

1936

## OLEOMARGARINE TAX

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rate was fixed, at the rate for the preceding year. When the new rate was fixed, if it was higher than the old one, a difference in amount of tax had to be collected; if the new rate was lower, the difference had to be refunded. This made necessary the recomputation of many thousands of items and the seeking or refunding of many very small sums of money: from one cent to a few dollars: an expensive process. This was largely, but not quite completely, remedied in 1924 and certain clerical costs were eliminated; but oil and mining rights and improvements on leased land or on land exempt from taxation, for which the land cannot be held, are not covered by the original language of this section and it is still necessary to com-

pute and collect or refund deficiency or excess collections on such rights. The adoption of this amendment will make the first collection final on this class of property, as it now sensibly is on the much larger class known as unsecured personal property and will eliminate entirely the remnant of this annoyance.

Respectfully submitted.

**KENT H. REDWINE,**  
Member of the Assembly,  
Fifty-seventh District.

**CHARLES W. STREAM,**  
Member of the Assembly,  
Eightieth District.

**OLEOMARGARINE TAX.** Referendum against Chapter 51, Statutes 1935, entitled "An act relating to revenue and taxation, providing for an excise tax on the sale of all oleomargarine containing any fat or oil ingredient other than any one or more of the following: oleo oil, oleo stock, oleo stearine from cattle, neutral lard from hogs, sheep fat, cottonseed oil, peanut oil, corn oil, or milk fat; providing a penalty for a violation of the provisions thereof," which act imposes a tax of ten cents per pound on oleomargarine (therein defined) sold or offered for sale in California.

18

YES	
NO	

(For full text of measure, see page 40, Part II)

**Argument in Favor of Oleomargarine Tax Referendum Measure**

**READ THIS BILL, THEN VOTE "YES"**

**THIS BILL IS NOT A TAX ON FOOD. READ SECTION 2.** Oleomargarine can be, and is, made of various ingredients. At present the main ingredient is Coconut Oil or some other Oriental Oil grown and harvested by **ORIENTAL COOLIE LABOR.**

Oleomargarine used to be made from **AMERICAN PRODUCTS** listed in this Section 2:—oleo stock, oleo oil, oleo stearine from cattle, neutral lard from hogs, sheep fat, cottonseed oil, peanut oil and milk fat. We want these products to be used again. **THEY ARE AMERICAN PRODUCTS.** If manufacturers will use the above listed **AMERICAN-GROWN PRODUCTS**, there will be **NO** tax imposed by this bill. **READ THE BILL.**

Other states believe in protecting the American Farmer. Alabama, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, Wyoming, have similar or more stringent laws. **THESE STATES PROTECT THEIR FARMERS.**

**EXCLUSION LAWS PROTECT AMERICAN LABOR** from the competition of the Oriental Coolie.

**TARIFF LAWS PROTECT AMERICAN MANUFACTURERS** from competition of the Oriental Manufacturer.

**THIS LAW WILL PROTECT THE AMERICAN FARMER** by taxing Oleomargarine but **ONLY** when made with foreign ingredients, grown by **COOLIE LABOR.**

**THIS IS ALL THERE IS TO THE BILL. READ IT AND CONVINCE YOURSELF. HELP THE AMERICAN FARMER IN HIS COMPETITION WITH THE ORIENTAL COOLIE.**

The Legislature was convinced of the justice of the arguments presented by California Farmers. The Senate voted Ayes, 33. Noes, 1. The Assembly, Ayes, 53. Noes, 18.

**UPHOLD THIS LAW. VOTE "YES."**

**F. T. ROBSON,**  
Stanford Vina Ranch,  
Vina, California.

**Argument Against Oleomargarine Tax Referendum Measure**

The many Californians who cannot afford to buy butter, and the few who use oleomargarine from choice, are facing a price increase of about 10¢ a pound, and will have to pay it unless Assembly Bill 578 is voted down in November.

A tax of only 2¢ was badly beaten in the 1926 referendum. In 1933 Governor Rolph vetoed an 8¢ tax because our people rebelled at any food

tax. No one seems to know why a 10¢ tax was voted by the 1935 legislature, but again our citizens protested and had the act referred to a popular vote in November next, when it should finally be defeated.

It has been represented that the law would keep foreign fats and oils out of this country, but it would not and cannot. Such an act would not stand in our courts. It does not even mention foreign oils.

Every tariff bill or tax of this nature is passed for the purpose of increasing prices. This law is no exception. Our thousands with small income would have to pay more for margarine, or do without entirely. That means depriving our families, especially the children, of fats which they must have for proper nourishment.

The law discriminates most unjustly and unreasonably. It says certain fats may be used tax-free, but of some of those California produces none at all,—of others it produces only a little. Our state has to import livestock, butter, cotton oil, and other forms of fat in enormous quantities. For instance, we bring in more cotton oil from Japan and Brazil than we produce, certainly four times over. Why tax our less fortunate citizens that foreign countries may profit? Perhaps if California had enough of these fats the situation might be different.

