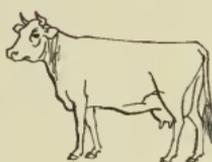


Wisconsin &

Tobacco



SUPERIOR



GREEN BAY

SATELLITE
SHELVING



VIROQUA



MADISON



MILWAUKEE



STOUGHTON
EDGERTON
JANESVILLE

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A Chapter in America's Industrial Growth

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North Carolina State

For more than a century Wisconsin has been a major producer of tobacco. Currently, more of a cigar leaf type is grown in the state than in any other tobacco-producing area in the Union. The people of the Badger State are large-scale consumers of tobacco. The estimated wholesale value of cigarettes alone distributed in Wisconsin in 1959 came to more than \$75 million. In the same year the total value of tobacco products disposed of was in the range of \$90 million. The activities of the 6,000 Wisconsin farm families who grow tobacco and their numerous helpers in the fields, of the factories that produce cigars and smoking tobacco, of the retail outlets that meet consumer needs, and the tax yield from the excise on cigarettes contribute to the economic and fiscal advantage of the state. This booklet reports briefly on the tobacco industry in Wisconsin and presents the major facts in its long history.

Tobacco History Series

THE TOBACCO INSTITUTE, INC.

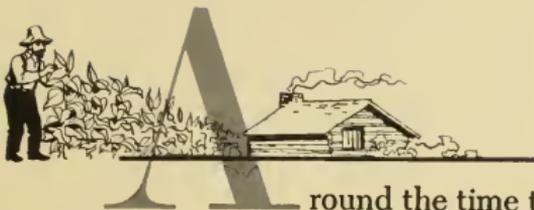
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Wisconsin and Tobacco



Around the time that the Democratic national convention nominated James K. Polk for the presidency in 1844, settlers were crowding into Wisconsin Territory. Among their essential supplies was certain to be a good quantity of tobacco ready for use. The Chippewas – in whose language “Wisconsin” meant “grassy place” – the Winnebagos, and other tribes grew tobacco. But newcomers to lands inhabited by Indians invariably rejected the harsh native tobacco, having long accustomed themselves to the superior leaf produced in various eastern and southern American states.

Before their supplies ran out – and an ardent chewer or smoker could consume a surprising amount of tobacco in a short time – settlers were growing and curing leaf produced on their own lands. There was no thought then that this agriculture might develop valuable cash

crops. The only interest of those pioneer farmers was to produce enough leaf for their immediate personal needs.

The rich soil of Wisconsin was highly suitable, however, for a valuable tobacco type: cigar-binder leaf. As new settlers came in, production spread. It spread on such a scale that it soon passed the limited boundaries required by personal use and developed into an important industry.

Cash crops and consumer goods

Today, Wisconsin grows a substantial part of the nation's cigar leaf: over 20.5 million pounds in 1959, produced in some 20 counties on tracts ranging from one-half to 10 or 12 acres. This production, about half of the national total in its category, is represented by two types of leaf, classified as Southern Wisconsin and Northern Wisconsin. (A small portion of the latter is grown in Minnesota.) The official designation for the types grown in the Wisconsin-Minnesota area is "cigar-binder leaf." Its class name does not, however, indicate the uses to which manufacturers put it. It has long been used for non-binder purposes. Its final manufacturing form depends on such factors as grade, year of production, and price.

The only differences between the two types result from the soil in which each is grown. The average price of the former in 1959 was 30.1 cents a pound for straight stripped and crop lots. Northern Wisconsin leaf averaged 43.6 cents a pound; stemming grades, 37.3 cents a pound. The year's overall harvest brought very close to \$7 million to Wisconsin farmers. This ranked it first in dollar value per acre. Some 6,000 farm families employ-

ing an estimated 19,000 workers harvested the rich crop.

Most of the stalk-cut, air-cured crop was used in the manufacture of cigars or went to the stemming trade for scrap chewing tobacco. About 350,000 pounds during October 1959-April 1960 was exported, chiefly to West Germany.

Over 11 million cigars, mainly in the low and medium price classes, were produced in over two dozen registered Wisconsin factories or small shops, about half of them in Milwaukee. Seven factories in the state manufactured more than 150,000 pounds of smoking tobacco and over 8,000 pounds of scrap chewing tobacco in the last full year of record, 1958.

