

CIGAR

M A G A Z I N E

Summer 2006

*Macanudo Magic:
General Cigar's*

Edgar Cullman

Boomtime Memoirs

*The Blast...That Passed
(Can There Be TOO MANY Cigars?)*

Thomas Edison

*Genius or Not, You Have More in Common
with Him Than You Think!*

Petite Feat

*This Month's Ratings:
Which Small Corona Will Get the Gold?*





Just a few of General Cigar's lineup of brands that have, like Edgar himself, withstood the test of time in the ever-changing cigar industry.

As *Cigar Magazine* reaches the midpoint of its second year of publication, it takes on its biggest challenge to date: the story of Edgar Cullman, octogenarian head of the Cullman tobacco clan.

To do justice to this story would really require a full-length novel or, at a minimum, the entire page count of this magazine. However, that is not possible, as *CM* has some constraints, such as publishing standard features on industry news, letters to the editor, Cuban price guides, pipe and tobacco information, cigar label art, cigar ratings, etc., etc. Unfortunately, *CM* also has to devote space to a minimal number of commercial advertisements, since, unlike contributing editors, there are people here who actually expect to receive a salary for providing smokers with this informative quarterly publication.

Due to these constraints, I have decided to recount the entire history of this legendary figure of the cigar industry with *one word*: Macanudo. In Spanish slang or Jamaican jargon, Macanudo means "very good thing." (Perhaps I can provide a few other tidbits on the following pages.)

a Very Good thing

THE STORY OF GENERAL CIGAR'S EDGAR CULLMAN

by Lew Rothman



Never content to simply sit behind a desk, Cullman has been involved in virtually all aspects of the cigar business, from growing tobacco to distributing the finished products; you name it, he's done it!

The story of Edgar Cullman is not one of those "poor little boy makes good despite terrible hardships" stories. And neither is it one of those "boy born with a silver spoon in his mouth, idles away his life in splendor" stories. It is a story about a man who was born into a family with tobacco in its blood, and a love affair with, and immersion into, every facet of the tobacco business that has had no equal, past or present.

The Cullman family involvement in the tobacco business goes back over 150 years and has its origins in Germany with Ferdinand Kullman, who immigrated to the United States in 1848. Thereafter, Edgar's grandfather, sometimes known as "Piano Joe," and Edgar's father, known as "Joe Jr.," continued the family tobacco tradition, which was then passed on to Edgar, and is now in the hands of his son Edgar Jr. and his grandson David. It is a fascinating history that has been summarized and authenticated for accuracy (unlike this story) in a very well-written article that was published by Edgar's General Cigar Company (look out for it, in its entirety, on *Cigar Magazine's* Web site: www.cigar-magazine.com).

This article is, as Paul Harvey, the famous radio personality would say, "the rest of the story." Edgar, or Edgar Sr. as he is called today (since he and the majority of the real tobacco people in the world have the annoying habit of giving their sons the same name in order to make writing these stories

"PEOPLE BUY CIGARS BECAUSE THEY ARE pleasurable. They're not a necessity like toothpaste, where you have to buy it whether you want to or not."

EDGAR CULLMAN

more difficult), is very different from our previously featured cigar men. He has not been a grower of tobacco leaf, or a cigarmaker, or a cigar importer, or a cigar manufacturer, or a cigar distributor; he has been *all* of them! And while premium cigars are his pride and joy, this man has also been deeply involved in every other form of tobacco product from snuff to chew, from pipe tobacco to cigarettes. You name it, he's done it.

"My grandfather bribed me with the promise of a brand-new car if I didn't smoke or drink until I was twenty-one," recalls Cullman. "He died when I was twenty and I never got the car. It's a sad story, but it didn't stop me from going into the tobacco business anyway."

Edgar's business interests have spread across the entire civilized and not-so-civilized world, taking him to meetings with heads of state, as well as to remote areas where there were heads *on stakes*. His companies have utilized tobaccos from East Asia, Southwest Asia, Africa, Central America, South America, Cuba and the Caribbean Basin, and all across America: Wisconsin, Pennsylvania, Florida, and the entire Southeast. And, of course, the Connecticut River Valley, where, for decades, he and his family have grown some of the finest Connecticut shade wrappers in the world.

Edgar's forays in the tobacco distribution business with the past purchases of the Metropolitan Tobacco Company and Eli Witt, two of the nation's largest distributors, allowed him to meet on a face-to-face basis more distributors and retailers of tobacco products than anyone else in the history of the industry. Frankly, there is hardly a distributor or tobacconist in America that has *not* met Edgar in person at least once in their place of business or at an industry convention, nor are there any of the thousands of General Cigar employees, whether in the United States, Honduras, Dominican Republic, or, until recently, Jamaica, who have not had the pleasure of meeting Edgar. Many times over the years, I have heard stories of Edgar going from rolling table to rolling table, instructing rollers of his famed Macanudo brand to make the head of each cigar "round, like the top of my head." This guy, even at an age when most men are long retired or expired, remains the most vibrant, well-known, and well-traveled of all the industry's major figures. He's simply amazing.

In fact, "amazing" is a severe understatement, as Edgar's business interests have involved more than tobacco and tobacco distribution. Past and present ventures include automated packaging, the Bachman snack-food company, Ex-Lax, land management, industrial parks, restaurants, nurseries (for plants, not children), banking, and real estate, among others. And then there are the numerous charities that he is involved in, chief among which is New York City's Mount Sinai Hospital. He also supports the Hotchkiss School in Lakeville, Connecticut, and the Yale School of Forestry and Environmental Sciences as an active contributor in more ways than just money. He's an avid reader, bridge player, and a lifelong tennis player (yes, even at age eighty-plus). Maybe you've heard of his tennis coach Roy Emerson!

A lifelong golfer as well, Edgar Cullman served as president of Century, one of New York's oldest and most prestigious golf clubs, at which he's still an active member. An inveterate fisherman, he travels yearly to fish for salmon from Canada to Scotland. In fact, the subject of fishing brought to mind a most interesting tale — one that certainly enhanced the Cullman family fortune for all time.

"One year, my father couldn't make the trip to go salmon fishing and he asked me to go in his place. Well, I fell in love with the sport right away and I've been in love with it ever since," Edgar says. "I also got to meet John Gorman the head leaf buyer from American Tobacco — one of Cullman Bros.' biggest customers — and a fellow named Al Lyon, who was the chairman of Philip Morris, which, at that time, was one of the smaller cigarette companies."



Edgar shares a cigar with his grandfather, "Piano Joe." Though tobacco is in the Cullman family's blood, Joe made Edgar promise never to partake until his twenty-first birthday.

Photo by Kevin Ulrich.

