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Dynamics of Land Use—Needed Adjustment

By Iowa State University Center. Iowa State University Press, Ames, Iowa. 371 pages. 1961. \$4.95.

THE PROBLEMS of land use adjustment are central to most farm program proposals. This collection of papers from the Adjustment Center Land Use Conference of 1960 covers the following areas: Need for adjustment; regional aspects of production adjustment; the impact of farm adjustment on the community at large; and farm programs.

In the introductory chapter, Earl Heady observes that in dealing with adjustment problems we cannot separate land, capital, and labor. And we lack adequate tools to deal with the land variable. We do not have the data that we need in order to fit land into an aggregate production function.

The demands for new uses of land are developed in chapters by Marion Clawson and Burnell Held. Clawson stresses the importance of intermediate recreational facilities. Cities, themselves, are not users of vast quantities of land but there is need for large acreages within commuting distance of urban populations. Clawson places this need at 25 million acres.

Several chapters are devoted to examination of the production potential for crops. Shrader and Riecken hold that shifts in rotations will have greater influence on output than will yields per acre. With existing technology, corn production in the Corn Belt could have been increased from 2.1 billion bushels in 1955 to 4.6 billion bushels in 1960.

Louis Nelson surveys the physical potential of crop production. The unutilized potential for fertilizer application is noteworthy. We use a fourth of the fertilizer rate applied in France or the United Kingdom and from a tenth to a fifteenth of the rate used in northern Europe. Nelson also points out that we could double the efficiency of use of irrigation water.

Frederick Hopkins analyzes the production potential for forest products. He observes that the opportunity cost of capital is crucial to timber production, and timber production is stimulated by transferring resources to firms with low alternative rates of returns. Therefore, the best opportunities to produce timber are possessed by the large integrated timber companies and the

Government. This view is at variance with proposals to encourage production on small holdings. Forestry also can be encouraged by actions to increase the marginal efficiency of capital in forestry through public assistance in management, disease control, reduction of risk, and more favorable taxation. Hopkins notes that "by subsidizing forest production to a relatively small extent, society has the opportunity to desubsidize agriculture substantially."

Carroll Bottum notes that all of the seriously considered adjustment programs would take land out of production. This result would transpire even with free market prices. Negotiable quotas and low prices would require the least retirement, perhaps 40 million acres. Retirement of marginal land would require the most diversion—perhaps 80 million acres. Income support programs will continue to be needed to supplement land retirement.

John Schnittker contrasts the effects of land development and land adjustment programs. He considers research and extension to have the greatest effects on increasing output. Development programs are a contradiction in a period of surplus but they can be rationalized and it is only realistic to assume that they will be continued.

Numerous specific land adjustment programs are analyzed. Philip Raup and Elmer Learn contrast alternative means of controlling supplies and the consequences for land withdrawal. They regard transferable allotments as involving a new legal concept that shifts the right to produce from real property to personal property. Chryst and Timmons emphasize the importance of land institutions to agricultural problems and their solution. They outline a program that would "divert the program-created income stream now flowing through land titles toward a longrun adjustment in the earning opportunities of farm people." Their scheme would involve production rights that would be temporary and would be acquired by individuals on the basis of bids. Howard Ottoson explores the impact of land retirement on communities and suggests means of lessening the effects.

Dynamics of Land Use will be a useful reference for formulators of policy, for farm leaders, and program administrators. It deals competently and in depth with the whole scope of the land adjustment problem.

Orlin J. Scoville