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GROUT BILL.

OLEOMARGARINE.

SPEECH

OF

HON. S. S. BARNEY,
OF WISCONSIN,

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IN THE

HOUSE OF REPRESENTATIVES,

THURSDAY, MAY 17, 1900.

WASHINGTON.
1900.
M. W. P.



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SPEECH
OF
HON. S. S. BARNEY.

The House being in Committee of the Whole House on the state of the Union, and having under consideration the bill (S. 3419) making further provision for a civil government for Alaska, and for other purposes—

Mr. BARNEY said:

Mr. CHAIRMAN: I shall not at this time enter into an extended general discussion of the pending bill (Alaska code), as we are all agreed that there is a pressing necessity for proper legislation of this character at this session of Congress. Later on, however, when this measure is taken up under the five-minute rule, I shall have some suggestions to make as to its details.

At this time I desire to take advantage of the rules and practice of the House and make some remarks more particularly applicable to other important measures asking the attention of Congress—one measure at least, which though perhaps not political in its character, is of vital interest to a large portion and perhaps all the people of this country.

The most important industry in America is the farming industry. And while we all know this to be a fact, I sometimes think we pay less attention, in the way of legislation, to its needs than any other. The reason for this perhaps is that the farming industry is so diversified and scattered in its influence that its wrongs and necessities are not often heard from in legislative halls.

It is the one great industry in this country which is not yet organized into great corporations, which always seem to be able to take care of themselves, and, from its very nature, probably always will remain divided and free from concentration.

It has "stock," and, generally, well-watered stock; but not of the kind which is quoted upon Wall street. And I trust the day is far distant when that will be the case.

It is very seldom that the farmers of the country knock at the doors of Congress for relief, and for that reason if for no other when they do come their requests should be heeded. The fact that they are here asking for help is good evidence that they are entitled to our careful consideration. The measure to which I now refer is H. R. 3717, being a bill "to make oleomargarine and other imitative dairy products subject to the laws of the State or Territory into which they are transported, and to change the tax on oleomargarine," introduced by the gentleman from Vermont [Mr. GROUT], and commonly known as the "Grout bill." While that measure in some of its details may not be entirely above criticism, I regard its object and general scope as most meritorious. It seeks to prevent fraud both upon the honest producers and the honest consumers of this country, and that in relation to a food product which enters into the domestic economy of every household in the land.

For that reason it may truthfully be said to be a measure not alone for the relief of the farmer, but also in the interest of all the people of this country who are not directly connected with

this fraud. This bill seeks to insure to the consumer a knowledge of what he is buying and eating, to the end that he may not be imposed upon either in quality or price, and to insure the producer against being compelled to compete against a swindle and a fraud.

Those who have not given the subject careful attention hardly realize the magnitude and importance of the dairy interests of this country. The annual value of the dairy products of the United States is more than \$800,000,000, and my own State of Wisconsin produces to the value of more than \$35,000,000 every year. Millions of men, women, and children in this country are chiefly dependent upon this industry for their support, and these millions form a class of people who have a right to be heard when they ask for help.

They ask for no subsidy or bounty; they ask for no class legislation; they ask for nothing but protection against a fraud and a counterfeit. They ask for no legislation to assist them in placing their product upon the market, but they do ask—and they have a right to ask—for a law which shall prevent swindlers and counterfeiters from invading that market. This law is simply a proposition to prevent deception of the consumer who wishes to buy butter, and is so palpably just as to hardly need argument. Butter is a product of the cow, and from time immemorial she has had a monopoly of this article, and no man or corporation has any better right to counterfeit butter than he has to counterfeit the current money of the land.

Butterine, oleomargarine, or whatever name it may be called by, has no more or better right to be called butter and sold in the market for butter than a bogus dollar has to pass for a genuine one. The only difference is in the extent of the injury done in the one case or in the other.

It should be remembered that the measure referred to does not seek to take away or limit the right of anyone to either manufacture, buy, or use butterine, oleomargarine, or any other substitute for butter; it only seeks to compel the manufacturers of these substitutes to place them upon the market and sell them for what they really are.

If a manufacturer still wishes to deceive the public and color his product in imitation of butter, he can do so upon the payment of the required tax. If it were possible under the Constitution to do so, I would not have any manufacturer permitted, for any price, to deceive the public in a food product; but this exercise of the taxing power seems to be the only feasible way we have of reaching and preventing this deception and swindling of the public.

