

UNITED STATES TARIFF COMMISSION

WATCH MOVEMENTS

Report to the President (No. TEA-IR-4-66)
Under Section 351(d)(1) of the
Trade Expansion Act of 1962



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(TC28087)

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
March 4, 1966.

To the President:

This report is made pursuant to section 351(d)(1) of the Trade Expansion Act of 1962 (76 Stat. 900), which provides that--

So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect, the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make annual reports to the President concerning such developments.

Introduction

This is the 10th annual report relating to developments in the trade in watch movements which the Commission has issued since the President increased the duties on such movements. 1/ The increased duties have been in effect since July 27, 1954 (table 1). This report focuses on developments that have occurred since the Commission submitted its report to the President on March 5, 1965, under section

1/ The rates of duties were increased after a Tariff Commission investigation under section 7 of the Trade Agreements Extension Act of 1951, by Presidential Proclamation No. 3062 dated July 27, 1954 (3 CFR, 1954-1958 Comp., p.15). For the purpose of this report, "watch movements" refer to timepiece movements that are less than 1.77 inches in width and less than 0.50 inch in thickness.

351(d)(2) of the Trade Expansion Act of 1962. 1/ Additional information relating to the major developments in the trade after 1954 is contained in the Commission's earlier annual reports.

As used in this report, the terms "U.S." and "domestic" refer to the customs territory of the United States. This territory embraces the 50 States, the District of Columbia, and Puerto Rico, but not the Virgin Islands of the United States or Guam. Technically, watch movements received from the U.S. Virgin Islands and Guam are U.S. imports; unless otherwise indicated in this report, however, they are referred to as "shipments" from the U.S. Virgin Islands and Guam. Although the data on such "shipments" are not included as U.S. imports, they have been taken into account in the calculation of U.S. consumption of watch movements.

1/ U.S. Tariff Commission, Watch Movements: Report to the President on Investigation No. TEA-IA-2 Under Section 351(d)(2) of the Trade Expansion Act of 1962, TC Publication 150, 1965 (processed). The report advised the President of the Commission's judgment as to the probable economic effect on the domestic industry producing watch movements of the reduction or termination of the increases in the rates of duty on watch movements proclaimed in 1954. That report was also submitted as the Commission's ninth annual report on watch movements for the purposes of sec. 351(d)(1) of the act.

The Commission is currently conducting an investigation it instituted on Apr. 23, 1965, in regard to watches and watch movements under sec. 337 of the Tariff Act of 1930, as amended (Investigation No. 337-19; 30 F.R. 6131). The investigation was instituted in response to a complaint submitted by the Elgin National Watch Co. and the Hamilton Watch Co. alleging unfair methods of competition and unfair acts in the importation of watches and watch movements and their sale in the United States.

Summary of Major Developments

The significant developments in the trade in watch movements that occurred in 1965 are as follows:

Apparent U.S. consumption of watch movements in 1965 was one-fourth greater than that in 1964; nearly half of the increase was supplied by imports of pin-lever movements.

During 1965 Swiss nationals, apparently associated with watch-making in their own country, purchased a large interest in the Elgin National Watch Co.

U.S. imports of pendant watches from Switzerland amounted to 3 million units in 1965, compared with less than 1 million units in 1964.

Shipments from the Virgin Islands were 51 percent greater in 1965 than in 1964; meanwhile, the Government of the Virgin Islands established a quota system for controlling the further increase of such shipments.

A watch-movement assembly plant established in Guam in late 1965 began shipping movements to the United States in November.

U.S. Consumption

Since 1954, when the escape-action was taken, the trend of apparent U.S. consumption of watch movements has been upward. The apparent consumption of watch movements in 1965 (34 million units) was 25 percent

greater than that in 1964 (table 3). 1/ The increase in consumption in 1965 was far greater than in any other year. This increase reflects several factors, including the continued rise in U.S. consumer incomes, the increasing market for watches containing pin-lever and low-cost jeweled-lever movements, and the emergence of a large market for pendant watches. (See the section on imports for comments on pendant watches.)

U.S. Producers

All six of the concerns that produced watch movements in the United States in 1965 (BuLova Watch Co., Elgin National Watch Co., Hamilton Watch Co., United States Time Corp., General Time Corp., and the Ingraham Co.) own foreign facilities for producing or assembling watch movements. In late 1965, Swiss nationals, apparently associated with watchmaking in their own country, acquired more than 15 percent of the common stock of Elgin. 2/ By March 1966 this change in stock ownership had resulted in no apparent change in Elgin's operations.

1/ The apparent consumption reported herein understates actual consumption since it does not take into account the considerable number of watches and watch movements entered by tourists or smuggled into the U.S. customs territory. An explanation of the method used to compute U.S. consumption is given in the note appended to table 3.

2/ The available information indicates that, in late 1965, 150,000 of Elgin's 940,000 shares of common stock outstanding were purchased by the Pinter Corp. The latter was incorporated in Delaware for the purpose of buying Elgin stock for Sopinter, S.A., which appears to be an investment trust for certain Swiss nationals. It is not known whether Pinter Corp. has subsequently purchased or otherwise obtained control of additional shares.

