

Margarine Taxation Made More Burdensome

*Congressional Efforts to Favor Farmers Result in
Increased Levy on Wholesome, Economical Food Product*

THE Seventy-first Congress has crowned the efforts of its remarkable Third Session by the passage of an act designed to tax out of existence the manufacture of naturally colored margarine. The measure encountered very little opposition in committee, and even less in the Halls of Congress, doubtless because every member believed that its passage would gain the friendship of the agricultural portion of the population.

The resulting effect upon the manufacture of margarine and upon its cost to the consumer remains to be determined. The provisions of the act are somewhat loose and ambiguous, leaving the determination of what constitutes yellow margarine in the hands of the Bureau of Internal Revenue, which can undoubtedly construe the legislation in such a manner as to apply the increased tax of 10 cents per pound to all margarine, if inclined to do so. The full text of the measure as passed is as follows:

[PUBLIC—No. 867—71ST CONGRESS]

[H. R. 16836]

An Act To amend the Act entitled "An Act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of section 3 of the Act entitled "An Act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended (U. S. C., title 26, sec. 207), is amended to read as follows:

"And any person that sells, vends, or furnishes oleomargarine for the use and consumption of others, except to his own family table without compensation, who shall add to or mix with such oleomargarine any substance which causes such oleomargarine to be yellow in color, determined as provided in subsection (b) of section 8, shall also be held to be a manufacturer of oleomargarine within the meaning of this Act and subject to the provisions thereof."

SEC. 2. Section 8 of such Act of August 2, 1886, as amended (U. S. C., title 26, sec. 546), is amended to read as follows:

"SEC. 8. (a) Upon oleomargarine which shall be manufactured and sold, or removed for consumption or use, there shall be assessed and collected a tax at the rate of one fourth of 1 cent per pound, to be paid by the manufacturer thereof; except that such tax shall be at the rate of 10 cents per pound in the case of oleomargarine which is yellow in color.

"(b) For the purposes of subsection (a) and of section 3, oleomargarine shall be held to be yellow in color when it has a tint or shade containing more than one and six-tenths degrees of yellow, or of yellow and red collectively, but with an excess of yellow over red, measured in the terms of the Lovibond tintometer scale or its equivalent. Such measurements shall be made under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and such regulations shall provide that the measurements shall be applied in such manner and under such conditions as will, in the opinion of the commissioner, insure as nearly as practicable that the result of the measurement will show the color of the oleomargarine under the conditions under which it is customarily offered for sale to the consumer.

"(c) The tax levied by this section shall be represented by coupon stamps; and the provisions of existing laws governing the engraving, issue, sale, accountability, effacement, and destruction of stamps relating to tobacco and snuff, as far as applicable, are hereby made to apply to stamps provided for by this section."

SEC. 3. That section 15 of the Agricultural Marketing Act, approved June 15, 1929, is amended by adding at the end thereof a new subdivision to read as follows:

"(g) As used in this Act, the term 'agricultural commodity' includes, in addition to other agricultural commodities, crude gum (oleoresin) from a living tree, and the following products as processed by the original producer

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Lecithin

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servatives or antihydrol which appeared to be lipid in character and was probably lecithin or a closely related substance.¹ The ingredient, which could be partially covered by the cadmium chloride method, was easily rendered inactive by treatment with hydrochloric acid or the 20% sulfuric acid solution, thus explaining why the pretreatment with sulfuric acid is necessary in the plant prior to "splitting" a fat with the Twitchell catalyst. The protective action of lecithin upon a fat against hydrolysis was nicely shown by the following experiment. Eight grams of commercial lecithin of about 50% concentration from soy bean was incorporated in lard, which was then subjected to hydrolysis with water and catalyst in the presence of oxalic acid in the customary manner. Even after six hours of energetic treatment only 20% of fatty acids had been produced. The curves in Fig. 3 show the comparison in the rate of hydrolysis between lard with and without lecithin.

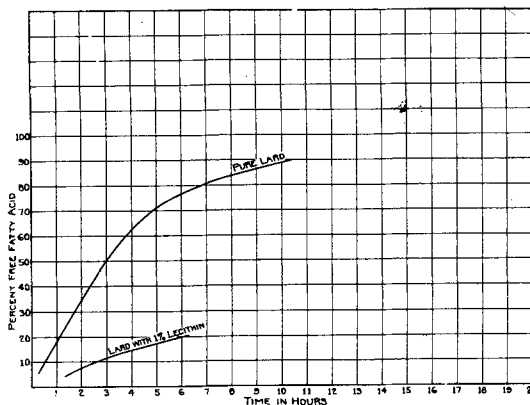


Fig. 3

Hence the resistance of certain fatty oils to hydrolysis is indirectly attributed to lecithin, or a related body, which is known to be present in these oils.

¹ The following valuable information was contributed by Dr. A. S. Richardson.

"Work by Mr. C. V. Conley in the Chemical Division of the Procter & Gamble Company some years ago indicated that 'poisoning' of Twitchell saponifier is a property of oil soluble nitrogen bases generally." Diethyl aniline affords a good illustration of this action."

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of the crude gum (oleoresin) from which derived: Gum spirits of turpentine and gum rosin, as defined in the Naval Stores Act, approved March 3, 1923."

SEC. 4. This Act shall take effect upon the expiration of ninety days after the date of its enactment except section 3, which shall take effect upon the approval of this Act.

NICHOLAS LONGWORTH,

Speaker of the House of Representatives.

CHARLES CURTIS,

*Vice President of the United States
and President of the Senate.*

Approved, March 4, 1931,

HERBERT HOOVER.

Higher fatty acid peroxides and peroxy compounds, such as valeryl, caproyl, capryl, lauryl, palmityl, oleyl, stearyl and ricinoyl peroxides and peracids, suitable for bleaching, for use in pharmaceutical preparations, for synthesis, as bactericides and in dentifrices, are prepared by treating higher fatty acid chlorides with a solution of an alkali metal peroxide preferably of a concentration not over 10 percent. Br. Pat. No. 334,531.

The clouding point of a soap solution has been defined as that temperature at which a soap solution containing three per cent of fatty acids combined with alkali becomes turbid. In washing textiles, if the clouding point lies above the temperature of the washing water, soap is precipitated on the fibres and interferes with subsequent dyeing or printing. Apparatus for determining the clouding point comprises a jacketed beaker fitted with a thermometer and stirrer, and placed in a vessel filled with hot water. The jacket has a narrow vertical slit in one side and a slit three times as wide with a narrow strip down the middle on the opposite side. Soap solution heated above its clouding point is poured into the beaker and viewed through the narrow slit, illumination being provided behind the wider slit. The temperature at which cloudiness first begins to appear is taken as the clouding point. *Chem.-Ztg.* 49, 1012 (1930).

Sulfonated oils are said to possess practical advantages over soap as emulsifying agents because of the greater stability and uniformity of the former, their greater stability in acids, alkalis and hard water and their greater powers of dispersion and penetration. *Am. Silk. J.* 49, No. 64-6 (1930).