It is said that we are thus indirectly taxing an article out of existence. Now, in the first place, let it be understood that we are not attempting to tax oleomargarine or any other substitute for butter out of existence when made and sold for what it really is, but only desire to make it difficult for manufacturers to place on the market and sell an article of food for what it is not. If this can be accomplished in this way, I am glad of it and have no apology to offer. Congress taxed the old State banks out of existence, and thus prevented the public from being imposed upon by a wildcat and unsafe currency, and that was done "with malice aforethought," and the great majority of the people of this country are saying amen to that legislation every day. Many States, by means of high license, tax rum out of the market, or at least

limit its sale, which is the same thing in principle. If such legislation is a proper exercise of the taxing power, I see no impropriety in making it burdensome, by taxation, for counterfeiters to deceive the public in an article of food.

It has been claimed that this oleomargarine is a wholesome article of food, better than much of the butter which is sold in the market, and that it is bought and consumed by the poorer classes, and that such a law will deprive them of this privilege. There is no truth whatever to this proposition, and it is only a subterfuge, by the means of which dishonest manufacturers seek to obtain undeserved sympathy and support.

Such a law will not prevent or in any way limit the manufacture and sale of oleomargarine or any other substitute for butter when not placed upon the market in a manner calculated to deceive the public. This law is as much in the interest of the people who buy and consume oleomargarine as of those who produce butter, and will only reduce the dishonest profits of the oleomargarine manufacturer. When the public is deceived as to the kind and quality of the article it is buying, it is always liable to be cheated, and generally is cheated.

Why is oleomargarine made and sold in imitation of butter if not for the purpose of making the consumer think that he is buying butter, and thus fraudulently induce him to pay for it the price of butter? While all may not be thus deceived, some unquestionably are, and in that way the market price of oleomargarine is dishonestly raised above its fair market value. It has been proven that oleomargarine can be made for less than 8 cents per pound, and yet it is often sold for more than three times that sum. Thus it is seen that all classes are cheated by this counterfeit—the farmer, the dealer, and the consumer.

Let some law be enacted which will prevent this deception, at the same time in no way preventing or limiting the honest manufacture and sale of oleomargarine for what it really is, and the consumer of this article, instead of paying 18 or 20 cents a pound for it, will be able to get it for but little more than one-half that sum. The dishonest profit of the manufacturer will be taken away, and the man who can afford it and who buys gilt-edged creamery butter will perhaps pay a little more for it, for he will know what he is getting and will not be deceived.

At the last session of the Fifty-fifth Congress, the Senate, by resolution, authorized and directed its Committee on Manufactures to investigate the pure-food question, and to ascertain if any food products are frauds upon the purchasers. While this committee was in session in the city of Chicago last summer, several witnesses appeared before it with samples of oleomargarine, which had just been purchased for the "best creamery butter," and for which from 18 to 25 cents per pound had been paid. Some of these packages had no marks upon them at all, as required by law, to enable the purchaser to know what he was buying, and all the others were so wrapped that this mark was entirely concealed; and this evidence was not successfully contradicted.

Notwithstanding the fact that this kind of traffic is being carried on all over the country, all the time in violation of law, experience proves that under the present law it is practically impossible to prevent it or to punish the offenders.

It may be stated as a fact almost undisputed that more than four-fifths of the oleomargarine sold and consumed in this country is sold for pure butter; and a large part of that which is honestly

sold is fraudulently placed before the consumer for pure butter by dishonest hotel and boarding-house keepers. This dishonest practice can be but for one purpose and can have but one effect, and that is to raise the price of the imitation article approximately to that of pure creamery butter, while its cost of production is less than one-half.

Does it need any argument to prove that if a law is passed and enforced which will prevent this deceit and fraud, this imitation will be reduced in price to a fair profit above the cost of production, and thus save money to the purchasers and consumers of oleomargarine? It is not to be wondered at that the pork packers of Chicago and other large cities are opposed to this measure, because without some such law they are able to sell imitation butter for more than twice the cost of production.

The following report of the Commissioner of Internal Revenue, in response to the resolution of Congress asking for information as to the ingredients used in the manufacture of oleomargarine, as shown by the returns of the different manufacturers, shows the composition of this article of food and proves beyond a doubt that it is now being sold in the market for nearly twice what it is honestly worth:

[House Document No. 682, Fifty-sixth Congress, first session.]

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., May 14, 1900.

SIR: In compliance with your instructions in responding to House resolution of May 8, 1900, I have the honor to submit herewith data therein called for.

The original forms in which this information is submitted to this office are not only very large in bulk, but voluminous in number, and can not very well be transmitted; besides, they are a part of the records of the Internal Revenue Bureau, and should not therefore leave the custody of the Treasury Department.

The data submitted discloses the kinds of material used, the amount of each ingredient, and the per cent that each bears to the total amount of oleomargarine produced in the country for the periods named, and it is believed furnishes all the information intended to be called for in the resolution.

Very respectfully,

G. W. WILSON, *Commissioner*.

The SECRETARY OF THE TREASURY.

Quantities and kinds of ingredients used in the production of oleomargarine in the United States for the fiscal year ending June 30, 1899; also, the percentage each ingredient bears to the whole quantity.

