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Speech by Liam Connellan, Director General, Confederation
of Irish Industry at Adult Education Students' Congress,
University College Cork, at 2.30 p.m. on Sunday, 30 November 1980

WHITHER A PROSPEROUS IRELAND - INDUSTRIAL DEVELOPMENT

Historical Background

In the 17th century Ireland had a thriving woollen textile industry. It was highly efficient and Irish cloth manufacturers were able to undersell English traders in foreign markets. Competition from Irish manufacturers was so keen that, eventually, an Act of Parliament was passed during the reign of King William in 1698 to discourage the export of woollen materials from Ireland and to promote the production of linen. The Linen Board was set up in 1711. By the middle of the century, large quantities of the flax required to produce linen were grown in Ulster, North Leinster and Connaught. The linen industry developed rapidly over the next 100 years and reached its peak about 1875, following the cotton famine which occurred as a result of the American Civil War. For example, in 1869, the industry accounted for 57,000 employees in Ireland compared with 21,000 in England and Wales.

With the commercial introduction of the steam engine in 1740, competition for Irish manufacturers intensified and by 1800, British manufacturing firms, which had opposed trade with Ireland in 1775, were fully ready to exploit the advantages of free trade by the time of the Act of Union in 1800. Severe international depressions in the early part of the 19th century had a marked

effect on the Irish textile industry. Competition was extremely keen, particularly from the highly specialised woollen industry in Yorkshire and the cotton industry in Lancashire. The development of the railways made it possible to export these more competitive products economically over a wider area and a large number of small scale and widely dispersed industries in Ireland became extremely vulnerable.

The linen industry continued to expand throughout the 19th century and made use of new technology and economies of scale. It was concentrated in the Lagan valley.

In the same area an engineering industry developed, initially to serve the needs of the textile sector but later became an important competitor on the export market.

An Irish shipbuilding industry gradually emerged, centered on Belfast but with concentrations spreading down to Dublin and Cobh.

By 1907, 40% of industrial output was in food and drink products, based on primary agricultural products, but also including major products for export such as biscuits, brewing, and distilling. The second major industry was textiles, which accounted for 34% of industrial output and this was followed by shipbuilding which accounted for 11% of industrial output.

However, by that time the disparity in industrial development between Ireland and England had become so great that the horse power used by machinery in industrial production was 30 times greater in England. Irish industrial production, which had been highly competitive in the 18th century was now swamped by a British industry which had used to the full the benefits of the industrial revolution, with its advantages of specialisation and economies of scale.

In the early part of the 20th century there was renewed interest in the development of Irish made goods and in 1905 an All Ireland Industrial Conference was held in Cork as a result of which an Irish Industrial Development Association was established. This sought to create a greater public awareness of Irish industry and Irish industrial products. However, it was not until the early 1930s, during the great depression, that the first major moves were made by the Irish Government to foster the development of the manufacturing sector. At that time, only 5% of the workforce of the Republic were employed in manufacturing industry. The '30s. was an era of protectionism. Ireland introduced widespread tariff barriers which encouraged the production of a wider range of basic products for the home market. The manufacture of products such as clothing, footwear, furniture, textiles, foodstuffs, and packaged household goods became economic, even for small scale production. From 1936 to 1956, industrial output grew on average by about 3½% per annum, and the number of people employed in industry increased from 101,000 to 154,000 or an average of 2½% per year. However, between 1951 and 1956, net annual average emigration amounted to almost 40,000. It became obvious that there had to be a change in policy.

1920 MANUF. IND. IN
REPUBLIC
- 60,000.
(ENGLAND = 30x IRELAND)

1980 - 240,000
(3000/ANNUM
GROWTH 1920 - 80)

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2000 350,000
- 400,000
(5000/8000
P.A. 1980.2000)

ELECTRONICS
BIOTECHNOLOGY

1600 – 1700	EFF. WOOLEN		
1698	ACT		
1681 – 1770	SILK (11,000 DUBLIN)		
1711 – 1865	LINEN (57,000) IRELAND		
1790	WOOL (5,000 DUBLIN)		
1740	STEAM ENGINE		
1780	FREE TRADE RAILWAYS SPECIALISATION ECON. OF SCALE		
1820 – 1900	DEPRESSION FAMINE COMPETITION		
1900	FOOD +DR.	TEXTILES	SHIPB.
	40%	34%	11%
1905	ALL IRELAND CONFERENCE		