GENERAL CIGAR'S EDGAR CULLMAN SR.

"In 1941 or '42, the same Al Lyon, who had become a fishing pal of the family, called my father and asked him if he would be interested in buying a nice little tobacco company called Benson & Hedges. Al knew that, at the time, my father was looking for something new to do. He had just completed a job in which he took Webster Eisenlohr (a cigar company that produced such famous brands of the era as Webster and Cinco) out of receivership, and was thereafter fired.

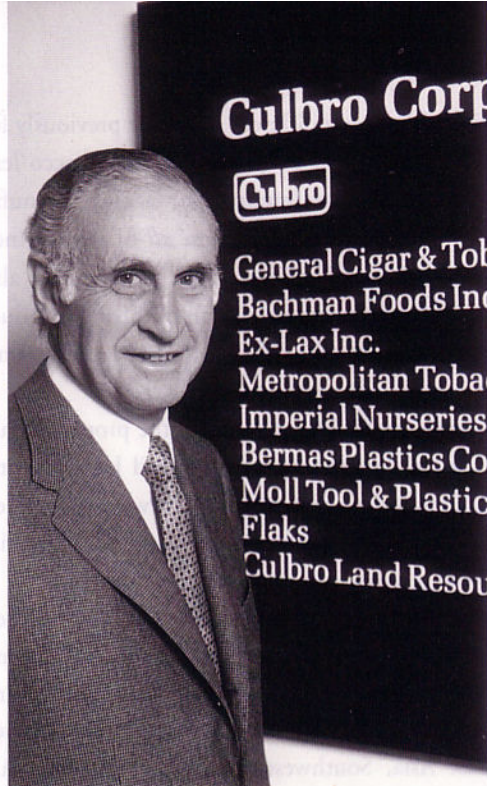
"My father and uncle, who were always interested in tobacco stocks, purchased Benson & Hedges, and upon the return of my brother Joe from the navy after World War II, introduced a second cigarette brand called Parliament, along with a version of Benson & Hedges cigars that were produced domestically as opposed to the Cuban-made products.

"These cigars were made in New Jersey, along with another brand called La Yerba, and utilized our own Connecticut shade wrappers. Prior to that time, all our Benson & Hedges cigars had been made by the Cuban firm of Menendez and Garcia [makers of H. Upmann], and it was the very first private-label brand they ever made. I've still got a full Amatista Jar of those Benson & Hedges cigars that were made by Benji Menendez's father. I think they were the best cigars ever made.

"Brother Joe worked with tobacco and candy distributors on the cigarette business, but came to the conclusion that our small cigarette company could not compete with the big guys, and thought that we should sell out. My father never believed in selling anything and said, 'I'm willing to take the crumbs off the table,' meaning that the cigarette business was so large that he believed the company could make money with even a small fraction of the total business. The family finally convinced Dad to explore the idea, and Joe said that Philip Morris was the natural buyer. The Parliament cigarette was using a unique recessed filter that was interesting to Philip Morris and it was the only cigarette in a flip-top box.

"It so happened that right after that idea was discussed, I was coming back from a trip to Nassau. It was in an airplane called the Stratocruiser, which had a bar and coffee service on a small second floor in the plane. I went upstairs and there sits the same Al Lyon I had entertained on that first fishing trip! I asked him if Philip Morris would be interested in buying Benson & Hedges – the same company he had told my father to buy more than ten years before. And he said, 'Of course.'

"Getting Dad to agree to sell would not be as easy as getting Al Lyon to buy. Joe and I finally convinced Dad that it was the right thing to do, and the deal was made to finally sell the company to Philip Morris in return for a 16 percent stake in Philip Morris."



Edgar's business ventures, not limited to cigars, have included all manner of consumer goods, (including Bachman snack foods and Ex-Lax), real estate, and, most recently, banking.

Tiparillo



Would a gentleman offer a lady a Tiparillo? Of course! Edgar's small, machine-made Tiparillo became a runaway bestseller after the 1964 Surgeon General's report on cigarette smoking. Here, Edgar promotes the brand with "Tiparillo Girl" Penny Edwards and Guy Lombardo at the 1962 World's Fair.

Edgar, thereafter, focused his attention on the farming and leaf aspects of the business while his brother Joe went on to eventually become the president of Philip Morris. It is widely thought that the flip-top box, an idea ushered in by the purchase of the Benson & Hedges business, was responsible for the meteoric rise of Marlboro during the Joe Cullman era. Thus, the value of that 16 percent stake in Philip Morris created massive wealth for both the buyer and the seller. It was a "very good thing," a phrase that would become key in Cullman's future.

Edgar's love of the farming and leaf portions of the business came from years of enforced tutelage that was demanded by his father, Joe Jr., who was something of a taskmaster. He believed his son should learn the business from the ground up – and learn it he did. While working at Cullman Bros.' New York office, Edgar would also work two days a week at the H. Anton Bock cigar factory on Second Avenue, rolling the then immensely popular Sumatra-wrapped, Havana-filler Bock y Ca. Panetelas, alongside other factory workers. And, I might add, Edgar can still roll a mighty mean cigar today, although I have never seen him fabricate the rounded head that he demands of his Macanudo makers. The next step in his training was to work on the Connecticut farms where the golden Connecticut shade wrappers were grown, harvested, and then hung in massive curing barns. Continuing to work at Cullman Bros., Edgar was then put in charge of the farming operation.

"Can you imagine how uncomfortable I felt in the beginning? Here's this young Jewish boy from New York coming up to Connecticut to run the farms, and the fellow who's already there had been doing it for twenty years... and doing it better than anyone I could think of," he says. "His name was Ralph Holcombe. He was quite a drinker, but he was the best tobacco farmer I have ever known in my lifetime."

To oversee the farming, Edgar would head to Hartford on the 7:15 AM plane two days a week, or, if the weather was bad, take the 6:30 train. Often, the Hartford airport would be fogged in and the plane would be rerouted to Springfield, where he would have to take a bus back to Hartford.

"My father, being quite the taskmaster, would call each morning to see if I had arrived and, on those foggy mornings when I would arrive late through no fault of my own, I would be chastised for being late," recalls Edgar. "He even suggested I take the night train to Hartford that left Grand Central Station at midnight!"

Exhausting commutes or not, Edgar enjoyed visiting the farm. "The labor on the farms in the late 1930s and early '40s

was mostly men and women from the South, local people, and college boys," he elaborates. "They lived in camps that we had built and which we were very proud of. The men did most of the fieldwork and the women cooked and sewed – that is, they sewed the harvested tobacco leaves so that they could be hung on poles in the curing barns. We had a swimming pond, and I, along with any visitors to the farm, would swim there along with the laborers. It was a wonderful time."

