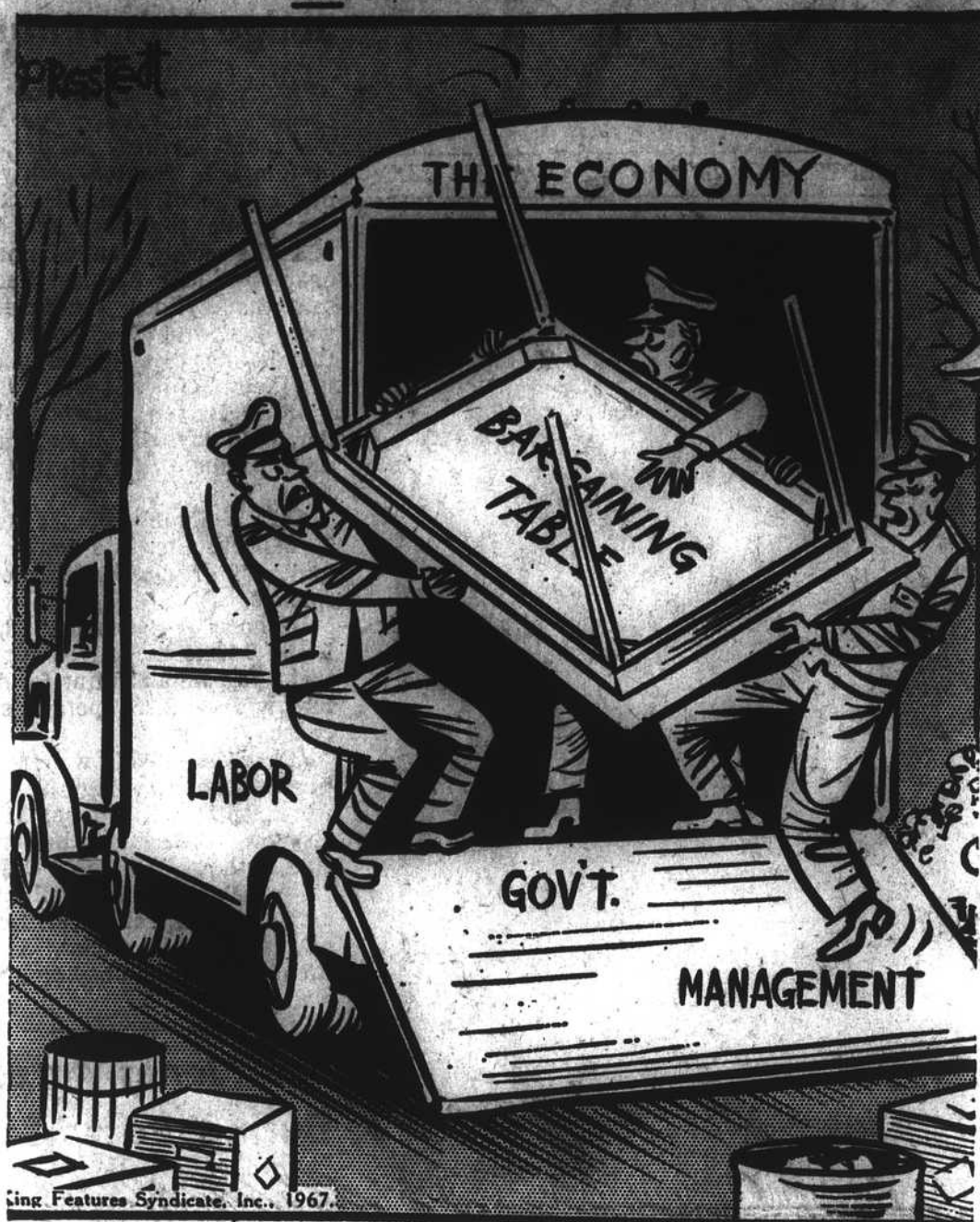


'I'll take care of this!'



EDITORIALS

*Never Forget That These Editorials Are The Opinion Of One Man
— And He May Be Wrong*

Tax On Tax On Tax

It has been accurately said that nobody can possibly understand so huge a thing as the federal budget. All of us are blind in this game of budget-watching, only able to touch a small part of the anatomy of this mountainous apparatus which consumes such a major part of our time and our substance.

