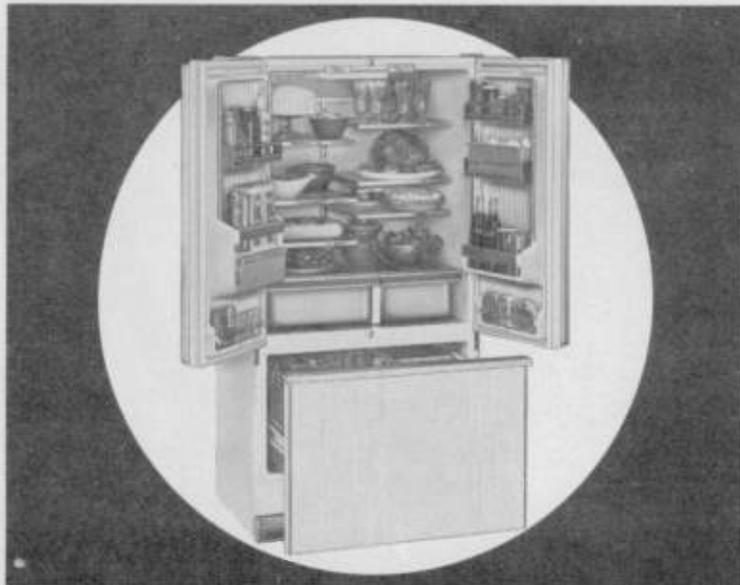
Small appliance sales have been good. TV has been off the most, although Kanagaya estimates that sales of color TV by Yamagiwa in 1965 will be three times what they were in '64.

Kanagaya's analysis of what is needed to boost sales of color sounds familiar: "more programs, lower price, and better performance." ■

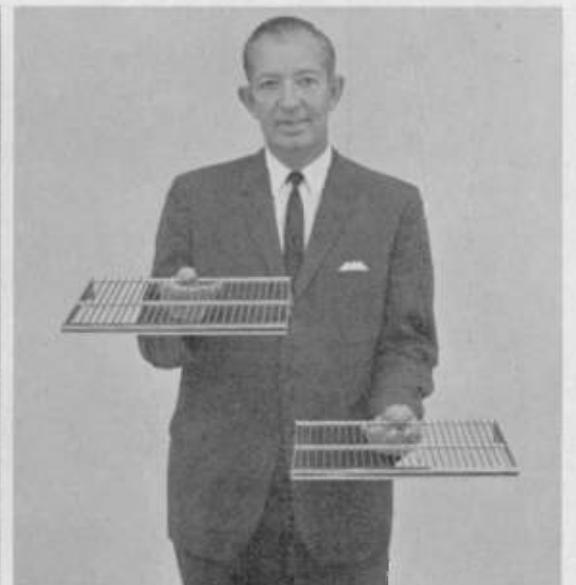
Bill Douglass invites you to look at the high-powered sales appeal of the new Westinghouse refrigerator line.



"As Refrigerator Marketing Manager for Westinghouse, I know—as you do—it's the features that sell the product. So let's zoom in on all we're featuring for '66.



"French doors give real distinction to our new Continental Model (RDG-88). Magnifique, yes? Women like the convenience of side-by-side doors. And with no need to stock left-hand doors, you can save on inventory.



"Our new adjustable half shelves can be arranged 46 ways to hold big items that would never fit in old refrigerators. They're so popular that we're featuring them on six new models.



"Another big selling feature: the famous Westinghouse Meat Keeper that keeps meat market-fresh for 7 days without freezing. Holds enough to feed a family of 5 for a week.



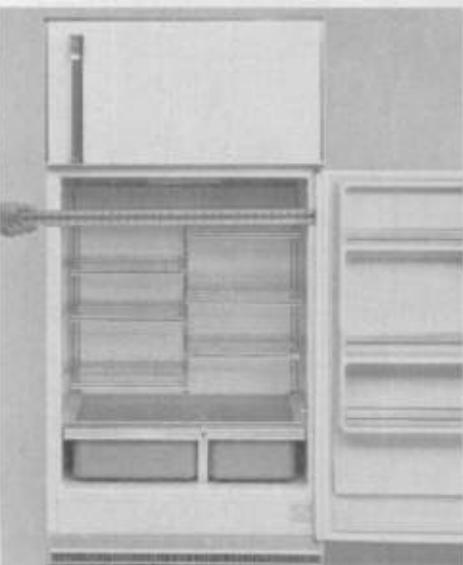
"Now here's a cool new idea. The Westinghouse Automatic Ice Tray. Makes and stores more than 175 ice cubes. And automatically refills itself each time you empty it.



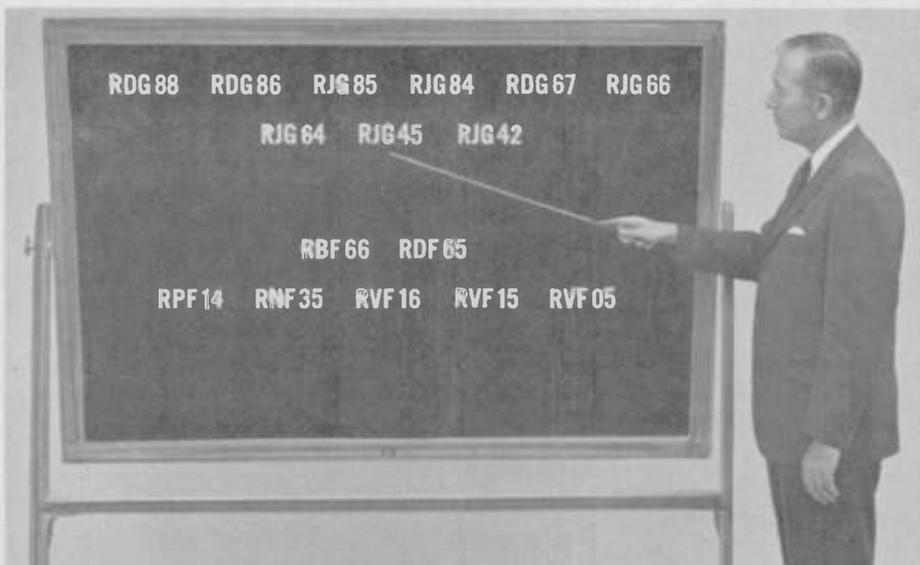
"Everything's on rollers today—from your wife's hair-do to your child's skate board. And now Westinghouse puts rollers on six new refrigerators to make floor and wall cleaning easy.



"Of course nothing is more in demand than frost-free refrigerators. So Westinghouse gives you this most-wanted feature on 12 models this year.



"Customers keep wanting more space inside refrigerators—with no increase in floor space. We do it with Slim-Wall construction on 7 new models.



"Here's the Westinghouse line-up. A brand new team of 9 models in an all-star roster of 16. You can depend on Westinghouse Appliance Sales and Service Company to develop products with the features your customers want. Count on WASSCO to give you fast delivery, too—and strong merchandising support.



"To repeat: features sell products. And our new Westinghouse refrigerators have more exciting features than ever. So look up your Westinghouse Distributor soon... and join the team."

You can be sure if it's Westinghouse



**If your
present
Econoline is
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missing
out on
some great
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news!**



NEW LOADSPACE!

America's No. 1 Van hasn't been resting on its laurels. The new Ford SuperVan is 1½ feet longer, has 23% more loadspace than the standard Econoline. The extra length lets you carry pipe or 2 x 4's as long as 14 feet with the doors closed. Both the Econoline Van and SuperVan have more driver-room too. The new high-capacity heater is tucked up out of the way, seats are lower for easier entrance, the whole cab is more carlike and comfortable.



NEW POWERFUL ENGINES!

New 170-cu. in. Six provides 23% more power at no extra cost. Powerful 240-cu. in. Six, biggest Six in any compact van, zips up steep grades even with SuperVan loads. For extra driving ease, choose either the new 3-speed Cruise-O-Matic transmission . . . or new fully synchronized 3-speed standard transmission that lets you downshift into first without gear clash.

NEW HEAVY-DUTY OPTIONS!

Deep underneath, Ford has done lots of beefing up. A heavy-duty clutch is now standard for longer life. Major structural parts are zinc-coated for maximum corrosion resistance, and all front and rear bumpers are huskier. Even the load capacity has been increased. So don't miss out! Put a new better-than-ever Ford Econoline Van or SuperVan to work for you.



FORD ECONOLINE

VAN AND SUPERVAN

Vertical STEREO



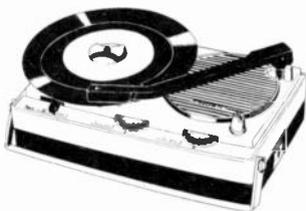
MODEL SPH-110
FM/AM 2-BAND 3-SPEED
14-TRANSISTOR PORTABLE
STEREO RADIO-PHONOGRAPH

Pocketable



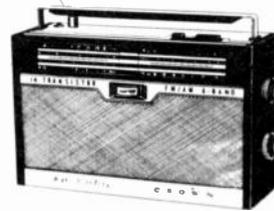
MODEL TRF-16
FM/AM 2-BAND
9-TRANSISTOR POCKET RADIO

Compact



MODEL TRP-105
MW-BAND
2-SPEED 7-TRANSISTOR
PORTABLE RADIO-PHONOGRAPH

ALLwave



MODEL TRF-1400L
FM/LW/MW/SW 4-BAND
14-TRANSISTOR PORTABLE
RADIO

LONG Communication



MODEL TRQ-1050
10-TRANSISTOR
27MC-BAND TRANSCEIVER

No other choice but CROWN!

Increase your sales with CROWN TRANSISTOR PRODUCTS... The jewels of Japanese technology.

AT THE SOUND OF YOUR VOICE !

This CROWN tape recorder is activated by the sound your voice.

CROWN VOICE ACTIVATED TAPE RECORDER

The breakthrough in tape recorder usability and tape economy. Your active sales will speak for themselves.

MODEL CVA-5001

"Voice Activated" 10-TRANSISTOR 2-SPEED CAPSTAN DRIVE PORTABLE TAPE RECORDER

- Advanced "Voice Activated" operation
 - 4 hours 16 minutes recording and playback on flashlight batteries or AC (AC adaptor optional)
 - Compact case with remote control switch in microphone
- Size; 4-3/8 x 11-1/4 x 8-3/8 inch Weight; 7.3 lbs.

THE CROWNING ACHIEVEMENT IN PORTABLES

Recording and playback possible anytime, anywhere... CROWNCORDER CTR-3000 can be operated on four flashlight batteries or house current.

CROWNCORDER

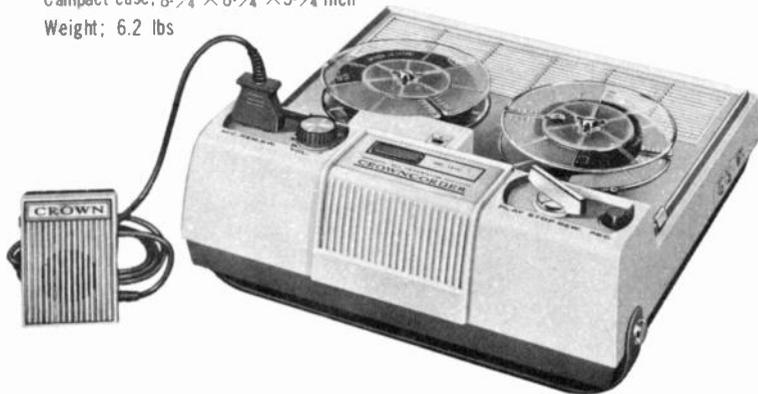
Advanced features and guaranteed quality of CROWNCORDER has won millions of users. Crowncorders increase sales turnover.

MODEL CTR-3000

ALL-TRANSISTOR 2-SPEED CAPSTAN DRIVE PORTABLE TAPE RECORDER

- Economical operation on flashlight batteries or AC (AC adaptor optional)
- Handy remote control switch in microphone, level lamp and safety button
- Dynamic Hi-Fi sound reproduction with the 2-1/2 x 4 inch P. D. speaker

Compact case; 8-1/4 x 8-1/4 x 3-3/4 inch
Weight; 6.2 lbs



"CROWN JEWELS" for Gift Sales

A new, exciting sales-builder... for gift and impulse buyers. This powerful transistor table radio is also a savings bank. Starts to play when you drop a coin in the slot... the pushbutton stops the radio instantly. A "Crown Jewel" for your gift season.

MODEL HT-430 ALL-TRANSISTOR RADIO BANK

Melody Coins

- High design cabinet
 - 2-1/4 inch full range speaker
 - Operation on four penlight batteries
- Size: 6 x 3-3/8 x 3-1/8 inch Weight: 1.1 lbs.



CROWN

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SONY Corp. plans to export over 10,000 home video tape recorder units to U. S. in 1966, says Masaru Ibuka (left), president. Ibuka believes VTR will be "No. 1 sales pillar" of company within two years. Kazuo Iwama, managing director, consumer products, is at right. VTR is currently No. 4 sales pillar.



STANDARD Radio Corp. officers show three-inch screen TV set to MART Magazine during breakfast meeting in Tokyo. Unit, weighing five pounds and operating on a-c or over 17 hours on nine alkaline manganese flashlight batteries, may eventually be sold in U. S. for around \$120, says Hiroshi Miyazawa (left), president. Others at table are Toshio Matsuura (center), vice president, and Ikuo Saitoh, mgr., development div.



INTERNATIONAL ISSUE

Move Toward Higher Ticket Items Is On In Japan

- Trend is under way in tape recorders and radios, while down the road a way are color TV and VTR.
- Sales were off at home for many Japanese companies in 1965 because of economic conditions and product saturation, but some of these same producers did well in export, and they continue to seek ways of winning or solidifying position in U. S. market.

Quite a few people were looking at and for color TV in Japan in October and November, but in neither case were many transactions being closed.

The "lookers-at", in vast majority were consumers who happened to catch one of the limited number of color programs on a set in a retail store or hotel lobby or perhaps a closed circuit colorcast on one of the many receivers displayed at the third annual Japan Electronics show in Osaka.

The "lookers-for" were divided into two groups: U. S. manufacturers who were looking

for a supply of color picture tubes and U. S. makers who were seeking to enter into compact with Japan-based firms to produce color sets for them.

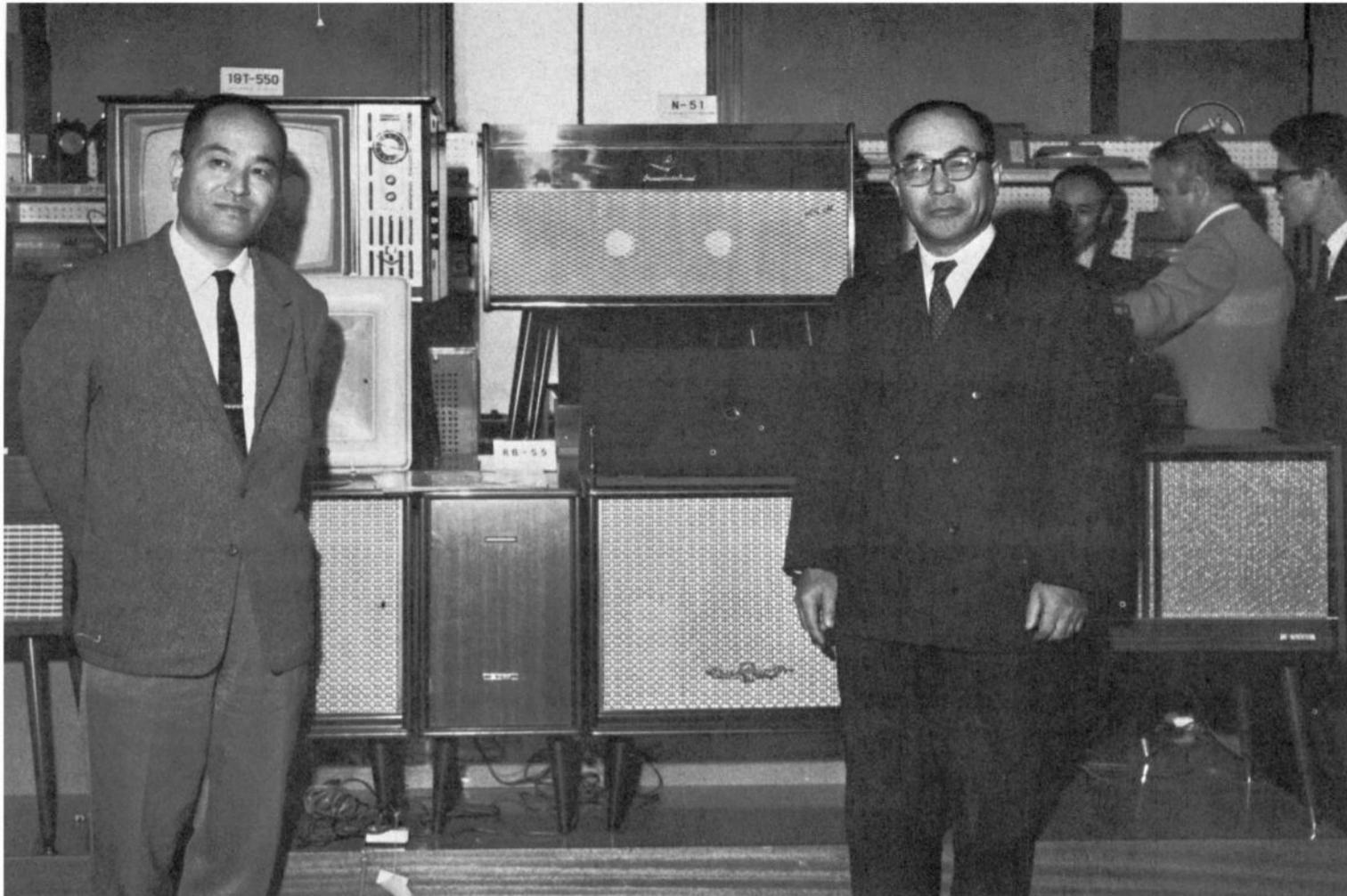
If the tube seekers were successful to any degree, what they got was guaranteed to be gobbled up almost instantly in the maw of the color-hungry American public.

Some American firms, notably Delmonico/Nivico and Arvin Industries did in November complete arrangements for production of color sets bearing their name in Japan. Earlier Symphonic had announced that a color set would be

manufactured under its name in Japan for sale in the U. S. this year. Olympic was still another U. S. company that would be marketing a color set made in Japan.

As American TV executives made the rounds of Japanese color producers, the attitude of the majority of the latter group was perhaps best summed up by Yasuo Ito, managing director, Mitsubishi Electric Corp: "It's very hard to decide whether to increase your color production facilities when subject to outside factors."

The biggest influence in his company's decision, Ito indicated, would be the extent to which color



VICTOR CO., according to Shunji Uyei, director (right), garners 60 per cent of stereo business in Japan. Forty per cent of U. S. sales in '65 will be in stereo, compared to 30 per cent in 1964. Sets are sold in U. S. under Delmonico/Nivico brand. Victor also plans to produce 16- and 19-inch color sets for sale in U. S. under Delmonico/Nivico label in 1966. Toshiyasu Watanabe of export department of Victor is at left in photo.

programming in Japan might be expanded in the near future, thus providing a domestic back-stop market for color when U. S. production should catch up with demand.

(The combined color programming of three networks in Japan in November was said to total six hours a day.)

Estimates of the Electronic Industries Ass'n of Japan place total color production in Nippon for 1965 at 100,000 sets, with 40,000 of these being exported. Total production for 1966 is estimated at 180,000 receivers, with 70,000 being exported.

EIA-J estimates says there will be 220,000 color sets in use in Japan by the end of 1966. This is a solid jump from the 50,000 in use at the end of 1964 and the estimated 110,000 that will be in use in the country at the end of this year.

Although the association estimates do not go beyond 1966, at least one major Japanese manufacturer believes there will be a dramatic spurt in color set sales in Japan in 1967, followed by a boom that will follow the black-and-white TV

pattern.

