

It also takes the actions of a good many other people, with respect to plant locations and uses of lands along highways, to create a new level of values in a farm community.

Local people use essentially the comparative method of evaluation. They observe what the other properties have sold for. They compare theirs with them, and they arrive at some judgment as to what they will ask or pay for property. We are trying to determine the actual valuation procedures followed by sellers and buyers in the Great Plains study, through analysis of about 1,000 transfers that occurred in 1956.

There is another potential for research in this general area in the census of government projects that is now getting under way. In this census a sample of possibly 200,000 transfers of all kinds of property will be obtained. They are concerned primarily with investigating price and type of transfer and whether or not it is a bona fide transfer. It is hoped that the farm sales that fall in that sample can be separated and followed up with another questionnaire in which could be included such factors as location with respect to type of highway.

Montana Farm Property Study

Maurice Taylor, Associate Professor, Agricultural Experiment Station, Montana State College, Bozeman, Mont.

A brief study of rural land values was made in Montana in connection with the improvement of a particular secondary road. The method was rather crude, and the degree of validity of the conclusions is unknown. In most of the rural areas of the state which had significant highway improvements, a scarcity of sales data was found. In the particular area not a single farm had been sold since the development of the highway about three years prior to the study. Therefore, use of another method was required—a method that might be called an opinion survey.

We contacted every farmer in this particular area in which a road had been improved from rather primitive standards to a surfaced road. The estimates these people gave indicated a land value increase in the development of the highway of about 12 or 13 percent. This amounted to something like \$12,000 or \$13,000 per farm.

These people also were asked to give estimates of cost savings in transportation and operation of their motor vehicles.

Approached in this way an capitalized, cost savings amounted to something like \$3,000 per farm. Therefore, from the standpoint of cost savings alone, one cannot justify the highest increase of \$12,000 per farm as reported.

Discussion on Land Values

In reporting on the studies made in Washington State, Mr. Garrison had said that perhaps we had erred in confining ourselves merely to studies of "the indicators of the effects," such as land values, whereas changes in land values result from changes in the behavior of people affected by highway improvement. Chairman Levin asked Mr. Garrison how this basic problem—the effect of highway improvement on people's behavior—could be studied. Mr. Garrison recommended studying how property values were