Time, inventiveness, and the economies of scale have a way of improving the finished product but, in the process, some of the more memorable things we do in life are lost along the way. This is the way it was with the camp farms. In the late 1940s, as the South's infrastructure grew, and jobs became more readily available, the supply of Southern labor began to decrease in availability while increasing in cost. It took more

Who else but the "Chairman of the Board" wears a white shirt and a tie while checking the progress of tobacco operations?





Edgar Cullman visits the Dominican Republic in 1975 to meet with President Joaquín Antonio Balaguer Ricardo (far right).

and more money to attract fewer and fewer workers and, as a result, the makeup of the labor force began to change, with more and more workers coming from Puerto Rico. This created language problems and food-supply problems as well, as the camps were no longer homogeneous. One result was the loss of the majority of the local labor as well as that of the college kids, who were now uncomfortable with camp life.

"By the early fifties, Puerto Rico had started to develop and the labor supply changed again," Edgar recalls. "It was at that point in time that we began to bring workers in from Jamaica to bring in the crop."

I found this recounting of the tobacco camps fascinating, as history always seems to repeat itself. Just a week prior to collaborating with Edgar for this article, I had returned from the Dominican Republic, where Daniel Nuñez and Modesta Fondeur of General Cigar proudly showed me their "invention." It was General's newest farm, upon which they had built a camp for the laborers, complete with beds, barracks, lockers, and even a massive kitchen with cookstoves. It all seemed very familiar and... it was! These were the very same stoves, beds, and lockers I had seen on my last trip to General's farm in the Connecticut River Valley. They had been moved to the Dominican Republic to house Haitian workers,

"ALTHOUGH EDGAR IS NOT A CAR enthusiast as such, he did, in the early '70s, treat himself to a new two-door convertible Bentley with special coach work by Mulliner Park Ward. I told Edgar several years ago that, when he tires of the Bentley, I would be interested in it. But he said I would have to wait to buy it from his estate, to which I responded that I'd be watching the obituaries... which he thought was rather sinister."

WILLEM VAN HUUSTEE

President, Intertrade Incorporated of VA,
Importer of Cigar Tobaccos

whom General is able to hire for significantly lower wages than native Dominicans. And, just as the Spanish-English language difficulty had been a problem in the early fifties when Puerto Ricans were brought into the camps, today there is difficulty with the *patois*, a nonstandard dialect of French frequently spoken by Haitians.

During this trip to the Dominican Republic, I also had a chance to look at some of the marvelous Connecticut wrappers that General selects for Macanudo cigars, and the methods by which they are graded. No one in the industry – in fact, no one in the *world* – spends the time or money that General Cigar does to prepare Connecticut shade. The entire costly and confusing process was set in motion by Ralph Holcombe, Edgar's mentor on the farm. Holcombe had worked on the Cullman farms since the 1920s developing the curious and extraordinarily expensive method that ensures General's Connecticut shade wrappers are the best in the world – a method the company uses to this very day.

Holcombe espoused fastidious attention to a continuity of taste, as well as what has become known as a "winter sweat." Although Edgar arrived on the farms as "a little Jewish boy from New York," he was no one's fool, and he recognized that Holcombe knew tobacco like no one else. As a result, General continues to winter their wrappers in Hartford, Connecticut, then ship them to the Dominican Republic for bulk fermentation and sorting. These bulks, containing approximately 3,500 pounds of tobacco, are carefully and continuously turned each time the temperature within a bulk reaches 110 to 112 degrees. This, of course, applies only to Connecticut shade tobacco, as other heavier tobaccos such as broadleaf and Habana 2000 are allowed to reach much higher temperatures before being turned. For USA-grown Connecticut shade, this fermentation, or bulking, process takes about five weeks from beginning to end – the end being reached when the temperature in a bulk will no longer rise on its own. It's really not rocket science; it's patience and attention to detail, as the bulks are not simply flipped over, but instead are restacked, hand (sorted tobacco leaves tied together by their stems) by hand. The tobaccos from the inside of the bale are laid to the outside, the hands from the left to the right, and the top to the bottom – it is really an art form that must be seen to be appreciated. Then the wrapper bales are reshipped to Hartford for a second winter sweat. After being shipped to the Dominican Republic yet again, wrappers from the previous season are mixed with wrappers from the newest crop in a new bulk. These new wrappers will then generate enough heat to reignite the fermentation process in the entire

bulk, thus allowing the previous year's crop to release any residual ammonia in the leaves and to further darken into the rich, brown colors that premium-cigar smokers admire.

The result of this process is the magnificent selection of wrappers you see on the Macanudo, Macanudo Vintage, Macanudo Gold, Temple Hall, Excalibur, and other fine cigars that General produces in the Dominican Republic and Honduras. Historically, the first through fourth primings from the Cullman farms (the tobacco plant is harvested leaf by leaf from the ground up with the exception of the first leaf, which is normally discarded. Each priming is a group of three mature leaves) were sold to English manufacturers for use on small cigars, but now these light wrappers are used on Macanudo Gold. The fourth, fifth, and sixth primings, which yield the large, beautiful, golden-brown colors and are rich in flavor, are reserved for the premium General brands mentioned above, and the seventh priming (and the less handsome leaves from the other primings) are either used on the Garcia y Vega brand, or sold to other manufacturers of handmade cigars in the Dominican Republic.

A seasoned veteran of this business, Edgar knows that the best way to ensure that your Connecticut shade wrappers are the best in the world is to jump in and get your hands dirty.



Although Edgar embraced the tobacco-leaf business, he was eager to buy a cigar company of his own in order to utilize a portion of the products of his farms. After an unsuccessful bid to acquire Bayuk Cigar, he purchased General in 1960. At the time, General had three blockbuster mass-market lines: White Owl, which, at one time, sold more than 600 million units a year; William Penn; and Robert Burns, their most expensive cigar. This was an era during which mass-market cigars were still made with natural tobacco wrappers and Edgar, who had the factories running three shifts, often showed up at General's various plants in surprise, middle-of-the-night visits to check on things and to set an example for his employees.

Edgar credits the demise of the natural-tobacco-wrapped, mass-market business to the introduction of homogenized tobacco leaf (HTL) wrappers. "After the introduction of homogenized wrappers, all the cigars looked alike and tasted alike. The quality was gone. It was a disaster! Sales fell from ten billion a year to two billion, and we had to start using HTL as a defensive measure as well," he says with regret. "Prior to HTL, we used to advertise our best-selling White Owl cigars with a slogan: 'the White Owl New Yorker, the best two-for-a-quarter cigar that sells for ten cents.'"

