

With me is Mr. Ronald Marsching, secretary and general counsel of the U.S. Time Corp.

We will summarize here the brief we have filed with the committee.

Our company was established in 1857. We make the Timex watch, and in this testimony I will refer to the Timex group of companies, including our affiliated companies, as Timex.

Timex has watch factories in the mainland U.S.A., in Middlebury and Watertown, Conn.; Little Rock, Ark.; and Abilene, Tex. We also produce watches in Puerto Rico and the Virgin Islands; Toronto, Canada; Dundee, Scotland; Feltham, England; Pforzheim, West Germany; Besancon, France; and Hong Kong, and are in the process of building a plant in Taiwan.

We have research laboratories in Middlebury, Irvington-on-Hudson, N.Y., and in Scotland, France, and England.

We are the world's largest producer of watches. And from all I have just enumerated, you might gather that there was not a cloud in our sky, and wonder why we are here.

Specifically, we are here to support H.R. 11738, which would restore tariffs on watch movements to the levels prevailing immediately prior to the action of the President on January 11, 1967, which removed escape clause rates for imported movements, and to oppose H.R. 17551, which among other things would permit the President further to reduce the tariffs on movements.

It is almost 20 years ago that we began to come to Washington to plead for the survival of the horological industry in the United States, and to prophesy its eventual extinction unless it was given tariff or quota protection.

Eighty-five percent of the cost of a watch is labor, and it was obvious to us that with the productivity of foreign labor being the equal of ours here in the United States, and with foreign labor rates a fraction of ours here in the United States, there was no place for our domestic watch and clock industry to go but out.

For whatever consolation it gives us, we have been good prophets.

In 1957 the Waltham Watch Co., discontinued the production of watches. In 1959, New Haven Clock and Watch Co., went out of business. In the same year, Ingraham Co., gave up the production of wrist watches. In 1963, Precision Time Co., went into bankruptcy. In 1964, General Time Corp., gave up the production of wrist watches. In that same year, Elgin Watch Co., which a year earlier had closed its Elgin, Ill., plant and discontinued all domestic production of men's watches, discontinued the manufacture of all watches in the United States.

And now Hamilton Watch Co., is planning further restrictions on the number of calibers it makes in the United States.

So here we are, almost 20 years later, the only domestic manufacturer of wrist watches which does not also manufacture watches in Switzerland. And the only reason we are still here is that our foreign plants supply us with about half the parts that go into our Timex watches.

This state of affairs, of course, makes the Swiss watch cartel rejoice—which cartel the U.S. District Court for the Southern District of New York in 1962 found, in an opinion of over 100 pages, guilty of violating the U.S. antitrust laws.

And the Tariff Commission reached the same conclusion in its June 1966 report to the President—also over 100 pages.