Instead of protecting the farmer, our law would limit his operations. If he should raise soya beans, hempseed, sesameseed, rapeseed, walnuts, or other oil-containing farm products, their oils would be taxed 10¢ per pound if made into margarine.

This is class legislation at its worst. Eighteen bills similar to ours were recently introduced in the legislatures of various states, but not one was passed.

Oleomargarine is clean and nourishing. It does not compete with butter any more than cotton hosiery competes with silk. It meets the necessities of many, many people. To increase its cost is selfish and unjustified, especially when our state has no surplus fats but must import.

If Assembly Bill 578 is approved at the November 3rd election, it means just this: those less fortunate will only suffer more because prices will advance; the dairyman will not benefit; the general farmer will be hampered; there will be no increased income for the states—only foreign countries and a favored few of our citizens will profit.

Every day our work brings us into contact with those underpaid, underfed, undernourished. Do not add to their hardships. Vote "No" on this food tax, Assembly Bill 578.

CAROLYN WEBER.

<b>LEGISLATIVE PRINTING. Assembly Constitutional Amendment 86.</b>		
Amends section 23a of Article IV of Constitution. Declares that existing legislative expense restrictions now contained in said section shall not apply to expenditures not exceeding five thousand dollars for each house for costs of compiling histories of bills, resolutions	YES	
19 and constitutional amendments introduced therein, indexing same and, pursuant to legislative rules, supplying public with full information regarding such measures and, upon application, with copies thereof, and for the purpose of correcting and indexing the journals and expenses incidental thereto following adjournment of sessions of the Legislature.	NO	

(For full text of measure, see page 42, Part II)

**Argument in Favor of Assembly Constitutional Amendment No. 86**

The purpose of this amendment is to provide funds for the "after session" work in the Senate and the Assembly. After the Legislature adjourns there yet remains from one hundred to one hundred twenty days of work for a number of the desk force, compiling the journals, histories and other data. A great portion of this work consists of printing and mailing copies of new bills to the numerous people who make requests for them.

Due to constitutional restrictions, the Legislature is unable to appropriate money for this purpose, and it has been necessary to save a sufficient amount from the constitutional daily allowance to meet this "after session" work.

The number of bills, both introduced and passed, have doubled within the past two or three sessions, and the small amount of money provided under the Constitution for handling the mechanics of legislation at the desk, has not been increased to meet this flood, and, consequently, an acute legislative jam occurs. Such a situation is not efficient and tends to permit errors to occur which are difficult, and sometimes impossible, to rectify.

**JAMES B. UTT,**  
Member of the Assembly,  
Seventy-fourth District.

**HARRY B. RILEY,**  
Member of the Assembly,  
Seventy-first District.

[Twenty-seven]

<b>17</b>	<b>COMPUTING TAXES ON UNSECURED PROPERTY. Assembly Constitutional Amendment 42.</b> Amends Constitution section 9a, Article XIII. Declares taxes levied for any current tax year upon personal property and assessments upon possession of or upon claim or right to possession of land and taxable improvements on land exempt from taxation, if not a lien upon land of sufficient value to secure their payment, shall be based upon tax rates for preceding tax year upon similar property where taxes were a lien upon land of sufficient value to secure payment thereof. Permits equalization of assessment on such property.	YES	
		NO	

Assembly Constitutional Amendment No. 42—A resolution to propose to the people of the State of California, an amendment to Article XIII of the Constitution of the State, by amending section 9a thereof, relating to the computation of taxes on unsecured property.

Resolved by the Assembly, the Senate concurring. That the Legislature of the State of California at its fifty-first regular session, commencing on the seventh day of January, 1935, two-thirds of the members elected to each of the two houses of the Legislature voting in favor thereof, hereby proposes to the people of the State of California, that the Constitution of the State be amended by amending section 9a of Article XIII of the State Constitution to read as follows:

(This proposed amendment expressly amends an existing section of the Constitution; therefore, EXISTING PROVISIONS proposed to be DELETED

are printed in STRIKE-OUT TYPE; and NEW PROVISIONS proposed to be INSERTED are printed in BLACK-FACED TYPE.)

PROPOSED AMENDMENT TO THE CONSTITUTION.

Sec. 9a. The taxes levied for any current tax year upon personal property for any current tax year and assessments upon possession of, claim to, or right to the possession of land and upon taxable improvements located on land exempt from taxation, where the same is not secured by real estate which are not a lien upon land sufficient in value to secure their payment, shall be based upon the tax rate rates for taxes levied for the preceding tax year upon real property for the preceding tax year of the same kind where the taxes were a lien upon land sufficient in value to secure the payment thereof. Nothing in this section shall be construed to prohibit the equalization each year of the assessment on person such property in the manner now or hereafter provided by law.

