

The Expansion of the Textile and Clothing Industries

1. The wool industry

In an essay written in 1956 Roberto Dodi, a leader of the Italian wool textile industrialists' association, argued that the Italian wool textile industry first came to grips successfully with the world market in the years following the First World War.¹ Enjoying better protection behind the new tariff barrier that went into force on 1 July 1921, the industry's exports rose steadily from 1922 to 1927, when the revaluation of the lira (to "Quota 90" against the pound sterling) made Italian prices non-competitive and gradually excluded Italy from international trade, leaving the entire men's woollen-wear market to Britain and the women's market to France. The crisis of 1929 did the rest. Exports resumed from 1937 onwards with the League of Nations' economic sanctions and the proclamation of autarky. But these exports were limited, in keeping with the quota system enacted in 1934.

During the Second World War exports went only to belligerents. In any event, military demand left little room for exports, especially as output was severely limited by lack of raw material. With the end of the war, the industry began to recover, although with the closure of central European markets exporters had to find other outlets.

Despite the beginnings of trade-liberalization fostered by the OEEC, the recovery was short-lived, and owing to the considerable restrictions placed on the liberalization process in 1951 and 1952 by West Germany and also by France and Britain, the Korean War brought only temporary improvement. Liberalization regained momentum in 1953, and Italian woollens began to find major export outlets in Britain and West Germany, followed in 1954 by France. The export products were not particularly high-quality. Aside from pure wool and mixed yarns, the leading exports were pure and mixed woollen textiles as well as blankets, knitwear, and woollen hosiery.² The woollen industry made no small progress, and the pace picked up further in the following years. The main improvements were technical, with the introduction of new technology in both the yarn and especially the combed-wool sector. In the aftermath of the war, given the urgency of resuming some sort of production, innovation had been modest.³ Later the number of first-stage combing machines soared by 60 per cent, from 1,137 to 1,820; above all there was an increase in the number of continuous process combers, using a range of combs and producing a variety

¹ R. Dodi, "Development stages of Italy's wool exports", *Review*, X, 2 (March 1956), pp. 115 *et seq.*

² *Ibid.*, pp. 118-27.

³ R. Dodi, "Progress and prospects of the Italian wool textile industry", *Review*, XIII, 6 (November 1959), pp. 634 *et seq.*

of types of cloth. Productive capacity grew even more than did the use of machines. Growth was marked by the birth of new firms in northern Italy, in the Prato district near Florence, and around Rome. The introduction of 801 second-stage combing machines further improved the quality of the cloth and enhanced international competitiveness. The yarn-spinning sector was also modernized with the progressive substitution of new, automatic, higher-yield spinning machines for the older variety. Production of spun woollen yarn increased by more than one third between 1947 and 1958. Italy took over the third place in Europe for the output of yarn and combed woollen textiles, coming after Britain and France; and was fourth in the Western World, following Japan.

Great progress was made in the woollen textile sector as well. Whereas the replacement of the old wool-spinning machines proceeded relatively slowly and their number held virtually steady for a good many years, production of woollen yarn expanded by about 50 per cent between 1947 and 1958, thanks to continuous gains in efficiency. With nearly half the entire country's stock of spindles, Prato was now the hub of the Italian woollen-textile industry. The number of looms for woollen textiles was now 20 per cent higher than on the eve of the Second World War, but the introduction of automatic looms was slow. At the end of 1958 only 1,200 of the country's 24,500 looms were automatic, including those for the production of carpets and blankets, a lower share than in Britain or France. Nevertheless, in spinning, Italy's output was second in Europe behind Britain; in weaving, third behind France and West Germany.

