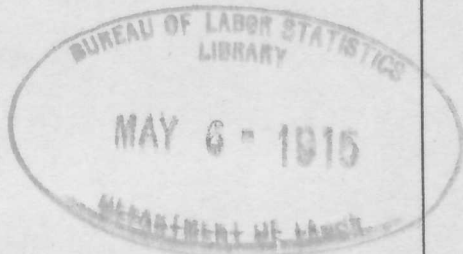


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U.S.
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
E. E. PRATT, Chief

SPECIAL CONSULAR REPORTS—No. 68

TOBACCO TRADE OF THE WORLD



WASHINGTON
GOVERNMENT PRINTING OFFICE
1915

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LETTER OF SUBMITTAL.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, March 15, 1915.

SIR: There is submitted herewith a series of consular reports dealing with the cultivation, manufacture, and sale of tobacco in the principal countries. Considerable information is furnished regarding Government monopolies.

Respectfully,

E. E. PRATT,
Chief of Bureau.

To HON. WILLIAM C. REDFIELD,
Secretary of Commerce.

LETTER OF SUBMITTAL

Department of Commerce

Bureau of Foreign and Domestic Commerce

Washington, March 15, 1915

The following is submitted herewith a series of consular reports
relating with the production, manufacture, and sale of tobacco in
the principal countries. Considerable information is furnished as
to the quantity of tobacco produced and consumed in each country.

Very respectfully,
R. H. Pratt

R. H. Pratt

Chief Clerk

Wm. C. Brewster

Secretary of Commerce

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TOBACCO TRADE OF THE WORLD.

INTRODUCTION.

The world's tobacco crop for 1912 is estimated at 2,835,740,000 pounds. Later statistics for some countries are not available so that estimates of the succeeding world crops can not be made. Of the 1912 crop the United States produced 979,355,000 pounds, or about 35 per cent, and was followed by India with 450,000,000 pounds, Russia with 237,406,000 pounds, Austria-Hungary with 188,189,000 pounds, and the Dutch East Indies with 182,427,000 pounds. Other important producing countries, given in the order of the size of the crops, are Japan, Germany, Turkey, Philippines, Brazil, France, and Cuba. It is well known, of course, that what the Turkish and Cuban crops lack in quantity is more than made up in quality.

WORLD'S TOBACCO PRODUCTION.

The table that follows will give a good idea of the world's tobacco production, although in some cases the figures differ somewhat from those given further on for the same countries:

Countries.	1910	1911	1912
NORTH AMERICA.			
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
United States, except the Philippines.....	1,113,415,000	915,109,000	979,355,000
Canada.....	17,605,000	13,019,000	13,019,000
Cuba ^a	48,081,000	66,930,000	42,030,000
Guatemala ^b	1,300,000	1,300,000	1,300,000
Jamaica.....	^c 300,000	495,000	442,000
Mexico ^d	34,711,000	34,711,000	34,711,000
Santo Domingo.....	42,000,000	28,000,000	18,000,000
Total North America.....	1,257,412,000	1,059,564,000	1,088,857,000
SOUTH AMERICA.			
Argentina.....	15,178,000	17,990,000	^e 17,990,000
Bolivia ^b	3,000,000	3,000,000	3,000,000
Brazil ^f	75,284,000	40,761,000	54,468,000
Chile.....	150,000	150,000	5,077,000
Ecuador ^f	165,000	27,000	^e 27,000
Paraguay ^b	15,000,000	15,000,000	15,000,000
Peru ^b	1,500,000	1,500,000	1,500,000
Total South America.....	110,277,000	78,428,000	97,062,000
EUROPE.			
Austria-Hungary.....	185,079,000	158,080,000	188,189,000
Belgium.....	23,723,000	18,695,000	22,109,000
Bulgaria.....	13,944,000	23,473,000	^e 23,473,000
Denmark.....	160,000	258,000	^e 258,000
France.....	36,446,000	40,433,000	49,884,000
Germany.....	63,612,000	64,332,000	85,741,000
Greece ^a	16,534,000	^e 16,534,000	23,987,000
Italy.....	16,100,000	15,322,000	39,683,000
Netherlands ^b	1,692,000	1,800,000	1,858,000
Roumania.....	15,434,000	20,509,000	13,146,000
Russia.....	160,132,000	247,147,000	237,406,000
Serbia.....	4,314,000	3,698,000	^e 3,698,000
Sweden.....	1,712,000	1,557,000	^e 1,557,000
Switzerland.....	^g 1,725,000	1,232,000	1,213,000
Turkey.....	68,894,000	^h 68,894,000	^h 68,894,000
Total.....	609,501,000	681,964,000	761,096,000

^a Unofficial estimate.

^b Average production unofficially estimated.

^c Data for 1907.

^d Data for 1906.

^e Year preceding.

^f Exports.

^g Data for 1909.

^h Data for 1910.

Countries.	1910	1911	1912
ASIA.			
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
British India ^a	450,000,000	450,000,000	450,000,000
British North Borneo ^b	2,663,000	2,650,000	^c 2,650,000
China: Hu-nan and Kiang-si ^d	18,016,000	18,016,000	18,016,000
Dutch East Indies.....	159,071,000	164,233,000	182,427,000
Tainan (Formosa).....	1,726,000	^d 1,726,000	^d 1,726,000
Japan.....	93,988,000	74,896,000	93,696,000
Philippine Islands.....	56,257,000	^c 56,257,000	65,219,000
Russia (Asiatic).....	34,873,000	31,533,000	28,791,000
Total Asia.....	816,594,000	799,311,000	842,525,000
AFRICA.			
Algeria.....	21,269,000	24,443,000	^c 24,443,000
Mauritius.....	27,000	^d 27,000	^d 27,000
Nyasaland.....	1,743,000	1,949,000	3,391,000
Rhodesia.....	^e 147,000	606,000	^c 606,000
Tunis.....	289,000	^d 289,000	^d 289,000
Union of South Africa ^f	14,961,000	14,961,000	14,961,000
Total Africa.....	38,436,000	42,275,000	43,717,000
OCEANIA.			
Australia.....	1,485,000	1,924,000	2,424,000
Fiji.....	24,000	59,000	^c 59,000
Total Oceania.....	1,509,000	1,983,000	2,483,000
Grand total.....	2,833,729,000	2,663,525,000	2,835,740,000

^a Unofficial estimate.
^b Exports.

^c Year preceding.
^d Data for 1910.

^e Data for 1904.
^f Census of 1911.

PRINCIPAL PRODUCERS AND CONSUMERS.

The position of the United States as the leading tobacco producer of the world is well known. It is in addition the greatest exporter of tobacco, the greatest importer, and the greatest consumer. It plays by far the most important part in the world's tobacco trade. India, the second greatest producer, consumes most of its own tobacco and imports very little. It is the second greatest consumer. Russia is the third producing country, but exports only a small portion of its product, and imports very little. Austria-Hungary is the fourth producing country, but imports somewhat more than a fourth as much as it raises and exports about an eighth of its crop. The Dutch East Indies produce great quantities of tobacco for export, but the consumption of tobacco on the islands is not known. There are few imports. Japan produces enough tobacco to supply most of its own needs and exports only about a tenth of its crop. Brazil exports about four-fifths of its crop. Germany raises an important crop, but imports about two and a half times what it raises and does not export. Among the other producing countries, Turkey, Cuba, the Philippines, Santo Domingo, Mexico, Algeria, Greece, and Porto Rico are important as exporters.

The following approximate figures will give a fairly accurate idea of the relative importance of the principal consuming nations: United States, 786,000,000 pounds; India, 481,000,000 pounds; Germany, 222,000,000 pounds; Austria-Hungary, 209,000,000 pounds; Russia, 179,000,000 pounds; Great Britain, 98,000,000 pounds; France, 96,000,000 pounds; Japan, 91,000,000 pounds; Italy, 54,000,000 pounds; Netherlands, 43,000,000 pounds.

PRODUCTION OF LEAF IN THE UNITED STATES.

The average production of leaf tobacco in the United States for the five years ended with 1914 has been practically 1,000,000,000 pounds. The crop for 1914 was 1,034,679,000 pounds, as compared with 953,734,000 pounds in 1913, although the value of the last crop did not equal that of the previous year. The acreage for the two years was practically the same. Five States produced between 76 and 77 per cent of the crop, as follows: Kentucky, 364,000,000 pounds; North Carolina, 172,250,000 pounds; Virginia, 113,750,000 pounds; Ohio, 78,120,000 pounds; and Tennessee, 63,468,000 pounds. The table that follows shows the acreage, yield, and prices for 1913 and 1914:

States.	Acreage.		Yield per acre.		Total production.		Price per pound Dec. 1 to producers.	
	1913	1914	1913	1914	1913	1914	1913	1914
			<i>Lbs.</i>	<i>Lbs.</i>	<i>Lbs.</i>	<i>Lbs.</i>	<i>Cents.</i>	<i>Cents.</i>
New Hampshire.....	100	100	1,650	1,770	165,000	177,000	18.0	18.0
Vermont.....	100	100	1,550	1,700	155,000	170,000	18.0	18.0
Massachusetts.....	6,100	6,600	1,550	1,750	9,455,000	11,550,000	21.0	17.7
Connecticut.....	18,400	20,200	1,550	1,770	28,520,000	35,754,000	21.0	18.5
New York.....	4,300	4,600	1,020	1,300	4,386,000	5,980,000	12.2	12.0
Pennsylvania.....	38,900	33,100	1,200	1,450	46,680,000	47,995,000	7.5	8.5
Maryland.....	25,000	22,000	740	800	18,500,000	17,600,000	9.3	8.0
Virginia.....	200,000	175,000	770	650	154,000,000	113,750,000	13.9	9.0
West Virginia.....	15,000	10,800	680	820	10,200,000	8,856,000	12.0	11.0
North Carolina.....	250,000	265,000	670	650	167,500,000	172,250,000	18.5	11.5
South Carolina.....	43,800	50,000	760	730	33,288,000	36,500,000	13.8	9.7
Georgia.....	1,800	1,900	1,000	1,000	1,800,000	1,900,000	31.0	25.0
Florida.....	4,000	4,300	1,000	1,000	4,000,000	4,300,000	31.0	30.0
Ohio.....	81,900	86,800	750	900	61,425,000	78,120,000	11.4	8.8
Indiana.....	15,900	13,500	750	900	11,925,000	12,150,000	11.0	9.0
Illinois.....	800	600	700	780	560,000	468,000	11.5	12.0
Wisconsin.....	43,000	45,600	1,180	1,180	50,740,000	53,808,000	12.0	11.0
Missouri.....	5,100	4,100	650	1,200	3,315,000	4,920,000	12.7	13.0
Kentucky.....	370,000	400,000	760	910	281,200,000	364,000,000	10.0	8.4
Tennessee.....	90,000	77,400	720	820	64,800,000	63,468,000	8.4	7.5
Alabama.....	300	200	700	700	210,000	140,000	25.0	28.0
Louisiana.....	600	700	450	400	270,000	280,000	25.0	35.0
Texas.....	200	200	600	580	120,000	116,000	22.0	21.0
Arkansas.....	800	700	650	610	520,000	427,000	16.4	18.0
United States.....	1,216,100	1,223,500	784.3	845.7	953,734,000	1,034,679,000	12.8	9.8

IMPORTS OF LEAF INTO THE UNITED STATES.

The domestic crop was supplemented in 1914 by imports of 7,863,130 pounds of wrapper leaf, as compared with 6,857,333 pounds in 1913, and 49,543,392 pounds of other leaf, as compared with 60,041,942 pounds in 1913. Taking into consideration the leaf remaining in warehouse at the end of 1913 and again at the close of 1914, the foreign leaf actually entering into consumption in 1914 amounted to 7,011,107 pounds of wrapper leaf and 41,574,549 pounds of other leaf.

Practically all of the wrapper leaf imported in 1914 came from the Netherlands, although of course the most of it originated in the Dutch East Indies, especially Sumatra. The Netherlands is credited with 7,688,514 pounds of wrapper leaf, Cuba with 117,315 pounds, Canada with 48,917 pounds, and all other countries with only 8,384 pounds. Of the imports of 49,543,392 pounds of leaf other than

wrapper, Cuba furnished 25,601,021 pounds, Turkey in Asia 11,577,199 pounds, Turkey in Europe 9,564,203 pounds, Germany 204,832 pounds, Canada 32,813 pounds, and all other countries 2,563,324 pounds.

As a result of the war the imports of Turkish leaf from both the European and Asiatic districts have been greatly reduced and the supply of German filler has been cut off almost completely. Imports of leaf from European Turkey in 1914 amounted to 9,564,203 pounds and from Asiatic Turkey 11,577,199 pounds, as compared with 11,918,009 and 19,859,928 pounds, respectively, in 1913. The imports from Germany were reduced from 1,477,835 pounds in 1913 to 83,654 pounds in 1914. On the other hand the imports of filler tobacco from Cuba increased from 23,870,129 pounds in 1913 to 25,601,021 in 1914.

EXPORTS OF AMERICAN LEAF.

As was to have been expected, the exports of American leaf suffered during 1914 on account of the war, the total decrease amounting to 97,076,392 pounds, valued at about \$10,000,000. Exports to England decreased about 16,000,000 pounds, to Germany 15,000,000 pounds, to France 14,000,000 pounds, and to Belgium, something more than 6,000,000 pounds. Leaf exports to neutrals suffered quite as much, however, as the exports to the belligerent nations, the total to Spain showing a decrease of 15,000,000 pounds, Netherlands 9,000,000 pounds, and Italy 8,000,000 pounds.

The exports of American leaf during the years 1913 and 1914 are shown in the following table:

Exports to—	1913		1914	
	Pounds.	Value.	Pounds.	Value.
Belgium.....	11,302,150	\$1,358,866	5,274,270	\$596,076
France.....	48,154,511	4,152,502	34,114,244	3,211,595
Germany.....	31,697,427	3,972,062	16,704,466	2,295,726
Italy.....	40,567,680	5,517,813	32,448,365	4,444,314
Netherlands.....	28,997,185	2,908,392	19,556,952	2,102,878
Spain.....	21,384,529	1,405,988	6,906,156	484,878
United Kingdom.....	175,026,020	20,638,282	159,640,292	19,557,121
Other Europe.....	14,792,668	1,623,572	14,198,612	1,751,482
Canada.....	18,975,921	3,291,268	15,829,875	2,669,929
South America.....	3,478,368	489,446	3,107,690	429,260
China.....	11,940,865	2,044,615	6,012,098	1,137,156
Japan.....	5,038,389	726,561	3,548,490	612,733
British Oceania.....	13,277,918	2,329,527	13,873,279	2,420,188
Other Asia and Oceania.....	1,446,120	185,905	1,625,996	368,775
British Africa.....	7,603,520	995,955	4,952,482	649,593
Other Africa.....	6,951,219	822,151	5,059,491	600,984
Other countries.....	3,737,171	474,989	4,442,511	575,671
Total.....	444,371,661	52,937,894	347,295,269	43,908,364

PRODUCTION OF MANUFACTURED TOBACCO IN AMERICA.

It is impossible at this time to obtain statistics of the American production of manufactured tobacco for the calendar year 1914, but the following table has been compiled to show quantities of the various forms of manufactured tobacco produced during the 10 calendar years ending with 1913. The increase in the cigarette production during the decade, amounting to over 450 per cent, is per-

haps the most interesting feature of this table. The increase in the production of cigars has not been rapid comparatively, nor steady.