Materials.	Pounds.	Percentage each ingredient bears to the whole.
Neutral lard	31,297,251	34.27
Oleo oil	24,491,769	26.82
Cotton-seed oil	4,357,514	4.77
Sesame	486,310	.53
Coloring matter	148,970	.16
Sugar	110,164	.12
Glycerin	8,963	.01
Stearin	5,890	.007
Glucose	2,550	.003
Milk	14,200,576	15.55
Salt	6,773,670	7.42
Butter oil	4,342,904	4.76
Butter	1,568,319	1.72
Cream	3,527,410	3.86
Total	91,322,260	100

Quantities and kinds of ingredients used in the production of oleomargarine in the United States for the month of December, 1899; also, the percentage each ingredient bears to the whole quantity.

Materials.	Pounds.	Percentage each ingredient bears to the whole.
Neutral lard	3,735,777	31.88
Oleo oil	3,369,085	28.84
Cotton-seed oil	511,157	4.34
Color	21,753	.18
Sesame	50,500	.43
Sugar	14,111	.12
Stearin	12,705	.10
Glycerin	1,212	.01
Glucose	2,940	.02
Butter	106,130	.90
Salt	800,156	6.83
Milk	1,889,467	16.13
Butter oil	727,062	6.20
Cream	471,688	4.02
Total	11,713,743	100

Without discussing the question as to the healthfulness of the above conglomeration of ingredients, I think I am justified in saying that it is not honestly worth in the market 20 cents per pound and never would sell for that sum if uniformly offered for sale without deception. Oleomargarine has the same rights before the public as any other food product, and it is not sought by this law to take from it one such just right. It has the right to be made of lard, hoof fat, cotton-seed oil, and soap grease. It has the right to come into the market honestly for what it actually is and, under those circumstances, to obtain for itself as high a price as the consumer will pay. But it has no right to sneak into the market disguised as pure butter and thereby obtain an unfair and dishonest advantage over both the butter consumer and the butter producer.

There is no better protection for the public against unjust profits than laws to compel producers to put their goods upon the market and sell them without deceit or fraud, and that is all this measure seeks to do.

We are told that we have no more right to tax the manufacturer of oleomargarine for his colored product than we have to tax the farmer who sometimes does the same thing. I say there is no analogy between the two cases whatever, because the manufacturer of oleomargarine colors his product for the purpose, and the only purpose, of cheating the consumer and making him believe he is buying something which he is not buying, while the producer of butter has no such object in view. Pure butter is colored to suit the fancy of the consumer and not to cheat him. I tell the man who sells me my butter that I do not wish it colored, and he brings it to me uncolored; others who buy of the same man desire their butter colored, and they get it to suit their fancy.

Nearly all wool is white, and everybody knows that to be a fact, and yet most of the garments which are made of wool are colored. This is not done for the purpose of cheating the buyer—and he is in no way deceived by it—but is done to suit the varied fancies of the buyers and wearers of woolen garments. There is no more fraud in the coloring of pure butter than there is in the coloring of wool and woolen goods.



In conclusion I wish to say that there is a larger and broader principle involved in the measure than the protection of the farmer from the dishonest invasion of his market or the protection of the consumer from this one fraud.

America is the richest and most fertile country on the face of the earth. It has the means and the capacity of producing the greatest variety and the best foods consumed by man. Its people are the most ingenious and skillful people under the sun. For these reasons the food products of America ought to be the best in the world; and yet, if one wishes to purchase an extra article of food, he must buy something either actually imported or marked imported to deceive him.

Is it not a fact, humiliating to every American citizen, that foreign brands are placed upon our best food products to make people believe they were not made in America? And why is this so?

Not because we have not the material and the skill to make the best food under the sun, for we have both; but because we have not yet risen to the standard of the Old World in the enactment and enforcing of pure-food laws.

The first step in that direction is to drive out of our markets every fraud and counterfeit. Every State should make and enforce laws which will enable the purchaser to know just what he is buying and eating or drinking, and the Federal Government should lend its aid in that direction, so far as it can, by the exercise of its taxing power.

If one wishes for any reason to buy ground pease instead of coffee, oleomargarine instead of butter, or any other substitute instead of the genuine article, he should have the unlimited right to do so, but he should buy in the market with a full knowledge of what he is getting. He can then buy pure food if he wishes to do so, and whatever he buys he can get it for what it is reasonably worth. This measure will at least help to accomplish that object with reference to one of the most important and delicate articles of food which goes upon the American table, and that is why I am heartily in favor of it.

I sincerely trust that before this session of Congress closes this measure will be reported to the House and considered. If that is done, it will undoubtedly pass, and it is a great wrong to prevent this consummation by parliamentary scheming.



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