Consumption of raw material rose from between 100,000 and 120,000 tons in 1947-52 to 130-150,000 tons in 1953-59 and involved all types of production: spun and combed wool, woven and combed cloth, carpets, blankets, felt and woollen articles. Among the earliest to liberalize imports of woollen articles, Italy not only reduced its imports but developed a steadily increasing trade surplus in this sector. Imports were now negligible, consisting solely of a few high-quality lines from the UK. Yarn, cloth and men's and women's clothing were exported, thanks to the global success of Italian designer fashions, especially in ready-to-wear garments. Some 80 per cent of exports went to Europe, including the Soviet Union; the biggest markets were West Germany (40 per cent) and Britain (10 per cent). Of the rest, half went to East Asia. Still, the bulk of Italian yarn and cloth exports, unlike those of Britain, were of poor-quality wool or, at best, medium-quality pure or mixed woollen textiles.⁴

A few years after the publication of this essay, Dodi argued⁵ that the accelerated dismantling of tariff barriers within the Common Market had provided an extraordinary stimulus for the further modernization and development of the Italian woollen industry. The transition from the first stage of the Common Market (which began on 1 January 1957) to the second (beginning 14 January 1962)

⁴ *Ibid.*, pp. 636-44.

⁵ R. Dodi, 'The Italian wool textile industry in the Common Market', *Review*, XVII, 2 (March 1963), pp. 96 *et seq.*

and a further 10 per cent tariff reduction decided independently by the Italian government (in a decree dated 28 August 1962) lowered customs tariffs by a total of 55 per cent.⁶

Facing this new reality, after a brief recession the woollen industrialists moved rapidly, some more quickly than others, to reorganize both technically and managerially in order to cope with foreign competition. The replacement of outmoded machinery was stepped up. In three years, from 1959 through to 1961, spindles for combed yarn increased in number from 613,378 to 707,635. The fastest increases were in the Rome and Prato areas, but new plants were set up in Piedmont (Biella), in the Veneto region and in the South.⁷ The number of first-stage combing looms rose from 1,820 to 2,279.⁸ Spinning also made progress, with the number of spindles rising from 723,298 to 874,592; however, 82 per cent of these were still the old-fashioned type. Here, too, the leader was the Prato district, with over half the stock, followed by Biella.⁹ Now, however, unlike the interwar years, when mergers came thick and fast, the woollen industry was marked by the proliferation of small firms. Another significant development was the further growth of output of blankets, carpets, knitwear, and waterproof goods, even in districts with no tradition in these lines.¹⁰ Exports of knitswear, gloves, etc., rose from 22.5 billion lire in 1957 to 145 billion in 1963 and 179 billion in 1965.¹¹

The industry producing combed and uncombed woollen yarn and cloth, however, suffered a continuing rise in the cost of labour, which nearly doubled between 1952 and 1962 and from then to 1965 rose much faster than in West Germany, the Netherlands, France or Belgium. It was beginning to look doubtful whether production and sales could continue to increase at the usual pace, despite more efficient machinery and greater labour productivity.¹² The same applied to knitwear, blankets, carpets, hosiery, and so on. Since 1960, observed C. Viasson in 1966, taking all components into consideration the cost of labour had risen by about 90 per cent.¹³ Between 1964 and 1965 the woollen-textiles market was rocked by instability, and prices in Italy could not be raised in line with labour costs. Knitwear and other woollen goods held their own thanks to foreign consumers' preference for Italian high quality and style.¹⁴

Employers responded to rising labour costs with further mechanization, renovating plants with up-to-date technology. They adopted new production

⁶ *Ibid.*, p. 105.

⁷ *Ibid.*, p. 106.

⁸ *Ibid.*, p. 105.

⁹ *Ibid.*, p. 107.

¹⁰ *Ibid.*

¹¹ C. Viasson, "The Italian knitwear and hosiery industry", *Review*, XX, 4 (July 1966), p. 291. See also C. Goehring, "Situation and prospects of the Italian clothing industry", *Ibid.*, pp. 275 *et seq.*

¹² Dodi, "The Italian wool textile industry", p. 108.

¹³ Viasson, "The Italian knitwear and hosiery industry", p. 290.

