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They're Thinking Small Model Railroad Firms Make Comeback, Too

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WASHINGTON—In the "railroad business" it now pays to think small. Especially at this time of the year.

The principle does not necessarily apply to companies which make and run full-size railroad equipment, but rather to firms which make and sell model-size trains and accessories. Along with their big brothers, these companies—including A. C. Gilbert (American Flyer trains), Lionel and Marx—have in recent years faced a decline in sales.

But just as the big railroads are making a comeback of sorts, partly through mergers, so are the model companies. Their smaller-than-ever lines are putting some zing back into the cash register—especially between now and Christmas.

In 1956, sales of model trains reached a peak of \$75 million, compared with an expected \$47 million this year. Through the years, toy trains have been scaled on the ratio of three-sixteenths or a quarter inch to the foot.

But the booming part of the model train business is now called "HO" and is scaled at 6-64ths inch to one foot. The models may be smaller, but they are more meticulously detailed and truer to life—and therefore capture not only junior's fancy, but also that of adult hobbyists.

Imports From Japan

Five years ago, sales of "HO" sets were \$4 million; this year sales will exceed \$12 million. Of the total, \$500,000 will be represented by imports, mostly from Japan.

Japan turns out quality as well as quantity—some solid brass toy locomotives retail for as much as \$150.

Being smaller as well as more realistic, the "HO" sets fit better into today's crowded living

basement—turn out parts and accessories. For example, eight companies sell "HO" gauge railroad spikes which permit the hobbyist to lay his own track.

Other firms limit their business to artificial scenery, including scaled-to-size grass, earth, coal and ballast for rights-of-way.

"HO" equipment comes ready to use or in put-it-together-yourself kits. In a few cases, model railroad buffs even cast their own locomotives and car bodies. One man on Long Island is reported to have spent three years working with dental tools on a "HO" gauge bridge he designed himself.

quarters. As A. C. Gilbert puts it:

"Serious model railroaders like elaborate layouts, with at least two main lines, innumerable spurs, sidings, mountains, bridges and scenery. The part of a home once dominated by a model train layout now has to share space with a home workshop, play area, washer and dryer or even all of them, plus a portable bar."

A half dozen companies dominate the model train field, including "HO" lines, but hundreds of others—including dozens which are headquartered in somebody's