TAXES AND CONTROLS *By Lawrence Lockman*

"Do you want to produce a shortage of any product? Simply have government fix and enforce a maximum price on the product which is less than the price that would otherwise prevail."

Economist Milton Friedman

Now that our federal lawmakers have had their annual August vacation, we can only hope that they have spent some time reflecting soberly on President Carter's recent proposals for dealing with our precarious energy situation.

If our representatives have examined the president's energy package thoughtfully and carefully, they should realize that it is nothing more or less than a naked grab for power by Big Brother in Washington.

Should Congress enact these proposals we can look forward to drastic energy shortages for years to come, as well as greater government control over our lives.

At the heart of Carter's energy package is the so-called "windfall profits" tax on the oil industry (this in addition to the present effective tax rate of 50 percent on oil profits). In fact, it now appears that the president's partial and belated move toward removing price controls on domestic oil was prompted solely by a desire to extend the power of government by way of a huge increase in tax revenues. The windfall will go to the politicians and bureaucrats if the president gets his way.

Instead of a partial, phased-in decontrol of oil prices, Mr. Carter ought to be pushing for a speedy total decontrol and tax cuts. Apparently our president has not learned the lesson of history, that price-fixing by government always leads to the opposite of its intended effect; rising prices and eventually a shortage of the controlled commodity.

Whenever politicians are given the power to set the price of any item (whether beef, labor, rent or gasoline), they invariably decide on a lower price than the free market price. Politically this is a popular thing to do, since the consumers of any product always outnumber the producers, while all alike have one vote.

The artificially low price stimulates consumption, while at the same time producers are discouraged from increasing production, and may very well enter a new line of business—preferably one that the politicians have overlooked. The result is a shortage of the original commodity.

Our experience with government price-fixing of petroleum products follows the historical pattern.

The current energy crunch can be traced directly to President Nixon's price controls edict of Aug. 15, 1971. The government's futile attempt to set maximum prices was finally abandoned as a total failure in 1974—except that controls on domestic oil were continued. President Ford took the course of least resistance and actually strengthened the controls during his administration.

As a result, oil production in this country dropped 5 percent between 1973 and 1978, while the United States alone among the non-communist industrial nations increased its oil imports.

The problem today is not a lack of oil resources, but the political strangulation of production. There is, in the free world today, a 36-year supply of proven oil reserves already staked out and producible at today's prices.

The number of years' supply of proven reserves is at the highest level in the history of the statistic. And the statistic is only indirectly related to the actual amount of oil underground, because exhaustion of prospects produces a rise in price, which makes previously worthless reserves worth "proving."

In addition, secondary recovery of oil left behind in wells already worked could more than double known and proved reserves. Usually only one-third of the oil in a pool is recovered. The other two-thirds is left in the ground because it is too costly to recover at today's controlled prices. A rise in price would make a portion of this oil recoverable.

At a higher price, we could produce as much oil in the future from the already known and abandoned fields as the total amount produced in the world's history to date.

For the government to point the finger of blame at private industry is more than ludicrous; it is criminal. Instead of attacking oil producers as price gougers and profiteers, our elected officials ought to be moving toward a complete elimination of federal interference in the production of energy.

Lawrence Lockman works as a sawyer for a lumber mill in central Maine. He lives in Seboeis.

CASE LAW CORNER — THUS SAITH the LORD

I. the LAW of GOD

BIBLICAL LAW MAY BE DIVIDED INTO THREE CATEGORIES:

1. the **GENERAL LAW** of **GOD** — THE TEN COMMANDMENTS
2. **CASE LAW.** THE APPLICATION OF THE TEN COMMANDMENTS TO PARTICULAR CASES.
3. **RESTORATIVE LAW:** REFLECTING GOD'S MERCY ON SINNERS (THOSE IN VIOLATION OF NO. 1 AND NO. 2) THROUGH CEREMONIAL ACTS TYPIFYING CHRIST'S REDEMPTIVE WORK.

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II. EXAMPLES

1. the **8th COMMANDMENT**

"THOU SHALT NOT STEAL" (EX. 20:15) IS GENERAL, COVERING A VAST NUMBER OF OFFENSES. THIS PRINCIPLE IS PERMANENTLY BINDING (ROMANS 13:9).

2. **EXODUS 22:3** APPLIES THE GENERAL LAW ON THEFT TO A PARTICULAR CASE, REQUIRING MULTIPLE RESTITUTION FROM THE THIEF. N.T.: SEE LU. 19:8,9

3. **"BEHOLD the LAMB of GOD** THAT TAKETH AWAY THE SIN OF THE WORLD," SAID JOHN THE BAPTIST (JOHN 1:29), THEREBY INDICATING THAT JESUS CHRIST WAS THE ONE TYPIFIED BY OLD TESTAMENT ANIMAL SACRIFICES AS THE SIN BEARER OF GOD'S CHOSEN PEOPLE. TODAY CHRISTIANS ARE RELIEVED FROM PERFORMING THE O.T. CEREMONIAL LAWS THROUGH CHRIST WHO FULFILLS THEM. *HEB. 7 thru 10*

III. GOD'S LAW TODAY

CHRIST COMMANDS SINNERS SAVED BY GRACE TO KEEP THE 10 COMMANDMENTS (JN. 14:15), AND TO APPLY THEM TO PARTICULAR SITUATIONS IN THEIR DAILY LIVES. (MT. 4:4; 5:17-19)

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