"We did a lot of sports advertising. Hank Greenberg was my favorite baseball player [and] he married Carol Gimbel, a friend of the family. We advertised White Owls at the ball games," he goes on. "I love baseball. Did you know that I was at Yankee Stadium the day that Don Larsen pitched the

only perfect game in World Series history in 1956? [While bragging about the 1956 series between the Dodgers and the Yankees, Edgar avoided mentioning that he is actually a fan of the lowly New York Mets!] We also advertised William Penn cigars on TV with the *Friday Night Fights*."

The use of HTL and a new type of cigarmaking machine called a rod maker eliminated more than 50 percent of the labor costs in producing machine-made cigars, cut the number of operators on each machine from four to one, and also vastly increased the number of units that could be made per hour. These new and efficient mass-production machines came along at just the right time for a major happening in the cigar industry. In fact, this "happening" made the Cuban embargo of 1962 pale in comparison, as the sale of Cuban cigars and Clear Havanas (cigars made outside the island of Cuba, but manufactured with all Havana tobacco) were measured in the millions, while popular-priced, mass-market cigar sales like Edgar's White Owls were measured in the *billions*.

This extraordinary happening was the first Surgeon General's report on the effects of cigarette smoking, published January 11, 1964, and millions of cigarette smokers attempted to curb their cigarette use by substituting the many small, tipped cigars on the market. The sale of such cigars as Havana-Tampa Jewels, Tipalets, Muriel Air Tips, Bering Fads, and any number of small, almost cigarette-sized, tipped cigars went through the roof! But the biggest winner of them all was Edgar's Tiparillo, which was nationally advertised in print and on television and radio with the now-famous slogan, "Should a gentleman offer a lady a Tiparillo?" This boom in small-cigar sales expanded the use of HTL dramatically, as every one of these products were made on high-speed rod makers.

The method by which these tipped mass-market cigars were distributed in the 1960s was far different than the open system that exists today; it was an era of franchised distributors. In New York, for instance, all American Cigar brands (Antonio y Cleopatra, La Corona, Henry Clay, and Roi-Tan) were distributed by an outfit named Faber, Coe, and Gregg. Garcia y Vega was distributed by a company named Schwab, and General's distributor was the Metropolitan Tobacco Company – the largest and most powerful of all distributors with branches and connections across the nation. Retail shops were forced to deal with these distributors in order to acquire the brands they needed to service the public. And, of course, the cigar manufacturers were at the mercy of these distributors as well; if the distributor did not properly promote a manufacturer's brand, there was no way to get the cigars into the hands of smokers. Having been a retail shopkeeper myself during this

"EDGAR SR. WOULD TRAVEL ANNUALLY TO his house in Jamaica for Thanksgiving holiday. Of course, he would always want a turkey for the holiday and there must have been a restriction on bringing poultry into the country. In order to have his Thanksgiving turkey, Edgar Sr. would smuggle it in... in his golf bag."

RON SHAPIRO

Longtime New York City Tobacconist



Edgar Cullman is no slouch when it comes to rolling a cigar, but even this tobacco-industry renaissance guy hasn't managed to perfect the rounded head he demands of his Macanudo makers... yet.

era, I can say with certainty that the franchised-distributor system was a nightmare for everyone except the franchisee.

"In 1965, we began to hear rumors that the Met [Metropolitan Tobacco] was up for sale and someone was in the process of buying it. They were our franchised distributor and we could not let them fall into the wrong hands," Edgar states. "So *we* purchased the Met. We did it to protect our brands, but I truly felt that it was a commendable profession, performing a needed service for retailers."

With General Cigar as a built-in customer for his tobacco, and a client list that included all the major manufacturers, Edgar expanded his farming operation dramatically in the mid-1960s by buying American Sumatra, which was not only the owner of two thousand acres of prime tobacco land in the Connecticut River Valley, but a major competitor. With this acquisition, Edgar Cullman's only remaining large-scale competition in the Valley came from Windsor Shade and its principal grower, Oliver Thrall. Although the land was cheap, there was insufficient demand for all the tobacco that could be produced, and Edgar went hunting for another cigar company. This time, the search was for a company that could use his shade-grown wrappers on premium cigars.

In the 1960s, Tampa, Florida, was still the "Cigar Capital of the World" and numbered among its many factories were

Garcia y Vega, Perfecto Garcia, M&N Standard (Cuesta-Rey), Corral-Wodiska (Bering), A.E. Santaella (Optimo and La Primadora), and Hav-a-Tampa. It was a city built on tobacco and cigar manufacturing (and, ironically, today no longer allows smoking). There were so many cigar factories at one time that they were actually numbered; the very first factory was called Sanchez y Haya. That building was to become the site of Gradiatz-Annis, always referred to as "Factory No. 1," or the "Gold Label Factory." This was the factory that Edgar acquired for General Cigar, to ostensibly use his wrappers on a premium cigar. However, the most valuable asset was Morton Annis, its owner, a person who many old-timers in the industry (including myself) regard as the most creative and most ingenious packaging man in the history of the cigar business. Morton revolutionized the packaging of cigars and, in his years with General Cigar, produced dozens and dozens of innovative packages in wood, tin, leather, and ceramic, as well as highly colorful and artistic holiday packaging for Gold Label and the entire catalogue of General Cigar brands – a catalogue that would soon include the likes of Macanudo and Temple Hall.

Many of Morton's innovative products, like the Gold Label Swagger and Gold Label Dino, were sold by the millions, and their unusual packaging virtually captured a consumer's eye the moment he stepped into a tobacco shop. Morton was a



Golfing, tennis, fishing, and horseback riding... this octogenarian, today, is more vibrant and energetic than many guys half his age!

rare talent and an instrumental contributor to the growth of Cullman's General Cigar Company.

Whether by instinct or by sheer luck, Edgar has always managed to surround himself with talent. It started on the farm with Ralph Holcombe, then Morton Annis with his incredible package designs, and Silvio Perez, who taught General's people the art of fire curing candela wrapper. Later, after the acquisition of the Temple Hall factory in Jamaica, it continued with Ramón Cifuentes of Partagás fame, who encouraged Edgar to age his tobaccos for at least three years before attempting to create a premium cigar; Benjamin Menendez, son of the famous producer of H. Upmann and Montecristo Havana cigars; and Alfons Mayer, General's chief tobacco buyer. Again, when General opened its Dominican factory, first to process wrappers and then to produce Macanudo and Partagás cigars, Edgar was fortunate to meet a young agronomist named Daniel Nuñez. As everyone now knows, Daniel was recently appointed president of General Cigar. And in the nineties, with the addition of Villazon to General Cigar, Frank Llaneza, possibly the best blender, and Estelo Padrón, one of the great cigarmakers of all time, were added to an extraordinary base of talent.

