

Cigarette Tax Change Would Help Farmers, Workers, Retailers and Government, An Expert Explains

By W. R. KELLEY
As told to Frank Wilder

More than fifty years ago, when tobacco growing in central Kentucky was in the experimental stage, Ben L. Kelley of Garrard County, began its culture with a view to producing a finer smoking tobacco.

To this work he gave his full attention and after years of patient labor and study succeeded—by applying the principles of cross breeding successfully used by the famed Luther Burbank—in producing what is known everywhere among burley men as "Kelley Tobacco."

Today, W. R. Kelley is now the head of the firm of B. L. Kelley & Sons. He has grown up in the business, knows its many angles intimately, and has shared with burley growers their fat and lean years for decades.

Mr. Kelley has joined officials of the American Farm Bureau Federation, the Tennessee Farm Bureau Federation and the Kentucky Farm Bureau Federation, in endorsing the plea of southern tobacco farmers to Congress to replace the present federal flat-rate tax on cigarettes with a graduated tax based on the retail price of the package.

In this statement Mr. Kelley tells why he favors this change which is held so important to the prosperity of the tobacco growing and cigarette making industries.

cigarettes have asked Congress to reduce the tax on that price smoke by three-fifths of a cent; to leave the tax on 15-cent cigarettes at 6 cents and to raise the tax on more expensive cigarettes by three-fifths of a cent.

The Ways and Means Committee of the House of Representatives has studied the proposal for several weeks and a special hearing will soon be given by a sub-committee, of which Representative Fred M. Vinson of Kentucky is chairman.

Importance To Growers

It would be hard to over-estimate the importance of the 10-cent cigarette manufacturers to burley growers. It was only about two years ago that a few manufacturers started making 10-cent cigarettes. Up to that time four big companies had 96 per cent of the cigarette business. During ten years manufacturers' profits had been going higher and higher and farmers' profits on tobacco had been falling lower and lower.

"It was in 1931 that the price of burley dropped from 15.59 cents to 8.63 cents. Cigarette consumption had been decreasing and the farmer was getting the worst of the deal. To make matters worse, there was no competition between the buyers on the tobacco market.

The next year the 10-cent cigarette came along. It was just what the poor man needed and cigarette consumption began to increase again.

"Buyers for these independent makers of low-price cigarettes put some competition into the loose leaf market. Of course farmers aren't getting what they should for their tobacco now, but it is hard to tell what might have happened if the 10-cent cigarette hadn't been put on the market.

As I understand it, the makers of this sort of cigarette, have been able to sell the cigarette at such a low price because they don't go in for extravagant, ballyhoo advertising, because they don't use so much expensive foreign tobacco as is used in the more expensive cigarettes and because they are satisfied with a modest profit.

Before the big manufacturers had to cut prices to meet competition of the ten-centers, it is estimated they were making 100 per cent gross profit on the cost of their products before tax.

Invisible Profits

The increased costs of labor under the N. R. A., increased costs of materials and equipment and the processing tax have cut profits on 10-cent cigarettes down to less than two mills a package.

In business survival depends entirely on profits, and the manufacturers of 10-cent cigarettes say that the graduated tax is absolutely necessary to their continued operation on the present basis.

The thing they are asking Congress to do seems reasonable enough. The tax on cigars is in proportion to the selling price. Practically all taxes are graduated in this way.

The reason there has not been a graduated tax on cigarettes is that there never was any need for one until the 10-cent cigarettes were put on the market. Practically all cigarettes sold at 15 cents a package, or higher.

Before the World War, the cigarette tax was only \$1.25 a thousand. In 1917 it was raised to \$2.05 and in 1919 to \$3.00, or 6 cents a package. It never has been changed since then.

Probably there is no commodity in general use that is taxed so heavily. The smoker pays about \$21 a year in cigarette taxes to the government.

But Congress hasn't been asked to make a reduction in the revenues from cigarette tax. The proposal is only for an adjustment to do away with the present unfair and discriminating tax on these low-priced cigarettes.

Disappearance of the 10-cent cigarette would permit the big manufacturers to discontinue their price cutting. Smokers would start using an increased amount of "roll-your-own" tobacco, which is taxed only 18 cents a pound in comparison with the tax of about \$1 a pound paid on cigarettes.

