

Tobacco

WEEK OF FEBRUARY 14, 1964

Liggett & Myers Reports Sales Increased in '63

Liggett and Myers Tobacco Company reported net sales of \$502,683,153 for 1963, an increase of \$2,727,472 over 1962 sales, in the annual report released in New York last Tuesday. The company reported net earnings of \$5.96 per share of common stock, compared to \$6.14 in 1962.

In his letter to stockholders President Zach Toms, stated:

"Domestic unit sales of cigarettes showed an increase over sales for the previous year, while export sales were slightly off. Export sales for the whole industry were less in 1963.

"During the last six months of the year, earnings were affected by heavy expenses amounting to several million dollars, incurred in advertising and promoting the new Lark cigarette; otherwise, we estimate that earnings
(Continued on page 29)

Burley Sales Spurt On Lexington Market

LEXINGTON, KY. — Volume, which took a nosedive here for the past week or so, perked up this week as auction sales of burley tobacco continued strong.

An estimated one million pounds of burley hit the Lexington warehouse floors ready for Monday's sales.

The unexpected move forced a third set of buyers back into action; only two sets of buyers originally had been scheduled to operate here this week.
(Continued on page 27)

EEC Council Rejects Greek Duty Application

ATHENS, GREECE — The EEC-Greece Association Council in its meeting of February 3 in Brussels, at ministerial level, turned down the application of Greece for a further reduction of customs duties on imports of unmanufactured tobacco in the EEC member countries.

In particular, Greece had asked for a 70 per cent reduction of basic duty on leaf tobacco applied on January 1, 1957, instead of 50 per cent actually in force, along with a second review of
(Continued on page 27)

No Strings Attached . . .

Cigarette Producers Donate \$10 Million to AMA Research

See Editor's Forum, page 7: "Grand Gesture"

CHICAGO, ILL.—The six major United States cigarette manufacturing companies have offered \$10 million to the American Medical Association to finance research on smoking and health and the offer has been accepted with no strings attached, Dr. Raymond M. McKeon, president of the AMA's Education and Research Foundation announced here last week.

Dr. McKeon said the offer came in a joint letter signed by presidents of the American Tobacco Company; Brown and Williamson Tobacco Corp.; Liggett and Myers Tobacco Company; P. Lorillard Company; Philip Morris, Inc., and R. J. Reynolds Tobacco Company.

Dr. McKeon previously had announced the appointment of a committee of five scientists to direct the foundation's basic research to determine how tobacco affects health.

Three members of the AMA foundation committee also were members of the United States Surgeon General's advisory committee which last month announced a unanimous conclusion that smoking is a health hazard. They
(Continued on page 26)

Some Cigarette Plants Cut to Four Day Week

GREENSBORO, N. C.—Some sections of the cigarette division operations of the P. Lorillard Company plant here have been cut back to a four-day week. The cut-back became effective at the end of January, Charles Welborn, plant manager, said.

Other information here is that production has been reduced to four days a week at the Louisville, Ky., plants of Lorillard, Brown and Williamson Tobacco Company, and Philip Morris, Inc.

Manager Welborn here and A. J. Check, Jr., Lorillard manager in Louisville, both said higher production aimed at Christmas sales normally leads to lower production early the following year. They said the government report on smoking health was not necessarily the reason for the cutback.

Reports from Louisville were that Lorillard's smoking tobacco and cigar divisions were working overtime.—HAD.

Speedy Passage Expected For Tobacco Research Bill

WASHINGTON, D.C.—A resolution calling for a multi-million dollar crash research program into quality and health factors of tobacco was approved last week by the tobacco subcommittee of the House Agriculture Committee. Rep. Harold D. Cooley (D-NC), chairman of the agriculture committee, and author of the resolution, said he expects the full committee to report the resolution favorably without delay and present it to the House for immediate action.

As approved by the subcommittee,

the resolution embraced features of several similar proposals offered following the Surgeon General's report on tobacco and health last month. One of the sponsors was Rep. Horace Kornegay, of Greensboro, whose district is both a large producer of tobacco and manufacturing center, including large plants of the American Tobacco Company and Liggett and Myers Tobacco Company in Durham and the large plant of the P. Lorillard Company in Greensboro.
(Continued on page 28)

HERKOL

• D • D • V • P

(Dimethyl dichlorovinyl phosphate)

Vaporous Insecticide

For control of cigarette beetles and tobacco moths in tobacco warehouses. Proved Formulations available.

