

---

The State of Wisconsin

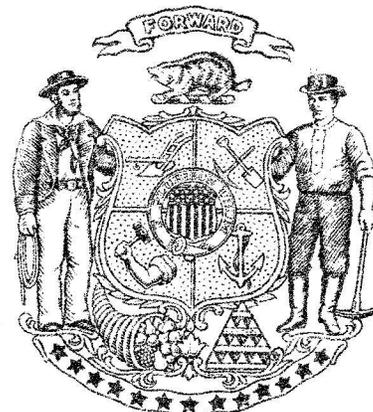
DEVELOPMENTS IN WISCONSIN'S  
OLEOMARGARINE LEGISLATION

LEGISLATIVE REFERENCE BUREAU

STATE CAPITOL  
MADISON, WIS. 53702

Informational Bulletin 65-3  
March 1965

---



DEVELOPMENTS IN WISCONSIN'S OLEOMARGARINE LEGISLATION

TABLE OF CONTENTS

	Page
I. INTRODUCTION .....	1
II. HISTORICAL DEVELOPMENTS .....	1
Table I. Present State Taxes on Oleomargarine .....	2
Table II. States Revenue from Oleomargarine Taxes .....	3
Table III. Production and Consumption of Butter and Margarine in the United States 1935-1963 .....	3
III. MINNESOTA'S NEW OLEOMARGARINE LEGISLATION .....	4
Table IV. Cash Receipts for Dairy Products .....	6
Table V. Butter Production .....	6
IV. THE HISTORY OF WISCONSIN'S OLEOMARGARINE LEGISLATION ...	6
A. Bills Relating to Oleomargarine (Excluding Tax Bills) in the Wisconsin Legislature (1881-1965) .....	7
B. Bills in the Wisconsin Legislature Providing for a Tax on Oleomargarine 1927-1965 .....	13
V. CONSTITUTIONAL ASPECTS OF WISCONSIN OLEOMARGARINE LEGISLATION	18
VI. ADMINISTRATION OF THE OLEOMARGARINE LAW .....	19
VII. PRO AND CON ARGUMENTS CONCERNING WISCONSIN'S OLEOMARGARINE LEGISLATION .....	20
Table VI. Farm Income in Wisconsin, and Amount and Per Cent of Income from Dairying 1945, 1950, 1955, 1960-1963	22
Table VII. Oleomargarine Revenue by Calendar Year 1932-1964 .....	23
Table VIII. Number of Oleomargarine Licenses by Years 1931-1964	24

DEVELOPMENTS IN WISCONSIN'S OLEOMARGARINE LEGISLATION\*I. Introduction

One of the perennial issues facing Wisconsin Legislatures has been the regulation of oleomargarine. As "America's Dairyland," Wisconsin has been particularly concerned with protecting the dairy industry, a major resource of this state. Interested in securing wide markets and fair prices for dairy products, Wisconsin has had some form of oleomargarine regulation since 1881. At the present time, colored margarine cannot be manufactured or sold in the state, and all margarine is subject to various taxes and licenses. Since enactment of the 1963 Minnesota law which repealed the ban on colored margarine, the 1965 Wisconsin Legislature today debates oleomargarine legislation as the only state which prohibits the manufacture and sale of yellow margarine. The repeal of the Minnesota ban renders renewed attention to the question of Wisconsin's oleomargarine regulations. Does this law violate the rights of the consumer? Would the interests of the state be best protected by allowing oleomargarine to compete in a market free of unequal regulations? Is this legislation necessary for the economic well-being of the state?

The purpose of this report is to outline the history of oleomargarine legislation; to analyze the effects of oleomargarine legislation on the state as a whole and the dairy industry in particular; and to review the arguments on both sides of the issue in light of the most recent data available.

II. Historical Developments

The first federal law regulating the manufacture and sale of oleomargarine was passed in 1886. Under the 1886 law, manufacturers of oleomargarine were taxed \$600, wholesalers \$480; and retailers \$48 yearly. Domestic oleomargarine was taxed two cents a pound and imported oleo fifteen cents a pound. In 1902 a further tax of ten cents per pound was added for yellow oleo. The rates remained unchanged until the time of repeal in 1950.

In addition to federal regulations, forty-seven states have had laws designed specifically to regulate the production, distribution, or use of oleomargarine. Regulations have varied from absolute prohibition, to licensing and excise taxes, to the laws in West Virginia that required oleomargarine to be colored pale pink. Thirty-two states have, at some time, passed laws prohibiting the sale of colored margarine.

The most frequently heard arguments in favor of these regulations were based on attempts to prevent fraudulent sales. In the 1870's and 1880's great advances in chemical inventiveness resulted in the discoveries and patents of butter substitutes and other closely related products. Many of these newly developed substitute products were used for adulteration and sold as the genuine article. Milk, butter, cheese, flour, tea, coffee, honey and olive oil were some of the items commonly adulterated at that time. Butter and cheese were filled with lard and water and oleomargarine was sold as butter. As a result, legislation against oleomargarine became commonly accepted as a necessary part of the legislation against fraud. Pennsylvania and New York were the first states to act. Each passed regulative laws in 1877. Wisconsin first regulated oleomargarine in 1881. Laws prohibiting

\* Compiled by Mary Lou Kendrigan, Technical Assistant

colored margarine were enacted in 1895. The taxes and licenses were initiated by the 1931 legislature.

In addition to prevention of fraud, farmers were in the midst of grave economic problems, and claimed that producers of oleomargarine were driving them out of business. It was also generally believed that although margarine was a nutritious food, it was not as digestible or as valuable a food as butter.

By 1950 there was a great shift in sentiments concerning oleomargarine. Perhaps the primary reason for this switch was the developments in the production of oleomargarine which made it more nutritious. Another major factor was World War II. During the war, due to a shortage of butter, many consumers were forced to become familiar with oleomargarine, thus breaking down the prejudices that had developed. As margarine became generally accepted, resentment grew against legislation which seemed directed towards discouraging the consumption of this particular food product.

From 1939 to 1950, 13 states rescinded legislation prohibiting the ban on colored margarine; however, when the federal government repealed its sixty-four year oleomargarine taxes, the manufacture and sale of colored margarine was still prohibited in 15 states. By the end of 1953, Connecticut, Delaware, Illinois, Iowa, Michigan, Montana, New York, Oregon, Pennsylvania, South Dakota, Vermont, Washington and Wyoming had abolished these restrictions, leaving the large dairy states of Minnesota and Wisconsin as the only states which forbade the sale of colored oleomargarine.

Table I. Present state Taxes on Oleomargarine

<u>State</u>	<u>Excise Tax</u>	<u>Manufacturer</u>	<u>Wholesaler</u>	<u>Retailer</u>	<u>Public Eating Places</u>
Colorado	10¢		\$25	\$25	
Georgia	10¢				
Idaho	5¢ (uncolored) 10¢ (colored)				
Kansas	10¢				
North Dakota	10¢ (uncolored) 20¢ (colored)	\$10	\$5	\$2	
North Carolina	10¢		\$25		
South Carolina	10¢				
South Dakota	10¢				
Tennessee	10¢				
Minnesota	10¢	\$3	\$3	\$3	
Utah	5¢ (uncolored) 10¢ (colored)				
Wisconsin	15¢	\$1,000	\$500	\$25	\$5

Source: Commerce Clearing House, Inc. State Tax Guide.