But recent study of the ponderous subtleties of the social security system reveals what has to be one of the most bizarre sides of this budget monster.

First, every employed person in the nation has taken from his pay and from his employer a total of 8.8 per cent of the first \$6600 earned each year to cover all aspects of the social security system.

This huge bundle of booty goes into something loosely called a "trust fund", but not for long. Uncle Sam borrows it. By law nobody except Uncle Sam can borrow this money he is holding in trust for his nieces and nephews.

But Uncle Sam is a stickler for the niceties of guardianship, so he pays his nieces and nephews interest, at the go-

ing rate, on this "trust fund" he has taken from them.

But the catch comes from the sad fact that Uncle Sam has no money of his own to pay for anything, including interest on "trust funds" so he has to levy another tax on his nieces and nephews so he can pay them the interest on their social security tax funds which he has borrowed.

Since social security started Uncle Sam has paid us nieces and nephews \$9,757,000,000 interest on money he has borrowed from our "trust fund".

But here again, he hasn't trusted us with the interest on our "trust fund", but has deposited our interest in this same "Trust Fund" so he can borrow it. Then he will pay interest to us on interest he has paid us on our "trust fund".

It does seem that this is one annual item that could be deleted from the budget. It runs close to a billion dollars a year, and as one nephew, we'd be willing to forego the interest on our part of the "trust fund".

Chicken or Egg?

Among the many yappings at the heels of the tobacco industry is that from the rat pack of states, and cities now loudly yipping about cigaret smuggling to avoid the exorbitant taxes these same yappers have placed on cigarets.

Which came first: The smuggler or the tax?

Smuggling is an ancient profession, as old as the first government. Smuggling began when the first tribal headman forbid his tribe to use certain items without him getting a cut.

That "cut" is now called tax, but the principle is the same today that it was eons ago when the "cut" was first con-

What, Again?

Kinstonians would be something less than human if they didn't raise an eyebrow or two with the announcement of another bond issue election.

In recent months Kinstonians have approved \$1,500,000 in sewer plant bonds, \$750,000 in water system bonds, \$165,000 in airport bonds, and as citizens of the county voted for \$7,750,000 hospital bonds and another \$165,000 in airport bonds.

Now they are to be asked to approve \$330,000 in recreation bonds, and a 10 cent tax to support, in part, the recreation program that has meant so much to Kinston and those who visit Kinston.

But viewed realistically all of these are things the modern community has to have, or fall far behind in such services as these that are demanded by our complexly interdependent society.

Perhaps it is wrong, but nevertheless it is the American Way, and the American Way has provided more things to more people than any other system ever known.

Very few of us would own a home, a car, send children to college, or enjoy many more necessities and luxuries if we had to pay spot cash all along the line. Our system, for good or evil, is very largely built on credit.

Credit is like most other things in life: Good in reason, ruinous when carried to an extreme.

When one looks at the assets of our cities, counties, states and nation and considers what all of these assets mean to us in a personal, as well as in a group sense, it is hard to conclude that we are too heavily indebted.

With all the new bond issues mentioned here the bonded debt of the City of Kinston is less than \$6 million. There are many ways to look at that. In one sense it represents a city debt of \$200 for each citizen. In another way it is a small debt for the many things Kinstonians and their guests enjoy.

ceived.

State cigaret taxes range from none in North Carolina — the only such state — to 11 cents per pack; in Texas, New York and New Jersey.

The City of New York has tacked another eight cent tax, and even the estimated loss by New York State from smuggled cigarets was fixed last year at \$40 million.

Fortunately the businessman is smarter than the people who run government. When governments impose or attempt to impose unreasonable restraints on trade businessmen find ways of making profit from the stupidity of government.

It is unfortunate, indeed, that racketeers automatically move into such trade vacuums, but before the racketeer can obtain cigarets he has had to do business with some "legitimate" businessman, since until now not even the Cosa Nostra has put up a bootleg cigaret factory.

New York State, and New York City are hard pressed for funds, as are every other unit of government, but when they elect to impose confiscatory taxation on such easily transported items as cigarets they desert reason and begin dealing in absurdities.

Since this cigaret tax comes out of the pockets of the citizens of all these governmental agencies — state or city, it would be far simpler and easily enforceable to impose a tax equal in gross revenues on some commodity such as electricity that cannot be bootlegged.

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