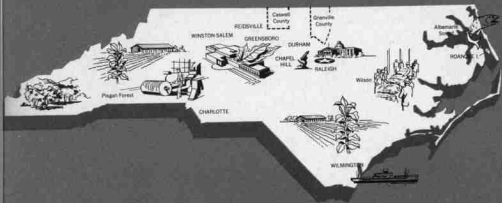


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RALLIUM, N.C.

# North Carolina & Tobacco



*A Chapter in America's Industrial Growth*

*North Carolina holds the distinction of producing more flue-cured tobacco and manufacturing more tobacco commodities than any comparable area of the world. Its farmers harvested 854,280,000 pounds of tobacco in 1960 which they sold for more than \$523 million. In the same year its factories turned out about 60 percent of the 512 billion cigarettes manufactured in the United States. No other state of the Union produced more smoking and chewing tobacco. The Old North State is not only a supplier to domestic and foreign markets; it is an important retail outlet as well. The most recent estimated wholesale value of cigarettes distributed in the state came close to \$72 million. Other tobacco products totaled over \$14 million. In addition to some 180,000 North Carolina farm families and their seasonal helpers, the industry gives employment to thousands of other workers engaged in auction-selling, processing, transporting, manufacturing and merchandising tobacco. North Carolina's paramount place in the production and manufacturing of tobacco was achieved only in a fairly recent period. The historical essentials of its tobacco agriculture and of the development of tobacco marketing practices and manufacturing are told in this booklet, together with an account of the current status of the industry in the Tar Heel State.*

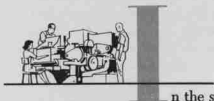
*Tobacco History Series*

THE TOBACCO INSTITUTE, INC.

910 17th Street, N.W., Washington, D. C.

1961

# North Carolina and Tobacco



In the spring of 1585 a small company of Englishmen set out to establish the first English colony anywhere in the world. Ten months later, in June 1586, they returned home. Near-famine and the growing menace of surly Indians had been too much to endure.

The site of the temporary colony was on Roanoke Island, now a part of North Carolina. It lay at the northern end of a coastal area explored by the English in 1584, part of a vast, undefined territory they called "Virginia."

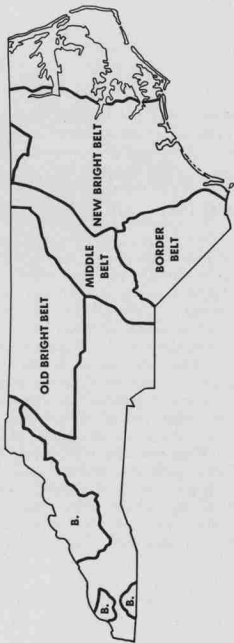
The defeated colonists had little to show for their efforts, little, in their estimation: a few pearls, some clay pipes, and specimens of Indian corn, dried tobacco and its seeds. They had found no gold. Yet, in the native products of the Indian fields was far more gold than they then knew.

Sir Walter Raleigh was presented with the choicest of the curiosities from the American settlement. It was small reward for his heavy participation in the colonization project—the equivalent of \$200,000 in some estimates, very much more in others. A second attempt to settle "Virginia" in 1587 under his auspices also failed.

Among the products Sir Walter received was an unexpected compensation for his disappointment and his temporary loss of prestige. He planted the Roanoke Island tobacco seeds on his estate at Youghal, Ireland, and harvested a fine first crop. Having learned how to cure the leaves—and he learned quickly—he became an enthusiastic publicist for the joys of smoking. One of the great rooms in his London residence, Durham House, was turned into a *tabagie*, a smoking salon for his intimate courtier friends. Sir Walter's colonies had failed but his success in advancing the cause of smoking was one of his great triumphs. Yet, many years were to pass before tobacco from Carolina again reached England.

THE TOBACCO INDUSTRY IN  
NORTH CAROLINA TODAY

## Where Tobacco is grown in North Carolina



*The Burley Belt is indicated by the areas marked B. Flue-cured tobacco is produced in the other Belts outlined.*

## **T**he abundant fields

The commercial cultivation of tobacco in North Carolina began three centuries ago. It began with the type then widely known as "Virginia." Botanists call it *Nicotiana Tabacum*. Long after its introduction into Carolina the characteristics of that type had been altered by special soils, cross-breeding, and new curing methods. For the better part of the past hundred years it has been available in the form of flue-cured tobacco. Its quality and the quantity of its production have made North Carolina the "Gold Coast" of the tobacco world.

Across a good part of the countryside numerous farms—the average allotment is just under four acres—grow Bright tobacco for flue-curing. The overall quantity produced is abundant: an estimated 834,600,000 pounds in 1960, about two-thirds of the national production of this type. That harvest resulted from the labors of some 180,000 farm families and their seasonal helpers.

## **P**rime leaf, piecework and curing

Technology has as yet hardly touched the fields of flue-cured tobacco. The cultural routine, as it has been since colonial days, is dependent on patient labor, skilled eyes and hands. Each farmer will put in 440 hours an acre, give or take a few hours, from preparation of seed beds to harvest to market. Man-hours for harvesting alone average 132. (With machinery dominating operations, an acre of wheat can be "made" in eight to fifteen hours.)

A single acre of flue-cured tobacco holds 100,000 to 150,000 leaves. Each week two to four matured leaves

are "primed," that is, pulled from each plant. The harvesting period will run five to eight weeks. Before it is over the leaves will probably have been examined ten times before they are ready to be primed. This is the standard harvesting routine for Bright tobacco, an essential labor-consuming chore. After that comes the precise, tedious work of curing the leaves.

As a preliminary to curing, groups of three or four leaves are strung on sticks and hung in small barns. Heat is the element that turns the leaves to a desired yellow. The heat, usually circulated by flues through the barn, must be carefully controlled. For the farmer,



*A familiar scene in the flue-cured tobacco areas. Members of a farm family stringing leaves on sticks preparatory to hanging them in curing barns*



this is a period of four or five days and nights of watchful waiting. After the leaves have yellowed, the temperature is increased to "fix the color," and dry out the stems.