Table II. States Revenue from Oleomargarine Taxes, 1963-1964 (Fiscal Year)

<u>State</u>	<u>1963</u>	<u>1964*</u>
Colorado	\$ 1,000	\$ 1,000
Georgia	Not Available	
Idaho	527,000	575,000
Kansas	Not Available	
North Dakota	350,000	309,000
North Carolina	Not Available	
South Carolina	Not Available	
South Dakota (Butter Substitutes)	579,000	532,000
Tennessee	Not Available	
Utah	853,000	741,000
Minnesota	659,000	1,843,000
Wisconsin	207,000	186,000

Source: U. S. Department of Commerce, Bureau of the Census,  
State Tax Collections in 1964 .

\*1964 figures are preliminary.

Table III. Production and Consumption of Butter and Margarine in the United States.

Year	<u>Butter</u>		<u>Margarine</u>	
	Production	Civilian consumption per capita	Production	Civilian consumption per capita
	Million lb.	pounds	Million lb.	pounds
(i) 1935	2,211	17.6	382	3.0
1936	2,168	16.8	393	3.1
1937	2,135	16.8	397	3.1
1938	2,252	16.6	385	3.0
1939	2,210	17.4	301	2.3
1940	2,240	17.0	320	2.4
1941	2,268	16.1	368	2.8
1942	2,130	15.9	426	2.8
1943	2,015	11.8	614	3.9
1944	1,818	11.9	588	3.9
1945	1,699	10.9	614	4.1
1946	1,502	10.5	573	3.9
1947	1,640	11.2	746	5.0

Table III. Production and Consumption of Butter and Margarine in the United States.  
(Continued)

Year	Butter		Margarine	
	Production	Civilian consumption per capita	Production	Civilian consumption per capita
	Million lb.	pounds	Million lb.	pounds
1948	1,504	10.0	908	6.1
1949	1,688	10.5	862	5.8
1950	1,648	10.7	937	6.1
1951	1,443	9.6	1,041	6.6
1952	1,402	8.6	1,286	7.9
1953	1,607	8.5	1,292	8.1
1954	1,628	8.9	1,364	8.5
1955	1,549	9.0	1,333	8.1
1956	1,559	8.7	1,369	8.2
1957	1,559	8.5	1,461	8.6
(2) 1958	1,418	8.3	1,549	9.0
1959	1,371	7.9	1,604	9.2
1960	1,331	7.5	1,676	9.4
1961	1,334	7.4	1,708	9.5
1962	1,320	7.2	1,706	9.3
(3)*1963	N.A.	7.0	1,774	9.4

Source: (1) Wisconsin Department of Agriculture, Special Bulletin No. 73, p.19.

(2) Agricultural Statistics 1963, p. 150.

(3) Statistical Abstract p. 86.

\*Preliminary figures.

### III. Minnesota's New Oleomargarine Legislation

Ten years later, in May 1963, Minnesota passed a law which repealed its prohibition of the sale of colored oleomargarine and the tax on the uncolored product and imposed a tax of 10¢ per pound on colored margarine. This law went into effect the following July and was expected to return \$5 million dollars to the state in 2 years. The revenue was allocated as follows:

- (1) \$75,000 for enforcement;
- (2) \$125,000 for dairy research;
- (3) A sum not to exceed \$250,000 to the Junior Colleges;
- (4) and the remainder to the general fund.

The effects of this law are still somewhat difficult to estimate. In terms of revenue, the Minnesota State Auditor reported the annual income from the oleo tax for:

Fiscal year ending June 1963 -- \$661,800.00

Fiscal year ending June 1964 -- \$1,897,296.80.

Waldo Johnson, the state agriculture administrator who is in charge of Minnesota's colored oleo tax program, reported the revenue collected from the oleomargarine tax for the 1964 calendar year to be \$2,321,688.60. Mr. Johnson states that there have been complaints from butter firms concerning this law, but he doubts that the butter industry has been particularly hurt. He did note that "Colored Oleo" signs along the Iowa line have disappeared and local border stores have suffered a considerable decrease in business. A Minneapolis Tribune study of wholesale outlets and food store chains similarly revealed that butter sales were affected very slightly, if at all.

In contradiction to this report Gordon Sprague, economist for Land O'Lake Creameries, Inc., claims that butter sales have been reduced about 20 per cent in Minnesota. He estimated on February 1, 1965, that as a result of the shift to yellow oleomargarine, the local market for butter undoubtedly has decreased somewhere between 10 and 20 million pounds per year and may very likely decrease further. However, according to Mr. Sprague, the hotel trade and restaurants have not been affected and continue to use butter for the most part. He also explained that, as Land O'Lake Creameries ships most of its product out of state, it has not felt any adverse effects of the law.

There is no way to compile official statistics for the consumption of butter and margarine within a state. However, on the basis of sales figures, conversations and various studies the dairy industry has come up with estimates that are believed to be quite accurate. Mr. Oscar Christianson of the American Creameries Association has supplied estimated figures on the consumption of butter and margarine in Minnesota which seem to indicate quite a shift to margarine since the new law went into effect. It is estimated that the consumption of butter and margarine within a year is 18 lbs. per capita in Wisconsin and Minnesota. Previous to the lifting of the ban on colored oleo, the distribution of these 18 lbs. was the same in Wisconsin and Minnesota - 14 lbs. butter and 4 lbs margarine. Since the new law has been passed in Minnesota, there has been a definite trend towards the national consumption distribution. (See Table III). The dairy industry indicates that while consumption remains 14 lbs. per capita butter to 4 lbs. per capita margarine in Wisconsin, in Minnesota today per capita consumption of butter is 7 lbs. per capita annually and 11 lbs. per capita oleo.

Official figures indicate that comparing 1963 to 1962, Minnesota did experience a drop in butter production and in cash receipts for dairy products. However, 1962 was an unusually good year for dairy products throughout the nation. A similar decrease in cash receipts and in butter production occurred in Wisconsin and in the nation as a whole. Thus, it would be difficult to show that this decrease was influenced by the recent oleomargarine legislation in Minnesota. Furthermore, in the first 10 months of 1964 Minnesota saw an increase of 7% in its butter production over the same period in 1963, while Wisconsin's increase was 4% above its production for the same period in 1963. Thus, while spokesmen for the Minnesota dairy industry still contend that they have been hurt by competition from oleo, they have difficulty in finding suitable statistics to prove their contentions. (See Tables IV and V).

Table IV. Cash Receipts for Dairy Products (In Thousands)

<u>Calendar Year</u>	<u>Minnesota</u>	<u>Wisconsin</u>	<u>United States</u>
1961	\$326,251	\$603,299	\$4,905,484
1962	317,623	603,571	4,841,118
1963	311,230	593,977	4,835,213
Jan-Sept. 1963			3,634,000
Jan-Sept. 1964			3,728,000

Source: Farm Income Situation. U. S. Department of Agriculture, Supplement for July 1963 and July 1964; November 1964.