<b>18</b>	<b>OLEOMARGARINE TAX.</b> Referendum against Chapter 51, Statutes 1935, entitled "An act relating to revenue and taxation, providing for an excise tax on the sale of all oleomargarine containing any fat or oil ingredient other than any one or more of the following: oleo oil, oleo stock, oleo stearine from cattle, neutral lard from hogs, sheep fat, cottonseed oil, peanut oil, corn oil, or milk fat; providing a penalty for a violation of the provisions thereof," which act imposes a tax of ten cents per pound on oleomargarine (therein defined) sold or offered for sale in California.	YES	
		NO	

The Legislature of the State of California, in regular session in 1935, passed, and the Governor of the State of California, on the seventeenth day of April, 1935, approved the following act, and a petition bearing the signatures of a sufficient number of electors asking that the act be submitted to the electors for their approval or rejection, having been filed with the Secretary of State, in due time, the said act is hereby submitted on referendum.

(This proposed law does not expressly amend any existing law; therefore, the provisions thereof are

printed in BLACK-FACED TYPE to indicate that they are NEW.)

PROPOSED LAW

An act relating to revenue and taxation, providing for an excise tax on the sale of all oleomargarine containing any fat or oil ingredient other than any one or more of the following: oleo oil, oleo stock, oleo stearine from cattle, neutral lard from hogs, sheep fat, cottonseed oil, peanut oil,

**[Forty]**

corn oil or milk fat; providing a penalty for a violation of the provisions thereof.

[Approved by the Governor April 17, 1935.]

people of the State of California do enact as follows:

**Section 1. As used in this act:**

(a) "Oleomargarine" means and includes the following manufactured substances, mixtures and compounds with or without butter, milk or cream:

1. All substances heretofore known as oleomargarine, oleo, oleomargarine oil, butterine, lardine, suine and neutral.

2. All mixtures and compounds containing any edible oils or fats other than milk fat made in imitation or semblance of butter or when so made, intended to be sold as butter or for butter or as butter substitute.

(b) "Distributor" means and includes any person, firm or corporation which produces, refines, manufactures or compounds and thereafter sells such oleomargarine in this State for use and sale within this State, or who imports into and sells within this State such oleomargarine, except as hereinafter provided.

(c) "Director" means the Director of Agriculture of the State of California.

Sec. 2. In addition to all other taxes and license fees required by law, there is hereby imposed and assessed an excise tax of ten (10¢) cents per pound on all oleomargarine sold, offered or exposed for sale or exchanged in the State of California containing any fat or oil ingredient other than any one or more of the following: oleo oil, oleo stock, oleo stearine from cattle, neutral lard from hogs, sheep fat, cottonseed oil, peanut oil, corn oil or milk fat.

Sec. 3. Such excise tax shall be paid by the purchase of stamps from the director, who shall determine the form and denominations of such stamps. All distributors within this State shall affix the stamps in the amounts required by the provisions of this act, to each package of oleomargarine that is subject to the tax imposed by section 2 of this act, and when the stamps have been affixed as required herein no further or other stamps shall be required regardless of how often such articles may be sold or resold within this State. All stamps shall be affixed to containers of such oleomargarine in such manner that the container can not be opened or the said oleomargarine removed therefrom without canceling the stamps.

Sec. 4. It is unlawful for any person, firm or corporation dealing in oleomargarine that is subject to the tax imposed by section 2 of this act, other than a distributor, to receive or accept any delivery or shipment thereof or to pay for the same or to sell or offer the same for sale unless the stamps are

affixed thereto in accordance with the provisions of this act. Any such oleomargarine found which is not in the possession of a distributor as defined in this act, which does not have stamps as herein required affixed to the containers thereof is hereby declared to be contraband goods and the same may be seized by the director or by any peace officer in this State when directed by the director to do so.

Sec. 5. Every distributor shall render to the director on or before the tenth day of each month a verified statement taken from his books and records of the estimated quantity of oleomargarine that is subject to the tax imposed by section 2 of this act, manufactured or imported for sale and the actual quantity sold during the preceding month, together with any other information that the director may prescribe.

Sec. 6. The director may, at any time within three years after such statement is due, examine the books and records of any person required to make such statement and such books and papers shall at all times be subject to his inspection, or that of his representative, during regular business hours.

Sec. 7. It is unlawful to refuse to permit the director or any of his representatives to make such inspection as provided in section 6, or to fail to keep such books of account as may be prescribed by the director, or to preserve such books for such period as the same shall be open to the inspection of the director, or to alter, cancel or obliterate entries therein for the purpose of falsifying the true facts.

Sec. 8. It shall be unlawful to make, alter, forge, counterfeit, or have in possession any stamp provided for herein with intent to defraud the State. A violation of this section is punishable by a fine of not less than one thousand dollars or by imprisonment in the State prison for not less than one year or both.

Sec. 9. All moneys received by the director under the provisions of this act shall be paid monthly to the State Treasurer for credit to the general fund.

Sec. 10. Nothing in this act shall apply to the receipt or sale of oleomargarine which is exempt from State taxation under the Constitution and laws of the United States or to any oleomargarine intended for sale and sold and delivered to points without the boundaries of this State.

Sec. 11. If any section, subsection, sentence, clause, phrase or word of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions thereof.

Sec. 12. The violation of any provision of this act, except where a different penalty is prescribed herein, is a misdemeanor and is punishable by a fine of not more than five hundred dollars or imprisonment in the county jail for not more than six months or by both such fine and imprisonment.