

STATISTICAL AND SOCIAL INQUIRY SOCIETY OF IRELAND

THE BOOT AND SHOE INDUSTRY OF SAORSTAT EIREANN.

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(To be read on Thursday, 28th March, 1935.)

GENERAL

In his report on the Cork Exhibition of 1883, Prof. W. K. Sullivan wrote :—

“The show of hand-made and machine-made boots and shoes was large and the quality of the articles exhibited good.”

He went on to say that the footwear industry was one “which should be indigenous and flourishing,” and he deplored the little development of the industry in the country. (Report, p. 242.)

Until the Treaty there was little development in the industry. It was not until 1924, when the first protective tariff was imposed, that the industry began to expand. Writing in 1921, Mr. E. J. Riordan said: “there is still room in Ireland for a vast extension of this industry.” (*Modern Irish Trade and Industry*, p. 179.) Figures are given by Mr. Riordan for the whole of Ireland, showing that the value of the imports averaged slightly over £1 $\frac{3}{4}$ millions per year in the five pre-war years and amounted to £3,663,535 in 1918. The values of imports into Saorstát Eireann since 1927 are given on Schedule 3 annexed.

The Irish market in footwear was always of great importance to the British importers. When the tariff was first imposed in 1924 “the Irish Free State took one-third of the total British exports of footwear.” (*Economic Journal*, Vol. 37, June, 1927.)

When introducing the first tariff the Minister for Finance “designated it as a limited experiment in the use of a tariff with the object of stimulating the industry of the Soarstát.” (*Economic Journal*, loc. cit.)

In this paper I propose to examine the results of that “limited experiment” which has now developed into the more full blooded experiment of Quota prohibition.

FACTORIES IN SAORSTAT EIREANN

At the present time (March, 1935) there are 16 factories operating in this country, and their geographical distribution is as follows :—

Province	Location	Number of Factories
Munster	Cork, Limerick, Kerry, Tipperary and Waterford	6
Leinster	Dublin, Kilkenny, Carlow, Louth and Meath	9
Ulster	Monaghan	1
		16

It appears from reports in the newspapers that a further factory is to be established in Edenderry.

Louth heads the list of counties with the greatest number of factories, there being four factories, two each in Drogheda and Dundalk.

In 1921 Mr. Riordan (op. cit.) stated there were 11 factories, and the distribution as given was :—

Munster	3
Leinster	4
Connaught	4

It is possible that the description of a factory used by Mr. Riordan was much more flexible than mine, and some places of a non-factory type were probably included in his list.

PRODUCTION OF FACTORIES

In 1924 there were six factories operating and they employed about 350 persons, and were largely engaged in the production of the heavy types of footwear.

Detailed figures of production are not available from 1924 to 1931; the production details being given in bulk for light and heavy. I could use the Census of Production reports, but as the marked expansion took place since 1931 I think it better to use the bulk figures only.

In 1931 the factories introduced a fuller production classification, and for the past two years production is detailed under eleven different heads, viz. four classes each for light and heavy and children, infants and general (the last-named covering such things as clogs, etc.).

PRODUCTION IN RELATION TO DEMAND, 1924 TO 1930

I should preface my remarks by saying that my calculations relate solely to footwear of leather and ignore rubber footwear and footwear of materials other than leather, unless expressly specified. Also excluded are children's and infants' classes.

During the period from 1924 to 1930 the production of the factories expressed as a percentage of the total demand of the country was as follows :—

FACTORY PRODUCTION S.E. (Footwear of Leather)	
Year	Per cent. of Total Demand
1924	7
1925	9
1926	11
1927	13
1928	13
1929	11
1930	14

“Demand” for this purpose is determined by adding the total of the imports of each year of all classes, but excluding imports of rubber and footwear of other materials, to the actual production of the factories for each year. The calculation is made without taking any stocks into account and without any regard to variations in the flow of imports.

PRODUCTION IN RELATION TO DEMAND 1931 TO 1934.