Table V. Butter Production (In Thousand Pounds)

<u>Calendar Year</u>	<u>Minnesota</u>	<u>Wisconsin</u>	<u>United States</u>
1961	344,440 lbs.	284,200 lbs.	1,494,340 lbs.
1962	355,860	333,500	1,541,840
1963	345,450 (-2%)*	308,180 (-5%)	1,401,200 (-9%)
Jan-Oct. 1963	293,900 (-2%)	262,630 (-5%)	1,202,145 (-8%)
Jan-Oct. 1964	314,705 (+7%)	272,890 (+4%)	1,218,735 (No Change)

\*Indicated per cent change from previous year.

Source: Wisconsin Dairying, Wisconsin and United States Department of Agriculture, March 1962, 1963, 1964; December 1964.

#### IV. The History of Wisconsin's Oleomargarine Legislation

Wisconsin is now the only state that prohibits the sale of colored margarine. Uncolored margarine sold in Wisconsin is taxed at the rate of 15¢ per pound. A person, using margarine not purchased from a retail dealer in this state, must secure a \$1.00 license from the Commissioner of Taxation. This margarine is taxed 6¢ per pound. In addition, annual license fees are charged as follows:

Manufacturers	\$ 1,000
Wholesalers	500
Retailers	25
Hotels and Restaurants	5
Boarding houses	5
Bakeries	5
Confectioneries	5

Administration of the law is handled by the State Department of Taxation.

A brief history of oleomargarine legislation in Wisconsin follows.

A. Bills Relating to Oleomargarine

(Excluding Tax Bills) in the Wisconsin Legislature 1881-1965\*

1881

Senate Bill 1 required that oleomargarine and butterine should be marked as such.  
Chap. 40, Laws of 1881

1885

Assembly Bill 499 prohibited the manufacture and sale of oleomargarine and other oleaginous substances not made from unadulterated milk or cream.  
Chap. 361, Laws of 1885

1889

Assembly Bill 738 by implication repealed Chapter 361, Laws of 1885 above, and substituted for it a prohibition of intentionally selling oleomargarine as butter.  
Chap. 424, Laws of 1889

1891

Senate Bill 19 repealed the law of 1889 and substituted for it more stringent regulations. It required sellers of oleomargarine to sell this product under its true name and it prohibited the manufacture of oleomargarine in imitation of butter. It also prohibited the use of butterfat in the manufacture of oleomargarine with intent to sell it as butter.  
Chap. 165, Laws of 1891

1895

Senate Bill 143 prohibited the manufacture and sale of oleomargarine which has been colored in imitation of yellow butter, whether by means of artificial coloring matter or otherwise. It also prohibited the sale of oleomargarine from any vehicle in the public streets not plainly labelled to advise the public that oleomargarine and not butter is sold therefrom, and required a similarly conspicuous sign to be posted in all hotels and restaurants where oleomargarine is served.  
Chap. 30, Laws of 1895

\*Introduced as of February 26, 1965.

1901

Assembly Bill 183 amended the law to include in the general prohibition persons who "solicit or accept orders for" any imitation dairy product.  
Chap. 151, Laws of 1901

1911

Assembly Bill 810 provided that all oleomargarine or butterine offered for sale or exchange in Wisconsin must be in the original one, two, three, ten, twenty or sixty pound package having thereon the original revenue stamp of the United States Government.  
Indefinitely postponed.

1917

Assembly Bill 316 permitted the manufacture of imitation butter and oleomargarine colored to look like butter for shipment outside the state.  
Returned to author.

1923

Assembly Bill 7 prohibited the use of the words "butter", "creamery", or "dairy" in connection with the sale of any butter substitute, including oleomargarine.  
Chap. 147, Laws of 1923

Assembly Bill 416 amended the law so as to prohibit the manufacture or sale of oleomargarine in Wisconsin.  
Indefinitely postponed.

1925

Assembly Bill 7 prohibited the manufacture or sale of any butter substitute made by combining, with milk or milk fats or any of the derivatives of either, any fat, oil or oleaginous substance or compound thereof other than milk fat.  
Chap. 279, Laws of 1925

Assembly Bill 21 amended the law so as to prohibit the manufacture or sale of oleomargarine in Wisconsin.  
Nonconcurrent in by senate.

Assembly Bill 79 prohibited butter coloring or other substance for coloring oleomargarine to look like butter from being kept, sold, or given away in any place of business at which oleomargarine was sold.  
Returned to author.

Assembly Jt. Res. 88 memorialized Congress to pass legislation to prohibit the manufacture and sale of oleomargarine anywhere in the United States.  
Enrolled Jt. Res. 67.

1925--Cont.

Senate Bill 53 prohibited the use of oleomargarine or other similar substitute for butter in any state, county, municipal or other institution supported in whole or in part by public funds. (Repealed and recreated a section.)

Chap. 432, Laws of 1925

Senate Bill 74 Same as 53, S.  
Withdrawn.

1929

Senate Bill 432 repealed the prohibition against manufacture and sale of oleomargarine as set up by Chap. 279, Laws of 1925.

Chap. 482, s. 10, Laws of 1929

1931

Assembly Bill 72 (Mr. Tremain) prohibited the furnishing of oleomargarine or other imitation dairy products for outdoor poor relief.

Indefinitely postponed.

Assembly Bill 141 (Mr. Gehrman) Persons in public and charitable institutions, and poor and indigent persons shall not be furnished with imitation dairy products, including oleomargarine.

Chap. 114, Laws of 1931

Assembly Bill 465 (Mr. Hall) prohibited the sale or giving away of butter coloring with oleomargarine.

Nonconcurrent in by senate.

Assembly Jt. Res. 11 (Mr. Tremain) memorialized Congress to enact legislation to prohibit the use of oleomargarine in federal institutions.

Enrolled Jt. Res. 28.

Senate Jt. Res. 21 (Sen. Loomis) protested against a ruling of the U.S. Commissioner of Internal Revenue which permitted the use of palm oil in oleomargarine. Palm oil gives oleomargarine a color similar to that of butter.

Enrolled Jt. Res. 9

1931 Special Session

Assembly Jt. Res. 25 (Mr. Sigman) memorialized Congress to enact legislation to prohibit the manufacture and sale of oleomargarine.

Enrolled Jt. Res. 17

1937

Assembly Jt. Res. 81 (Mr. Tehan) created a special joint committee to investigate the effects of the occupational tax imposed under the Wisconsin law on oleomargarine, butterine and similar substances.

Returned to author.

1937--Cont.

Senate Jt. Res. 43 (Sen. Dempsey) memorialized Congress to defeat H.R. 3905, a bill which would have repealed the provision requiring an annual federal license for all retailers, and permitted any person to sell uncolored oleomargarine if made from all domestic oils without any license or registration.

Enrolled Jt. Res. 64

1941

Senate Jt. Res. 37 (Sen. Cashman) memorialized Congress to defeat legislation (H.R. 3753 and 3754) designed to repeal the federal tax on retail outlets handling oleomargarine.