## **F**rom barns to buyers

Once out of the curing barns, the bright-yellow leaf, sorted, and tied in small bundles called "hands," goes to market from early in August up to mid-September. That annual event is marked by intense activity on the part of auctioneers, buyers, warehousemen, truckers and others operating in 234 warehouses in 44 North Carolina communities. The leaf is a cash crop. In 1960 tobacco farmers of the state received a total of over \$511 million for their harvests. The average price for flue-cured leaf was a record \$61.20 per hundred pounds.

Tobacco-auction sales days in North Carolina generally take more than a month to over two months, depending on the type of leaf sold. They begin about mid-August. By mid-December the last baskets of tied leaves have been cleared from the warehouse floors. The millions of pounds of leaf already sold have gone to redrying or stemming plants, or have already been pressed into hogsheads, or packed for export.

Before cured tobacco can be converted into consumer commodities nature imposes a long sleep on it, an aging process that gives it mellowness. The huge hogsheads of tobacco, after initial processing of the leaf, are stowed in sprawling warehouses that collectively occupy miles of space in many of the state's major cities and in a number of towns. There are 953 leaf-handling plants, warehouses and individuals in North Carolina that buy, sell, process, or store leaf tobacco. They carry on their operations under federal performance bonds.

## **B**right and Burley

Flue-cured tobacco—the chief ingredient in cigarettes—is the major agricultural product of North Carolina. In no comparable area anywhere is more of the type grown. Its controlled abundance is proof of its desirability; it never lacks for markets. It is not the only tobacco produced in the state.

Burley, a versatile leaf used in cigarettes, smoking and chewing tobaccos and sometimes in snuffs, is grown in the western border counties of North Carolina. Individually, not much acreage is given to this type. Average allotments run to only six-tenths of an acre. But when all the harvests of Burley are in, they make a substantial total. In 1960 some 20,000 farm families and their field workers produced 19,680,000 pounds of Burley. Sold through fifteen warehouses, from late November to mid-January, the total harvest brought around \$12.5 million. The average price was \$64 per hundred pounds.

## **B**road fields and wide markets

Only ten counties in North Carolina's one hundred do not grow tobacco. The flue-cured type is an annual crop in sixty-nine counties; Burley, an air-cured type, a product of twenty-one. The total production accounts for 44 percent of the state's cash farm income.

Not all this leaf is retained for domestic manufacture. There are numerous foreign countries that regularly import North Carolina's tobacco. When ready for shipment the tightly packed hogsheads move out through the deep-water terminals at Morehead City and Wilmington and out-of-state ports as well. Included in shipments abroad, in the latest year of record, were over 12.6 billion cigarettes made in North Carolina factories—more than a third of the domestic brands sent to foreign markets.

## **P**roducts and producers

As a manufacturing center North Carolina has long been the hub of the tobacco universe. Its factories produced about 60 percent of the 512 billion cigarettes manufactured in the United States in 1959. These were rolled out by five plants of four companies, obviously among the largest tobacco factories anywhere.

Additionally, in the latest year of record, nearly 25 million pounds of chewing tobacco and about 24.5 million pounds of smoking tobacco were produced in three North Carolina factories. The total output exceeds by far production of these commodities in any other state. Very little is done in the way of cigar manufacture. Snuff production makes a more impressive showing. Recent figures record over 2 million pounds of tobacco in this form manufactured in North Carolina. The sales value of all tobacco products shipped out by the factories in North Carolina was around \$2.4 billion at the manufacturing level.

Behind the multiple processing equipment, and the long batteries of making and packaging machines in the state's tobacco factories, is a full-time labor force which, at peak, totals some 30,000 workers. When the rush is on in processing and manufacturing plants, the regular force is considerably supplemented. The 1959 total of wages for employees of cigarette factories alone came close to \$95 million. The wages of workers, many of them seasonal, in the state's 131 stemmeries, redrying plants and prizeries came to almost \$25 million in 1959.

## **T**he landed industry

Limited though they are in number, North Carolina's tobacco factories need a good deal of expensive elbow room to operate efficiently. Their assessed value (real

and tangible personal property) in 1959 totaled \$417,-654,970. Included in this figure is the value of a number of stemmeries and redrying plants operated by tobacco manufacturers.

The industry has, for many years, been notably alert to scientific research and to improvements in equipment and the functioning of its plants. An indication of this appears in a recent U. S. Department of Commerce report of some \$15 million in new capital expenditures within a brief period, which included laboratory construction and plant modernization. Increased production resulted from these various improvements.

Manufacturers have reported considerable increases in their laboratory staffs — one of them representing a many-fold expansion — and very large outlays for newly developed laboratory equipment. Impressive budgets to cover research in tobacco factories, over the next few years, have been announced by several North Carolina firms.

## **T**he network of supplies

North Carolina tobacco farmers and manufacturers depend to a considerable extent on materials, equipment, and services provided by numerous other industries. Agricultural and manufacturing operations, based in more than three dozen states, are generated to meet these requirements.

Illinois manufacturers and those elsewhere send in farm machinery, Missouri and Delaware processors are sources of plant nutrients, Tennessee factories supply cellulose products, farmers in northwestern states provide flax straw for cigarette paper, New York printers among others ship in packagings and labels, California and Texas manufacturers furnish scientific instruments.

The catalog of suppliers is a long one, representing many hundred different forms of raw and finished materials and equipment.

North Carolina tobacco manufacturers have suppliers within the state—about 70 firms including those providing transportation and other services. Notable among the intrastate sources is the huge cigarette-paper and cellophane factory at Pisgah Forest whose operations began just at the start of World War II.

Much of the materials and many of the products required by the tobacco industry are expensive items, but not all of them. In the latter category, for instance, is a small wild plant that represents a supplemental income for farm families living close to the sources of supply. The plant, known among other names as “Carolina vanilla” or “deer’s tongue,” is a perennial, native to southeastern United States. An essence of its dried leaves is one of the ingredients used to flavor some blended cigarettes. Enough is harvested to export it from North Carolina to Belgian, German and French tobacco manufacturers after domestic needs are met.