Toshio Iue, president of Sanyo Electric Co., told MART Magazine that he believes 1,000,000 color units will have been sold in his country by the end of '67. (Sanyo is producing 19-inch color sets for sale by Symphonic in the U. S.)

Even though a number of different sizes of color tubes are still in evidence in Japan as they were a year ago when MART Magazine visited there, it has become clear that 19-inches is the size upon which both the public and industry are settling.

In fact, further estimates by EIA-J say that 85 per cent of color sales in 1965 will be in the 19-inch size and that this proportion will rise to 95 per cent in '66.

In Iue's opinion, the recession which continues to plague Japan will end soon. Government plans for additional roads, harbors, etc., he thinks will stimulate an economic boom in Japan.

By July, 1966, Iue says, the Japanese domestic market will be getting back to normal, and domestic demand coupled with exports will ab-

sorb the production facilities of manufacturers.

Boom or recession, many Japanese manufacturers demonstrate concern for their future role in the American market place.

The first two weeks of MART Magazine's stay in the Far East were spent as a member of an EIA-J-sponsored press tour of component and consumer product plants. The last two days of this tour were occupied with discussions with perhaps two dozen representatives of Japanese consumer product manufacturing firms.

In these discussions producers exhibited interest especially in the future course of sales of products they now market in the U. S. Can Japanese makers best sell under their own label or produce for American companies? was another question asked.

Approaches to servicing and parts supply, merchandising and credit approaches all were discussed in some detail in these meetings.

How will Japanese manufacturers fare in 1965?

The dip in black-and-white TV sales for the



MATSUSHITA Electrical Industrial Co., Ltd., hopes to market toaster, iron, and juicer in U. S. in 1966, says Masaharu Matsushita, (left), president. U. S. market will account for almost 35 per cent of company's total exports in '65, compared to 26 per cent in '64. Others in photo are: Ittoku Monma (center), and Frank Oghai, both of Matsushita.



HAYAKAWA Electric Co., Ltd., was scheduled to start exporting its 19-inch Sharp brand color sets to U. S. in November at rate of 500 a month. Akira Saeki (left), executive director of Hayakawa and president of Sharp Electronics Corp., says it will take at least one year to get U. S. color TV sales and service situation in high gear. Shown with Saeki are H. Kawai (center), mgr. of U. S. operations, and K. Hamada, export mgr.

Table 1: Japanese Total Sales and Exports To U. S.

Product	Total Sales		Exported to U. S.	
	1965*	1964	1965*	1964
Radios**	26,690,000	25,957,000	11,470,000	10,194,000
Television*** (includes color)	4,500,000	4,919,000	1,300,000	770,000
Tape Recorders	5,500,000	5,480,000	3,000,000	3,290,000
Radio-Phonos	1,615,000	1,208,000	300,000	147,000
Phonographs	1,950,000	1,348,000	360,000	54,000

*Estimated figures, under consideration of the EIA-J marketing research committees.

**Includes transistor (more than three transistors), auto, and tube.

***Slightly less than 8 per cent of TV set sales in 1964 were transistorized models. It is estimated a little more than 13 per cent of sales in 1965 will be transistorized units.

year is the biggest blow. Domestic sales of all TV sets in '65 are estimated by the EIA-J at 3,000,000 units. This compares to domestic sales in 1964 of 3,949,000 sets.

Only by virtue of the fact that export sales are up to 1,500,000 units this year from 970,000 in 1964, is the picture kept from being worse than it might have been.

As Akira Saeki points out, TV declined in '65 because Japan has reached a point of saturation similar to that achieved in the U. S. in 1958, and because of the recession, the public was not psychologically inclined to buy.

Saeki, who is executive director of Hayakawa Electric Co., Ltd., and president of Sharp Electronics Corp., Hayakawa's American arm, says sales of refrigerators and electric fans are also down in 1965.

Fan sales are down about 20 per cent in '65, Saeki noted (from 3,500,000 in 1964 to 2,900,000 this year), while refrigerators will dip to an estimated 2,720,000 units in '65 from 3,050,000 the year before.

He attributes the slump in fan sales to air conditioning cutting in. With a ten-year life and a high saturation among upper and middle income families, refrigerator sales are reflecting the sensitivity of lower income families to economic conditions, he believes.

Sales of appliances and home electronic goods by Japanese industry in 1965 are expected to total \$1.8 billion, down from \$1.9 billion in 1964, according to Saeki. However, these sales are expected to climb to \$2 billion in 1966, he states.

Sharp is sticking to the 19-inch size in color TV in an effort to reduce the price and increase its business in color, Saeki noted. It will take at least a year to become competitive in the U. S. and prepare the company's 70 to 80 black-and-white TV service stations in the U. S. to handle color, he adds.

The Hayakawa executive disclosed that his company is considering granting U. S. retailers "service margins" to handle service on Sharp products.

Sharp will also export color to the U. S. under other brand names within the next year or 18 months, Saeki stated.

Will there be a washout of TV manufacturers in Japan such as occurred in the U. S.? MART Magazine asked.

Saeki doesn't think so. He points out that there are only 10 manufacturers of any consequence in Japan and that each of these makers has a substantial share of the market.

Export-wise the Japan home electronics and appliance industry will do very well in '65, Saeki reports. It is estimated that dollar volume of exports in this area to the U. S. will total \$400,390,000, up from the \$391,000,000 in '64.

Saeki credits tape recorders, TV, and radios in that order for adding to the export increase.

Following is a summary of comments from other manufacturers visited by MART Magazine relative to the state of the market and future plans:

Matsushita Electric Industrial Co., Ltd. — Masaharu Matsushita, president, noted that his



PIONEER Electronic Corp. expects to broaden involvement in auto cartridge tape player market with eventual introduction of tape player for home use, cartridges for which will be interchangeable with car unit. Two models of car unit currently are distributed through Craig Panorama in U. S. Shown here (l. to r.) are: Nobuyoski Kono, director, export department; Yozo Ishizuka, executive vice president; Nozomu Matsumoto, president, and Tetsuo Kawashima, assistant mgr., export div., all of Pioneer.



AIWA Co. Ltd. president Mitsuo Ikejiri says average price of tape recorders sold by his company in U. S. probably will climb to around \$80 in 1966. Five additional models, including three stereo units, are being added to line distributed in U. S. through Selectron International Co., Inc. Forty per cent of U. S. sales in 1965 are in tape recorders, 40 per cent in radios.

company hopes to export a toaster, iron, and juicer to the U. S. in 1966.

Overall the company will experience a slight dip in sales in 1965, due to the decrease in TV sales in Japan, but export sales, including those in the U. S. will be up, Matsushita said.

Tape recorder sales for the year will be up about 50 per cent. Also, the company will experience a big increase in sales of components.

The star performer in U. S. sales in 1965 will be a nine-inch TV set.

In 1963, 40 per cent of the tape recorders which Matsushita manufactured were marketed under the company's brand name. This proportion will probably rise to 75 per cent in 1965.

Ninety per cent of the company's exports now carry the Panasonic name, Matsushita stated. The "National" name can now be used in combination with "Panasonic" in the U. S., but the company is striving to perpetuate the "Panasonic" image, since the combination would be more complicated.

Matsushita has been exporting 19-inch color TV sets to the U. S. since August.

The company is interested in marketing a small refrigerator in the U. S., the company president said, but finds it difficult to be competitive at the moment because of shipping costs and tariffs.

Matsushita is not interested in the automobile cartridge tape market at this time.

According to Keiichi Takeoka, general manager of the radio department, Matsushita will produce about the same number of radios in '65 as it did in 1964 (approximately 3,000,000).

Sixty per cent of radios made last year were exported, with 26 per cent of the exports going to the U. S., he added. Seventy per cent of radios manufactured this year will be exported, with 35 per cent going to the U. S.

The average factory export price of radios made this year is up about 5 per cent from a year ago, Takeoka said. He pegged this price at around \$14.50.

Pioneer Electronic Corp. — Pioneer expects to double its auto cartridge tape player sales in the U. S. in 1966, Yoza Ishizuka, executive vice president, told MART Magazine. The auto players are marketed in the U. S. through Craig Panorama.

Craig Panorama will market two four-track car player systems in 1966, one retailing for \$119, and the other probably \$139.

Pioneer is also working on an eight-track car player system that will be compatible with the four-track system, Ishizuka said. Also under development is a home player unit, the cartridges for which would be interchangeable with the car player.

Pioneer hopes to export to the U. S. soon a suspension speaker for home hi-fi use.

The company is primarily a hi-fi equipment manufacturer and doesn't want to diversify too widely, Ishizuka noted. However, the company does also produce five different models of telephone answering systems.

One of these is a remote control system which permits the owner through use of a "key" to have played back to him at another location messages which have been received in his absence.

This unit retails for \$399.95.

Nippon Electric Co., Ltd. — A year ago Nippon Electric, a pioneer in the telecommunications equipment industry, embarked upon a program to improve its posture in the consumer products field.

Inauguration of this program coincided with the naming of Dr. Koji Kobayashi as president of NEC. For the time being, NEC is continuing its policy of selling products such as TV, radios, and tape recorders for such U. S. firms as Magnavox, Bulova, Motorola, and Inter-Mark.

According to a company spokesman, there is evidence that NEC may commence exporting



TOSHIBA (Tokyo Shibaura Electric Co. Ltd.) is co-operating with U. S. manufacturer in building of plant in Virgin Islands for production of electric housewares, Kensuke Miwa (right), assistant to chief engineer, tells MART Magazine. Company will continue in 1966 to ship 76 to 80 per cent of 5,000-a-month color set production in one plant to Sears. Another plant is said also to make 5,000 color sets a month for domestic market. Others in picture are: T. Yoshihara (left), deputy general mgr., international div., and Y. Tahara, deputy mgr. of Komukai works.

TOKO, Inc. president Hisao Maeda (right), says 1966 will be "Year of the Computer" and that Japanese components industry is preparing for this. Maeda notes Toko is supplying 60 per cent of transistor circuitry market, and that Toko standard has become world standard. At left of picture is Makoto Toida, managing director of Toko.



color TV picture tubes late in the spring of 1966.

In a talk delivered during a recent visit to the U. S., NEC's president noted that emphasis is being placed by Japanese electronics manufacturers upon development of integrated circuits and devices incorporating them. He pointed out that some Japanese producers, including NEC, have already developed thin film and semiconductor integrated circuits.

These circuits have already been applied to a number of products such as high-speed computers and electronic telephone switchboards.

One of the most significant developments made by Japanese industry in the past several years, in Kobayashi's opinion, is the application of traveling-wave tubes to microwave systems.

Rises in technological levels achieved by Japanese industry have led to a steady increase in exports of electronic components, the NEC president states.

"Thus far Japanese exports have been limited to those of entertainment electronic products, but it is my belief that exports of components for industrial and communications applications will show gradual increases," Kobayashi asserted.

Sony Corp. — Over 10,000 of its home video tape recorders will be shipped to the U. S. next year, Masaru Ibuka, president of Sony Corp., stated during a press conference. Ibuka said VTR is now the No. 4 pillar in Sony's sales structure, but that he hopes it will be No. 1 within two years.

Tape recorders are first in the company's sales structure at the present time, followed by transistor radios and transistorized TV in that order.

Sony is currently marketing in Japan a three-gun, 19-inch "Chromatron" color TV set that employs a grid structure instead of a shadow mask.

"A few hundred of these" are being made on an experimental basis each month, Ibuka said. The three guns provide a brighter picture than the single gun "Chromatron" set which Sony originally showed.

Asked about future plans for color TV, the Sony president said, "Give us a little more time. RCA spent 10 years and much money. We don't have that much money, but give us time."

Ibuka admitted that his company had encountered difficulties that had to be overcome with color, but that he felt Sony would cause "a bit of a sensation" later on.

The company's 1965 sales will be up 10 per cent, Ibuka said, with 60 per cent of volume coming from export. The U. S. has had the steadiest increase of any export market, with tape recorders and transistorized TV accounting for the greatest growth there.

A production shortage of small screen TV exists for Sony, Ibuka declared. He says he sees this continuing through 1966. Sony's four-inch receiver has not taken off in Japan, and the company plans to make no size smaller than this.

The company has no plans to produce small screen color TV, he added.

Tokyo Shibaura Electric Co., Ltd. — Toshiba is co-operating with an American company in building a plant in the Virgin Islands that will produce electric irons and other electric housewares as well as such components as switches, Kensuke Miwa, assistant to the chief engineer of the television receiver division of Tokyo Shibaura Electric Co., told MART Magazine.

The company is currently manufacturing 5,000 16- and 19-inch color TV sets a month for shipment to Sears, Roebuck in the U. S. and another 5,000 for the domestic market, Miwa said.

He estimated that about 45,000 color sets will be shipped to Sears in 1965. According to industry sources, this compares with about 18,000 color sets shipped to Sears in 1964.

Miwa reported that a tape recorder will be marketed under the Toshiba name in the U. S. in 1966. It was also learned that color sets will be marketed under the Toshiba name in the U. S. in 1966.

The company is also supplying an 11- and 16-

(Continued on page 43)

D isplaytime

A Touch Of The Foreign

By WALTER H. HOGAN

PEOPLE LOVE the thought of anything foreign, and one New York display man, Mark Havers, pointed out that the cartons in which the products come can be effectively used in a display.

"Anything in a carton," he says, "you know it's not from your home town. A carton is always coming from somewhere, so it brings in the foreign and adds a charm to your display. You take an old carton, with excelsior around it, and an exciting piece of merchandise — and the merchandise takes over the scene. No competition."

The carton, Havers suggests, should say where it's from. "Print on the carton if you have to. Maybe my cartons say Paris or Rome. But if you live in Dubuque or Fayetteville, a carton from San Francisco or New York is foreign."

DISPLAY IDEA: No matter what products you sell — electric housewares, brown goods or white goods — undoubtedly some of your stock comes from a foreign country. The sketch on this page suggests a display in which you would feature these.

A globe-like display prop (information on where to obtain it is given in an item that follows) is used as a background for your display, between two banners that read "WIDEN YOUR WORLD . . . with products from . . ." Then pennants identify the countries the products come from as you arrange them, on shelves, stands or on the floor.

Sketched on this page are products (reading clockwise) from:

Holland — Norelco electric shaver, the "Speed-shaver 20," and a Norelco all-transistor AM/FM/marine/aircraft/SW portable radio, model L 638.

Germany — Telefunken "Magnetophon 300" portable tape recorder and a Braun "Multi-use Dryer," model HLD-2.

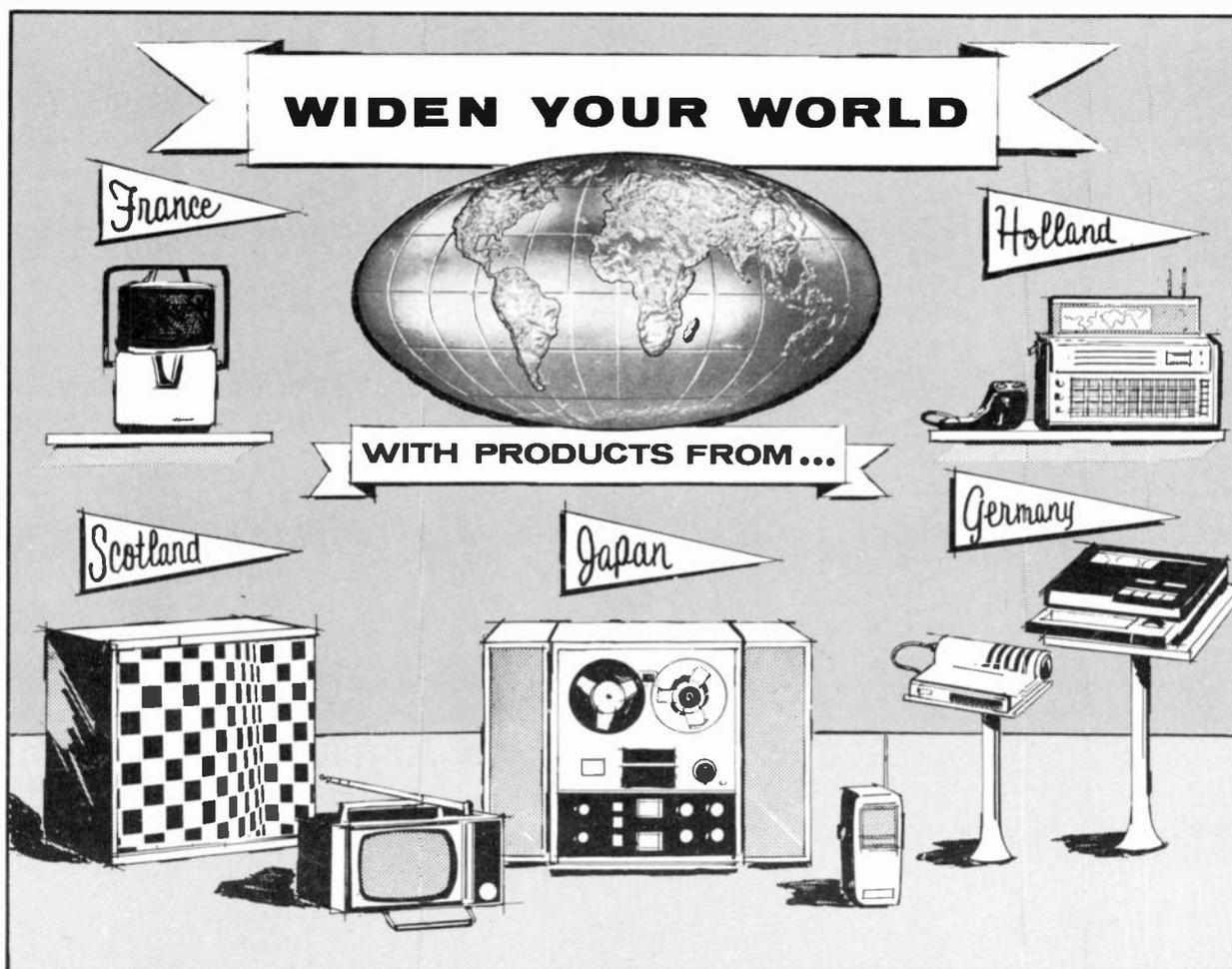
Japan — Tokai nine-transistor transceiver, model TC-9; Panasonic solid state tape recorder, model RS-770; and Sony "Micro-TV," model 5-307UW.

Scotland — Astral's "OP" model compact refrigerator from Morphy-Richards, Inc.

France — Moulinex electric juice extractor.

You will, of course, pick the products and pick the countries that best give your store the "foreign flavor." On the floor of your display window use excelsior if you wish, perhaps adding a carton or two. You can print the names of the countries on the cartons and use these in lieu of the pennants to identify the product originations.

DISPLAY PROP: "Wide Wonderful World" is the name of the display prop featured in the background of the display sketched on this page. Vacuum formed of heavy gauge plastic, this prop, No. 5481, is created in rich, deep detail and measures 67 in. x 35 in. It is available in soft white (which is easy to spray any color you choose) at \$25. It is also available gold-plated at \$42.50 and in antique gold at \$50. Order



Sketch for "From Around The World" display

from: Howard Nathan Displays, Inc., 866 United Nations Plaza, New York, N. Y. 10017. (If you don't already have it, ask for their free catalog on display props.)

FIXTURES: Fixtures should show your merchandise in the most advantageous manner. Although the type of fixtures you use depends on the kinds of goods you sell, you may find this rule of thumb helpful: The most practical and economical fixture is the one that permits you to display goods in the *proper arrangement* for each category or line with the *least distracting elements* and at the *maximum exposure*.

This is the right time of year — or at least in the lull that follows the Christmas rush — to plan your displays for '66 and to take stock of your store's windows and fixtures. Here are some questions that may be helpful in selecting and using fixtures to achieve an effective presentation of merchandise:

What sort of merchandise do you plan to display on the fixture?