Enrolled Jt. Res. 58

1943

Senate Jt. Res. 8 (Sen. Leverich) memorialized Congress and the United States department of agriculture to supply butter to our armed forces and those of our allies and to properly allocate butter and oleomargarine for lend-lease shipment in order to safeguard the dairy industry.

Enrolled Jt. Res. 16

1945

Assembly Bill 391 (Messrs. Nicol and Clark) provided that oleomargarine served in public places must be colored brown.

Nonconcurrent in by senate.

Assembly Jt. Res. 34 (Mr. Lynch) memorialized the Office of Price Administration to equalize the ration points required for butter and oleomargarine.

Enrolled Jt. Res. 45.

1947

No bills.

1949

No bills.

1951

Assembly Bill 4 (Legislative Council) repealed section 97.43 and incorporated part of it into section 97.39 which was repealed and recreated. The new section deals with dairy products and the adding of foreign fats thereto.

Chap. 517, Laws of 1951

1953

Assembly Bill 831 (Committee on Rules sponsored by Mr. Ora R. Rice) rewrote law relating to reports of oleomargarine dealers. Requires licensed manufacturer or wholesaler to file reports on sales in state, with name and address of persons to whom sold, by January 20, May 20 and September 20 each year.

Substitute Amendment 1, A., which was adopted, was offered by Mr. Mark Catlin.  
Chap. 605, Laws of 1953

1955

Senate Jt. Res. 118 (Sen. Leverich) requested a study of ways to enforce the use tax on oleomargarine to be undertaken by the Joint Legislative Council. In particular, the Legislative Council was to study:

1. Annual revenue of oleo tax since its inception.
2. Extent and manner of evasion of oleo tax.
3. Weaknesses in present law permitting bootlegging.
4. Any other allied problems; and to make recommendation.

The joint resolution failed in the assembly.

Senate Res. 30 (Sen. Leverich) Reintroduction of Senate Jt. Res. 118.

Adopted.

(Since this was a simple resolution of only one house of the legislature, the study was not taken up by the Joint Legislative Council.)

1957

Assembly Bill 328 (Messrs. Crawford and Hutnik) provided that oleo for sale or use in the preparation of foods for sale must be colored pink.

A substitute amendment to the bill, offered by Mr. Crawford, permitted the sale or use of oleo in the preparation of foods for sale, as long as the oleo was not colored yellow.

Returned to author by assembly.

1959

Senate Bill 202 (Com. on Agriculture, by request of the Pure Milk Products Cooperative) required storekeepers to display imitation dairy products 20 feet away from dairy products.

Nonconcurrent in by Assembly.

Assembly Bill 581 (Messrs. Bidwell, Crawford, Gray, Harper, Hipke, Kenyon, Mulder, Mireau, Riehle, Shurbert and Ward, by request of Pure Milk Products Cooperative), prohibited the display of dairy products and imitation dairy products in the same display case.

Refused to reconsider vote by which passage refused. Ayes 45; Noes 49.

Senate Bill 594 (Sens. Hollander and Panzer) permitted the use of yellow coloring and exempted from tax any butter substitute sold by drugstores on prescription for therapeutic purposes.

Indefinitely postponed. Ayes 14; Noes 12.

Senate Bill 473 (Sen. Leverich) placed administration and enforcement of the oleomargarine tax under the Department of Taxation.

Chap. 459, Laws of 1959

1961

Senate Res. 25 (Sens. Leverich and Dempsey) requested a full report by the Department of Taxation on the administration and enforcement of the oleomargarine tax.

Adopted.

1961--Cont.

Senate Res. 30 (Sens. Leverich, LaFave, Potter, Moser, Thompson, Hollander, O'Brien, Lorge, Miller and Krueger) requested the Legislative Council to investigate: (1) the ways and means of improving the administration of, and receipts from, the present taxes and licenses on oleomargarine; (2) the bootlegging of oleomargarine; and (3) the advisability of repealing the oleomargarine tax in Wisconsin.

Adopted. (As in 1955, since this was a simple resolution of only one house of the legislature, the study was not taken up by the Joint Legislative Council.)

1963

Assembly Bill 719 (Mr. Kenyon, by request of the Pure Milk Products Cooperative) prohibited the manufacture, distribution, or sale of imitation dairy products which contain flavorings, preservatives, chemicals, or additives, other than fats and oils, which are not permissible in the manufacture of butter or other dairy products for which they would normally be substituted.

Action incomplete in the Assembly.

Assembly Res. 23 (Mr. Merriam) requested an opinion of the Attorney General regarding the validity of Assembly Bill 719.

Adopted (opinion rendered; 52 Atty. Gen. 290).

1965\*

Assembly Bill 28 (Messrs. Manders, Schaeffer, Hanna and Mathews) permits the manufacture and sale of colored oleomargarine, prohibits use in public eating places unless labeled or served in triangular shape, prohibits use in institutions except for purposes of health, and levies a sales tax and use tax of 5 cents per pound on colored margarine.

Referred to the Committee on Commerce and Manufactures.

Substitute Amendment 1, A., offered by Mr. Heinzen, repeals the ban on yellow oleomargarine; places a 10 cents per pound sales or use tax on yellow margarine; and directs that the revenue from this tax should be used for dairy research and promotion, providing scholarships for nursing educators, and for advertising the recreational facilities of this state.

Senate Bill 53 (Sens. Kendziorski, Zaborski and Leonard) repeals the ban on colored oleo. Also repealed the license fee and tax.

Referred to the Committee on Agriculture.

Senate Bill 147 (Sen. Sussman) permits the sale of colored oleomargarine and levies a stamp tax of 10 cents per pound on such sales. Provides for the labeling of oleomargarine. Appropriates from the general fund from oleomargarine tax receipts: \$125,000 annually for the promotion of agriculture; \$75,000 biennially for enforcement of Department of Agriculture rules and regulations; \$250,000 annually to be distributed to each state college and each state university center, \$50 per year for each student in average daily attendance.

Referred to the Committee on Agriculture.

Senate Jt. Res. 32 (Sen. LaFave) relates to an advisory referendum on the tax and color ban on oleomargarine.

Referred to the Committee on Governmental and Veterans' Affairs.

\*Introduced as of February 26, 1965.

B. Bills in the Wisconsin Legislature Providing  
for a Tax on Oleomargarine 1927-1965\*

1927

Assembly Bill 466 provided a retail sales tax of 5 cents a pound on oleomargarine. Indefinitely postponed in the Assembly July 20, Ayes 43 (against the bill); Noes 34; paired 4.

1929

Assembly Bill 88 provided a retail sales tax of 5 cents a pound on oleomargarine. Substitute Amendment 1, A. provided for a license fee on the manufacture and sale of oleomargarine of \$1,000 on manufacturers; \$500 on wholesalers; \$100 on retailers; \$50 on hotel, restaurant or dining room; \$10 on boarding house.

Substitute Amendment 1, A. indefinitely postponed in Assembly April 18, Ayes (against) 49; Noes 39.

Assembly Bill 88 indefinitely postponed in Assembly, April 18, Ayes 63 (against bill); Noes 26.