## **P**ackaged plenty

There is an unending flow of tobacco goods across retail shelves. North Carolinians buy the packaged merchandise with the confirmed enthusiasm of other Americans—the largest consumers of tobacco anywhere. A trade estimate of the wholesale value of manufactured tobacco distributed within the state in 1959 is in excess of \$86 million. Of this total, cigarettes represented nearly \$72 million. Consumers have ready access to outlets for tobacco; there are close to 33,000 in the state. About two-thirds of these are in retail stores. Vending machines, clubs and commissaries are among other outlets.

## The smoke-filled treasuries

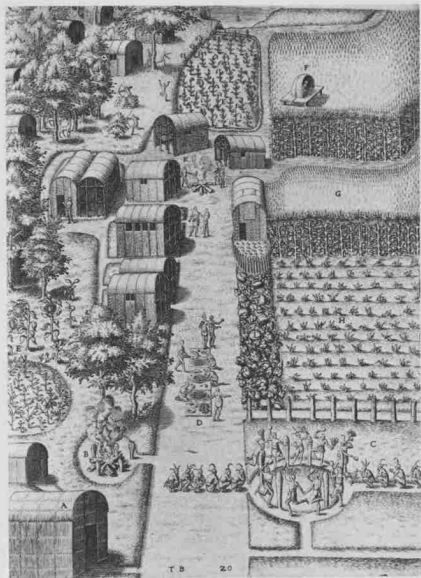
Ever since a federal excise was established on manufactured tobacco the various products in that category have been heavy taxpayers. The tax on finished commodities was first applied in 1862. Cigarettes were included in the tax in 1864. Since the inception of the tobacco excise the total yield to the United States Treasury to June 1960 has been close to \$39 billion.

The current federal rate on each package of 20 cigarettes is 8 cents. It was "temporarily" raised from 7 cents in 1952. North Carolina manufacturers, therefore, made the major contribution to the yield of nearly \$1,932,000,000 collected on tobacco products by the Internal Revenue Service in the year ending June 1960.

There is no direct state excise in North Carolina on manufactured tobacco sold at retail but a 3 percent general sales tax is in force. This represents one cent on single package sales of cigarettes, 6 cents on each carton. The sales tax applied to tobacco products has annually added around \$4 million in state revenue during recent years.

Much more could be said about the composite tobacco industry based in North Carolina. But the essential facts presented will serve to indicate the paramount place tobacco holds in the state's economy. It took a very long time for the Old North State to reach that place. The history of that achievement is a dramatic one.

# THREE CENTURIES OF TOBACCO



*The Indian village of Secota, located on the north bank of the Pamlico River, present Beaufort County. Engraved by Theodore de Bry for the 1590 edition of Thomas Hariot's account of "Virginia" (Carolina) after an original water-color by John White, a member of the 1585 expedition to Roanoke Island. As Hariot's account described tobacco gardens in Secota, De Bry added two plots not in White's drawing. These are marked E, upper center and lower left*



## Tobacco Pioneers

More than half a century after the English flag was planted at Jamestown, Virginia, it was proposed that the area to its immediate south be colonized. The plan was not new. Charles I had conferred a charter in 1629 for the settlement of a territory to be called Carolina but the royal patent remained inactive and finally was declared forfeit.

The renewed proposal for colonization had been made for a group of English noblemen. A charter was awarded to them in 1663 and thereafter they were styled the Lords Proprietors of Carolina. As an inducement for a royal grant, the lords had suggested that settlers in Carolina would not grow tobacco. There would, therefore, be no competition with the staple of Virginia and Maryland.

The lords should have known better; perhaps they really did know. For since the late 1650's colonists had been moving into the Chowan River area, Albemarle Sound, from "overcrowded Virginia." That colony then had around 22,000 white inhabitants. What more natural for Virginians than to continue the agriculture to which they were most accustomed? They had hardly finished living quarters before they were preparing newly cleared land for tobacco. Not long after the first quarter of the 1700's, Germans, Scotch-Irish and Welshmen from southern Pennsylvania and elsewhere began to come into the territory. Many of them, too, turned to tobacco as a cash crop.

## The better leaf

The type grown by colonists in Carolina was widely known as "Virginia." It had been developed from Spanish colonial seeds imported into Virginia around 1612. "Virginia" was a different species from that Sir Walter Raleigh had long ago received from the ill-fated colonists of Roanoke Island. That type, native to Carolina among other areas, had a rank odor and harsh taste. Because the Virginia variety received immediate and wide consumer acceptance, the original Indian tobacco was abandoned and soon forgotten by the colonial farmers.

A decade after the charter had been granted, agents of the Lords Proprietors were reporting that Carolinians "think they may now be able to make considerable returns in tobacco, which they speak of as equal to the Spanish." But production did not really become "considerable," certainly not in that period. By the end of the 17th century tobacco crops in Carolina were in the range of 800,000 pounds annually. Exports of leaf chiefly from Virginia, and in lesser quantities from Maryland, at that time were collectively around 22 million pounds.

## Colonial stepchild

The tobacco farmers of Carolina faced exceptional difficulties—far greater than those usual to pioneers developing an agriculture in a wilderness. There were no roads, no harbors into which English freighting vessels could come — and Virginia was treating her southern neighbor as an unwanted stepchild.

The animosity of the older colonials came from a

realistic fear of the competition represented by Carolina's tobacco. Depressions, owing to overproduction of their staple, had become a recurrent condition in Virginia and Maryland at that period. Carolina had joined Virginia and Maryland in 1666, agreeing to a year's cessation of tobacco planting, but when Lord Baltimore vetoed Maryland's participation the plan was abandoned.

Virginian opposition to Carolinians was intensified in 1669. The Albemarle Assembly had enacted legislation "to attract settlers." This allowed a year's tax exemption and prohibited suits for the collection of debts "contracted outside the County" for five years. These laws were copied from Virginia statutes but they aroused considerable animosity in the older colony.

Thereafter, when Virginians used the term "Rogues' Harbor" they meant only the settlement in northern Carolina around Albemarle Sound. Resentment and economic necessity finally took the form of legislation in 1679 which prohibited the admission of Carolina tobacco into Virginia except in payment of debts. Adding insult to injury, the Virginia Assembly declared that Carolina tobacco was inferior stuff, unsalable in England. There may have been justification for that opinion; all Virginia saw of it was the poorer grade hauled across the border from neighboring farms, and not the best leaf sold at the source for export.