As I've said, Edgar Cullman's story is a long and interesting tale of both the acquisition and divestiture of diverse businesses, and the accumulation of trademarked brands and management talent that cries out for a much more in-depth treatment than can ever be done in a magazine. His is a story that needs to be placed in a book to be properly told. Yet I will attempt to do it the justice I can within the confines of this magazine's format.

In 1968, Edgar purchased the Temple Hall factory in Jamaica, as well as the US rights to a Jamaican brand called Macanudo, which, at the time, was only sold in England, where the UK rights to the Macanudo trademark belonged to the British firm of Joseph Samuel & Son. Although in competition with a full array of Havana-made cigars, Macanudo sales in England were fairly brisk, due to the favorable duty structure

afforded Jamaican products as a member nation of the British Commonwealth. It is this British heritage that accounts for the size names of the many popular Macanudo cigars: Duke of Devon, Baron de Rothschild, Hyde Park, and, Edgar's favorite smoke of all, the H.R.H. Prince Phillip, among others.

While the Macanudo name had some significance in England, no one in the American cigar industry had ever heard of Macanudo in any context other than as a former *vitola* of the Cuban Punch brand; Edgar's purchase of the factory went without fanfare or comment. Interestingly enough, if one were to examine the crest and edging strips of today's Honduran- or Cuban-made boxes of Punch, you will find they are virtually identical to those of the Macanudo. Who would ever have guessed that this unknown brand with the strange-sounding name that has often been called Macundo, Macanoodle, Manacudo, and other tongue-twisting mispronunciations, would become the nation's largest-selling, most widely distributed premium handmade cigar! There's always a little bit of luck involved in the launch of any new cigar brand, but Macanudo had a lot more than luck going for it at the time of its introduction to the American marketplace. Its success was based on a combination of proper production, market conditions, timing, competition, packaging, sales, and distribution.

Most premium-cigar smokers equate Kennedy's February 1962 embargo of Cuba with the last date that Cuban cigars were available in the USA. Nothing could be further from the truth. As a retailer in this era, I can authoritatively say that we sellers of cigars had absolutely no idea this embargo would last forever. We thought it would all be over in a few weeks, then a few months... then any time now... and, so, we continued to purchase and sell our inventories of Havana-made cigars at the exact same prices as we always had. Frankly, when Cuban cigars were legal, they were no big deal; there just weren't that many people willing to pay fifty cents and upward for a single cigar – even if it had been made on the moon! The big sellers were Clear Havanas, the four-for-a-dollar, machine-made, long-filler cigars from Tampa. As a result, the supply of Havanas didn't really dry up until early 1964, two years after the embargo's onset!

The years 1964, '65, and '66 were tough for die-hard smokers of Havanas, and there really wasn't much in the marketplace in the way of completely handmade cigars to fill the void of these "carriage trade" smokers. The best that could be offered were handmade Jamaicans – brands like Mario Palomino and Royal Jamaica that had been around for many years, and some upstart new brands by the names

of Don Diego, Montecruz, Flamenco, and Don Marcos that were being made in the Canary Islands, Spain, by the former manufacturers of H. Upmann and Montecristo.

With the dawn of the 1970s, Cuban cigars were a thing of the past; the entire premium-cigar market was completely dominated by these Canary Islands brands. Retailers could not get enough of them, and Compañía Insular de Tabacos, the manufacturer in Spain, could not produce them fast enough. In our shop, we had a reservation list; as soon as we received a supply of any one of these four brands, our customers would be notified and the cigars would be doled out in the same order in which they were reserved. Many a well-heeled, well-dressed customer would leave work at midday to ensure that he got what was coming to him. And many a movie star or business mogul, like Jack Lemmon, Carroll O'Connor, Milton Berle, Leon Hess, or Seymour Durst, would come running upon receiving our call saying that their precious cigars had arrived. This was the market condition – a severe shortage of true premium-quality cigars – that existed when Edgar's new Macanudo cigar made its very first appearance in the USA.

But, favorable market conditions alone could not place Edgar's new Macanudos in the same rarified company as the Montecruzes and Don Diegos of the world. Only quality could.

"IT WAS AROUND THE YEAR 1970 THAT I had the pleasure of meeting Edgar Cullman Sr. I was experimenting like crazy with tobacco and had come up with the idea of rolling cigars with wet wrappers. The cigar table was drooling with water on the sides when Edgar asked me if those cigars would ever smoke. I grabbed one of the cigars, handed it to him and said, 'See if it does not burn in your mouth and the ashes not fall off until you finish smoking it.' He laughed very much the whole day after that."

ESTELO PADRÓN
Master Cigarmaker

GENERAL CIGAR'S EDGAR CULLMAN SR.

It was Ramón Cifuentes, former maker of Partagás in Havana – a man Edgar named, without a second thought, as “the best cigar maker I ever knew” – who was responsible for blending and producing the first Macanudos and making sure this cigar was a “very good thing.”

The initial quality of those first Macanudos, the concurrent absence of true Havanas from the marketplace, and the severe shortages of the leading premium Canary Islands brands of the day, combined with the huge sales force and distribution power of General's previously acquired Metropolitan Tobacco Company, gave the Macanudo brand a tremendous jump start in sales. And then there was the packaging, designed by that genius, Morton Annis.

I can still vividly remember the moment I unpacked my first Macanudo Amatista Jar; what a work of art! Fifty beautiful Connecticut shade-wrapped cigars that measured six inches by forty-two. They were packed in a wheel surrounded by a sleeve of aromatic cedar with the Macanudo crest printed on it. This wheel was encased in a heavy, glass Amatista Jar with a cork-lined lid and metal clamps to hold the top in place. A solid, wide leather strap, embossed with a gold-foil Macanudo emblem encircled the jar while a hinged, leather strap provided a handle with which to lift it. This entire sturdy, cut-glass Amatista Jar was then encased in a gold-colored, heavy-flannel, drawstring bag and packed within a large cedar box that was copiously lined with wood shavings to protect the jar from damage in shipping. And then... that entire box was packed in yet another fiberboard box with full-color graphics! What true cigar smoker could resist the temptation to own this magnificent creation? Not me, that's for sure; I took the first one home to show my dad!



In the ensuing years, Macanudo would rapidly become the largest-selling and most widely distributed premium cigar in the country. In every cigar store, in every bowling alley... in every golf-course clubhouse or ninth-hole snack bar... every restaurant and every diner, there were Macanudos. The brand became America's favorite and it fulfilled Edgar's dream to produce a cigar that utilized the bulk of his own homegrown Connecticut shade wrappers. It was a grand slam; the farms made money, the factory made money, the Met (General's wholly owned distributor) made money, and Macanudo set the stage for the next great brand introduction: Partagás.

