Thus, the domestic watch manufacturers have substantially outperformed U.S. industry in general over the 13-year period.

Watch imports have also increased. Yet, based on the report to the President issued by the Tariff Commission following its comprehensive review of the watch escape clause action, imports by importer-assembler firms in 1963 were 10 percent below their 1953 level. On the other hand, imports of watches and watch movements by the domestic manufacturers themselves had increased more than 95 percent. The trend is shown in table 3. The Tariff Commission has not made figures of this type available for years after 1963.

(2) Sales and profits of the U.S. manufacturers were at an alltime high in 1967. Since the escape clause action of 1954, the watch industry has undergone a series of changes which have markedly strengthened the competitive capability of the firms which produce watch movements domestically. Chief among these changes is the growth of U.S. Time, or Timex, from a relatively unimportant company into the giant of the industry.

By its own proud boast, U.S. Time is the world's largest watch company, marketing more than 40 percent of all the watches sold in the United States. Its sales last year amounted to $201 million, representing, incidentally, a 40-percent increase over 1966, and a 169-percent increase since 1962. Please note that this latest increase of 40 percent came after the tariff reduction, which occurred in January 1967. Forbes magazine recently estimated—June 1, 1968—that U.S. Time last year earned a return on stockholders' equity of 25 percent. The most recent Fortune 500, reporting on 1967 results, showed only 11 of the 500 largest industrial companies in the United States with a higher earnings rate on invested capital. U.S. Time is a privately held company. If it were a public company, it would, of course, be represented on the Fortune 500. It is ironic that this company—which sells five or six times as many watches as its closest competitor, and is substantially more profitable than any other firm in the industry—should come before Congress and ask to be protected from competition.

The other principal domestic producers are also enjoying unprecedented prosperity, as shown in table 4. Bulova's sales in the year ended March 31, 1968, were $139.8 million, up 13 percent from $123.9 million a year ago. Profits were $4.5 million, an increase of 15½ percent from $3.9 million a year ago. The results in the year ended March 31, 1968, represented an all-time record for the company, the previous records having been established in the year ended March 31, 1967. Since 1962, Bulova's sales have increased approximately 122 percent.

Hamilton increased its sales during the year ending January 31, 1968, to $68.4 million, a new high, and an increase of 81.9 percent since 1962. Hamilton's earnings were below the record level achieved in 1966 because of—and I quote here from the most recent annual report: "* * * difficulties with a major military contract involving heavy training expenses, difficulty in obtaining parts from certain vendors, and high investment in inventories." First quarter results for 1968 showed an increase of more than 45 percent in sales and of about 75 percent in profits from the first quarter of 1967. Hamilton's president, Richard J. Blakinger, said: "We look for continuing improvement for Hamilton through the balance of the year. Based on incoming