Consumer outlets and treasuries' income

Despite the local availability of inexpensive cigars, the people of the Badger State, together with most of their fellow Americans, show a marked preference for cigarettes. In 1959, for instance, they bought over 428 million packages, paying a state tax of five cents in addition to a federal excise of eight cents on each package. The original state tax, instituted in 1939, was two cents a package. The excise was increased three times, becoming five cents in 1958. In the decade since 1950 to June 30, 1959, the gross yield from the Wisconsin cigarette tax totaled \$135,344,000. Disposition of this revenue included rehabilitation costs for World War II veterans, construction and improvement of state institutions, and public works projects to relieve postwar unemployment.

Tobacco has always been of enormous fiscal value. Since the federal excise on manufactured tobacco products was established in 1862 (with cigarettes first in-

cluded in 1864), the total yield to the national treasury has been in the range of \$39 billion.

Some 40,000 outlets serve Wisconsin tobacco consumers. Retail stores are the largest merchandisers of tobacco goods, with vending machines a conspicuous second. The amount spent for all tobacco supplies is impressive. A 1959 trade estimate of the wholesale value of products distributed in Wisconsin comes close to \$90 million. Cigarettes represent, as elsewhere in the United States, the major part of this trade: over \$75 million. The estimated wholesale value of cigars distributed in the same year was a little over \$10 million.

The income derived from their crops by tobacco farmers, the wages of field workers and production employees in various factories, the considerable value of the retail trade, and the tax yield to the state's treasury from cigarette sales, and other operations of the industry are all of importance in Wisconsin's economy.

Supplementing these economic elements are numerous Wisconsin manufacturers, some of them large organizations, who are suppliers to the tobacco trade. Among these are makers of machinery and several who produce paper products essential to tobacco manufacturers. The agriculture of tobacco generates a considerable amount of goods and services from numerous unrelated industries.

Tobacco crops are marketed by the "country sales method," being sold privately by the grower on his farm or through cooperatives. After sales, the leaf is delivered to Viroqua, Edgerton, Janesville, Stoughton, and elsewhere. These deliveries entail the use of sorting houses and tobacco warehouses, each requiring a labor force, transportation services, materials and maintenance.

Growth story

Walworth County appears to have been the site where tobacco was first grown by some enterprising settlers in 1844, though some authorities credit Fulton Township, Rock County, in the late 1840's. Whichever the actual site, the initial effort was not a commercial success. The practical start of Wisconsin's fruitful tobacco industry came in 1853. Two farmers from Ohio, Ralph Pomeroy and J. J. Heistand, new in Wisconsin, sowed two acres of Broadleaf near Edgerton in Rock County. When their crop was ready for market they tied the leaves in conventional "hands," baled the lot and sold it locally for 4½ cents a pound. The buyer, being short of ready money, bought on credit the first sound, commercial tobacco produced in Wisconsin. His intentions were good, but he fell by the wayside and the sellers had to settle for 50 cents on the dollar. Not discouraged, the two farmers produced a larger and better crop — and sold it for cash.

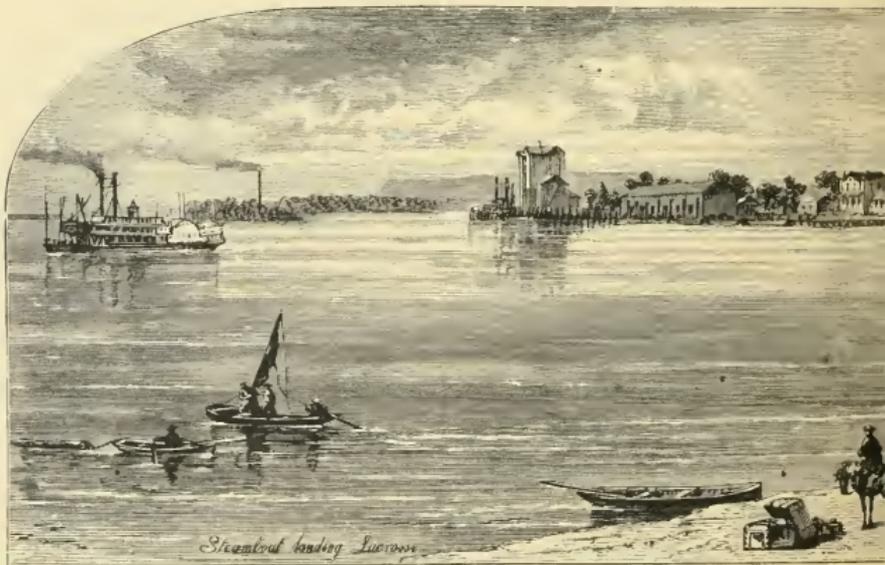
Wisconsin was ready then for the agriculture of tobacco as a commercial enterprise. A State of the Union since 1848, it was rapidly developing settlements of mixed populations. At first, there were Southerners who reached the Territory through the Mississippi River route, then Cornishmen — 7,000 by 1850 — working Wisconsin's lead mines since 1824, then Yankees and large numbers of New Yorkers. A special census in 1836 indicated a territorial population of 11,000. By 1840, the number of settlers had tripled. Scandinavians began to flock in and Irishmen, too. By 1850 the Irish were three times as numerous as settlers from elsewhere in the United Kingdom. A German minister, accompanied by a