Since 1931 I have been able to get more complete details of production, and give on the annexed Schedule (No. 1) a summary of the position,

I should like to comment on these figures as follows:—

CHANGE IN DEMAND—HEAVY FOOTWEAR

The demand in the heavy classes shows a marked decline since 1931, the comparative figures being:—

HEAVY FOOTWEAR

(Figures to nearest '000 pairs.)

Year	Imports	Production	Total
1931	635	375	1,010
1932	336	374	710
1933	200	515	715
1934	113	526	639

The sharp decline in the total value of the imports since 1930 is shown in detail in Schedule 3 annexed.

Generally speaking, the trend of production is towards the lighter classes. The like trend is evidenced in the clothing industry as a whole; and on Sundays in the country districts it is surprising to note the number of persons dressed in light garments and wearing art silk hose and light shoes and boots.

LIGHT FOOTWEAR

Taking the total imports of light footwear plus factory production as "the demand," the total demand has shown sharp variations since 1931 as follows:—

LIGHT FOOTWEAR

(Figures to nearest '000 in pairs.)

Year	Imports	Production	Total
1931	3,053	261	3,314
1932	2,321	467	2,788
1933	1,819	1,052	2,871
1934	1,634	1,386	3,020

Again I may refer to Schedule 3 which gives the values of the imports since 1927 and shows remarkable decreases since 1930.

CHANGE IN CHARACTER OF DEMAND

In the period since 1930 there was a notable change in the character of the total demand. Imports of rubber footwear had shown a marked increase from 1930, and in this country, as in England, a very sharp tariff was imposed to prevent the inroads of the cheap imported foreign rubber footwear.

In addition there had been a steady drift away from purely leather footwear; and imports of boots and shoes of other materials show a striking increase since 1930.

The import figures for footwear of rubber and other materials are as follows:—

IMPORTS SAORSTÁT EIREANN

FOOTWEAR OF RUBBER AND OF MATERIALS OTHER THAN LEATHER.

(Figures to nearest '000 pair.)

Year	Total	Rubber	Other Materials
1930	1,139	897	242
1931	1,254	1,022	232
1932	1,418	1,062	356
1933	2,575	1,127	1,448
1934	1,735	659	1,076

The effects of the increased tariff on rubber footwear and of the Quota imposed in October, 1934, are indicated by these figures.

DISTRIBUTION OF PRODUCTION

Using a provincial basis, and including the one factory in Monaghan in the Leinster totals, the production of 1933 was distributed as follows:—

YEAR 1933

<i>Light Production—</i>		<i>Heavy Production—</i>	
Munster ...	38%	Munster	30%
Leinster	62%	Leinster	70%

ELASTICITY OF PRODUCTION

During 1934 I made a special survey of the then 15 operating factories to ascertain the capacity for production. The "capacity factory" is very often a misleading one, as it is made by estimating what is the full capacity figure of the machines and multiplying that figure by the possible number of weeks to be worked in a year. On occasion I have known such estimates to be made independent of the class of production where there are many classes within the same factory.

In my survey I ascertained the actual production of each factory for the best week worked in 1934, and lest the said best week might be exceptional, I also ascertained the "best month" in each factory. The figures may be compared with actual production of the past three years, as follows:—

FACTORY PRODUCTION AND CAPACITY

Year	Production ('000 pairs) per annum	Production per Month ('000 pairs)		
		Light	Heavy	Total
1932	841	39	31	70
1933	1,567	88	43	131
1934	1,903	116	43	159
Capacity	2,783	169	63	232
<i>Actual:—</i>				
Best Month ...	—	129	58	187

The actual figure is that of the best month of 1934, and differs from the capacity figure in that the same month is taken for all the factories. The capacity figure is based on the survey for the "best week." Using the "best month" figure there is a reduction of approximately 5% on the "best week" figure of capacity.

