

The Land Price Spiral

In this age of glass, steel, concrete and cubical living for millions of people, somewhere, someone still owns the land and must use it wisely to make it produce the food and fiber to feed the world's cities and factories and give them life. It is little wonder that land ownership remains a powerful factor in motivating human behavior.

Writing in Fortune magazine Mr. Max Ways, in an article entitled "Land: The Boom That Really Hurts," explores some of the facts and fables of land ownership, their effect on the boom in land prices and what might logically be done to moderate what many feel is an excessive inflation of land values. Fast-rising land prices have been a fact of economic life on a worldwide basis. Mr. Ways points out that in the past 15 years average land prices in the United States have risen around 7 percent a year, where the Consumer Price Index showed an average annual increase of 2.7 percent. In his opinion, rapidly increasing land prices have been one of the major contributors to inflation. In the last 15 years, in many sections of the United States, the price of land on which to put a house has risen much faster than the cost of building it. The cost of land is undeniably one of the major factors in the overhead of farmers and ranchers, food processors, meat packers, retailers and supermarket operators. Thus, the high and rising cost of land is a direct contributor to the high and rising cost of food. And the land boom goes on -- fueled by the vision of "security," by the undeniable record of appreciation in value and by the often-voiced contention that values are bound to continue upward as population pressure pushes against a limited supply of land.

As Mr. Ways puts it, "The combined effect of popular myth and sluggish public policy is that when eager buyers come to the land market, they find reluctant sellers. And the price of inert and insensate acres rises faster than anything else in a civilization where the real economic values derive from action, from knowledge, from judgment, from management, from invention, and from cooperation among people." Security, according to this view, for the average human being in a technology-based, industrialized society depends more on his ability to raise his productivity, to manage, to learn, to fit into the organized society around him than it does in owning a piece of land on which he can grow potatoes. This may be true as long as the bubble stays inflated. But what if it bursts? The row of potatoes might be a nice thing to have. This is still the thought lurking in the back of the landowner's mind

What about a hedge for inflation? Just because land has always increased in value doesn't mean it always will. Majority feeling for land ownership could change, or tax policies shift their emphasis. The population pressure theme, Mr. Ways suggests, is ridiculous in the United States. Still, it would be difficult to convince some 32 percent of the people in the U.S. who live in less than 2 percent of the land area in metropolitan centers that there is not pressure on the land. But, if you

should drive your car along the highways of New York State just 50 miles or so northwest of the center of Manhattan Island, you would find yourself passing through open country, wooded mountains and small communities that haven't changed much in decades. Similar conditions are found in the hinterlands around Washington, D. C. and most of our other metropolitan centers. If you think there is someone standing on every square foot of land, try driving across the hundreds of miles of open country, high plains and mountains of such states as Wyoming, Colorado, Montana and Idaho. Mr. Ways points out that if you put the world's entire population of some 3.7 billion people within the borders of the United States "... the resulting density would be not much greater than that of England today." Particularly considering the birth rate decline in the United States and other developed countries, it appears we will not soon be standing on top of each other's heads. Apparently the population pressure against the land is really not as bad as it has often been painted.

Mr. Ways suggests that one of the ways to encourage better utilization of the land would be to change the real estate tax policies which presently discourage landowners from improving or using their holdings. Seventy percent of such taxes are assessed against buildings, and only 30 percent against bare land. Mr. Ways suggests that a "... decrease in the tax on buildings together with an increase of the tax on land might have the long-range effect of slowing down the land boom." At the same time, it is pointed out that more than half of the families in America "... have a substantial part of their assets in home equities." Any drastic decline in these "... values would shrink the national credit base and have a more traumatic effect on the economy than a stock-market crash."

In summing up, about all that can be said is that land prices have increased more rapidly than anything else in most countries, including the United States. They have contributed to the inflationary spiral, and it is possible that land prices will not keep on rising forever. Any public policy designed to slow the land boom should be gradual in nature since land values are a major portion of the assets owned by individual citizens. No matter how you slice it, and admitting that conditions may change, it still looks like land is a pretty good bet. If you own any, don't give it away. It will probably be worth more next year, and who knows -- it still might be nice to have a row of potatoes.

