



The latest test findings of the National Safety Council's Committee on Winter Driving Hazards disclose that regular tires on glare ice may take close to nine times as far to stop as on a dry pavement. The Safe Winter Driving League points out that regardless of the type of traction device employed—even with tire chains—far slower than normal speeds are a must on icy pavements.

## Value of Tobacco Allocations Subject Of Interesting Study by NCU Economist

The GI returning from World War II would have done well to have invested his mustering out pay in tobacco land.

Those were the years—the years immediately after World War II—that the value of tobacco allotments in North Carolina soared.

For example, tobacco allotments which sold for \$200 or \$300 per acre in 1945 were worth six times that much in 1955.

Some statistics on the value of tobacco allotments and related topics are found in a study by Dr. James A. Seagraves, an associate professor of economics at North Carolina State University.

One of the "surprising" things revealed by Seagraves' study is the fact that the "capitalized" value of tobacco allotments has risen rapidly since World War II while net profits from tobacco have remained about the same.

"Production control programs took a lot of risk out of growing tobacco," Dr. Seagraves explained. "As growers began to view the future of tobacco with more certainty, they became willing to pay more for tobacco allotments."

Seagraves compared the net profits from tobacco and the price of tobacco allotments for various periods since production controls were voted in during the early '30's.

Between 1934 and 1942, for example, tobacco netted farmers about 19 cents a pound and allotments sold for about \$160 per acre on the average.

Between 1943 and 1952, tobacco netted about 25 cents per pound and allotments averaged \$646 per acre.

Between 1953 and 1962, tobacco netted about 24 cents per

pound and allotments averaged \$2,460 per acre.

To make these comparisons meaningful, Seagraves used "constant 1957-59 dollars." That is, he adjusted the above figures for the amount of inflation over time. Seagraves' study only pertains to the years 1934-1962.

By "value of allotment" Seagraves means the added price that farmers were willing to pay for land because they were allowed to grow an extra pound of tobacco on it.

He notes that the capitalized value of tobacco allotments per pound was fairly constant from 1957-1962, averaging \$1.70 per pound, and he believes that it has remained fairly constant since then.

In another part of his study, Seagraves figured out the rate of returns that a farmer could expect from his investment in tobacco land at various periods.

The rate of return dropped 87 per cent in 1945 to 34 per cent in 1950 a result of rapid increases in the capitalized values of tobacco allotments.

This same trend—fairly constant annual incomes, increased allotment costs and the decreased rates of return—continued until the mid 1950's. The rate of return in the last 10 years has been about 14 to 16 per cent. This compares with an interest rate of practically riskless bonds of 5 to 7 per cent.

Seagraves believes that the trend in the value of tobacco allotments has followed a pattern that could have been predicted for any type of industry.

The allotment based—first on acreage and now on poundage—gradually came to have a value of its own.

At first, investing money in

### Other Editors

#### WRAL-TV VIEWPOINT

## Is Wallace Being Badly Underrated?

Al Capp, creator of the irrepressible Li'l Abner, was talking on the radio the other day about George Wallace. In that, Mr. Capp is not alone. A lot of Americans, on the air and off, are beginning to talk about Mr. Wallace, and if the trend continues it's entirely possible that Hubert Humphrey may throw the Presidential election into the House of Representatives.

Mr. Capp took note of the fact that Mr. Wallace is being given up to 20 per cent of the vote, according to latest polls. But what fascinates Mr. Capp is the possibility that the pollsters may be greatly underrating the real strength of the former Alabama governor.

Mr. Capp's suspicion is that for every voter who is willing to admit that he plans to vote for Wallace, there may be at least one, and perhaps more than that, who intend to vote for Wallace, but don't care to discuss it for business, social or political reasons.

Mr. Capp's point is obvious. If for every vocal Wallace supporter there is one or more silent supporters, then Mr. Wallace may have captured the imagination—or capitalized upon the frustration—of anywhere from 40 to 60 per cent of the vote. If so, that would leave embarrassingly slim pickings for Richard Nixon and the yet-to-be-selected Democratic Party Nominee—presumably Hubert Humphrey—to divide between

these allotments was considered risky, like investing in a uranium mine. Since the investment was risky, farmers needed a high rate of return to justify the risk.

As the tobacco program began to "prove itself," farmers became more willing to invest in tobacco land. The cost of the allotments increased, therefore, and the annual returns to such a relatively "safe" investment began to decrease.

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themselves.  
Meanwhile, Victor Riesel, the noted syndicated columnist who is acknowledged to be the best informed observer of labor union activities in the country, says that labor leaders throughout the country have been transformed into what he calls "nervous Wallace watchers". George Wallace, he reported earlier this week, has begun slicing into the labor vote which traditionally and consistently has gone to the Democratic Party.

Surveys made inside—and by numerous labor unions disclose that Wallace is drawing heavy support in New York, Detroit, Gary, Milwaukee, Chicago, Charleston, West Virginia, Pontiac, Michigan, Cleveland and Pittsburgh. And this is, as Mr. Riesel describes it, "the inner gut of the American industrialism."

Moreover, Mr. Riesel reports, this incredible support of George Wallace is not recent development. He recalls that it was ignored by the news media, but on May 9—the day that Governor Lurleen Wallace was buried—there was heavy absenteeism at Ford and Chrysler plants, and at some plants there were demands that the flag be lowered to half mast. One Ford plant shut down completely during the funeral services because the workers demanded it out of respect to the late Mrs. Wallace.

Various labor leaders, who declined to be quoted by name, freely acknowledged to Mr. Riesel that they were in a struggle to hold labor union support for the Democratic Party. "Our people," one union leader was quoted as saying, "just resent federal pressure to (integrate) their unions." In New York State, there are Wallace headquarters in seven cities, all the way from Long Island Sound to Lake Erie.

It all fits. The ovations given Wallace in North Carolina last weekend confirmed the apprehensions of both Democratic and Republican leaders that this state may go overwhelmingly for Wallace come November. One leading Tar Heel Democrat commented privately this week that "Eastern North Carolina is all locked up for Wallace. The ball game is over," he said, "unless either Nixon or Humphrey can somehow throw it into extra innings and win back some support which their parties have lost."

It all serves to reemphasize the fact that the people are fed up with riots, disorder, high taxes, inflation, federal controls, and the other travails that have showered down upon them since 1960. There is a general feeling among an increasing number of citizens that if nobody else will pledge to clean up the mess in Washington, then let George do it.

The commentators and the liberal editors continue, of course, to mock and ridicule the man from Alabama. They in-

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