¹⁴ *Ibid.*

techniques and adapted marketing methods to world trade and market trends. By the end of 1973, spindles for combed yarn numbered 1,600,078, those for throwing, 489,000; and the country now had 24,500 looms. Most woollen textile production was still concentrated in the districts of Biella, Prato and Vicenza, though plants were now found throughout the country.¹⁵

2. The cotton industry

Despite considerable development, the cotton industry failed to keep pace with the rest of the textile industry. From a production index of 100 in 1961, its output dropped to 94 in 1972, while that of the woollen-textile industry rose to 111, that of knitwear, hosiery, etc., to 137, and that of the artificial, synthetic, and cellulose fibre sector to 326.¹⁶ Over the period, the volume of cotton cloth output dropped 10 per cent, that of cotton yarn by 6 per cent.¹⁷

Still, significant renovation of the stock of spindles and looms was being accomplished, even though more old equipment was discarded than new machinery installed, this disinvestment involving both spindles and looms. Between 1961 and 1972 the number of cotton spindles dropped from 4,530,400 to 3,724,300, 3,509,000 of which were in use. Looms diminished from 93,700 to 63,900, of which only 55,700 were functioning. This trend was not limited to Italy; in fact the decrease in the number of spindles and looms was even steeper in the other Western European countries.¹⁸

The scaling down of the industry in mechanical terms did not affect its geographical distribution. In 1972 productive capacity, as measured by spindles and looms, was still mostly in Lombardy (53 per cent), followed by Piedmont (19 per cent) and the Veneto (15 per cent), with 8 per cent of capacity located in the rest of central and northern Italy and just 5 per cent in the South, including Sicily and Sardinia.¹⁹

The postwar period had little effect on the traditional geographical distribution and structure of the cotton industry, which was still bound to the old-style family firm and its traditional shortage of working capital. This explains why, despite the changes in the Italian and world economy, the industry's degree of vertical integration diminished only slightly and still remained fairly high by the standards of other countries. Firms combining spinning and weaving processes had 67.9 per cent of Italian spindles and 56.3 per cent of looms in 1961; in 1972, the figures were still 66.6 and 53.1 per cent.²⁰

¹⁵ G. Botto, "Situation and prospects of the Italian wool industry", *Review*, XIX, 4 (July 1975), p. 293.

¹⁶ E. Fossati Bellani, "Medium-term evolution of the Italian cotton industry", *Review*, XXVII, 5 (September 1973), p. 313.

¹⁷ *Ibid.*, p. 318. See also C. Dell'Acqua, "The Italian cotton textile industry in 1962", *Review*, XVII, 2 (March 1963), pp. 85 et seq.

¹⁸ Fossati Bellani, "Medium-term evolution", p. 317.

¹⁹ *Ibid.*, p. 318.

²⁰ *Ibid.*, pp. 319-20.

The reduction in the number of spindles and looms, like the formation of firms specializing in one phase of cotton processing or the other, was largely ascribable to the greater productivity of the new machinery. The same applied to the industry's third sector, namely dyeing, printing and finishing, which grew steadily to absorb nearly a quarter of all investment in the cotton industry. This sector of the industry was also largely (50 per cent) the province of large, vertically-integrated companies; a sixth of it consisted of companies specializing either in spinning or in weaving, and a third in more specialized firms.²¹

It was no accident that output of cotton yarn declined less than that of woven cloth, in that a significant portion of yarn output was taken up by the burgeoning demand of the knitwear industry, while an increasing share of woven textiles consisted of man-made fibres. Chemical fibres raised their share of spun yarn from 14 per cent in 1961 to 24 per cent in 1972 (13.6 per cent artificial and 10.4 per cent synthetic). In weaving, chemically-based fibres rose only from 19.5 to 21.6 per cent, their slower growth by comparison with other Western countries being accounted for by differences in climate.²²

Yarn and cloth exports expanded between 1961 and 1972, although less than imports. The share of domestic consumption of spun cotton (including yarn, textiles, knitted garments and ready-to-wear clothes) consisting of imports rose from 2 per cent to 30 per cent; and for woven cotton it exceeded 40 per cent. Meanwhile, exports dropped from 16 to 12 per cent of domestic consumption, while increasing from 16 to 18 per cent of production.²³

