

Freeze Two - Phase 3.5

The following comments were taken from the PennAg newsletter "The Millwheel", which analyzes the recent Price Freeze as it applies to agriculturalists.

Details of the recent Freeze Order on Prices are now becoming known and it is clear --- at least to us --- that there will have to be changes. Our analysis of the Order is based on the original and we emphasize that there could be changes.

By Executive Order 11723, the President of the United States froze prices beginning at 9:00 P.M. e.s.t. June 13, 1973 for 60 days Simultaneously the Cost of Living Council issued Part 140 - Freeze Regulations which gave substance to the Order.

In general, all prices are frozen at the maximum to that price at or above which 10 percent of the commodities involved were transacted with a class of purchaser between June 1 and June 8, 1973 (the freeze base period). A transaction is deemed to have occurred at the time of delivery Commodities exempt entirely are live cattle, hogs, sheep, poultry, raw milk, hay, (whether bulk, pelleted, cubed or baled), wheat, feed grains, soybeans, rice, garden plants, etc. So long as these commodities are not processed they may be re-sold ad infinitum. However, when they are "processed" such as canned, frozen, slaughtered, milled or changed in their physical form, they become controlled. Packing is not a processing activity.

Another group of raw agricultural commodities are also exempt, but only on the first sale by the grower or producer. These are usually of a type which are ultimately consumed in their original form, such as shell eggs (frozen, dried or liquid eggs are not exempt), mushrooms, fruits, vegetables and cut flowers.

Thus, both feed and flour, being processed commodities are covered commodities All businesses must prepare a list of freeze prices and make the list available for public inspection at each

place of business. Note that posting of the list is not required. In addition, the calculations and supporting data upon which these prices are determined must be maintained, but only shown to an IRS agent if audited.

Under penalties, it is significant to note that it is not only illegal to sell at prices above the frozen level, but also to buy in excess of that price. Practices such as inducements, commissions, kickbacks, retroactive increases, transportation arrangements, premiums, discounts, tie-in agreements, trade understandings, falsification of records, substitution of inferior commodities or failure to provide the same service and equipment previously sold are violations. Willful violations are subject to \$5,000 criminal and \$2,500 civil penalties per violation. In addition, injunctive powers are available to secure compliance.

To find the freeze price for a commodity not traded in the freeze base period, sellers must go back retroactively week by week until a week is found where the commodity was traded. A whole section of the regulation deals with new commodities. Our reading of this indicates that it must, in fact, be a new commodity, not a substitute to avoid an unsatisfactory price level. If a new commodity is justified, the retail price may be established based upon the application of the customary initial percentage markup received during the freeze base period for comparable products to allowable unit costs of the new commodity.

The regulation indicates that requests for exceptions will be handled by District IRS offices, but that they will be hard to obtain. It was determined by telephone that the address to contact is Economic Stabilization Program Exception Branch, P.O. Box 12896, Philadelphia, Penn. 19108 (Phone 215-597-9950). A form, S-16, should be requested to file for an exception.

Message Needs Action

President Nixon's energy message was a milestone in the epic struggle to preserve our energy-based civilization. Many of his proposals have been urged upon the country by foremost authorities in all branches of the energy industry. The President's principal energy adviser, Mr. George Shultz, has commented, "From the standpoint of the consumer, if all of these proposals are adopted, he and she will have more energy at lower prices than they would if the proposals were not adopted. The interests of the consumer are very well served by these proposals although we all face up to the fact that energy costs are going to rise."

Among other steps, the President recommended total deregulation of prices on new sources of natural gas. He also urged steps to triple the amount of offshore oil drilling by 1979. He asked for measures to encourage development of new oil and gas fields and called for simplified licensing techniques in nuclear

power plant sitings and a reduction in excessive regulatory and administrative impediments which have delayed or prevented construction of energy-producing facilities. He further urged application of the country's vast scientific and technological capabilities--both public and private--"so we can utilize our current energy resources more wisely and develop new sources and new forms of energy."

In considering the President's message, it is well to recognize that no government and no official can suddenly wave a magic wand and produce an energy miracle. The momentum of resource development in the energy field has been slowed by a proliferation of adverse ideas and attitudes on the part of tax collectors, regulators and the public generally toward such basic enterprises as the oil and gas industries. If the President's words presage a more moderate and realistic approach to energy requirements, there is little question but that the lost momentum can be regained.

Medieval By Comparison

East Germany is said to have the highest living standard of the Communist world. However, a traveling editor for U.S. News & World Report has described just what this really means. He says, "Of six million homes in East Germany, only 2.5 million have private toilets, fewer than 600,000 have central heating." About 40 percent of East German homes have no private baths, and a million have no running water. The traveling editor discovered, "New construction is largely central-city showmanship. New housing is a rarity. There is no evidence anyone has used a

paintbrush in 25 years."