U.S. Production, Sales, Inventories, and Employment

Aggregate U.S. production of watch movements in 1965 (13.6 million units) was 14 percent greater than that in 1964 (table 3). The increase was accounted for entirely by an increased output of pin-lever movements, principally that of pin-lever wrist watch movements, although there was a smaller increase in the production of pin-lever pocket-watch movements. There was virtually no change in the quantity of jewel-lever movements produced.

Annual changes in producers' sales of domestically produced watches and watch movements, as well as changes in employment in the production of these articles, have roughly paralleled the aforementioned changes in production (tables 4 and 5). U.S. producers' inventories of such movements at the end of 1965 (1,561,000 units) were somewhat greater than those held at the end of 1964.

U.S. Imports

The number of watch movements imported in 1965 (17 million units) was greater than that in any other year, and 32 percent greater than that in 1964 (table 3). 1/ Imports of pin-lever movements were 55 percent greater, while imports of jeweled-lever movements were only 13 percent greater. The larger part of the increase in imports of pin-lever movements in 1965 was accounted for by pendant watches. 2/

1/ The total of the number imported and the number shipped from the Virgin Islands and Guam in 1965 (20.7 million units) was 35 percent greater than that in 1964 (table 8).

2/ Pendant watches generally have a highly decorated case and are hung from the neck on a jewelry chain.

The increase in imports of pin-lever watches--from 5.8 million units in 1964 to 9.0 million units in 1965--reflects three major factors: the increasing prosperity of the country, the increasing share of U.S. watch sales supplied by low-cost watches, and the recent popularity of pendant watches for women and girls. By far the greater share of the pendant watches sold in this country contain pin-lever watch movements made and cased in Switzerland. Although separate import statistics are not available, it appears that about 3 million pin-lever pendant watches were imported from Switzerland in 1965, compared with about 900,000 such watches imported in 1964. As the large-scale importation of these watches is so recent a development, the extent to which they compete with domestically produced watches is not clear. They appear to compete to a small extent with domestically produced pin-lever wrist watches, but to an insignificant extent with domestically produced jeweled-lever watches.

The ratios (based on quantity) of imported watch movements to apparent U.S. consumption of all watch movements in 1951-65 were as follows: ^{1/}

| <u>Year</u> | <u>Ratio</u> <u>(percent)</u> | <u>Year</u> | <u>Ratio</u> <u>(percent)</u> |
|-------------|----------------------------------|-------------|----------------------------------|
| 1951----- | 49 | 1959----- | 54 |
| 1952----- | 56 | 1960----- | 58 |
| 1953----- | 59 | 1961----- | 56 |
| 1954----- | 56 | 1962----- | 53 |
| 1955----- | 53 | 1963----- | 49 |
| 1956----- | 57 | 1964----- | 47 |
| 1957----- | 61 | 1965----- | 50 |
| 1958----- | 52 | | |

^{1/} If shipments from the Virgin Islands, which began in 1959, were added to the imports, the ratios for 1959 and 1960 would be about the same as shown in the tabulation, but the ratios for subsequent years would be as follows: 1961, 57 percent; 1962, 54 percent; 1963, 53 percent; 1964, 56 percent; and 1965, 60 percent.

The share of imported watch movements supplied by Switzerland was successively smaller in each of the years 1958-65. The small decline in the share in 1965 occurred notwithstanding the increased imports of pin-lever pendant watches from Switzerland (table 6).

Shipments From U.S. Insular Possessions

Watch movements assembled in U.S. insular possessions enter the U.S. customs territory free of duty if such movements do not contain foreign materials having a landed cost of more than 50 percent of the appraised value when they enter the United States. ^{1/} Since 1959, watch movements from these possessions (almost entirely from the Virgin Islands) have entered the United States in increasing quantities.

The U.S. Virgin Islands

Entries of duty-free watch movements from the U.S. Virgin Islands increased markedly in 1965, as they have in each of the other years since 1959. The number of watch movements entered from the islands in 1965 (3.6 million units) was 51 percent greater than that in 1964 (table 7). In 1965, shipments from the islands accounted for 10 percent of all movements and about one-fourth of the jeweled-lever movements entering U.S. consumption. Virtually all movements shipped from the islands since 1959 have been jeweled-lever movements, almost all of which have been uncased. In 1965 the number shipped was almost three times the

^{1/} Duty-free U.S. customs treatment is provided for by general head-note 3(a) of the Tariff Schedules of the United States.

number of jeweled-lever movements produced in the United States and nearly half the number imported from foreign countries (table 8.)

The increase in shipments from the islands in 1965 is attributable almost wholly to increased sales by plants in operation at the beginning of the year. A large assembly plant owned by Bulova Watch Co. began operation late in 1965; three small concerns also began operation during the year. At the close of 1965, 15 concerns in the islands were assembling watch movements. The bulk of the parts assembled into movements by these concerns were obtained from Japan; smaller quantities came from West Germany, France, and the Soviet Union. It has been contrary to the traditional policy of Switzerland to permit the exportation of unassembled watch movements for assembly elsewhere.

On August 30, 1965, the Government of the Virgin Islands provided for a production tax of \$2.50 on each watch movement manufactured in the islands for shipment to the United States in excess of 1.8 million units during the period October 1, 1965-March 31, 1966, and thereafter on each such movement in excess of an annual quantity equal to one-ninth of the U.S. consumption of watch movements. 1/ It is not clear from the legislation how the level of U.S. consumption is to be computed or to what extent the tax on shipments in excess of the quota will operate to restrict shipments of watch movements to the United States.