Edgar purchased the Partagás brand from Ramón Cifuentes in 1975, and the logical move for purposes of expediency and economy would be to produce Ramón's “baby” in the very same factory as Macanudo. A master tobacco man such as Ramón Cifuentes never strays far afield from what works, and the Macanudo filler blend was already a home run. In creating Partagás, quality African Cameroon wrappers were secured at the Paris Conscription (an auction that existed until 1993, at which all manufacturers bid against one another to purchase various lots of each year's Cameroon crop). The look, feel, taste, and color of these toothy African wrappers, which work well with virtually every variety of binder, would differentiate Partagás from its sister brand, Macanudo.

Increasing production in Jamaica to accommodate the Partagás brand would be a daunting, if not impossible, task, as the unions and the Jamaican government itself were very difficult to deal with. Edgar went so far as to take a group of Jamaican officials to the Dominican Republic to emphasize the point that, if no progress could be made in Jamaica, General Cigar would be forced to start producing cigars in the Dominican Republic, where they already had a facility for processing Connecticut shade tobacco. But this was the mid-seventies and Michael Manley, former labor leader, had become Jamaica's prime minister. As a result, there was no middle ground upon which General and the union could agree. To protect his now-popular and rapidly growing Macanudo brand, and to ensure production for his new Partagás venture, Cullman decided to build a second factory on the island

The Benson & Hedges Amatista Jar: Fifty of what Edgar considers the very best of the pre-Castro Havanas from his private collection. Yum!

The Honorable Edgar M. Cullman receiving the Award of Commander of Distinction in recognition of his public service to Jamaica. The award was presented by Governor General of Jamaica, Sir Howard Cooke, in October 1989.

of Hispaniola. The site he selected was the Zona Franca (Industrial Free Zone) in Santiago, Dominican Republic.

The Partagás brand was, and remains to this day, one of the great Cuban marques. It was a valuable property that would be made even more so if the Cuban embargo were to end, and the thought in the mid-1970s was the same as the thought is today: "Sooner or later the embargo has *got to* come to an end; it could be any day." Therefore, the Partagás brand was not a trademark to be trifled with, and the training and preparation of the workers and the materials had to be perfect before taking the risk of launching the brand in the American marketplace. Manufacturing Cameroon-wrapped cigars is much more difficult than working with other wrapper varieties, and it's much more expensive as well, due to low yields and small, thin wrappers that can easily become brittle and broken (for in-depth details on Cameroon wrappers, be sure to read Steve Saka's extensive article on black tobacco in *CM's* Spring 2006 issue).

The plan of action was to train hand workers using wrappers from the Cameroon crop that were unsightly or unsuitable for use on a premium cigar like Partagás. These "test" cigars were initially bundle packed, and later boxed, under the name Dominicana (I know because I bought them all!). These cigars were made by the hundreds of thousands until the workers had acquired sufficient skills to produce a brand-name cigar worthy of placement in America's retail shops. But Edgar was *still* not ready to put his best wrappers on these cigars, so he marketed a brand called Canaria d'Oro, essentially the forerunner of the Partagás brand, made in the very same sizes that had been predetermined for the eventual launch of Partagás. He was taking no chances with his newly acquired trademark!

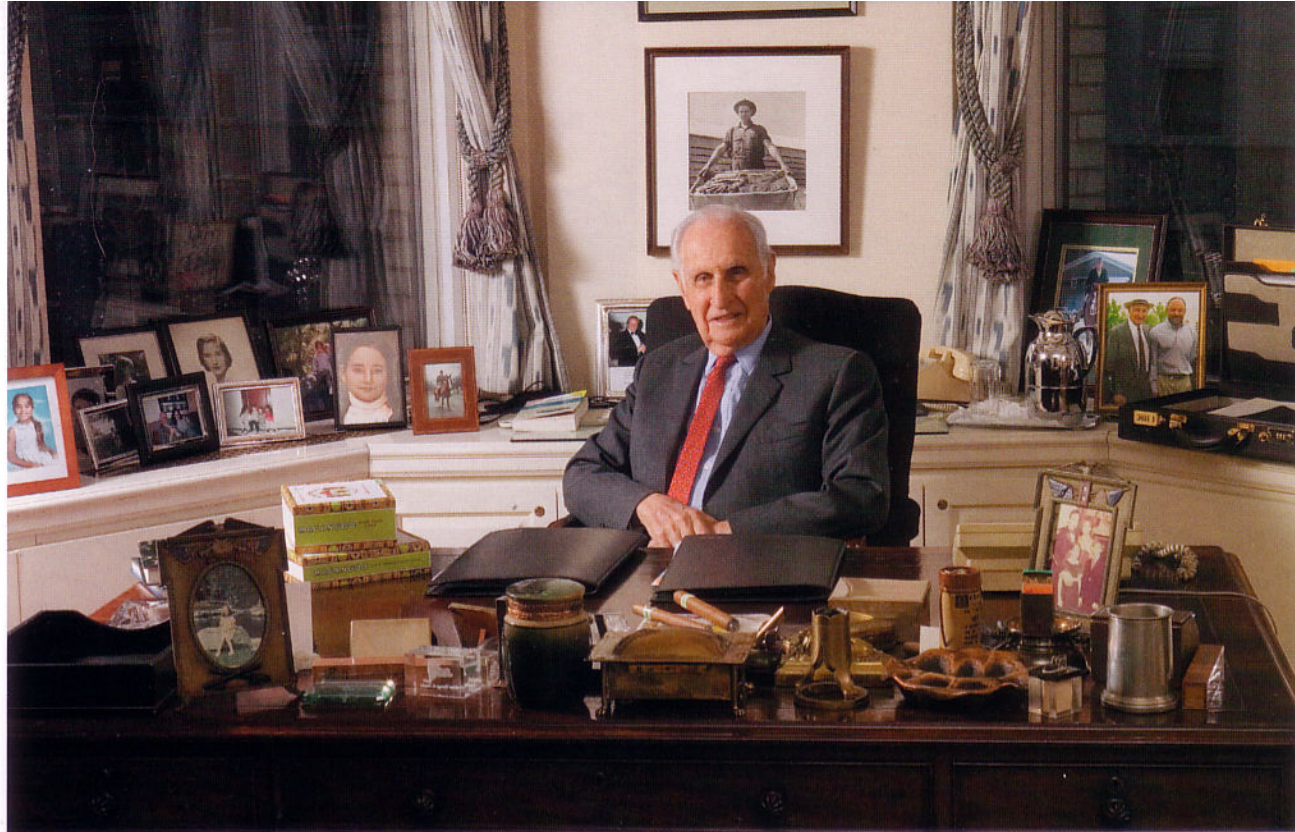
While this transition was in progress, Edgar purchased the Helme Tobacco Company, makers of a number of dry snuffs, pipe tobaccos such as Kentucky Club and Whitehall, and chewing tobaccos such as Mail Pouch. These, along with the Schrafft's and Whitman's candy companies, which he also purchased during this time period, were added to the growing



number of products being distributed by his Metropolitan Tobacco Company.

