MECHANIZATION REDUCES EMPLOYMENT IN CIGAR INDUSTRY.

Mechanization has changed the cigar-making industry into "Big Business", concentrated in the hands of fewer and larger concerns, according to the findings contained in a WPA survey made public today by Harry L. Hopkins, Works Progress Administrator.

With the reduction in the number of small-scale, local shops or factories that formerly characterized the industry, the report states, has also occurred a 50 percent decrease in the number of workers, due to the introduction of machinery.

The report is entitled, "Effects of Mechanization in Cigar Manufacture" and is a Works Progress Administration National Research Project, undertaken in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor.

The "hand-made cigar" still persists, the survey reveals, but since 1917, when the machine made its appearance in the industry, manufacture by hand has gradually declined until today approximately three-fourths of the industry is mechanized.

"Today, the most important units in the industry are large factories, mechanized in every possible detail", reads the summary of the report, "These factories represent large investments and are run on a mass-production basis with efficiency as the watchword. The output of each unit is huge, is distributed throughout the country, and is sold with the assistance of modern Nation-
wide advertising. Most of the workers in these factories are relatively unskilled. "At the beginning of the century the 'Tobacco Trust' made determined efforts to obtain control of the cigar industry, without success. Today, with mechanization, concentration of production in the hands of fewer and larger concerns is taking place rapidly. Thus, through mechanization, the cigar-manufacturing industry is being transmuted to the status of a modern, mass production industry".

The industry, says the report, presents an unusual case in the study of replacement of hand by machine methods. Among the results noted are the following:

The division of the industry into two sections, one using skilled hand labor and time-honored processes, the other, unskilled workers and ingenious machines:

Survival of somewhat less than one-quarter of the cigar production by hand despite the great saving of labor time effected by machines:

Substantial reduction of employment, with replacement of skilled workers by unskilled workers and replacement of men by women.

The report analyzes the effects of the depression upon the consumption of cigars, the influence of cigarette competition in changing smoking habits and the differences in advertising methods in promoting sales. Mechanization has exerted a constantly depressing influence on wage rates in the hand branch of the industry, it finds, with the result that for the industry as a whole, the probable net effect has been to force wage levels downwards.