Farmers Should Help

If we farmers do our part to keep the 10-cent cigarette on the market, consumption undoubtedly will continue to increase as it has in the past two years. This means more revenues not only for the government but also for the farmers.

An interesting element which is not ordinarily considered, is that one reason the manufacturers of 10-cent cigarettes can sell their cigarettes at such a low price is that they use much less Turkish and other costly imported tobaccos than are used in more expensive cigarettes.

This imported tobacco doesn't yield any profit to the American farmer. It is the wide use of American tobacco that helps agriculture and, incidentally, the 10-cent cigarette manufacturers, so far as I know, have been paying just about as much to the farmer for his tobacco as anyone else and they will continue to. They say the farmer receives substantially the same amount of the consumer's dollar through the 10-cent cigarette as he does through the 15-cent cigarette.

Approximately 400,000 farmers and hundreds of thousands of laborers in the United States are engaged in growing tobacco. Their interests are of primary importance.

The problem of the 10-cent cigarette is the poor man's problem. The poor man produces the tobacco and the poor man smokes the 10-cent cigarette.

Huge Saving to Smokers

By providing a low-priced high quality cigarette and by forcing the big manufacturers to keep their prices down, it is estimated that the independent manufacturers have saved smokers as much as \$150,000,000 a year.

Labor has benefited from the 10-cent cigarette also. The biggest factories in which these cigarettes are produced are union plants. That is more than can be said for certain of the larger factories.

E. Lewis Evans, president of the Tobacco Workers International Union, recently said that unless the cigarette tax is graduated thousands of factory workers will lose their jobs and that farmers will lose the market for a large proportion of their tobacco crop.

When you consider it from the standpoint of the farmer, the worker, the smoker and the manufacturer, the request for revision of the tax is fair.

This proposal for an equitable graduated tax has received the approval of the American Farm Bureau Federation and the Kentucky and Tennessee federations without reservations.

When this question comes before our representatives in Congress for a final decision they must be aware of the fact that revision of the cigarette tax is a matter of great public interest and national importance.

No farmer will make a mistake in writing to his Congressman and urging a favorable vote on the tax revision plea. Will you do it—and do it now?

10% phosphoric acid, and 6 to 10% potash for Bright tobacco.

The greatest change which has occurred in Bright tobacco fertilization in recent years has been in potash, since this element is of first importance both as to quality and yields. The 3-8-8 analysis for tobacco is called "a better fertilizer for better times." Leading fertilizer companies are producing it this year.

W. A. James of Morganton, route 3, harvested 3,000 pounds of Korean lespedeza seed from a five acre field. Lespedeza is steadily taking the place of cowpeas after wheat for soil improvement in Burke county.

Bertie county farmers are enthusiastic over the corn-hog reduction contracts.

Doctors Fight To Save Life of Boy Turning Into Bone

Wilkes-Barre, Pa., March 28.—The body of seven-year-old Benjamin Hendrick of Larksville is slowly turning into bone.

The boy's plight was revealed by physicians who have been fighting a losing battle at the Wilkes-Barre General Hospital to save him from apparently inevitable death.

Physicians from all sections of the State have examined the boy, but none have been able to halt the ossification of his body, now almost immobile.

Physicians said adults have been

known to fall victims of this rare disease, but records do not show any cases where children were afflicted with it.

The first evidence that Benjamin was suffering from this so-called "petrification of the body" was a noticeable stiffening of the joints.

Mrs. Theresa Hendrick, Benjamin's mother, attributed his condition to a fall when he was a year old. A brother reported the boy's back became stiff and hard when he was two years old.

When he was three, he fell at play, and afterwards his leg became stiff, causing him to limp. Physicians said Benjamin's legs and arms were not yet completely ossified, although the bony condition was marked in his back and limbs.

