

## WASHINGTON REPORT

Congressman Edwin D. Eshleman



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The national economic situation at this point is not very encouraging. Prices continue to climb upwards, interest rates remain high, the dollar is still dropping in value and no immediate relief is in sight. There are some subtle, but hopeful, signs that the overheated inflationary spiral is beginning to cool to some degree. The fact that prices are not going up quite as fast as before shows that a plateau of sorts has been reached. But my prediction of a few months back of a substantially improved economic outlook by the end of the year is

obviously not going to be one of my most accurate. The Nixon Administration has not been able to work the hoped for wonders on the fiscal disaster area which was inherited one year ago. The factual bleakness of the economic picture is what makes the recent Congressional changes in the tax reform legislation so disturbing. Over in the Senate, the Tax Reform Act of 1969, suddenly has been turned into the Tax Relief Act of 1969. One Senator suggested that maybe an even better name would be the "Christmas Tree Act of 1969" since so many goodies have been

hung on the bill. While it certainly is admirable to seek to give Americans tax relief, such relief at the expense of economic health is not exactly a responsible action. In my opinion, many of the Senate amendments to the legislation would, if left as is, aggravate our already alarming fiscal problems.

The proposal to rise the personal exemption from \$600 to \$800 is a case in point. Such a provision would cost the government over \$6 billion in revenue. That loss would mean that the effort to balance the national budget as an anti-inflationary step would be doomed. And for what? A \$200 hike in the personal exemption rate which everyone recognizes should be even higher. I sponsored legislation earlier this year to raise the rate to \$1000, a more reasonable figure, but on the understanding that such an exemption would be a part of a balanced piece of legislation designed to bring relief but maintain revenue. This balance could be achieved by readjusting tax rates on a more equitable basis, something which the Senate did not include in its action.

Another area of criticism is

that the original goal of eliminating tax inequities seems to have gotten lost. In the rush to get some political benefit out of this year's tax legislation, the reform issue has become muddled. For example, when the House voted to trim the oil depletion allowance by 7½% it was a step in the right direction. However, over in the Senate, that 7½% cut was trimmed back to a 4½% cut. Other reform measures like changing the tax exempt status of some organizations also got watered down on the Senate side.

The major differences between the House and Senate versions of the tax reform legislation mean that the conference committee, made up of members of both bodies, will put the bill into its final form. I have an idea that the conference committee will spend considerable time coming up with a version that provides a balance of relief and reform, but with the most weight on the reform side. House Ways and Means Chairman Wilbur Mills is going to have a good bit to say about the way he compromise legislation shapes up and he is interested primarily in doing away with tax inequities.

### Soil Tests

"Barnyard manure re-enforced with superphosphate continues to be a good method of getting the most value from the manure and increasing the phosphorus content of the soil. Many farms are still low in available phosphorus, according to soil tests, and the use of super phosphate in the gutters of dairy barns will make them more sanitary, and the spreading of phosphate in the steer pens before new bedding is applied, will help balance the manure as a complete fertilizer. Phosphorus is one of the three most important soil elements needed by most plants for maximum production.

### Wrapping With Wire Protects Evergreens

During winter water loss through the leaves of evergreens can be reduced somewhat by wrapping the evergreen loosely with large-mesh chicken wire, say extension horticulturists at The Pennsylvania State University. This prevents winter winds from passing freely through the evergreens branches and reduces the sweating process peculiar to plant life.

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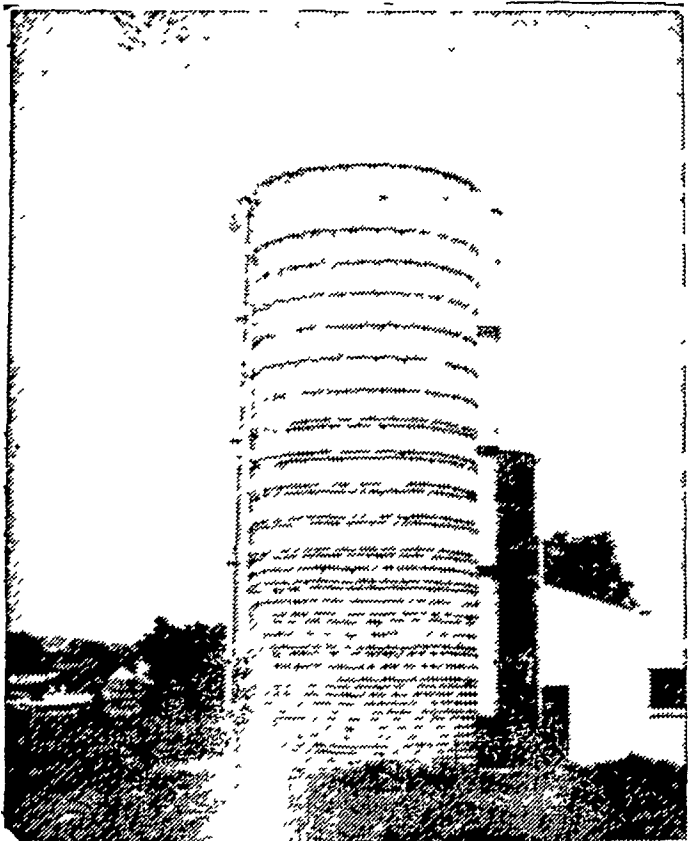
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