

## THE TOBACCO TRADE (GREAT BRITAIN\*).

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## Introductory.†

The Tables on pages 220 to 222 are based on Returns received from firms in Great Britain whose business in 1924 consisted wholly or mainly in the manufacture of cigars, cigarettes, tobaccos and snuff. The number of such separate Returns was 243. Eighteen firms to which schedules were sent did not furnish Returns, but these firms for the most part had very small establishments. On the basis of the information available it is estimated that they did not employ more than 90 persons in all and that their total net output did not exceed about £20,000.

*Summary of results.*—The following table shows the main results of the Censuses for 1924, 1912 and 1907, comparisons between the figures for the three years being subject to the qualifications mentioned in the next paragraph.

\* See footnote (\*) on page 203.

† See also the Notes on pp. vii-xiv.



Particulars.	Unit.	1924.	1912.	1907.
Value of goods made (Gross output) ..	£'000	93,292	26,589	21,685
Cost of materials used .. .. .	"	69,334	19,922	16,149
Net output .. .. .	"	23,958	6,667	5,536
Average number of persons employed..	No.	38,906	32,834	34,726
Net output per person employed ..	£	616	203	159
Mechanical power available :—				
Prime movers .. .. .	H.P.	6,977	3,473	4,514
Electric motors driven by purchased electricity .. .. .	"	9,543	3,395	(not recorded)

*Qualifications affecting comparisons.*—In considering the above table and the other tables in this Report which show figures for the different censal years, it should be borne in mind that :—

(1) The comparability of figures relating to value or cost is affected by the changes which have taken place in the general purchasing power of money and in the rates of duty on unmanufactured tobacco.

(2) The Censuses of 1907 and 1924 extended to all firms, however small, but in 1912, firms employing not more than five persons (excluding the proprietors) were merely required to state the average number of persons employed by them in the year. According to the information so furnished, the number of persons employed in Great Britain in the establishments thus excluded was 479 or 1·4 per cent. of the number employed by the remaining firms, as shown in the above table.

*Value of output and cost of materials.*—The figures in the above table representing the value of goods made and the cost of materials used are the aggregates of the figures recorded by the firms that made Returns, and, for the reasons explained in paragraphs (i) and (ii) on page xii, they may over-state the value of the output of, and the cost of materials used by, the Tobacco Trade as a whole. The matter is discussed on page 216, where it is estimated that in 1924 the value, free from duplication, of the output of this trade in Great Britain was about £91,250,000, and the cost of the materials purchased from sources outside the trade and worked up into its products was about £67,300,000.

### Production.

Detailed information relating to the output of the Tobacco Trade in Great Britain in 1924 will be found in Table II on page 220.

*Principal products.*—The following table shows, for the three censal years, the quantity and value of the principal products of the Tobacco Trade in 1924, 1912 and 1907. No output of similar products was recorded on schedules for other trades in any of the three years.

Kind of goods.	1924.		1912.		1907.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Th. cwts.	£'000.	Th. cwts.	£'000.	Th. cwts.	£'000.
Manufactured tobacco :—						
Cigars .. .. .	13·8	1,601	27·3	1,480	33·2	1,595
Cigarettes .. .. .	823·4	62,996	391·0	12,743	264·0	8,084
Cavendish or Negrohead (manufactured in bond)	31·9	1,038	46·3	583	26·0	348
Manufactured tobacco, other sorts .. .. .	465·2	27,354	470·6	11,497	528·7	11,141
Snuff for human use ..	4·6	219	6·5	156	10·7	233
TOTAL—MANUFACTURED TOBACCO .. .. .	1,338·9	93,208	941·7	26,459	862·6	21,401
Offal snuff, shorts, smalls, and stalks sold .. .. .	84·5	83	45·4	129	31·1	209
TOTAL VALUE .. .. .	..	93,291	..	26,588	..	21,610