military friend, in 1853 was encouraging north Germans to migrate to Wisconsin. They were successful in their missionary work and there was a steady influx of Germans for many years thereafter. One of them, Bernard Leidersdorf, an emigrant from Hanover in 1858, developed in Milwaukee the largest tobacco manufacturing-jobbing business in Wisconsin.

Fantasies and facts

That was a period in which American folklore was being enriched by tall tales of "Cousin Jack" of the Cornish lead miners and that noted boss bullwhacker of Paul Bunyan's camps, "Brimstone Bill." Wide-eyed newcomers were telling each other of the sea serpents seen in Wisconsin's lakes.

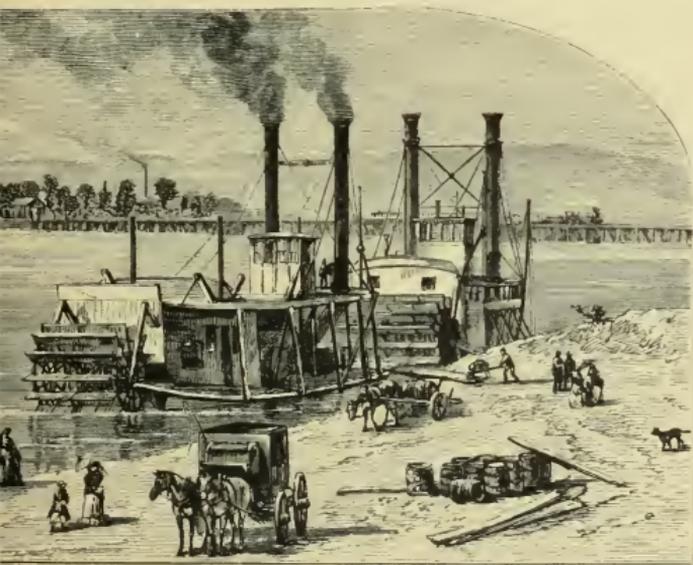
A fortunate lumberjack of the time made a local hero



of himself by announcing that he had come upon Paul Bunyan in a remote part of a forest. The mighty man was seated, cleaning his tobacco pipe with a five-foot pike pole. The pole was just long enough to go through the stem.

Thereupon the experts in mythology and physiology came to a conclusion, based on statistical evidence. They determined that, as the stem of the pipes then in use was reckoned as one-tenth of the height of a man, Paul Bunyan could be only 50 feet tall. This calculation of height was well below that held by general opinion. It was promptly disputed by other experts of the time.

These authorities emphasized a point which everyone accepted: when Paul was smoking, it required the steady service of a stoker using a scoop shovel to keep the bowl filled with tobacco. As such a bowl would, obviously, require a longer stem than that estimated by the



*Steamboat landing
at La Crosse, 1872*

lumberjack reporter, Paul, too, must have been longer, much longer, than a mere 50 feet.

Anyone making his new home in Wisconsin who was not accustomed to tobacco in some form would have been a rare person. There simply wasn't enough local tobacco to meet consumer demand. Tobacco crops from numerous small plots were very limited and the 1850 census reported the state total as only 1,268 pounds. Around 1854 over 840,000 pounds of tobacco, chiefly from Virginia and Connecticut, was entered at the port of Milwaukee to help supply the rapidly growing market.

Tobacco agriculture builds towns

Tobacco as a cash crop began to be grown by easterners and Norwegians in the region around Viroqua, by others near Edgerton, Oregon and elsewhere in the state, bringing prosperity to these settlements and developing villages into towns. Edgerton's produce, shortly after 1854, became abundant and profitable. By 1860 Edgerton tobacco farmers were able to ship their crop (500 cases of 400 pounds each) to Milwaukee, Chicago and markets in eastern states, after supplying local needs.

The Civil War gave a stimulus to production. The major producing areas centered at first in Rock and Dane Counties (the Southern Wisconsin type) and later in the century in Vernon and Crawford Counties (the Northern Wisconsin type). Production of cigar-leaf tobacco, originally used as wrappers for Havana fillers, totaled 87,000 pounds in 1860, most of it from Walworth County. In 1869 a close estimate showed a harvest of a million pounds of leaf, with a total cash value of \$187,000. All

but a small portion of this was produced in Rock and Dane Counties.

