

## How Aristotle Onassis Made His First Million in Argentina

(Reprinted from Brandstand Summer 2007)



Many people are familiar with the story of how a vast fortune was amassed by Aristotle Onassis in his lifetime through control of a worldwide shipping empire but few are aware that his first million was earned making cigarettes in Argentina during the late 1920s and early 1930s. The story of this early cigarette manufacturing venture reveals much about the way Onassis would approach the business world all his life.

Aristotle Onassis spent his early years in the city of Smirne in the province of Anatolia. His father, Socrates had moved to the bustling trade port after hearing stories of the numerous economic opportunities there. He had started up a small import-export shop dealing in cotton, figs, rugs and tobacco and his business soon flourished. With his three brothers as partners, Socrates expanded the business repeatedly and then began to focus on tobacco as their principal commodity. Socrates Onassis married the daughter of a village notable around 1898 and Aristotle and his brother Artemide were born within the next two years. Young Ari and his brother grew up during a period of hostilities between Greek and Turkish nationalists. The area where they lived was occupied by Turkey in 1909 and remained so throughout WWI. After the war, Greece was encouraged to reoccupy Smirne and they did so. However, the reoccupation was short-lived and in 1927, Turkish troops under command of Kemal Pascia conquered the territory once again. Socrates Onassis was thrown into a Turkish prison for his Greek nationalist activities. Aristotle managed to avoid being sent to a prison camp by lying about his age and then paid a bribe to a Turkish government official to release his father. The story goes that his father rather than showing gratitude, admonished Aristotle for spending family money wastefully on a bribe. It was at this point that Aristotle decided to start a new life by emigrating to Argentina.

Aristotle set out for Argentina with only a third-class ticket and \$250 in his pocket but with a great deal of hope for the future. When he arrived in Buenos Aires, he quickly found work as a telephone operator and spent most of his time off studying the financial pages for the London and New York stock markets. With the knowledge that he gained, Ari made a highly speculative investment which led to a quick \$700 windfall. The profits were spent on a stylish new wardrobe and Onassis began a life of night-clubbing and socializing with the rich and famous of Buenos Aires.

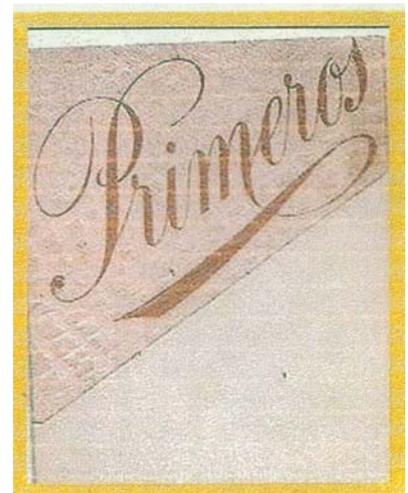
It was at about this time that Onassis hit upon an idea which would soon prove to be very profitable. He noted that women, especially those in the upper social circles of Buenos Aires, were beginning to smoke cigarettes (sometimes even in public) as a symbol of their emerging independence. However, the only cigarettes available to them in Argentina (and most of South America at the time) were made with strong Havana tobacco. Onassis sensed that there was a ready market for cigarettes made with finer Turkish tobaccos and he knew just where he could find a steady supply. He wrote to his father and persuaded the senior Onassis to invest in his new venture and agree to ship an ongoing supply of his best Turkish leaf. At first, Ari tried to sell the raw leaf to local cigarette makers but soon decided that the best route would be to manufacture and market his own brands. The brand names that he chose were "**Osman**" and "**Primeros**" and the advertising was subtly aimed at the emerging female market.

The story at this point varies according to who is telling it but just as Onassis was becoming more involved with his tobacco business, he began a courtship with the famed Argentine opera star Claudia Muzio and they soon became lovers. Some say that Aristotle used Claudia as a way to open the doors of Buenos Aires society but others believe that it was true love. One thing for sure is that Claudia began to be seen more often in public smoking cigarettes and in particular "Osman" and "Primeros". This tacit endorsement by one of the most recognized singing stars of the day was enough to stimulate sales of cigarettes among women and especially the brands of Onassis' tobacco company. Osman and Primeros were soon among the leading brands in the Argentine capital and Aristotle Onassis was well on his way to making his first million



Onassis' relationship with Muzio was also part of a pattern that would repeat itself throughout his life. He seemed to always be in pursuit of women who possessed both beauty and fame although it was usually in the courtship phase that Onassis expended most of his energies. Once he had wooed and won a woman, he would often turn his attentions towards his next conquest as Maria Calles sadly learned. A reporter once asked how it was that he had so many beautiful women in his life and Onassis responded that "women are attracted to tall men". Pausing for a moment as a look of confusion came over the face of the young reporter, the five foot five inch Onassis finished his sentence by adding "and most women envision me standing tall on a very big pile of money".

Ironically, it was the tobacco business which was to ultimately lead Onassis into his greatest lifetime avocation, shipping. As his cigarette sales grew, Ari realized that a very great part of his cost was associated with shipping fees and taxes. He attacked the tax issue in a letter to the Greek government and eventually had Argentina excluded from the tax and himself appointed as Counsel in Buenos Aires. He then set out to buy a ship to handle his growing demand for imported Turkish tobacco. What he found instead was a fleet of six old steamships owned by The Canadian National Railways which they wanted to sell at salvage prices. Onassis offered an even lower price of only \$20,000 each and the railway surprisingly agreed making him an instant shipping fleet owner. The rest of the story is, of course, history as Onassis parlayed the tired little fleet of six old steamships into a global empire which included not only freighters but oil tankers, cruise ships, whalers and eventually control of two airlines. But in retrospect, it all started with a small cigarette company in Buenos Aires.....



**Primeros** was one of the brands made by the Onassis Cigarette Company in the 1930s.