Year.	Plug.	Twist.	Fine-cut.	Smoking.	Snuff.	Cigars.	Cigarettes.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Number.</i>	<i>Number.</i>
1904.....	163, 379, 270	8, 783, 211	12, 151, 003	149, 151, 690	20, 221, 400	7, 376, 669, 742	3, 433, 993, 422
1905.....	156, 805, 981	10, 147, 689	11, 684, 184	165, 208, 982	23, 671, 078	7, 551, 510, 893	3, 673, 727, 411
1906.....	165, 069, 127	11, 680, 674	12, 742, 345	175, 664, 091	26, 115, 285	8, 137, 299, 565	4, 511, 997, 137
1907.....	159, 745, 491	12, 257, 022	12, 457, 917	179, 172, 512	24, 175, 219	8, 376, 113, 787	5, 270, 556, 938
1908.....	164, 712, 863	14, 476, 730	12, 086, 725	192, 229, 890	24, 035, 738	7, 561, 419, 809	5, 760, 501, 296
1909.....	173, 418, 223	14, 625, 975	12, 481, 100	202, 374, 654	28, 454, 958	7, 710, 798, 474	6, 836, 652, 435
1910.....	174, 352, 625	14, 580, 022	12, 857, 930	214, 056, 402	31, 445, 178	7, 928, 234, 051	8, 663, 709, 484
1911.....	160, 895, 589	13, 845, 761	11, 027, 986	209, 367, 475	28, 943, 754	8, 262, 337, 873	10, 486, 379, 819
1912.....	160, 248, 195	15, 531, 133	11, 006, 561	217, 330, 409	31, 363, 651	8, 099, 448, 730	13, 183, 693, 899
1913.....	164, 338, 510	14, 893, 789	10, 934, 526	220, 809, 688	32, 898, 056	8, 530, 916, 995	15, 570, 798, 437

EXPORTS OF MANUFACTURED TOBACCO.

Although, as previously noted, the war has caused a considerable decline in the exports of American leaf tobacco, it has had little or no effect on the exports of manufactured tobacco; in fact, the exports of cigarettes in 1914 showed an increase as compared with the previous year. The statistics of cigarette exports for 1913 and 1914 are as follows: To China—861,387,000 in 1914, as against 908,958,000 in 1913; to British East Indies—1,201,305,000 in 1914, as against 1,073,203,000 in 1913; to all other countries—344,534,000 in 1914, as against 336,641,000 in 1913; in all, 2,407,226,000 in 1914, as against 2,318,802,000 in 1913.

The exports of plug tobacco decreased from 6,269,379 pounds in 1913 to 6,096,996 pounds in 1914. Exports of this type of manufactured tobacco to the United Kingdom dropped from 1,122,856 pounds in 1913 to 891,552 pounds in 1914. A very large trade in plug tobacco is carried on with British Oceania and the war apparently had little effect on it, the exports in 1914 amounting to 2,697,257 pounds, as against 2,375,405 pounds in 1913. All other exports of plug totaled 2,508,187 pounds in 1914 and 2,771,118 pounds in 1913.

IMPORTS OF TOBACCO MANUFACTURES.

The imports of tobacco manufactures into the United States decreased from \$6,096,312 in 1913 to \$4,688,463 in 1914. Cigars and cheroots form the bulk of these imports, the Cuban product ranking first in value and the Philippine first in quantity. In 1914 Cuba sent to this country 552,251 pounds of cigars and cheroots, valued at \$3,232,396, whereas in 1913 there were 668,947 pounds valued at \$3,956,009. The Philippines in 1914 sent 787,175 pounds of cigars and cheroots valued at \$1,231,286, as compared with 1,333,155 pounds in 1913, valued at \$1,874,083.

Cigarettes do not form a very important import item, and such trade as there has been has been seriously affected by the war. The total imports of cigarettes, including those from the Philippines, amounted to only 40,777 pounds, valued at \$63,219 in 1914, as compared with 93,996 pounds valued at \$105,597 in 1913. Of these imports the Philippine cigarettes made up 11,569 pounds in 1914 and 26,405 pounds in 1913. Under ordinary circumstances Egypt supplies about 33 per cent of the remainder, Mexico 29 per cent, and England 22 per cent.

AUSTRIA-HUNGARY.

Austria-Hungary produced 185,000,000 pounds of tobacco in 1910, of which Hungary furnished 160,000,000 pounds and Bosnia-Herzegovina 11,500,000 pounds. Austria-Hungary imports about 50,000,000 pounds of foreign leaf, the principal sources being Turkey, the Dutch East Indies, the United States, and Brazil. A small quantity of cigars is imported from Cuba and Germany and cigarettes from Egypt. The exports are about 26,000,000 pounds of tobacco, of which about 24,000,000 pounds are leaf, which goes chiefly to France, the Netherlands, Spain, British possessions in the Mediterranean, Egypt, and Switzerland. Germany takes most of Austria-Hungary's exports of cigars and cigarettes.

AUSTRIA.

[Consul General Charles Denby, Vienna.]

The cultivation of tobacco in Austria is controlled by minute regulations made by the Government and enforced by official inspection.

Tobacco may be grown only in such districts as have been designated by the Ministry of Finance, and only such persons may grow tobacco as have a Government license for the purpose. The total area that may be devoted to tobacco growing is decreed yearly by the Ministry of Finance.

Persons who wish a license to grow tobacco in the prescribed areas must place their applications with the municipal authorities of their town. A license is good only for one year and must be renewed annually. It can be used only by the person to whom issued, and for growing tobacco in the field or farm specified. A license can only be transferred when the farm or field has been taken over by another owner or tenant.

If for any reason the planter is prevented from planting tobacco in the field specified, he must give notice to the finance authorities no later than May, so that the necessary change in his license can be made for planting in another field. A grower may be fined or have his license revoked for planting on a larger area than that specified in his license.

Tobacco growing is under the surveillance of the finance authorities, and the sheds, etc., where the tobacco is dried and stored are watched by finance guards.

In case crops are damaged by weather or any other cause, the finance authorities must be informed within three days of the occurrence.

All damaged tobacco stalks must be pulled out of the ground in the presence of the finance authorities, and destroyed in their presence.

The seeds for planting tobacco are given gratis by the Tabakregie to each planter with his license. Planters are allowed to use only the seeds they receive from the Tabakregie. A planter using other seeds is fined by having his license taken away for the period of one year. It is not permitted to plant field products of any kind between the tobacco plants.

PURCHASE OF FOREIGN LEAF.

The table that follows shows the extent to which foreign leaf is purchased by the Tabakregie:

Kind.	1909	1910	1911	1912
Europe:	<i>Long tons.</i>	<i>Long tons.</i>	<i>Long tons.</i>	<i>Long tons.</i>
Dutch.....	99.8	122.1	174.7	18.3
Turkish (Bulgarian and Macedonian).....	3,098	4,834.7	3,463.7	4,380.7
Greek.....	445.2	.....	256	361.9
Roumanian.....	584.9	235.9	600.3	1,250.3
Serbian.....	.....	252.3	836.3	.....
Herzegovinian.....	27.3	.....	32.3	168.6
Caucasian.....	.....	417.9	123.2	25.9
Russian (Bakun and Maschorka).....	208.9	189.3	59.8	339.6
Asia:				
Sumatra.....	1,796.3	1,734.1	1,221.6	2,521.7
Java.....	1,349.2	1,161.3	1,468.1	1,617.8
Borneo.....	20.6	21	17	.....
Manila.....	550	488.8	547.8	382.8
China.....	.....	.....	95	.....
Bafra-Samsun.....	1,515.9	1,387.9	1,313.5	996.1
Ayasuluk.....	74.8	56.6	90.8	61.1
Latakia.....	.....	9.9	8	7.6
North America:				
Kentucky.....	316.2	305.8	327.7	202.8
Virginia (dark).....	3,317.1	3,240.1	2,459.3	1,485.1
Ohio and Bay.....	52.8	46.1	53.6	61
Maryland.....	50.4	50.6	40.7	71.5
Habana.....	552.5	320.8	232.6	212.5
Cuba.....	163.3	264.3	149.1	123.6
Mexico.....	.....	11.8	42.5	13.8
Domingo.....	30.9	.....	.....	.....
South America:				
Brazil.....	1,099.8	1,454.8	1,392.9	1,505.5
Maturin.....	.....	9.6	.....	.....
Varinas.....	49.4	.....	6	.....
Paraguay.....	41.1	38.3	33.5	13.3

SALE OF AMERICAN TOBACCO.

The Virginia and Kentucky tobacco bought in the United States is employed chiefly for the manufacture of Virginia cigars. The still serviceable refuse from the manufacture of these cigars is put to use in filling some low-priced cigars, and, when cut, for a special kind of cigarette. The wholly dark superfermented leaves are employed in the manufacture of snuff. Ohio and Maryland "skrubs" are used as smoking tobacco for pipes.

In Dalmatia and in South Tyrol several kinds of tobacco are cultivated that can not be compared with any kinds of tobacco grown in the United States. The Dalmatian tobacco is used for cigarettes and the South Tyrolean is worked up into snuff. In Galicia three kinds of tobacco are grown, one for snuff tobacco, one for pipe tobacco, and one for pipe and cigar wares; only the last named may be compared to American tobacco, in particular to the "shade-grown Connecticut," but is of inferior quality. The Austrian production in 1910 was 6,169.3 long tons and in 1911, 5,373.2 tons.

PROFITS OF THE MONOPOLY.

The net profit of the tobacco monopoly of Austria has been as follows for the seven years ended with 1912: 1906, \$31,900,000; 1907, \$32,520,000; 1908, \$35,080,000; 1909, \$35,600,000; 1910, \$37,100,000; 1911, \$41,220,000; 1912, estimated at \$43,400,000. To this must be added, however, an increase of "assets" of several million crowns that can not at present be definitely set down in figures.

METHOD OF PURCHASE BY THE MONOPOLY.

The American-grown tobacco needed by the Tabakregie is bought as follows: Orders are sent annually to the commission houses of the regie in America for a fixed quantity of tobacco. These commission houses have been for years informed of the quality desired and they receive more particular instruction when needful. They are also informed annually of the sum of money available for purchases, which sum may not be exceeded without special authority.

VARIETIES BOUGHT.

The Austrian Government buys from America dark Virginia and Kentucky, Maryland "skrubs," and "skrubby" Maryland and Ohio cutting tobacco.

The representatives of the Austrian Government in America for the purchase of tobacco are the following three commission houses, viz: L. Borchert & Co., in Richmond, for Virginia; J. D. Kremler & Co., in Baltimore, for Virginia; Kremelberg & Co., in New York, for Kentucky, Maryland, and Ohio. The Austrian Government employs no other agents for the purpose.

FRANCE.

[Consul General Frank H. Mason, Paris.]

The cultivation of tobacco in France is strictly controlled by the National Government and is practically confined to 27 Departments. Licenses are issued to communes or districts authorizing the cultivation of tobacco on a specific area. This area is then allotted to certain growers, and from the planting to the gathering of the crop every plant is under the supervision of Government officials. As the Government is the sole purchaser of the leaf when grown, it thus maintains a practical control over the amount that may be produced in a given year. No bounties are paid for the growing of tobacco, and the price paid is according to the quality of leaf grown and the requirements of the regie.

The record of 1908, an exceptionally successful year for French tobacco culture, shows that there were in the 27 Departments 409,718 growers, who planted a total area of 39,742 acres and produced 49,751,000 pounds of cured tobacco leaf. The average yield per acre in 1897 was 1,180 pounds, but that of the following year reached 1,732 pounds, while the mean average for the 10-year period from 1897 to 1908, both inclusive, was 1,217 pounds per acre.

IMPORTATIONS OF FOREIGN LEAF.

The total imports of raw tobacco into France from the United States and other foreign countries (not including Algeria) have been as follows for the six years ended with 1912:

Years.	United States.	Total imports.	Years.	United States.	Total imports.
	<i>Pounds.</i>	<i>Pounds.</i>		<i>Pounds.</i>	<i>Pounds.</i>
1907.....	34,950,520	73,108,200	1910.....	36,759,140	62,797,240
1908.....	33,460,020	87,000,760	1911.....	30,520,820	65,320,000
1909.....	24,714,800	62,843,000	1912.....	54,042,120	93,448,300

ATTITUDE TOWARD AMERICAN TOBACCO.

The purchases of American tobacco by the French Government from year to year are governed entirely by the requirements of the *regie* for consumption, modified slightly by the quality and the quantity of the French crop of the preceding year. The purpose of the monopoly is to promote the sale of tobacco and cigarettes, and thereby increase the revenue of the Government. It is important, therefore, to maintain the standard qualities of the established brands, and experiments in blending are constantly made by the *regie* experts for this purpose. If there is a falling off in the sales of a certain kind of cigarettes or smoking tobacco, efforts are at once made to improve the quality, and this explains the varying amounts of American tobacco required in different years.

The *regie* officials insist that their American purchases are not governed by motives of economy or of favoring French-grown tobacco but simply of keeping up their qualities in deference to the somewhat variable tastes of consumers and the exigencies of public demand. No record is kept as to the States from which American tobacco is purchased, and no information on that subject can be obtained in Paris. The principal types purchased are designated "Virginia," "Maryland," "Kentucky mild," and "Kentucky strong."

THE ALGERIAN INDUSTRY.

The imports of leaf tobacco from Algeria to France during the seven years ended with 1912 were as follows: 1906, 7,978,960 pounds; 1907, 10,403,360 pounds; 1908, 3,701,720 pounds; 1909, 4,747,600 pounds; 1910, 6,843,760 pounds; 1911, 9,249,460 pounds; 1912, 8,814,960 pounds.

The cultivation of tobacco in Algeria is nominally free—that is, any farmer or planter may plant any area he chooses, subject, however, to Government supervision and the payment of a small supervision and inspection tax on the cured leaf, but this tax is remitted if the tobacco is declared for export to France or any other country.

The latest year for which full statistics are available is 1910, during which Algeria produced 21,577,600 pounds of tobacco, of which 13,420,000 pounds were exported, as follows: To France, 6,843,960 pounds; to the Netherlands, 3,300,000 pounds; to Belgium, 660,000 pounds; to Great Britain, 440,000 pounds; to Germany, 110,000 pounds.

Purchases of Algerian tobacco for the French *regie* are made sometimes from samples, but more frequently from bulk, at the principal entrepôts in that country. It is thus bought in competition with buyers from other countries, and the quantities purchased by the French Government vary with the qualities offered and the requirements of the *regie* for blending with American and French tobaccos.

AREA OF CULTIVATION AND ANNUAL PRODUCTION.

The total area of tobacco cultivation in France and the product of each year from 1906 to 1910, the latest year for which statistics are available, were as follows: 1906, 41,426 acres, producing 36,349,600

pounds; 1907, 39,151 acres, producing 40,724,200 pounds; 1908, 39,742 acres, producing 49,751,000 pounds; 1909, 37,870 acres, producing 42,187,200 pounds; 1910, 29,427 acres, producing 36,370,180 pounds.

USES OF AMERICAN TOBACCO IN FRANCE.