How much area will you allot on each fixture level — deck, counter top, shelf or rack — for each category of merchandise to be displayed?

In order to stimulate buyer attention and at the same time make selling easy, what is the best kind of fixture? For example: Do you need bar-

gain tables, platforms, counters, card-holders, displayers, forms, or mannequins? Or do you need fixtures which will allow for each restocking of sizes — fixtures, such as showcases, gondolas, racks, wall cases, or island cases?

How can you get the best possible sales volumes per square foot of display space? How much merchandise exposure can the fixture give per dollar fixture expenditure? Bear in mind that a well-designed, efficient fixture which gives maximum exposure of goods is cheaper in the long run than a lower-priced fixture which does not allow for effective display. The efficient fixture helps to bring the biggest sales turnover.

FIXTURE CATALOGS: For free catalogs on fixtures, write on your store's letterhead to the companies listed.

The L. A. Darling Co. manufactures three merchandising systems — "Vizusell," "Adjusta-sell," and "General Merchandise," each varying in adaptability and function. Write: L. A. Darling Co., 606 N. Matteson St., Bronson, Mich. Aarving Displays, Inc., 5101 2nd Ave., Brooklyn, N. Y. 11232. (Display stands).

M. D. Store Fixtures, Inc., 6 N. Michigan Ave., Room 905, Chicago, 2, Ill., or (for western division office) write: 650 W. Duarte Rd., Arcadia, Cal. ■



HOSTS for tour of EIA-J-sponsored fair, all members of EIA-J staff, stand before exposition hall entrance. Left to right they are: Shozo Takashima, retiring international section chief; Benjamin A. Suzuki, international section chief; Masao Tsuchiya, executive vice president; George Taki, midwest U. S. representative, and Mamaru Tsukamoto, international section staff member.

A Day At The FAIR

Estimated 150,000 consumers and trade members look at industry's offerings at Japan Electronics Show.



INTERNATIONAL ISSUE



SAMPLES OF FOOD prepared in Sanyo electronic oven are distributed to fair visitors. Company has produced "just a few" of unit which sells for close to \$1600 on Japanese market.



MATSUSHITA display of more compact home video tape recorder than that shown at 1965 Music Show in Chicago attracts attention. Other Japanese firms will produce VTRs.



NINE-INCH COLOR set manufactured by Yaou Electric Co., Ltd. is shown in mass display at fair. Company says it is producing fully transistorized receiver at rate of 100 a month now.



TWO MODELS of electronic oven produced by Hayakwa Electric Co., Ltd. are displayed at fair. Manufacturer has been in electronic ovens for five years, says production rate at present is 150 a month. Sales are mostly commercial.



MAGAZINE TAPE RECORDER, with speaker and radio in base is shown by Aiwa Co. Ltd. Reversible cartridge plays for 15 minutes. Unit sells for about \$62.50 in Japanese market.

As a guest of the Electronic Industries Ass'n of Japan, MART Magazine recently visited the fourth Japan Electronics Show at the Minato Fair Grounds in Osaka, Japan.

Sponsored by the 524-member EIA-J, the show alternates each year between Tokyo and Osaka. It is estimated that some 150,000 consumers and members of the trade attended the '65 fair which ran from October 19 to 25.

The 158 exhibitors who participated in the '65 fair were divided basically into four groups in the large exhibition hall: (1) electronic components; (2) testing and measuring equipment; (3) radio apparatus and electronics application devices; (4) radio, TV, stereo, and other audio equipment.

Color television displays dominated the consumer products portion of the fair. The exposition even included a display section for some 17 French manufacturers, one of whom, L'Isostat, is selling push-buttons for switching stations in both Japan and the U. S. ■



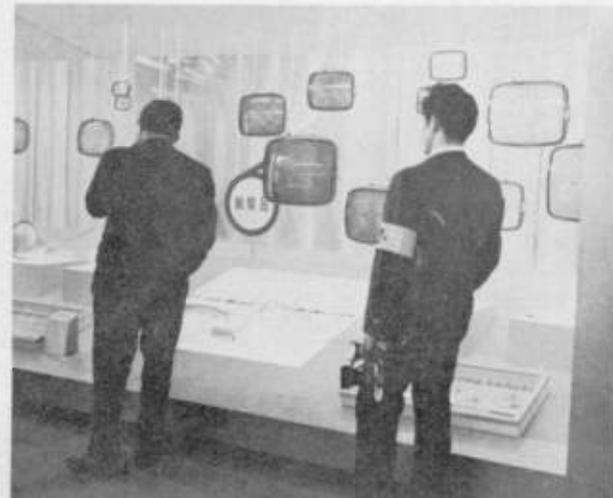
HEADS for car stereo cartridge tape players are being produced by Hachiman Electronic Works, Ltd. at rate of 250,000 units a month, up 50 per cent from '64 rate, according to Yoshinari Miyabe, managing director, shown here. Company is producing 400,000 heads a month for non-auto tape stereo units, an increase over the 300,000 per month rate of 1964. Hachiman claims to manufacture 80 per cent of car stereo tape heads produced in Japan.



TOSHIBA mobile color TV van is parked outside exposition hall, broadcasting taped fare to color receivers displayed inside by manufacturer. Color sets predominate in consumer exhibits.



JAPANESE-PICK-ME-UP at show time is tea break, demonstrated here with aid of coin by EIA-J's Benjamin Suzuki. Week-long fair is reported to have attracted some 150,000.



TV BULBS in variety of sizes produced by Asahi Glass Co. Ltd., Corning Glass licensee, are contained in this exhibit. Figures show 85 per cent of Japanese color sets in '65 will be 19-inch.



FLOOR PLANS of new Transelectronics, Ltd. transistor radio plant in Hong Kong are studied by executives of operation. Joint venture of Zenith Radio Corp. and International Telephone and Telegraph Corp., factory was scheduled to start producing radio chassis for shipment to U. S. and Europe late last month. Looking at plans (l to r.) are: E. Peter Wethey, president; Gerhard R. Andlinger, chairman, and Geoffry L. Warner, director. Robert S. Alexander, vice president, manufacturing, Zenith, is member of board of directors of Transelectronics along with Andlinger and Warner.



To Be More Sophisticated Is "In" Now In HONG KONG

More and more multi-band and FM radios are finding their place in producers' mix; even TV is being assembled on a small scale, and auto radios and transceivers are on the horizon.

There is little to suggest to the visitor to Hong Kong that this British Crown Colony is a growing part of the world's home electronics industry.

Such signs and ads that promote radios, TV, and the like carry the names of Japanese, European, and even American manufacturers. And why not? Hong Kong's consumer electronics products are destined for sale in other lands.

If one were to let his imagination wander, he could picture many times while seeking out a factory that he is perhaps walking into some oriental den of iniquity. His path may lead down what appears to be a back alley and into a none-too-sturdy freight elevator.

Even when the sign at the floor where the elevator stops tells him that this is the location of the company he seeks, he is not reassured. But then a receptionist opens a door for him, and there, hunched over benches are hundreds of young Chinese girls, efficiently assembling components or radios, or even TV sets.

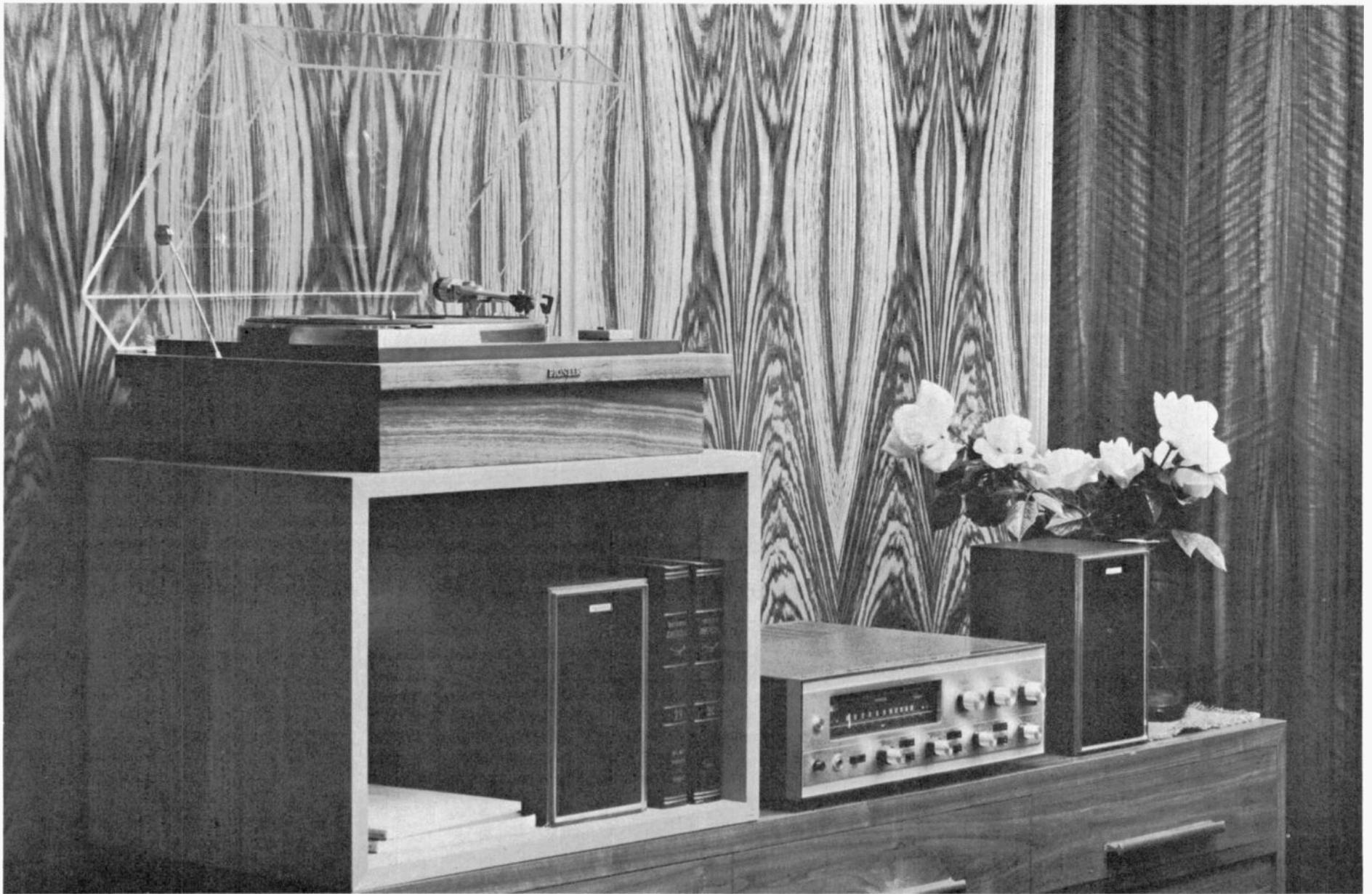
This is the typical loft-like configuration of the electronics factory in crowded Hong Kong, where land is very expensive, and the only way to build is up.

An exception to this are the plush offices of International Telephone and Telegraph in downtown Hong Kong island. ITT has formed a combine with Zenith Radio Corp. — Transelectronics Ltd. — for the manufacture of transistor radio chassis in the crown colony.

The speed with which such an operation can be set up is impressive. E. P. Wethey, president of Transelectronics, notes that the joint venture was first discussed with Zenith late last spring. Transelectronics, of which ITT reportedly owns 65 per cent, was officially organized in September.

Late last month the first transistor radio chassis were scheduled to be shipped from a six-story 37,000-sq. ft. factory erected for the operation in the Kwun Tong area of Hong Kong.

(Continued on page 30)



JOIN THE BIG PIONEER STAMPEDE!!

For faster and fatter sales volume that mean better profits, go all the way with Pioneer! Follow the big international Famous Electronics Manufacturers who know. Go with Pioneer stereo equipment tested and proven, around the world, in famous brand TV, Radio, Tape Recorder and Stereo sets.

Join the growing list of hi-fidelity stereo dealers who know a big winner! Stampede with Pioneer!

MODEL CS-51 "A MOUSE THAT ROARS!"

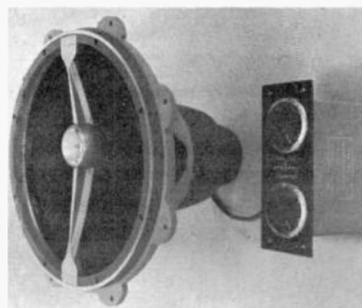
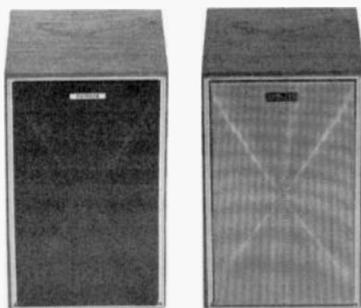
No tremulous squeaks for this miniature heavyweight. Full concert tones with all the glorious, soaring phrases and delicate nuances.

Specially designed 9½" cabinet conceals a muscular 2-way 5" speaker with extra-large magnet assembly, 2½" tweeter, 16 ohm impedance, 50-20,000 cps, 93 db/watts sound output, 20 watts music power.

SX-1000T SOLID STATE 90W FM MULTIPLEX STEREO RECEIVER

- SILICON POWER TRANSISTORS
- AUTOMATIC SWITCHING TO FM MULTIPLEX STEREO
- HIGHLY SENSITIVE NUVISTOR CASCODE TUNER

AUDIO SECTION • Circuitry: Mesa silicon power Transistor (2 SD 45) SEPP OTL • Music power output: 90 Watts total IHF rating • Harmonic Distortion: Less than 1% at rated output • Frequency Response: 25 to 25,000 cps ±2db • Hum and Noise: MAG: better than 70 db AUX: better than 72 db • Output Terminals and Jacks: Stereo Headphones Tape recording/Playback Jack (DIN standard) • Filters: LOW HIGH Loudness Contour — FM TUNER SECTION • Frequency range: 88-108 MC IHF Usable Sensitivity: 2.0uV • Antenna input: 300 Ohms (balanced) — MULTIPLEX SECTION • Circuitry: Time switching demodulator FM stereo indicator (Mono, Stereo, Auto) • Channel separation: 38 db at 1,000 cps — POWER SUPPLY, ETC. • Line requirements: 115/230 volts 2.2/11 amp. (switchable), 50-60 cps • Dimensions: Overall: 17½ inches wide, 5½ inches high, 15½ inches deep, 33 lbs. weight.



MODEL PAT-38X 15-INCH 3-WAY LOUDSPEAKER

- Genuine Three-Way Loudspeaker
- Outstanding Diaphragms
- High Linearity
- Oversize Magnet Assemblies
- Independent Crossover Network — Level Controls

SPECIFICATIONS

- Voice Coil Impedance 16 ohms
- Frequency response 20-20,000 cps.
- Music power handling 60 watts
- Total flux Woofer — 290,000 maxwell
Squawker — 70,000 maxwell
Tweeter — 325,000 maxwell
- External diameter 17½ inch
- Depth 12¼ inch
- Baffle opening 13 inch or 15¼ inch
- Mounting dimensions 14¾ inch or 16¾ inch
- Weight 38 lbs.

MODEL PL-41 STEREO PHONIC BELT-DRIVE TURNTABLE

• SPECIAL BELT DRIVE MECHANISM • HYSTERESIS SYNCHRONOUS TYPE DRIVE MOTOR • EXTRA-HEAVY ALUMINUM DIE-CAST TURNTABLE PLATTER • PUSH-BUTTON TYPE SPEED SELECTOR SYSTEM • NEWLY DESIGNED TONE ARM AND TONE ARM SUPPORT • DIRECT READING OF STYLUS PRESSURES • OIL-DAMPED TONE ARM ELEVATING SYSTEM • MOVING MAGNET TYPE CARTRIDGE EQUIPPED WITH DIAMOND STYLUS • HANDSOME OILED-WALNUT FINISH CABINET

SPECIFICATIONS

- MOTOR: 4-POLE HYSTERESIS SYNCHRONOUS TYPE;
- SPEEDS: 45 AND 33½ RPM. (TWO SPEEDS); • WOW AND FLUTTER: LESS THAN 0.08%; • SIGNAL-TO-NOISE RATIO: BETTER THAN 50DB; • TONE-ARM: EQUIPPED WITH GYROSTAT SUPPORT, STATIC-BALANCED PIPE TYPE ARM

- Largest manufacturer of loudspeakers in the world
- Biggest exporter of loudspeakers to O.E.M. accounts in the United States
- Number 1 manufacturer of high quality speakers and stereos in Japan



PIONEER®
PIONEER ELECTRONIC CORPORATION

- Largest manufacturers of high quality stereo components in Japan
- First Japanese manufacturer of car stereo
- First and biggest Japanese manufacturer to turn out telephone answering equipment

No. 15-5, 4-chome, Ohmori-Nishi, Ohtaku, Tokyo, Japan US REPRESENTATIVE OFFICE: Room 3116, Empire State Bldg., 350 5th Ave., New York, N.Y., U.S.A.

More sophisticated in Hong Kong . . .

(Continued from page 28)

In its first full year of operation, Wethey said, the plant will have produced 1,000,000 radio chassis, with about half of these going to the U. S. for Zenith and the rest going to Europe for ITT. Zenith will add its own speaker and cabinet to the chassis in the U. S.

The first radio was scheduled to be an eight-transistor pocket-size unit. Plans call for progression to more sophisticated types, with the second phase including two-band sets, then three-band, followed by AM-FM receivers.

According to Wethey, the Hong Kong operation will be manufacturing AM-FM radios by June, 1966. There are no plans to produce anything outside the area of radios in the first year of operation, he added.

ITT has said it eventually will establish additional manufacturing and assembly operations in "key centers" throughout the Far East.

Both Zenith and ITT were concerned with the proportion of the radio market in the U. S. and Europe that was being taken by Far Eastern manufacturers, Wethey notes. There was no conflict of interest between the two companies, and Zenith did not want to market any sets over which it did not exercise quality control, so the joint venture in Hong Kong seemed a good solution.

The two companies looked at a number of areas before deciding on their choice. Hong Kong was selected, Wethey states, because it has good communications, a reasonable supply of skilled labor, is close to the source of components, has a reasonably stable economy, and is an English language area.

Also, he says import and export restrictions are very good, and the government extends itself to help industry come in.

Did ITT and Zenith look at Taiwan?

Yes, they did, Wethey states. With the establishment of a free zone in Taiwan, problems for assemblers and manufacturers have eased somewhat, he notes. (See page 33 this issue.) But there is still more red tape to moving exports and imports in Taiwan than in Hong Kong.

Wethey admits that the supply of skilled engineers in Taiwan is very good but claims that the availability of people needed for the foreman level is not so good.

"Taipei will do to Hong Kong what Hong Kong will do to Japan," the Transelectronics president declares. "It will take the low end and make it even lower, so Hong Kong must produce more sophisticated sets."

Predictions of increasing sophistication in Hong Kong home electronics products which were voiced to MART Magazine a year ago are gradually becoming a reality.

There is one and possibly two television set assemblers operating in Hong Kong now. Some FM radio sets and some multi-band radios have been produced but apparently not in great quantities. At least two firms are known to be experimenting with producing car radios. Two are said to be actually assembling transceivers.

One company reportedly is tooling up to make remote control toys.

Reliable sources indicate that there are 37 known factories in the transistor radio business in Hong Kong doing full assembly or otherwise. This is at least several more than were known to be in existence at the end of 1964.

But since that time at least two assemblers have been taken over by other companies.

The same sources caution that it is possible that there may be still other transistor radio factories operating. The colony also boasts ten transistor radio component manufacturers and three makers of sub-assemblies.

Semiconductors, Ltd., by far the largest component producer in Hong Kong recently opened a new 11-story plant in the Kwun Tong industrial area.

This company which produces silicon transistors is shipping only to the U. S. Such transistors reportedly are not yet being used to any great extent in products assembled in the colony.