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"I am very much alarmed at the possibility that in the very near future the energy crisis will force the shutdown of businesses, widespread unemployment, and a depression at least as bad as that of the thirties. Once that happens, it will be too late to remove the barriers and allow the utilities to do the things necessary to provide adequate energy."--Mr. George I. Bloom, chairman, Pennsylvania Public Utility Commission.

NOW IS THE TIME...

Max Smith
County Agr. Agent
Telephone 394-6851



TO CONSIDER CORRESPONDENCE COURSES

Penn State University continues to offer many helpful courses through the mail. These courses are given at a nominal cost and cover various agriculture, family living, and community development subjects. A bulletin is available at the local Extension Office giving full details about all courses. We urge more of our local folks to consider one or more of these courses to become more knowledgeable on interesting topics. They are very practical and provide an opportunity to learn while performing normal daily obligations.

TO STORE LIVESTOCK WASTES CAREFULLY

As more kinds and grades of fertilizer become scarce and more expensive, the value of barnyard manure begins to be more important. Due to the large livestock and poultry population on many of our local farms, it is the feeling that some crops may need less commercial fertilizer if we can hold the fertilizer ingredients in the manure supply. Most types of manure are higher in nitrogen and potash and lower in phosphorus. Nitrogen seems to be the scarce type of fertilizer this spring and liberal manure applications could improve the situation. Producers are urged to store the manure out of the weather and attempt to hold all ingredients until closer to spring plowing time.

TO PRUNE TREES

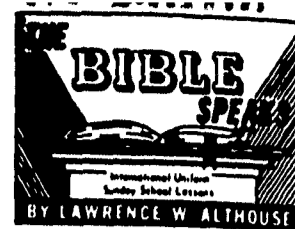
Nearly all kinds of fruit and shade trees may be safely pruned during February and March; this is the period before the trees break dormancy and the best time to make any cuts. Most orchard men will prune during late winter or early spring; shade trees often need to be pruned to maintain proper size and shape, and to remove any damaged branches. However, this is not the time to prune or shape most evergreens such as pines, yews, junipers, etc.; this can be done during May or June. The spruce trees may be shaped or pruned during the winter months and until late March in this part of the state. Sharp pruning shears or saw may be used and all large cuts (one inch or more) should be painted with tree paint to prevent rotting.

TO TRANSFER SILAGE

Many local livestock or dairy producers may have extra silage in horizontal or bunker silos with the plan of transferring it into the upright silo toward spring. This may be done safely but there will be less heating and loss of feed nutrients if it is done during colder weather rather than later this spring. Also, the job should be done as quickly as possible and there is no need of adding any water or other preservative. Any kind of silage may be moved and should be just as good out of the tower silo as it would have been if fed from the horizontal structure. Air temperatures of under 50 degrees when moved are desirable.