American tobacco is used by the French regie for mixing with native and Algerian and other imported tobaccos to produce the required flavors and mixtures in the manufacture of cigarettes, smoking tobacco, ordinary cigars, and snuff. Only the "dechets," or refuse, of American tobacco from the factories is used in this country for making nicotine.

French tobacco is wholly different in quality and flavor from American leaf, and does not, strictly speaking, compete with it to any important extent. The regie is compelled by its own interests to cater to public taste, which is somewhat exacting, so that the Government endeavors by skillful blending to produce cigarettes and tobacco that will satisfy public demand, and for this purpose the full-flavored American tobaccos are an essential and indispensable element.

PROFITS OF REGIE—METHODS OF PURCHASE.

The profits of the regie are increasing steadily, as the following figures show: The gross receipts in 1907 were \$82,822,715 and the net receipts \$74,557,234, and from that date there was a gradual increase until 1911, when the gross receipts were \$98,172,869 and the net profits \$80,095,000. Later statistics are not available.

Purchases of leaf tobacco for the French Government are made by expert agents who go to the United States for that purpose at certain seasons of the year and make their headquarters at the consulate general of France at New York, where special information as to dates, quantities, and qualities of contemplated purchases can best be obtained. These purchasing agents sometimes buy from samples exhibited to them at New York, but likewise visit the leading tobacco markets of Virginia, Maryland, and Kentucky to examine carefully the product of each season's crop, campaign prices, etc.

SALE OF CIGARETTES.

Permission must be obtained from the director general of State manufactures for the introduction of foreign cigarettes for public sale in that country. Two models of cigarettes and two packages of each model must be presented by each maker desiring admission. The applicant must agree to furnish to the monopoly specified quantities of cigarettes annually, state the price and give a description of each model of cigarette, the style of packing, number of cigarettes in a package, etc., and submit samples. The retail selling price is calculated on the basis of the weight and wholesale price of the cigarettes by a formula established by the Government regulations. All cigarettes containing substances detrimental to the public health and all those whose packing does not conform to certain rules are refused admission.

After being admitted, each manufacturer is required to deposit a guarantee fund of 20,000 francs (\$3,860) in currency or Government

bonds, which sum is returned at the end of three years or whenever the profits of the brand exceed triple the annual minimum exacted by the State, unless the brand is suppressed within that time, when the guaranty is retained by the State. Upon receiving an order from the regie, the manufacturer is required to ship the goods promptly, freight prepaid, to the Manufacture des Tabacs de Paris-Reuilly, where they are stored at the manufacturer's risk until verified and accepted by the regie. In case the sale of the various types of a certain brand fail to return an annual profit of 40,000 francs (\$7,720) to the regie during the first three years of sale, the brand is suppressed.

GERMANY.

[Consul Harry G. Seltzer, Breslau, Feb. 3, 1915.]

The present political conditions in Europe have served to emphasize the very acute competition that has existed between the German tobacco producers and manufacturers and their most powerful rivals, the British-American Tobacco Co. (Ltd.).

The American Tobacco Co. entered this field long before it was affiliated with British interests, and for many years the efforts of domestic manufacturers were directed against this corporation with little or no success. It is now so identified with British interests that the general movement to banish all goods from enemy countries may seriously affect American interests as well.

For years German manufacturers and dealers have been obliged to compete with the American Tobacco Co., and the industry has often suffered almost to the extent of total extinction. In spite of the Government's assistance in the form of increased customs duties, the American Tobacco Co. has succeeded in holding the principal German markets. The effect of these protective measures upon the domestic production can perhaps be best comprehended by a study of the statistics of production as shown in the following table compiled for all Germany (hectare = 2.47 acres; metric ton = 2,204.6 pounds):

Years.	Number of planters.	Total acreage.	Total production.	Years.	Number of planters.	Total acreage.	Total production.
		<i>Hectares.</i>	<i>Metric tons.</i>			<i>Hectares.</i>	<i>Metric tons.</i>
1906.....	97,139	14,684	32,075	1910.....	96,330	15,404	28,854
1907.....	96,870	15,405	28,839	1911.....	101,841	17,017	29,181
1908.....	88,656	14,525	34,409	1912.....	95,520	15,775	38,856
1909.....	98,236	16,185	28,178				

It is a curious fact that the imports of prepared tobacco for further use in manufacturing have also fluctuated in like manner and during the same period of time. It was not until 1912 that normal conditions were again restored, and it was in that year that both production and imports exceeded the high-water mark of 1908.

USE OF PREPARED TOBACCO.

The following table shows the quantities of prepared tobacco from domestic production, from imports to the free ports, and the quantity

of prepared tobacco used in the production of cigars, cigarettes, and other finished products imported from other countries:

Years.	Prepared tobacco for further domestic use in manufacturing.					Prepared tobacco used in finished products imported from other countries.
	Domestic production.	Imports into free ports.	Total.	Exports from free ports.	Net total used in domestic manufacture.	
	<i>Metric tons.</i>	<i>Metric tons.</i>	<i>Metric tons.</i>	<i>Metric tons.</i>	<i>Metric tons.</i>	<i>Metric tons.</i>
1906.....	25,660	64,335	89,995	1,090	88,905	654
1907.....	23,071	74,834	97,905	515	97,390	917
1908.....	27,527	83,287	110,814	2,515	108,299	1,253
1909.....	22,542	65,100	87,642	707	86,935	487
1910.....	23,083	72,202	95,285	113	95,172	653
1911.....	23,344	75,999	99,343	298	99,045	825
1912.....	31,085	83,073	114,158	495	113,663	827

AMERICAN COMPETITION.

During the period 1908 to 1912, the methods of the American Tobacco Co. were materially changed and the competition with German manufacturers assumed a different aspect. Instead of competing only with the manufacturers for the retail trade in tobacco, cigars, and cigarettes, the American Tobacco Co. now entered the manufacturing field itself. This was comparatively easy, since many German manufacturers had felt the stress of competition so severely and had seen their profits gradually decrease to such an extent that they were glad to sell to anybody.

With improved methods and machinery, especially cigarette machinery, production increased immensely, and the American Tobacco Co. again took the lead over German competitors. Effective advertising materially assisted this movement. Special cigarettes for women (Damen Cigaretten) were manufactured, and to-day cigarettes are almost as popular with the German women as they are with the men.

But the effect was still more far-reaching, inasmuch as the retailers who had been affected by reduced profits and the competition of new retail stores also found it necessary in many cases to close out their stocks and sell their stores. These were gradually brought under the control of the American Tobacco Co., partly by purchase and partly by the extension of credits to retailers of its goods.

STATISTICS OF CONSUMPTION.

In the meantime the domestic consumption of cigars and cigarettes increased by leaps and bounds, as will be seen by the following table of imports and exports of tobacco, cigars, and cigarettes:

Countries and products.	1912	1913	1914, Jan. 1 to June 30.
LEAF TOBACCO.			
Total imports.....	<i>Metric tons.</i> 79,423	<i>Metric tons.</i> 81,400	<i>Metric tons.</i> 40,819
Of which from—			
United States.....	7,799	7,311	3,497
Algeria.....			218
Austria-Hungary.....	972	759	382
Brazil.....	9,651	9,255	4,599
Bulgaria.....			1,064
China.....	674	702	366
Colombia.....	3,059	2,573	1,326
Cuba.....	1,438	1,435	595
Dominican Republic.....	6,790	7,364	3,605
Dutch East Indies.....	36,400	38,322	19,425
Greece.....	1,135	1,578	948
India.....			119
Kamerun.....			28
Mexico.....	491	371	171
Netherlands.....			67
Paraguay.....			187
Philippines.....			64
Russia.....	1,687	1,576	720
Turkey.....	7,296	8,178	4,300
Total exports.....	435	434	100
Of which to—			
Algeria.....			71
France.....			1
CIGARS.			
Total imports.....	387	422	208
Of which from—			
Austria-Hungary.....	148	170	85
Cuba.....	55	47	16
Italy.....			57
Netherlands.....			17
Switzerland.....			18
Total exports.....	380	412	222
Of which to—			
Australian Union.....			4
China.....			6
Denmark.....			16
Finland.....			4
German East Africa.....			4
German Southwest Africa.....			7
Norway.....	51	53	27
Russia.....			4
Sweden.....	89	96	55
Switzerland.....			16
United Kingdom.....			9
CIGARETTES.			
Total imports.....	743	818	433
Of which from—			
Austria-Hungary.....	600	676	365
Egypt.....	91	84	39
Russia.....			6
United Kingdom.....	19	23	13
Total exports.....	135	154	81
Of which to—			
Belgium.....			4
Denmark.....			8
France.....			3
German Southwest Africa.....			1
Italy.....			5
Netherlands.....			13
Norway.....			10
Sweden.....			4
Switzerland.....			12

PROSPECTS FOR AMERICAN BUSINESS.

While the present conditions can not be considered favorable to the extension of American trade, and the market of upward of 7,000 metric tons of leaf tobacco is probably lost for the present, yet with the restoration of peace there will undoubtedly be a greater demand for leaf tobacco than ever before. It will be noticed from the statistics given that the United States never participated to any great extent in the imports and exports of finished products. There are several reasons for this. In the first place, American-made cigars are too highly flavored for the German taste. Cigars made here are generally very mild. Highly flavored cigarettes are more popular, especially with the women. In the second place, Germany is over-equipped with cigar and cigarette factories, and the labor is so much cheaper by comparison that it would be almost impossible to compete with German manufacturers. Finally, the high protective tariff would operate as a serious handicap against any attempt of American manufacturers to enter this market with cigars and cigarettes.

It would also be useless to accompany this report with a list of dealers and manufacturers, since these always buy their supplies from the large central warehouses above mentioned. So long as these warehouses are well stocked and communication with Turkey is possible, there will be no market for any other foreign tobacco in Germany.

GREECE.

[Consul John E. Kehl, Saloniki, and Vice Consul General Oscar S. Heizer, Constantinople.]

Beginning July 15, 1914, the manufacture of tobacco in the section of former European Turkey occupied by Greece was thrown open to free competition and the laws in force in old Greece were extended to the so-called New Greece. The monopoly on the manufacture of tobacco and cigarettes that had until then been held by a French syndicate terminated on the same date.

The Greek Government is now proceeding to establish a so-called public factory in Saloniki. This establishment is to assist the small merchant who desires to enter the tobacco and cigarette manufacturing field, but whose capital is too limited to meet the heavy expenses and fees incident to an independent factory. In the public factory provision will be made for the leasing of space to manufacturers, who may install their own machinery and operate under the direct supervision of Government weighers and inspectors.

The production of tobacco is one of the leading industries of Macedonia and Thrace. The cigarette tobacco grown in these regions is as fine as is produced anywhere in the world. The Greek refugees who have been swarming into Macedonia from Asia Minor and Turkish Thrace will for the most part apply themselves to the cultivation of tobacco, and in case the condition of this part of the Balkans should remain stable it is probable that this industry will greatly increase in importance.

EXPORTS OF TOBACCO AND DISTRICTS WHENCE SHIPPED.

In view of the fact that the famous Turkish cigarette tobacco fields in European Turkey have been divided up between Greece and Bulgaria, the following table, showing the districts from which each

country draws its cigarette tobacco and also designating which districts have passed to Greece, Bulgaria, and Serbia, may be of interest. The statistics are for the fiscal year ended March 13, 1912.

Districts.	Total.	United Kingdom.	Germany.	Austria-Hungary.	Italy.	United States.	Egypt.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Aleppo.....	122,643					801	122,643
Adrianople.....	130,471	2,387	84,258				12,355
Balikesser.....	325,145	1,384	264,882	845			
Beirut.....	208,084	220	11,807			6,006	189,994
Cavalla ¹	27,898,748	1,403,008	757,715	13,914,734	2,218,416	7,700,942	1,335,270
Constantinople.....	158,471	26,708	9,944	6,893	220		36,291
Damascus.....	33,411						33,411
Ismidt.....	1,801,274		332,149			14,287	1,181,334
Janina ¹	16,632	16,632				2,475	5,691
Latakia.....	2,013,520	1,950,980	11,741	38,438			40,071
Mytilene ¹	95,143	6,314	41,925	6,833			51,121
Saloniki ¹	8,902,423	57,798	715,959	7,099,519	450,303	501,193	1,506,131
Samsun.....	16,685,838	353,670	596,904	8,427,657		4,795,562	712,763
Smyrna.....	12,872,273	448,628	1,175,636	3,119,593		6,323,995	3,137,310
Trebizond.....	4,010,083	322,942	196,306	167,783			
Uskub ²	19,340	19,340					
Xanthi ³	9,099,245	470,875	622,142	5,855,940		1,134,148	268,543
Broussa.....	145,263			110,343			2
Total.....	84,538,007	5,080,886	4,821,368	38,748,578	2,668,939	20,479,409	8,632,930

¹ Now under Greek rule.

² Now under Serbian rule.

³ Now under Bulgarian rule.

ITALY.

[Consul General James A. Smith, Genoa.]

The Italian Government tobacco monopoly is one of the chief sources of Italian revenue, but whether the effect of the monopoly is to encourage the domestic production of tobacco is a disputed point.

The revenue from the monopoly during the six fiscal years ended June 30, 1912, has been as follows: 1907, \$46,089,571; 1908, \$49,895,124; 1909, \$53,056,133; 1910, \$55,898,302; 1911, \$58,244,360; 1912, \$61,585,400.

The imports of leaf tobacco into Italy for the seven calendar years ended with 1912 are shown in the table that follows, together with the quantities imported from the United States. The proportion of domestic tobacco used by the monopoly is about 25 per cent.

Years.	Total imports.		Imports from America.	
	Pounds.	Value.	Pounds.	Value.
1906.....	45,918,759	\$4,944,454	39,353,833	\$4,237,554
1907.....	43,913,867	5,189,895	37,018,692	4,374,999
1908.....	44,893,162	5,305,632	36,239,806	4,282,947
1909.....	49,667,272	6,174,216	44,764,191	5,564,706
1910.....	41,454,836	5,153,315	36,695,717	4,561,601
1911.....	43,459,741	6,391,840	37,783,978	5,557,032
1912.....	47,916,981	7,047,356	39,525,832	5,813,233

The bulk of the tobacco used other than the American and domestic leaf is imported from European and Asiatic Turkey. These imports vary considerably and depend to some extent on the condition of the American market.

The price of domestic tobacco required in the national factories is fixed every three years on the basis of the prices of similar tobacco

bought by the monopoly during the preceding period of three years in foreign markets. The encouragement given Italian growers consists in exemption from the payment of the surveillance tax (*tassa di vigilanza*). The type of American tobacco grown in Italy is that known as "Kentucky." The "bright" type is also grown to some extent.

American tobacco imported by the Italian monopoly is purchased by Italian officials attached to the Italian tobacco agency at New York. The names and location of these agents, as well as the methods employed by them, may best be learned in New York.

RUSSIA.

[From Consul John H. Grout, Odessa.]

The principal Russian center of tobacco growing is in "Little Russia," embracing the Provinces of Tchernigov, Poltava, and Voronezh, although only inferior qualities, known as "Mahorka," "Bakum," etc., are grown there. Next come the Caucasus, Taurida, and Besarabia, where higher qualities are produced, classed and known as Turkish. The Province of Samara, on the Volga, produces Mahorka and leaf tobacco, which is used in the manufacture of cheap cigars. The Provinces of Tambov and Riazan produce low grades of tobacco in considerable quantities. Tobacco is also grown in other parts of Russia, but not in commercial quantities or of any remarkable quality.

