STATEMENT OF JOHN A. CARVER, JR., UNDER SECRETARY OF THE DEPARTMENT OF THE INTERIOR, BEFORE THE PUBLIC LANDS SUBCOMMITTEE, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, UNITED STATES HOUSE OF REPRESENTATIVES, ON H. R. 10193 (S. 2321) TO AMEND THE ACT OF AUGUST 31, 1964 (78 STAT. 751), RELATING TO THE SATISFACTIONS OF SCRIP AND SIMILAR RIGHTS, Feb. 10, 1966

Mr. Chairman, on June 11, 1965, the Department transmitted to the Congress the proposed bill which is now before you. In our letter of transmittal we explained the need for additional legislation for the handling of scrip. We recommended amendments which were designed to aid the Department in administration of the Scrip Act of 1964.

One amendment would place a maximum limitation on the per acre value of land which could be exchanged for scrip. We were aware that in enacting the 1964 Act, which placed a minimum value limitation on the Department but no maximum, the Congress had before it data supplied by the Department indicating that the value of lands exchanged for scrip since August 5, 1955, to the date of our testimony was about $750 per acre. That figure was based on the best information available at the time. After the Act was passed additional information was received which indicated that the average value was higher. We therefore deemed it appropriate to bring this information to the attention of the Congress, together with proposed legislation to hold the value of land exchanged for scrip at or near the level Congress had before it in 1964.

A second amendment in the bill relates to the period of time to be used in determining the average value of lands patented for scrip. Section 3 (a) of the 1964 Act established the minimum value as "not less than the average fair market value, determined by the Secretary as

of the date patent issued, of those public lands actually conveyed in exchange for each type of claim since August 5, 1955." This provision, we think, was intended to embrace the value of lands patented for scrip only to the date of the bill's enactment, but we are aware that it is possible to argue for another interpretation which would require that as each new patent issued, its value would have to be counted in the averaging process, causing the average to roll upward. The possibility of such an interpretation resulted in the amendment to make quite explicit the fact that no lands patented for scrip after August 31, 1964, are to be included in the averaging process.

Another amendment in the bill was also the result of the imposition of the minimum value guaranty in the 1964 Act. As enacted that provision appeared to prevent the Department from exchanging low value land for scrip even where the scrip holder desired such land. Our amendment would allow low value exchanges. This appears in retrospect to be an excess of caution.

On September 9, 1965, the Secretary advised this Committee how the Department proposed to administer the 1964 Act if it were not amended (letter attached). This was the same course of action I outlined in testimony before the Senate Subcommittee on Public Lands on August 11, 1964.

Instructions have been prepared for implementation of the scrip redemption program to conform with the Secretary's letter and

my testimony. The Solicitor has given the Act an intensive legal review to determine not only its general applicability, but its effects, if any, on scrip applications currently pending before the Department, and has advised that we are justified in applying the law as proposed.

In short, although we have proposed a bill which will aid us in administering the 1964 Act, we also are here to reaffirm previous assurances as to how we propose to administer the 1964 Act if it is not amended.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

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September 9, 1965

Dear Mr. Chairman:

During the recent hearings on H.R. 10193, the question arose as to what action this Department would take to satisfy scrip claims if the Act of August 31, 1964 (78 Stat. 751) was not amended.

In the event that Congress does not act on the proposed amendment currently under consideration, we will proceed to carry out the directives of the 1964 Act and we will take prompt action on all pending scrip applications. We intend to offer scrip holders lands ranging in value from the average fair market value as prescribed in Section 3(a) of the 1964 Act to approximately ten percent above that average value. In this connection, we interpret Section 3(a) to mean that the average fair market value will be based on conveyances from August 5, 1955 to August 31, 1964. This course of action is the same as that indicated by then Assistant Secretary Carver in his August 10, 1964 letter to you regarding H.R. 4149, 88th Congress.

Another question which arose at the hearings dealt with the Department's interpretation of that portion of Section 3(a) of the 1964 Act which directs the Secretary to classify public lands "in sufficient quantity so as to provide each holder of such claim with a reasonable choice of public lands against which to satisfy his claim". We believe that classification of approximately three times the acreage of recorded claims or 30,000 acres would satisfy the directive to provide a reasonable choice. Some lands would be classified in each of the public land States with the majority of the land classified in those States in which scrip holders had indicated an interest.

We hope that these comments will assist the Committee in its consideration of H.R. 10193.

Sincerely yours,

(sgd) Stewart L. Udall

Secretary of the Interior

Hon. Wayne N. Aspinall
Chairman
Committee on Interior and Insular
Affairs
House of Representatives
Washington, D. C.

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