The Italian cotton industry's declining international importance stemmed, according to Fossati Bellani, from "abnormal" international competition, in violation of the agreements of 1962, still in effect in 1973, which provided for safeguards that were not always applied. Italian prices reflected the notable increase in the cost of labour, which rose from 340 lire an hour in 1961 to 1,050 lire in 1971; in 1973, with the new textile workers' contract, it rose to about 1,800 lire. In real terms the increase far outstripped productivity gains. Labour costs now accounted for over a third of total production costs, owing, among other things, to a work force that was "on average, less experienced". However, between 1961 and 1973 women cotton textile workers declined from 73 to 66 per cent of the total and teenagers (under age 18) from 13.9 to 3.6 per cent.²⁴

Like other industries, the textile industry felt the repercussions of the labour conflicts of 1963-65 and 1967-69. In the cotton industry, the production index slipped from 107 in 1963 to 100 in 1964 and 81 in 1965; it recovered to 101 in 1966 but then declined again to 100 in 1967, 95 in 1968 and 92-94 in 1971 and 1972.²⁵

²¹ *Ibid.*, p. 320.

²² *Ibid.*, p. 319.

²³ *Ibid.*, pp. 321-22.

²⁴ *Ibid.*, p. 316.

²⁵ *Ibid.*, p. 313.

3. The knitwear industry

As we have seen, one of the more successful textile sectors was knitwear and hosiery, whose production index rose from 102 in 1962 to 137 in 1972. Aside from the crisis of 1964-65, stagnation in 1967-68 and a third downturn in 1970-71, growth was continuous.²⁶ Between 1953 and 1966, output of knitwear rose 52.3 per cent and that of hosiery 136.6 per cent, making a gain of 80.7 per cent for the sector compared with 33.7 per cent for the textile industry as a whole.

This was a labour-intensive industry, which, as Guglielmo Tagliacarne noted²⁷, employed a growing work force. In 1968, with an annual increase of about 21 per cent, the labour force now totalled some 140,000 workers – 90 per cent of them women, – not counting home workers, few of whom were registered. These, too, estimated at between 20,000 and 30,000 persons, were mostly women.²⁸

The knitwear industry consisted of some 25,000 production units, but scarcely 2,000 could be called “firms”. Some 92 per cent had fewer than 10 workers: these were artisanal workshops rather than companies. The bulk of such output came from small family groups. The 1961 census found that “firms” employing only a single worker made up 60 per cent of the total; in the South, this share was 71 per cent and in the region of Calabria alone, nearly 80. About 83 per cent of total employment was concentrated in five regions: 41 per cent in Lombardy, 15 per cent in Emilia Romagna, 11 per cent in Piedmont, 10 per cent in the Veneto and 6 per cent in Tuscany. In Lombardy, however, there were 13 workers per production unit; in the South, an average of just 2.²⁹

With output valued at 450 billion lire in 1967 (10 per cent of it in the South), Italy was third in the EEC in knitted undergarments with 17 per cent of the Community total, behind West Germany and France; in outer garments, however, with a 34 per cent share, it surpassed both. Italy, even more than Belgium, was the European country whose production most significantly exceeded consumption, and consequently it had substantial exports. Some 73.3 per cent of knitted undergarments were exported, 42.4 per cent of women's hose, 27.5 per cent of gloves, 11 per cent of men's hose, etc.³⁰ The main customers were in West Germany and the United States, but Italy also exported to France and the Netherlands.³¹

4. Man-made fibres

²⁶ *Ibid.*

²⁷ G. Tagliacarne, “Structure, problems and prospects of the Italian knitting industry”, *Review*, XXII, 3 (May 1968), p. 190.

²⁸ *Ibid.*, pp. 204-05.

²⁹ *Ibid.*, p. 189.

³⁰ *Ibid.*, p. 193.

³¹ *Ibid.*, p. 195.