## **T**obacco of an Excellent Sort"

As Virginia had the only nearby deep-water ports for merchantmen, the act of 1679 could have been a final blow to continued tobacco production in Carolina. It

was not. The tobacco of the area was better than Virginian opinion of it. Thomas Ash, author of a promotional tract published in 1682 which related to a part of the territory that became South Carolina, wrote:

*Tobacco grows very well; and they have of an excellent sort, mistaken by some of our English smokers for Spanish Tobacco, and valued from 5 to 8 shillings the Pound; but finding a great deal of trouble in the Planting and Cure of it . . . they do not much regard or encourage its Planting . . .*

Ash, inspired by the enthusiasm of a real estate promoter, greatly exaggerated the market value of the product he praised. Virginia leaf, esteemed as the finest of smoking tobaccos, was then bringing only an average two pence the pound to its growers. But a market for tobacco as highly rated by smokers as Carolina's did exist. The only problem lay in the location of the market: more than 3,000 ocean miles away, in Scotland and Holland.

## WELCOME, YANKEES

The problem was solved by canny New England traders. For a number of years they had been picking up Carolina tobacco in shoal-draft boats, easy to maneuver into convenient bays. Now the boats came in greater numbers and more frequently. Tobacco was conveyed from the waterside to waiting sloops which were loaded to the gunwales with the product of Carolina farms.

Shipmasters in this trade were evading the Parliamentary Plantation Act of 1673. That placed a duty of a penny the pound on tobacco shipped from one English colony to another. They also ignored that provision of

the Navigation Acts which required that colonial tobacco be landed first in English ports. Their cargoes were taken to New England harbors and then transferred to ocean-going vessels. After that they were run to profitable markets in Holland, Scotland and elsewhere.

## "The Saints of New England"

The Carolina tobacco trade had, within a brief period, become the monopoly of about half a dozen Yankee merchants. George Chalmers, the historian, wrote that "New England traders in a great measure governed (Carolina) and directed the pursuits of the planters to their own advantage..." A local observer remarked that, in order to sell tobacco, farmers "must become Bostonized or relinquish dealing." (But Boston merchants did not hold sole control. Rhode Island traders were also involved in the Carolina trade.) Border Virginians saw an opportunity and took it. Many of them sent their crops into the Albemarle Sound area to be traded to New England shipmasters and thus they avoided the intercolonial duty.

William Byrd of Westover reported that he had seen a New England sloop in a shoal part of the Sound, and went on to say:

*The trade hither is engrossed by the saints of New England, who carry off a great deal of tobacco without troubling themselves with paying the impertinent duty of a penny a pound.*

## Rebel planters

In defying the statute of 1673 tobacco-runners had the aid and blessings of Carolina's colonists. Efforts to

implement the statute were a major cause of the brief though violent outbreak in the Albemarle section, chiefly in 1677 to 1679, called Culpeper's Rebellion. An affidavit made by the customs collector of Carolina stated that "ye rabble" had bullied Assembly law-makers, demanding

*first absoelutely to insist upon a free traid to transport thier tobacco where they pleased and how they pleased without paying any duty to ye King; Upon which some of them cryed out God dame ye Collector and this Deponent verily thought they would have murthered him.*

The deposition of the collector, by then safely in England, reported that bonds given to secure the shipment of export tobacco to England had been seized by leaders of "ye same rabble." The specific bonds were for 817 hogsheads of tobacco of 400 pounds each. The deponent stated that a letter from the Carolina Assembly to the Lords Proprietors showed that 2,000 hogsheads of tobacco were made up annually for export by the planters of the upper Albemarle district.

## Tobacco economy

By the beginning of the 1700's the estimated population of the Albemarle region was about 5,000. As in Virginia and Maryland, tobacco was commodity money, and goods and services were paid for with leaf throughout the colonial period. A Carolina Assembly act of 1672, for instance, set the price of rum at a maximum 25 pounds of good tobacco per gallon. A year later the act was revoked. Rum sellers had complained that they

could not make a profit at the rate established—and the colonists were complaining of thirst.

Regularly, the tedious routines of tobacco agriculture went on. When the plant was fully matured it was cut down whole. The leaves were air-cured over a five to six weeks' period. Then they were stripped from the stalk, packed tightly into hogsheads, now increased to 1,000 pounds, and laboriously rolled or dragged to the nearest market or to the waterside. Though he protested about his hard life, the Carolina tobacco farmer clung to the agriculture to which he had been bred. He had his reward: his crops were for long the most valuable of farm products.

## Fruitful Carolina

Colonization was still being encouraged. John Lawson, surveyor-general of Carolina, in a book published in 1709 had written:

*The Inhabitants of Carolina, through the Richness of the Soil, live an easy and pleasant Life. (Livestock) thrives very well . . . The Women are the most industrious Sex . . . very fruitful, most Houses being full of Little Ones. It has been observed that Women long married and without Children in other Places, have removed to Carolina and become joyful Mothers.*

But there was no population explosion. By 1715 there were only three towns with sufficient people in them to have representation in the Assembly. They were Bath, the colony's oldest town and its first official port, Edenton, and New Bern, by then the leading seaport, a town founded by Germans and Swiss.

## Contraction and expansion

Various political changes were taking place that had no effect on tobacco production. South Carolina had been separated from the northern part of the province in 1712. Each division had its own governor. The Lords Proprietors' charter had been "extinguished" in 1729 and North Carolina became a royal province, ten years after South Carolina had assumed that designation.

Establishment of the Virginia-Carolina boundary in 1728 had angered many North Carolinians who insisted that it was too far south, thus excluding them from a good port. Their anger was channeled into practical forms. New ports were developed at Brunswick, 14 miles above the mouth of the Cape Fear River, at New Liverpool (later Wilmington)—both were designated officially as the Port of Brunswick—and elsewhere. Plant-



*Market Street in the port of Wilmington about 1855*



ers in the more southern districts were by then less dependent on such foreigners as Yankee shipmasters or hostile Virginians for the exportation of their tobacco.