These figures have to be used with caution, as for present use they are conditioned by the effect of the Quota which has the effect of reducing imports by about one-half. This Quota has led to the more intensive use of machines and to the installation of a considerable number of new plants. Two new factories have been started since the survey was made, and developments in certain of the established factories have taken place or are contemplated.

EMPLOYMENT

The employees generally are members of Trade Unions, and as regards the greater part are members of the National Union of Boot and Shoe Operatives. Last year a Joint Board of Arbitration and Conciliation was set up, and this Board consists of seven representatives each of the Employers and of the National Union, the Chairman being elected by the Board; this year's Chairman is one of the Union representatives.

Wages are regulated on a written scale, and I give annexed a copy of the Wage Schedule in force (Schedule 2).

The Wage Schedule is varied by the cost-of-living index figures as the Schedule (No. 2) shows.

Whilst on this question I would like to refer to a special labour problem of this country. As is known, many new factories have been established in recent years. These factories could not get in this country either the skilled labour necessary, or immediate supplies of juvenile labour capable of being trained. These factories generally had to take on labour as they found it in their respective areas. This set up a new problem, and it was got over by the relaxing of the rigid Trade Union regulations and the setting-up of a temporary Schedule of Wages for this type of labour, now known as the Green Labour Schedule. Under this Green Labour Schedule men were taken on at rates below the standard rates and a permissive period of two years was given during which labour could be engaged in the new factories at the special Green Labour rates. Through the introduction of this Green Labour Schedule a substantial contribution was made to the speedy and widespread development of the industry in this country.

NUMBERS EMPLOYED

The numbers employed and the classes at various dates were as follows:—

Date	Total	Men	Women	Juveniles
1924	350	—	not available	—
1933—January	1,642		"	
June	2,443		"	
December	2,595		"	
1934—November	2,910	1,278	760	872
December	2,999	1,297	772	930
Best week	3,000	1,303	779	918

It is indicative of the immediate effect of the Quota to find the December figures are getting so near to the "best week" figures, and it augurs well for the volume of production and employment in 1935.

DISTRIBUTION OF EMPLOYMENT

Using a provincial basis I get the following percentages :—

Year	Munster	Leinster
1933	35.7%	64.3%
1934—December	31.0%	69.0%

CHARACTER OF EMPLOYMENT

Taking employment at various dates the following was the percentage distribution between men, women and juveniles :—

Date	Men	Women	Juveniles
1934—November	40	27	33
December	43	26	31
Best Week	43	26	31

On a closer analysis I get the following percentage distribution for December, 1934 :—

Factories Employing	Men	Women	Juveniles
Over 250	37	28	35
Over 100 N.E. 250	47	25	28
Under 100	55	23	22

TOTAL VALUES IMPORTS

On the annexed Schedule III the imports of all classes are given since 1927 in so far as they are available.

INCREASE IN OUTPUT SINCE 1924

It is interesting to contrast the rate of progress since 1924 in the matter of factory production in Saorstát Éireann, and I give on Schedule IV the years since 1924 based on the parity of 1924. The figures of themselves, and read with the Employment figures, bear eloquent testimony to the results of the limited experiment in tariff stimulation on this industry.

SCHEDULE I

THE BOOT AND SHOE INDUSTRY OF SAORSTÁT EIREANN.

PRODUCTION AND IMPORTS

BOOTS AND SHOES OF LEATHER

(Figures to nearest thousand pairs.)

Class	1931	1932	1933	1934
Imports—Heavy	636	336	200	113
Light	3,053	2,321	1,819	1,634
Total Imports	3,689	2,657	2,019	1,747
Production—Heavy	375	374	515	526
Light	261	467	1,052	1,386
Total Production	636	841	1,567	1,912
Demand	4,325	3,498	3,586	3,659
Production—				
Per cent. of demand	15	24	44	52
" of light	8	17	37	46
" of heavy	37	52	72	82

NOTE.—The 1932 figure of production does not include the production of one new factory. The error would not affect totals by 1%. Likewise the 1933 figure is not full for the same reason, but the margin of error would not again exceed 1%. The 1934 figure contains an estimate which leaves a possible margin of error of 1/10th of 1%.

