

Profit Pressure In Electronics Shakes Weaklings

New York — (UPI) — The electronics industry proved no exception to the general course of the economy in 1960. Results of most companies in the field fell short of the optimistic goals projected at the beginning of the year.

Although sales ran to a record \$11 billion in 1960, and this figure is expected to be topped by 5 or 6 per cent in 1961, there is indication of another round of downward pressure on prices and profits resulting in a further shake-out of the weak sisters in the field.

The usual effects of rapid growth are at the bottom of the earnings collapse of many companies whose sales either climbed or remained at the same general level, according to industry spokesmen.

When a company expects a sharp growth rate based on past performances, it expands its facilities and inventories in line with the assumed higher volume. When the big gain in business fails to materialize, profit margins fall because of the higher break-even point.

This, then, is the present plight of the electronics industry. In this sense, electronics has been considered by some observers to be as cyclical as the more mature industries, except for its rising volume base.

Great Hope
The great hope of the industry, spokesmen say, lies in industrial electronics, particularly data processing, which is the most important and fastest growing part of the industrial market.

International Business Machines Corp., which has a firm grip on around 75 per cent of this market, should give plenty of trouble to those desiring expansion in the field.

Process instrumentation and numerical controls for machine tools are another likely avenue for profits, but here again competition is stiffening and to compete, many companies will have to merge in order to survive.

The military sector of the industry — government contracts — was somewhat in the doldrums during 1960 despite a high rate of government spending. The fall-off in orders still is felt to be a mystery by industry officials, but a partial explanation may have been a squeeze on the new programs by the extensive cost over-runs on some of the older projects.

Expect Boost
Orders are expected to pick-up, however, on a new boost in government spending by the Kennedy administration.

The replacement parts and consumer, or entertainment segments of the industry should continue growing in 1961, but not sensationally. Together, they are expected to account for more than \$3 billion in sales.

Consumer electronics is dominated by television and the industry is unlikely to capture a much higher share of the consumer dollar than it already has, according to official opinion.

Replacement part sales depend directly on the amount of electronic equipment already in use. The latter is steadily increasing, but the industry doesn't feel that replacement sales are ready to soar just yet.

Generally, many manufacturers will be concerned with finding the right product mix and marketing formulas for their particular companies. Few manufacturers are willing to take the chance on a narrow specialization that might cut them off from significant segments of the industrial or military markets.

Anti-Cancer Agent Slows Penicillin

Galveston, Texas, (Science Service)—Nitrogen mustard, an anti-cancer agent, decreases the antibiotic activity of penicillin. This finding may be a clue to why cancer patients receiving antibiotics may suddenly become more susceptible to infection.

The test-tube experiments, conducted here by Drs. Stephen E. Ritzmann and William C. Levin at the University of Texas medical branch, also showed that nitrogen mustard did not alter the antibiotic activity of erythromycin or of chlorotetracycline (aureomycin).

The reason for the difference is not known, but one theory, suggested by the researchers in Texas Reports on Biology and Medicine is that nitrogen mustard may interfere with the carboxyl group of penicillin, a group not present in the other two antibiotics.

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Farm Fresh
DOZEN.....

63^c



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Golden
Cubes

6 LBS. \$1

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Large
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BISKIT MIX

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KING
SIZE

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RIPE OLIVES

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No. 1 Tall Tins

5 FOR \$1⁰⁰

CORNEBEEF

REGAL PAK
No. 1 Tins

3 FOR \$1⁰⁰

STRAWBERRY

PRESERVES
"PRIDE"
3 1/2-lb. Jar

\$1⁰⁹

PEACHES

DEL MONTE
CLING
No. 2 1/2 Tins

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RAYON-NYLON

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\$2⁹⁸

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Men's - Women's
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WASH CLOTHS

Decorative
Style

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ALUMINUM
PANS

With Plastic
Covers

88^c

SUGAR

SPRECKELS
10-LB.
BAG

89^c

BORDEN'S
TUBE

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SLICED
No. 2 1/2 Tins

5 FOR \$1

BLUE SKY
Whole
No. 2 1/2 Tins

5 FOR \$1

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LOCKER BEEF

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FRONT 1/4 43^c lb.

HIND 1/4 63^c lb.

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LB. 59^c 2-LB. \$1¹⁷

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Del Monte Dills

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SOLID
CRISP
HEADS

5^c lb.



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Sweet California—Navels

50-lb. sack

\$1⁶⁹

5-lb. bag

59^c

Large Texas Pinks

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MEDFORD
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ASHLAND
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CHUBBY
1-lb. Tins

13 for \$1⁰⁰

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	Reg.	Multiple	Save
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Applesauce Appletime No. 2 1/2	.29	4/1.00	.16
Mandarin Oranges 11-oz. Spruce	.25	5/1.00	.25
Peaches Del Monte Cling No. 303	.25	5/1.00	.25
Peaches Fairplay Cling No. 303	.19	7/1.00	.33
Fruit Cocktail Del Monte No. 303	.27	5/1.00	.35
Pineapple Sliced Summer No. 2	.23	5/1.00	.15
Pineapple Sliced Typhoon No. 2	.29	4/1.00	.16
Pineapple Crushed Sifts No. 2	.29	4/1.00	.16
Asparagus Dew Drop All Green, 300	.29	4/1.00	.16
Pork & Beans Dews 2 1/2 Silver Cut No. 303	.23	5/1.00	.15
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Peas Cottage No. 303	.17	7/1.00	.19
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Yams Hume Whole and Cut, No. 303	.23	5/1.00	.15
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Catsup Del Monte 20-oz. E & A	.33	3/ .89	.10
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