1/ Act No. 1518; 33 V.I. Code 511-518.

Guam

In late 1965 a plant was established on Guam for the purpose of assembling watch movements and entering them duty-free into the U.S. customs territory. This plant, operated in a manner similar to the plants in the Virgin Islands, has been accorded the benefit of a 100-percent tax rebate for a 10-year period by the Government of Guam. This plant currently appears to have about the same capacity as most of the assembly plants in the Virgin Islands. By March 1966, a few other concerns were actively considering the establishment of similar plants in Guam.

Shipment of watch movements from Guam began in November 1965, and a total of 47,460 movements from Guam were entered duty-free during that year. In anticipation of the likely increase of such shipments, the legislature of Guam passed a bill in February 1966, providing for a production tax of \$4.00 on each watch movement manufactured in Guam for shipment to the United States in excess of 1.5 million units annually. By March 1, 1966, the bill had not yet been signed into law by the Governor.

Pending U.S. legislation

The U.S. House of Representatives on October 21, 1965, passed a bill (H.R. 8436) to amend the Tariff Schedules of the United States to make watches and watch movements assembled in U.S. insular possessions other

than the Virgin Islands subject to regular import duties if they contain any foreign material. This bill is aimed at discouraging the establishment of watch-assembly operations on Guam and American Samoa. The Virgin Islands was excepted from the bill in recognition of legislation adopted by the Government of the Virgin Islands to restrict such operations. The bill has been referred to the U.S. Senate Committee on Finance, where it is under active consideration.

STATISTICAL APPENDIX

Table 1.--Watch movements: U.S. rates of duty set forth in the Tariff Schedules of the United States (TSUS)

| TSUS item | TSUS appendix item | Article | Statutory rate 1/ | Trade-agreement rate 2/ | Escape-action rate 3/ |
|-----------|--------------------|--|----------------------------|---------------------------------|--------------------------|
| 716.08 | | Watch movements, assembled, without dials or hands, or with dials or hands whether or not assembled thereon: Having over 17 jewels----- | \$10.75 | \$10.75 4/ | 5/. |
| | | Having no jewels or not over 17 jewels: Not adjusted, not self-winding (or if a self-winding device cannot be incorporated therein), and not constructed or designed to operate for a period in excess of 47 hours without rewinding: Having no jewels or only 1 jewel: Not over 0.6 inch in width----- | | | |
| 716.10 | 932.10 | Over 0.6 but not over 0.8 inch in width----- | \$1.50 | 90¢ | \$1.35. |
| 716.11 | 932.11 | Over 0.8 but not over 0.9 inch in width----- | \$1.35 | 75¢ | \$1.125. |
| 716.12 | 932.12 | Over 0.9 but not over 1 inch in width----- | \$1.20 | 75¢ | \$1.125. |
| 716.13 | 932.13 | Over 1 but not over 1.2 inches in width----- | \$1.05 | 75¢ | \$1.05. |
| 716.14 | 932.14 | Over 1.2 but not over 1.5 inches in width----- | 93¢ | 75¢ | 93¢. |
| 716.15 | 932.15 | Over 1.5 but less than 1.77 inches in width----- | 84¢ | 75¢ | 84¢. |
| 716.16 | 932.16 | Having over 1 jewel but not over 7 jewels: Not over 0.6 inch in width----- | 75¢ | 75¢ 4/ | 5/. |
| 716.20 | 932.20 | Over 0.6 but not over 0.8 inch in width----- | \$2.50 | \$1.80 6/ | \$2.50. |
| 716.21 | 932.21 | Over 0.8 but not over 0.9 inch in width----- | \$2.25 | \$1.35 6/ | \$2.025. |
| 716.22 | 932.22 | Over 0.9 but not over 1 inch in width----- | \$2.00 | \$1.35 6/ | \$2.00. |
| 716.23 | 932.23 | Over 1 but not over 1.2 inches in width----- | \$1.75 | \$1.20 6/ | \$1.75. |
| 716.24 | 932.24 | Over 1.2 but not over 1.5 inches in width----- | \$1.55 | 90¢ 6/ | \$1.35. |
| 716.25 | 932.25 | Over 1.5 but less than 1.77 inches in width----- | \$1.40 | 90¢ 6/ | \$1.35. |
| 716.26 | 932.26 | Having over 7 but not over 17 jewels: Not over 0.6 inch in width----- | \$1.25 | 90¢ 6/ | \$1.25. |
| 716.30 | 932.30 | Over 0.6 but not over 0.8 inch in width----- | \$2.50 | \$1.80 | \$2.50) |
| 716.31 | 932.31 | Over 0.8 but not over 0.9 inch in width----- | \$2.25 | \$1.35 | \$2.025) plus |
| 716.32 | 932.32 | Over 0.9 but not over 1 inch in width----- | \$2.00 | \$1.35 9¢ | \$2.00) 13.5¢ |
| 716.33 | 932.33 | Over 1 but not over 1.2 inches in width----- | \$1.75 | For each: \$1.20 | for each: \$1.75) jewel |
| 716.34 | 932.34 | Over 1.2 but not over 1.5 inches in width----- | \$1.55 | jewel : 90¢) over 7 : \$1.35) | jewel over 7. |
| 716.35 | 932.35 | Over 1.5 but less than 1.77 inches in width----- | \$1.40 | over 7 : 90¢) | over 7 : \$1.35) |
| 716.36 | 932.36 | Adjusted, but not self-winding (and if a self-winding device cannot be incorporated therein), and not constructed or designed to operate for a period in excess of 47 hours without rewinding. | \$1.25 | 90¢) | \$1.25) |
| 717.--7/ | 933.--7/ | Adjusted, but not self-winding (and if a self-winding device cannot be incorporated therein), and not constructed or designed to operate for a period in excess of 47 hours without rewinding. | Base rate + adjustment. 8/ | Base rate + 50¢ for each: 8/ | Base rate + 75¢. |
| 718.--7/ | 934.--7/ | Self-winding (or if a self-winding device can be incorporated therein), or constructed or designed to operate for a period in excess of 47 hours without rewinding, but not adjusted. | Base rate + \$1.00. | Base rate + 50¢. | Base rate + 75¢. |