It is pretty doubtful that the Virginia act of 1679 excluding Carolina tobacco was wholly effective in operation. There were too many avenues of entry into the older province. Transportation of tobacco overland had created a number of rough but usable roads. In 1726, therefore, the Virginia Assembly renewed the exclusion act of 1679. After a vigorous protest by northern Carolinians, the Virginia act was disallowed by the Privy Council in 1731.

## **I**ndustrial development

Passable roads, usable harbors, and increasing population contributed to a steady though not considerable growth in tobacco production throughout the rest of the colonial period.

Leaf quality was generally improved as was marketing procedure after the passage of an inspection law in 1754. This was based on the important Virginia Warehouse Act of 1730. Tobacco intended for export was brought to public warehouses and, after official examination, was credited by notes. There were two forms of these warehouse receipts: transfer, for small amounts of tobacco, and crop. A sufficient number of the former could be exchanged for the latter which were transferable, payable on demand, and valid for 18 months.

New industries were being developed, a major one being the gathering of turpentine and the manufacture of pitch, tar and rosin. North Carolina became the chief source for these naval stores and maintained that place for 150 years from 1720. Industrial diversification involved the activities of many who would otherwise have been producing tobacco.

About a decade prior to the American Revolution, Port Roanoke (Edenton) became the center for export shipments of North Carolina tobacco. Most of the crop went to Scotland; lesser, though considerable, quantities directly to England. A comparatively small quantity was returned in manufactured form. By far most of the tobacco produced in the northern areas of the colony went to Virginia for exportation.

## Redcoats and tarred heels

The situation changed radically in 1777 and 1778 while the British fleet was blockading Virginia's coast. Then the Old Dominion planters sent their tobacco to the very area, Albemarle Sound, their forefathers had named "Rogues' Harbor." It was a good time to forget the past.

The British campaign in North Carolina hampered tobacco production to some extent but not nearly so severely as it did in Virginia. There, a calculated "Tobacco War" by the British resulted in the destruction of many million pounds of tobacco—ten thousand hogsheads around Petersburg alone. Thomas Jefferson, one of the injured planters, protested later against that "useless and barbarous injury." The loss of such large quantities of Virginia leaf briefly gave that of North Carolina greater value than usual.

Legend has it that on their trek to Virginia to meet their fate at Yorktown the foot soldiers of the British commander, Lord Cornwallis, forded the Tar River into which excess pitch had been poured. The sticky stuff clung to their boots and they grumbled that they were in a tar-heeled state. No one in the neighborhood sympathized with them; it was generally agreed that they had no right to be there. But the name stuck to the



*One of the British commander's centers of operations in Charlotte, a town his lordship found so inhospitable that he termed it "the hornets' nest"*

province in which this minor disaster occurred. This is the earliest legend on how the Tar Heel State got its nickname.

## **T**he changing years

For a while, in the post-war period, there was a change in the markets supplied by North Carolina tobacco. Most of it went coastwise to domestic outlets. Great Britain received less than half of the amounts it had been receiving annually. By then Port Brunswick had superseded Edenton in the quantity of tobacco sent out.

The later war years and those immediately following brought poverty and disorder to most of North Carolina's 389,000 people. Yet new towns were shortly coming into being. Raleigh was laid out in 1792. Old Salem, center of the Moravian community and scene of what is probably the country's oldest tobacco shop, opened by Matthew Miksch in 1773, shook itself out of the economic doldrums. By the outbreak of the War of 1812 cotton began to replace tobacco in many areas.

Chronologically, North Carolina was not too far away

from the period of its greatest expansion—a development that stemmed almost wholly from tobacco. The state's industrial progress-to-be was hardly obvious in the two decades from 1815 on. So little economic improvement was made in that period that North Carolina was frequently referred to, and not by Yankees alone, as the Rip Van Winkle of the States.

Tobacco production continued its slow advance but North Carolina was still far behind Virginia in this agriculture. In 1839 its total tobacco crop was about 16.8 million pounds while Virginia's was over 75 million. Twenty years later, after a heavy drop in both states owing to the new "western" tobacco of Kentucky, Tennessee and Missouri, production figures were nearly 33 million for the Tar Heel State and about 124 million for the Old Dominion.

## **B**right spot in tobaccoland

After snuff lost its paramount place as a tobacco commodity in the early years of the 19th century there was a renewed interest in pipe smoking. But now consumers, particularly those abroad, were indicating their preference for a tobacco of milder flavor than that of the fire-cured, dark, heavy leaf long shipped out of Virginia. A thin leaf of yellowish color, it was thought, would provide the desired aromatic smoke but such tobacco was then uncommon.

In an effort to satisfy consumer demand for a milder smoke, a number of farmers in Maryland, Virginia, Ohio, Kentucky and probably elsewhere had been experimenting with soils, cross-breeding of tobacco, and curing methods. They hoped to produce a light-bodied type that would have a yellow hue when cured. Some yellow tobacco was, indeed, obtained but its growers had not

been able to find dependable means of insuring its repeated production.

Really yellow-bright leaf made an unexpected and dramatic appearance in Caswell County, just below the Virginia border. There, on the farm of Captain Abisha Slade, a fine-textured, light tobacco had been under cultivation. The soil which bred it was thin and sandy and so poor for other agricultural products that similar land in that area could be had for a dollar to three dollars an acre.

## Tobacco celebrity

On an otherwise forgotten day in 1839 a young slave, Stephen, headman and blacksmith on the Slade farm, was seated in a barn where tobacco was being cured by open wood fires on the dirt floor. The heat put him to sleep. Awakening suddenly and seeing his fires nearly out, he ran to a nearby pit of smoldering charcoal logs. The hot coals rekindled the nearly dead barn-floor embers, creating a heat that turned the drying leaves to a sparkling bright-yellow never seen before in Caswell County or elsewhere. When the 600 pounds of cured leaf sold for an extravagant price in Danville, the incident of its curing created a sensation.

Other farmers were experimenting with charcoal as a curing fuel but the Slade farm became best known as the source of the "new" formula whereby the desired yellow color was maintained. That was probably due to Captain Slade himself. In his meetings with local farmers he became a generous missionary for the wider use of charcoal to cure tobacco to "a fine gold leaf."

It was believed for a while that this method alone, rather than the "starved" soil and other factors of nature and barn management, was responsible for the desirable

Bright leaf of delicate texture and mild taste. But it was not until after the middle 1850's that farmers in a number of areas began to adopt charcoal as a curing fuel.