Manufacturers were instructed that the value of dutiable goods made in the year and cleared for home consumption in the same year should be given inclusive of duty, while the value of goods made and exported or held in bond at the end of the year, and the value of offals should be exclusive of duty. The goods returned for the years 1912 and 1907 were valued on the same basis with the exception of offals in 1907, of which the value returned was inclusive of duty. The inclusion of duty in the value of a part of the offals, etc., sold in 1912, accounts for the higher average value shown for that year than for 1924. The factory value of cigarettes increased from 5s. 5·7d. per lb. in 1907 and 5s. 9·8d. in 1912 to 13s. 7·9d. per lb. in 1924, and that of *Manufactured tobacco, other sorts*, which mainly consists of tobacco for pipe smoking, from 3s. 8·3d. per lb. in 1907 and 4s. 4·3d. in 1912 to 10s. 6d. per lb. in 1924. These increases were in large part due to the increase in duties, the main rate on unmanufactured tobacco having been increased from 3s. 0d. per lb. in 1907 and 3s. 8d. in 1912 to 8s. 2d. in 1924. The average landed value of unstripped unmanufactured tobacco was 7·29d. per lb. in 1907, 8·67d. in 1912 and 20·49d. in 1924. The greater relative increase in the price of pipe tobacco, compared with that of cigarettes, may be in part due to the substitution of the cheaper brands of cigarettes for the coarser kinds of pipe tobacco.

The quantity of manufactured tobacco produced in Great Britain in 1924 was about 55 per cent. greater than that produced in 1907 and about 42 per cent. greater than that produced in 1912. The quantity of unmanufactured tobacco entered for home consumption, without deducting over-entries and drawback, in the United Kingdom (Great Britain and all Ireland) was 863,000 cwts. in 1907 and 925,000 cwts. in 1912; in 1924 the quantity so entered, less over-entries, but including drawback, was 1,303,000 cwts. for Great Britain and Northern Ireland only, an increase of 51 per cent. and 41 per cent.



respectively over 1907 and 1912. In comparing the quantities of unmanufactured tobacco entered for home consumption with the quantities of manufactured tobacco made, account has to be taken of the addition of moisture, etc., in the processes of manufacture, and, on the other hand, allowance has to be made for the quantities of saleable and unsaleable offals produced. According to the available data, it would appear that the production of manufactured tobacco in Great Britain per head of the population increased by about 40 per cent. between 1907 and 1924. The increase in the consumption of tobacco is obviously in large part due to the spread of the smoking habit among women. Coincident with this development there has been a change in the smoking habit among men, and the two factors together reveal themselves in a considerable decline in the consumption of *manufactured tobacco, other sorts* (which are mainly pipe tobaccos) and a striking increase in the consumption of cigarettes. The 1912 Census results appear to indicate that the decline in the consumption of pipe tobacco was a feature of the pre-war years, while the greater part of the increase in the consumption of cigarettes took place during and after the war, though the tendency was already evident in 1912.

It may be of interest to observe, in comparing the figures of 1924 and 1907, that the output of the Irish Free State in 1926 was as follows:—*Cigars*, 40 cwts.; *cigarettes*, 30,000 cwts.; *manufactured tobacco, other sorts*, 42,600 cwts.; *snuff for human use*, 2,500 cwts.; *offals sold*, 1,000 cwts.

The proportion of cigarettes to pipe tobacco shown by these figures is closer to that shown for Great Britain for 1907 than to that for 1924. It will be seen from Table II on page 220 that the output in Scotland showed a yet smaller relative importance for cigarettes, and it may be added that the output in Northern Ireland was not widely dissimilar, in distribution according to character, to that in Scotland.

*Other products.*—In addition to the manufactured tobacco and offal snuff, etc., dealt with in the preceding paragraphs, firms in Great Britain that made their Returns on schedules for the Tobacco Trade also recorded an output of other goods valued at £1,000 in 1924, £1,000 in 1912 and £75,000 in 1907. These goods, being of kinds mainly produced in other trades, are dealt with in the Reports on those trades.

*Value of output free from duplication.*—The aggregate value of the gross output of the firms in Great Britain that made their Returns on schedules for the Tobacco Trade in 1924 was £93,292,000. This total is free from duplication except for cigarettes made from duty-paid tobacco. The 34,000 cwts. of such cigarettes exported in 1924 may represent a duplication in the Returns amounting to approximately £2,000,000. The value of the output of the Tobacco Trade of Great Britain in 1924, free from duplication, may thus be roughly estimated as about £91,250,000. The extent of the duplication in the output of 1907 was not estimated.

*Cost of materials.*—The cost of materials used by firms in Great Britain that made their Returns on schedules for the Tobacco Trade was returned as £69,334,000 in 1924, a sum which, by the elimination of the value of the tobacco used by certain of the makers of cigarettes for sale, may be reduced to an amount roughly estimated as about £67,300,000. The extent of the duplication involved in the 1907 figure was not estimated, but the cost of materials as returned in that year was £16,149,000.

*Net output.*—The net output in 1924 of the firms in Great Britain that made their Returns on schedules for the Tobacco Trade (whose gross output was valued at £93,292,000) was £23,958,000, that sum representing, without duplication, the total amount by which the value (at factory) of the aggregate output exceeded the cost (at factory) of the materials used. The tobacco duty is not included in the net output.