Farm Calendar

- Monday, February 4**
7:00 p.m. - Stoverstown 4-H Craft Club, 4-H Center, Bear Station.
7:30 p.m. - Meat Processors meeting, Farm and Home Center, Lancaster.
7:30 p.m. - Central 4-H tractor club meeting, 4-H Center.
7:30 p.m. - York County 4-H Baby Beef Show, 4-H Center, Bear Station.
Feb. 4-5 Northwest Agri-Dealers Association meeting, Leamington Hotel, Minneapolis, Minnesota.
Feb. 4-6 - Louisville Barrow Show - Kentucky Fair and Exposition Center.
Feb. 4-8 - Brucellosis Eradication Conference, Chicago, Howard Johnson Motor Lodge, Schiller Park, Ill.
- Tuesday, February 5**
9:30 a.m. - 9th Annual Southeastern Dairy Conference, Guernsey Sales Pavilion.
12 Noon - Jugger's Dairy Processor Conference, University Park, Penn State, Feb. 5-7.
7:00 p.m. - Learn by Doing 4-H Club meeting at the home of Linda Coons, York RD5.
7:30 p.m. - Manheim Young Farmer Farm Wiring Seminar 5, Manheim vo-ag department.
7:30 p.m. - Farm Income Tax hints and Penn State Farm Records program, Oxford High School vo-ag room.
Feb. 5-6 - New England Grain and Feed Council, Marriott Hotel, Newton, Mass.
- Wednesday, February 6**
1:00 p.m. - Farm Income Tax hints and Penn State Farm Records program, Honey Brook Fire Hall, rear meeting room.
7:30 p.m. - York County 4-H Council meeting, 4-H Center.
7:30 p.m. - York County 4-H Leaders meeting, 4-H Center.
Feb. 6-8 - National Livestock Feeders Association meeting, Muehlebach Hotel, Kansas City, Mo.
- Thursday, February 7**
6:30 p.m. - 4-H Beef and Lamb Club banquet, Farm and Home Center, Lancaster.
7:00 p.m. - Eastern Lancaster County Adult Farmers welding course, Garden Spot High School vo-ag department.
7:30 p.m. - Manheim Young Farmers Farm Wiring Seminar no. 6



THE COUNSELOR

Lesson for February 3, 1974

Background Scripture: John 15:16 through 16:15
Devotional Reading: John 16:16-24

"Live," said someone, "as if Jesus were your constant companion!"

Understandably, most of us would find it easier to live as good Christians if Jesus lived in our neighborhood or our homes.

We would doubtless all be more careful in keeping his teachings and following his example. Most of us do better in almost anything when we are under scrutiny of some kind.

Not only would the daily presence of Jesus give more incentive, but we would also probably make more use of his help in meeting our daily situations. We would be able to turn to him for advice and counseling. All of us probably have a number of important questions we would want to ask him.

"I will not leave you desolate"

We can imagine then how the disciples must have felt as they began to realize that Jesus was going to be leaving them soon. That day by day contact, its many opportunities for learning and counseling--all these would, it seemed, be lost in that event. How could they possibly learn to do without this man who had become seemingly essential to their lives?

Yet, he promised "I will not leave you desolate" (14:18). To take his place, God would send "another Counselor" (14:16). Although Jesus was to be taken physically from them, God was going to provide another source of counsel and inspiration. "But the counselor, the Holy Spirit, whom the Father will send in my name, he will teach you all things and bring to your remembrance all that I have said to you" (14:26).

Obviously, the "new" Counselor God was sending would be different from Jesus in that he would be Spirit instead of physical. Given their choice, the disciples probably never would have been willing to give up Jesus in the flesh. That's human nature. Yet this spiritual Counselor from God would have advantages over the fleshly Jesus. He would not have the limitations of a physical body which can only be in one place at a time and is limited. Further more, this Counselor was to "be with you forever" (14:16).

"And I in you"

The Counselor God was sending in place of the fleshly Jesus was to be within his disciples.

for he dwells with you, and will be in you" (14:17). They will not have to search for this new Counselor, for he will be as close as their own hearts. "If a man loves me, he will keep my word, and my Father will love him, and we will come to him and make our home with him" (14:23).

We need not, then, hypothetically imagine what life would be like if Jesus were present, for, as John's Gospel makes it clear he is present, very present in our lives if we will acknowledge him. Jesus does not have to "come back" in the flesh, for the Counselor within can do all and more for those who will acknowledge him.

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7:30 p.m. - Farm Income Tax hints and Penn State Farm Records program, Owen J. Roberts High School vo-ag room.

Friday, February 8

7:00 p.m. - Glenn Rock 4-H club meeting, Community Building, Glenn Rock.

7:00 p.m. - Pennsylvania Egg Marketing Association meeting, Colonial Motor Lodge, Denver, Penna.

Saturday, February 9

Feb. 9-16 - 19th Annual Eastern Sports, Boat, Camping and Outdoor Show, Farm Show Building, Harrisburg.