SCHEDULE II

EXTRACTS FROM NATIONAL CONFERENCE AGREEMENT

(January, 1935.)

CLAUSE

4. The ordinary working week shall be one of 48 hours.

12. (a) It shall be obligatory :—

- (1) On the part of the employer to pay the full rate of wages for all output.
- (2) On the part of the operatives to use their productive ability to the best advantage and fullest capacity and with no reductions of output following a change of organisation or machinery.

(b) The basis of payment shall be either Piecework or Daywork.

13. MINIMUM DAY WAGE RATES

“Changes of rates rendered necessary by an alteration in the Cost of Living shall be based on the Index figures published in September.”

14. MINIMUM RATES

INDEX FIGURES

Age	From 30/50		From 50/70	
	Male	Female	Male	Female
15	12/6	11/6	13/-	12/-
16	17/6	15/6	18/-	16/-
17	20/3	19/6	21/-	20/-
18	26/-	23/-	27/-	24/3
19	31/9	28/6	33/-	29/6
20	38/6	33/-	40/-	34/-
21	48/6	—	50/-	—
22	54/-	—	56/-	—

SCHEDULE III.

IMPORTS OF FOOTWEAR, SAORSTÁT EIREANN.

Values to the £1,000.

CLASS	1927	1928	1929	1930	1931	1932	1933	1934
	£	£	£	£	£	£	£	£
Boots and Shoes of Leather and/or Skin :—								
Light—Men's and Boys'....	—	—	—	578	506	359	260	215
Women's and Girls'	—	—	—	689	649	466	349	315
Heavy—Mens' and Boys'	—	—	—	259	239	122	65	33
Women's and Girls'	—	—	—	43	38	16	8	4
Children's (0/1)	—	—	—	31	26	70	98	77
Total Leather	1,660	1,704	1,648	1,600	1,458	1,033	780	644
Of Rubber	34	49	64	91	101	98	86	41
Of Other Materials	40	38	35	31	30	40	104	77
GROSS TOTALS ...	1,734	1,791	1,747	1,722	1,589	1,171	970	762

NOTE.—For 1927 to 1929 no details are available of leather classes.

SCHEDULE IV.

BOOTS AND SHOES OF LEATHER

FACTORY PRODUCTION SAORSTÁT ÉIREANN

(1924—100)

Year	Production	Year	Production
1924	100	1930	235
1925	157	1931	214
1926	172	1932	283
1927	195	1933	527
1928	206	1934	640
1929	176		

DISCUSSION ON MR. McCARTHY'S PAPER.

Following are résumés of the observations of some of the speakers to Mr. McCarthy's paper:—