The net output per head of persons employed in the censal year 1924 was £616 as compared with £203 in 1912 and £159 in 1907.

*Exports and imports.*—Since the figures given above for 1924 relate only to production in Great Britain, whereas the figures of exports and imports relate to goods manufactured or consumed in Northern Ireland as well as in Great Britain, it is not possible to make a close estimate of the quantity of tobacco products made in Great Britain and retained there as available for consumption. Particulars of exports and retained imports of manufactured tobacco in 1924, 1912 and 1907 are given below:—

Manufactured tobacco.	Exports.			Net imports.		
	1924.	1912.	1907.	1924.	1912.	1907.
	Th. cwts.	Th. cwts.	Th. cwts.	Th. cwts.	Th. cwts.	Th. cwts.
Cigars .. ..	0.2	0.4	0.2	6.2	12.7	12.8
Cigarettes .. ..	132.3	126.7	57.6	0.8	2.5	2.9
Cavendish or Negro-head .. ..	24.5	34.4	22.9	4.5	7.6	7.8
Other manufactured tobacco .. ..	3.9	2.8	1.2	2.2	2.9	0.9
Snuff for human use..	0.6	0.1	0.1	0.4	1.5	1.3
TOTAL .. ..	161.5	164.4	82.0	14.1	27.2	25.7

The exports in 1924 included 5,500 cwts. of tobacco (chiefly cigarettes) sent to the Irish Free State; allowing for this trade, which was domestic trade in 1907, exports have increased by about 90 per cent. Cigarettes formed the principal part of the exports in 1924 and accounted for an important fraction of the total of cigarettes made in Great Britain, being in excess of 16 per cent. of that total. Of other sorts of manufactured tobacco, the exports represented nearly 6 per cent. of the amount manufactured in Great Britain and a proportionately smaller fraction of the United Kingdom production. Retained imports decreased between 1907 and 1924, notably in cigars, where an increase in average import value from 12s. 4d. per



lb. in the former year to 32s. 2d. per lb. in the latter was accompanied by a decrease of one-half in quantity. Imported cigars nevertheless represented roughly one-third of the available supply in 1924, while imports of pipe tobacco were little more than 1·4 per cent. of the total available.

#### Wages in 1924.

Under the Census of Production Act, 1906, the powers of the Board of Trade to require information do not extend to particulars of the amount of wages paid, and, consequently, no information on this head was secured in connexion with the Census of 1924. As a result, however, of the voluntary enquiry undertaken by the Ministry of Labour into wages and hours in the United Kingdom in 1924, information was obtained as to the total wage-bill of a group of firms in the Tobacco Trade in Great Britain which made Returns both to the Ministry of Labour and to the Census of Production office. According to the Census records this group of firms employed, in the week ended 18th October, 1924, 32,440 operatives, or 91 per cent. of the total of 35,634 operatives for the trade as a whole, and their net output totalled £22,620,000, or 94 per cent. of the aggregate net output of £23,958,000 for the trade as a whole. The total wage-bill of these firms, as returned to the Ministry of Labour, was £3,505,000, representing between 15 and 16 per cent. of their aggregate net output.

#### Employment.

The detailed information relating to employment in 1924 is summarised in Table III on page 221. The following table sets out certain particulars for that year together with those relating to the two previous censal years. For the purpose of this comparison the average numbers of operatives of each sex returned for 1924 have been divided between the two age-groups in the proportions shown by the data relating to the week ended 18th October.

Average number.	Males.		Females.		Males and females.	
	Under 18.	All ages.	Under 18.	All ages.	Under 18.	All ages.
<b>1924.</b>						
Operatives .. ..	560	9,184	6,354	25,115	6,914	34,299
Administrative, etc. ..	140	3,242	150	1,365	290	4,607
TOTAL .. ..	700	12,426	6,504	26,480	7,204	38,906
<b>1912.</b>						
Wage earners .. ..	1,358	7,852	7,017	21,728	8,375	29,580
Salaried .. ..	183	2,863	110	391	293	3,254
TOTAL .. ..	1,541	10,715	7,127	22,119	8,668	32,834
<b>1907.</b>						
Wage earners .. ..	1,457	8,093	8,427	23,219	9,884	31,312
Salaried .. ..	245	2,990	72	424	317	3,414
TOTAL .. ..	1,702	11,083	8,499	23,643	10,201	34,726

The numbers of operatives recorded month by month in 1924 ranged from 1,793 above the average, in December, to 959 below the average, in April (see Table IIIB, page 221).