Thereafter, he also bought the Eli Witt Company, a massive tobacco and candy distributor headquartered in Ocala, Florida, whose operations covered the entire Southeast all the way to Texas. "The biggest disappointment," says Edgar of this particular move in his long business career. "They bled money." Though he attempted to nurture this venture, traveling from branch to branch, often visiting the operations in the wee hours of the morning and night, he was discouraged.

The nature of the tobacco jobbing business underwent a revolution during the twenty-odd years of Edgar's heaviest involvement in the business. He believed that customers appreciated service, but what they *really* wanted was price. Cutthroat competition for accounts and a never-ending squeeze on profits by the major cigarette companies, which continues to this very day, made the jobbing business all but impossible. In fact, most jobbers lost money on a day-to-day basis, yet survived by borrowing all the money they could from banks and loading in all the cigarette inventory they could afford whenever a price increase was announced – and,



Cullman's Park Avenue office is loaded with memorabilia of the tobacco business and the many products the Cullman family has controlled at one time or another during their 100-plus-year history.

Photo by Kevin Ulrich

for years, these increases came like clockwork. Eventually, disenchanted with both the Met and Eli Witt, Edgar disposed of his jobbing empire to concentrate on his other businesses and his first love, tobacco.

The Partagás brand was launched with great fanfare at Alfred Dunhill's Fifth Avenue, New York, shop (or so I've heard, since Edgar failed to invite me) with Ramón Cifuentes as the star of the show. In fact, a movie was made showing Ramón explain in minute detail the creation of this wonderful new cigar. This movie was then put on tape and a machine was provided to all the better tobacconists so that every customer who walked through their doors would likewise get to see and hear Ramón's heavy-Spanish-accented description of the exacting process by which every Partagás cigar was made. This tape was on a loop that played over and over... and over, and over, *and over*. In my time working behind the cigar counter, I must have heard that whole spiel ten thousand times: "*Parr-r-ta-gás – not just a fine cigarr, but a trrrah-deeshun.*" Sometimes I can still hear it in my sleep... but it worked; Partagás was a blockbuster sensation from day one! It was about this time – the mid-1970s – that Edgar Cullman Jr. joined General Cigar, continuing the long line of Cullmans in the tobacco business, and forcing this writer, from this point on, to start referring to the subject of the story as Edgar Sr. (due to the maniacal desire of *all* tobacco people to give their children the exact same name). In the 1990s, a fifth

generation – Edgar Sr.'s grandson David – would join the firm. (Fortunately, Senior's daughter had the good sense to name her son something other than Edgar or this story would have come to a screeching halt right here!)

Throughout the 1980s, Macanudo and Partagás ranked respectively as the number-one and number-two premium brands in the industry, and the earlier mentioned brands (Don Diego, Montecruz, and an H. Upmann line that had been launched in the late seventies, all of which were now being manufactured in the Dominican Republic), maintained the number-three, four, and five positions. These five top-selling brands accounted for the lion's share of premium-cigar sales until the advent of the era now commonly referred to as the Cigar Boom.

From 1993 to late 1997, the handmade cigar business experienced an explosion of demand unheard of in all its prior five-hundred-plus years. Imports skyrocketed from an annualized 100 million per year to a staggering 400 million in just a few years' time. Stores that had never sold cigars before, and storekeepers who knew little or nothing about the cigars they bought and sold, entered the industry and foisted inferior cigars that should never have been made or sold on a tobacco-hungry audience. And manufacturers and importers with false claims of expertise and experience seemed to crawl out from under every rock.

Those of us in the industry knew that more than half the cigars being imported were mediocre at best. They were made with improperly cured tobaccos that reeked of ammonia and sold for prices many times their true worth. Yet, each time we would ridicule these new imports, *we*, in turn, would be ridiculed ourselves by a public that seemed willing to accept anything that looked like a cigar and sold for a price high enough to be called a *premium* cigar. We knew it because we knew our products were made by hand, one at a time, and to be properly made, the components need two to three years' time to mature. Therefore, production simply cannot triple or quadruple overnight. But the public didn't know that and so, as the Boom commenced, product became scarce and the laws of supply and demand took over. Cigar brands that no one had ever heard of, such as El Sublimado, Nicole Miller, and even "old blue eyes" Frank Sinatra, were being sold for more than the tried-and-true quality brands like Macanudo! It was bedlam and, just as Edgar Sr. had been forced abandon his principles and switch to homogenized tobacco leaf years ago to remain competitive, both he and his son jumped aboard the Cigar Boom fantasy with both feet.

Macanudo, previously advertised as "the ultimate cigar" was now upstaged by Macanudo Vintage, a more expensive and obviously "more ultimate" Macanudo! Partagás was upstaged by Partagás Limited Reserve, a sixteen-dollar version of the formerly supreme six-dollar version. And then it, in turn, was upstaged by Partagás 150, a limited-edition cigar with suggested retail pricing up to twenty-eight dollars per cigar!

General's premium-cigar division had been run for a number of years by two men: Dave Burgh, someone Edgar Sr. touted as "a man who knew the business inside and out, and worked like the devil," and Bob Lilienfeld, a former manufacturer of Corina cigars, whom Edgar Sr. characterized as "a gentleman and a man of enormous integrity who was loved by everyone." However, these two men had retired and, in their stead, the Edgars – father and son – had replaced them with Austin MacNamara, a former executive with Chiquita Banana... and a complete novice to the world of cigars and the people who made and sold them. MacNamara, believing that there was no limit to the number of cigars that could be sold or the number of products the company could sell by simply fastening the name Macanudo or Partagás to them, launched a series of ill-fated ventures with the Cullmans' acquiescence. There were Macanudo and Partagás shirts, coats, sweaters, ashtrays, suspenders, ties, cummerbunds, and even Macanudo furniture! To encapsulate the problem, the Cullmans had hired a man who didn't know the first thing about the cigar business

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who had then attempted to sell these noncigar products... to tobaccoists who knew even less about clothing sales than MacNamara knew about cigar sales. It was a disaster! None of the new products MacNamara ushered in survived even the few short Cigar Boom years.