Production of components in Hong Kong during 1965 has increased substantially over the preceding year as has production of transistor radios. In the first eight months of '65 HK exported a total of 3,333,513 transistor radios, having a total U. S. dollar value of \$12,130,000.

Of this total, 2,289,269 radios or 68.7 per cent were exported to the U.S.

This compares with a total of 2,241,820 radios exported from Hong Kong to all countries in the first eight months in 1964. Of this total 1,132,728 or 50.5 per cent were shipped to the U. S.

The average value of radios shipped for the first eight months of 1965 works out to \$3.64, compared to an average value of \$4.34 for units shipped in the same period in '64.

Hong Kong producers who speak of growing sophistication in colony products point with pride to the fact that one company Ferrotec Ltd. is turning out computer memory cores. All of these are being shipped to the U. S.

Lockheed Aircraft International, Ltd., produces components for computers. Oak Electro/Nectics Corp. is assembling TV tuners.

It is said that both of these firms are shipping their production to the U. S.

S. J. Phillips director of Atlas Electronics Corp., Ltd., a large transistor radio producer in Hong Kong, makes a plea for U. S. parts

makers to establish facilities in the crown colony.

"Are U. S. parts makers going to sit on their military contracts, or are they going to vie for radio business?" Phillips asks. He adds that these producers would find a welcome market for their output in Hong Kong and would enable U. S. product manufacturers to compete more effectively.

Phillips, an American, claims that one large home electronics maker in the U. S. manages to sell yearly only about 15,000 of a six-transistor radio set which it produces there.

"I don't even call that a market," he states.

In its stay in Hong Kong, MART Magazine talked to a cross section of manufacturers, producing a variety of home electronic products.

One of the largest is Trans-World Electronics, Ltd., which has operated in Hong Kong since 1962. The company currently is assembling private label AM radios, 99 per cent of which are shipped to the U. S.

Lana W. Tsui, general manager, told MART Magazine that the firm probably will start producing FM and car radios and transceivers in 1966.

Since October, 1964 production has been upped from 30,000 radios a month to 100,000 a month. Miss Tsui predicts that the rate may climb to 120,000 units a month next year. Most production is in six, eight, and 10-transistor radios.

Component parts are imported from Japan, although Trans-World makes its own cabinets and grilles. The firm is developing a mold for a clock radio.

Labor costs have gone up slightly in the past year, Miss Tsui reported, and price competition is steadily increasing. The price for a six-transistor radio had dropped from \$3.50 to \$3 at the time of MART Magazine's visit, she added.

The company occupies 36,000-sq. ft. of loft space and has 600 employees.

Miss Tsui said that her company is getting an increasing number of inquiries from radio manufacturers in the U. S.

One American who has operated in Hong Kong for a number of years is adding a high degree of sophistication to his line of products. George M. Baker who heads up International Service Corp., Ltd., plans to market shortly a line of all-transistor, wood cabinet table radios. Mostly teak wood will be employed in the cabinets. These cabinets will be made in Hong Kong by a highly mechanized process that requires no carpenters, Baker said.

Baker also plans to produce a three-band wood cabinet model for the European market, plus an AM-FM unit and a multiplex model. In addition the company will offer phonograph bases and tape decks to form a modular package that the customer can buy piece meal.

The Hong Kong producer says the basic radio probably will sell for about \$29.95, the AM-FM model for about \$59.95. No unit in the package probably would retail for more than \$69.

Baker, who is also chairman of the Radio & Electronics Mfrs. Ass'n of Hong Kong, says the modular concept is an attempt to "take the transistor radio away from the bargain basement concept in the Far East."

He claims that in the past year there has been an improvement in the level of technology in Hong Kong and that more engineers are constantly being brought in.

A familiar American name that started production in Hong Kong in February, 1965 is Arvin. Arvin International, Inc., a wholly-owned subsidiary of Arvin Industries, like a number of other manufacturers, is located in the San Po Kong section of Kowloon, very close to the Hong Kong airport.

J. Robert Munn, vice president of Arvin International, notes that not only is Arvin producing products and components in Hong Kong that are shipped to the U. S., but that it will bring in products such as tape recorders from the States to sell in the British colony.

Manufacturing for U. S. and Europe

When MART Magazine visited the Arvin Far East facility last month, the subsidiary was producing six, seven, and eight-transistor radios for sale in the U. S. and Europe.

TV component parts and a tube communication receiver for sale in the U. S. were also being produced. Munn noted that the Hong Kong operation was also "working in amplifiers for phonographs" but that no completed phono package was planned.

The operation produces its own printed circuit boards and decorator items for radios such as grilles and name plates, plus antennas.

Munn, who has been with Arvin for 24 years, said the Hong Kong operation was currently involved in an extensive design engineering schedule and that very shortly it would be producing higher-priced radios, including FM receivers.

Arvin at the present time has no plans for producing TV sets in Hong Kong, but it is interesting to note that Munn set up the parent company's first TV manufacturing operation in the U. S. in 1948.

Freedom of exchange, lack of red tape, lower labor costs, and a plentiful supply of people who are not afraid to work were cited by Munn as things that his company likes about Hong Kong.

A large Hong Kong radio manufacturer and assembler which is rapidly expanding its product mix is Wireless Products, Ltd. As of November, 10 per cent of the firm's monthly production was in FM

(Continued on page 48)

The only solid-state TV with built-in battery charger for \$129.95.

This fully transistorized lightweight 12" TV is truly portable. Operates on AC or rechargeable battery pack; connects to car or boat electrical system. Promote the only full-feature solid-state TV with built-in battery charger at \$129.95—with Sharp's policy of full and protected profits. Model 12TQ2.



The only AM/FM/SW portable car radio for \$49.95.

This powerful 3-band set slips conveniently into its locking under-the-dash bracket for the finest in car radio reception. Slide it out and it becomes a lightweight portable... ideal for picnics, on the boat, for the beach. Completely self-contained, operates on its own batteries in or out of the car. Promote this versatile and unique AM/FM/Short Wave receiver at \$49.95—with Sharp's policy of full and protected profits. Model FYS 25.



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Outstanding reception the world over.

SHARP ELECTRONICS CORPORATION, Carlstadt, N. J. 07072. U. S.
Subsidiary of Hayakawa Electric Co. Ltd., Osaka, Japan

Please stand by.

We just can't make enough Sylvania color television to go around these days. That's why we have to turn away a lot of new business. To protect our established dealers.

When you stop to think about it, that's one good reason for you to consider being a franchised Sylvania dealer. You'd have a line to call your own.

Are we being overprotective? We don't think so, and neither do our dealers. That's our policy: a two-way relationship between the factory and the retailer. Strong backing in any situation. It's the predictable, high-yield dealer profit assurance that is the very

basis of our program. If you like our policy, and if you'd like to have Sylvania's brand of support in the future, please stand by. Shortages don't last forever.

SYLVANIA
SUBSIDIARY OF
GENERAL TELEPHONE & ELECTRONICS GTE





All Eyes Are On Taipei

- Establishment of manufacturing facilities there by Philco has attracted many other lookers; U.S.-owned General Instrument component assembly facility is expanding at a furious pace.
- Consensus of experts seems to be: "Sure, there's red tape, but it's worth cutting through it."

"Do you have a transistor radio with you?" is the first question the customs man at the airport in Taipei, capital city of Formosa, asks. "My government controls the bringing in of radios."

Immediately you recall statements referring to "red tape" in Taipei which you had heard in Hong Kong. Is the government seeking to keep visitors from reselling radios?

No, you learn, the real reason is the fact that since a state of hostilities exists between Nationalist China and Red China, the government seeks to prevent instruments that could be converted to transmitters from being brought in.

An announcement by Philco Corp. that it would set up production facilities in Formosa is the main lure that has brought you to this island. Will a stampede of American manufacturers to Formosa ensue?

You soon learn that the gentlemen who are leaving business cards around Taipei that are mysteriously marked "Project Vineland" are not bearded Vikings after all but good old American faces from "C" and Tioga streets in Philadelphia.

All official statements regarding the Taiwan venture must come through Philco headquarters, and the word in Philadelphia is only that a 140,000-square foot facility in Taipei is scheduled to be completed by the end of 1966. It will be used to produce electronic sub-assemblies, radios, phonograph chassis and compact TV sets.

The Taiwan operation will operate as a subsidiary corporation of Philco. It will, however, be a part of the consumer electronics operation of the parent company.

Philco, you are told, did look into such other spots as Hong Kong and Manila — when seeking a Far East manufacturing location. All factors considered, it was decided Taiwan was the best buy.

People in the know tell you that nearly every American consumer electronics manufacturer has nosed around Taipei and that the influx has accelerated since the Philco announcement.

Walk down the main thoroughfare of Taipei, and you can almost picture that you are back in old China. Sit in the lobby of any one of the three or four modern hotels, and you can imagine that you're in the Waldorf or Palmer House. American faces abound.

And why not? Informed sources advise that around 70 American firms, subsidiaries, and affiliates are already operating in Taiwan. Included among these are such well-known names as IBM, Paramount Films, Procter & Gamble, Singer Sewing Machine Co.

China Post

The Oldest English-Language Paper In Free China
英文中國郵報

MONDAY, NOVEMBER 8, 1965

PHILCO TAIWAN CORPORATION

Philco Corporation is presently conducting interviews for qualified Engineers to provide a staff for Philco's new Taiwan electronic manufacturing facility. Position openings are as follows:

- MANUFACTURING ENGINEER SUPERVISOR
- PLANT ENGINEER SUPERVISOR
- INDUSTRIAL PROJECT MANAGER
- MATERIAL CONTROL MANAGER
- MATERIAL CONTROLLER
- QUALITY CONTROL ENGINEER SUPERVISOR
- PROJECT PRODUCTION ENGINEER TEST ENGINEER
- SENIOR PRODUCTION ENGINEERS

Applicants must be citizens of the Republic of China. College degree either in E.E.; MATH; Physics; M. E.; Industrial Engineering; Accounting or Business Administration as is applicable to the above stated qualifications is desirable. Ability to read, write and speak English fluently.

Resume's, written in English, indicating education, personal data and job history will be required from all applicants. Appropriate Electronic and Mechanical tests will be given for all job categories.

Interested applicants may telephone Mr. M. P. Lewis at 61251; extension 28; Taipei to arrange interview appointment time. Telephone calls will be received Monday through Friday, November 8 to November 12 from 10:00 a.m. to 5:00 p.m.

PHILCO CORPORATION

A Subsidiary Of Ford Motor Company

RECRUITING AD on front page of Taipei newspaper heralds Philco's search for personnel for new Formosa plant.

Just getting under way in Taiwan is the 150-acre Kaohsiung Processing Zone, some 200 miles south of the capital city of Taipei.

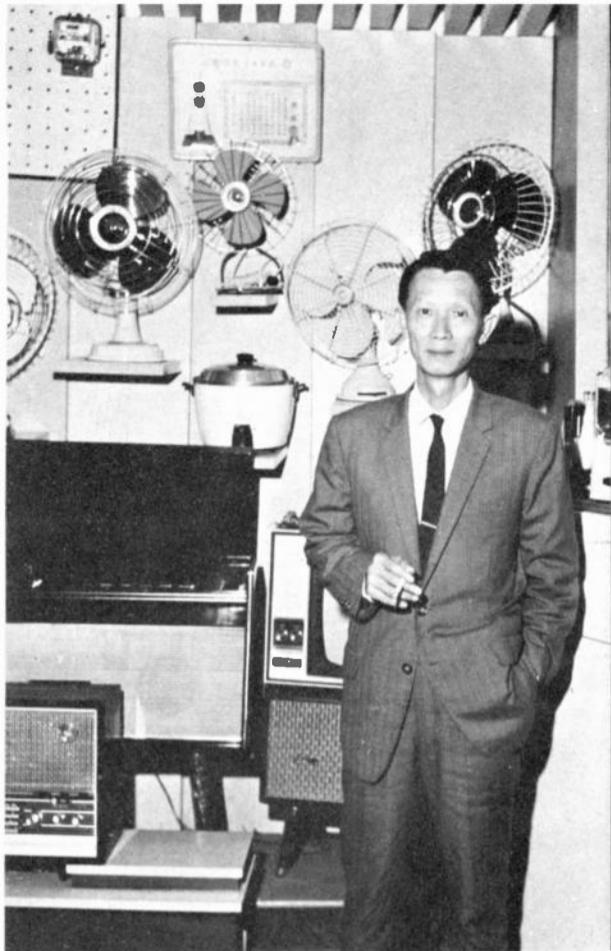
This area is being promoted as "similar in many respects to a free trade zone." Two American based firms have already contracted to enter it.

KEPZ dangles the following inducements before prospective tenants: "full exemption of import duties on raw materials, machinery, and equipment; no commodity tax on finished products, semi-finished products, and raw materials; no sales tax; five-year exemption of business in-

come tax for productive enterprises which meet the encouragement criteria; outward remittance of profit and original capital permitted; plentiful supply of hard-working, inexpensive labor; low power and water rates; choice of building own factory on leased land or purchase of modern standard factory building on a 10-year installment payment plan; simplified administration procedures — KEPZ administration is the only government agency to deal with."

This last inducement intrigues you. Several times in Taipei you have heard the statement, "Everybody must get his 'chop' (signature stamp)

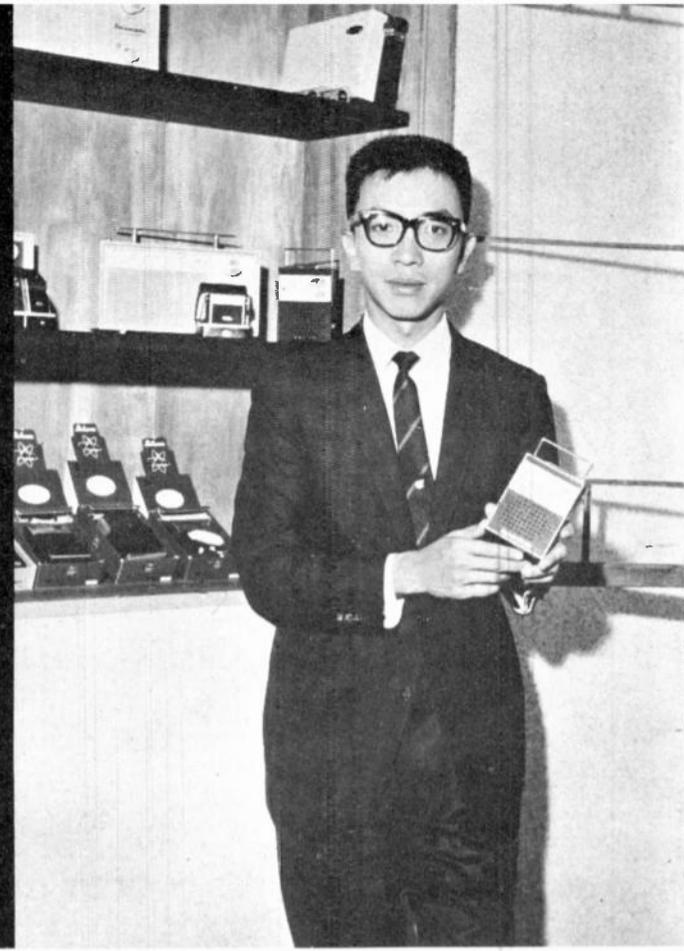




PERHAPS IN ONE YEAR 70 per cent of components needed for TV assembly will be produced in Taiwan, making export possible, says S. Y. Liu, chief engineer, Tatung Engineering Co. Firm now imports half its parts. Firm also manufactures radios, stereo phonos, electric housewares, and refrigerators.



MANAGING DIRECTOR of General Instrument's Taiwan operation, David Jones, thinks other American electronic manufacturers will benefit from his company's pioneering efforts. Ground is broken for GI facility only little over year ago. Plant will soon have work force of 1400 people producing such quantities of components as 11,000 tuners a day.



EXPORTS OF TRANSISTOR radios by China Electrical Material Manufacturing, largest radio assembler in Taiwan, will double in 1965, says C. S. Chu, board director, though competition from Hong Kong and Japan has shaved prices. Chu, who holds two degrees from Canadian universities, sees export market expanding.

on it" when you deal with the government.

You visit the offices and plant of Taiwan Electronics Corp. some eight miles from downtown Taipei. Operated by U. S.-based General Instrument Corp., this electronic components manufacturer has had a fabulous growth.

Ground was broken for the initial plant in a rice paddy in June, 1964. This building was finished in September, 1964, and an addition which was started in May, 1965 was opened in late October.

Currently the operation produces TV tuners, deflection yokes, IF transformers, and mica capacitors for such customers as Philco, Magnavox, Westinghouse, Warwick, Sylvania, and Admiral.

When MART Magazine visited the 160,000-sq.-ft. facilities, the work force numbered 600 people. Before long this will be expanded to 1400 people.

An assembly operation, Taiwan Electronics employs one American technical advisor. Included on its staff are five Chinese engineers, each of whom received two months of training state-side.

Managing director of Taiwan Electronics is David Jones who spent 25 years with Philco Corp. Jones admits that there is red tape involved in setting up and operating a manufacturing operation in Taiwan, but he believes that his firm's pioneering efforts will make it easier for other American electronics firms who may go there.

Jones, like other Americans on the scene, refers to the relatively high educational level that exists in Taiwan. Whereas education in Hong Kong is not compulsory, Taiwanese children must attend school at least through the sixth grade. A plentiful, productive labor supply is also noted.

Working conditions in Taiwan assembly plants seem similar to those you have observed in Japan and Hong Kong. The young girl assemblers at Taiwan Electronics work eight hours a day, six days a week. There is a five minute tea break in the morning and another in the afternoon.

Average pay for these assemblers is 800 New Taiwan dollars, equivalent to \$20 U. S., a month. Overtime is at one and one-third normal rate.

Completion of television transmission facilities by Taiwan Television Corp. to permit coverage

of nearly all parts of the island was effected just recently. Because of this expanded coverage, the Industrial Development and Investment Center in Taipei forecasts that TV sales in Formosa may climb as high as 30,000 units in 1965 from around 19,000 sets sold in '64.

A government-operated educational TV station also covers the Taipei area.

You learn with surprise that despite this relatively low number of sales by U. S. standards, there are ten television receiver assemblers in Taiwan.

Most interesting of these operations is Taiwan Television Corp., a minority interest in which is held by Toshiba, Hitachi, and Nippon Electric Corp., three Japanese-based firms.

In the early days of television in Taiwan these firms plus several trading companies were permitted by the government to import completed TV receivers. Included among the sets imported were some American brands.

This was the only time that trading companies were permitted to import sets.

In March, 1963, the Ministry of Economic Affairs put forth criteria for the establishment of TV set assembly plants. Today, no completed sets may be imported and only registered assembly plants may import TV parts. Some American-made receivers are left behind by service families returning to the U. S.

Some observers point to the low per capita income (\$160 a year) as working against the rapid growth of TV sales on the island. However, an IDIC spokesman predicts that after 1966, TV set sales may rise substantially because of the following factors: lower selling price, resulting from increased production; a general rise in per capita income; growth in fixed household units, and a rising interest in TV programs among the populace.

MART Magazine talked with S. Y. Liu, chief engineer for Tatung Engineering Co. in Taipei. This firm produces TV sets, radios, stereo phonographs, as well as refrigerators, electric housewares, and heavy electric equipment.

In 1964, according to Liu, his company imported 50 per cent of the parts needed for the assembly of a TV set. When the point is reached where 70 per cent of the parts used in such assembly are produced locally, his firm will be able

to export sets, Liu states. He believes that this point may be reached within a year.

China Electric Mfg. Co., Ltd., is the largest of 13 radio assemblers operating in Taiwan. This firm has produced brands such as Ross, Lloyd's, Essex, and Electra for the American market.

The firm began manufacturing speakers 10 years ago, and six years ago started turning out transistor radios. Export to the U. S. of radios began three years ago.