#### Mechanical Power.

The detailed information relating to mechanical power in 1924 is summarised in Table IV on page 222.

The following table sets out the particulars for the three censal years relating to the capacity and kinds of *prime movers* and the capacity of *electric generators* installed.

Power equipment.	1924.			1912.	1907.
	Ordinarily in use.	In reserve or idle.	Total.	Total.	Total.
<b>PRIME MOVERS :—</b>					
Reciprocating steam engines ..	H.P. 3,154	H.P. 2,517	H.P. 5,671	H.P. 2,915	H.P. 3,728
Gas engines .. ..	464	168	632	425	—
Petrol and light oil engines ..	20	24	44	12	647
Heavy oil engines .. ..	—	600	600	—	—
Water power .. ..	30	—	30	121	139
TOTAL .. ..	3,668	3,309	6,977	3,473	4,514
<b>ELECTRIC GENERATORS :—</b>					
Driven by—	Kw.	Kw.	Kw.	Kw.	Kw.
Reciprocating steam engines	1,136	1,523	2,659	944	1,275
Gas engines .. ..	59	—	59	—	—
Petrol and light oil engines	—	—	—	47	138
Heavy oil engines .. ..	—	400	400	—	—
Water power .. ..	—	—	—	—	—
TOTAL .. ..	1,195	1,923	3,118	991	1,413

The capacity of *electric motors* recorded in 1924 and 1912 was as shown below :—

Electric motors.	1924.			1912.
	Ordinarily in use.	In reserve or idle.	Total.	Total.
<b>Driven by—</b>				
Electricity generated in own works ..	H.P. 2,197	H.P. 82	H.P. 2,279	H.P. 580
Purchased electricity .. ..	8,645	898	9,543	3,395

Corresponding information was not required for 1907. The total number of Board of Trade units of electricity purchased for power and lighting purposes in that year was returned as 1,686,000.



## TABLES.

## I.—Summary of results.

Particulars.	Unit.	England and Wales.	Scotland.	Great Britain.
Value of goods made (Gross output) ..	£'000	89,796	3,496	93,292
Cost of materials used .. ..	"	66,387	2,947	69,334
Net output .. ..	"	23,409	549	23,958
Average number of persons employed ..	No.	36,881	2,025	38,906
Net output per person employed ..	£	635	271	616
Mechanical power available :—				
Prime movers .. ..	H.P.	*	*	6,977
Electric motors driven by purchased electricity .. ..	"	8,881	662	9,543

\* In order to avoid the possible disclosure of information relating to individual firms, figures can only be given for Great Britain as a whole.

## II.—Production.

Output sold or added to stock.	Unit.	England and Wales.	Scotland.	Great Britain.
Cigars .. ..	Th. cwt.	13.8	—	13.8
	£'000	1,601	—	1,601
Cigarettes .. ..	Th. cwt.	816.9	6.5	823.4
	£'000	62,429	567	62,996
Cavendish or Negrohead (manufactured in bond) .. ..	Th. cwt.	31.9	—	31.9
	£'000	1,038	—	1,038
Manufactured tobacco, other sorts	Th. cwt.	414.5	50.7	465.2
	£'000	24,444	2,910	27,354
Snuff for human use .. ..	Th. cwt.	*	*	4.6
	£'000	*	*	219
Offal snuff, shorts, smalls and stalks sold .. ..	Th. cwt.	*	*	84.5
	£'000	*	*	83
Other products .. ..	£'000	1	—	1
TOTAL VALUE OF GOODS MADE (GROSS OUTPUT) .. ..	£'000	89,796	3,496	93,292

\* See footnote to Table I.

## III.—Employment.

## A. NUMBERS EMPLOYED IN WEEK ENDED 18TH OCTOBER, 1924.

Kind of staff.	Males.		Females.		Males and females.	
	Under 18.	All ages.	Under 18.	All ages.	Under 18.	All ages.
England and Wales :—						
Operatives .. ..	562	9,134	6,155	24,777	6,717	33,911
Administrative, etc.*	132	3,033	146	1,263	278	4,296
TOTAL .. ..	694	12,167	6,301	26,040	6,995	38,207
Scotland :—						
Operatives .. ..	13	276	480	1,447	493	1,723
Administrative, etc.*	8	209	4	102	12	311
TOTAL .. ..	21	485	484	1,549	505	2,036
Great Britain :—						
Operatives .. ..	575	9,410	6,635	26,224	7,210	35,634
Administrative, etc.*	140	3,242	150	1,365	290	4,607
TOTAL .. ..	715	12,652	6,785	27,589	7,500	40,241

\* Administrative, technical and clerical staff.

