

Taxes in Hiding

By Robert Thompson

WOULD it interest you very much to know that every time you pop into a lunch wagon and slap down a nickel for a hamburger and bun, you're paying a penny of that for indirect taxes?

That little dab of meat bears distinct traces of sixty-seven separate taxes. That droopy bun has at least fifty-three traceable tax payments milled and baked into it. They start with the farmer or rancher and chase that hamburger right on down to the counter. The packing house, the retail butcher, two sets of supply houses, the railroads and the truckers all pay taxes that eventually get mixed up in that ground meat.

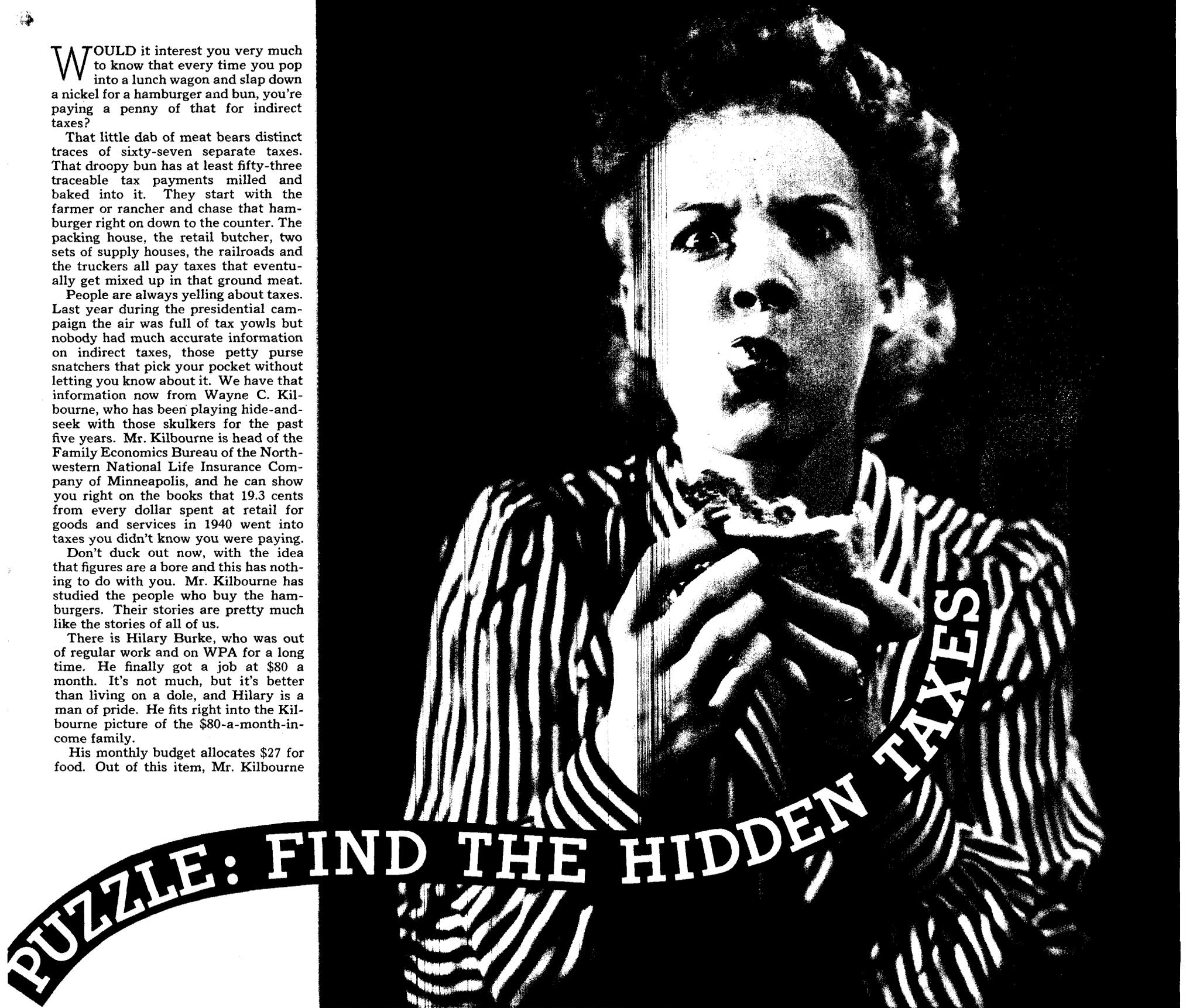
People are always yelling about taxes. Last year during the presidential campaign the air was full of tax yowls but nobody had much accurate information on indirect taxes, those petty purse snatchers that pick your pocket without letting you know about it. We have that information now from Wayne C. Kilbourne, who has been playing hide-and-seek with those skulkers for the past five years. Mr. Kilbourne is head of the Family Economics Bureau of the Northwestern National Life Insurance Company of Minneapolis, and he can show you right on the books that 19.3 cents from every dollar spent at retail for goods and services in 1940 went into taxes you didn't know you were paying.