Senate Bill 297 provided for license fee on oleomargarine of \$1,000 on manufacturers; \$500 on wholesalers; \$100 on retailers; \$50 on hotel, restaurant or dining room; \$10 on boarding house.

Indefinitely postponed. May 22, Ayes 19 (against); Noes 12.

1931

Senate Bill 38 (Sen. Loomis) The bill as it was enacted into law in the form of Substitute Amendment 1, S. provided for a license fee of \$1,000 on manufacturers; \$500 on wholesalers; \$100 to \$400 on retailers; \$100 on hotel and restaurant owners; \$50 on boarding house owners.

Passed the Senate April 21, Ayes 23; Noes 4.

Concurred in by Assembly, Ayes 73; Noes 6.

Chap. 96, Laws of 1931

Special Session, 1931-32

Assembly Bill 13 (Mr. Gehrman) provided for a retail sales tax of 6 cents a pound on oleomargarine; reduced the license fee on retailers, hotels and restaurants to \$25, and on boarding houses to \$5.

Passed Assembly Dec. 10, Ayes 65; Noes 9. Paired 2.

Concurred in by Senate Dec. 16, Ayes 23; Noes 8.

Chap. 3, Laws Special Session 1931

Assembly Bill 39 (Mr. Gehrman) provided that in the event that the license fee for a retail dealer as prescribed in Laws 1931, Chap. 96, is held invalid by the Supreme Court, the following license fee and excise tax is to become effective:

1. License fee for retail dealer, \$25

2. Excise tax of 5 cents a pound on oleomargarine sold at retail.

Returned to the author, as per request, Jan. 14.

\*Introduced as of February 26, 1965.

Special Session, 1931-32--Cont.

Senate Bill 39 (Sen. Loomis) attempted to prevent evasion of the 6 cents per pound tax by providing that no person shall use oleomargarine not purchased from a retail dealer in this state unless such dealer is licensed, without first securing a license at an annual tax of \$1.00.

Passed Senate Jan. 22, Ayes 21; Noes 9.

Concurred in by Assembly Jan. 22, Ayes 63; Noes 18.

Chap. 17, Laws Special Session 1931

Senate Bill 7 (Sen. Loomis) Same as Assembly Bill 13 above.

Withdrawn by author Dec. 30.

1933

No bills introduced.

1935

Senate Bill 105 (Sen. Cashman) increased the pound tax on oleo from 6 cents to 15 cents.

Passed Senate 25-2. Passed Assembly 65-24.

Chap. 210, Laws of 1935

Assembly Bill 1046 (Jt. Com. on Finance) repealed Chap. 210, Laws of 1935 (Senate Bill 105) and restored pound tax on oleo to 6 cents.

Indefinitely postponed in Assembly 54-37.

1937

Assembly Bill 867 (Mr. Tehan) wrote into the oleo law greater detail on oleo fats.

Withdrawn by author.

1939

Senate Bill 434 (Sen. J. Miller) broadened the oleo law by including in the tax provisions all butter substitutes.

Chap. 432, Laws of 1939

Assembly Bill 867 (Mr. Balzer) increased the oleo tax to 20 cents per pound on oleo and other butter substitutes except where containing domestic animal or vegetable oils, in which case the tax shall be 5 cents per pound.

Action incomplete in Assembly.

Assembly Bill 923 (Jt. Com. on Finance) provided for repeal of the oleomargarine tax law.

Action incomplete in Assembly.

Assembly Jt. Res. 139 (Mr. Berquist) Joint resolution provided for the submission of the question of the repeal of the oleomargarine law to the electors of the state in the April election of 1940.

Action incomplete in Assembly.

1941

No bills introduced

1943

Assembly Bill 205 (Mrs. Kryszak and Mr. Westfahl) related to the licensing of oleomargarine manufacturers and distributors and to the tax on oleomargarine for the duration of the present war. (Modifying the regulations and tax)

Indefinitely postponed. Ayes 66; Noes 20.

Assembly Bill 635 (Committee on Rules) related to oleomargarine, exempts from the tax on oleomargarine, butterine and similar substances, cream cheese, cheese food compounds and other dairy products made exclusively of milk solids.

Chap. 174, Laws of 1943

1945

Assembly Bill 320 (Mr. Lynch) related to a reduction of tax on oleomargarine and similar substances.

Indefinitely postponed. Ayes 73; Noes 18.

Assembly Bill 360 (Mr. Schaeffer) related to tax on oleomargarine and tax on licenses of manufacturers of oleomargarine and wholesalers, retailers and other businesses dealing in or using oleomargarine.

Refused to reconsider vote by which indefinitely postponed. Ayes 19; Noes 74.

1947

Assembly Bill 30 (Mr. Schaeffer) repealed the licensing requirement of oleomargarine dealers except manufacturers.

Indefinitely postponed. Ayes 73; Noes 17.

1949

Assembly Bill 75 (Messrs. Banach, Ryczek and Schaeffer) repealed the state oleomargarine tax and regulations.

Indefinitely postponed. Ayes 68; Noes 22.

Assembly Bill 82 (Messrs. Banach, Ryczek and Schaeffer) repealed the oleomargarine tax and regulations on coloring.

Returned to author.

Assembly Bill 724 (Mr. Nitschke, by request) provided that the occupational tax on oleomargarine shall be evidenced by affixing tax stamps to container in which oleomargarine (formerly dealer paid tax direct). Appropriated 2 per cent of tax to Department of Agriculture for administration.

Chap. 340, Laws of 1949

Assembly Bill 762 (Mr. Thomson) permitted the use of meter machines and 4 per cent discount of total tax due, in lieu of stamps for oleomargarine taxes.

Indefinitely postponed. No roll call vote.

1949--Cont.

Senate Bill 112 (Sen. Hilker) abolished the per pound tax on oleomargarine, butterine and similar substances.

Indefinitely postponed. No roll call vote.

1951

Assembly Bill 607 (Messrs. Rasmusen, Rogan and Sengstock) set up a state advertising fund composed of the oleomargarine tax collections, but not to exceed \$350,000 annually. 2 per cent of the tax is first deducted for administrative purposes.

Indefinitely postponed. Action incomplete on sine die adjournment of the legislature.

1953

Senate Bill 480 (Sen. Olson, by request of the Department of Agriculture) appropriated one per cent (formerly 3/4 of 1%) of oleomargarine tax stamp collections to department of agriculture for supplies.

Chap. 408, Laws of 1953

Assembly Bill 178 (Mr. Schaeffer, Jr.) repealed the \$1 annual license for consumers who purchase oleo outside the state, but continued the 6 cents per pound oleo use tax.

Nonconcurrent in. Ayes 25; Noes 3.

Assembly Bill 581 (Committee on Municipalities, by request of Mr. Frank E. Schaeffer, Jr.) repealed the laws requiring licensing of users of oleo purchased outside the state and tax of 6 cents per pound on such purchases.

Indefinitely postponed. Ayes 51; Noes 41.

1955

Assembly Bill 559 (Mr. James Peterson) exempted dealers in oleomargarine, both wholesale and retail, from the annual license tax under s. 97.42 (3). Enforced compliance with state oleo tax by making it an offense for any person to purchase oleo which does not carry a tax stamp.