These findings will come as a shock to Americans, who live in a land where even a vacation trailer without a perfume-scented chemical toilet is considered medieval. The disparity between the so-called American way of life and the way of life in most other countries, whether our detractors like it or not, is testimonial to the success of the great experiment in free enterprise and representative government launched by our founding fathers less than two centuries ago.

NOW IS THE TIME . . .

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To Shear Pine Trees

This part of the state is not noted for the production of pine trees but we do have a number growing for ornamental purposes and some growers for Christmas trees. The month of June is regarded as the best time to trim and shape any of the pine tree varieties; it is usually done about the time of the ending of the new growth period. The other evergreens such as spruce or fir should not be trimmed until after September 1 and finished by next March. The shearing of pine trees thickens the branches and makes them more desirable on the landscape; also, in some cases they need to be trimmed in order to maintain a smaller size. Sharp nippers or hedge shears may be used to get the desired shape and size.

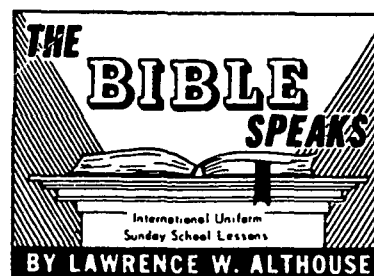
To Operate Combines Slowly

The winter barley crop is starting to change color and soon the crop will be ready to harvest; the winter wheat crop will be ready in another month. Both grain and straw prices are high this year making it worthwhile to attempt to get every pound of the barley stalk. The operation of the combine has a lot to do with the amount of grain that gets into the bin, in too many cases the machine is operated too fast or operated when the grain is too tough. With the weather conditions so far this spring it may be difficult to get good grain

combining weather. High speeds usually throws too many of the barley or wheat kernels out with the straw; this is evidenced in previous years by the amount of volunteer growth following combining. The crop is valuable, please take time to harvest it properly.

To Be Careful With Spray Materials

The careful handling of spray materials has been suggested for many years but is still very important. At this time we are aware of gardeners and farmers that applied the wrong pesticide to their plants and crops; this was done because of storing similar-appearing containers side by side and because the materials was not stored in it's original container. We emphasize again the need of keeping materials stored with good identification; keep them in the original container if possible. Also, it is strongly advised to store weed killers (herbicides) in a separate room or building that any of the other spray materials. It is easy to get the wrong container when in a hurry or when an employee is doing the spray work. Be extra careful when using potent chemicals and check the material, the amount, and the timing.



MADE FOR MAN

Lesson for June 24, 1973

Background Scripture Exodus 20 8-11; Mark 2:23-28; Luke 14:16-23, 14:1-6, Hebrews 10:25.
Devotional Reading: Psalms 122

There are two very extreme ways in which people often respond to the Fourth Commandment: "Remember the sabbath day, to keep it holy."

On one hand there are those who are very legalistic in their approach. On the other, there are those who simply ignore it altogether.

When Jesus pursued his ministry, he encountered mostly those who were overly legalistic in their response to this commandment. The scribes and Pharisees were very strict in their prohibition against work of any kind on the sabbath. For example, it was forbidden to look in a mirror on the sabbath, for one might be tempted to pluck out a hair and this would be "reaping," and thus laboring on the sabbath. It was also forbidden on the sabbath to bathe, because the steam from the hot water might cleanse the floor, and this would be regarded as forbidden work.

On keeping it holy

To us, these interpretations may seem quite ridiculous, but to the Pharisees, they were of the utmost importance. We can see,

then, how Jesus came into conflict with this legalism. Frequently Jesus performed works of healing on the sabbath. This, the Pharisees regarded as contrary to the prohibition of all labor. In addition, they had seen his disciples walking through grain fields on the sabbath and plucking some of the ears of grain. This, the Pharisees interpreted as "reaping," and a violation of the sabbath laws.

How could Jesus justify this apparently flagrant violation of the commandment? The key, he points out, is not in determining what is work and what is not, but in discovering the purpose for which the sabbath was intended. "I ask you," said Jesus, "is it lawful on the sabbath to do good or to do harm, to save life or to destroy it?" Jesus took them beyond the letter of the law to the purpose of the law and it was here that they found the answer.

Behind the letter of the law

On another occasion, Jesus put it even more simply: "The sabbath was made for man, not man for the sabbath." The way the scribes and Pharisees acted, the sabbath was meant as something which men should serve obediently. Yet, says Jesus, the purpose of the sabbath was to help man, to enrich him, to bring him that much-needed "change-of-pace."

The whole reason, then, that men are to keep the sabbath "holy" is for their own good, their own enrichment. The observance of the sabbath, then, is not some whimsical demand which God lays upon us, but another evidence of his concern for our welfare.

If this is so, then, it is not enough for us to avoid being legalistic about the Fourth Commandment, for neither can we afford going to the other extreme of ignoring this commandment which was made for man and his own good.

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Rev. Althouse