

Farmers Should Be Concerned About Upcoming Farm Policies

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WILLOW STREET (Lancaster Co.) — About 80 percent of the entire USDA budget of about \$55 billion doesn't go to ag-related programs.

Instead, more than three quarters of it, or around \$35 billion, goes to welfare, and mostly to the food stamp program.

And, under President-Elect Bill Clinton, if cuts are made in the bloated bureaucracy that is USDA, they'll more likely come out of the 20 percent remaining that funds ag education and subsidy programs.

That's the message delivered by Rep. Robert S. Walker (R-16th Dist.) at the Ag Issues Forum attended by about 25 ag business representatives at Willow Valley last week.

Lot to worry about

If some of the policies of the elected administration are carried through, farmers have a lot to worry about — such as the proposed inheritance tax reform bill and the ever-present spectre of expanded wetlands preservation.

Walker said it is hard, at the present time, "to judge where we're going on legislation policymaking over the next four years, because agriculture is not a topic that was addressed very fully in the democratic platform," he said. "In the course of the campaign, it was discussed only peripherally, and then only in generalities, so it's very difficult to know where specific policy options will be exercised in the new administration."

He said the personalities of those appointed will have a lot to do with the decision on policies, and right now is too early to tell.

But one thing is clear — farmers need to look at what possible inheritance tax issues may be coming down the pike.

Against proposal

"I would urge all of you who are members of organizations that are related to agriculture in any way to begin to work immediately to build a foundation against a proposal to reduce the \$600,000 exemption down to \$200,000," he told the attendees.

The sponsor of the bill to lower the exemption, Richard Gephardt, U.S. House majority leader, will have consequences that could prove frightening to farmers. Because that figure — \$200,000 — was brought up again and again

in the campaign, pointing to what the Clinton administration figures is a "base analysis of who was rich and who wasn't," said Walker.

The tax figure may not only take in income, but also net worth of more than \$200,000, according to Walker. While the figure may raise as much as \$54 billion of new revenue, "it will be absolutely devastating to small business, in particular the farmers." Because we would be right back in the "soup," said Walker, of a few years ago, when many farmers had to sell part of the farm just to pay the inheritance tax in order to claim the farm. Raising the exemption, as what happened a few years ago, to \$600,000 "saved Lancaster County farming," he said.

The bill to lower the exemption, if passed, would prove devastating, he said. "People will figure out ways to pull back their assets out of any kind of productive activity and get it into shelters of one kind or another. It will have a lot of very, very bad impact if it passes."

Environmental stance

Also, the phantom of stepped-up wetland protection may spring

back, because of the strident environmental stance of the Clinton administration. Clinton could decide, simply by executive order, all of a sudden to take hundreds of thousands of acres of farmland out of production because of the current guidelines of what wetlands are.

Even the sides of freeways could be considered wetlands, according to Walker. The decisions will be up to the people Clinton appoints to key positions.

Also, the trade issue — and what happens to the general agreement on tariffs and trade (GATT) — is tied to the ongoing negotiations on the North American Free Trade Agreement (NAFTA). Many countries continue to adopt a wait-and-see attitude.

But the cuts to USDA could hit farmers the hardest, because many of the programs that farmers depend upon could get trimmed or cancelled, according to Walker. And the situation for some programs may be grim — unless farmers get together to form coalitions to have an effective voice, according to Walker.

And it will take some time to

implement many of Clinton's proposed programs. The first to come would be a "tax stimulation

bill," but would take at least six months to be prepared, and quite some time to be enacted.

Senate Approves Ag Land Preserving Measures

HARRISBURG (Dauphin Co.) — The Senate has taken steps to protect Pennsylvania's prime farmland by approving legislation that encourages the reuse of old industrial sites for business expansion, according to the bill's sponsor, Sen. David J. "Chip" Brightbill (R-48).

Brightbill, chairman of the Senate Environmental Resources and Energy Committee, said the bill would redirect the way companies think about expansion projects.

"Companies rarely target old industrial sites for expansion or start-up operations because they know under existing law they would be held responsible for cleaning up any pollution on the site, even if they were not the ones who created it."

Public economic development and redevelopment agencies are

often the only groups trying to redevelop old industrial sites, which otherwise might be abandoned due to cleanup policies.

"As a result of the limited interest in these sites, developers and companies look to our open space, our prime farmland to build or expand," Brightbill said.

Senate Bill 1810 would exempt economic development agencies and redevelopment authorities from liability for cleaning up pollution they did not cause. The measure also protects development agencies from cleanup liability when their only role is holding property titles for loan collateral.

Sen. Brightbill said the bill also protects new industries moving onto sites owned by economic development agencies from unreasonable cleanup liability by only holding them responsible for any pollution they cause.

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