The textile sector that made the greatest progress was the production of artificial and synthetic fibres.³² There were 13 companies in the sector, with a work force of 38,000 distributed among 22 factories. The industry was heavily export-dependent: exporting at least 50 per cent of its output was vital to survival.³³ Artificial fibres were more important than synthetics. Following the war, output increased steadily, from 107,389 tons in 1950 to 219,437 tons in 1964. The sector was hard hit by the slump of 1965, however, and production dropped to 191,500 tons.

An industry of this sort – heavily export-dependent, exposed to sharp international competition, requiring very substantial investment, and particularly sensitive to cost increases – was naturally severely affected by the rising labour costs of the early sixties. A decline in profits caused by “imbalances between costs and proceeds curbed self-financing which in Italy, as well as in all industrialized countries, is one of the principal sources feeding new investments.”³⁴ The reduction in artificial fibre output was only very partially offset by increased production of synthetics (polyamide, polyvinyl, polyester, propylene). Production of yarn, staple and waste was modest at first – no more than 540 tons of yarn and just 48 tons of polyamide staple in 1950 – but rose progressively to nearly 60,000 tons in 1965.³⁵

In 1966 Italy ranked fifth in artificial-yarn production behind the United States, the Soviet Union, Japan and Britain; and seventh in artificial staple, behind these four as well as East and West Germany. The country also ranked high in the production of synthetic yarn and staple, fifth behind the US, Japan, West Germany and the U.K. In any case, Italy was the world's leading exporter of artificial fibres, ahead of the Netherlands, Britain and Japan; and it held third place in exports of synthetics. Overall, despite substantial imports of both types, the sectorial trade balance was in surplus with all of Italy's trade partners, save for a slight deficit with Japan. The largest surplus was with the countries of the Sino-Soviet bloc, followed by the EEC, the rest of Europe, and the British Commonwealth.³⁶ Overcoming the cyclical difficulties of the sixties, the man-made fibre industry resumed its expansion and, although imports increased, sodid exports, continuing to provide a handsome trade surplus.³⁷

5. The clothing industry

A branch of the economy that was barely touched by the economic recession

³² Fossati Bellani, “Medium-term evolution”, p. 313.

³³ G. Balella, “The man-made fibres situation”, *Review*, XX, 6 (November 1966), p. 438.

³⁴ *Ibid.*, pp. 439-40.

³⁵ *Ibid.*, p. 441.

³⁶ *Ibid.*, pp. 442-45.

³⁷ A. Picarelli, “The Italian textile industry: Problems and prospects”, *Review*, XXXI, 1-2 (January-March 1977), pp. 57-59.

of 1963-64 was the clothing industry, Italy's multifarious array of makers of suits and dresses, jackets, sweaters, scarves, trousers, raincoats, handkerchiefs, ties, underwear, corsets, hats and shoes for all ages and both sexes. The industry was largely linked to the textile industry, but in part it was independent.

Clothing manufacture developed after the war, based in Milan,³⁸ where a few dozen firms made men's underwear. This activity then extended to Tuscany, under the initiative of textile producers or traditionally related groups. There being no technicians or skilled workers, each firm had to train its own work force but, when this was impossible, the more dynamic entrepreneurs brought in technicians from abroad.

As the clothing industry expanded, Milan lost its primacy. Productive activity was now spread around the country, as medium-sized and large firms tended to leave the big cities to set up in the provinces, where it was more economic to train local personnel than to bring in outside technicians.

Decentralization was accompanied by productive specialization. In 1964 the bulk of suit and coat production was located in Piedmont, Liguria, Tuscany and the Veneto, though there were some makers in Lombardy and in central Italy (Marche, Umbria, Latium and Abruzzo), southern Italy (Campania, Basilicata and Apulia) and Sicily. Raincoat production (in artificial or synthetic fibres, mixed cotton-synthetics, or pure cotton) was concentrated in the Veneto, but a good part came from factories in Lombardy, Liguria and Tuscany, as well as some from Piedmont and Emilia-Romagna. There were also a few factories in Campania, Basilicata, Marche and Abruzzo.