Don't duck out now, with the idea that figures are a bore and this has nothing to do with you. Mr. Kilbourne has studied the people who buy the hamburgers. Their stories are pretty much like the stories of all of us.

There is Hilary Burke, who was out of regular work and on WPA for a long time. He finally got a job at \$80 a month. It's not much, but it's better than living on a dole, and Hilary is a man of pride. He fits right into the Kilbourne picture of the \$80-a-month-income family.

His monthly budget allocates \$27 for food. Out of this item, Mr. Kilbourne

Last year nineteen cents of every retail dollar you spent was gobbled up by taxes you didn't know you were paying. And if you are worrying about next year's income tax, wait till you see what these pickpocket taxes do to you. Wayne C. Kilbourne, who has been trailing these petty bandits for five years, tells how they operate



traced down \$2.11 in hidden taxes. Rent costs Hilary \$18 a month, but \$4.70 of this is paid by Hilary's landlord to the tax collector. Clothing at \$9 a month means 86 cents in traceable hidden taxes. Fuel and light take \$6, out of which 58 cents go to taxes. Hilary pays \$4 a month for streetcar transportation and the company doles out 45 cents of that for taxes.

For miscellaneous expense, haircuts to doctor bills, the budget allows \$12 a month. Taxes nip off \$1.31, Mr. Kilbourne discovered. The best buy is insurance at \$2 a month. The indirect tax

here is only seven cents. When all that is added up, you'll find that Hilary isn't going to have a wild night life. All he can spend for recreation is \$2. The collector's hand reaches in there and grabs at least 21 cents.

This means that Mr. Burke is clipped for \$10.29 in taxes that can be traced. However, the real figure has to be reckoned at the rate of 19.3 cents per dollar spent. Mr. Kilbourne reached that figure by taking the official United States totals of expenditure. In 1940 we spent at retail about \$38,800,000,000 for goods, and \$11,700,000,000 for services. We

paid out \$15,150,000,000 for all taxes. Out of this amount, we walked up to the windows and laid down \$5,382,000,000 directly, leaving \$9,768,000,000 as our indirect, or hidden, tax bill. Take the fifty and a half billion in sales and divide it into the hidden tax. That's where you get that 19.3 stuff that Mr. Kilbourne talks about. On that basis Hilary Burke is clipped \$15.44 from his \$80 salary, which is some amputation.

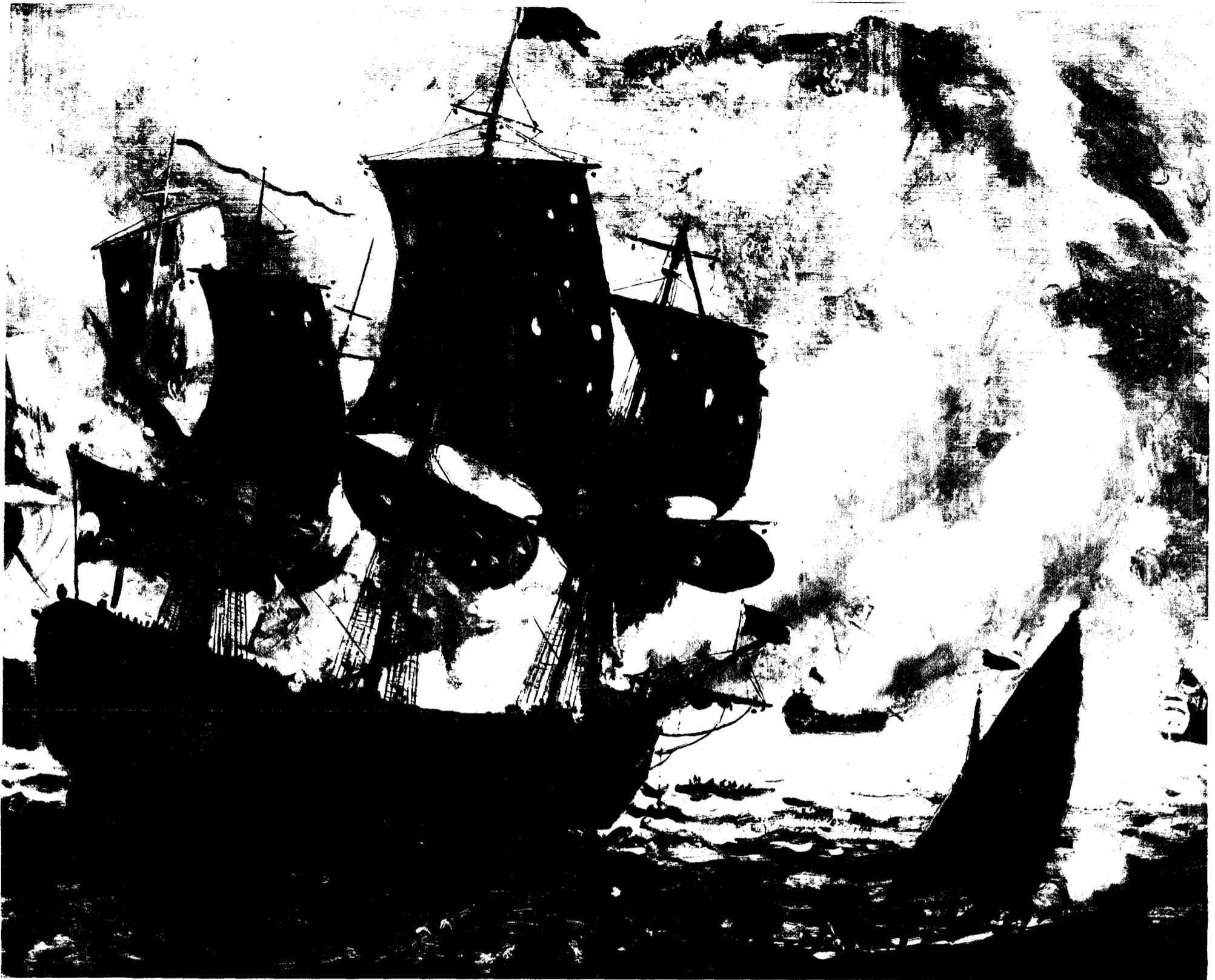
Harry Welby is a shipping clerk at \$150 a month. He drives a secondhand car which sets him back \$14.75 a month for purchase and operation costs. Hid-