See footnotes at end of table.

Table 1.--Watch movements: U.S. rates of duty set forth in the Tariff Schedules of the United States (TSUS) --Continued

| | | (In dollars and cents each) | | | |
|-------------------------------------|---|---|--|--|--|
| TSUS appendix item | Article | Statutory rate <u>1/</u> | Trade-agreement rate <u>2/</u> | Escape-action rate <u>3/</u> | |
| 719.-- <u>7/</u> : 935.-- <u>7/</u> | Watch movements, assembled, without dials or hands, or with dials or hands whether or not assembled thereon--Continued Having no jewels or not over 17 jewels--Continued Adjusted and self-winding (or if a self-winding device can be incorporated therein), or constructed or designed to operate for a period in excess of 47 hours without rewinding. | Base rate + \$1.00 for each adjustment. <u>8/</u> | Base rate + 50¢ + 50¢ for each adjustment. <u>8/</u> | Base rate + 75¢ + 50¢ for each adjustment. <u>8/</u> | |

1/ The statutory rates of duty set forth in col. 2, pt. 2E, schedule 7 of the TSUS; they are the same as those imposed under par. 367(a) of the Tariff Act of 1930.
2/ Rates of duty set forth in col. 1 or col. 1-a, pt. 2E, schedule 7 of the TSUS, which reflect concessions originally granted in the trade agreement with Switzerland (T.D. 48093), effective Feb. 15, 1936.
3/ Temporary rates of duty set forth in pt. 2A of the appendix to the TSUS, which were placed in effect on July 27, 1954, by Presidential Proclamation No. 3062 pursuant to the escape-clause procedure.
4/ The statutory rate of duty, although not reduced, was bound against increase by a concession granted in the trade agreement with Switzerland.
5/ No change in the rate of duty was made by the escape action.
6/ No concession was granted, and the statutory rates of duty remained the most-favored-nation rates of duty with respect to watch movements containing less than 7 jewels and containing a bushing or its equivalent (other than a substitute for a jewel) in any position customarily occupied by a jewel.
7/ The full item citation for the movement is the 3 digits shown plus the last 2 digits of the appropriate base rate shown above.
8/ Adjustment to temperature is treated as 2 adjustments, as provided in TSUS headnote 3(e), pt. 2, schedule 7.

Table 2.--Watch movements: U.S. rates of duty placed in effect on watch movements (classified by jewel count) in 1930, 1936, and 1954

| Articles | 1930 ^{1/} | | 1936 ^{2/} | | 1954 ^{3/} | |
|--|-----------------------------------|---|-----------------------------------|--|-----------------------------------|--|
| | O-1 : jewel | 2-7 : jewels : els $\frac{1}{4}$: jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 | O-1 : jewel | 2-7 : jewels : els $\frac{1}{4}$: jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 | O-1 : jewel | 2-7 : jewels : els $\frac{1}{4}$: jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 : jew-:Over 17 |
| Watch movements: | | | | | | |
| More than 1.5 inches wide---- | \$0.75 | \$1.25 : \$2.45 : \$2.75 : \$10.75 | \$0.75 | \$0.90 : \$1.62 : \$1.80 : \$10.75 | \$0.75 | \$1.25 : \$2.33 : \$2.60 : \$10.75 |
| More than 1.2 inches but not more than 1.5 inches wide. | .84 | 1.40 : 2.60 : 2.90 : 10.75 | .75 | .90 : 1.62 : 1.80 : 10.75 | .84 | 1.35 : 2.43 : 2.70 : 10.75 |
| More than 1 inch but not more than 1.2 inches wide. | .93 | 1.55 : 2.75 : 3.05 : 10.75 | .75 | .90 : 1.62 : 1.80 : 10.75 | .93 | 1.35 : 2.43 : 2.70 : 10.75 |
| More than 0.9 inch but not more than 1 inch wide. | 1.05 | 1.75 : 2.95 : 3.25 : 10.75 | .75 | 1.20 : 1.92 : 2.10 : 10.75 | 1.05 | 1.75 : 2.83 : 3.10 : 10.75 |
| More than 0.8 inch but not more than 0.9 inch wide. | 1.20 | 2.00 : 3.20 : 3.50 : 10.75 | .75 | 1.35 : 2.07 : 2.25 : 10.75 | 1.12 $\frac{1}{2}$ | 2.00 : 3.08 : 3.35 : 10.75 |
| More than 0.6 inch but not more than 0.8 inch wide. | 1.35 | 2.25 : 3.45 : 3.75 : 10.75 | .75 | 1.35 : 2.07 : 2.25 : 10.75 | 1.12 $\frac{1}{2}$ | 2.02 $\frac{1}{2}$: 3.10 $\frac{1}{2}$: 3.37 $\frac{1}{2}$: 10.75 |
| Not over 0.6 inch wide----- | 1.50 | 2.50 : 3.70 : 4.00 : 10.75 | .90 | 1.80 : 2.52 : 2.70 : 10.75 | 1.35 | 2.50 : 3.58 : 3.85 : 10.75 |
| All the foregoing (except movements containing over 17 jewels): | | | | | | |
| If adjusted. | \$1.00 extra for each adjustment. | | \$0.50 extra for each adjustment. | | \$0.50 extra for each adjustment. | |
| If self-winding or if designed to operate in excess of 47 hours without rewinding. | \$1.00 extra | | \$0.50 extra | | \$0.75 extra | |

