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HIDES, LEATHER and LEATHER GOODS.

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(Resume of remarks of Mr. C.F.C. Stout,
former Chief, Hides and Leather Section,
War Industries Board, on above subject.)

HIDES, LEATHER and LEATHER GOODS.

No plan of preparedness for war can be 100% perfect, due to the fact that it is the unexpected and unforeseen that so often happens.

Personal contact with men who had experience in the World War is best aid to officers connected with planning.

In case of an emergency, hides, leather and leather goods should be put in one division and considered as one great industry, divided and sub-divided according to title. This entire division of industry should have but one head, but be composed of many chiefs, or technical experts.

Factors to be Considered.

Leather is made from a by-product. Production rate of same is determined by the consumption of food. This important factor must be reckoned with in time of war. As a result of research, certain processes have been developed by the industry in which there can be a shifting in the use of materials used for leather and for leather goods. This, of necessity, would change specifications.

During the last thirty years the process of chrome tanning has been developed to such an extent that it has revolutionized the manufacture of upper leathers throughout the world.

Prior to 1888 all leathers were manufactured by vegetable tannage. Today at least 85% of upper leather is chrome tanned. Sole, harness, belting, bag and strap leathers are still tanned by the vegetable process in which Chestnut and Quebracho extracts are most important factors.

It is interesting to note it was the American tanner who developed chrome process and gave the industry its great lead in world trade up to 1919, it being estimated just before the war broke out that we made as much leather as Germany, France and England combined.

A second factor to be considered in an emergency which cuts off, or destroys, shipping is that of our normal imports of leather raw stocks (hides and skins), representing

- 98% of our production of goatskins, or kid leather
- 55% of our Calfskin leather
- 65% of our sheepskin and glove leathers
- 40% to 50% of cattle hides.

(NOTE: Heavy cow hides make sole, belting and harness leather
Light cow hides make side upper leather for shoes, as well as bags and straps
Heavy calfskins make upper leather for shoes
Horse Hides make excellent glove leather
Sheepskins are used for jerkins, leather clothing, hat sweats and parts of gas masks.

These are the major items of raw material in leather in which the Army itself is directly interested, although there are many other demands and uses).

While cattle hides are imported from China, India, South Africa, and many countries of the Continent, the majority of our best imported cattle hides come from the Argentine and Uruguay. Many of an inferior quality come from Brazil.

The major supply of imported calfskins come from Northern Continental and Asiatic Europe.

Our best and most plentiful supply of good sheepskins come, in the pickle, from Australia and New Zealand. Although large quantities are obtainable from South America, principally of inferior quality.

The major supply of goatskins come from India, China and South America, and are gathered in all countries throughout the world lying between the Tropics of Cancer and Capricorn, increasing, however, in volume of production in the hotter climates verging on the equator.

In considering this great factor of importation of raw material, to sustain the industry in its normal condition to which it had risen before the war, it must also be borne in mind that about 30% of its finished leather was exported. Before the late war this went principally to those countries which proved our Allies in the war, and to whom we furnished large quantities during the war.

The Army and Navy are, to the greater extent, directly interested only in fabricated articles made of leather, such as shoes, harness, jerkins, leggins, saddlers, gun-slings, gloves,

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belts, etc. This means that only a selective part of the raw material goes in the tannery for war purposes, and it further means that only a selective portion of that which is tanned is suitable for the particular fabricated article.

We see, at once, from the survey of these facts, that control of the industry is essential in time of a great national emergency, such as our last war. To commandeer it would simply put the government in a business in which it only demanded a small part for its own use. The government, however, cannot, under such conditions, neglect the welfare of its civilians, forming, as they do, its second line of defense. Nor can it afford industrial demoralization.

This control should take the form of -

- First, Conservation
- Second, Price fixing and allocation
- Third, Priorities in the essentials used in time of war.

Large requirements as fixed by the Army and Navy, together with the requirements for the care of the civilian population, for footwear, would have practically exhausted our entire leather raw stock by September, 1918, had the war continued, according to the best statistics obtainable. This was due to the cutting off of a large part of our source of supply of leather raw stock, together with the increased use and waste of war.

Control of industry should be by consent of and in cooperation with the industry. By this procedure commandeering is limited to only essential units.

PRICE FIXING.

Prices should first be fixed on raw material, then upon leather, and lastly upon the fabricated article. A fair profit should be allowed each branch of the industry and profiteering stamped out as far as possible. Government cannot prosecute war without money, it cannot have money without taxation, and taxation, unless it taxes profits, confiscates.

Fixing of prices on fabricated articles alone is unsound and uneconomic and has not the proper regard for the right of contract and property of the underlying branches of the industry.

Interference with elemental law is mal-practice. In this

wise price fixing can be considered as mal-practice and is only justifiable from the standpoint of national emergency. Just as we dam the stream for useful purposes, knowing full well that a dam cannot be built that will stop the flow of waters to the sea, so we check prices for economic benefit.

If prices are to be fixed, however, they should be established before they get too high, and authority obtained from Congress to continue price regulation after the conflict is over for a long enough period of time to have the depleted reservoirs replenished to a normal condition.

According to the districts from which imported leather raw stock is brought, to import it, convert it into leather, and assort it into merchantable grades ready for fabrication, six to nine months are consumed.

The economic consequences of removing price restrictions at the critical time of depletion and in an industry that takes so long to rehabilitate its supplies can be easily understood.

I have referred to our imports of large quantities of goatskins amounting to 45/60,000,000 skins per year. The Army is not directly interested in goatskins, except as a substitute, but as probably 25% of the uppers of civilian shoes are made of kid leather, by the loss of this imported product the government, of necessity, becomes directly involved, as it puts the burden of supply to our civilian use upon the kinds that the Army and Navy are directly interested in.

I wish to impress all these facts upon you, because it is very difficult in normal times, when channels of trade are open, to visualize the economic and far reaching consequences which a great cataclysm brings.

The only solution in handling an industry so constituted as that of the hide, leather and leather goods, in time of major conflict, such as our late war, is not only to have definitely established what our war requirements would be, with full specifications and possible substitutes, but also to know, approximately, what our civilian demands will be and so make our industrial statistics valuable by the vision of a consuming future. This will enable us to set up such safeguards in our emergency by conservations and restrictions that will best handle our problem. All this calls not only for accurate schedules of requirements and statistical information, but for men of broad vision, technical knowledge, and the best wisdom obtainable.

I have not touched upon the vital importance of the supply of tanning materials, the shortage and shifting of labor, transportation, or fuel supplies, all of which and many more must come into the picture.