

Legislative roundup

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Wednesday morning's breakfast hour.

The 50 Grangers, mostly members of the legislative, agricultural, dairy and energy committees, had their congressional breakfast Tuesday morning.

Both Schweiker and Senator John Heinz attended.

Grangers learned that President Jimmy Carter's proposed across-the-board budget cuts may hurt USDA research programs. One program facing a cutback is research on strains of wheat and corn which can fix nitrogen. Indication was that the wheat project is nearing a major breakthrough.

Also facing the axe is the school milk program. Funding may have to come for such programs from the local level.

The CNI dairy order hearings, which many dairy leaders seem to consider nearly dead received new life, Grangers learned.

Alfred Kahn, Carter's inflation advisor, seems to have taken an interest in the CNI proposal so now it seems certain that CNI's ideas will get as far as the hearing stage, at least.

Congressman Ertel's remarks to PFA at Wednesday morning's breakfast began with the windfall profits tax measure which he said would definitely be law within the next few weeks. Although aimed primarily at the oil industry, the measure contained a number of provisions that would be felt directly by farm families, Ertel said.

The measure would repeal the carry-over basis method of calculating inheritance taxes. With this method estate taxes would be figured not on the value at the time of death, but on the

value at the time of a property's acquisition. For many farmers, the carry-over basis would be not only expensive, but almost impossible to figure for farms that have been in the same families for generations.

While the carry-over basis became law in 1976, with the backing of the IRS, pressure from the public and from Congress has prevented its use so far.

Another provision of the windfall profits bill would change Social Security regulations to allow farmers harvesting wheat the year before their retirement, but not selling it until the year after, to collect the income from the sale without harming their Social Security status.

And a small savers' provision in the next tax measure would exempt from taxes the first \$100 in interest payments on bank savings accounts.

Ertel spent most of his time talking about trucking regulatory reform. He pointed out that while consumers' food prices have risen very little, or in some cases dropped, over the last 12 months, the cost of transporting food to market has gone up 20 percent.

Transportation costs account for some 10 percent of the cost of food, so any increases in retail food prices would be eaten up by truckers before it reached farmers, Ertel pointed out.

A vigorous supporter of deregulating the trucking industry, Ertel is convinced that freight costs would go down if the Interstate Commerce Commission was given less power over the industry.

The hidden costs of regulation add up to \$35 to \$100 billion a year, Ertel said. That figure includes the salaries and other ex-

penses of the 2000 ICC administrators, and the even higher price tag of lawyers who specialize in appearing before the ICC in rate review cases.

If any truck could go by any route to any town hauling any commodity,

neither the ICC administrators nor the lawyers would be needed.

As an example of wasteful truck routes, Ertel cited a northern Maryland trucker with rights to serve Pittsburgh. The trip to Pittsburgh, by the most direct

route, is 183 miles. But the trucker is allowed to serve Pittsburgh only by first sending his trucks to New Jersey, a wrinkle which adds nearly 300 miles to the round trip.

Unfortunately, according to Ertel, the confusion in

rates makes this situation far from unusual in the trucking industry.

Since everything that farmers sell and buy is hauled by truck, Ertel said the agricultural community has a big stake in pushing for trucking reform.



Lancaster County's delegation to the PFA Congressional visit included, left to right, seated: Helen Wivel, Phyllis Enslow, Tom Plank (Congressman Bob Walker's staff assistant), Jim

Hess, Ginny Hess, and Marian Brenneman. Standing: Richard Haas, Bill Enslow, Elvin Brenneman, Mary Ann and Michael Grove.

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Congressman Allen Ertel, of Dauphin County, explained his views on trucking regulation of 260 PFA members in Washington Wednesday and Thursday to visit their Congressmen.

Make TMR work

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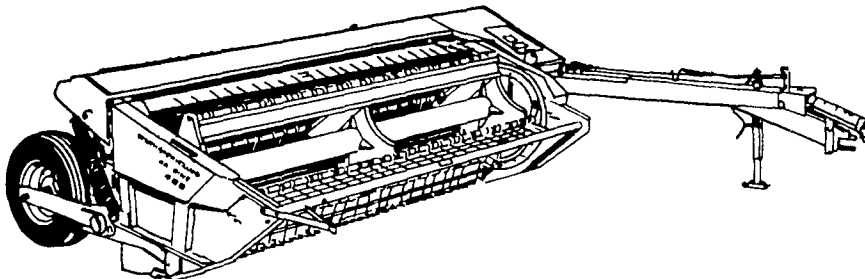
rate of TMR program is increasing because it is a sound concept, supported by effective research and technical leadership. He pointed out that it is being used increasingly in confinement barn situations

Braund said, "TMR will play a major role in the design of dairy feeding programs and housing systems in the future." He said the concept is economically sound and will be successful with good management.—SBB

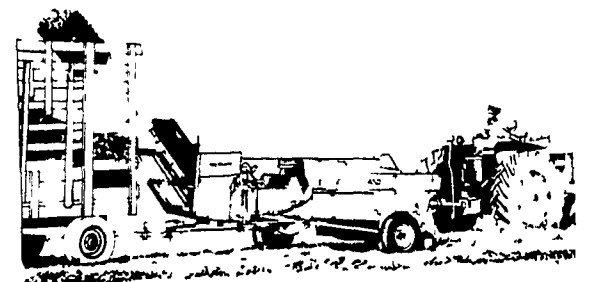
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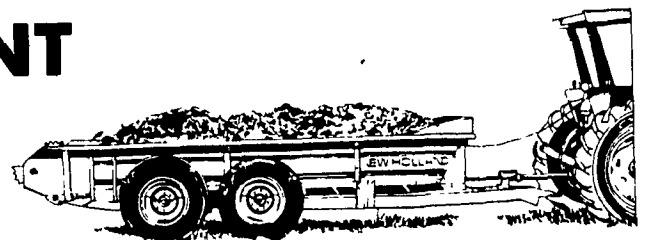
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