DIZZINESS

relieved by Black-Draught

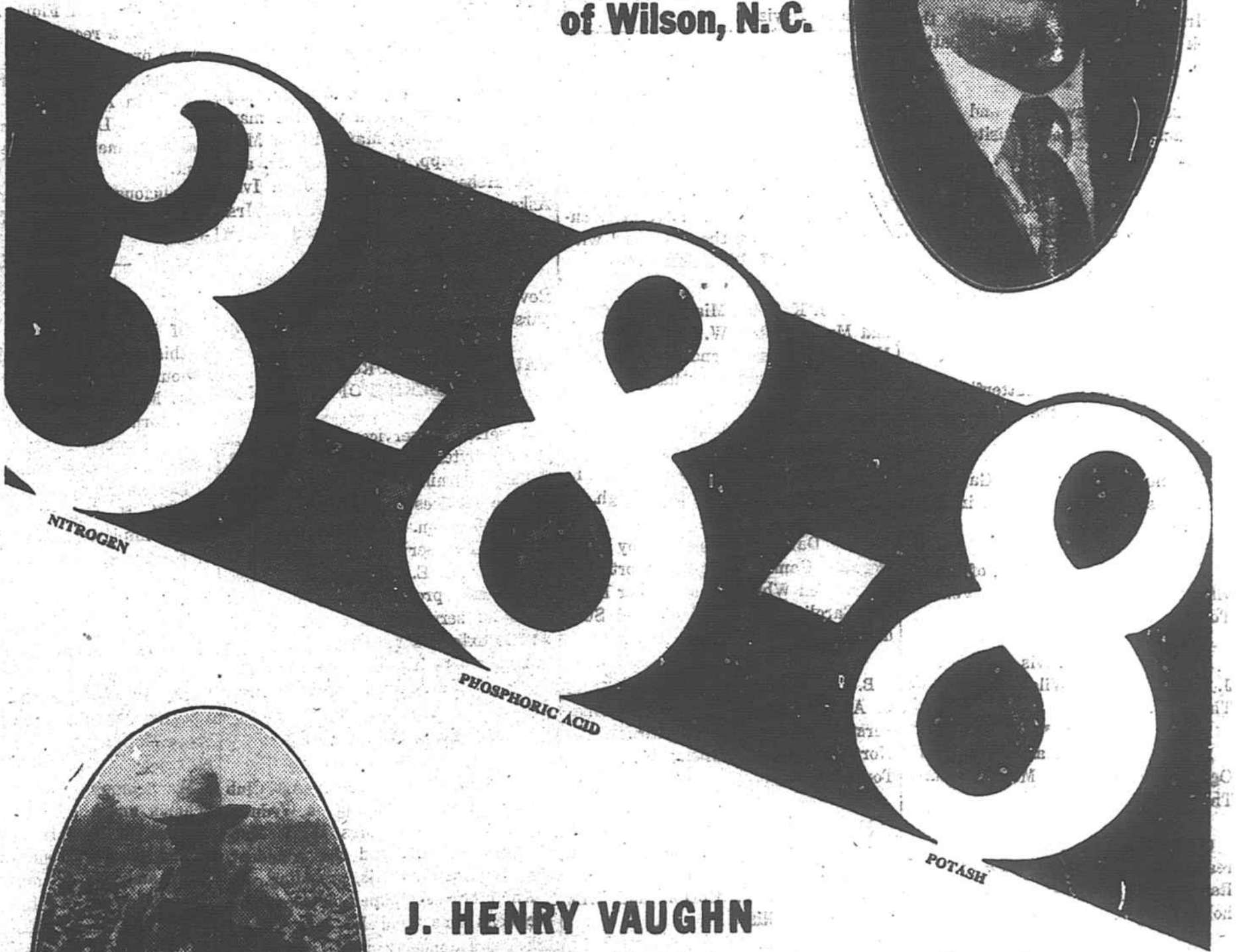
"I decided to take Theodor's Black-Draught, as I had been having bilious spells," writes Mr. Charles E. Stevens, of Columbus, Ind. "When I get bilious, I feel sleepy and tired and do not feel like doing my work. It is hard to tell how I feel, but I do not feel good. I get awfully dizzy. I know then that I had better take something. After I found how good Black-Draught is, that is what I have used. I guess it rids me of the bile, for I feel better—don't feel like I am dropping off to sleep every time I sit down. That, to me, is a very bad feeling." Now you can get Black-Draught in the form of a SYRUP, for CHILDREN.

"profits jump in a hurry"

"My tobacco has received about 70 pounds of pure potash per acre while the average for my section is around 25 pounds. I feel that an increase in potash in tobacco fertilizers will pay the average grower of this section. When you increase both yields and quality with extra potash, profits jump in a hurry.