Dosages are recommended by the Tobacco Workers' Conference.

Literature and
Quotations on Request

Norda Essential Oil and Chemical Co., Inc.

601 W. 26th Street, New York 1

Additional Information Quickly Furnished
SAMPLES ON REQUEST

BUY U.S. BONDS

CABLE ADDRESS: FALCITO
AMPLE STORAGE FACILITIES

FALLS CITY TOBACCO CO.

Incorporated
LOUISVILLE, KY.

Buyers, Handlers and Re-Dryers
LEAF and STRIPS

CORRESPONDENCE SOLICITED
BUYERS of ALL TYPES

Order or Contract For Home and Export

W. I. Skinner & Co. Inc.,

Buyers and Packers All Grades

BRIGHTS, BURLEYS,
MARYLANDS, DARK VIRGINIAS

Ample Redrying & Storage Facilities

Williamson, N. C., U.S.A.

Producers Aid AMA Research

(Continued from page 9)

are Dr. Maurice H. Seevers, chairman of the pharmacology department of the University of Michigan; Dr. John D. Hickam, chairman of internal medicine at Indiana University, and Dr. Charles LeMaistre, professor of internal medicine at Southwestern Medical School in Dallas, Tex. Dr. Seevers is head of the AMA foundation committee.

The other two members of the AMA committee are Paul S. Larson, chairman of pharmacology at the Medical College of Virginia in Richmond, and Dr. Richard J. Bing, chairman of medicine at Wayne State University's Medical College in Detroit.

The Surgeon General's advisory committee reached its conclusion linking smoking and disease on a study of reports and research by others.

The AMA's foundation is committed to its own study "devoted primarily to determine which significant human ailments may be caused or aggravated by smoking, how they may be caused, the particular element or elements in smoke that may be the causal or aggravating agent, and methods for the elimination of such agent."

The AMA's House of Delegates in December authorized the tobacco and health research project and the AMA's board of trustees appropriated \$500,000 to get it started.

The tobacco companies, in offering up to \$10 million five equal annual installments, said they understood that such contribution "would be accepted only if given without restrictions."

Dr. McKeon said, however, this money will be used only for research on tobacco and health.

The companies said also it is their understanding that the project is to be "conducted effectively, exhaustively and with complete objectivity by a director having the requisite experience, qualifications and integrity."

In their letter the tobacco company president said:

"The undersigned companies understand that pursuant to action taken by the House of Delegates of the American Medical Association at its meeting last December, the American Medical Association Education and Research Foundation is to undertake a comprehensive

program of research on tobacco and health, devoted primarily to determining which significant human ailments may be caused or aggravated by smoking, how they may be caused, the particular element or elements in smoke that may be the causal or aggravating agents and methods for the elimination of such agents."

"It is the further understanding of the undersigned companies that the project is to be conducted effectively, exhaustively and with complete objectivity by a director having the requisite experience, qualification and integrity.

"The announcement of the project indicated that it would be financed by a substantial contribution from the American Medical Association and that contributions would be solicited from other sources, with the understanding that contributions would be accepted only if given without restrictions.

"In the hope and expectation that the research project proposed will aid materially in finding solutions to public health problems of national and international concern, the undersigned companies are willing to contribute to the American Medical Association Education and Research Foundation for use in financing the research project during the period 1964 through 1968 a total of \$10 million."

The American Cancer Society said it was "pleased to learn that the tobacco companies decided to grant" the funds for the "research project to eliminate whatever element there is in the smoke that may induce disease."

"We hope that some day a safe cigarette can become a reality," the society added. "In the meantime, we would be remiss if we failed to emphasize the causal link, so clearly confirmed in the Surgeon General's report, between lung cancer and cigarette smoking. We cannot forget that this year an estimated 41,000 Americans will die of lung cancer."

The amount given to the AMA is about 10 times the yearly budget of the Tobacco Industry Research Committee, a scientific group organized by the industry to conduct research into tobacco and health.

GOLD LEAF TOBACCO CO., INC.

Cable Address: "Golco"

All Codes Used

DEALERS AND EXPORTERS
LEAF TOBACCO
PETERSBURG, VA., U.S.A.

THE CENTER FOR
THE STUDY OF
TOBACCO AND SOCIETY