^{1/} Rates of duty imposed under par. 367(a) of the Tariff Act of 1930.

^{2/} Rates in effect beginning Feb. 15, 1936.

^{3/} Rates in effect beginning July 27, 1954.

^{4/} Rates applicable to movements containing 8-17 jewels are the sums of the rates applicable to movements with 2-7 jewels plus an additional duty for each jewel in excess of 7. That additional duty imposed under par. 367(a) of the Tariff Act of 1930 was 15 cents per jewel; the duty under the trade agreement with Switzerland was 9 cents per jewel; and the corresponding duty pursuant to the escape action is 13-1/2 cents per jewel.

^{5/} Not applicable.

Table 3.--Watch movements: Estimated apparent U.S. consumption, by type and origin, 1951-65

(In thousands of units)

| Year | Domestic watch movements | | | | | Imported watch movements ^{1/} | | | All watch movements ^{2/} |
|--------------------------|--------------------------|---------------|---------------|---------------|--------|--|---------------------|----------------------|-----------------------------------|
| | Jeweled-lever | Pin-lever | | | Total | Containing-- | | Total | |
| | | Pocket | Wrist | Total | | 2 or more jewels | 0-1 jewel | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1951----- | 3,093 | 5,099 | 3,230 | 8,329 | 11,422 | 8,759 | 2,248 | 11,007 | 22,429 |
| 1952----- | 2,312 | 3,320 | 2,729 | 6,049 | 8,361 | 8,607 | 2,270 | 10,877 | 19,238 |
| 1953----- | 2,301 | 2,744 | 3,292 | 6,036 | 8,337 | 9,613 | 2,262 | 11,875 | 20,212 |
| 1954----- | 1,670 | 2,611 | 2,902 | 5,513 | 7,183 | 7,045 | 1,972 | 9,017 | 16,200 |
| 1955----- | 1,871 | 2,852 | 3,635 | 6,487 | 8,358 | 6,062 | 3,293 | 9,355 | 17,713 |
| 1956----- | 1,996 | 3,592 | 3,698 | 7,290 | 9,286 | 6,904 | 5,358 | 12,262 | 21,548 |
| 1957----- | 1,453 | 1,663 | 4,666 | 6,329 | 7,782 | 6,910 | 5,333 | 12,243 | 20,025 |
| 1958----- | 917 | 2,528 | 6,003 | 8,531 | 9,448 | 5,581 | 4,806 | 10,387 | 19,835 |
| 1959----- | 1,574 | ^{3/} | ^{3/} | 9,708 | 11,282 | 7,068 | 6,404 | 13,472 | 24,759 |
| 1960----- | ^{3/} | ^{3/} | ^{3/} | ^{3/} | 9,475 | 6,846 | 6,312 | 13,158 | 22,677 |
| 1961----- | ^{3/} | ^{3/} | ^{3/} | ^{3/} | 9,668 | 6,928 | 5,699 | 12,627 | 22,468 |
| 1962----- | ^{3/} | ^{3/} | ^{3/} | ^{3/} | 11,919 | 8,083 | 5,715 | 13,798 | 26,137 |
| 1963----- | ^{3/} | ^{3/} | ^{3/} | ^{3/} | 12,135 | 7,838 | 4,907 | 12,745 | 25,937 |
| 1964----- | ^{3/} | ^{3/} | ^{3/} | ^{3/} | 11,970 | ^{4/} 7,217 | ^{4/} 5,797 | ^{4/} 13,014 | ^{4/} 27,353 |
| 1965 ^{4/} ----- | ^{3/} | ^{3/} | ^{3/} | ^{3/} | 13,609 | 8,154 | 8,966 | 17,120 | 34,354 |

^{1/} Virtually all of the movements reported as containing 2 or more jewels contain 7 or more jewels and are jeweled-lever movements (col. 6); all of those containing 0-1 jewel are pin-lever movements (col. 7).