In 1964, the company exported 150,000 radios to over 20 countries. Eighty per cent of these six, seven, and eight-transistor units went to the U. S. Dollar volume of these exports was about \$600,000.

C. S. Chu, board director of China Electrical told MART Magazine that his firm will export about 300,000 sets in 1965, but even though these will be seven, eight, 10 and even 12-transistor receivers, dollar value of exports will be below \$1 million.

Chu attributes this per unit price dip to increased competition from Hong Kong and Japan. The recession in Japan, he notes, has created huge manufacturer inventories.

Chu's company is also manufacturing FM and multi-band radios which so far have been sold only domestically. He indicates that to date American importers have not indicated interest in placing orders for quantities that would permit offering an attractive price.

China Electrical employs over 300 people in its Taipei facility. The company is credited with producing the highest percentage of self-made radio parts of any of the assemblers in Taiwan. However, 60 per cent of components used are purchased from Japan.

Chu thinks the export market for Taiwan-produced home electronic items will expand greatly.

Total radio production in Formosa for 1965 will be between 700,000 and 800,000 sets, it is estimated by T. Y. Wan of the IDIC research department. This compares with production of 410,000 receivers in '64.

It is also forecast that between 550,000 and 600,000 of the radios to be produced this year will be exported to the U. S.

This is several hundred thousand less than forecasts made a year ago, perhaps indicating
(Continued on page 42)



European Producers Gain With Product, Outlet Specialization

They avoid direct comparisons with U.S. and Japanese merchandise; most have had a growth year.

By CHARLES KRAUSS

Apppliance and home electronics producers in Europe and the United Kingdom by and large enjoyed a growth year in the U.S. market during 1965, and most of them look forward to more of the same in 1966.

Many of these producers have strengthened their distribution systems, their servicing setups, and their advertising campaigns.

In all but a few cases, the British and European manufacturers and their American agents are pursuing a course of specialization in both product and type of retail outlet.

That is, they have avoided running head-on into price and feature comparisons with goods made in this country or, in the case of home electronics, both here and in the Orient. There are, however, a few exceptions to this — the larger sized Italian-made refrigerators distributed by Delmonico equate with the smaller units made by American producers, but they are lower in cost; and the British-made BSR record changer, sold mostly to manufacturers, can be compared in function, though again not in price, with American-made units.

In types of retail outlet, specialization varies. Braun of Germany and Moulinex of France, probably the two leading European electric housewares lines being marketed in the U.S., make their strongest efforts in department stores, on the theory that these big and well-known stores are the most logical places to break into a market. Telefunken, on the other hand, concentrates its

line of German home electronics in audio specialty stores, preferably those that are strong in German audio products. Astral, the Scottish-based manufacturer of compact refrigerators, has made good inroads in the travel trailer (not mobile home) field.

Following, in alphabetical order, are comments from British and European producers and/or their U.S. agents regarding past performance and future expectations in the American market:

Astral (compact refrigerators), Morphy-Richards, Inc., Northvale, N.J.:

At the end of the latest fiscal year (last April) Morphy-Richards had a dollar gain of 70 per cent over the year before, says President James B. Stark. In early November, sales were running about 28 per cent ahead. Sales to travel trailer makers now constitute about 65 per cent of his business, Stark says.

The travel trailer business, he continues, shows every indication of continuing strength. At retail, Stark's electric volume (Astral refrigerators are absorption type, use either gas or electric) picked up somewhat this year following a slump due to sharp price competition from Japanese merchandise.

Another division of the Morphy-Richards firm in Great Britain is a leading producer of irons, and for a while Stark apparently toyed with the idea of bringing these in. He decided, however, that at 34 per cent, import duty at the present makes this idea unfeasible.

Braun AG (electric housewares), Frankfurt, Germany; Braun Electric America, Inc., New York:

Business in the U.S. developed very satisfactorily during 1965, says Georg Hohm, sales manager in Frankfurt, and the company is expecting more steady increase next year.

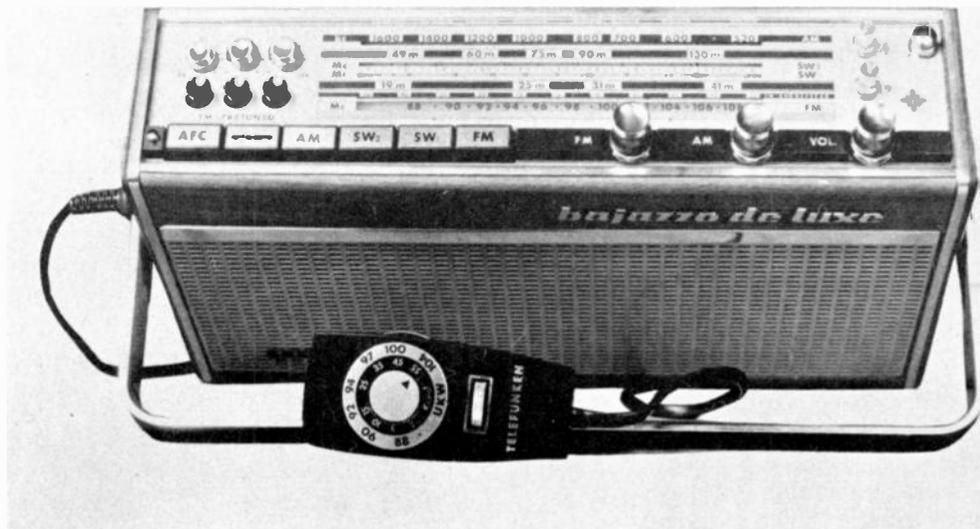
Robert Cheshire, sales manager of Braun Electric America, New York, says 1965 was a "pretty good year," and adds that the company plans an advertising "blast" for this fall (it broke in New York in mid-November). Braun showed a number of items at the July Housewares Show in Chicago, and will have several new items at the January show, says Cheshire. The firm plans no changes in its emphasis on department stores and some specialty outlets, he adds.

Delmonico (home electronics, major appliances), Delmonico International Corp., Maspeth, N.Y.:

It has been just about one year since Delmonico started bringing in its line of refrigerators made by Ignis of Italy, reportedly the biggest producer of refrigerators in Europe, and growth of the line has been "fantastic," says Ray Gincavage, executive vice president, Delmonico.

The Italian firm thinks it may introduce its compact dishwasher to the U.S. market. It has established a branch, Ignis USA Corp., in New York.

Delmonico started with two models of Ignis
(Continued on following page)



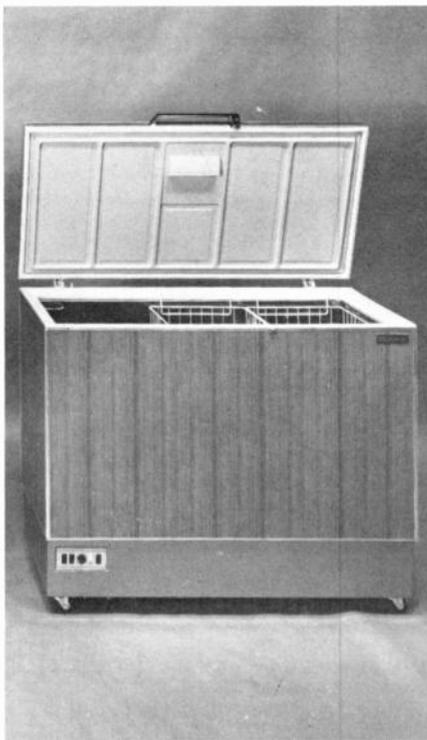
RECENT ENTRY into U.S. market is this sophisticated transistor radio by Telefunken. Box at base of radio is a remote control unit that selects FM stations and has volume control. Radio retails at \$189.95.



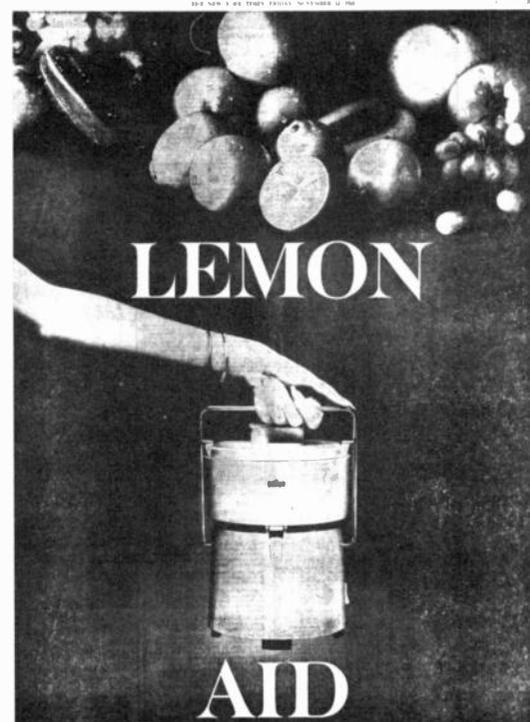
COMPACT MONO tape recorder Model C 100 is scheduled for early U.S. introduction by Grundig. Two-track unit is battery or cord operated.



SALAD MAKER/meat grinder combination unit from Moulinex got the UL seal this year. Unit carries a suggested retail price of \$29.95.



CHEST FREEZER with laminated plastic wood finish (13 cu. ft.) is a new product Ignis of Italy says it plans to introduce to American market.



BIG BLAST for Braun juice extractor is this full page ad by Macy's, New York. Ad copy stresses functional design Braun is noted for.

refrigerators, and now has a full line up to 10.7 cu. ft. Slated for early introduction is a 15-cu.-ft. model. At dealer level, says Gincavage, these refrigerators are about 25 per cent lower in price than comparable U.S. units.

Delmonico expects to improve its position in its European brown goods line, Gincavage says, by affecting "certain economies" that will bring the merchandise more in line pricewise with U.S. equipment.

Grundig (home electronics), Nuernberg, Germany; Grundig-Triumph-Adler Sales Corp., New York:

"We've done quite well this year," says John P. Ryan, general manager, Grundig-Triumph-Adler Sales Corp. The firm put on more dealers, and is now represented in more markets than formerly, Ryan says, although it is not yet up to full distribution strength. In dollars, console stereo is Grundig's biggest producer here, though the factory in Germany is reputedly one of the biggest producers of tape recorders in the world. Grundig has no plans for bringing in TV, Ryan says. Grundig runs the gamut of types of dealers, he adds, from audio specialists to discount houses.

Moulinex (electric housewares), Bagnolet, France; Varco Inc., Jersey City, N.J.:

It (1965) has been a growing year for Moulinex, says J.C. Varkala of Varco, due in no small measure to the fact that receiving Underwriters Laboratories' seal has allowed the firm to penetrate some markets that were previously closed to it. The items that received the UL seal are the combination salad maker/meat grinder, and the juice extractor. The electric potato peeler that the firm introduced this year has had slow growth, Varkala says, probably because it is too big for home use.

There will probably be new Moulinex products on the American market next year, but Varkala isn't sure yet what they'll be. One of them might be a humidifier. But Varco doesn't plan to bring in Moulinex's electric knife or hair dryer, because, Varkala says, it would be a coals-to-Newcastle type of operation.

NordMende (home electronics), Bremen, Germany; Sterling Europa, Inc., Long Island City, N.Y.:

Sales of NordMende products in the U.S. in 1965 will be about double those of the year before, says Hermann L. Mende in Bremen. Mende expects still further gains in 1966, he adds, with certain models that are not yet released for the U.S. market. (NordMende presently markets table

radios, stereo components, stereo consoles, and transistorized portable radios here.)

The company has had outstanding success in the U.S., Mende says, with its 15-band transistor portable, the "Globetraveler," which retails here for \$159.

Pam (Radio & Television) Ltd., (home electronics) London, England:

Exports to the United States showed a steady improvement in 1966, says N.A. Twemlow. "We believe the 'Achoic' record player, as we call it in this country, is an outstanding product, and we see great growth potential ahead for it particularly in the American market."

(Twemlow is referring to the "360-degree" record player marketed here as Masterwork by Columbia Record Sales Corp., New York.)

Pam plans to introduce a line of high quality radio-phonographs and hi-fi equipment on the American market next year, says Twemlow.

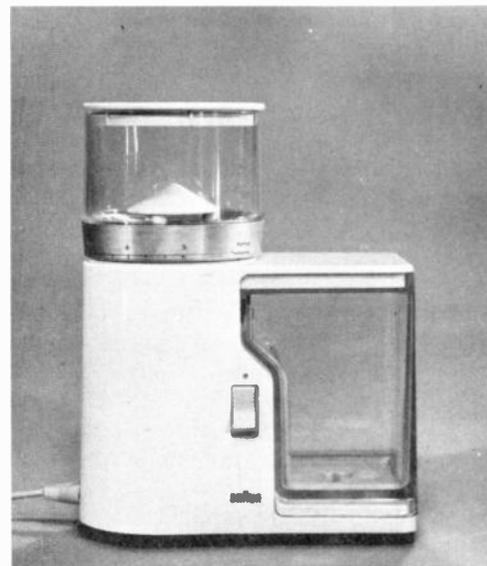
Telefunken (home electronics), Berlin, Germany; American Elite Inc., Long Island City, N.Y.:

"It seems safe to predict an increase in volume for 1965 over 1964 of 15 per cent in the United States," says Erich Zwarg, executive vice president of American Elite. Zwarg points out that this increase is on top of a 47 per cent increase in overall volume in 1964.

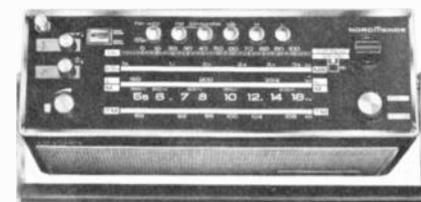
The basic marketing policy of presenting a complete line of Telefunken home entertainment equipment was furthered this year, Zwarg says, with the introduction of Telefunken color and black-and-white TV receivers (the TV sets, however, are American-made).

Telefunken increased its dealership by 12 per cent during the year, partly due, according to Zwarg, to a financing plan that helps dealers put a representative number of models on the floor. Telefunken makes some models specifically for the U.S. market, and this year brought in what it says is the first line of imported solid state radio-phonos, as well as a high-end (\$189.95) portable multiband radio with such deluxe features as electronic pushbutton station selection and remote control.

Telefunken does consumer advertising here through regional editions of "Life," "Saturday Evening Post" and "Look." During the past year, it ran a dealer-distributor flight carrying about 120 dealers and wives to Germany. The company expects to lay continued strength on distribution in 1966 by signing "reliable, full line" dealers, Zwarg says. ■



COFFEE GRINDER from Braun has control switch permitting nine degrees of coarseness. Unit retails for \$29.95.



OUTSTANDING SELLER in the U.S. from NordMende is this 15 band transistor radio. It has had the benefit of some national advertising. Unit retails for \$159.95.

TOSHIBA AT 90!



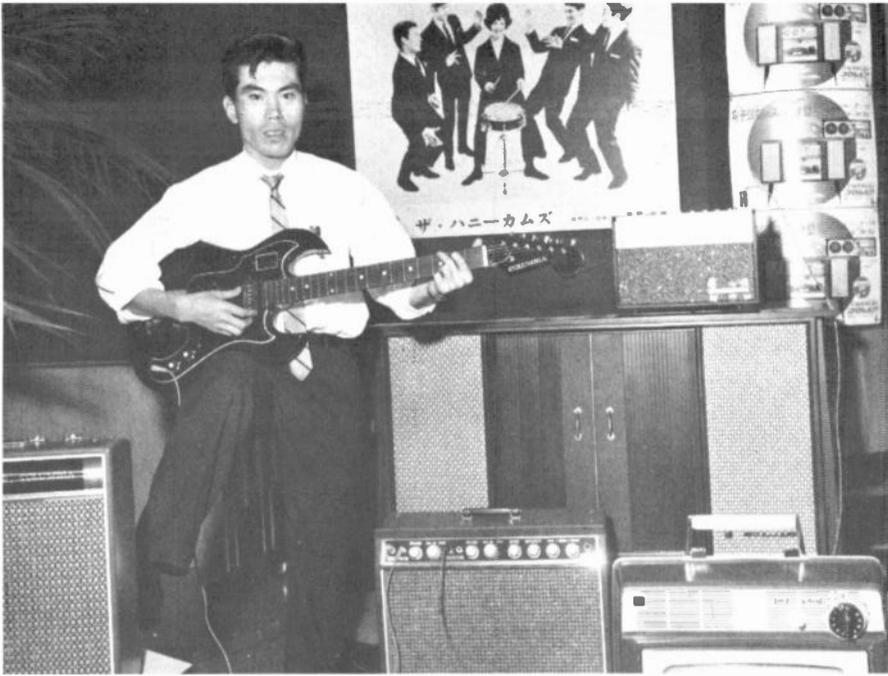
Birthplace of Exciting Ideas □ Toshiba is Japan's oldest and largest electrical manufacturer and the world's 12th largest. Founded in 1875 by Hisashige Tanaka as a small manufacturer of telegraph instruments, Toshiba today is a vast industrial complex with 120,000 employees, 25 factories and 75 subsidiary companies, producing every kind of electrical and electronic product. Mainspring of this spectacular growth has been continual, intensive research into new and exciting ideas. □ More than any other company in Japan, Toshiba has emphasized research. Each of its 25 factories has its own applied research laboratory. At the heart of the system is the Toshiba Central Research Laboratory (shown above), built in 1961—it is the largest privately-owned research facility in Asia with an annual research budget of \$22 million. □ Here, scientists and technicians, equipped with the most advanced instrumentation and facilities, are venturing far into the future of product develop-

ment, exploring every phase of electricity and electronics. Here, specialists study atomic energy, reactors, fuels, radiation, chemistry... physics with emphasis on new lighting, sound and measuring devices... thermodynamics and mechanics for power generation and automation... new applications of electronics in transistors, radar, computers and space exploration apparatus. □ No wonder Toshiba is the birthplace of some of the most exciting ideas of our time. □ It is the proving ground for products of tomorrow.

Toshiba home appliances include: Radio Receivers ■ Color and B&W Television Receivers ■ Refrigerators ■ Air Conditioners ■ Electric Fans ■ Washing Machines ■ Vacuum Cleaners ■ Stereo Equipment ■ Record Players ■ Tape Recorders ■ Ranges, Irons, Percolators, Toasters, Heaters, Blenders, Automatic Cookers, etc.

TOSHIBA America Inc. • 530 Fifth Ave., New York 10036 • (212) MU 7-5471

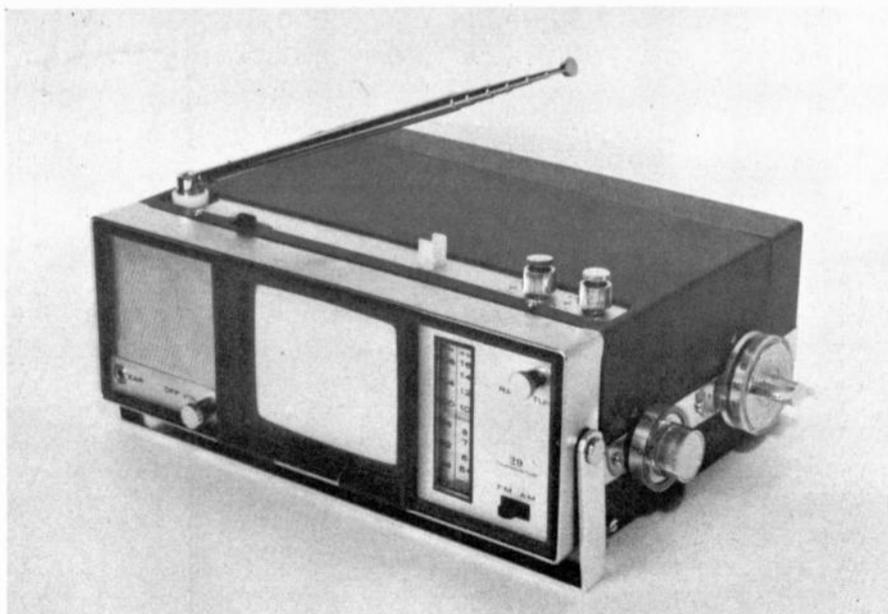
Toshiba
QUALITY SINCE 1875



RHYTHM BOX designed as attachment for electric guitar, providing nine different dance rhythms and 10 instrumental effects. Scheduled for introduction in U. S. in spring, unit is equipped with foot switch that enables player to cut off rhythm or instrumental effect readily or switch to another. Among rhythms provided are samba, waltz, rumba, twist. Instrumental effects include snare drum. Unit is shown being demonstrated here by T. Yoshida, international trade div., Nippon-Columbia Co., Ltd. Nippon Columbia Co., Ltd., 1271 Sixth Ave., New York, N. Y.



