

Senate race starts with call for ag tax policy

CAMP HILL — Arlen Specter, Republican candidate for United States Senate, from Pennsylvania, Wednesday called for new tax policies to promote American agriculture. Specter, meeting with the Pennsylvania's farm editors and members of the House Agriculture Committee, had been well briefed on farm issues for a candidate whose background rests strongly in Philadelphia where he served as district attorney.

He hit hard on regulations which hinder farming, calling the OSHA experience "disasterous."

He said he felt there should be a limit on U.S. Secretary of Agriculture Bob Bergland's authority to regulate Class I milk prices as requested by the Community Nutrition Institute proposal.

Specter said he would push for a seat on the Senate Agriculture Committee, if elected. The ag committee is a major committee, though, and freshman senators are allowed only one such committee.

He said the ag committee had been dominated by the South too long and said he felt it was time the Northeast got some representation on the committee.

He voiced interest in foreign policy and human resources appointments, too.

Joseph Esposito, Chester County, has been appointed as Specter's agriculture advisor. Esposito has worked as an ag advisor on the state level for several years.

Specter said the future of farming in the United States is not assured. Our agricultural production is taking place on a steadily shrinking base of farmland. During the past decade 30 million acres of farmland have been converted to non-agricultural use, including half of the farmland in New England and 22 percent in the Middle Atlantic States.

In Pennsylvania, where agriculture is the second largest industry, farmland has been reduced from a total of 12.3 million acres to 10 million acres since 1960. The unequalled productivity of the American farmer simply cannot be guaranteed if the loss of prime agricultural land continues unchecked, he said.

"The American farmer is enduring hard times. Since the peak in farm income and prices in 1973, farm earnings have steadily declined. If we are to preserve American agriculture, we must generously utilize federal tax policy."

"I support the following measures," Specter said.

Reduce capital gains taxes on farmers that agree to maintain their land for agricultural use and to stipulate to its continued agricultural use as a condition of the land's sale.

This will provide incentive for preserving our farmland on the basis of individual initiatives rather than by unnecessary federal intrusions into land management.

Increase the federal estate tax exemption on land continued to be used for agriculture.

The value of virtually any sized farm and its equipment exceeds the present exemption level. This

exemption should be increased to at least \$250,000 on properties that will remain in family farming. The overall impact of the federal estate taxes should be reduced. I further support indexing the estate tax to compensate for inflation.

Provide tax breaks for farmers that sell their land to new farmers at lower costs.

Federal guarantees of

credit should also be provided to the states for loans to individuals who are entering farming for the first time, have insufficient personal assets, and are qualified to farm. Federal incentives to the states to offer variable rate mortgages and loans to reduce early interest costs on agricultural land should also be available.

Expand investment tax

credits for agricultural equipment and livestock.

Facilities used for the storage of agricultural commodities should qualify for investment tax credits as well as important production items such as feed, fertilizer, seed and chemicals.

He also supports allowing investment tax credits on horses used for breeding purposes.

Allow income tax credits

for donations of agricultural products to charitable organizations that will distribute them to countries in need of food. This will provide a useful outlet for food surplus.

"The American farmer is vital to our economy and to the world. Swelling populations are creating growing demands for food. The only dependable source that can be expected to fill

the bulk of this need is the American farmer.

"We must redouble our efforts to promote agricultural production in the United States. Tax policy is one of several tools available in this effort and should be used expansively," Specter concluded.

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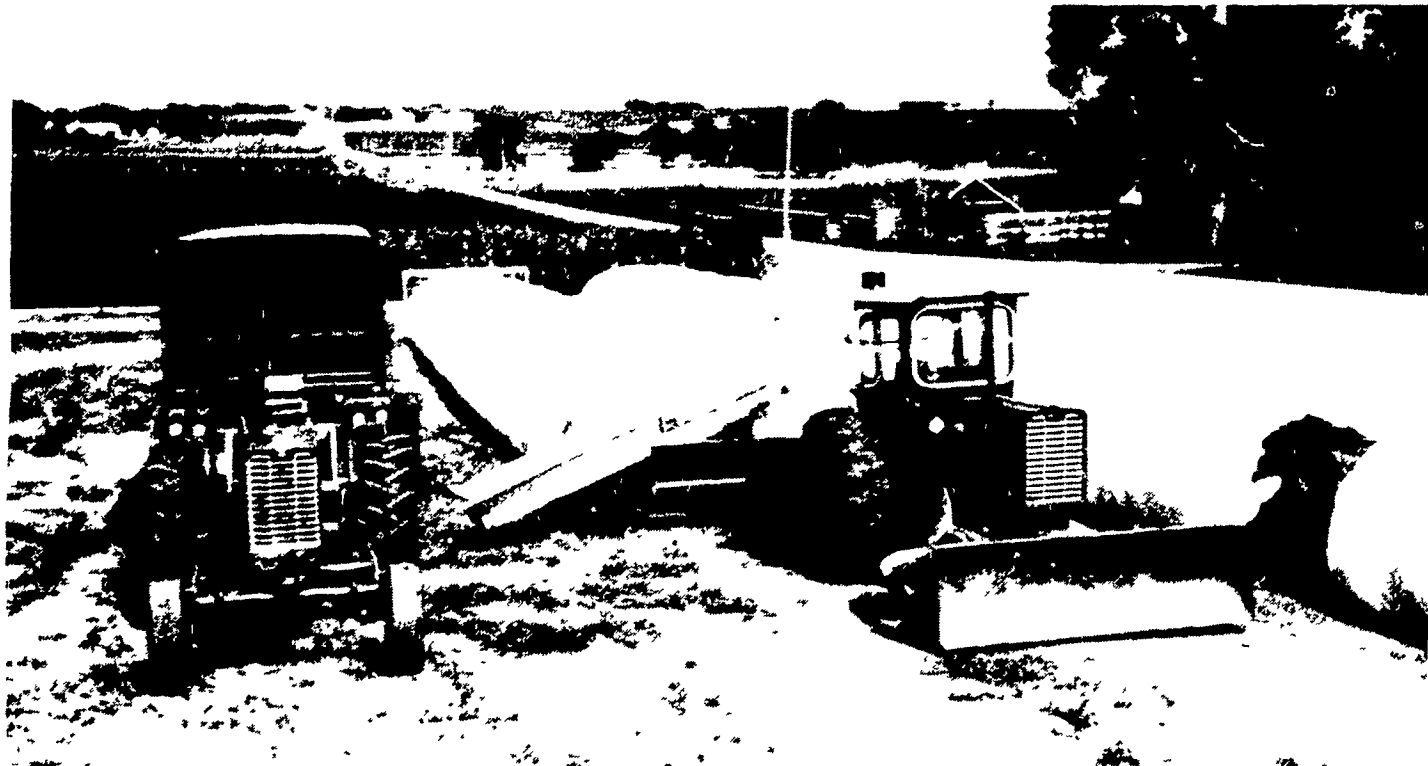
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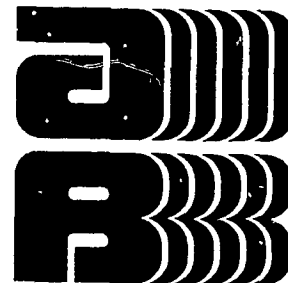
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