Nearly fifty years after the incident which was to have so profound an effect on curing methods Stephen was asked again how he discovered the value of charcoal to produce that exceptional Bright leaf. This time his words were recorded in print:

*. . . to tell the truth about it, 'twas a accident. I commenced to cure it and it commenced to git yellow. It kep' on yallowin' and kep' on yallowin' and kep' on yallowin' twell it got clar up . . . it looked so purty. I kept making it yellow and when it was cured it was 'musement for folks to come and see it.*

## Fancy Bright leaf

Production of tobacco on the Slade farm again created news in 1857. Ten hands working 12,000 hills on three acres made a crop of about 20,000 pounds. The thin soil was fertilized with 200 pounds of guano to the acre. At the Lynchburg, Virginia market the whole of the choice leaf, including the usually unwanted lower leaves called "lugs," sold for \$35 a hundred pounds—"an extraordinary price." The total was equivalent to a return of about \$700 for each farm laborer that grew the crop.

An enthusiastic reporter after telling of the sale, framed a question, published in papers at nearby Milton and elsewhere, to which no one was expected to make anything but a favorable reply:

*Can the cotton fields of Louisiana, the sugar plantations of Cuba, the rice fields or the turpentine Districts of the Carolinas, boast of larger profits?*

The use of charcoal and some wood in curing the light leaf, locally known as "fancy" as well as "Bright," spread to nearby areas in Virginia and, more slowly, across eastern North Carolina. Around 1855 tobacco culture in the latter state was confined to six Piedmont counties along the Virginia border. (Cotton was then being produced in 15 counties.) At first the new-type leaf was regarded as an ideal "ornamental" wrapper for plug tobacco.

It was not until the post-Civil War period that the culture of Bright tobacco, improved by a practical curing method, really developed. When that development did come it exhibited, in the words of a foremost authority on tobacco, "one of the most remarkable transitions in the annals of agriculture." It resulted in the economic salvation of many areas, vastly improved the circumstances of formerly impoverished families, and put a premium on soils long regarded as infertile. Counties vied with each other "as to which could show the most poor land." Such acreage was then being sold at 20 to 35 times the valuation of the pre-Bright tobacco days.

## Worship of the Golden Cow-brute

The Bright tobacco of the 1860's, by then a choice smoking tobacco, could hardly meet the high quality standards of manufacturers today. But for one considerable group the tobacco was perfect.

While peace terms were being arranged by their generals a few miles from Durham's Station—a whistle-stop hamlet on the North Carolina Railroad—soldiers in blue and in gray turned their talents to foraging. Their noses led them to a two-story factory in Durham's Station owned by John Ruffin Green. Green had been supplying a flavorful Bright tobacco to nearby University of North Carolina students. A large amount of granu-

lated tobacco prepared for shipment was stored in the little factory.

Green, a pipe smoker and, therefore, a man of peace, apparently did nothing to prevent the "sampling" of his stock by hundreds of tobacco-hungry young men. After they had departed, about all that was left was the wooden building, its primitive equipment of sticks and hand-bolts for flailing tobacco—and a pouchful of tobacco salvaged by the owner.

Under the circumstances Green was hardly aware that his fortune had been made. Yet it had. Within a short while thereafter, men who had been in on the raid were writing from homes as far afield as Texas and Maine to anyone they could think of at Durham's Station—the peace officer, the baggagemaster, the "mayor"—for a supply of that splendid Durham tobacco for which they were now willing to pay.

That demand supplemented Green's student trade and led to the large-scale production of a smoking tobacco destined for world-wide fame: Bull Durham. In its great days no other tobacco was as well known at home and abroad. For polite society its name represented a problem for in such circles the word "bull" was taboo. Gentlemen were therefore under the necessity of asking their tobacconists to supply them with "cow-brute" or, sometimes more boldly, "seed-ox" Durham.

## **T**he New Order in Tobaccoland

Only 16,000 acres were under tobacco cultivation on North Carolina farms in 1866. Production totaled 7,840,000 pounds in that year. Tobacco was scarce then and buyers paid an average 20 cents a pound—a price not reached again before 1916. At least a dozen varieties long familiar in North Carolina were being grown.





*The well-known Globe tobacco warehouse of Lea, Warren & Pope in Durham, 1886*

The success of Captain Slade and some of his neighbors in producing fine, yellow leaf had encouraged many farmers to adopt their methods of crop and barn management. But something more was needed: a system of curing that would “fix the color,” through surer and less expensive practices.

Since about 1820 efforts had been made in Virginia to cure tobacco in barns through heat conducted by flues. The first experiments were discouraging. In improved form flues were used to cure tobacco from about 1870 on and they soon became standard equipment on farms throughout the Bright tobacco areas. Flues brought heat without smoke or gases into barns from fires built outside. For a little while after the 1870's curing by open barn-floor fires, with charcoal as the major fuel, continued to be practiced in several areas. It required 100 bushels of charcoal at 4 cents a bushel to cure 800 pounds of tobacco.

New loose-leaf auction warehouses in many tobacco-growing districts were making it unnecessary for neighboring North Carolina farmers to sell their crops in the old Virginia centers. Markets had already been established in north border counties, at Milton and Henderson, soon after the middle of the century. Transportation facilities were improving.

## Tobacco builds the towns

Tobacco founded Durham, whose original factory had opened for small-scale operations in 1858. Winston began to manufacture tobacco in 1870 and its first leaf market was ready for business in 1872, a year after Durham's. By 1880 there were 126 factories, most of them small, that collectively turned out nearly 6.5 million pounds of plug, over 4 million pounds of smoking tobacco and other tobacco products, valued at \$2,300,000.

The Old North State was now on the threshold of a great advancement based on a tobacco economy. Some of the conditions that made that possible had long existed; some had come about in the normal course of industrial development.

The climate and soil of the area were peculiarly suited to the rapid agricultural expansion of Bright tobacco. That type was in increasing demand by pipe smokers. The demand was to go far beyond the most optimistic expectations of growers, for within a few decades Bright leaf became the major ingredient in domestic blended cigarettes.