Tobacco has recently been grown, in increasing quantities and gradually improving qualities, in various parts of Asiatic Russia, but data appertaining thereto are not at hand. All that is known is that along the river Irtysh there have been found many places particularly suited for the cultivation of tobacco. Common tobaccos were grown there at first, selling for about 60 cents per hundredweight, but a better grade is now being produced which brings six or seven times that price.

The imports of tobacco of all sorts into Russia are of no importance, totaling only \$746,000 in 1912 and \$754,000 in 1913. The bulk of these imports came from Germany. The exports are of more importance, as the following statistics show: Exports in 1912—cigars and cigarettes, \$683,000; cut tobacco and snuff, \$128,000; leaf, \$2,385,000; in 1913—cigars and cigarettes, \$676,000; cut tobacco and snuff, \$140,000; leaf, \$3,370,000.

CULTIVATION, YIELD, AND PRICES OF TOBACCO.

Tobacco growing is mainly in the hands of small planters, and cultivation is on so small a scale as to be only incidental to the farmer. Taken all around, the average size of the area planted on a farm scarcely exceeds a quarter of an acre. Thus in most places the culture of tobacco is of a very casual nature, tried on a small scale, to be gradually increased, if successful, or abandoned if otherwise. Hence, very considerable fluctuations result, both in acreage and in the number of "plantations," the latter being estimated at 366,000. The present area of land under tobacco is estimated at 190,000 acres and the total yield of tobacco at 125,000 tons, valued at \$25,000,000. A little over a quarter of this quantity is of the finer Turkish and American varieties. The Province of Tchernigov alone has over a

quarter of the total of the tobacco area and produces nearly one-third of the total yield. In the Province of Tambov fully three-fourths of a ton of very common tobacco is realized per acre, while in some parts of Bessarabia barely one-fifth of a ton is obtained of the finer grades. It is not uncommon to find for some particular locality that the quantity of one year's harvest compares with that of another year in the ratio of one to four or even five. Presumably far more than one-half of the total quantity of tobacco is grown on land which belongs to the cultivators themselves, who are small farmers. In most parts the ground is selected near dwellings or farm buildings, where the soil always gets most manure. Exceptions to this rule are to be found in the Caucasus, Bessarabia, and, in particular, in the Crimea. Here tobacco is most often grown on rented land, the annual rent for favorable sites averaging from \$10 to \$20 per acre, and often, in specially suited locations, even \$100 per acre.

The wholesale price in such places, realized by the grower of the finer varieties, is from \$20 to \$45 per ton of 2,000 pounds. The total cost of farming an acre in such sites in the Crimea, where labor is dear, is from \$60 to \$100, and in good years the cultivator realizes fully \$200 to \$250 net per acre. Under such conditions it would be expected that the industry would increase, but such is not the case. The following are some of the reasons given for this nonincrease: (1) Almost no exports, barely 3,000 tons yearly of the commonest kinds; (2) want of trade organization to insure the producer more or less fixed profits; (3) excise formalities, etc.

THE TRADE CONTROLLED BY MIDDLEMEN.

For the foregoing and other reasons tobacco cultivation is considered a risky undertaking, the bulk of the profits remaining in the hands of the middlemen, who, it appears, monopolize the secrets of the manipulation of the tobacco trade and keep the actual producer in a state of ignorance and helplessness. It may not be so surprising that the tobacco producers of small means do not try to break away from the middlemen, but it is surprising that the wealthy and strong tobacco cutters and cigarette and cigar manufacturers do not put themselves into direct communication with the raw material producers and thus shut out the middlemen. The reason given for the continuance of the system is that dealing direct with the growers who bring only small quantities, lacking in uniformity, into the market, the factory owner finds great difficulty in arriving at a fixed price for a well-defined variety of properly sorted tobacco.

A LARGE FIELD FOR TOBACCO CULTIVATION.

It is universally admitted that in Russia there is a vast field for the production of tobacco of a fair medium quality, and as the remainder of Europe produces barely one-half of the tobacco it uses, all further development of tobacco cultivation in Russia seems to depend upon proper regulation of the trade.

The trade being in the hands of middlemen, there are no chief centers as regards markets. The total area under cultivation produces on an average from one-fifth to three-fourths of a ton per acre. Apart from the collection of excise duties, the Russian Government does not apparently take much interest in tobacco growing. Rus-

sian tobaccos compare with the cheaper varieties of leaf and cigarette tobaccos grown in the United States. The very little that is exported is sent away packed in large bales to nearby countries. To produce tobacco in Russia costs from 40 cents to \$2 or \$3 per hundredweight. Under favorable circumstances as much more can be realized as profit.

The time of planting depends entirely upon the variety of tobacco, the site and nature of the soil available, and the supply of moisture. Generally the tobacco is not allowed to run to seed. The leaves of the best tobacco are picked as they ripen and air-dried, although they are packed for sale moist enough to be pliable. As a rule the finer varieties are light and mild and the leaves small, while the commoner kinds, used by the peasants for pipe smoking, are dark and strong. Tobacco is generally consumed in the form of cigarettes, pipe tobacco, chewing tobacco, and snuff being comparatively rare.

SERBIA.

[Consular Assistant Harry B. Richardson, Belgrade.]

During the 23 years for which data in regard to tobacco growing in Serbia are available, the cultivation of this plant has been a Government monopoly, administered through the Serbian Monopole Co.

The area planted in tobacco varies from year to year. In 1909, the maximum year, the acreage was 6,600, and in 1897, the minimum year, the acreage was 2,545. The average acreage for the entire time was 4,200. The number of plants allowed to be cultivated also varies. Thus the largest number planted was in 1909 and the smallest in 1893. The average number of plants authorized annually during the life of the monopole company was 122,254,811. It is here important to add that the actual number of plants set out never represents the number authorized, for "overplanting" is authorized by law and by supplementary permissions granted.

The number of plants which ripened and were harvested has always been less than the number planted, as the young plants often die from one cause or another. This number varies, naturally, from year to year, according to the conditions of the weather.

CROP STATISTICS.

The acreage, production, and value of Serbia's tobacco crop, as shown by the records of the monopole company, for the years 1889 to 1911, inclusive, were as follows:

Year.	Acreage.	Pounds.	Value.		Year.	Acreage.	Pounds.	Value.	
			Total.	Average per pound.				Total.	Average per pound.
1889.....	3,316	2,341,504	\$145,968	\$0.062	1901.....	3,464	2,280,944	\$180,645	\$0.079
1890.....	3,787	1,872,222	132,871	.071	1902.....	4,627	2,632,312	186,060	.071
1891.....	4,336	2,336,142	167,448	.072	1903.....	5,616	2,545,378	232,365	.091
1892.....	2,857	2,123,630	150,968	.071	1904.....	6,194	2,570,814	231,541	.090
1893.....	2,745	2,095,861	149,768	.071	1905.....	5,540	2,282,409	225,900	.099
1894.....	3,449	1,811,421	100,412	.055	1906.....	5,043	3,424,325	322,178	.094
1895.....	3,511	1,909,460	162,685	.085	1907.....	4,042	2,427,432	258,800	.107
1896.....	2,597	2,445,500	206,127	.084	1908.....	4,714	1,734,641	179,878	.104
1897.....	2,545	2,118,706	127,509	.060	1909.....	6,600	5,123,121	393,415	.077
1898.....	4,179	3,266,560	170,835	.052	1910.....	5,312	3,159,058	287,734	.091
1899.....	3,598	2,208,019	135,068	.061	1911.....	5,201	3,727,116	395,454	.106
1900.....	3,348	2,315,091	164,925	.071					

SPAIN.

[Consul General Henry H. Morgan, Barcelona, and Consul F. T. F. Dumont, Madrid.]

The Spanish Government formerly maintained a monopoly of the purchase, manufacture, and sale of all tobacco in Spain, but on account of the unsatisfactory results an agreement was made with the *Compañía Arrendataria de Tabacos* by which, beginning October 20, 1900, and terminating June 30, 1925, this company is granted a monopoly of the importation, manufacture, and sale in Spain of tobaccos of all kinds. Tobacco can not be brought into Spain except through the company. The only persons exempt from the operations of the law are the ambassadors and ministers of foreign countries resident in Spain, who are permitted to import tobacco for personal use without charge.

METHOD OF PURCHASING AMERICAN-GROWN TOBACCO.

The company maintains at all times in the United States a resident agent, who keeps it informed of the course of the tobacco market and of the prices at which sales are being made. Prices obtained at New York, Baltimore, Richmond, Cincinnati, and particularly Louisville are quoted. At the end of March or in the early part of April of each year, a special agent is sent from Spain to the United States, who, jointly with the resident agent and in accordance with the instructions of the company, buys the tobacco wanted. All concerns wishing to sell to the company must apply to the special agent during the period of his stay in the United States. From the reports furnished by the resident agent in the United States, an idea is gained as to values and the trend of the market; the special agent is furnished with these reports and goes to the United States with a clear idea of the proper purchase price. A maximum price at which he is to purchase is usually set by the managers of the company and he is authorized to purchase a certain quantity at a price not to exceed this maximum. He is authorized to purchase from anyone who is able to furnish tobacco at the set price or cheaper. The resident agent maintains several offices in the United States and during the stay of the special agent offers to sell are directed to the special agent in care of the nearest office of the resident agent.

The usual custom is to purchase Kentucky leaf and Kentucky lugs at the Louisville market. The grade purchased is from the black-tobacco belt in Kentucky and is known as "black burley" leaf and fillers. A small quantity of Virginia "bright" is purchased in the Richmond or Baltimore market.

VARIETIES OF FOREIGN TOBACCO PURCHASED—AGENTS.

The company sells on commission a number of brands of Cuban cigars, and has a contract with the *Compañía General de Tabacos Filipinos* for the sale of their cigars in Spain on commission. Various brands of Egyptian cigarettes are also sold on commission.

There is but one agent resident in the United States—viz, the firm of Kremelberg & Co., of New York City (92 Water Street), Louisville, and Baltimore. The special agent, as previously mentioned, is addressed in care of this firm at its nearest office. The special agent is Francisco Carmona, whose Spanish address is Calle del Barquillo, No. 8, Madrid.

IMPORT STATISTICS.

Imports of tobacco by the monopoly in 1909, 1910, and 1911 are shown in the following table:

From—	1909		1910		1911	
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.
Austria.....	2,682,266	\$133,869	5,143,600	\$256,712	3,423,873	\$170,882
Belgium.....			6,266	313		
Brazil.....			3,352,606	167,325	3,828,198	191,062
Cuba.....	1,465,688	245,835	2,493,988	418,309	371,124	62,248
Dutch East Indies.....	1,554,300	77,574	2,227,284	111,162	3,728,241	186,073
Germany.....	3,501,788	174,771	6,024,504	300,678	3,977,210	198,499
Netherlands.....	4,963,340	247,716	1,958,000	97,722	5,673,800	283,174
Mexico.....	1,329	66	119	6		
Paraguay.....	394,845	19,706				
Philippine Islands.....	16,642,018	2,219,440	16,323,683	2,176,985	13,940,014	1,859,091
United States.....	9,706,400	484,438	6,715,236	335,151	13,886,565	693,066
Total.....	40,911,974	3,603,415	44,245,286	3,864,363	48,829,025	3,644,095

PROFITS OF THE MONOPOLY.

The table that follows will give some idea of the profits of the monopoly for the three years ended with 1911:

Items.	1909	1910	1911
Selling expenses.....	\$8,312,337	\$7,755,092	\$7,078,656
General administration expenses.....	3,558,224	3,393,528	3,310,693
Commission of 5 per cent to Cia. Arrendataria de Tabacos.....	1,524,406	1,452,793	1,201,327
	13,394,967	12,601,413	11,590,676
Gross proceeds.....	37,914,510	38,299,636	36,616,859
Less expenses.....	13,394,967	12,601,413	11,590,676
	24,519,543	25,698,223	25,026,183
Cost of tobacco, according to official customs returns.....	3,603,416	3,864,366	3,644,095
Approximate net receipts.....	20,916,127	21,833,857	21,382,088

TURKEY.

[Consul General G. Bie Ravndal, Constantinople.]

Tobacco culture in Turkey has become a highly valuable asset to the country by reason of the growing popularity of cigarettes made of the Turkish leaf. The following table of exports for the four years ended with 1912 illustrates the development of the industry:

Exports to—	1908-9	1909-10	1910-11	1911-12
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Austria.....	25,933,391	34,619,017	21,879,363	38,739,004
America.....	6,113,342	8,633,570	12,035,570	20,479,408
England.....	5,970,587	6,620,807	5,184,641	5,026,927
Italy.....	2,459,091	2,642,239	3,470,346	2,668,939
Germany.....	4,699,240	3,526,157	2,527,905	4,822,250
Russia.....	1,168,400	1,449,921	1,130,126	1,343,791
Netherlands.....	2,165,572	1,112,372	540,012	622,424
France.....	312,083	381,405	314,096	450,047
Serbia.....		57,945	211,774	56,520
Belgium.....	99,013	154,028	181,673	249,484
Roumania.....		261,098	88,455	460,733
Switzerland.....	30,439	20,218	5,940	29,396
Various.....	457,802	698,649	398,908	706,523
Egypt ¹	8,238,008	9,645,400	6,498,813	8,819,906
Total.....	57,646,968	69,822,826	54,467,627	84,475,352

¹ Egypt took tobacco on which an export duty was paid.

The foregoing table, however, includes exports that originated in provinces once belonging to European Turkey, but now divided among Greece, Serbia, and Bulgaria. For the production by districts in 1912, see table on page 21, the statistics in which differ slightly from those in the foregoing table.

Owing to the ravages of the Balkan War, involving plunder, fire, and the death in battle or massacre of some of the most experienced cultivators, the production of Macedonian tobacco is likely to be restricted for several years to come. Stocks are already short, and the world's demand is considerably in excess of the supply, which disparity displays a tendency to increase rather than diminish. Most likely tobacco culture will materially expand elsewhere in Turkey as well as in Caucasia. It is even likely that the Balkan War will stimulate Turkish tobacco growing in California and other sections of the United States.

UNITED KINGDOM.

The United Kingdom is obliged to import its tobacco, as the home production of leaf is practically negligible. The imports are chiefly in the form of the unmanufactured leaf, although important purchases of cigars are made from Cuba; in fact, the British buyers have long been accustomed to obtaining a very choice portion of the famous Cuban product. For the most part, however, the leaf is imported and then manufactured into the English products that are very well known all over the world. English pipe tobacco and cigarettes are standard products.

The total imports of tobacco in all forms in 1913 amounted to 165,365,925 pounds, of which only 3,587,987 pounds were imported in the manufactured state. Of this manufactured tobacco, 1,144,605 pounds were cavendish, or negro-head, from the United States, and 1,125,683 pounds were Cuban cigars. Of the 162,365,925 pounds of leaf imported, the United States furnished no less than 142,042,656 pounds. No other country approached this total, although the 6,247,102 pounds imported from Turkey comprise most of the high-grade tobacco used by the English manufacturers in the production of the popular and high-priced Turkish cigarettes. The quantities of tobacco imported into the United Kingdom during the five years ended 1913 are shown in the table that follows. These are official British statistics, and in respect to the United States and possessions differ somewhat from official American statistics.