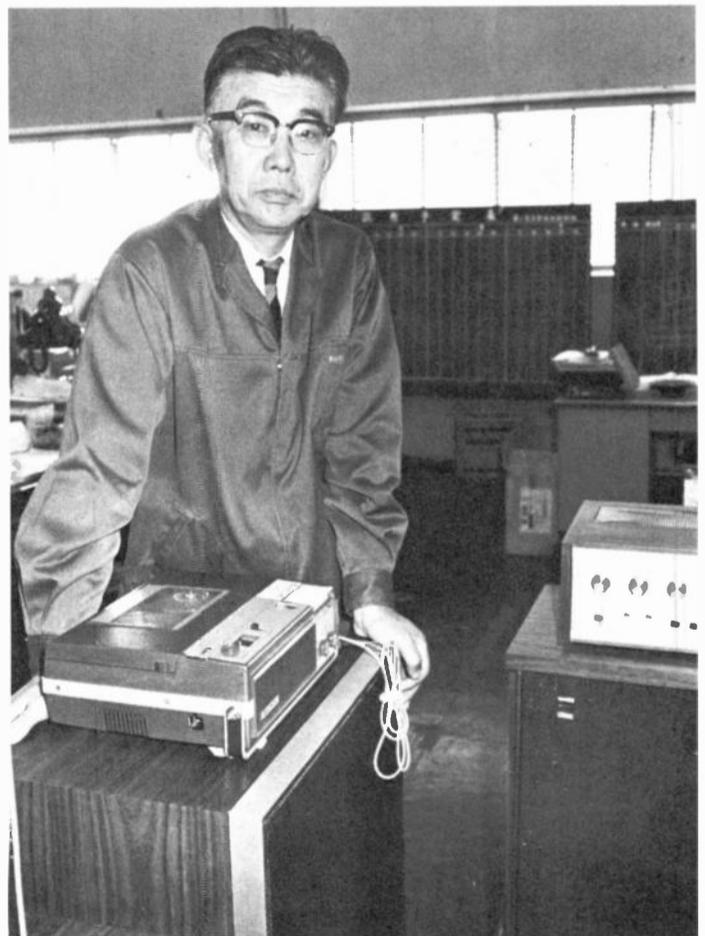
ELECTRONIC DESK Calculator, "Compet 20," said to perform any calculation within 14 digits in a moment. Equipped with 10 keys in all, unit has guide key to insure blind operation. It also has three-zero key that disposes of three zeros at a time. In all calculations, decimal point is automatically indicated in display board. Model CS-20A is said to retail for little over \$1,000 in Japan. Sharp Electronics Corp., 178 Commerce Rd., Carlstadt, N. J.



FOUR-INCH transistORIZED portable TV set, Model CTV-12, is equipped with AM-FM radio. Set operates on a-c or batteries. Unit will retail for \$164.95. Crown Radio Corp., 150 Fifth Ave., New York, N. Y.

JAPAN PRODUCT PARADE

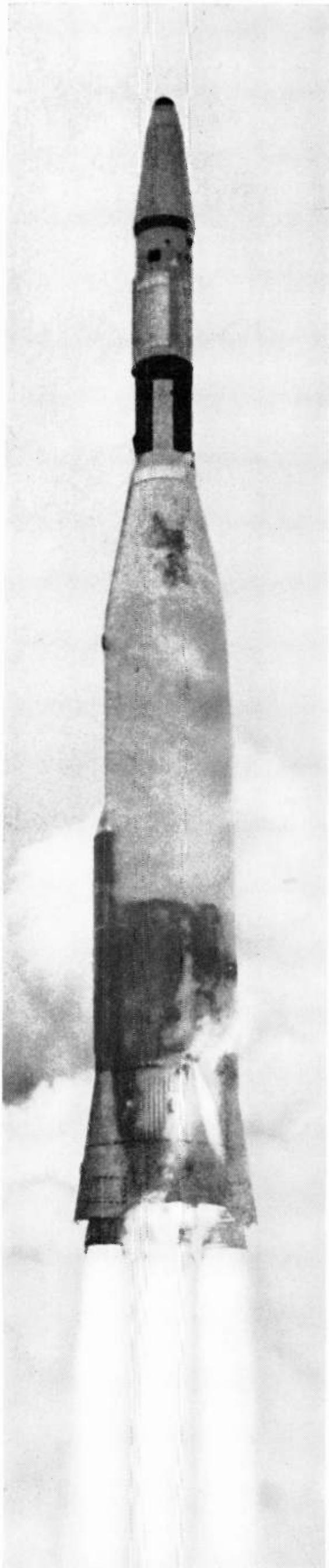
Here are some products
recently introduced or
scheduled to appear soon in U. S.



BATTERY-OPERATED portable tape recorder with built-in a-c adaptor is scheduled for April introduction in U. S. Pushbutton-operated, the recorder, model TC-800, features "Sony-O-Matic" recording level control, all-transistor circuitry, tape counter, and combination VU and battery condition meter. Unit operates at $3\frac{3}{4}$ and $1\frac{7}{8}$ i.p.s., weighs approximately eight pounds, measures $12\frac{1}{4}$ " x $10\frac{1}{4}$ " x $4\frac{1}{5}$ ". According to Sony President Masaru Ibuka (shown with recorder), unit will retail for about \$225. Sony Corp. of America, 580 Fifth Ave., New York, N. Y.

(Continued on page 41)

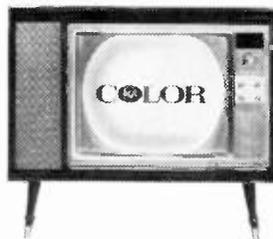
December 1965 • MART Magazine



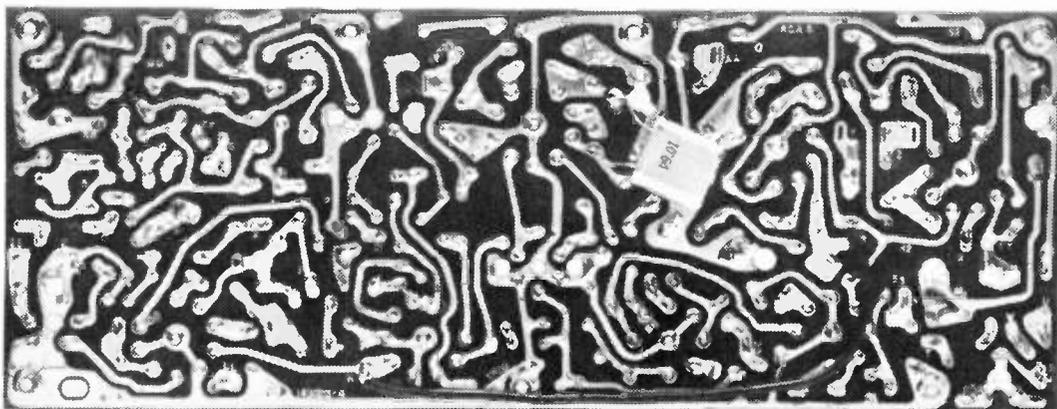
National Aeronautics and Space Administration

America's most successful space programs have it.

RCA Victor Color TV has it.



The reliability of RCA circuitry. The solid kind.



Solid Copper circuit, shown, from RCA Victor Color TV.

RCA Solid Copper Circuits won't come loose. Won't short circuit. Won't go haywire. They're the latest advance over old-fashioned "hand wiring" and bring Space Age dependability to Color TV.



The Most Trusted Name in Electronics

Tmk(s)®

**FRED VERONE
KNOWS ALL
HE NEEDS
TO KNOW ABOUT
WOMAN'S DAY
AND HE DOESN'T
EVEN READ IT**

When Big Fred Verone comes visiting with his arms full of fresh, sweet diapers, a woman likes to pass the time of day a little, sharing her problems with a man who knows powders and pablums even better than her grandmother, and finding out which of the neighbors' kids has just started talking or walking.

Now we'd like to ask you: the last time you went into women's homes with an ad for your product, how did they treat you? Did you find them as friendly as Fred does?

We'd like to talk to you about a magazine that can put you on the best of terms with 6,500,000 women. Woman's Day talks Fred Verone's kind of talk to them. Straight talk about baby business, how to be a better mother and a prettier woman, how to make flowers grow and how to fancy up a house or an apartment.

It doesn't spend much time on Italian fashion originals, or dreamhouse blueprints, or odd-ball cooking that its readers wouldn't really enjoy. Instead it deals with home-making in a home where there's a place for the diapers.

If there's a place for your product in that kind of a home, give us a ring at 212 661-4000.

**LIKE BIG FRED
WOMAN'S DAY
TALKS
MAN TO MAN
TO WOMEN**

Woman's Day, A Fawcett Publication
Guaranteed Circulation 6,500,000

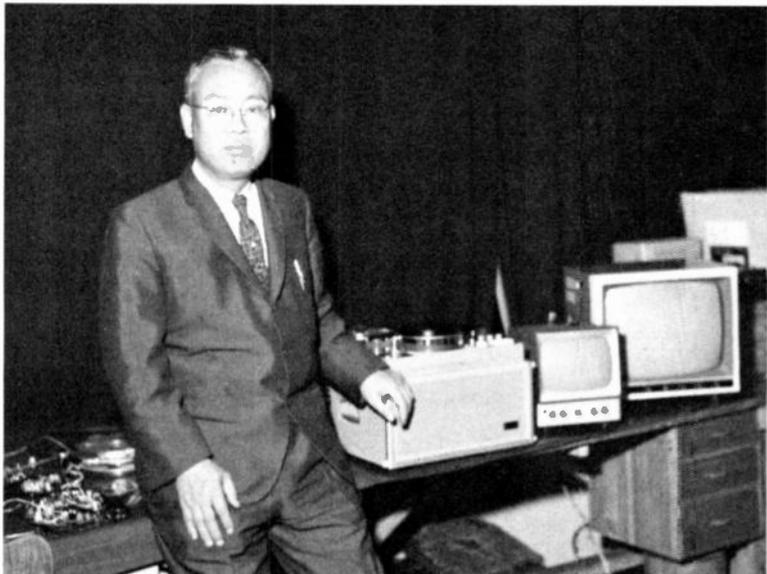


JAPAN PRODUCT PARADE

(Continued from page 38)



DESK-SIZE COMPUTER, designated as NEAC 1210, revised version of which will be designed expressly for requirements of medium to small-size American businessman. The unit is said to differ from other comparable so-called compact computers in that it employs Japanese-invented parametrons in place of transistors for its logical element. Circuit uses majority decisions logic in place of and/or logic. NEAC 1210 consists of computer, electric typewriter, reader, and card puncher. American-designed unit will sell for \$7,000 to \$8,000. Lease-rental plans are also under consideration. Nippon Electric New York, Inc., 200 Park Ave., New York, N. Y.



VIDEO TAPE RECORDER designed for home, school, business, or industry. Designated Model TVR-301, the unit can record any type of television signal from TV receiver, TV camera, or any other TV signal sources for immediate playback as many times as desired or for storage of recorded signals for indefinite period. It will record for 45 minutes continuously. Unit measures 15.6" x 14.3" x 11.6" and weighs 46 pounds. Shown with unit is Kosei Saito, president of manufacturing concern, Ikegami Tsushinki Co., Ltd. Ikegami Electronics Industries, Inc. of New York, 501 Fifth Ave., New York, N. Y. 10017.

TAPE RECORDER with AM radio employs "Sound-O-Matic" recording level control. Model CTR-5800 utilizes five-inch reels, capstan-drive system, and pushbutton switching mechanism. Manufacturer of this product has also developed wireless, voice-activated microphone for recorder use. Crown Radio Corp., 150 Fifth Ave., New York, N. Y.



MINIATURE LOUDSPEAKER system designed for use where space is extremely limited. Designated Model CS-51, the system is said to provide smooth and flat response, comparable in low ranges to full-size loud speaker systems and extending into realm of ultra-sonics. Can be used on table top, in book shelves, or suspended from walls. Five-inch loudspeaker unit used in system reportedly was developed primarily as full-range unit, providing adequate full-range reproduction even when used singly. For optimum results, Model CS-51 is supplemented by super tweeter, forming two-way system. Pioneer Electronic Corp., 350 Fifth Ave., New York, N. Y.

CPU

FOUNDER AGNES FURNDOC

Craig Panorama University is responsible for selling a lot of Fords and Chevies. We did it by learning people to sell radios and tape recorders so good they made enough money to sell their economy cars and buy fancy limousines.

CRAIG TR-404 ELECTRONIC NOTEBOOK® Tape Recorder

- compact, all metal construction
- built-in speaker, 30 minutes recording time
- less than 24 ounces, measures 2" x 5" x 3 1/2"
- carry case, batteries, remote control mike, earphone, tape, shoulder strap included

Full profit at less than \$30 retail

VISTA 525 Solid State 2-Speed Tape Recorder

- automatic level control (ALC)
- automatic speed equalization
- jam-proof T-Control, 5" cap.
- 4 hours recording time
- microphone, patch, tape incl.

Full profit at less than \$70 retail

VISTA 600 AM-FM Solid State Table Radio

- instant-on play, AFC
- genuine walnut cabinet
- 9 transistors, 5 diodes
- 6 1/2" high-fidelity speaker
- on-off and tone controls

Full profit at less than \$80 retail

OK! I'm willing to listen to your pitch and get learned. Send man Send info

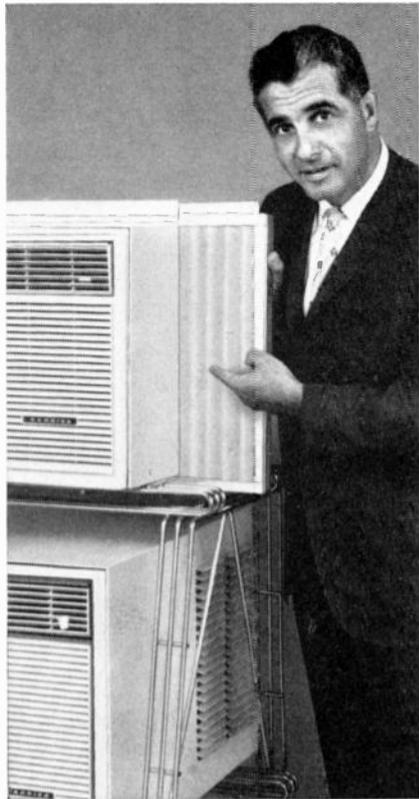
To Craig Panorama, Inc., Dept. M-128
3412 South La Cienega Blvd.
Los Angeles, California 90016

Dealer's name _____

Buyer _____

Dealer's street address _____

Dealer's city _____ state _____ zip _____

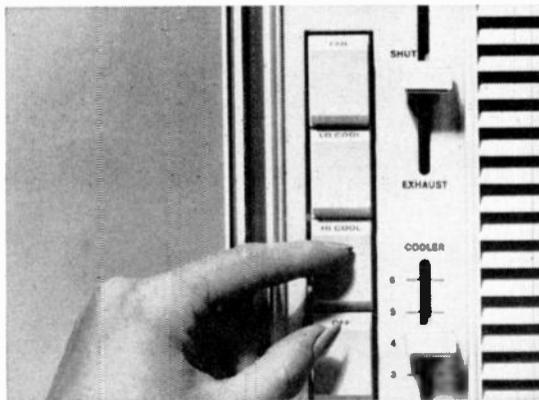


Carrier puts profits in your hands for 1966 with ROOM AIR CONDITIONERS built to be demonstrated!

Demonstrated for what? For outstanding features—such as ease of operation, servicing and installation—that make Carrier the brand to buy—the brand to sell in '66.

Matter of fact, less than five minutes is all it takes to put on a demonstration convincing enough to turn any "I've got to be shown" prospect into a buyer.

And in the 1966 Carrier line you have models to suit every prospect—25 models from 5500 to 22,500 Btu's, NEMA certified—including heat pumps, "do-it-yourself," in-the-window and thru-the-wall models. Plus accessory items in handsome Decorator Panels.



Plus continuous national advertising to direct traffic your way 12 months a year.

Plus newspaper ad mats, radio and TV spots for local tie-in.

Plus around-the-calendar promotions which include traffic-builder and sales-closer premiums.

Plus full-range financing plans.

Plus pre-season incentives for buying early—exciting trips, valuable merchandise and free room air conditioners.

For complete information about the Carrier line for '66—the line that's built to be demonstrated—call your Carrier Distributor listed in the Yellow Pages.

Carrier Air Conditioning Company

More people put their confidence in Carrier air conditioning than in any other make

Higher ticket items in Japan . . .

(Continued from page 24)

inch black-and-white TV set for Sears.

A Toshiba home video tape recorder will appear on the market in Japan next summer, Miwa noted, with a price tag slightly under \$1,000.

Toshiba sales of color TV in Japan for 1965 are up, while black-and-white sales are about even with '64, Miwa reported. Sales of appliances are down slightly.

Color and black-and-white TV sales to the U. S. for 1965 are up, he added.

Hitachi, Ltd. — Hitachi is presently producing color TV sets at the rate of 3,000 units a month, but this rate will climb to 10,000 a month in 1966, officials stated. The 19-inch set is for domestic consumption only at the present time.

However, a company spokesman says deliveries of a 19-inch table model color set will be made to the U. S. starting in the third quarter of 1966.

A company spokesman states that the fully-transistorized 12-inch a-c or battery-operated TV set which Hitachi introduced in the U. S. in 1965 has proven to be an outstanding success.

In the first half of 1966, Hitachi will introduce in the U. S. a miniature cartridge tape recorder that will offer up to two hours of playing time. The unit will measure 8" x 4" x 1½".

The company currently is exporting about 10 per cent of its production but hopes to see this figure rise to 20 per cent eventually.

Consumer product sales in the U. S. are in TV, radios, and tape recorders. Plans to market a portable thermo-electric refrigerator in the U. S. have been temporarily shelved because the retail price would have had to be in the vicinity of \$120, which Hitachi officials thought was too high. Capacity of the unit was 0.36 cu. ft.

The vast Hitachi operation also produces components. Company officials noted that Hitachi has just begun developing integrated circuitry for components and industrial products. There has been no development yet in this area for consumer products, they said.

The company is still working mainly in germanium-type transistors, but in six months to a year there will be a marked increase in production of silicone transistors, it was noted.

Standard Radio Corp. — A specialist in miniaturization, Standard, showed MART Magazine a TV set with a three-inch screen. Hiroshi Miyazawa, president of Standard, estimates the receiver might sell for about \$120 in the U. S.

The set weighs about five pounds, measures about 7" x 3¾" x 6.

Miyazawa said his company wishes to conduct further field tests and obtain additional market reactions before committing itself to an introductory date in the U. S. market.

The company has a program for producing other TV sets, including

one with a 12-inch picture tube, Miyazawa said. The company is also in the process of developing color TV, he stated, but has reached no firm conclusion about possibilities in this area.

Total sales of Standard will be up about 20 per cent in 1965 over '64, the company president said. Sales to the U. S. alone will be up by about the same amount.

Overall, sales of radios for Standard will be ahead about 5 per cent.