Jackets, trousers and shorts came mostly from central and northern Italy, with some outlying producers in Campania and Basilicata.³⁹ Women's wear – day and evening dresses, coats, raincoats, jackets, blouses, skirts, shorts, etc. – was also mainly produced in the Centre and North.⁴⁰ Men's underwear was produced throughout mainland Italy, with the sole exception of the region of Calabria. Each of the various items tended to prevail in some regions and not others. Three fourths of shirt production was in Abruzzo, Latium and Marche; two thirds of sports shirts in Lombardy and Emilia; about half of children's shirts in Emilia; half of pyjama output in Piedmont and Lombardy; over half of trousers' production in Lombardy; two thirds of no-iron shirts in Lombardy; and so on. The four regions of Piedmont, Lombardy, Veneto and Tuscany accounted for the bulk of women's undergarment production.⁴¹

Decentralization was accompanied by a proliferation of firms. In 1966 men's and boys' wear was produced by no fewer than 552 companies, women's and girls' wear by 115. Men's undergarments were made by 208 firms and women's

³⁸ Goehring, "Situation and prospects", p. 275.

³⁹ *Ibid.*, p. 276.

⁴⁰ *Ibid.*, p. 278.

⁴¹ *Ibid.*, pp. 280-82.

⁴² *Ibid.*, p. 279.

by 97; 65 firms made bathing suits; 111 firms made ties.⁴² These businesses ranged in size from those employing over 3,000 workers down to companies with just 100 or fewer. There were a large number of small businesses.⁴³

It was the consensus view that the clothing industry had good growth potential, thanks to the expected improvement of economic and social conditions in the South. Many stores that once sold yarn and fabrics were switching to finished clothing. Better results, however, were believed to depend on an enlargement of the distribution network, which required investment. The good prospects went beyond the domestic market. The volume of exports was growing significantly, and the industry was producing a substantial trade surplus that had every chance of improving still further. The leading export items were men's and boys' underwear, women's and girls' wear, men's and boys' raincoats, and shawls, scarves and gloves. The main market outlets were other Common Market partners, notably West Germany.⁴⁴

The clothing industry, too, suffered from the labour conflicts of the sixties.⁴⁵ The rise in wages was especially burdensome for this industry, with its strict dependence on manual labour, which was difficult to off-set by increasing productivity, rationalizing or automating, renovating equipment. At the same time, it was affected by tight credit and high interest rates, the result of an anti-inflationary stance in monetary policy, as well as curbs on raw-material imports, aggravated by the compulsory deposit of 50 per cent of the value of imports imposed by the authorities to counter the race to build up inventories. Nor is that all. The competition of small producers, often working at home with unregistered workers, prevented large manufacturers from shifting increases in costs onto prices.

The accumulation of these factors severely affected the industry, provoking an acute slump in 1971 and 1972. Indexing output at 100 in 1970, the industry never reached that peak in the course of the late sixties and early seventies. In 1968 the index stood at 88.7, in the other years around 91 or 92.⁴⁶ The first year of recovery was 1973, with modest growth of 1.5 per cent. The strongest recovery was in women's wear, where the output index, thanks to fashion trends, reached 104.2. In undergarments, the decline that began in 1966 continued, eventually bottoming out at 40 per cent below the 1965 output level. Despite the rise of 5 per cent in the production of women's clothing in 1973, overall clothing output still did not come up to the 1970 level, although domestic consumption was growing steadily and the number of production units for clothing, underwear, accessories etc. rose to 9,484 with 240,519 employees. Of these, 4,983 had under

⁴² *Ibid.*

⁴³ *Ibid.*, p. 285.

⁴⁴ G. Pasini, "Situation and progress of the clothing industry in Italy", *Review*, XXVIII, 6 (November 1974), pp. 537 et seq.

⁴⁵ *Ibid.*, p. 545.