Professor Shields, in proposing a vote of thanks to Mr. McCarthy, pointed out that, as the footwear requirements of almost 3,000,000 people had to be satisfied, the market was important. British boot and shoe manufacturers, before the introduction of the higher duties in 1932, possessed special advantages, enabling them to supply the larger part of the Free State market, viz., large scale organisation, mass production, standardisation of products, combination in a federation with an intelligence bureau, which afforded information on processes, inventions, and markets for materials and finished goods. According to the Census of Population, 1926, there were nearly 6,800 persons employed in the industry in the Free State, of whom probably about 5,000 worked on their own account, mainly on repair work. In addition, there must be a large number engaged on handicraft production scattered over the country. The industry has been favoured by protection since the inception of import duties in the Free State. An ad valorem duty of 15 per cent. was imposed on all boots and shoes from 5th May, 1924, followed by a duty of 37½ per cent. and a preferential tariff of 25 per cent., from April, 1932, on leather footwear, except children's, while lower duties were imposed on children's footwear and that made from materials other than leather. The differential duties were altered from 24th December, 1932, and a flat import duty of 30 per cent. was imposed. In September and October, 1934, the system of prohibition under licence was introduced and quotas were determined. An analysis of the annual import returns and Census of Production reports disclosed some interesting facts. The yearly imports of leather boots and shoes from 1924 to 1931 varied from 4,000,000 to 4,500,000 pairs, while a large reduction in imports resulted from the higher duties, the figures for 1934 in light and heavy leather footwear being 46 per cent. and 83 per cent. less than those for 1931. There appeared to be a growing use of rubber footwear, the imports of which increased each year from 1924 to 1933, the amount in the latter year being ten times that of the former. During 1933 and 1934 there was a large dumping of footwear made of other materials, amounting to 210,000 dozen pairs, being equal to a seven years' normal supply. One special feature disclosed by these returns is that there has been a considerable reduction in the total available supply of leather footwear in 1933 and 1934, compared with 1931, amounting to 733,000 and 665,000 pairs respectively. It may also be noted that the percentage of the gross output paid in wages was about 21 per cent., while the percentage for materials varied from 48 to 57. Speaking generally on the subject of protection, it may be remarked that when a Government affords special protection to an industry, it should take measures to see that the particular industry should not abuse its position by charging unduly high prices to retailers or consumers, and provision should be made by which each manufacturer in the protected industry should submit at regular intervals the factory or wholesale prices of each of his products for consideration by the Prices Tribunal.

Mr. L. J. Duffy, seconding the motion, said we were still importing almost 50 per cent. of our footwear, and in the fiscal year 1932-33 the duty on these imports amounted to £226,000. The users of footwear not only paid the duty, they paid both wholesalers' and retailers' profits on the actual duty charged by the State. The tariff on imported boots and shoes cost the public, therefore, approximately £300,000 per annum. It could be assumed that we were paying an additional £300,000 over and above the competitive price for the 50 per cent. of our footwear produced at home. He thought this industry offered inadequate return for the expenditure which its protection imposed on the consumer. The

value of the net output, which was the only figure that need be considered in this instance, was £233,366 in 1932. Of this sum, only £108,010 was paid in wages to the workers whose toil created the net output value; the balance, *i.e.*, £125,356, remained with the manufacturers to pay rent, rates, taxes, bank charges, and to provide interest on capital. In 1929 wages absorbed 62.2 per cent. of the net output, and in 1932 only 55.7 per cent.

Dr. George O'Brien said that the statistics in the paper showed that the consumption of footwear in the Free State is less than before the intensification of the protective measures, and that, when the rise in population is allowed for, the consumption, per capita, has still further declined. If the diminution in consumption were the result of the home produced footwear being of better quality and lasting longer it would not be so marked in the first year of the intensified protection, and it must therefore be the result either of a general decline in purchasing power or of an increase in the price of footwear (or of both together). The treatment of the subject could not be considered complete until figures were supplied showing (i) the prices of imported and home produced goods of identical quality and (ii) the revenue derived from the import tax on footwear. If such figures were available it would be possible roughly to estimate the cost (a) to the consumer of footwear and (b) to the community of the new employment referred to in the paper.

Mr. D. P. Gallagher, supporting the vote of thanks, said it had come to him as something of a surprise that in 1924 so much as one-third of the total British exports of footwear were taken by the Irish Free State. Accepting this figure as correct, it emphasised how far the process of our industrial decay had gone and how urgently necessary were the tariff measures adopted by the Government. Mr. McCarthy's map of the situation from the point of view of the national industrial development is encouraging, showing as it does an increase in production from the datum figure of 100 in 1924 to 640 in 1934, with an increase in the numbers employed in the manufacturing end of the business from 350 in 1924 to 3,000 at the end of 1934, two-thirds of the latter being adult males, and the employment being distributed over 11 provincial centres in the four provinces. From the social point of view, this geographical distribution at the inception of a growing industry is a valuable feature, as counteracting any tendency to undue industrial concentration in the metropolis or cities of the Free State.