Other factors that contributed to the state's industrial growth were further improvements in harvesting and curing methods, a dependable labor force, growing transportation facilities—and a number of remarkable men among small manufacturers. Their energy and imagination created their own capital and in the process they emerged as industrial giants.

## Tobacco counselor

No one in his time did more for the progress of Bright tobacco than Major Robert L. Ragland of Hycó, Hali-

fax County, Virginia. Ragland was a forerunner of those modern scientists whose interests lie in the development of finer tobaccos. An expert by the 1850's in breeding plants, he devoted his attention in the post-war period to the production of better Bright leaf.

Ragland found in Caswell County, North Carolina, the seeds of a variety suitable for his experiments. It was Yellow Orinoco, one of the Bright tobaccos. As he had expected, they produced plants of superior quality. From these specimens grown on his farm he obtained seeds which he distributed without charge to nearby farmers.

As demand for seeds grew, Ragland went into their commercial production from 1873 on. His first supply for sale was about three bushels—a very large amount when related to some 350,000 seeds and more to an ounce. The Ragland Pioneer Tobacco Seed Farm at Hyco long remained the major source of Bright tobacco seed.

Ragland's further important contribution to the tobacco economy lay in his successful efforts to improve flue-curing methods which were not entirely dependable under the Slade formula. His anonymously published work, *The Tobacco Planter's Friend*, 1871, became a bible for farmers growing and curing Bright leaf. By 1876 Ragland was able to say that flue-curing could go no further than the methods practiced by Granville County farmers. That North Carolina county, with its ideal soil, acquired an enviable reputation for the superior quality of its Bright leaf. "The tobacco region of North Carolina has especially profited by his work," wrote the editor of the *Southern Planter* in 1877, and in 1878 he remarked that "thousands of men . . . have been indebted to the Major for the ability to produce *fine* yellow tobacco."

## The names game

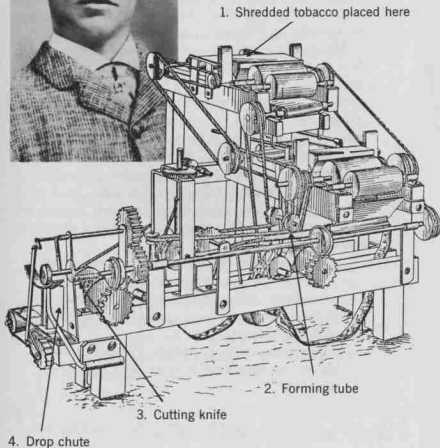
In 1885 cigarettes manufactured in the United States first passed the billion mark. North Carolina's share in this total was considerable. That resulted from the use of the Bonsack "making" machine, first in effective operation in the Duke factory at Durham in 1884. This invention by a youthful genius delivered 120,000 salable cigarettes each working day, an amount equal to the labor of 40 hand-rollers.

As was true of tobacco manufacturers elsewhere, those in the Old North State were under continual strain to find, if possible, a novel brand name under which to market their products. Sometimes, when ingenuity ran out, a single word was drafted for inclusive duty. *Scalper*, for instance, served to label a paper and an all-tobacco cigarette, plug and twist tobacco, a cheroot, smoking tobacco and snuff, all of North Carolina manufacture.

Chewing tobaccos, in the latter part of the 19th and the earlier years of the 20th centuries, were competing in a product area with an unbelievable number of brands. Under the circumstances, almost any name was possible. Customers for plug or twist could find them on counters under such labels as *Black Maria*, *Bomb Shell*, *Hatchet*, *Liver Regulator*, *World for a Dime*, *Missing Link*, *Tough Tobacco*, *Fat Gal*, or *Rolling Pin*. Not all plug and twist manufacturers turned to grim or realistic subjects for their nomenclature. Probably inspired by springtime fancies, they created such endearing mouthfuls as *Beauty's Secret*, *Warm Baby*, *Ruby Lips*, *Legion of Love*, *Charming Betsy*, and *Duckie*.



*James Albert Bonsack who invented the first practical cigarette-making machine before he was twenty-one*



*The Bonsack cigarette machine, first registered in the U.S. Patent office, September 4, 1880. This sketch is copied from the specifications of the March 8, 1881 patent*

## Keep the home fires burning

Virginia was still the major manufacturing center in the East and had the busiest leaf markets. Factory owners and warehousemen there were urging the direct descendants of the planters of "Rogues' Harbor" and their more southern neighbors to maintain their marketing traditions and send their cured crops to Richmond or Lynchburg, Petersburg or Danville.

Meanwhile, smaller industrialists and owners of auction warehouses in North Carolina were appealing to the loyalty of local farmers to patronize only the state's facilities. Annoyance was expressed, too, by growers and others over the use by Virginia manufacturers of "western" Burley rather than Bright tobacco for plug fillers.

The current rivalry and the grievance of manufacturing interests were expressed by a speaker at the opening of a tobacco factory at Henderson in 1890. That town, since 1873, has been a successful loose-leaf auction and warehouse center. Stirred by the importance of his subject, the speaker asked:

*Would it be too difficult for you to imagine that you have heard, sometimes in traveling through the Great Golden Belt, some majestic stalk of tobacco standing by the roadside talking to itself after this manner:*

*"I do not want to be sent to Virginia. I want to be manufactured here in dear old North Carolina."*

## Hard sell—and soft counsel

By 1890 there were 115,000 acres under cultivation in the state and the crop yield in that year was over 56 million pounds of tobacco. Auction houses were sending

out drummers and these energetic solicitors, blown up with city manners and fanciful promises, unhesitatingly intruded on the farmer at work or at home. Their aggressiveness and their exaggerations, and their failure to live up to promises were highly irritating to the industrious men of the fields.

