

Newsweek magazine on March 16, 1966 quoted the company's Chairman and President as having reported that sales topped \$100 million during 1965. No profit figures for that year were cited.

ELGIN

[In millions of dollars]

	Fiscal year ending Feb. 28 (or 29)				
	1966	1965	1964	1963	1962
Net sales.....	42.4	54.8	66.2	46.3	40.4
Net income (loss).....	.6	(8.4)	(2.4)	1.1	1.4

Elgin's net losses in the fiscal years ended February 28 (or 29) 1964 and 1965 were said to have been associated in large part with substantial "cost overruns" in prior years on defense contracts. Net decrease in sales during fiscal 1966 reflected the company's elimination of all its Government business. Consumer sales increased both in fiscal 1965 and 1966 as defense sales declined.

INGRAHAM

The Ingraham Company is a privately-owned firm and does not publish any financial operating statements. However, information from reliable sources indicates that sales in 1964 were more than two and one-half times the 1960 sales, primarily as a result of defense work. The Company's defense backlog on the last day of 1965 was more than its total sales for 1964.

Employment

The Department of Labor has recently surveyed the employment of the four domestic wrist watch producers (Bulova, Hamilton, Elgin and U.S. Time). The total employed in 1965 by the four companies on all products was 9,880. The figure includes clerical, managerial, technical, and professional workers.

In general, there was no discernible trend during the past decade in the employment of production workers on domestic watch movements. A decline of workers in the jeweled-lever segment during the period was partially offset by a gain in the pin-lever segment, and since 1958 the pin-lever segment has employed more workers than the jeweled-lever segment.

THE INVESTIGATION

Following the formal announcement of the investigation on April 8, 1965, this Office undertook an exhaustive study of the domestic watch industry's role in national defense. As required by the statute, the study employed the resources of a number of Government agencies having responsibilities or interest in the matter under review. The agencies collaborating in the study, the Departments of Defense, Commerce, Labor, the Atomic Energy Commission, and the National Aeronautics and Space Administration made material available to this Office as to pertinent aspects of this case which fell within their respective responsibilities. In addition, advice was sought and received from the Department of State and the Council of Economic Advisers. The views of these agencies in the matter follow.

THE DEPARTMENT OF COMMERCE

The Commerce report on this investigation dealt primarily with the question as to whether there is enough machine capacity in the domestic watch industry to meet total mobilization requirements for (1) military components planned for the industry and (2) watches for essential civilian and war-supporting requirements. The report did not address itself specifically to the overall problem of the impact on the national security of imports of watches.

As part of its investigation, the Department undertook a survey of the watch industry to obtain information on the nature and variety of production equipment, the character of current operations, usage of imported parts and movements, production records and capacity potentials. Total mobilization requirements were then analyzed for critical parts which in turn were related to machine time and machine availability. Based on this information and informal