Articles and countries of origin.	1909	1910	1911	1912	1913
CIGARS.					
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Denmark.....	1,572	1,452	1,487	1,908	1,835
Germany.....	41,329	33,073	32,460	33,829	34,586
Netherlands.....	92,257	87,815	88,294	98,221	111,246
Belgium.....	43,152	37,797	35,412	34,745	39,616
France.....	8,420	11,410	6,953	3,071	1,853
French East India.....	280	6,907	8,462	2,848	.....
Switzerland.....	11,336	11,963	19,041	18,083	19,606
Canary Islands.....	1,520	1,846	1,982	1,538	1,495
Italy.....	9,881	15,223	742	8,786	8,543
Austria-Hungary.....	235	219	68	245	106
China.....	2,259	1,898	832	1,147	1,584
Japan.....	1,723	956	1,562	1,832	1,615
United States.....	3,575	4,504	4,261	5,404	4,847
Philippine Islands and Guam.....	133,769	99,843	136,180	115,872	137,904
Cuba.....	1,088,638	988,283	1,077,632	1,004,505	1,125,683

Articles and countries of origin.	1909	1910	1911	1912	1913
CIGARS—continued.					
Mexico.....	<i>Pounds.</i> 25,153	<i>Pounds.</i> 27,836	<i>Pounds.</i> 39,245	<i>Pounds.</i> 29,167	<i>Pounds.</i> 19,713
Brazil.....	616	893	520	913	842
Other foreign countries.....	2,509	2,972	3,137	3,597	2,854
British possessions, principally India.....	165,535	118,640	150,936	146,471	145,381
Total cigars.....	1,633,759	1,453,530	1,609,206	1,512,182	1,659,309
CAVENDISH.					
Norway.....	2,959	1,932	2,394	3,137	1,001
Germany.....	1,693	2,021	2,742	891	827
Netherlands.....	2,501	3,667	506	1,410	676
France.....	306	776	380	125	182
United States.....	928,953	1,109,034	1,130,995	1,130,488	1,144,605
Brazil.....				41,013	
Other foreign countries.....	123	722	275	175	2,030
British possessions, principally Canada.....	37,094	30,973	19,696	5,927	3,624
Total Cavendish.....	973,629	1,149,125	1,156,988	1,183,163	1,152,945
CIGARETTES.					
Russia.....	5,616	6,001	5,580	7,804	9,243
Germany.....	17,686	18,329	17,225	19,333	19,256
Netherlands.....	863	517	641	2,026	1,614
Java.....	17	629	162	28	2,256
Belgium.....	2,733	3,784	3,572	4,334	1,755
France.....	19,817	17,043	19,890	19,412	23,624
Algeria.....	1,143	477	88	1,581	1,616
Switzerland.....	696	325	186	87	60
Italy.....	1,066	289	1,250	2,119	3,339
Greece.....	508	524	1,073	596	783
Turkey.....	19,756	19,466	18,035	14,392	14,544
Egypt.....	191,581	185,946	183,901	182,569	184,473
United States.....	5,736	76,816	9,877	9,905	10,352
Cuba.....	4,933	7,504	5,594	7,205	10,275
Brazil.....	853	4,499	1,595	2,169	3,847
Other foreign countries.....	1,493	1,966	3,610	4,521	6,401
British possessions.....	19,310	26,803	22,800	19,758	20,953
Total cigarettes.....	293,807	370,918	295,079	297,839	314,391
SNUFF.					
Germany.....		54	114	47	3,681
Netherlands.....	15,877	22,469	13,624	147,136	117,172
United States.....	27,831	148,305	1	19	1
Other foreign countries.....	1,138	8,986	3,543	8,645	1,021
British possessions.....			11,641	15,363	1
Total snuff.....	44,846	179,814	28,923	171,210	121,876
OTHER MANUFACTURED.					
Norway.....	387	1,239	4,664	4,507	1,148
Germany.....	2,123	2,660	2,637	2,474	2,175
Netherlands.....	54,818	61,087	75,850	63,619	55,293
Belgium.....	673	651	693	602	11,413
France.....	429,941	7,345	7,939	7,326	6,889
Algeria.....			499,871	173,015	146,584
Austria-Hungary.....	147	55	74	211	164
Turkey.....	102	157	143	845	
United States.....	3,810	3,992	2,557	2,967	1,663
Philippine Islands and Guam.....	2,430		2,848	1,500	3,067
Cuba.....	31,456	30,918	38,889	49,383	63,452
Other foreign countries.....	1,020	1,072	2,574	897	6,494
British possessions.....	26,114	39,890	28,785	28,325	41,125
Total other.....	553,021	149,066	667,524	335,671	339,467
UNMANUFACTURED.					
Russia.....	2,201	42,826	124,976	153,164	268,259
Sweden.....		6,233	2,476	25,259	
Germany.....	1,310,415	1,629,747	1,196,683	2,053,040	2,678,385
Netherlands.....	3,698,514	3,559,096	4,703,429	6,203,334	6,450,867
Dutch possessions.....	109,893	48,611	41,882	75,830	85,457
Belgium.....	80,165	96,710	80,199	73,214	158,631
France.....	17,203	9,717	40,517	20,533	73,620
Algeria.....	727	105,879	168,675	170,929	27,449
Portuguese East Africa.....	135,043	6,121	287,926	454,323	1,570,477
Italy.....	5,042	4		423	6,802
Austria-Hungary.....	194,151	184,488	217,256	286,734	18,507
Greece.....	32,776	120,011	141,903	113,579	221,285
Bulgaria.....	12,920	5,717	35,168	34,327	103,931
Roumania.....			27,639		

Articles and countries of origin.	1909	1910	1911	1912	1913
UNMANUFACTURED—continued.					
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Turkey.....	5,800,272	4,499,362	4,578,060	4,069,797	6,247,102
Egypt.....	7,889	274,481	9,852	34,736	21,398
Persia.....		11,585		317	24,684
China.....	217,833	61,031	295,456	84,620	133,446
Japan.....	52,834	66,101	52,350	76,784	7,065
United States.....	114,007,421	98,951,349	104,607,610	121,830,247	142,042,656
Philippine Islands and Guam.....	118	3,656	60,987	500	136
Cuba.....	80,656	37,268	38,324	20,261	20,518
Haiti and Santo Domingo.....	78,245	38,016			
Mexico.....	19,290	11,043	14,177		
Colombia.....	2,178		14	112,010	
Ecuador.....	37,850				24,027
Brazil.....	29,007	16,390	21,044	17,977	22,069
Argentina.....	4,051		2,601		11
Other foreign countries.....	98				
British possessions, principally Nyasaland.....	975,016	1,472,102	2,058,256	1,824,485	2,159,143
Total unmanufactured.....	126,911,808	111,257,544	118,807,460	137,736,423	162,365,925

EXPORT STATISTICS.

An important export business is done, principally in cigarettes and pipe tobacco. Of the total tobacco exports in 1913 of 32,993,905 pounds, cigarettes amounted to considerably more than one-half, 12,625,023 pounds going to foreign countries and 5,507,925 pounds to the colonies. A remarkable fact in connection with the export trade in cigarettes is the total of 11,420,826 pounds sold to China. The following table shows the distribution of the British tobacco exports:

Destination.	1909	1910	1911	1912	1913
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
Sweden.....	355,373	212,607	403,120	443,106	360,791
Denmark.....	229,922	382,441	341,821	348,191	666,563
Germany.....	162,611	104,747	132,153	132,197	113,089
Netherlands.....	397,634	776,258	955,334	2,070,891	2,501,447
Belgium.....	35,356	51,693	264,256	1,646,829	1,018,362
France.....	71,333	57,478	749,620	279,663	139,936
Egypt.....	107,719	101,895	93,042	105,335	90,773
Siam.....	62,153	76,659	108,365	131,789	127,442
China.....	3,644,853	5,806,766	6,539,541	7,792,513	11,500,552
United States.....	3,153,792	838,757	3,672,092	1,618,905	2,542,410
Argentina.....	4,655,794	4,480,768	3,033,050	4,163,130	3,321,878
Other foreign countries.....	377,017	472,546	821,452	1,087,327	1,187,159
Channel Islands.....	139,014	128,335	135,116	138,648	141,819
Gibraltar.....	56,002	77,634	89,694	101,075	92,984
Malta and Gozo.....	90,352	92,844	94,002	91,518	93,450
Gold Coast.....	50,068	86,230	104,654	129,851	172,351
Southern Nigeria.....	99,051	172,480	171,565	268,836	212,153
Cape of Good Hope.....	62,455	68,077	66,925	97,457	105,012
Natal.....	31,974	42,472	42,008	68,241	54,934
Orange Free State.....	694	1,035	1,361	1,136	883
Transvaal.....	53,173	65,400	73,534	107,364	121,004
British India, via:					
Bombay (including Karachi).....	740,746	524,794	521,603	528,977	637,072
Madras.....	160,727	83,702	70,278	62,432	92,172
Bengal, Assam, Bihar and Orissa.....	839,268	505,967	501,684	493,090	490,545
Burma.....	771,272	311,586	488,245	526,291	690,040
Straits Settlements.....	1,007,623	1,560,869	1,671,640	1,679,329	2,175,182
Federated Malay States.....	9,467	28,408	64,459	246,455	273,805
Ceylon.....	225,709	277,493	229,995	344,591	359,890
Hongkong.....	1,291,921	1,118,815	838,828	1,043,412	911,650
Australia.....	157,813	206,518	230,958	276,316	353,534
New Zealand.....	626,314	729,908	843,024	988,032	972,901
Canada.....	267,013	364,065	379,256	654,303	543,638
British West Indies.....	373,756	336,471	337,504	305,011	329,152
British Guiana.....	110,605	105,273	110,323	119,418	130,138
Other British possessions.....	242,859	294,477	337,183	421,194	469,194
Total.....	20,661,433	20,545,468	24,517,685	28,512,853	32,993,905

EFFECTS OF THE WAR.

[From the London Times.]

During the first seven months of 1914 the imports and consumption were progressing on lines which indicated steady progress, but since the war, in addition to the arrivals from the United States, large quantities of other growths, especially South American, have been sent to this country owing to the closing of the German and Austrian markets. These generally are unsuited to the trade of this country owing to their inferior quality and condition, and will move away after the war.

The stocks of North American tobacco in the port of Liverpool are now swollen to the figure of 146,000 hogsheads, the import alone being 93,000 hogsheads, though the year's delivery amounted to 77,000 hogsheads. The board of trade figures showing stocks of all growths in bond will not include the very large quantity of tobacco not yet weighed. The effects of the war are shown in the increased cost of charges, freights, etc., and these will no doubt stop shipment now for some months, so that enhanced prices and scarcity of supplies must be looked for. Of course it is understood in the trade that only a limited portion of the import of North American tobacco is for sale. Eastern growths, Turkey, Latakia, etc., will no doubt feel severely the effects of absence of supplies.

LISTS OF FIRMS.

The English Government is not interested in any way in the sale of tobacco. To a great extent the trade is in the hands of brokers, although there are a number of individual importing firms. A list of brokers, importers, and manufacturers follows. A considerable number of the largest firms operate under a working agreement, and one of the largest has acquired a plantation of its own in the United States. The name of this firm is not included in the following list:

London importers and manufacturers:

- J. Hunter Morris & Elkan (Ltd.), 55 St. Mary Axe, E. C.
- A. Baker & Co. (Ltd.), 65 Holloway Road, N.
- Carreras (Ltd.), 238 City Road, E. C.
- R. Lloyd & Sons, 85 Clerkenwell Road, E. C.
- Godfrey Phillips (Ltd.), 112 Commercial Street, E.
- Salmon & Gluckstein (Ltd.), 2 Clarence Street, Dingley Road, E. C.
- Litsia Marx & Co., 140 High Holborn, W. C.
- Gallaher (Ltd.), 67 Clerkenwell Road, E. C.
- J. & S. Oppenheim (Ltd.), 23 Throgmorton Street, E. C.
- James Taddy & Co., 42 Minories, E.
- John Wood & Son (Ltd.), 25 Queen Victoria Street, E. C.
- J. Frankan & Co. (Ltd.), 30 Gracechurch Street, E. C.
- R. Hovenden & Sons (Ltd.), 89 City Road, E. C.
- Loewe & Co., 58 Haymarket, S. W.
- Benson & Hedges (Ltd.), 13 Old Bond Street, W.

London brokers:

- J. Hunter Morris & Elkan (Ltd.) (see above).
- Percy L. Baker, 10 Lloyds Avenue, E. C.
- S. Barrett & Co., 12 St. Mary Axe, E. C.
- Clagett Brachi & Co., Northumberland Alley, Fenchurch Street, E. C.
- C. R. Higgins & Co., 34 Leadenhall Street, E. C.
- Phillips & Wright, 14 St. Mary Axe, E. C.
- J. Pringle & Co., 37 Jewry Street, Minories, E. C.

CHINA.

[Consul General George E. Anderson, Hongkong.]

The introduction of the tobacco habit among the Chinese dates back only a few years, and its spread throughout the Empire has been astonishingly rapid. The cigarette habit is not confined to the male portion of the population. The females of all classes and ages, from 10 years up, indulge as freely and as openly in cigarettes, and with as much apparent enjoyment, as do their brothers.

The manufacturers say that their production is up to the standard and entirely free from opium. The low prices for cigarettes (they may be had for as little as one-fourth of a cent each) may have a great deal to do with their universal use. It is very apparent that the cigarette has come to stay.

There has been a considerable increase in the imports of tobacco of all grades into Hongkong during the past few years and there has also been a marked increase in the export of Chinese tobacco to other countries. Imports of American tobacco have been increasing, but whether there will be further increase is considered problematical.

The tobacco-trade situation in Hongkong is peculiar, and the requirements of the market need especial care and attention from exporters. High-grade American leaf is too expensive for Chinese uses and in general does not meet the requirements of this trade. The opening for low-grade leaf is large, provided the leaf is cheap and of the particular quality needed here. While Chinese tobaccos are not high-grade leaf, as a rule, it is to be realized that the best grades of tobacco for native use in this market are Chinese tobaccos. One notable element in the situation is the strong tendency among Chinese at present to turn to Chinese as against foreign products like tobacco as a matter of sentiment in favor of home industries. Tobacco dealers in Hongkong shipping to the interior or other points report that this feeling is having a marked effect upon their trade.

IMPORTS FOR MANUFACTURE.

The tobacco business in Hongkong at present consists in the importation of tobacco from the Philippines, India, Java, Sumatra, and the Malay States, and from the United States for the manufacture of cigars and cigarettes in Hongkong and in the export of Chinese tobacco to London and Hamburg for the manufacture of cigarettes there. The import trade into Hongkong consists almost entirely of second-rate to waste tobacco, chiefly of filler from the Philippines which has been discarded for the fine trade by the great Philippine factories, and of wrapper from Sumatra discarded by the high-grade trade, and various tobaccos from Java, India, and the Malay States which are not suitable for the fine trade anywhere. There is no accurate measure of this trade other than the fact that Philippine figures report the export of leaf tobacco from the islands to Hongkong in the fiscal year 1911 amounted to 373,349 pounds, valued for customs purposes at \$30,507, and in the last fiscal year the export amounted to 370,165 pounds, valued in the same way at \$30,404. These figures are considerably below those given by Hongkong importers.