Eighty per cent of Standard's U. S. sales currently are in radios and 20 per cent are in tape recorders. Miyazawa feels tape recorder sales will triple in 1966.

The company at the present time has three models of tape recorders in its line but will expand this to 10 models in 1966.

Lower price copies of Standard's "Micronic Ruby" which have appeared on the market have hurt Standard's radio sales to some extent, Miyazawa admitted.

Private label sales account for 50 per cent of Standard's business in the U. S., he reported.

Standard has twice the number of dealers in the U. S. that it had two

years ago, Miyazawa stated.

Victor Co. of Japan, Ltd. — Victor Company's sales have not dipped because of the recession, according to Shunji Uyei, director. TV sales have stayed on an even keel, giving the company a larger share of the black-and-white TV market in Japan in 1965.

Victor captures 60 per cent of the stereo market in Japan, Uyei states. Console stereo sales have been good during the year, and small portable phonos have had a sharp increase in sales.

Victor will export 15 per cent of its sound products in '65, with about half of these going to the U. S. Uyei

(Continued on page 44)

Everybody and his brother is not selling car radios (why aren't you?)

You may not realize it, but selling Motorola car radios is just about as easy as selling home radios and portable stereos. Some dealers probably don't understand this. There's still good profit for dealers who do.

What about service for car radios?

What about installation?

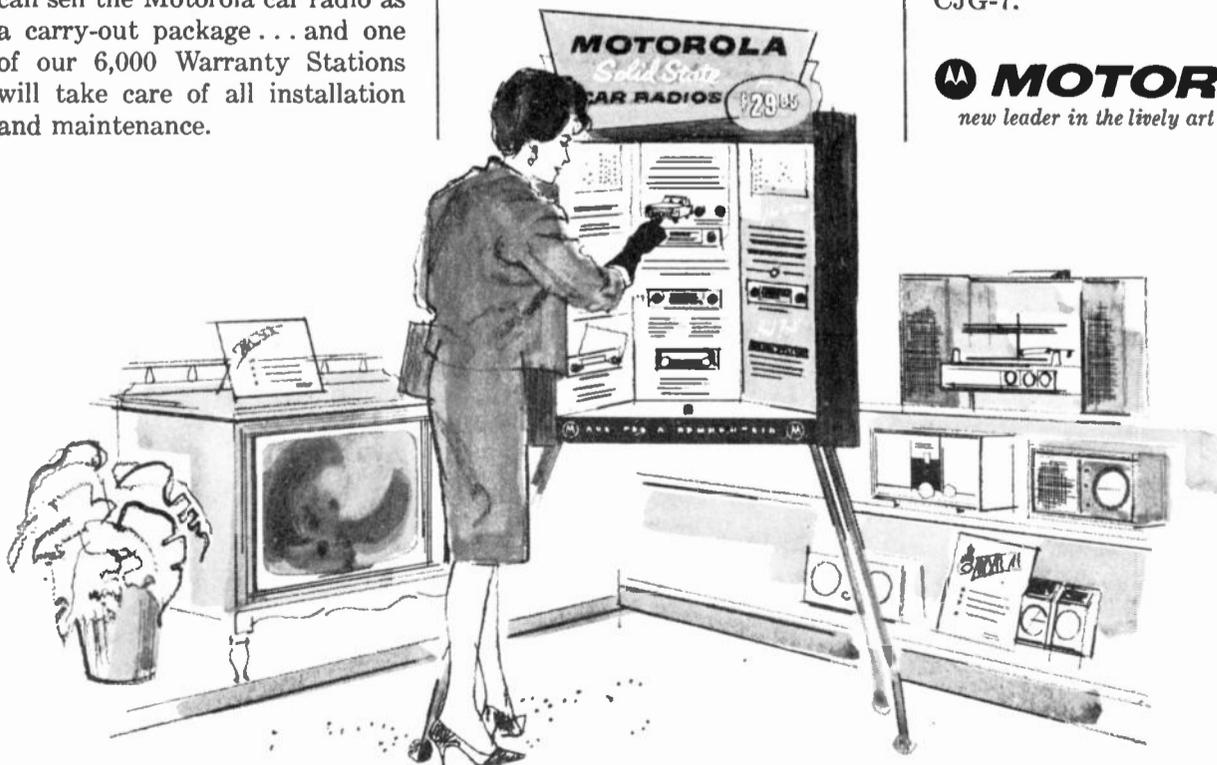
Motorola takes care of them for your customer. That means you can sell the Motorola car radio as a carry-out package . . . and one of our 6,000 Warranty Stations will take care of all installation and maintenance.

A Motorola car radio department takes very little space in your store, too. Just about 8.3 square feet. And our compact operating display shows and lets you demonstrate eight of our most popular car radio products right on your sales floor. You can sell AM radios, FM radios, FM/AM radios, FM tuners, AM radios with Motorola's Lumalert and Motorola Vibrasonic.

All are attractively designed. All are loaded with features you can demonstrate or talk about.

Most important of all, Motorola car radios *bring* good markup. Shouldn't you be getting into this business? Why not call your Motorola Distributor and get more of the facts . . . or write to Motorola Consumer Products, Inc., 9401 West Grand Avenue, Franklin Park, Illinois. Dept. CJG-7.

MOTOROLA
new leader in the lively art of electronics



In Japan . . .

(Continued from page 43)

said. In 1964, 12 per cent of products were exported, with about the same proportion being sold on the American market.

TV and stereo sets are marketed in the U. S. by Delmonico-Nivico International, Div. of Thompson Starrett Co., Inc. Victor will produce a line of 16- and 19-inch color sets for sale by Delmonico.

When MART Magazine visited Victor in November, Uyei noted that his company was producing color sets at the rate of 1,000 units a month.

He said Victor wants to get into

color in a big way in the American market. Uyei admitted that it would be difficult to make money selling color in the U. S. initially, but that eventually this would be a good business.

In Uyei's opinion, the Japanese TV industry could triple its color production capacity by the end of the year.

Fifty per cent of Victor's U. S. sales in 1965 will be in TV, with stereo accounting for 40 per cent, and radios and other products amounting to 10 per cent.

In 1964, only 30 per cent of U. S. business was realized in stereo and 50 per cent in TV.

Cabinets for stereo units such as the 72-inch unit sold by Delmonico

are manufactured in Delmonico's own facility in the U. S.

Aiwa Co., Ltd. — Average price of radios sold by Aiwa to the U. S. in 1966 will be higher than in '65, Mitsuo Ikejiri, president, told MART Magazine. He said he expected radios to account for 50 per cent of U. S. sales volume in 1965, compared to 40 per cent this year.

All models will contain 10 transistors and up.

Aiwa's products are marketed in the U. S. through Selectron International Co., Inc.

The average price of Aiwa tape recorders sold in the U. S. is expected to climb in 1966. Currently eight models, ranging in price from \$39 to \$140, are being sold. Five more

models, including three stereo models will be added to the line in '66. This will include a seven-inch reel model retailing for \$199 and a five-inch reel unit, retailing for \$99.

Aiwa is also producing an 11-inch black-and-white TV set and a 19-inch model, Ikejiri said the company hopes to be producing color within two years. The company plans to have a transceiver in the \$80 price range on the U. S. market in June or July.

Exports to the U. S. at present are about \$1 million a month.

Nippon Columbia Co., Ltd. — Nippon Columbia will start exporting a 19-inch color TV set to the U. S. in the spring of 1966. The set will bear the Olympic brand name.

Nippon Columbia produces tape recorders that are sold under the Cipher and Masterwork labels in the U. S. The company also produces a phonograph for Singer.

A transistorized stereo-phono being manufactured for Singer operates on four D-type batteries. It will retail for about \$34.77.

Television has been the big performer in U. S. sales for Nippon Columbia in 1965, while stereo phonographs have been the star in Japan, T. Yoshida, international trade division, told MART Magazine.

As a consequence of black-and-white-TV saturation, demand for stereo phonographs has started, Yoshida said.

The company still plans to eventually market products under its "Denon" brand name in the U. S.

Oki Electric Industry Co. — Sales of Oki products in the U. S. in 1966 are expected to total between \$7.5- and \$10 million, according to Sidney Koenig, president of Chancellor Electronics, Inc., U. S. distributor. This would be between three and four times '65 volume, Koenig said.

At the present time there are six tape recorders in the Oki line, but this will probably be expanded to 12 models in 1966. The company also has a telephone radio model.

How do Japanese manufacturers feel about U. S. producers who have been customers of theirs establishing their own manufacturing facilities in the Far East?

In the opinion of Sanyo's Iue it would be better for these American producers to utilize Japanese companies as a go-between in manufacturing for such places as Taiwan, Korea, and Hong Kong. He feels the Japanese understand the Orient, and U. S. manufacturers understand Japanese manufacturers.

Says Iue: "There's a Japanese proverb that states, 'When cutting a beef, you use a butcher knife, and when cutting a chicken, you use a chicken knife.'"

Delmonico Nivico

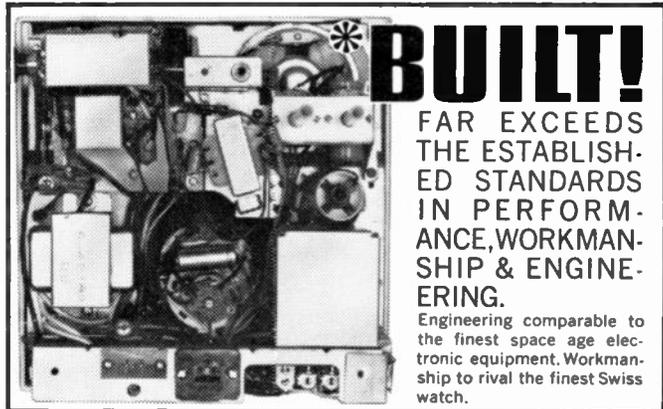
"EXCITING"
9" ALL TRANSISTOR TV

CAN BE PROFITABLY PROMOTED AS LOW AS

119.95



Model illustrated above: Delmonico-Nivico 9T-4UHF—We're really proud of this revolutionary, completely transistorized 9" portable TV! Features include: AC line or an optional Alkaline rechargeable battery operation, 82-channel tuner; new Low-Power consumption circuitry; new keyed AGC noise limiter and AFC circuitry for better picture stability. Accessory Adapter Cord permits operation from car, boat or any other external 12-volt battery. 27 transistors and 18 diodes. Amazingly bright pictures... even in remote fringe areas. A convenient carrying handle. A Telescopic antenna for VHF and a loop antenna for UHF. A 3" Front Speaker. Distinctive 'window' channel selector. Earphone jack and Earphone for 'private listening'. Chassis permits effective heat dissipation to prolong component life. Wt.: Slightly over 10 pounds. Dimensions: 9 1/4" HIGH, 9 1/4" WIDE and 8 1/4" DEEP.



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FAR EXCEEDS THE ESTABLISHED STANDARDS IN PERFORMANCE, WORKMANSHIP & ENGINEERING.

Engineering comparable to the finest space age electronic equipment. Workmanship to rival the finest Swiss watch.

4T-50

4 1/2" Portable All-Transistor Television. Rechargeable Batteries



UHF12

12" Personal Portable TV. 'Superslim' styling.



UHF-19

19" Personal Portable TV. 'Superslim' styling.



CTV-23

23" Slimline TV Console. Available in Walnut.



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Delmonico Nivico

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Area Code: 212

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City of Commerce
Los Angeles, Calif.
Tel.: 685-6464
Area Code: 213

MID-WEST BRANCH:
8679 Pennell Drive
St. Louis, Mo. 63132
Tel.: WY 3-6322
Area Code: 314

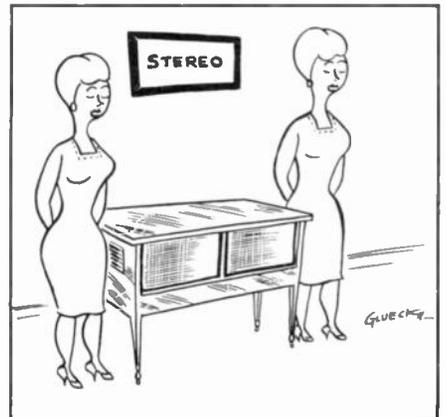
NEW ENGLAND BRANCH:
680 Columbus Avenue
Boston, Mass.
Tel.: 442-7880
Area Code: 617

BALTIMORE BRANCH:
2330 Hollins Street
Baltimore, Maryland
Tel.: 566-8400
Area Code: 301

DETROIT BRANCH:
7511-15 Intervale
Detroit 38, Mich.
Tel.: 931-0650
Area Code: 313

CHICAGO SHOWROOM:
(SPACE 545-D)
American Furniture Mart
656 Lake Shore Drive
Chicago, Ill. 60611

SOUTHERN SHOWROOM:
Space 505
High Point
National Furniture Mart
200 S. Main St.
High Point, No. Carolina



Report From Japan

by Hideo Hirayama

The 1966 models of refrigerators were put on sale in November. The manufacturers are calling upon consumers not to wait any longer for refrigerators needed in their kitchens through advertisements and other means. One of the notable features of sales campaigns this year is the availability of special-order refrigerators from some manufacturers.

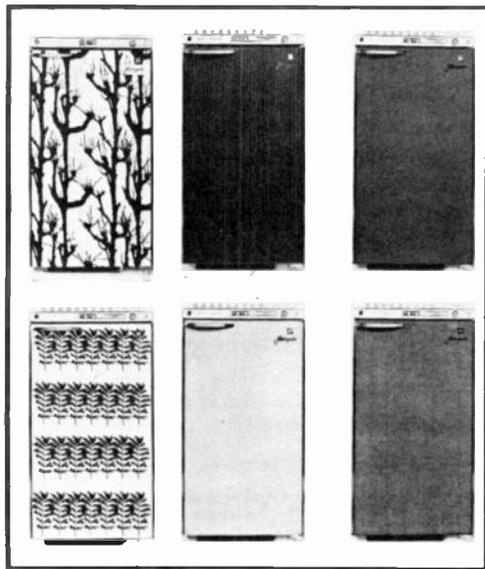
New models of refrigerators are generally put on display towards the end of October and early November, and shipments begin around the middle of November. This year, however, shipments to dealers were moved up to November 1.

This move was favored because sales this year were expected to fall short of previous years as 50.8 per cent of Japanese households now own refrigerators. Last year, the manufacturers had sure prospects of selling some 2,720,000 units, including the left over stocks. This year, however, indications point to possible sales volume of 2 to 2,100,000 units, because of the reasons mentioned above.

In 1963 nearly 3,000,000 refrigerators were produced and disposed of by the manufacturers. In comparison, the figure for this year indicates a

drop of over 30 per cent in output. In spite of the drop in output, overhead expenses and transportation costs have gone up, cutting seriously into the manufacturers' margin of profit. Under the circumstances, the manufacturers have upped prices by 5 to 8 per cent. Even then manufacturers are unanimous in opining that their margin of profit will drop to a negligible rate unless they completely realize their sales targets.

What should be done to realize their sales targets completely then? The manufacturers have to offset price increases by some notable advantages made available to the consumers. This is done through better



DE LUXE 1966 model refrigerators in unprecedented finishes.

quality and higher performance of their products.

Mainstays among the 1966 models are those ranging from 90 to 114 liters in capacity. These account for 58 per cent of the entire shipment. Refrigerators below 90 liters in capacity account for 31 per cent, while larger sizes above 360 liters take up the rest.

However, as the age of frozen food is drawing near, and the government itself is planning to establish a "cold chain" as a distributing channel for frozen food, the majority of 1966 refrigerators are provided with freezing boxes.

Outstanding features of 1966 models include: (1) freezer functioning also as an ice chamber; (2) automatic defrosting device and evaporator for defrosted water; (3) magnet door; (4) top control system by which temperature regulation and defrosting inside can be operated from outside; (5) attachment of kitchen table with power outlet for connecting toasters, juicers, etc.; (6) use of two-pole compressor; (7) wide interior space, and (8) provision of butter conditioner, candy case, low-temperature case for storing meat, vegetable storing box, and a key for the door. The freezer in most models is made of aluminum roll bond for better freezing effect, but some are made of stainless steel (Toshiba product). In some, the evaporator contains heater wire inside, while in others hot gas system evaporation or an off-cycle system is used for the evaporator.

A large variety of designs and some finished in color seem to show the future trend in refrigerators. Also notable is the use of polyurethane foam as a heat insulator for larger refrigerators.

Matsushita Electric and Sanyo Electric have come out with de luxe models made to order. These are finished in furniture style, lifting refrigerators out of the white product category. A variety of finish, such as wood-grain, cloth print and leather lining finish, has been made available for such special-order products. Also these models are given pet names like "Wagon d'Or", "Yacht Holiday" and so forth to give individuality

(Continued on page 49)



THE SCOTS ARIE COMING!

There's a big new demand in the marketplace and Norge is rushing in to fill it. What's in it for you? Volume sales and profits you haven't seen the likes of in a decade. Look for the Norge Man sporting a red plaid vest. He's Good News. Real good.

NORGE

home appliances **BORG WARNER**®



NATIONAL HOUSEWARES EXHIBIT



January 10-14, 1966

MCCORMICK PLACE, CHICAGO



Another Record Year... Starts Here!

HOUSEWARES '66

Housewares is a great and growing industry, with most of its potential still ahead. But the rewards it promises are not to be won lightly . . . not with yesterday's techniques, or ideas, or marketing practices. Fortunately the NHMA National Exhibit provides a simple way for you to keep abreast of this vast and restless industry—to see every significant development; to meet all the people who are important to you; to renew and refresh yourself for the year of challenge ahead. The housewares industry has nowhere to grow but up. Be here; grow with it!

Serving the Housewares Industry Since 1938

NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION

1130 Merchandise Mart Chicago, Illinois 60654

Tape recorder . . .

(Continued from page 9)

tained his basic needs prior to coming into our store, and it doesn't take too long to sell him. This is in contrast to the average customer who decides he wants a tape recorder instead of a phono but has no idea what kind he wants or what his needs are. This person has to be sold, and often makes more than one visit to the store. This type of customer takes a long time to sell," Kemp declares.

"Our customers want quality and normally there is little haggling over price, as compared to the typical tape recorder customer who not only must be sold hard but who has been out shopping and whips out a piece of paper with comparative prices on it.

"We don't have to be constantly battling discount stores for sales either," Kemp continues, "as most of them don't carry the high end merchandise we do. Our biggest competition actually is the catalogue houses, which aren't too hard to sell against."

Kemp first got interested in selling tape recorders some 15 years ago while he was working in the camera department of a Sears store. In fact, his enthusiasm grew to the point where he quit and started selling recorders out of his basement at home. Encouraged by his success he opened his own store and named it Audio King.

"A few years ago many people were scared of tape," Kemp states. "They thought that tape recorders were complex machines to work. But through consumer education and the introduction of such innovations as Ampex's automatic threading and automatic reverse, tape recorders have become a relatively easy product for the customer to understand and operate.

"The most important things to remember if you want to specialize in tape," says Kemp, "is to have complete knowledge of the tape recorder field, have a top service department which I feel we have, and establish a reputation for dependability which is vital, mainly because of the referral business which we depend on so

heavily. In addition we try to get to know our customers well. This close contact also helps to get referrals."

Audio King's volume has doubled over a year ago and Kemp is anxiously looking around for a larger location. He feels that the new store should be easily accessible from Minneapolis's major freeways since the store attracts customers from such a wide trading area.

"As much as we need the new space for our current merchandise," states Kemp, "the main reason that I want to move is to be set up for the most exciting innovation yet, video tape recorders. I want to be ready for this product when it is finally made available in appreciable

quantities, which won't be too long now. As specialists in tape recorders, we are a natural to handle video recorders. The number of queries we've had on these even now is amazing, and I already have several orders on file."

Kemp feels that within the next year tape recorder specialists such as he can do extremely well selling video tape recorders, but that prices must dip below \$500 before the average appliance store can sell them to the mass market.