^{2/} Includes shipments from the U.S. Virgin Islands and Guam; such shipments are not included in cols. 1-8.

^{3/} Data are confidential; publication would reveal the operations of individual concerns. Data were furnished to the President.

^{4/} Preliminary.

Source: Compiled from data supplied to the U.S. Tariff Commission by U.S. producers and from official statistics of the U.S. Department of Commerce.

Note.--The apparent consumption of "Domestic watch movements" was calculated by subtracting from watch movements produced in the customs territory of the United States the estimated U.S. exports of watches containing such movements; the apparent consumption of "Imported watch movements" was calculated by subtracting from imports for consumption from foreign countries (1) the number of watches containing imported movements that were exported with benefit of drawback and (2) for periods prior to Sept. 1, 1963, the estimated number of movements measuring less than 1.77 inches in width that entered commercial channels in clocks; and the apparent consumption of "All watch movements" was calculated by adding "Domestic watch movements" (col. 5), "Imported watch movements" (col. 8), and shipments of watch movements from the U.S. Virgin Islands and Guam into the U.S. customs territory.

Table 4.--Sales of products by U.S. establishments in which watch movements were produced, 1951-65 ^{1/}

| Year | Products other than watches and watch movements | | | | | | Watches and watch movements | | | | | |
|-------------------------|---|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|
| | All products | | | Total | | | U.S. produced | | | Imported ^{2/} | | |
| | Quantity | Value | Quantity | Value | Quantity | Value | Quantity | Value | Quantity | Value | Quantity | Value |
| <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> units | <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> dollars | <u>1,000</u> units | <u>1,000</u> dollars | <u>1,000</u> dollars |
| 1951 | 181,829 | 62,594 | 3/ | 3/ | 117,726 | 88,862 | 3/ | 3/ | 32,897 | 3/ | 3/ | 3/ |
| 1952 | 215,862 | 98,136 | 3/ | 3/ | 124,469 | 86,746 | 8,769 | 8,769 | 37,723 | 1,925 | 1,925 | 1,925 |
| 1953 | 287,298 | 162,829 | 10,695 | 10,695 | 104,939 | 66,066 | 7,532 | 7,532 | 38,873 | 1,911 | 1,911 | 1,911 |
| 1954 | 264,495 | 159,556 | 9,444 | 9,444 | 112,256 | 76,425 | 8,600 | 8,600 | 35,831 | 1,903 | 1,903 | 1,903 |
| 1955 | 231,552 | 119,296 | 10,502 | 10,502 | 116,382 | 80,084 | 8,895 | 8,895 | 36,298 | 2,070 | 2,070 | 2,070 |
| 1956 | 212,682 | 96,300 | 10,965 | 10,965 | 112,088 | 76,916 | 8,343 | 8,343 | 35,172 | 2,246 | 2,246 | 2,246 |
| 1957 | 184,972 | 72,884 | 10,590 | 10,590 | 105,721 | 72,984 | 9,379 | 9,379 | 32,737 | 1,976 | 1,976 | 1,976 |
| 1958 | 167,018 | 61,297 | 11,355 | 11,355 | 133,418 | 86,260 | 10,776 | 10,776 | 47,158 | 2,738 | 2,738 | 2,738 |
| 1959 | 195,696 | 62,278 | 13,514 | 13,514 | 126,686 | 84,470 | 9,730 | 9,730 | 42,216 | 2,804 | 2,804 | 2,804 |
| 1960 | 201,162 | 74,476 | 12,534 | 12,534 | 111,710 | 73,471 | 9,546 | 9,546 | 38,239 | 2,458 | 2,458 | 2,458 |
| 1961 | 200,310 | 88,600 | 12,004 | 12,004 | 136,776 | 90,667 | 11,511 | 11,511 | 46,109 | 3,231 | 3,231 | 3,231 |
| 1962 | 222,637 | 85,861 | 14,742 | 14,742 | 143,750 | 98,296 | 12,185 | 12,185 | 45,454 | 2,834 | 2,834 | 2,834 |
| 1963 | 236,464 | 92,714 | 15,019 | 15,019 | 153,723 | 100,932 | 12,383 | 12,383 | 52,791 | 3,276 | 3,276 | 3,276 |
| 1964 | 236,912 | 83,188 | 15,658 | 15,658 | 170,340 | 110,074 | 13,473 | 13,473 | 60,266 | 3,799 | 3,799 | 3,799 |
| 1965 | 269,458 | 99,118 | 17,271 | 17,271 | | | | | | | | |

^{1/} Does not include sales by U.S. producers (or their subsidiaries) of watches containing movements produced in foreign countries or the U.S. Virgin Islands when such watch movements were not prepared for sale in the U.S. establishments in which watch movements were produced.

^{2/} Includes shipments from the U.S. Virgin Islands prepared for sale in domestic establishments.

^{3/} Not available.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers.