The imports from Java, Sumatra, and other East Indian districts amount to something like 4,000 bales annually and are valued at about

\$50,000 gold—about \$10,000 from India, about \$5,000 from Java, about \$25,000 from Sumatra, and about \$10,000 worth in sundry lots. The imports from the United States into China and Hongkong according to American figures reach a value of about \$900,000 annually, of which probably about one-eighth passes through Hongkong. The imports of tobacco into Hongkong from China have amounted to an average of nearly \$1,000,000 gold out of the \$1,850,000 average exports from China for several years.

CIGARS AND CIGARETTES.

The vast mass of the tobacco imported into Hongkong is used in local manufacture of cigars and cigarettes, although large and increasing quantities of Chinese-grown tobacco have been exported to Hamburg and London for blending in manufacturing cigarettes. The manufacture of cigarettes in Hongkong is largely for export, presenting the rather unusual situation of an industry which competes with its business rivals in the local field only with difficulty, but which competes with other rivals abroad successfully. The cigarette market in Hongkong and in China generally is dominated by the Chinese factories of the British-American Tobacco Co., which uses in its factories in China the bulk of the American tobacco exported to China.

Chinese-made cigarettes of grade and style to compete with the product of this concern's factories are made in numerous small establishments both in Hongkong and in the interior points, obtaining stocks of foreign tobacco through Hongkong. Their product is sold in considerable and at present in increasing quantities in competition with the products of the dominant interests, but a large portion, and at times the greater portion, of their product has been and is sold generally to Chinese communities abroad. Cigar manufacture is carried on in the same way with the second and waste grades of cigar tobaccos imported from the Philippines and the East Indies and the product is disposed of largely in the same way, though there is a fair and growing market for these cheap cigars locally and in parts of China near at hand. It is in this trade that the growing preference of the Chinese for native goods is particularly felt. There are, of course, almost innumerable grades and varieties of Chinese-made cigarettes. American leaf has been used for the manufacture of some of the grades designed to compete with the foreign style product of the dominant interests, and there are grades of cigarettes on this market made of practically pure American stock. On the other hand, the usual mixture is that of low-grade Chinese tobaccos with the low-grade tobaccos imported from the Philippines and the East Indies. Some American leaf is also used in blending the Chinese fine-cut tobacco used in Chinese pipes. One phase of the present situation is a growing demand for a small native-made cigarette-cheroot composed entirely of tobacco and using some of the Sumatra waste for wrapper with some American and Philippine tobacco as filler. A very large proportion of all these products, however, is manufactured for export to various parts of the world, chiefly for use by the Chinese residents abroad. The goods are sold largely in Singapore and the East Indies, in Australia, Canada, and to some extent in the United States.

RANGE OF PRICES—IMPORTS.

The range of prices of all these tobaccos is surprising. The standard tobacco for the native trade is Chinese leaf of fair average quality, which sells at the present time at about \$35 local currency per picul, or at present exchange at the rate of 12.6 cents gold per pound. American tobacco coming into this market ranges from 8 to 25 cents gold per pound c. i. f. Hongkong. Philippine and East Indian tobaccos range from \$10 to \$25 local currency per picul of 133½ pounds, or from 3.6 cents to 9 cents gold per pound c. i. f. Hongkong. All these tobaccos are imported for native use. The amount of tobacco imported for manufacturing goods for foreigners at present is very small, all but a negligible quantity of tobaccos for Europeans and Americans being imported in the manufactured state by reason of the fact that cigar manufacture for foreigners in Hongkong has not proved a success.

DOMESTIC TOBACCO GROWING.

The production of Chinese tobacco seems to be of growing importance to the tobacco world, though such production varies greatly from year to year. Efforts to improve the quality of the native-grown tobacco, such as the importation of American seeds and cultivating implements and instruction by American trained experts, have not proved successful. Tobacco growing in China other than for local or personal use of the grower is in the control of comparatively few people, as the ordinary Chinese farmer has not the capital necessary to purchase the special fertilizers used in its cultivation. This fertilizer is generally waste from the peanut-oil mills. The Chinese, too, as a whole prefer the leaf of the better grades if they can afford it, though the leaf as a rule lacks flavor and requires blending for the best results.

Tobacco production in China on the whole is on the increase. In 1911 an unusually large crop was planted, but the low prices prevailing all over the world kept prices for the native leaf so low that growers lost money. In 1912 there was in consequence much less acreage and high prices were to be had both in China and for Chinese tobacco abroad. The output of Chinese tobacco also is being affected somewhat by a special tax of about \$1.15 gold on each picul (133½ pounds) manufactured, which is imposed in China.

CIGARETTE SALES METHOD IN CHINA.

[Consul E. Carleton Baker, Chungking.]

The British-American Tobacco Co. has devised many schemes by which its Chinese sales have increased, and in this Province alone its trade has advanced very rapidly. In this one Province there are 16 foreigners representing the company and even the remoter districts are thoroughly canvassed. Free samples are distributed and a lottery system has been arranged so that Chinese who purchase the cigarettes have a chance of receiving prizes. The first prize is generally a gold watch, and less valuable articles are given to the other winners. In this way the cigarettes are becoming popular and well known.

The competition offered by native tobacco has always been a difficult problem. Many Chinese prefer the local product not only because they are accustomed to the flavor but because it is cheap. The tobacco company mentioned is therefore turning this inclination on the part of the Chinese to good account. It has purchased great quantities of Szechwan tobacco and is using it in the manufacture of cigarettes in its Shanghai factories, which are able to turn out an enormous quantity of cigarettes daily. Buying the native tobacco even in the form of cigarettes especially appeals to the Chinese at this time when they are anxious to patronize home industry. They realize that much of the money which they spend for cigarettes is used in their own country for the purchase of native tobacco and that the prosperity of the country is greatly affected. And since the native tobacco is exceedingly cheap, it is to the interest of the foreign company to cultivate this form of trade.

The cigarettes manufactured from the native tobacco are sold at the lowest possible rates. They are packed 50,000 to the case, 500 to the carton, and 10 to the packet. The price of a case is \$85 Mexican, and a rebate of \$3 Mexican is made on case lots. Cartons sell for the equivalent of 39 cents United States currency. There is no rebate, however, on carton sales. The packets retail to the consumer for the equivalent of 1 cent gold, and with each packet a Japanese-made bamboo cigarette holder is given away. While these prices are surprisingly low there is still some margin for profit, as the packets that sell for 1 cent gold cost about four-fifths of 1 cent. In order to introduce this new line of cigarettes the prize system described is freely employed, and I am told by the local manager of the company that the results are extremely gratifying.

INDIA.

[Consul Edward J. Norton, Bombay.]

During the fiscal year ended March 31, 1912, India's tobacco exports reached their highest figure. Shipments of unmanufactured tobacco amounted to 26,484,127 pounds, or nearly 10,000,000 pounds more than in the previous year and two times as much as the exports for 1909-10. The value of the 1911-12 exports of leaf is given as \$895,066.

Of the year's shipments, Aden and dependencies, one of India's best markets for unmanufactured leaf, took 7,986,490 pounds; the Straits Settlements, 2,280,354 pounds; Hongkong, 3,665,194 pounds. France bought more than twice as much as in any previous year, India's shipments thither aggregating 4,778,131 pounds; Germany took 3,346,219 pounds; and the Netherlands 2,805,216 pounds.

Much of the Indian leaf tobacco is of the variety consumed in the hookah or narghile, and therefore neither in kind nor in value is it strictly comparable with the leaf produced in other countries for manufacturing purposes. The following figures of the export trade for the fiscal year 1912 show the division of leaf-tobacco shipments from India, the quantities being stated in pounds: From Bengal, 6,743,114; Bombay, 8,043,509; Sind, 65,770; Madras, 1,619,966; Burma, 10,011,768; total, 26,484,127 pounds.

EXPORTS OF MANUFACTURED TOBACCO.

In the manufactured class there was an advance in exports during the fiscal year 1912 of 18.4 per cent in quantity and 12.1 per cent in value. The increased shipments of cigars from 1,327,532 pounds in 1910-11 to 1,480,375 pounds in 1911-12 were due to the heavier demand proceeding from the Straits Settlements. These cigars, valued at \$402,887, were produced in Madras and Burma. Exports of cigarettes aggregated 59,721 pounds, the share of Bengal being over 50,000 pounds. Cigarettes are made on a large scale in Bombay from tobacco grown in the Presidency, and chiefly for home consumption. Over 7,000 pounds were exported last year. Attempts have been made to manufacture cigars locally to suit European tastes, but without success.

Between February 25, 1910, and April 1, 1911, internal trade in Indian tobacco was stimulated by a high import duty and great progress was made in the use of native leaf for cigarettes. During the year under review the rate of duty was less by one-third, but reports indicate that the substantial advance is maintained both in cultivation and in preparation of the leaf. The area under tobacco in British India and Native States is now believed to be about 1,150,000 acres. In the Bombay Presidency there are 91,880 acres under tobacco, a net increase of 17,000 acres in five years. About 30,000 acres are under cultivation in the Central Provinces and Berar.

Agricultural experiments in this district with American varieties of tobacco suitable for cigarettes indicate that White Burley is the most promising. In the field this variety has shown a uniform growth, thin leaf, and bright coloring when matured. It has been decided to give this variety and also a Turkish leaf a trial on a scale of 1 acre each, in order to furnish reliable information with regard to yield and curing properties. Experiments with potash manures, with the object of increasing the potash content of the leaf, which is so deficient in certain native tobacco, have not yet produced positive results.

TOBACCO IMPORTS.

In 1910-11 India's imports of tobacco fell from \$3,076,114 to \$1,594,265, largely as a result of an increase in the duty. In 1911-12 they strengthened to \$2,165,105 upon the reduction of that duty by one-third. Of these imports 76.4 per cent represent cigarettes. These had declined in the previous year from 3,083,746 pounds to 1,113,006 pounds and in value from \$2,108,654 to \$1,181,586; the recovery to 1,414,830 pounds and \$1,654,123 does not make good the loss, although it amounts to 27 per cent in quantity and 40 per cent in value. Accepting as correct the result of certain investigations made in 1908 regarding the weight per 1,000 cigarettes in different classes, the number of cigarettes imported in 1911-12 must have been some 562,820,000 as against 443,720,000 in 1910-11. This represents about 2.3 cigarettes per year per head of the population of British India.

Of the total value of cigarette imports (\$1,654,123) \$1,473,089 came from the United Kingdom and about \$7,000 worth from the United States. Imports from Egypt, valued at \$159,134, represent a different class of article. The average value per pound was: British, \$1.10; American, \$0.74; Egyptian, \$1.85.

Imports of cigars into India amounted to 75,581 pounds and \$109,816 in value. The Netherlands supplied one-half of these and the United Kingdom one-fifth. From the Philippines were imported 14,473 pounds, valued at about \$15,000. Of pipe and cigarette tobacco and other sorts, including snuff, the imports amounted to 557,193 pounds, valued at \$349,000. The United Kingdom furnished 390,324 pounds, valued at \$288,082; the United States supplied 164,676 pounds, worth \$54,412.

JAPAN.

[Consul General Thomas Sammons, Yokohama.]

The cultivation of tobacco in Japan dates back to feudal times and as there were then no official restrictions the producing districts became very irregularly scattered over the country. When in 1898 the leaf-tobacco monopoly law was put in force the tobacco raisers began to see that tobacco planting was a steady and lucrative business and the result was overproduction and deterioration of quality. As a consequence the Government reformed the monopoly in 1899 and placed a number of limitations on cultivated areas and planned the consolidation of the tobacco-producing districts. The tobacco farms are now fairly well grouped together in the chief regions only.

When the leaf-tobacco monopoly first went into effect the tobacco fields were examined about harvest time and the quantity of the crop estimated. This, however, had no binding effect on the growers and it was observed that clandestine sales were being made. In 1901, to remedy this condition, the Government ordered the estimates of the crop to be made just before harvest time in the presence of the cultivators. As a result of these estimates the Government fixes the amount of leaf to be delivered to the monopoly by the cultivators. If the cultivators fail to deliver the amount determined by the Government, they must pay for the difference. This radical measure has been effective in preventing dishonest sales. Generally the estimates are based on the number of leaves, but in some well-regulated districts and where certain required conditions prevail estimates by weight are permitted.

Statistics of the tobacco crop for the five fiscal years ended 1911 are shown in the following table:

Fiscal years.	Number of villages and towns.	Number of cultivators.	Plantation area.	Crop.	Quantity collected.	Purchase money paid.
1907.....	1,094	236,766	75,781	104,573,669	101,317,232	\$4,919,699
1908.....	1,168	240,001	77,783	100,240,175	108,149,435	5,774,748
1909.....	1,225	241,884	73,196	91,374,896	87,771,343	5,189,440
1910.....	1,222	236,426	71,966	91,849,857	94,128,693	5,287,568
1911.....	1,226	232,714	72,826	90,913,451	91,850,250	4,849,760

THE JAPANESE MONOPOLY.

The original Japanese leaf-tobacco monopoly law was issued in 1896 and was enforced in January, 1898. This was followed in 1904 by the present tobacco monopoly law, which covers not only the

cultivation of leaf tobacco, but the manufacture and sale of tobacco as well.

Prior to the time when the Japanese Government monopoly took over the industry a large number of individual tobacco manufacturers had been engaged in the business, perhaps several thousand in all. The reason given for the establishment of a Government monopoly was the necessity of obtaining additional funds as a result of Japan's wars.

There are no purchasing agents officially representing the Japanese tobacco monopoly in countries other than the United States, to which country two Japanese Government officials are sent annually to deal with the new crops. It is stated at Tokyo that the monopoly has its American headquarters in the Mutual Building, Main Street, Richmond, Va. Purchasing agents in Japan for manufactured tobacco are licensed by the Government.

At the time the leaf-tobacco monopoly law was enacted the Government thought of including foreign leaf within the scope of the monopoly, but no action was taken at that time. After the monopoly law was put in force, however, the price of leaf tobacco naturally advanced and the manufacture of cigarettes from American leaf became important. Certain companies were enabled to enlarge their plants with foreign capital and the importation of tobacco increased from about \$163,000 to over \$1,370,000 in one year. This increasing importation led the Government to extend the monopoly to the imported leaf, which was accordingly done toward the close of the fiscal year 1900.

IMPORTS AND EXPORTS.

The imports of foreign leaf tobacco for the five years ended 1911 are shown by the figures that follow. Only a trifling amount of leaf tobacco other than American is imported. The imports amounted to 5,135,120 pounds in 1907, to 4,710,851 pounds in 1908, to 1,114,690 pounds in 1909, to 38,770 pounds in 1910, and to only 16,523 pounds in 1911. The imports of manufactured tobacco for the same years were as follows: 1907—10,998,150 cigarettes, 4,439,420 cigars, 18,353 pounds of cut and other tobacco; 1908—18,077,740 cigarettes, 6,444,550 cigars, 5,106 pounds of cut and other tobacco; 1909—7,844,257 cigarettes, 926,978 cigars, and 14,334 pounds of cut and other tobacco; 1910—9,861,430 cigarettes, 317,500 cigars, 8,353 pounds of cut and other tobacco; 1911—12,489,220 cigarettes, 495,600 cigars, 23,450 pounds of cut and other tobacco. For the fiscal year 1912 the imports of cigarettes amounted to 9,248,660 and of cigars to 874,125.