Returned to author by assembly.

1957

No bills introduced.

1959

Assembly Bill 122 (Messrs. Abraham, Cane and Pommerening) repealed the oleomargarine tax.

Indefinitely postponed.

Assembly Bill 236 (Mr. Schaeffer, Jr.) repealed the oleomargarine licenses except for manufacturers.

Indefinitely postponed. Ayes 63; Noes 28.

Assembly Bill 269 (Messrs. Mathews, Ryczek and Sokolowski, by request of Wisconsin Independent Retail Grocers Association) repealed oleo tax and licenses.

Indefinitely postponed.

1961

Assembly Bill 356 (Messrs. Mathews, Pommerening, Steiger, Priebe, Schuele and C. J. Schmidt) repealed the oleo tax and license.

Passed in the Assembly Ayes 54; Noes 39. Senate failed to concur.

1963

Assembly Bill 358 (Messrs. Flannigan, Warren, Belting and Schlueter) eliminated oleo-margarine taxes and licensing.

Action incomplete in the Assembly.

Senate Bill 114 (Sens. Kendziorski and Morton) repealed oleo taxes and licenses. Indefinitely postponed.

Senate Bill 594 (Sen. Schmidt) repealed the oleo taxes and licenses. Indefinitely postponed.

Assembly Bill 359 (Messrs. Flannigan and Quinn) repealed the prohibition on colored margarine, eliminated the license and reduced the tax to 5 cents per pound.

Indefinitely postponed. Ayes 54; Noes 40; Paired 2.

Assembly Bill 764 (Messrs. Lathan and Kelly) paid a bonus to veterans of military service between 1940 and 1955. This bonus was to be financed in part by a 25-cent tax on colored margarine.

Indefinitely postponed.

1965\*

Assembly Bill 17 (Messrs. Pommerening and Steiger) repeals the ban on the sale of colored oleo.

Referred to Committee on Commerce and Manufactures.

Assembly Bill 290 (Mr. Heinzen) repeals the tax and license fees on oleomargarine.

Referred to Joint Survey Committee on Tax Exemptions.

\*Introduced as of February 26, 1965.

V. Constitutional Aspects of Wisconsin Oleomargarine Legislation

The first Wisconsin Supreme Court ruling on oleomargarine legislation occurred in 1908 in Meyer v. State (134 Wis. 156). In that case Chapter 30, Laws of 1895, was construed to prohibit only the coloring of oleomargarine so as to appear a natural yellow, like June butter. Light shades of yellow coloring, such as January butter, were not prohibited. The Court declared such a prohibition constitutional on the grounds that it is within the state's power to regulate for the public safety. The state does have the right to ban yellow oleomargarine in order to prevent fraud and deception. The Court also recognized, however, that oleomargarine is a healthy food and implied that absolute prohibition of the sale of this product would be unconstitutional.

The constitutionality of laws prohibiting the manufacture and sale of yellow margarine was reaffirmed by the Supreme Court in 1920 in Essex v. State (170 Wis. 512).

In September 1924, E. E. Witte and Martha Block prepared a report for the Wisconsin Legislative Reference Library in which they explained that there existed serious question as to whether any absolute prohibitions on the sale of oleo would be upheld. They predicted that the prohibition of the manufacture and sale of oleomargarine could be supported only upon these grounds:

- 1) that such prohibition is a health measure,
- 2) that such prohibition is necessary to prevent fraud,
- 3) that such prohibition is a legitimate measure for protecting the extensive economic interests represented by the dairy industry.

Then in 1925 the legislature passed a law to prohibit the manufacture or sale of any substitute for butter "which is made by combining with milk or milk fats or any of the derivatives of either any fat, oil or oleaginous substance or compound thereof other than milk fat." (Chap. 279, Laws of 1925).

In response to the legislature's request, the Attorney General wrote an opinion in 1925 concerning this law, in which he stated that this law was not clearly unconstitutional. (14 Atty. Gen. 181). He wrote that there is language in both the federal and state decisions which would indicate that the law would be upheld. Most of the precedents cited in that opinion were based on the power of the state to protect its industries, for example, prohibitions against filled milk and immature fruits.

However, in 1927 the Supreme Court declared that law unconstitutional. (Jelke v. Emery 193 Wis. 311) Recognizing that the intent of the law was to prohibit the sale of oleomargarine, the Court declared that such an absolute prohibition cannot be justified on the grounds that the legislature may prohibit the manufacture and sale of such products in order to protect the dairy industry from unfair competition. The Court stated that such a proposition violated at every point the theory of equality of citizens before the law. In some cases a proper exercise of the police power results in advantage of a particular class of citizens and to the disadvantage of others. When that is the principal purpose of the measure, this decision warned, the courts will look behind even the declared intent of legislatures and relieve citizens against oppressive acts where the primary purpose is not the protection of the public health, safety, or morals.

The Court again reaffirmed that margarine is a healthful and nutritious food. Thus such prohibitions are not necessary to protect the public health, safety or morals, nor to prevent fraud. Therefore, the Court declared the law invalid.

A more recent case that might be pertinent in a discussion of the constitutionality of oleomargarine regulations is the Coffee-Rich Case. This case involved a vegetable substitute for coffee cream. In 1962 Circuit Court Judge Norris Maloney stated that "mere resemblance in color, taste and texture does not make a product an imitation within the meaning of the statute when it is clearly labeled and identified by its frozen state as being different." The Court distinguished between a substitute and an imitation. This case came before the Wisconsin Supreme Court on September 30, 1964. (Coffee-Rich, Inc. v. McDowell 25 Wis (2d) 99). The Supreme Court split three to three in this case, thereby upholding the decision of the Circuit Court.

In 1963, the Legislature asked Attorney General George Thompson for an opinion concerning Bill 719, A. The effect of Bill 719, A would have been to prohibit the manufacture, distribution and sale of oleomargarine in Wisconsin. Mr. Thompson advised the legislature that this bill was probably unconstitutional. In his opinion, the Attorney General explained, bans on colored margarine and taxes which have put it at a competitive disadvantage have been upheld strictly on (1) the exercise of the police power and (2) the proper exercise of the power to tax. Oleomargarine legislation must be directly related to protection of the public from dangerous or deleterious products or to raising revenues. (52 Atty.Gen. 290). The legislature could prohibit the inclusion in oleomargarine of any substance which would be deleterious to public health or which would result in deception of the public, but cannot regulate or prohibit it for the purpose of increasing the sale of butter.

#### VI. Administration of the Oleomargarine Law

Two sections of the statutes deal with penalties for violations of the oleomargarine laws - 139.60 (11) and 139.60 (20). Subsection (11) provides a penalty for not having the necessary license or for falsifying records of \$100 for each quarter year or part thereof during which any such violation of the law occurs. According to subsection (20), any person who violates any part of the law shall be fined not less than \$100 nor more than \$500, or imprisoned not more than three months or both. For subsequent offenses a person shall be fined not less than \$500 nor more than \$1000, or imprisoned for not less than six months nor more than one year. No person shall be penalized under both provisions of the statutes.