"I find for my conditions that close spacing, high topping and good ridge cultivation are just as important as the right kind of fertilizer."

says W. CHRIS TAYLOR
of Wilson, N. C.



J. HENRY VAUGHN
of Elm City, N. C., says

"Without exception the highest-priced crops of tobacco in my section are grown with fertilizers containing relatively high amounts of potash. Four main points are involved in the successful production of tobacco: 1—proper seasons, 2—the right kind of land, 3—a good man, 4—well-balanced fertilizers. Leave out any one of these and you are short of the best.

"My two brothers and I find it profitable to use more than twice as much potash as the average fertilizer contains. We use extra potash on tobacco, cotton, corn and sweet potatoes. It Pays!"

a better FERTILIZER for better times

CHEMICAL analysis proves that 1,000 pounds of tobacco removes from the soil 80 pounds of pure potash. This is the exact amount of pure potash that 1,000 pounds of 3-8-8 fertilizer contains. Tobacco removes from the soil more potash than both nitrogen and phosphoric acid combined.

It doesn't always pay to buy fertilizer on brand name alone. Check up on the analysis! Make sure your fertilizer contains the proper amounts of the proper ingredients to pay you best.

Your fertilizer man knows about the outstanding results obtained by many leading farmers through the use of high-potash fer-

tilizers or extra potash in addition to the average fertilizer. That is why he is featuring 3-8-8 fertilizer this season.

By using 3-8-8 fertilizer you can give your tobacco the necessary extra potash in your regular fertilizer application at planting. Remember that 800 pounds of 3-8-8 usually costs less than 1,000 pounds of 3-8-3, yet 800 pounds of 3-8-8 contains more actual plant food and is a much better balanced fertilizer.

Tell your fertilizer man you want 3-8-8 TOBACCO FERTILIZER for your tobacco crop and the regular 3-8-3 for cotton. Use these better fertilizers this season. They will help you to get your full share of better times!

Extra POTASH PAYS Extra Cash

This advertisement is placed by N. V. POTASH EXPORT MY., Inc., 19 West 44th Street, New York City, to support fertilizer manufacturers encouraging the use of better-balanced fertilizers to bring better times. Your fertilizer man has 3-8-8 FERTILIZER on sale.



FOR COTTON: To help your cotton prevent rust, control wilt and produce vigorous, healthy plants with less shedding, larger bolls that are easier to pick and better yields of uniform, high-quality lint—USE 3-8-8 COTTON FERTILIZER. IT PAYS!

Better Fertilizer For Better Times

Of all the field crops, tobacco is the most interesting because it is so responsive. Changes in varieties, weather conditions, and methods of fertilization, setting, cultivation, topping, curing and handling produce very definite effects. You can't stray on the fence with tobacco crop, because everything you do to it is either right or wrong. "Something else" will not do just as well.

Take a crop of cotton, for instance. It will wait around for a long time for conditions to get right but not so with tobacco. The growing season is short and it is always going either

forward or backward. The crop pays excellent dividends for thought, study and attention. It has been called "The White Man's Crop."

Tobacco lands vary greatly, sometimes within a four acre field. High returns per acre generally come from fields which are relatively uniform from one end to the other. Light tobacco on one side of the field, medium in the center, and heavy on the other side—all cured in the same barn—never brings maximum returns. And, what shall we do about it? Maybe we can vary the number of plants per acre, the fertilization and the topping so as to take care of a portion of the inequalities in our land.

In recent years great progress has

been made in the production and use of better fertilizers for tobacco. The market is demanding cigarette types and color is of first consideration. Tobacco with a bright lemon color and good texture tops the market. Farmers are changing their methods of fertilization and handling of the crop to meet these new demands.

The figures show that the farmers who have the largest net returns per acre and produce tobacco at the lowest cost per pound generally have large yields. The production of reasonably large yields of superior quality leaf calls for improved methods of fertilization on most soils. The United States Department of Agriculture and the experiment stations are recommending 3% nitrogen, 8 to

when you use—

INTERNATIONAL FERTILIZERS

You are benefited by the products of a company which has built its business on a basis of manufacturing fertilizers to produce the most value for every dollar invested thru higher yields and the highest quality crops within the season's limitations.—Use them and assure yourself of

"Satisfaction At Harvest Time"

T. W. LANG, Farmville, N. C.