Before the leaf-tobacco monopoly was established Japanese leaf was exported in considerable quantities, the highest figure being for 1898, when over 3,300,000 pounds were exported. The leaf enjoyed a fine reputation in London. After the establishment of the monopoly, however, the high prices at home caused the exports to drop off until in 1910 the total leaf exported was only 445,000 pounds. In 1911 the exports jumped back to more than 2,300,000 pounds, a state of affairs explained by the fact that some exporters who had previously exported manufactured tobacco established factories in the countries of destination so as to avoid the high duties on the finished

goods they dealt in. The monopoly agreed to furnish these exporters with its surplus leaf.

The export of manufactured tobacco is not carried on by the Government itself, but through certain licensed exporters chosen among the merchants of good business standing who have had experience in exporting. The principal exports of manufactured tobacco are to Manchuria and Chosen (Korea), and there are shipments to Russian Sakhalin, China proper, the Straits Settlements, and the Dutch and British East Indies, although not of great importance. Of the Japanese dominions where the tobacco monopoly law is not enforced, Taiwan (Formosa) is the chief consumer. When the monopoly was first established the exportation of tobacco to Taiwan was effected by exporters of good standing, specially licensed for the purpose by the Government, but in 1905 the Government of Taiwan established its own monopoly and since then the Japanese monopoly has sold directly to the Taiwan Government upon the latter's application.

JAPANESE MANUFACTURED TOBACCO.

The Government has 7 factories for the manufacture of cigarettes with mouthpieces, 2 for the manufacture of cigarettes without mouthpieces, and 1 for the manufacture of cigars. Cut tobacco is produced by 20 factories, 34 branch factories, and 110 factories on contract. The output of these factories is shown in the following table:

Fiscal years.	Cigarettes with mouthpieces.	Cigarettes without mouthpieces.	Cigars.	Cut tobacco.
	<i>Number.</i>	<i>Number.</i>	<i>Number.</i>	<i>Pounds.</i>
1907.....	6,186,007,660	1,276,283,540	598,525	51,515,736
1908.....	7,225,523,560	1,225,090,800	623,550	50,851,640
1909.....	6,234,106,700	904,762,000	425,550	49,038,720
1910.....	5,199,652,250	1,028,672,000	600,825	49,609,870
1911.....	4,310,877,980	1,073,033,000	357,289	60,387,252

EGYPT.

In a large sense Egypt has but one manufacturing industry—the making of cigarettes. Cairo is the center of this industry, the leading firms in that city having factories that employ thousands of hands the year round. The tobacco used is imported, mostly from Turkey and Greece, and small amounts are purchased in Russia. In addition to the enormous home consumption, Egyptian cigarettes are exported to the extent of about \$2,000,000 a year. The exact exports in 1913 were \$1,970,940, as compared with \$2,089,238 in 1912. Germany takes 19 per cent of these exports, England 14 per cent, Sweden 14 per cent, Austria-Hungary 10 per cent, and France 6 per cent. Asiatic countries also take considerable quantities of these cigarettes.

AUSTRALIA.

The tobacco-growing industry in Australia is one that has experienced marked fluctuations. As early as the season of 1889 the area under tobacco was 6,641 acres, of which 4,833 were in New South Wales, 1,685 in Victoria, and 123 in Queensland. After numerous

fluctuations, however, the total area in 1913 was only 2,745 acres. Apparently there is no good demand for the domestic tobacco among Australians, and the cost of production and manufacture is too high to obtain a footing in outside markets.

The value of the net imports of tobacco for 1912 was \$4,450,119, comprising unmanufactured tobacco, \$2,970,609; cigars, \$797,610; cigarettes, \$247,861; snuff, \$4,984; other manufactured tobacco, \$429,055.

In 1912 there were 35 tobacco factories in the Commonwealth, employing 3,484 hands. The output of the factories for 1912 was valued at \$13,120,850. This output included 388,906 pounds of cigars, 2,605,840 pounds of cigarettes, and 10,298,241 pounds of smoking tobacco.

ARGENTINA.

[Consul General L. J. Keena, Buenos Aires, Sept. 22, 1914.]

In 1913 Argentina imported 12,070,245 pounds of leaf tobacco other than Habana or Paraguayan, 2,138,900 pounds of cigars in boxes other than Habana cigars, and 107,549 pounds of cigars not in boxes.

According to United States Government statistics 2,835,578 pounds of leaf tobacco, 14,466 pounds of plug tobacco, 985 pounds of smoking tobacco, and 46,000 cigars and cheroots were exported to Argentina from that country in 1913.

The order of importance of countries serving this market in the different types of tobacco mentioned above is: Leaf tobacco other than Habana or Paraguayan, Brazil, United States, Germany; cigars in boxes other than Habana, Italy, Switzerland, and the Netherlands; cigars not boxed, other than Habana, Switzerland, Italy, and Germany.

Imported cigarettes come principally from Uruguay, Great Britain, Cuba, and Italy in the order named. The total importation of cigarettes in 1913 amounted to 78,830 pounds. The Argentina production of tobacco, principally used in the manufacture of cigarettes, is about 11,000,000 pounds per year.

At the present time the internal-revenue tax on tobacco is under discussion and in all probability that tax will be increased 40 to 70 per cent, so that prices ruling now will shortly be subject to radical changes. The basis on which the present internal-revenue tax is assessed is the maximum retail selling price in the case of manufactured goods, which price is inclusive of the tax charged. For example, a cigar selling for 90 cents Argentina paper (38 cents United States currency) will have paid a stamp tax, as indicated by the band sealed on it, of 18 cents Argentina paper (7 cents United States currency). That cigar may be sold by a dealer either singly or in quantities for any price less than 90 cents he may please to accept, but it can not be sold for more than 90 cents without rendering the dealer liable to a fine. The tax is progressive, beginning with the cheapest cigars imported.

In general it may be stated that the present prices of manufactured tobacco in any form are two to three times the cost of the same article in the United States.

SHIPPING SAMPLES—IMPORTERS OF TOBACCO—LEAF TOBACCO.

There are no parcel-post facilities between the United States and Argentina, and, further, no tobacco or products can be entered here except on the written application of the importer, who must give all details as to marks and contents of the package, etc. Undoubtedly because of the trouble and expense involved any sample package received by freight or express would be refused unless the sending of such a sample package had been requested.

If American exporters do not wish to go to the expense of sending a personal representative to this market, they might take the matter up with the houses listed in the Trade Directory of South America, which can be obtained from the Superintendent of Documents, Government Printing Office, Washington, for \$1.

Apart from the Paraguayan and Habana tobacco, the two competing tobaccos in this market are the Brazilian and the American; the imports from Brazil of leaf tobacco generally being from two to four times the imports from the United States. As the war in Europe will to a large extent prevent Brazil from marketing its product this year in Germany, Austria, France, and Switzerland, it is expected that a market will be sought here for that surplus.

The present wholesale market prices (United States currency) in Buenos Aires for American (Virginia) leaf tobacco are: Special Capera, per pound, 32 cents, used in the manufacture of the Italian type of cigars (Toscani); Aromatic Special, per pound 31 cents; Extra Yellow, per pound, 34 cents.

The following list of firms are engaged in the importation of leaf tobacco:

Gaertner, Lampe & Cia., Calle Tucuman 724.
 José Mouriño, Calle Bme Mitre 1715.
 Cia. Argentina de Tabacos (Ltd.), Bolivar 759.
 Cia. Introdutora de Buenos Aires, Bme Mitre 530.
 Vogel & Kuhlenkampff, Alsina 1132.
 Royal Tokos Co., Av. de Mayo 1248.
 Cia. Tabacalera Argentina, Cangallo 2675.

Importers of prepared tobaccos are as follows:

Antonio Santos & Cia., 202 Calle San Martin.
 Dupree & Lenz, Sarmiento 321.
 Massalin & Celasco, Calle San Martin 179.
 Shelp & Shelp, Bme Mitre 1123.
 Guillermo B. E. Randle & Cia., Lavalle 726.
 Rathje & Cia., Reconquista 559.
 L. Alonzo & Cia., Av. de Mayo 968.
 Bunge & Born, Bme Mitre 226.
 Retillon, Galimberti & Cia., Belgrano 1688.

TOBACCO GROWING—MANUFACTURE OF TOBACCO PRODUCTS.

[Consul William Dawson, jr., Rosario, Sept. 24.]

Argentina had 23,860 acres under tobacco in 1912, as compared with 39,030 acres in 1895. Tobacco is cultivated principally in the Provinces of Corrientes, Salta, and Tucuman. The decrease in acreage is attributed by planters to internal-revenue taxes and low customs duty, which is, it is claimed, not high enough to afford protection

against Brazilian and Paraguayan leaf. Figures showing the quantity and value of the tobacco crop are not available.

According to the industrial census (report published in 1912) Argentina in 1911 had 661 establishments manufacturing tobacco products. The total capital was \$9,159,000, of which 85 per cent was invested in factories located in the Federal capital or Province of Buenos Aires. Raw materials elaborated were valued at \$6,789,000, of which 75 per cent was imported and 25 per cent produced in the country.

It is apparent that in spite of suitable soil and climate tobacco farming in Argentina is very limited when the market offered by the home industry is considered. The output of Argentina tobacco factories was as follows in 1911: Cigarettes, \$17,930,000; cigars, \$2,644,000; tobacco and snuff, \$3,665,000. Of the total output only 22 per cent was produced in this district, chiefly in the Province of Santa Fe.

The principal factory in this district is that of Testoni, Chiesa y Cia., Rosario, which is now controlled and operated by the Compañía Argentina de Tabacos (Ltda.), commonly known as the "trust." The only other important factory is that of Fernandez, Sust y Cia., Rosario, makers of the "Colon" cigarette. There are, further, a number of small cigar factories.

IMPORTS OF TOBACCO AND PRODUCTS.

Figures showing imports into this district alone are not available. The average annual imports of tobacco and tobacco products during the 5-year period from 1908 to 1912 were as follows for all Argentina: Habana leaf, 1,587,344 pounds; Paraguayan leaf, 2,554,665 pounds; other leaf tobacco, 10,604,643 pounds (of this about 70 per cent came from Brazil and 18 per cent from the United States); cigarettes, 74,097 pounds (from Uruguay, United Kingdom, Cuba, Italy, France; Egypt, Spain, etc.); Habana cigars in boxes, 87,989 pounds; other cigars in boxes, 2,044,902 pounds (three-fourths from Italy and the remainder largely from Switzerland and the Netherlands); other cigars not in boxes, 55,193 pounds (Switzerland and Italy); cut tobacco ("picadura"), Paraguayan, 7,738 pounds, and other (chiefly from the United Kingdom), 4,969 pounds; snuff, 6,543 pounds (Italy and France).

CONSUMPTION AND PRICES.

The chief demand here is for cigarettes, as is apparent from the above figures showing the output of Argentine factories. Argentine cigarettes, which are smoked almost universally, retail at $4\frac{1}{4}$ to 17 cents per package of 14 cigarettes. According to figures recently published by the Government in a message proposing a temporary increase in internal-revenue taxes, the cost of production and retail price of the four principal grades of Argentine cigarettes are as follows, per package of 14 cigarettes: No. 1, production cost 2.46 cents, retail price 4.25 cents; No. 2, production cost 4.67 cents, retail price 8.49 cents; No. 3, production cost 6.79 cents, retail price 12.74 cents; No. 4, production cost 9.34 cents, retail price 16.98 cents.

Argentine cigarettes are packed, as a rule, in attractive paper packages, are extensively advertised, and generally have premiums. The market for foreign cigarettes in this district is very small and is prac-

tically confined to the foreign element. Most dealers keep a small supply of Uruguayan, English, French, Egyptian, and other cigarettes for their foreign customers. French cigarettes (Maryland, yellow package), which retail in France at $14\frac{1}{2}$ cents per package of 20, cost here $21\frac{1}{4}$ cents. Le Khédive cigarettes (Ed. Laurens, extrafine grand format) cost 85 cents per box of 20; Ariston (English) cost 76 cents per package (20); and Capstan cigarettes cost $12\frac{3}{4}$ cents per package of 10.

As compared with cigarettes there is not a large demand for cigars. The imported cigar for which the market is largest is the Italian "Toscano," a small, very strong cigar costing at retail two for 15 centavos (6.37 cents). (Since the outbreak of the war the price has been raised to $4\frac{1}{4}$ cents each.) An Argentine imitation, called "Avanti" retails at 2.12 cents and, with the "Toscano," is the cigar generally smoked by the masses. Habana cigars retail at $12\frac{3}{4}$ cents (very small) to \$2.12 apiece. The principal demand is for Habanas costing 25 to 85 cents each. The Argentinian is not as a rule an habitual cigar smoker, and dealers say that few Argentine customers take more than one or two high or medium priced cigars a day. The well-to-do Argentinian smokes Habana cigars almost exclusively. Three or four brands of Brazilian, Dutch, and German cigars retailing principally at $8\frac{1}{2}$ and $12\frac{3}{4}$ cents apiece find a good market among foreigners. Among these may be mentioned the Danneman (Bahia), T. C. B. (Dutch), and Santos (German) brands. Pipe smoking is not common, except with the foreign element, which, however, smokes cigarettes more than would be the case at home. Capstan tobacco, which is chiefly in demand here, costs \$2.12 per pound.

The market for chewing tobacco is small. A limited amount of black Brazilian twist is consumed in the country districts. Consumption in this region is estimated at 2,000 to 3,000 pounds a month. Dealers state that they used to handle American plug but now find practically no demand for it. In recent years there has been practically no American shipping at Rosario. Formerly when there were as many as 25 sailing vessels flying the American flag at one time at Rosario there was a demand for American chewing tobacco.

ROSARIO NOT AN IMPORT MARKET.

For geographical reasons a considerable proportion of the Paraguayan leaf tobacco imported is entered at Rosario and other ports in this district. With this exception very little tobacco is entered at Rosario. The principal factory of the district is a branch of the trust, and leaf tobacco and other supplies required are ordered and imported by the management in Buenos Aires. The cigarette factory of Fernandez, Sust y Cia., Rosario, does not import tobacco directly. All foreign leaf used except Paraguayan is purchased in Buenos Aires.

As far as this office has been able to ascertain there are no wholesale or retail dealers at Rosario or elsewhere in this district engaged in the importation of tobacco products. Local dealers buy exclusively from Buenos Aires introducers. Rosario is a distributing center chiefly for the articles of the Compañía Argentina de Tabacos Ltda., which covers this territory through its local factory.

MARKET FOR AMERICAN LEAF AND PRODUCTS.

Argentine factories manufacture about 2,000,000 pounds of American leaf tobacco a year. This is chiefly Kentucky and Virginia tobacco. Kentucky wrappers are used extensively for the "Avanti" cigars mentioned above, the chief native competitors of the Italian "Toscanos." Virginia tobacco is mixed by a Rosario factory with Paraguayan and Argentinian (Corrientes) leaf for pipe tobacco. Consumption of American tobacco would probably be larger were it not for higher duty as compared with the Paraguayan leaf.

For cigarettes Brazilian tobacco is chiefly in demand, being used exclusively for the 20-centavo (8.49-cent) grade, which is the best seller.