## B. OPERATIVES EMPLOYED IN ONE WEEK IN EACH MONTH OF 1924.

England and Wales. (Annual average : Males, 8,910 ; Females, 23,675 ; Total, 32,585.)

Week ended.	Males.	Females.	Total.	Week ended.	Males.	Females.	Total.
Jan. 12th ..	8,869	23,624	32,493	July 19th ..	8,734	23,374	32,108
Feb. 16th ..	8,768	23,163	31,931	Aug. 16th ..	8,760	23,192	31,952
March 15th ..	8,798	22,843	31,641	Sept. 13th ..	8,852	23,827	32,679
April 12th ..	8,843	22,778	31,621	Oct. 18th ..	9,134	24,777	33,911
May 17th ..	8,922	23,343	32,265	Nov. 15th ..	9,199	24,779	33,978
June 21st ..	8,777	23,259	32,036	Dec. 13th ..	9,262	25,140	34,402

Scotland. (Annual average : Males, 274 ; Females, 1,440 ; Total, 1,714.)

Jan. 12th ..	276	1,506	1,782	July 19th ..	277	1,469	1,746
Feb. 16th ..	277	1,494	1,771	Aug. 16th ..	275	1,451	1,726
March 15th ..	274	1,458	1,732	Sept. 13th ..	260	1,236	1,496
April 12th ..	271	1,448	1,719	Oct. 18th ..	276	1,447	1,723
May 17th ..	273	1,465	1,738	Nov. 15th ..	274	1,414	1,688
June 21st ..	274	1,476	1,750	Dec. 13th ..	277	1,413	1,690

Great Britain. (Annual average : Males, 9,184 ; Females, 25,115 ; Total, 34,299.)

Jan. 12th ..	9,145	25,130	34,275	July 19th ..	9,011	24,843	33,854
Feb. 16th ..	9,045	24,657	33,702	Aug. 16th ..	9,035	24,643	33,678
March 15th ..	9,072	24,301	33,373	Sept. 13th ..	9,112	25,063	34,175
April 12th ..	9,114	24,226	33,340	Oct. 18th ..	9,410	26,224	35,634
May 17th ..	9,195	24,808	34,003	Nov. 15th ..	9,473	26,193	35,666
June 21st ..	9,051	24,735	33,786	Dec. 13th ..	9,539	26,553	36,092



## IV.—Mechanical Power.

PARTICULARS OF PRIME MOVERS, ELECTRIC GENERATORS  
AND ELECTRIC MOTORS.

Power equipment.	England and Wales.		Scotland.		Great Britain.	
	Ordinarily in use.	In reserve or idle.	Ordinarily in use.	In reserve or idle.	Ordinarily in use.	In reserve or idle.
<b>PRIME MOVERS :—</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>
Reciprocating steam engines .. ..	*	*	*	*	3,154	2,517
Gas engines .. ..	*	*	*	*	464	168
Petrol and light oil engines .. ..	20	24	—	—	20	24
Heavy oil engines ..	—	600	—	—	—	600
Water power .. ..	30	—	—	—	30	—
<b>TOTAL .. ..</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>3,668</b>	<b>3,309</b>
<b>TOTAL OF PRIME MOVERS INSTALLED</b>	<b>*</b>		<b>*</b>		<b>6,977</b>	
<b>ELECTRIC GENERATORS :—</b>	<b>Kw.</b>	<b>Kw.</b>	<b>Kw.</b>	<b>Kw.</b>	<b>Kw.</b>	<b>Kw.</b>
Driven by—						
Reciprocating steam engines .. ..	1,136	1,523	—	—	1,136	1,523
Gas engines .. ..	59	—	—	—	59	—
Heavy oil engines ..	—	400	—	—	—	400
<b>TOTAL .. ..</b>	<b>1,195</b>	<b>1,923</b>	<b>—</b>	<b>—</b>	<b>1,195</b>	<b>1,923</b>
<b>TOTAL OF ELECTRIC GENERATORS INSTALLED .. ..</b>	<b>3,118</b>		<b>—</b>		<b>3,118</b>	
<b>ELECTRIC MOTORS :—</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>	<b>H.P.</b>
Driven by—						
Electricity generated in own works ..	2,197	82	—	—	2,197	82
Purchased electricity	8,077	804	568	94	8,645	898

\* See footnote to Table I.