"Once we start selling recorders I'm going to try and build up a rental business of tapes consisting of Broadway shows and special events that people can use for parties, busi-

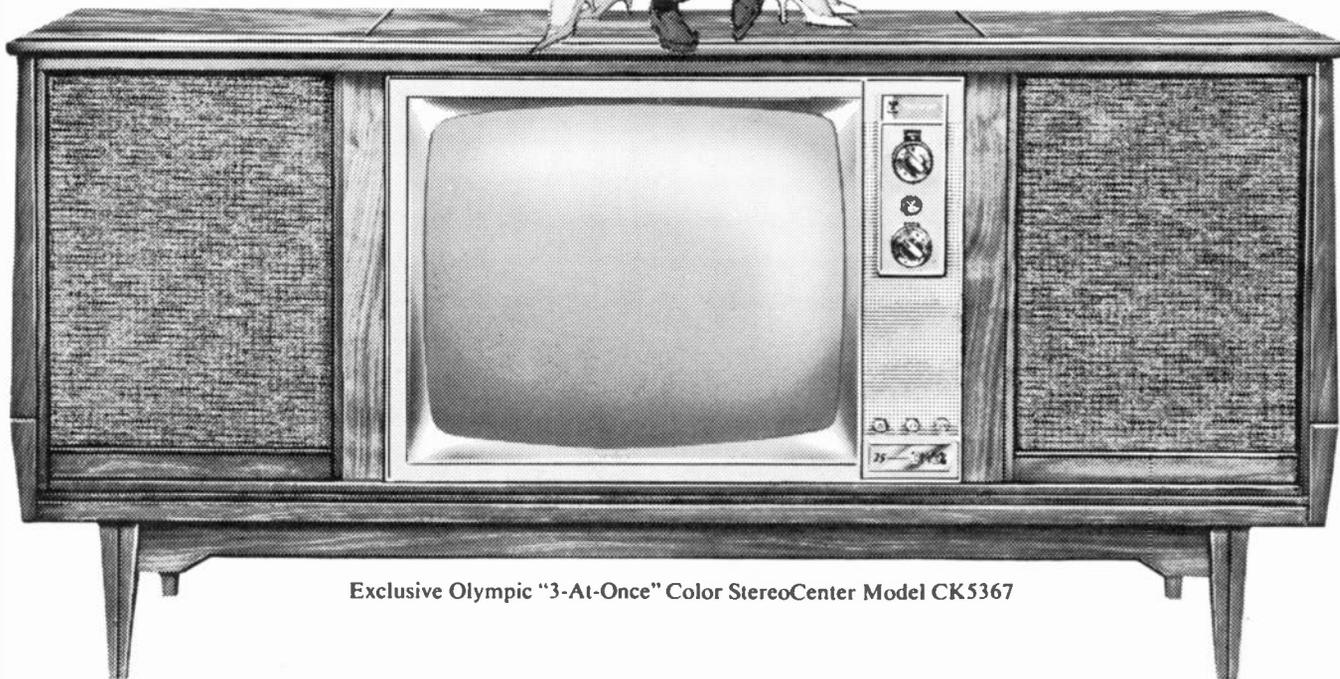
ness meetings, or club gatherings. I can't say enough about the potential of this new product and much of my future planning is built around it."

How does Kemp feel about his role as a specialty dealer? "Just great! Our volume is now such that we can buy right. The rapid growth of tape recorders combined with the fantastic potential of video recorders means that the outlook for stores such as ours is unlimited. I've found a niche in this vast home electronics market. Why should I stray from it? I must admit that due to consumer demand we are now carrying a limited line of color TV, but Audio King's present and future is in tape, both audio and video. ■

**greatest
combo
sales
pitch
you
can
make—**



**for
families
who like
to lead
3
lives
together!**



Exclusive Olympic "3-At-Once" Color StereoCenter Model CK5367

'ENJOY COLOR TV, RADIO, HI-FI...IN 3 ROOMS AT ONCE'

Olympic's the One with this super-spectacular "family togetherness" demonstration... Show them "family room service!" Switch on Color TV, Records, Radio...one by one in the StereoCenter...then all 3 at once, in 3 separate rooms! Let them hear Stereo playing in 2 rooms at once! Switch Records and Radio from room to room! Total home entertainment convenience!

So easy to demonstrate... a new Olympic pocket sales trainer makes salesmen instantly expert! The exclusive Sound Control Center gives fingertip control of Stereo Hi-Fi, AM Radio, FM Stereo Radio, and Color or B/W TV! Choice of 11 decorator-styled fine furniture cabinets...with 21", 23" or 25" Color TV, and exclusive Olympic automatic Color-On signal and Tru-Color control. *diag. meas

Roun Is Named Manager Of GE's New Sales Group

Donald M. Roun has been named manager of the new electronic sales organization formed by General Electric Co. to handle sales to retailers of radios, portable phonographs, portable tape recorders, and "Show 'N Tell," through the company-owned portion of GE's distribution system, it was announced by R. C. Wilson, general manager, consumer electronics division. New operation comes into being Jan. 1, 1966.



D. M. Roun

ISI / Olympic



radios • phonographs • television from the space age laboratories of LEAR SIEGLER, INC./OLYMPIC RADIO & TELEVISION DIVISION
OLYMPIC BUILDING, LONG ISLAND CITY 1, N. Y.



More sophisticated in Hong Kong . . .

(Continued from page 30)

models, and this percentage was climbing rapidly, A. M. Cappon, managing director, told MART Magazine.

About 30 per cent of the production total was in six-transistor models. Seventeen per cent was in 10-transistor receivers, and the balance was in seven, eight, nine, 14, and 15-transistor models.

The company manufactures primarily private label but does have its own brand, "Zodiac."

Until November, Cappon stated, nearly all FM sets were being exported to the U. S. However, Spain, North Africa, and England are showing an increasing interest in FM.

Prices of FM sets produced in Hong Kong dropped about 30 per cent in six months, Cappon claims. He attributes this at least in part to competition from Japan.

By June, 1966, Wireless will be making practically every type of transistorized product now on the market with the exception of TV. This probably will include even car radios and solid state stereo combined with radio in chassis form for OEM sale. He expresses doubt that TV will become an important factor in the colony because of the difficulty of competing with American-made

sets.

Wireless Products, which is partly American-owned, buys parts from many countries, including the U. S. and Japan. It does produce its own FM coils, IF transformers, printed circuit boards, cabinets for radios, plus other parts.

Cappon echoes the observation of other manufacturers and assemblers that labor costs and price competition are increasing. Still he believes product development in Hong Kong will help to keep production at a high level.

In his opinion many more American manufacturers will establish bases in Hong Kong in the months ahead.

As many as 3,000 TV sets have been assembled in one month in the Hong Kong factory of N. Ming's Co. However, J. K. Li, who directs the operation, told MART Magazine that the "official" production rate is 750 sets a month but that this has been accelerated at times to meet special orders.

The "Fortune" name is used on Ming's sets which have been produced in five-inch, eight-inch, nine-inch, 11-inch, and 23-inch sizes. At the present time, Li noted, the company has been concentrating on a

nine-inch receiver that is competitive in price and performance with sets of producers in other countries. Cost to the importer for this set is \$66.70, he said.

Cost to the importer for a 23-inch black-and-white receiver ranges from \$80 to \$140, depending on cabinet and chassis choice. Ming's offers its own design chassis as well as one purchased from Sylvania.

The majority of TV sets assembled by Ming's have been exported to Europe. Orders from the U. S. have usually been for quantities of 200 or 500, Li stated. He believes, however, that shipments to the U. S. will increase.

The company also assembles for sale in the U. S. and Europe transceivers and multi-band radios for sale in Europe only.

MART Magazine also visited several component manufacturers in Hong Kong. One of these, Toko Electronic Mfg. Co., Ltd., has been operating in the colony for three years. It is a subsidiary of the big Toko operation in Japan.

The Hong Kong facility employs 250 people. According to W. Kwik, Toko supplies 70 per cent of the coil market in Hong Kong, including IF transformers and oscillator transformers. Sales in 1965 are 40 per cent ahead of '64, he said.

Foster Electric Co., which is mostly Japanese-owned, claims to produce 60 per cent of the radio speakers used by Hong Kong producers. Foster has been operating in Hong Kong only since March of this year.

Machinery and parts used in the assembly operation are brought in from Japan.

Why choose Hong Kong?

Why would Foster locate in Hong Kong, rather than service manufacturers there from Japan? Labor is a little cheaper in the colony, and it's easier to service the producers when you're on the spot, says Z. C. Hwang, sub-manager.

Foster presently is producing only two and two-and-three quarter-inch speakers, but in 1966 it plans to make larger speakers. Production at the time of the MART Magazine visit was at the rate of nearly 6,000 a day.

Elcom Mfg. Co. Ltd. is one-third owned by Atlas Electronics and was created, MART Magazine was told, primarily to take care of the needs of Atlas in the areas of variable condensers and IF transformers.

The plant employs about 200 people.

Increasing self sufficiency for components seems very much in the cards for Hong Kong as does a more rapidly accelerating rate of sophistication of product. Since this publication visited Hong Kong in October, 1964, two major American consumer products manufacturers have begun production there, and a third has announced his intention to do so in Taipei, Taiwan (Formosa).

With both Hong Kong and Formosa becoming more and more of a factor in the consumer electronics picture in the Far East, the question arises will the situation there become a game of leap frog or one of musical chairs? ■

Eyes on Taipei . . .

(Continued from page 34)

pressures from other areas in the Far East.

Wan notes that because of the presence of "underground" assemblers in Taiwan, it is possible that total radio production this year may be considerably higher than indicated.

An American on the scene who has come in contact with many industries in Taiwan says he believes that the home electronics area is the one likeliest to have the greatest growth.

He refers to Taiwan as "the one bright spot in the Far East." And he asks, "Would you want to go to the Philippines or Malaysia?"

Figures show that exports from Taiwan more than doubled in the period from 1962 through 1964. They are estimated to total about \$480 million in 1965.

How many American home electronics manufacturers will come to Taiwan is at this point anybody's guess. An observer who has been on the scene for several years urges that they not come "if they don't realize they are up against different rules."

But, rumors of red tape or actual red tape notwithstanding he remarks, "I've noticed that none of those who have come have gone home." ■

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Report from Japan

(Continued from page 45)

to the products and to arouse in their owners a sense of the elite.

Models using polyurethane foam for heat insulation are of the thin wall type. The walls, in fact, are as thin as 3 cm, which allows much wider interior space.

Balance Sheet . . .

(Continued from page 50)

The Night "Teddy" Bumped Us — Because of our elongated frame, we always attempt to obtain an airplane seat in front of a bulkhead. It's easier on our knees as well as more comfortable for the person in front of us.

We had made arrangements for such a location on our return flight from Tokyo, even had a claim check, showing our right to it. However, the moment we boarded the U. S. airlines plane and showed this check to the steward, we were informed that

there definitely had been a mistake. We protested, but the steward's argument was reinforced by a gentleman aboard whom we later learned was the airline's Tokyo representative.

At this point we shrugged our shoulders and settled into a nearby seat designed for normal size human beings.

It soon became evident why we were "bumped." Down the aisle came Senator Edward Kennedy and his wife to settle in our assigned location. So if the senator had a speaking engagement the next day and evidenced great alertness, we hope he at least credited us with an "assist."

Another experience related to our size occurred in Taipei.

On our arrival we were met at the airport by a commodious bus that transported us directly to our hotel. How nice we thought.

So on the morning of our departure we informed the desk clerk we would be leaving that day and would once again require the services of his limousine.

"Oh, very sorry, sir," the clerk advised. "Our limousine not going to airport today. Nobody arriving to stay at hotel today."

"Oh, so you welcome your guests here, but let them get out as best they can," we observed. "How do we get to the airport then?"

"Very simple, sir. Take taxi," the clerk said, a superior smile on his face.

The taxis in Taipei are undoubtedly the very smallest in the world, and we are told that an even lesser version is in the works. We pointed out to the clerk that it was all we could do to contain our own form in one of these cabs, let alone our baggage.

He was patient with us.

"Oh, take two cabs, sir."

"But what," we suggested, "if one driver makes a wrong turn?" (Taipei taxi drivers demonstrate a startling unfamiliarity with prominent places in that city.)

Well, to cut short our story, let us say that at the last minute the manager of the hotel intervened and provided us with the services of what appeared to be about a 1952 Chevy.

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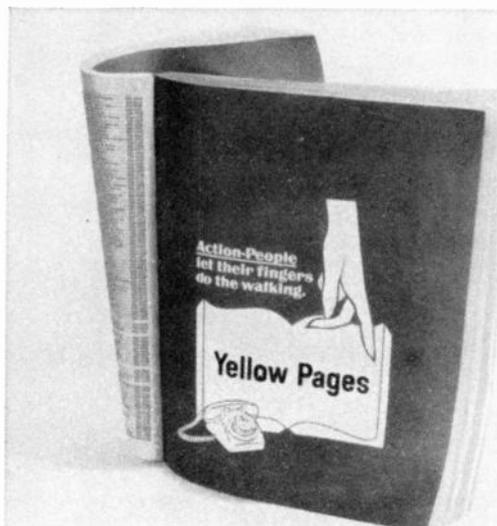
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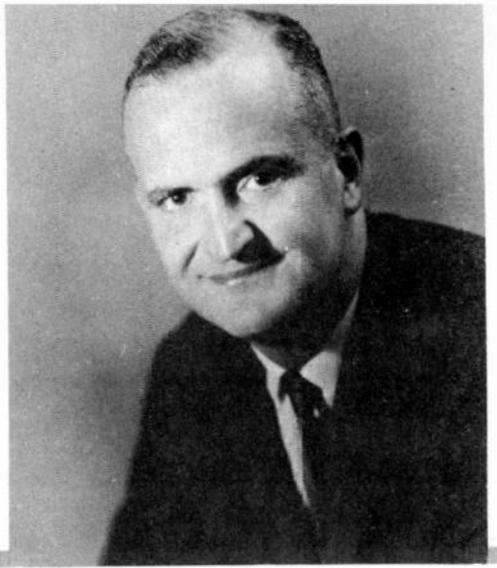
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The Balance Sheet

by JACK ADAMS



After Taipei, What?

The thought that occurred to us must have passed through the minds of many other Americans.

Here we sat in a JAL jet, poised for takeoff on the runway at Honolulu International Airport. Over this same range of mountains at which we now gazed, less than 25 years before, many aircraft, piloted by Japanese, had roared in to mark the start of a war between our country and a nation we were about to visit for the second time.

Our second visit would be a bit different. The first two weeks would be spent as a guest of the Electronic Industries Ass'n of Japan. During this time we would visit the plants and offices of many consumer product and component makers in Japan.

Some sightseeing would be offered, and each evening we would enjoy as gracious hospitality as we would probably ever know.

Our American travel companions for the EIA-J portion of our month's stay in the orient would be Bob Scott of *Radio-Electronics Magazine* and Dave Lachenbruch of *TV Digest*.

Congenial travel mates that they were, we were especially happy for their presence during the last two days of the EIA-J tour. During these two days the three of us served as an outfield seeking to spear the line drive questions belted by perhaps 25 representatives of Japanese consumer product and components manufacturing firms.

Afterwards the three of us agreed that could we have given absolute answers to all the questions that were posed, we could name our job in the home electronics industry.

The questions, we believe, reflected not only the thoroughness of the Japanese but a sincere concern for their future in an industry that has become a vital part of their country's economy.

Basically the questions centered upon the growth of various parts of the home electronics industry in the U. S. and the role Japan could best play in this future.

We spent several more days in Japan after the tour concluded, visiting other manufacturers there and then flew on to Hong Kong.

Hong Kong is a different kettle of fish. Some of the factory buildings in Japan are as modern as any in America, but in the British Crown Colony you might even ascend to one of the loft-type factories (as we did) in the company of a gentleman carrying four large fish flapping for life at the end of a string.

But the sophistication in product which was starting a year earlier was becoming more evident and would increase as time goes by.

Taipei was our last stop, and it was our first time there.

Even in the U. S. there's an undercurrent saying something big is brewing in Taipei. This undercurrent is based not only on precise information that Philco plans to start production there and that others have been nosing around. No, it's partly an American guessing game or a spirit of new horizons to conquer.

More than once along the way someone had raised the question, "After Taipei, what?"

On Sunday in Hong Kong we rode down to take a look at a Red China village that lies near the border. During our stay in Hong Kong, we asked someone the question, "After Taipei, what?"

The answer came back. "Maybe Red China in 10, 15 years, if some very complex political questions can be settled."

Then our mind went back to the start of our trip on that runway at Honolulu.

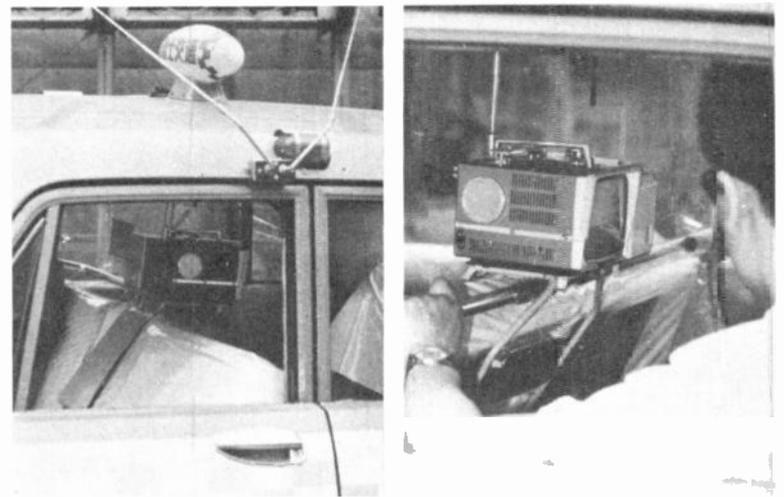
We never visited prewar Japan, but from what we have read about it we could picture that probably no nation in the history of mankind has ever experienced such a profound change in its economic life through coalition with another country.

We thought, too, of Hong Kong, a colony of refugees. We remembered the hundreds of Chinese girls, hunched over their work benches.

If the gains that our industry had helped win in the lives of peoples in these various far away places could be sustained and extended to other areas, what a thing to be proud of — more so than all the cold statistics and stockholder reports that we breathlessly await each year.

Along The Way

This was our first stop in Hawaii in three years. We were there for only a few hours but managed to take another look at Honolulu's Ala Moana Shopping Center, which continues to grow. This beautiful center, complete with under-cover parking and playground facilities for children, need not take a back seat to any on the mainland. Sears has had a large operation there from the beginning, and Penney's is going in . . . Holiday Mart, a huge



Tokyo's Ten Yen Taxi TV

discount house several blocks away, featured a display of Japan-made autos in the foyer . . . The second building top revolving restaurant and bar in Honolulu opened a few days before our arrival. Now that there are two, we wonder if they'll compete by advertising one revolves faster than the other — or slower.

Pay As You Go — About 1,000 taxis in Tokyo are equipped with six-inch transistorized TV sets combined with coin mechanism. Made by Mitsubishi, the sets operate for six minutes on a 10-yen coin (about three cents). Sets are mounted on the back of the driver's seat. According to *Kohtsu Yomiuri*, Japanese auto trade paper, the TV sets have promoted taxi business among the rabid sports fan citizens. It is said some cab patrons keep riding when a televised contest gets hot.

Bar To Color Sales? — Some Japanese bars are equipped with color TV sets, and industry observers, remembering early history of black-and-white TV, predict this may be a factor in increasing color saturation in Japan. However, an American wag comments that unlike the U. S., bar TV in Japan must compete with omnipresent "hostesses" for patrons' attention.

Names That Tell The Aspirations Of People — In Japan, "Hope" and "Peace" cigarettes. In Taipei, "Nanking Hotel," "Peiping Rug Co."

(Continued on page 49)

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