While there may be an occasional demand—chiefly among American residents—for certain brands of American tobacco, it does not seem at all likely that any considerable market can be found here for American tobacco products. As regards cigarettes, the home industry can not be competed with. What little demand exists for pipe tobacco is for English and native brands, and with respect to cigars, it is very doubtful if our cigars can compete in quality and price with Habanas in the expensive and Brazilian, Dutch, and German in the cheaper grades.

Of course, a tobacco expert familiar with all the varied products of our industry might find an opening in certain lines. In my opinion, the only way to open up a market, provided the effect is thought worth while as far as this district is concerned, would be to send down a personal representative. Both cigarettes and cheap cigars are extensively advertised here, and this would be a necessary feature of a campaign to introduce American products. I am informed by the local post office that small samples sent as such and of a merely nominal value would be admitted.

BRAZIL.

[From Consul General Julius G. Lay, Rio de Janeiro.]

Nearly 200 years ago the colonial Government at Bahia interested itself in the economic situation affecting the growth and marketing of tobacco, and from that time its production has been of considerable importance in Brazil, and has in some sections been almost the entire source of income to the inhabitants. As early as 1796 the exportation of tobacco from Bahia to Portugal amounted to over 18,000,000 pounds annually. The exports from that colony, later a province, increased regularly until the close of the monarchical period in Brazilian history. At the time of the formation of the Republic the advantage of regularly organized labor was lost to tobacco producers and the annual production has, on the average, remained about stationary since that time.

At present tobacco forms the sixth item in importance on the list of Brazilian exports. In 1913 the exports amounted to 64,771,152 pounds, as compared with 54,449,820 pounds in 1912. This represents about an average figure for the annual exports, the quantity being about 29,000 metric tons. The value of the exports has fluctuated greatly, chiefly because of the fluctuations in the currency, but since 1906 the prices received for exports have been more stable.

Of the total exports of tobacco from Brazil, about 95 per cent is shipped from the port of Bahia, the next largest amount being from Porto Alegre. Over 92 per cent of the exports are purchased by Germany, Argentina taking most of the balance.

CHIEF TOBACCO-PRODUCING DISTRICTS.

The State of Bahia has, since colonial times, been the center of the tobacco-raising industry of Brazil. Practically all the coast regions of this State produce tobacco to a greater or less extent. In fact, most of the coast regions from the State of Maranhao south have tobacco-producing districts of varying importance. The area of greatest production is a comparatively small section of the State of Bahia, centering about the bay and port of that name. Of late years a somewhat intensified cultivation has been developed in Rio Grande do Sul and in southern Minas Geraes. There is also a district of somewhat heavy production in eastern and southern Pernambuco.

The State of Bahia exports to other parts of Brazil an average of about 3,000 metric tons per annum, in addition to an average of 22,500 or perhaps 25,000 metric tons sent abroad. Manufacturers of tobacco in the shape of cigars, cigarettes, and pipe tobacco shipped from Bahia to other Brazilian ports amount to about \$500,000 annually.

STATE SPECIALTIES—TOTAL PRODUCTION IN BRAZIL.

Probably the second most important areas producing tobacco are in the State of Minas Geraes. Shipments of leaf and what is called roll tobacco, prepared for pipe and cigarette smoking, from this State amount to about 3,500 metric tons annually. One of the distinctive forms in which tobacco from this State is prepared is that of a long roll of very dark and compact leaf which is sold at retail at so much a meter. The cigarette smokers in the interior whittle off the necessary amount from the end of such a roll for cigarettes. Rio Grande do Sul has some tobacco-producing areas which are fast becoming second only to those of Bahia, though the extent of cultivation is not so large as in Minas Geraes and several of the northern States. Exports from the State of Rio Grande do Sul amounted to nearly 2,000 metric tons in 1909, as compared with less than 150 tons in 1908. There is also a notable increase in the attention given to the cultivation of tobacco in the State of Santa Catharina. In Sao Paulo the industry has become decadent with the growth of the coffee industry, and at present the production scarcely suffices for home consumption, considerable quantities being imported from Minas Geraes and Bahia, in the latter case largely in manufactured form.

While there are no available figures covering the total production of tobacco in Brazil with any accuracy, some conclusions may be arrived at from estimates made on the basis of consumption per capita. Placing the population of Brazil conservatively at 18,000,000, of which it is quite safe to say 3,600,000, or 20 per cent, are users of tobacco in one form or another, and estimating the per capita consumption at not less than 2 kilograms (4.4 pounds), the average annual consumption of tobacco in the country is not far from 7,200 metric tons, which, with an annual exportation of about 29,000 metric tons, brings the total annual production to about 36,200 metric tons.

PRICES AND COST OF PRODUCTION.

It is impossible to arrive at any safe figures for the cost of producing tobacco in Brazil or the prices received for it by the producers other than those furnished by the export trade statistics before given. From the latter it is seen that the average price per kilo f. o. b. port of shipment was about 21.5 cents, or just under 10 cents per pound. Conditions attending the marketing of the tobacco crop in Bahia are such that probably a very small share of this price reaches the producer. The planter is in most cases a producer on a small scale, the majority of growers depending upon the immediate members of their families for labor. The export commission business in tobacco is very largely in the hands of foreign houses, to which the small producer is in a perpetual state of indebtedness. As a rule the season's crop is just barely sufficient to cancel the debts of previous years, and the planter often begins the work of raising a new crop with the consciousness that he still owes more than his prospective crop can possibly bring.

CHILE.

[Consul Alfred A. Winslow, Valparaiso.]

The Chilean tobacco crop for the season 1911-12 was 5,077,000 pounds. There seems to be no great increase in the production of tobacco in Chile. Little is exported, and the imports are about the same each year, being only about 250,000 pounds, principally cigars and cigarettes. Cuba furnishes somewhat less than half of this supply, and the rest is divided among England, Germany, France, and the United States, in the order named.

The tobacco grown in Chile is rather mild and is used largely in the manufacture of cigarettes. Probably 90 per cent of the domestic leaf is used in that way. Very few chew tobacco in this country, and cigars are looked upon by the bulk of the people as being too expensive.

CUBA.

The tobacco products manufactured in Cuba in 1914 were valued at \$23,564,686, as compared with \$29,014,114 in 1913. The production of cigars reached a total of 312,767,343, valued at \$17,626,391, a considerable falling off from the 387,376,230 cigars, valued at \$22,055,008, manufactured in 1913. The cigarettes produced amounted in all to 247,872,578 packages of 16 cigarettes each, valued at \$5,574,887, the corresponding figures for 1913 being 289,334,064 packages, valued at \$6,516,344. The production of cut tobacco amounted to 350,377 kilos, valued at \$363,408, as compared with 417,345 kilos, valued at \$442,762 in 1913. Of the cigars produced in 1914, 188,816,225 were consumed in Cuba and 123,951,118 exported; that is, Cuba consumes more cigars than it exports.

If the value of the leaf exported is added to the value of the manufactured products, a total value of \$40,148,764 for the crop of 1914 is reached, although this sum, of course, does not include the value of the tobacco unaccounted for. The total value of tobacco exported in 1914 was \$26,353,170, divided as follows: Leaf, \$16,584,078; cigars, \$9,129,661; cigarettes, \$429,147; cut tobacco, \$210,284. The exports

of leaf and cigars by countries for 1913 and 1914 are shown in the table following:

Countries.	Leaf tobacco.		Cigars.	
	1913	1914	1913	1914
Argentina.....	<i>Bales.</i> 12,102	<i>Bales.</i> 10,281	3,928,061	1,146,432
Austria.....			894,131	646,132
English Antilles.....			98,390	44,990
French Antilles.....				1,400
Danish Antilles.....			5,100	
Dutch Antilles.....			80,339	97,350
Spanish Africa.....		250	774,027	687,950
Australia.....	142	25	6,316,505	5,121,363
English Africa.....			169,980	60,250
French Africa.....	297	350	124,340	107,250
Bulgaria.....			15,000	11,000
Belgium.....	537	392	589,457	326,144
Brazil.....	1		328,622	167,858
Bolivia.....			13,000	83,250
Bermuda.....			76,250	19,200
Barbados.....			8,000	
Canada.....	16,880	7,861	13,319,147	8,229,412
Colombia.....	25		40,845	32,425
Canaries.....	98	357	489,105	599,880
Costa Rica.....	15	3	41,646	74,910
Chile.....	1,481	1,087	3,488,234	1,730,502
China.....			34,500	7,500
United States.....	259,758	239,922	53,577,563	37,732,728
Spain.....	4,518	25,802	5,428,515	8,274,730
Ecuador.....	1		5,800	6,900
Egypt.....			165,150	109,175
French.....	942	574	9,362,492	7,230,825
Germany.....	20,572	18,838	14,028,326	5,187,946
Gibraltar.....	117	211	346,475	336,915
Guatemala.....			70,950	23,250
Greece.....			3,000	
Honduras.....	20		6,000	
England.....	1,286	640	66,842,801	43,951,994
East Indies.....			23,730	33,375
Italy.....			867,500	246,500
Japan.....			21,000	28,175
Mexico.....	200	125	67,298	171,950
Netherlands.....	455	4,098	129,585	114,795
Norway.....		20	1,000	
Nicaragua.....			11,661	5,500
Peru.....			175,300	221,335
Portugal.....	2	1,006	239,620	158,400
Porto Rico.....				175
Panama.....	560	42	316,131	196,175
Paraguay.....		11		
Russia.....			13,000	56,350
Roumania.....			25,000	
Switzerland.....		709	6,000	3,500
Sweden.....			16,300	27,754
Salvador.....			12,500	5,500
Santo Domingo.....				500
Turkey in Europe.....			24,250	10,500
Uruguay.....	2,112	2,128	553,104	260,327
Venezuela.....			51,600	31,450
Total.....	322,121	314,732	183,226,330	123,951,118

BRITISH HONDURAS.

[Commercial Agent Garrard Harris, Belize.]

Although in the northern and western parts of British Honduras there is considerable land suitable for the growing of high-grade tobacco, the people do not pay much attention to the culture; and, as far as statistics can be gathered, the principal supply comes from Yo Creek, in the northern district, and is raised by the Indians.

The total supply does not average more than 300 quintals of 101, pounds yearly. The best quality is called "capa" and is used for

wrappers; it sells at an average of 15 cents per pound. The second quality is "Bajera" and sells for 10 cents per pound. The leaf is poorly cured, but despite this has many commendable qualities. Very little of it finds its way to the market; it is mainly rolled by the women into native cigarettes and cigars. There is no cigar factory in Belize, despite the fact that the utilization of the native tobacco would mean the saving of a considerable duty, and that the consumption of cigars and cigarettes in the colony is proportionately large for the population. The cigarettes preferred are of English make, the more expensive brands packed in tins, and the cigars are mainly Mexican. There is one brand of American cigarettes closely competing with the cheap English brand, and everything considered, equally as popular.

GUATEMALA.

[Commercial Agent Garrard Harris, Guatemala City.

There is practically no market in Guatemala for the finer grades of American cigarettes. This is on account of the failure to pack them in a proper manner to withstand the climate. Especially is this true along the coast districts, not only of Guatemala, indeed, but of nearly all of Central America. The ever-present humidity of the air along the coast has an exceedingly bad effect upon cigarettes, and exposed to its influence they deteriorate rapidly and soon become unfit for use.

The English and Egyptian cigarettes sent out by English houses seem to be the favorites with the smokers on account of the manner in which the goods are put up. Usually they are packed 100 cigarettes to a tin. In some instances they are laid in between sheets of cardboard, and in others packed 25 to a box and five of the pasteboard boxes are packed in one of the tins. The tin box is small, has an ordinary top, removed by pulling a string which cuts through labels and revenue stamps. On removing this top, a sheet of very thin lead soldered over the contents is seen. This is easily cut with a small penknife, and the cigarettes are disclosed, as fresh and as satisfactory as when they were first made. The lid of the tin box may be put back in place to exclude the air until the rest of the contents are desired, and does so fairly well. While this mode of packing may and no doubt does add a few cents to the cost of the article, users of the finer grades of cigarettes as a rule are people who do not quibble on the cost when they get a satisfactory article and would much rather pay extra and get their favorite smoke in good condition.

So far as I have been able to observe, none of the best brand of cigarettes offered here is the product of the United States factories. A few of the so-called "Egyptian cigarettes" from the United States are on sale, but in pasteboard boxes exposed on the shelves. The climate of Guatemala City is not so bad for tobacco as it is fairly dry, but cigarettes in the coast district or those remaining in bond in the customhouses where the dampness is ever present are quickly affected.

SMOKING TOBACCO—SOME AMERICAN CIGARETTES WELL PACKED.

The problem as to the granulated smoking tobacco is a harder one to solve. Even the flimsy pasteboard boxes in which the cigarettes are packed afford some degree of protection for a while, but the gran-

ulated smoking tobacco has no protection whatever. It is in such form that the greatest surface is exposed to the action of the atmosphere and the only covering is a flimsy cotton sack. The tobaccos put up in tins fare better, but the tariff on tobacco in Guatemala is so high that the tinned article is rather expensive. For instance, a tin of a well-known pipe tobacco selling for 10 cents in the United States sells for the equivalent of 25 cents gold in Guatemala—and this price has to be set to enable the importer to come out even, for the tariff, which is on gross weight, is about \$2 a pound, and the tin is counted the same as tobacco.

Some of the other brands, which are put up in waxed paper, inside a package with glazed-paper wrapper, manage to withstand the climate fairly well for a time, but eventually the dampness causes the packages to gape where glue or paste is used, and rapid deterioration follows.

It was noticed along the coast on the Atlantic side that at least one American manufacturer of a cheap brand of cigarettes is endeavoring to help the sales of his product. This is a cigarette very popular in the southern part of the United States. The maker is packing 100 packages of 15 cigarettes each in a thin air-tight tin receptacle, which is cut open when the cigarettes are offered for sale. As the cigarettes in each package are wrapped about with an oiled paper covering, and it usually does not take long to sell 100 packages of cigarettes, the goods are marketed in about as good condition as they can be had in the United States. Storekeepers have told me that since this method of packing has been in vogue sales of this particular brand have increased considerably and users express satisfaction at the manner in which the goods reach them.

Whether or not this method could be applied to smoking tobacco, granulated and put up in small cotton sacks, is a question. It would seem that the experiment might be tried and if it were successful the sales in all tropical countries would increase. Each sack could be wrapped in oiled paper, and the package of 100 or 200 sacks placed in a sealed tin. If a screw top could be arranged to the receptacle, so it would not be left open, as is the case where the tin is opened with a knife or can opener, most of the difficulty of keeping granulated tobacco in the Tropics would appear to be solved.

PARAGUAY.

As accurate statistics are lacking, the tobacco acreage and production of Paraguay can be estimated only in a rough sort of way. It is thought that the production is increasing in quantity and quality, a fact attributed to the encouragement and supervision of the Agricultural Bank of Paraguay, through whose agency the Government advances money to planters at a moderate rate of interest. The officials of this bank give the total area under cultivation at 13,000 to 15,000 acres and the total production 15,000,000 to 20,000,000 pounds. Over two-thirds of the crop is exported, the strong tobaccos going to Argentina and the mild to Germany, the Netherlands, Belgium, and France.

The tobacco is used locally in cigars and cigarettes. Among the poorer classes both men and women smoke homemade cigars.