Table 5.--Employment in U.S. establishments in which watch movements were produced, 1951-65

| Year | All plants in which watch movements were produced | | | |
|-----------|---|--|--|--|
| | All employees | Production and related workers producing-- | | |
| | | All products | Domestic watch movements ^{1/} | |
| | Average number of employees | | | |
| 1951----- | 2/ | 19,060 | 11,623 | |
| 1952----- | 2/ | 20,691 | 9,069 | |
| 1953----- | 2/ | 23,663 | 8,300 | |
| 1954----- | 23,464 | 20,169 | 6,858 | |
| 1955----- | 22,687 | 17,036 | 6,914 | |
| 1956----- | 19,828 | 14,800 | 6,854 | |
| 1957----- | 15,872 | 12,401 | 6,381 | |
| 1958----- | 14,115 | 11,901 | 6,608 | |
| 1959----- | 16,434 | 14,128 | 8,124 | |
| 1960----- | 14,764 | 12,133 | 7,398 | |
| 1961----- | 13,744 | 11,005 | 6,193 | |
| 1962----- | 14,897 | 11,753 | 6,815 | |
| 1963----- | 15,306 | 12,798 | 6,575 | |
| 1964----- | 14,631 | 12,008 | 6,123 | |
| 1965----- | 16,155 | 13,175 | 6,283 | |
| | Man-hours worked (1,000 man-hours) | | | |
| 1951----- | 2/ | 38,298 | 2/ | |
| 1952----- | 2/ | 40,395 | 2/ | |
| 1953----- | 2/ | 48,306 | 17,223 | |
| 1954----- | 2/ | 38,973 | 13,299 | |
| 1955----- | 2/ | 33,262 | 13,594 | |
| 1956----- | 2/ | 28,562 | 12,960 | |
| 1957----- | 2/ | 23,170 | 11,933 | |
| 1958----- | 2/ | 23,637 | 13,140 | |
| 1959----- | 2/ | 28,727 | 16,524 | |
| 1960----- | 2/ | 24,020 | 14,429 | |
| 1961----- | 2/ | 20,739 | 11,082 | |
| 1962----- | 2/ | 24,061 | 13,719 | |
| 1963----- | 2/ | 26,292 | 12,403 | |
| 1964----- | 2/ | 24,258 | 11,984 | |
| 1965----- | 2/ | 26,870 | 12,529 | |

^{1/} Data include all employment in the preparation of domestic movements for sale, in the production of watch parts sold as such for repair purposes, and in the factory servicing of returned domestic watches; data do not include employment in the preparation of imported watches and watch movements for sale.

^{2/} Not available.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers.

Table 6.--Watch movements (including small clock movements): 1/ U.S. imports for consumption, by principal sources, 1952-65

| Year | Total | Switzer- land | West Germany | Japan | France | United Kingdom | Other |
|------------------------|-----------|------------------|-----------------|-------|--------|-------------------|-------|
| Quantity (1,000 units) | | | | | | | |
| 1952----- | 11,657 | 11,337 | 303 | - | 12 | 4 | 2/ |
| 1953----- | 13,367 | 12,376 | 884 | 2/ | 11 | 93 | 2 |
| 1954----- | 10,485 | 9,380 | 1,062 | - | 23 | 18 | 3 |
| 1955----- | 10,853 | 9,459 | 1,262 | - | 108 | 24 | 2/ |
| 1956----- | 13,509 | 11,856 | 1,571 | 2 | 78 | 2 | - |
| 1957----- | 13,246 | 11,680 | 1,344 | 4 | 157 | 61 | - |
| 1958----- | 11,315 | 9,970 | 1,168 | 1 | 156 | 20 | 2/ |
| 1959----- | 14,524 | 12,534 | 1,546 | 9 | 433 | 1 | 1 |
| 1960----- | 14,284 | 12,019 | 1,740 | 110 | 409 | 2 | 4 |
| 1961----- | 13,867 | 11,590 | 1,644 | 354 | 271 | 4 | 2 |
| 1962----- | 15,233 | 12,584 | 1,704 | 504 | 428 | 8 | 4 |
| 1963----- | 3/ 14,454 | 11,705 | 1,921 | 475 | 328 | 12 | 13 |
| 1964 4/----- | 14,199 | 12,123 | 1,160 | 485 | 260 | 90 | 81 |
| 1965 4/----- | 5/ 18,835 | 15,761 | 1,560 | 818 | 440 | 104 | 151 |
| Percent of total | | | | | | | |
| 1952----- | 100.0 | 97.2 | 2.6 | - | 0.1 | 6/ | 6/ |
| 1953----- | 100.0 | 92.6 | 6.6 | 6/ | .1 | 0.7 | 6/ |
| 1954----- | 100.0 | 89.5 | 10.1 | - | .2 | .2 | 6/ |
| 1955----- | 100.0 | 87.1 | 11.6 | 6/ | .1 | .2 | - |
| 1956----- | 100.0 | 87.8 | 11.6 | 6/ | .6 | 6/ | - |
| 1957----- | 100.0 | 88.2 | 10.1 | 6/ | 1.2 | .5 | - |
| 1958----- | 100.0 | 88.1 | 10.3 | 6/ | 1.4 | .2 | - |
| 1959----- | 100.0 | 86.3 | 10.6 | 6/ | 3.0 | 6/ | 6/ |
| 1960----- | 100.0 | 84.1 | 12.2 | 0.8 | 2.9 | 6/ | 6/ |
| 1961----- | 100.0 | 83.5 | 11.8 | 2.5 | 1.9 | 6/ | 6/ |
| 1962----- | 100.0 | 82.6 | 11.2 | 3.3 | 2.8 | 6/ | 6/ |
| 1963----- | 100.0 | 81.0 | 13.3 | 3.3 | 2.3 | .1 | 0.1 |
| 1964 4/----- | 100.0 | 85.4 | 8.2 | 3.4 | 1.8 | .6 | .6 |
| 1965 4/----- | 100.0 | 83.7 | 8.3 | 4.3 | 2.3 | .6 | .8 |

1/ Data include movements measuring less than 1.77 inches in width which entered commercial channels in clocks, because separate data for watch movements by country of origin are not available for the full years shown prior to 1964. Data do not include shipments from the U.S. Virgin Islands or Guam into the U.S. customs territory.