However, since there is no law against possession of oleomargarine, but simply against use without the proper license or tax, enforcement is extremely difficult. To prove that a violation of the law has occurred, the accused must be apprehended actually eating the margarine that is untaxed or does not have the proper license. Cases are not taken to court as convictions are almost impossible. Thus no fines are collected.

The Department of Taxation, which is responsible for enforcement of the law, reports that approximately 20 to 25 violations are investigated each quarter. The primary method of enforcement is through a comparison of the list that the Tax Department has of those who have purchased licenses with a list received from oleomargarine wholesalers of their sales to Wisconsin customers. The other method is through investigation of complaints. These complaints are primarily concerned with violations of boarding house licenses. A few

restaurants are also involved. These complaints usually involve cases in which the owner has a license to serve oleomargarine, but is serving colored oleo.

Since convictions are almost impossible, efforts are made to have the violator obtain the necessary license. First a letter is sent to the alleged violator asking him to pay the license. If there is no response to the letter, an investigator is sent out. About 10 to 15 licenses are collected by this fashion each quarter. There are always cases in which an investigation shows the complaint was not justified or that the wholesaler's list was inaccurate. This accounts for the rest of the complaints. For the quarter ending December 31, 1964, 13 licenses were collected in this manner.

Another possible method of enforcement of the law is by confiscation of the untaxed oleomargarine, but this has not been done for several years.

#### VII. Pro and Con Arguments Concerning Wisconsin's Oleomargarine Legislation

Several substantial arguments have been developed on both sides of this issue. Proponents of the present oleomargarine laws contend:

1) Oleomargarine is a fraud that seeks to imitate the flavor of butter. Manufacturers of oleomargarine have never tried to develop a distinctive taste for their product on its own merits. They have always sought to sell their product on the taste developed for butter. Margarine should be allowed to be sold, but only on its own merits - not by imitating butter. The present law simply protects the customer from an imitation which has sought to copy the specific color, shape, gravity, smell and taste of butter.

2) Butter is basic to the whole economic status of Wisconsin agriculture. Dairy revenues account for more than fifty per cent of the total farm income in Wisconsin. (See Table VI). As the trend towards margarine has increased, butter consumption has fallen. (See Table III). Low dairy income is one of the most serious economic problems facing the people of Wisconsin today. Dairy income is less than it was in 1959, and, at that time, the dairy farmer averaged 69 cents an hour. If the present prohibition of colored oleo was eliminated, butter consumption in Wisconsin would drop from fourteen pounds per person yearly to the nation's average of seven pounds per person yearly. Neither Wisconsin's dairy farmers nor the Wisconsin economy can afford the competition of colored margarine.

3) The present law is simply protecting the value of the reputation that butter has earned for itself as a quality product. The consumer prefers a yellow spread because of the identification with butter. Butter has a historical right to reserve a copyright on the color "yellow" for itself.

4) The law should have stricter enforcement. In his report to the legislature, Tax Commissioner John Gronouski made these suggestions to facilitate enforcement of the present law: a) Eliminate the term "use" from the statute and make mere possession of untaxed oleomargarine, by a person not licensed to possess it, an offense punishable by fine or imprisonment, or both. b) Increase the 6¢ tax paid by the consumer permittees to 15¢, thereby eliminating the temptation to purchase out of state. c) Require that when transporting untaxed margarine across a state line into Wisconsin, consumer permittees be in possession of their

permit and that, upon demand, they be required to show it to any Wisconsin law enforcement officer authorized to enforce Ch. 139 of the statutes. When the operator or occupants of any vehicle, other than a licensed common carrier, transporting untaxed oleomargarine into Wisconsin are without a valid consumer's permit, the vehicle operator shall be deemed to be in possession of the untaxed oleomargarine unless ownership is admitted by one or more of the vehicle occupants.

5) Elimination of Wisconsin's restrictions on oleomargarine would not facilitate trade with other states. Problems concerning barriers on the sale of Wisconsin milk products are primarily with other milk producers rather than with the producers of vegetable oils used in margarine. In addition, the prosperity of Wisconsin dairymen is vastly more important to the cotton producers of the South than the prosperity of oleo dealers. Prosperous farmers can buy more Southern cotton and seed.

Opponents of the present law are equally as adamant in their objections to the current law. They contend that:

1) The law is unenforceable. Its only results are (a) loss of potential revenue for the state; (b) loss of income for Wisconsin retailers; and (c) loss of respect among Wisconsin citizens for law and order. The volume of bootlegging of yellow margarine into Wisconsin is one of the most frequently heard arguments in support of the repeal of that law. John Gronouski, as Commissioner of Taxation, reported to the legislature that evasion of the tax was prevalent. Sales of more than a ton a week have been reported at some Illinois service stations near the state line. Since only a small percentage of the oleo that is consumed is taxed, Wisconsin loses a great deal of revenue that it would be getting from a tax on colored margarine that could be enforced. The continuous drop in the revenue from the oleo tax to approximately one-tenth in 1964 of the 1949 totals (Table VII and Table VIII), at the same time as the per capita consumption of margarine in the U. S. is steadily increasing, (Table III) is an indication of the amount of potential revenue that Wisconsin is losing by this restriction. The Department of Taxation has estimated that tax revenue would increase by \$1,036,500 in 1965-66 and by \$1,081,000 in 1966-67 if the ban on colored oleomargarine were repealed with no change in the amount of tax or in the annual license fees. Wisconsin food dealers are likewise losing taxable income to out-of-state dealers. In addition, this tax encourages disregard for the law.

2) The Wisconsin restrictions on oleomargarine do not help the dairy industry. Eighty-five per cent or more of its products are forced to compete in markets where no such laws exist. Less than 15% of Wisconsin dairy products are consumed within the state. This means that 85% of Wisconsin dairy products are sold in markets which also allow the sale of yellow oleomargarine. With the obvious need existing primarily for out-of-state markets, it is impossible for Wisconsin effectively to protect dairy products from competition with yellow oleomargarine. This law has its negative aspects as well. It encourages the numerous barriers of different kinds that shut out Wisconsin milk in other states - states where the large markets are. How can Wisconsin milk expect to win relief from milk market "tariffs" in the oil seed-producing states if their products are burdened with margarine restrictions? Furthermore, when Wisconsin prohibits the sale and use of margarine, it prohibits the sale of one of the South's principal revenue-producing farm commodities, thus limiting the revenue available to buy Wisconsin dairy products.

3) Butter and margarine are only slightly competitive. It cannot be shown that the production or price of butter was increased by prohibitive laws against the sale of margarine. In years when the price of butter was low, even if consumers had shifted their expenditures from oleo to butter, the effects would not have been noticeable. Furthermore, there is no reason to assume that if margarine were eliminated, the consumers of that product would switch to butter. Consumers with low incomes, if denied margarine, will not necessarily increase their consumption of butter. Instead they tend to turn to cheap substitutes such as lard, peanut butter, and low-priced cooking oils, or deny themselves an adequate amount of fats in their diets.