To add insult to injury, again with the Cullmans' acquiescence, MacNamara ordered the construction of five new, massive factories in the Santiago Free Zone, just as the Cigar Boom era was coming to a close! I vividly remember having lunch with Edgar Sr. and MacNamara. Austin confidently predicted that the premium-cigar industry would reach one billion units within five years. "And we're preparing to meet the demand by buying all the tobacco we can get our hands on," he gushed. When he finished speaking, I suggested

General Cigar's New York City offices are decorated with many original tobacco-related antiques, including lithographs, paintings, and traditional cigar-store Indians.

Photo by Kevin Ulrich.





The Edgars, General Cigar's father-son team.

"DECADES AGO, EDGAR HAD THE WISH to own a cigar factory. I think he once made an unsuccessful run for control of Bayuk and, of course, later ended up by controlling General Cigar. Now the Cullmans have sold their interest in General Cigar to Swedish Match, and even though Edgar is in his late 80s, my guess is that we have not yet heard the last of the Cullmans in the world of cigars."

WILLEM VAN HUYSTEE

President, Intertrade Incorporated of VA,
Importer of Cigar Tobaccos

that he consult a good psychiatrist, which got a hearty laugh out of Edgar Sr. Two years later, the new buildings in the Zona Franca were still there, but the banana man was gone.

Fortunately for the company, the tremendous increase in the sales of their key premium brands in these Cigar Boom years more than compensated for the lack of business acumen on the part of the fellow they had chosen to replace the previously mentioned Dave Burgh and Bob Lilienfeld. And, in retrospect, with all his failings, MacNamara's speaking skills may have made the company more money than it had ever made before. Edgar Sr. was getting ready to do an initial public offering of General Cigar stock and Austin, an excellent speaker, would do the road show for potential investors with the Cullmans!

The timing for a public offering couldn't have been better. Cigars were at their peak of popularity and everyone with an IQ over ninety either had gone public or was preparing to do so. In 1997, just before the Boom began to wane, Edgar Sr. went to Tampa to meet with Frank Llana, the major stockholder in Villazon. The two men had known each other for decades, as Edgar had sold Frank tobaccos countless times, and Frank had made the Benson & Hedges cigars for Edgar's brother Joe after the Cuban embargo, which were then distributed through Edgar's Metropolitan Tobacco Company. A deal was struck between the two old friends and General Cigar now had the Punch, Hoyo de Monterrey, Excalibur, Belinda, Flor de A. Allones, and El Rey del Mundo cigar lines to add to its stable of brands, which also included Macanudo, Partagás, and the recently released Bolivar and Cohiba brands. It was an awesome lineup to say the least.

It was the acquisition of Villazon and its sales volume and trademarks, added to the existing highly profitable, but relatively low dollar volume General Cigar business that gave Edgar the critical mass to launch a highly successful IPO. And it was just in time; the Cigar Boom era was about to come to a close.

In the ensuing years, cigar imports dropped dramatically. This decline was not actually due to a cessation of cigar use on the part of the American public; it was the industry cleansing itself of excess product and excess points of distribution. As those same importers and manufacturers that had sprung from under every rock during the prior years closed up shop and went out of business, their inventory did not simply disappear. And as bars, gas stations, liquor and convenience stores that had never sold premium cigars prior to the Cigar Boom ceased selling them upon the Boom's end, their inventory likewise did not simply disappear. At one price or

another, and usually at less than cost, every one of those cigars was sold to a member of the American smoking public. It was the combined effect of all these inventory sales that caused a severe slump in imports for the two years that followed the great Boom. Fortunately, Edgar Sr. had spun his magic just before this downturn.

The Cullmans had successfully split off their land holdings in this public offering and now headed a publicly traded cigar company, of which they were the principal shareholders – not just in the common stock, but also in a special series of shares that had superior voting rights. Effectively, they were in complete control of the company and would begin to orchestrate a maximization of their brand values and share values. However, even today, it is uncertain whether the Cullman clan, as a whole, feels that the course they embarked on in 1998 was a “very good thing.”

A decision was made to exit the mass-market segment of the cigar business and a deal was orchestrated with Swedish Match, a Stockholm-based tobacco company that had some limited presence in the United States. The deal finally closed in April of 1999, with General selling the mass-market division and its associated Garcia y Vega, White Owl, Robert Burns, and other brands for \$200 million in cash and an agreement for the supply of tobacco to the mass-market for a period of five years. It seemed like a hell of a deal; not only did General Cigar record a gain on the sale of over \$150 million, it also positioned itself as a 100 percent, right-down-the-runway, premium-cigar company. In theory, *that* was what investors – people with money – were interested in investing in!

However, that, along with a million other theories about how to make money in the stock market, proved to be inaccurate. And by the end of 1999, General's stock was trading as low as eight dollars per share. Swedish Match, who had just bought General's machine-made business, had just acquired El Credito, a small manufacturer of handmade cigars. (I figured it wouldn't be long before they went after General Cigar trading at eight dollars, so I bought some!) Then in 2000, the big news hit: General Cigar had agreed to sell 64 percent of its shares, all the Class A common stock, to Swedish Match for \$15.25, a premium of \$7.00 per share. While it was a home run for people who had bought the stock at the right price, it was a grand slam for the Cullmans! They would retain their 36 percent of the company by virtue of their ownership of the super-voting Class B shares, in a deal which left them in control of General Cigar, and an opportunity to sell their shares at a much greater price at a future date.

That future date occurred in February of 2005, a date that Edgar Sr. thought would never come. But who would have ever imagined the meteoric rise in the value of the euro, which had skyrocketed from eighty-eight cents US to \$1.30 in the intervening years? Swedish Match had exercised its contractual rights to buy the Cullman family stake in General Cigar and, although left in a “consulting” position until the end of 2005, the Cullman family would be out of the cigar business for the first time since 1960.

The final price was a windfall profit for the family as a whole. But for a family that already had more money than they knew what to do with, was the sale of a business they loved *really* worth it? You really can't get a straight answer from anyone in the family, although I'm sure their preference would have been to remain in charge of the company... and have the money too!

Since the deal with Swedish Match has no restrictive covenants regarding Edgar Sr. or his son and grandson from competitive ventures in the cigar business, have we heard the last from this vibrant octogenarian and his offspring?

My guess as a longtime friend of the family is that we absolutely have not. **CM**

Edgar and his wife Louise at Edgar's eightieth birthday party, held at New York City's Yale Club.





Belinda	Flor de A. Allones
Bolivar	Helix
Bolivar Cofradia	Hoyo de Monterrey
Canaria d'Oro	La Gloria Cubana
Cohiba	Macanudo
Creme de Jamaica	Partagás
Diablo	Punch
Don Tomás	Rafael Gonzalez
El Credito	Ramon Allones
El Rico Habano	Sancho Panza
El Rey del Mundo	Temple Hall Estates
Excalibur	

Photo: Peter Lindbergh