There's a lot more than meat in your nickel hamburger—67 separate hidden taxes are ground up in it, and the bun conceals 53 more

den taxes take a real swipe at this. The levies brought to light by Mr. Kilbourne are shown as a siphon for 20.3 per cent, or \$3 a month.

The Welby family, according to the Kilbourne researches, feeds \$20.22 a

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The ships sat on the shoals, all six of them. They were burning like haystacks, with men dying inside

The Empress' Yankee

By Harold Lamb

ILLUSTRATED BY JAMES E. ALLEN

Ivak, the Cossack, helps a great American to write a gallant chapter in the history of Imperial Russia

I WAS asleep when the order came to me to go to the war. But before the cocks started crowing I was in the saddle of my Kabarda horse. A Cossack of the Terek does not stop when he hears of fighting.

Instead of joining the squadron I went around to my girl's cottage. Leaving the horse, I scratched on the shutter farthest from where the old people slept. When Babitka looked out, rubbing her hair back, I whispered to her what had happened.

"What war?" she asked.

"How do I know? When an order comes, a Cossack rides, he does not ask questions. It is for the empress!"

Babitka would not let me kiss her. "It is always for that woman, the empress," she whispered. Then she hugged me. "Wait."

So I tied up my horse and went to wait at the haystack. I thought Babitka was a fine girl, and so quick. Strong, too—only stubborn at times. And, of course, I would be away at the war a long time.

She kept me waiting until the trees showed against the sky, and she came pulling a pony behind her. Instead of sitting down on the hay, she cracked the whip in her hand, and I saw she had put on men's broad trousers and boots.

"Ivak," she said, "listen. This time I am going with you."

I laughed, thinking of Babitka, who

milks the cows and brought in the cherries and baked barley cake, riding off with Ivak, who had smelled the smoke of powder often, who was a *sotnik* of the squadron.

"Why do you fight this time?" She came close to see my eyes.

How could I say? "For honor, little pigeon, for glory." And when this did not satisfy her: "Nay, I will bring you a shawl and pearls for your necklace from Tsargrad—for that is how we call Constantinople. The brothers say we will take Tsargrad this time for our empress."

She pushed me away, so I almost fell down. "Tfu—I could spit when you speak of her. I am coming with you to the war."

Now if the devil himself, who knows how to talk to girls, said no to Babitka, she would say yes to him. She is strong as two devils, when she feels stubborn.

And in her long coat, with her hair tucked up into her woolly cap, she looked almost like a boy. The thought came to me, why not? My blood felt warm because she was so near me.

"You need someone, Ivak, to be wise for you."

I heard the horses snort together. "A good omen," I told her.

THAT is how I suffered Babitka to ride with me to the Charnomar, that you call the Black Sea. And when we saw the dark sea, the omens were not so good. For pale white lights gleamed along the edge of the stagnant water. I have heard officers say that this light is the phosphorescent salt in the water, but we Cossacks know it is the souls of the dead running along the edge of the sea seeking a resting place. Babitka looked long at the sea that was not a sea but a huge

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