The two original farmers in Rock County had experimentally planted cigar-leaf tobacco using seeds then readily available in Ohio. The high quality of their crops suggested to other farmers that the soil of Wisconsin was especially suitable for cigar-leaf tobacco. Various importations of seeds into the state began to take place.

A Janesville farmer acquired Connecticut-Havana seed from Massachusetts in 1872. The resulting variety, known as Comstock Spanish, was soon being widely produced in the Wisconsin area where it was first grown. There were other importations of seeds of types growing around Lancaster, Pennsylvania, and in Connecticut. The older Wisconsin seedleaf tobacco developed from the latter was long locally called "Housatonic" or "Big-seed" to differentiate it from Havana varieties.

Farm economy and development

Just before 1880, when the agriculture of tobacco in various Wisconsin districts had become standardized, the records of a successful farmer, Thomas Hutson of Edgerton, showed that the cost of operation—cultivating, curing and marketing—for each acre of seedleaf tobacco averaged \$61.25. He obtained 1,600 pounds of tobacco, as a rule, from each acre. As this produce was sold for \$112 an acre, the profit was described as "handsome."

All but a few tobacco farms, particularly in northern areas where the major occupation was dairying, were small, usually one to four acres. These farms, chiefly operated by Scandinavians, so increased in extent that



The Port of Milwaukee, 1881

in 1918 they produced 62,400,000 pounds of tobacco which sold for \$13,728,000. Following a trend, in 1923 farmers organized a cooperative, the Northern Wisconsin Tobacco Pool. In its first year this organization controlled close to 75 percent of the state's tobacco farms. During the Second World War cigar-leaf production dropped because of a decline in cigar consumption and in chewing. Yet the 1945 crop of over 36 million pounds brought more than \$15 million to tobacco farmers.

Rollers and collectors

Tobacco factories, centered in Milwaukee, were providing large-scale employment by the third quarter of the 19th century. The census report of 1880 showed that 152 factories produced cigars valued at \$1,346,925. The output of chewing and smoking tobacco and snuff, by three factories in Milwaukee, was valued at \$978,281.

Cigars were much in demand, chiefly by Wisconsin's German population, and good rollers were much sought after. Prizes for extra output were frequently offered. One roller, William George Bruce, a native American, related in his memoirs that, while still in his teens in the 1870's, he had won a first prize: "\$2.00 and free beer, having rolled up something over 5,000 cigars from Monday morning to Saturday noon." A good craftsman, his wages were \$18 weekly.

The Internal Revenue Bureau of the time collected on all tobacco manufacturing and associated operations. The reported total of receipts from Wisconsin manufacturers, dealers, leaf handlers and others for the year 1880 came to \$941,764. Included was \$758 collected from

“peddlers of tobacco.” The small amount received from these itinerant merchants, so welcome to farm families in outlying districts, did not necessarily mean that peddlers were few in number or that they sold comparatively little tobacco. It is far more probable that these rugged individualists on the retail level had developed their own methods of making only token payments to revenue officers.

The record of tobacco in Wisconsin, briefly related in the foregoing pages, indicates how that agricultural commodity helped in the building of a state, as it had in many other sections of America. The labor and products of Wisconsin’s tobacco farmers developed towns, created new business enterprises and otherwise aided the economy. For more than a century fields of tobacco have dotted Wisconsin’s landscape. For the better part of the past century the quality of Wisconsin tobacco has maintained ready outlets among manufacturers of tobacco products in the United States.



Milwaukee River at Milwaukee, 1872

Current data on various divisions of the tobacco industry in Wisconsin have been derived from publications of the United States Department of Agriculture, the Wisconsin Department of Agriculture and its Crop Reporting Service, and the Internal Revenue Service. The Director of the Wisconsin Food and Tobacco Institute at Madison, Anthony E. Madler, provided valuable information. Publications of the Tobacco Tax Council (Richmond, Virginia) were another useful source.

Sources of historical data were bulletins of the Wisconsin State Department of Agriculture, of the University of Wisconsin Agricultural Experiment Station and University research bulletins; *Wisconsin, A Guide to the Badger State*, Federal Writers' Project of the WPA (1941); S. Chapman, *Handbook of Wisconsin* (1855); "Statistics of Manufacturers of Tobacco . . ." J. R. Dodge and "Report on . . . Tobacco," J. B. Killebrew, both in *Report on the Productions of Agriculture* (Tenth Census) (1883), and the *Wisconsin Magazine of History*. The quotation on p. 11 appears in the *Magazine*, vol. XVII, no. 1 (1933).

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