2/ Less than 500 units.

3/ Does not include 21,785 movements not accounted for by country.

4/ Preliminary.

5/ Because of rounding, figures do not add to the total shown.

6/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Watch movements: Shipments from the U.S. Virgin Islands into the U.S. customs territory, by jewel count, 1959-65

| Year | Watch movements containing <u>1</u> -- | | | | All watch movements <u>2</u> / |
|------------------------|--|------------|--------------|---------------------|--------------------------------|
| | 0-1 jewel | 2-7 jewels | 16-17 jewels | More than 17 jewels | |
| Quantity (1,000 units) | | | | | |
| 1959----- | - | <u>3</u> / | 5 | <u>3</u> / | 5 |
| 1960----- | 2 | - | 38 | 5 | 44 |
| 1961----- | 1 | <u>3</u> / | 128 | 44 | 173 |
| 1962----- | 1 | 1 | 278 | 140 | 420 |
| 1963----- | 2 | 14 | 657 | 384 | 1,057 |
| 1964 <u>4</u> /----- | 8 | 38 | 1,901 | 423 | 2,369 |
| 1965 <u>4</u> /----- | 1 | 7 | 3,032 | 538 | 3,578 |
| Value (1,000 dollars) | | | | | |
| 1959----- | - | 1 | 31 | 2 | 34 |
| 1960----- | 11 | - | 242 | 34 | 287 |
| 1961----- | 7 | 1 | 779 | 299 | 1,087 |
| 1962----- | 2 | 3 | 1,638 | 907 | 2,551 |
| 1963----- | 9 | 93 | 3,733 | 2,484 | 6,319 |
| 1964 <u>4</u> /----- | 40 | 187 | 10,988 | 2,954 | 14,169 |
| 1965 <u>4</u> /----- | 2 | 337 | 17,390 | 3,575 | 21,304 |

1/ All of the movements containing 0-1 jewel are pin-lever movements; virtually all of those reported as containing 2 or more jewels contain 7 or more jewels and are jeweled-lever movements. Shipments of movements containing 8-16 jewels, if any, have been combined with those containing 17 jewels.

2/ Because of rounding, figures do not add to the totals shown.

3/ Less than 500 units.

4/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--Watch movements: U.S. imports for consumption, including shipments from the U.S. Virgin Islands and Guam, 1958-65 ^{1/}

| Year | (In thousands of units) | | | | | | | | | |
|--------------------|--|------------|--|------------|--------------|------------|--------------|------------|--------------|------------|
| | Imports from foreign countries ^{2/} | | Shipments from the U.S. Virgin Islands | | | | All imports | | | |
| | Containing-- | Total | Containing-- | Total | Containing-- | Total | Containing-- | Total | Containing-- | Total |
| : 2 or more: | : jewels : | : jewels : | : 2 or more: | : jewels : | : 2 or more: | : jewels : | : 2 or more: | : jewels : | : 2 or more: | : jewels : |
| 1958 | 5,581 | 4,806 | 10,387 | - | - | 5,581 | 4,806 | 10,387 | - | - |
| 1959 | 7,068 | 6,404 | 13,472 | 5 | - | 7,073 | 6,404 | 13,477 | 5 | - |
| 1960 | 6,846 | 6,312 | 13,158 | 42 | 2 | 6,888 | 6,314 | 13,202 | 44 | 2 |
| 1961 | 6,928 | 5,699 | 12,627 | 172 | 1 | 7,100 | 5,700 | 12,800 | 173 | 1 |
| 1962 | 8,083 | 5,715 | 13,798 | 419 | 1 | 8,502 | 5,716 | 14,218 | 420 | 1 |
| 1963 | 7,838 | 4,907 | 12,745 | 1,055 | 2 | 8,893 | 4,909 | 13,802 | 1,057 | 2 |
| 1964 ^{3/} | 7,217 | 5,797 | 13,014 | 2,361 | 8 | 9,578 | 5,805 | 15,383 | 2,369 | 8 |
| 1965 ^{3/} | 8,154 | 8,966 | 17,120 | 3,577 | 1 | 11,778 | 8,967 | 20,745 | 3,578 | 1 |

^{1/} Virtually all of the movements reported as containing 2 or more jewels contain 7 or more jewels and are jeweled-lever movements; all of those containing 0-1 jewel are pin-lever movements.

^{2/} Imports from foreign countries were calculated by subtracting from imports from foreign countries the number that were exported with benefit of drawback.

^{3/} Preliminary.

^{4/} Includes 47 thousand watch movements shipped from Guam in 1965.

Source: Compiled from official statistics of the U.S. Department of Commerce.