4) The ban on colored oleo deprives Wisconsin citizens of freedom of choice at the market place. They lose the fruits of free competition and become victims of monopolies. We must consider those who cannot afford butter. Every consumer is entitled to have a wholesome and nutritious food product within the reach of his income. Oleo is no greater rival to the butter industry than the compact car is to the Cadillac. There is room for both products in either field. For the people who want something better and will not be satisfied with a smaller car or a cheaper spread, we will continue to produce quality butter. But for the person who must be satisfied with a small car or a cheaper spread, there is a product available. The consumer should be free to make that choice.

5) Margarine has a right to yellow coloring because the consumer wants it yellow, just as they want, and get, their butter, fruits and preserves sold precolored. Marketing studies show that the consumer preference is for a yellow spread, although the exact shade of preference differs depending on the location of the market. Butter, which is a very pale yellow in the winter, is artificially colored during eight or nine months of the year. Moreover, it is not colored a uniform yellow but is varied to meet consumer preferences. The Chicago market, for instance, prefers a richer golden hue than the New York market. Margarine should have the right likewise to color its product to meet these consumer preferences. Margarine is a pure, healthy food that has the same nutritional qualities that butter has. In fact, margarine is often prescribed by doctors for health purposes. Those who chose to buy it, for financial reasons, for medical reasons or for any other reasons, should be free to do so. They should not be penalized by extra taxation or by the extra work involved in coloring margarine at home.

Table VI. Farm Income in Wisconsin, and Amount and Per Cent of Income from Dairying 1945, 1950, 1955, 1960-1963.

Year	Realized Gross Farm Income					Cash Receipts From Dairy Products (\$1000)	Dairy Receipts As % of Total Farm Income %
	Cash Receipts From Farm Marketing	Gov't Payments	Value of Home Consumption	Gross Rental Value of Farm Dwellings	Total		
	----- Million Dollars -----						
1945	751.6	71.3			822.9	389,205	47.3
1950	938.4	7.7	62.3	57.7	1,066.1	435,266	40.8
1955	981.0	3.5	55.4	64.1	1,104.1	500,059	45.3
1960	1,102.5	16.9	46.6	71.7	1,237.6	585,709	47.3
1961	1,137.4	40.0	45.7	73.0	1,296.0	610,754	47.1
1962	1,124.0	42.5	41.8	74.2	1,282.5	603,571	53.7
1963	1,119.3	45.9	40.3	78.1	1,283.6	593,977	53.0

Source: Farm Income Situation, FIS 75, April 1946, pp. 13 and 16, (for 1945).

(continued)

(Continued)

Source: Farm Income Situation, FIS 165, September 1957, page 51. (1955 Dairy Receipts).  
Farm Income Situation, FIS 136, June-July 1952, page 20. (1950 Dairy Receipts).  
Farm Income Situation, Supplement for July 1962, page 19. (1950-61, Realized Gross Income).  
Farm Income Situation, Supplement for July 1964, page 35 and page 82.

Table VII. Oleomargarine Revenue by Calendar Year, 1932-1957.

Year	License Fees	Consumer Tax - 6¢ Pound (2)	Occupational Tax - 6¢ Pound	Total Tax	Total Revenue
(1)1932					\$ 1,661.62
1933					1,816.78
1934					1,896.38
1935					4,695.29
1936					230.19
1937					27.77
1938					5,131.65
1939					25.34
1940					—
1941					2.00
1942	\$ 4.00	\$ 11.24	\$ 10.46	\$ 21.70	25.70
1943	8,127.00	18.22	7,523.21	7,541.43	15,668.43
1944	15,391.50	29.06	159,420.31	159,449.37	174,840.87
1945	15,013.00	40.12	267,817.82	267,857.94	282,870.94
1946	6,268.50	22.02	70,887.75	70,909.77	77,178.27
1947	12,915.50	60.22	69,751.53	69,811.75	82,727.25
1948	40,223.50	188.30	976,526.96	976,715.26	1,016,938.76
1949	52,403.75	39.24	1,048,729.37	1,048,768.61	1,101,172.36
1950	46,120.00	13.20	813,302.90	813,316.10	859,436.10
1951	55,729.50	35.76	923,265.09	923,300.85	979,030.35
1952	74,042.50	55.06	906,420.49	906,475.55	980,518.05
1953	76,414.50	363.93	568,162.90	568,526.83	644,941.33
Totals Thru -					
1953	\$402,653.25	\$876.37	\$5,811,818.79	\$5,812,695.16	\$6,230,835.43
1954	63,163.50	459.00	452,673.54	453,132.54	516,296.04
1955	30,346.50	396.35	353,159.49	353,555.84	383,902.34
1956	48,336.00	391.54	306,827.70	307,219.24	355,555.24
1957	37,426.50	492.55	265,370.61	265,863.16	303,289.66
1958	35,130.50	423.86	306,888.00	307,311.86	342,442.36
1959	Transferred from Dept. of Agric. to Tax Dept. - Bev. & Cig. Div.				309,005.23
1960	33,160.52	(3)	(3)	274,411.72	307,572.22
1961	31,413.50	252.45	241,667.40	241,919.85	273,333.35
1962	51,945.00	219.87	246,302.25	246,522.12	298,467.12
1963	30,306.00	270.91	185,919.65	186,190.66	216,496.66
(4)1964	28,441.50	214.06	176,283.56	176,497.56	204,939.06

(1) Revenue prior to 1942, \$15,487.02, was not separated as to fees and tax.

(continued)

(continued)

(2) Includes 7¢ per pound taxes levied as penalties.

(3) This breakdown is not available.

(4) Preliminary figures.

Note: For the past two years the Department of Taxation has received anonymous checks for contributions to the Oleomargarine Tax Fund. (Checks were for \$30 and \$130).

Table VIII. Number of Oleomargarine Licenses by Years 1931-64 (1)

Year	Whole- salers	Retailers	Use in Bakery	Serve in Boarding House	Use in Hotel or Restaurant	Consumer	Total Licenses
1931				6			6
1932		15	4	8		25	52
1933		3		4		9	16
1934		4		7		5	16
1935		19	2	10		6	37
1936		2				2	4
1937						1	1
1938 (2)		264				3	267
1939 (2)							
1940 (2)							
1941			1			1	2
1942						4	4
1943		414	10	1	1	10	436
1944	1	497	9	4	2	10	523
1945	1	718	8	16	9	23	775
1946		202	7	4	2	9	224
1947	2	438	6	11	1	10	468
1948	17	1353	10	20	1	23	1424
1949	19	1275	12	27	3	17	1353
1950	19	1273	17	16	2	7	1334
1951	21	1640	29	22	2	7	1721
1952	24	2202	49	25	4	10	2314
1953	24	2145	65	66	11	33	2344
1954	21	1962	70	69	10	120	2252
1955	18	1563	61	64	11	77	1794
1956	18	1300	44	66	7	72	1507
1957	19	1122	41	67	7	80	1337
1958	19	1037	37	67	8	82	1250
1959	15	1006	28	73	9	67	1198
1960	15	987	26	84	12	61	1185
1961	13	979	28	83	9	80	1192
1963	12	872	21	84	7	54	1050
1964 (3)	12	839	18	74	7	54	1004

(1) 1962 breakdown on kinds of licenses not available.

(2) Law contested - confusion on oleo definition during this period.

(3) Preliminary figures.