The newspaper advertisement of an Oxford warehouseman in 1891 gives direct evidence of some of the practices to which farmers reasonably objected. The advertisement is illustrated with a cut of a rotund, Pickwickian character, dressed for winter and wearing ice-skates! In part it read:

*This little fellow will call on you weekly. He will tell his tale to you in an humble way. He will advise you as a brother . . . He will not misrepresent the Oxford market by saying tobacco is low in order to buy your tobacco at the barn door for half of its market value. He will not cost you anything. He will not ask you to feed his horse, grease his buggy or kill a chicken for his dinner, but he will ask you to bring your tobacco to the Johnson Warehouse where you will find the best lights for showing tobacco . . . Don't listen to the Windy Billey's or the Midnight Whisperers but when you get ready to sell tobacco come on to the Johnson Warehouse where you will be kindly treated and where you will get the top notch on every pile of your tobacco.*

## **T**he period of expansion

There were a few years after 1890 when production of tobacco crops in North Carolina was lower than in preceding periods. For the most part, however, the yield

curve was an ascending one. Cultivation of the flue-cured type had extended into the coastal plains. By 1895, when tobacco harvests of North Carolina exceeded the 100-million-pound mark, Virginia was beginning to lose its top-ranking position as the manufacturing center of the industry.

The scent of raw tobacco filling the air seems to have had an inspirational effect on local Carolinians. They demonstrated this through the vigorous activity with which they set up new factories and expanded older operations. The towns of Durham and Winston were making industry history in the expanding economy of the late 19th century.

The imagination and drive of a few tobacco manufacturers in North Carolina were widening consumer



*Picking room, in which tobacco was cleaned, in a Winston factory, 1901*



outlets to a surprising degree. The period was one of energetic corporate expansion. This activity expressed itself in most national industries and the trend led inevitably to the formation of a major tobacco company. Such concentration of operations resulted in greater manufacturing and merchandising efficiency, and a solid acceptance of responsibility to the consumer. The federal government, however, opposed such corporate centralization and in 1911 the "Tobacco Trust" was dissolved. The split resulted in the reestablishment of a number of highly competitive companies. All of them today carry on their major operations in North Carolina.

Improved auction warehouses, with generous floor space and modernized display arrangements, were being erected in many places. Wilson became the world's largest Bright-leaf market by 1919. For some years now, enormous quantities of flue-cured tobacco have been sold annually in Kinston, Rocky Mount, Winston-Salem, Greenville, Fairmont, Durham and elsewhere.

Ready access to the sources of the chief ingredient in blended cigarettes—flue-cured tobacco—was enough reason for all major manufacturers of cigarettes and smoking tobacco, except one or two, to establish themselves in North Carolina. Long before the middle 1900's, when the latest factory of one of the majors was built in the area, the number of operational plants had been heavily reduced.

Increasingly expensive machinery, the necessity for research on the premises entailing laboratories and scientific staffs, costly plant construction, and associated factors in large-scale operations had been too much for smaller manufacturers. Today, North Carolina factories producing cigarettes and tobacco products other than cigars are concentrated in four cities: Durham, Winston-Salem, Reidsville and Greensboro.

## The Bright half-century

A decade ago the cash income of farmers was reported as \$522,982,000 for 979 million pounds of tobacco. With the report came the comment that not only was that income greater than that for all other North Carolina crops combined, but it was "worth more than all the wheat in Kansas, or all the pigs in Iowa, or all the cotton in Mississippi."

There had been an enormous increase in the value of tobacco commodities in the half century since 1900. In that year, valuation at the manufacturers' level was \$16 million; in 1951 it had reached \$1,284,000,000. By far the greater part of that total was traceable to cigarette consumption which had grown at a spectacular rate since World War I.

The growth of the tobacco industry brought wealth, a new leisure, and social progress to North Carolina. Some of the men whose incomes were in the topmost brackets had begun their manufacturing careers as peddlers of tobacco. Out of the wealth they created through energetic private enterprise they enriched their communities by endowments to universities, church organizations, Negro institutions, children's homes, medical schools and other educational and social agencies.

Each year the farmers of the Tar Heel State go through the unchanging agricultural routines. Each year they reap a golden harvest. What they see is what practical men see: sturdy plants translatable in terms of cash. After all, that is why the plants are grown. Yet each field of tobacco is a link in an exceptional history that began three centuries ago. The link was forged by mankind's most social appetite.

Data on the current tobacco industry in North Carolina have been supplied by the Agricultural Marketing Service, United States Department of Agriculture, and the Departments of Agriculture, of Labor, of Tax Research and the State Ports Authority, all of North Carolina. Other data on the current industry are derived from recent publications of the Internal Revenue Service and the U.S. Department of Commerce. Among the sources of information on 19th century tobacco agriculture and manufacturing in the state were "Report on . . . Tobacco," J. B. Killebrew and "Statistics of Manufactures of Tobacco . . .," J. R. Dodge, both in the Tenth Census, 1880 (1883).

Material on the early history of tobacco in Carolina province came from Great Britain, *Calendar of State Papers, Colonial*, vols. 5 and 7; *The Colonial Records of North Carolina*, vols. I-III (1886), and *Tobacco* (the Arents collection), ed. J. E. Brooks, 1 (1938).

*The Bright-Tobacco Industry* by Nannie M. Tilley was an invaluable source for various accounts in this booklet relating to tobacco history and to biographies. Other reference works used were *The Beginnings of English America*, R. D. W. Connor (1907); *The History of Taxation in North Carolina during the Colonial Period*, Coralie Parker (1928); *North Carolina*, R. D. W. Connor (1929); *The Commerce of North Carolina, 1763-1789*, Charles C. Crittenden (1936); *Ante-Bellum North Carolina*, Guion G. Johnson (1937); *North Carolina, Federal Writers' Project of the WPA* (1939); *The Story of Tobacco in America*, Joseph C. Robert (1952); *North Carolina*, Hugh T. Lefler and Albert R. Newsome (1954) and *History of North Carolina*, Hugh T. Lefler (1956).

The quotation on p. 16 is from the *Calendar of State Papers*; the "Bostonized" reference, p. 19, is from *New England Merchants in the Seventeenth Century*, B. Bailyn (1955); the Byrd passage, same page, is from Lefler (1956); that on the next page quoting the Carolina tax collector is from Robert; Stephen's statement on p. 28 is from the *Pittsylvania Tribune*, reprinted in Tilley; the quotation on p. 28 is from Johnson citing *Arator*; Killebrew is the authority quoted on p. 29; the editor's comments on p. 33 are from Tilley; the quotation on p. 36 appears in Tilley, and the excerpt on p. 37 is from Tilley which reproduces the full advertisement.

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