⁴⁶ *Ibid.*, p. 544.

five workers; 3,925 had at least 10.⁴⁷

Not all types of garment followed the same declining pattern. Men's and women's trousers scored almost unbroken gains, and so did women's dresses, coats and jackets, but at a more moderate pace. A substantial, diversified flow of exports continued, with a trade surplus rising from 100 billion lire in 1961 to 418 billion in 1973, a rise broken by dips in 1967 and 1970.⁴⁸ The largest foreign market remained West Germany, followed by France and the United States. Other customers were the Netherlands, Switzerland, Japan, Britain, Belgium, and Austria. The EEC took 70.28 per cent of Italian clothing exports, the USA 7.8 per cent, the EFTA 6.26 per cent, and East Asia 4.65 per cent.⁴⁹

Fashion-bound, the clothing industry was exposed not only to changing tastes, but also to the pressure of competition. Giancarlo Pasini, president of the Italian Clothiers Association, noted the plunge in raincoat sales after 1971 owing to competition from Hong Kong, Japan, Taiwan, South Korea and other Asian countries. The same was happening for scarves, foulards and other accessories, with competition from France at the luxury end of the market and such Asian countries as India at the cheaper end.⁵⁰ Pasini criticized government intervention to salvage troubled firms, which, instead of rationalizing to enhance the productivity of the industry as a whole, only proliferated waste and inefficiency.⁵¹

6. The shoe industry

Italy also gained international prominence in the shoe industry. A traditionally prized Italian craft, shoemaking developed progressively after the war as an industry, gradually improving in quality, and gaining a prominent place in the world market.⁵² After 1965 the shoe industry was Italy's second exporter, next only to motor vehicles.

Geographically scattered, from the Centre-North to Apulia and Campania, the industry centred on a myriad small and medium-sized producers, frequently true craft-production units, making it virtually impossible to count them with any accuracy. The sector was estimated to consist of some 3,000 industrial firms with about 85,000 workers, an average of under 30 per company, plus another 4,000 artisanal workshops with no more than 30,000 workers. In addition, according to ministerial figures, there were some 6,000 home workers.⁵³

Elio Camagna, president of the national Shoe Manufacturers Association, noted in 1971 that Italy was now the European Community's leading producer of leather footwear, and probably ranked second worldwide, behind the United

⁴⁷ *Ibid.*, pp. 549-50.

⁴⁸ *Ibid.*, p. 551.

⁴⁹ *Ibid.*, p. 541.

⁵⁰ *Ibid.*, p. 539.

⁵¹ E. Camagna, "The Italian shoe industry", *Review*, XXV, 6 (November 1971), p. 460 et seq.

⁵² *Ibid.*, p. 460.

States. Domestic consumption took up less than half the industry's output, so that every expansion of production translated directly into increased exports.⁵⁴ Italy exported 6.5 million pairs of shoes, of various types, in 1957; this figure soared to 33 million in 1961, 64 million in 1965, 89 million in 1966 and 173 million in 1970. Production rose from 170 to 270 million pairs.⁵⁵ The North American market took 49 per cent of Italy's shoe exports, the EEC 36 per cent; non-EEC European countries accounted for over 10 per cent, and Eastern Europe for 3 per cent.⁵⁶ The prevalence of exports over domestic sales made the industry externally dependent. Its future thus depended strictly on export growth, and any protective measures on the part of other countries threatened contraction of production, losses and unemployment. Understandably, then, the danger reported in 1970 that the United States might set quotas on shoe imports provoked considerable alarm among Italian shoe manufacturers. This threat was not carried out, and the US government only imposed a 10 per cent tariff surcharge on imports. This did not eliminate all fears, however; particularly as Canada, too, had imposed a tariff surcharge of 7.5 per cent on Italian women's shoes. Despite these tariff barriers, Italy's shoes, with their incomparable quality, continued to be appreciated worldwide, and shoe exports to the United States were unaffected: they rose actually by 30 per cent.⁵⁷

⁵⁴ *Ibid.*, pp. 461-65.

⁵⁵ *Ibid.*, p. 464.

⁵⁶ *Ibid.*, p. 465.

⁵⁷ *Ibid.*, pp. 471-72.